

EXHIBIT 2

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

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UNITED STATES OF AMERICA,
Plaintiff,

v.

Case No.
1:17-cv-02511

AT&T INC., DIRECTV GROUP
HOLDINGS, LLC, and
TIME WARNER INC.,

Defendants.

-----X

CONFIDENTIAL - PURSUANT TO PROTECTIVE ORDER

VIDEOTAPED DEPOSITION OF JOHN STANKEY

AT&T ARBITRATION REMEDY 30(b)(6)

Dallas, Texas

FEBRUARY 16, 2018

7:29 a.m.

Reported by:
April R. Brunson, CSR
Job No. 53298-A

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Friday, February 16, 2018

7:29 a.m.

Videotaped Deposition of JOHN
STANKEY, AT&T ARBITRATION REMEDY
30(b)(6), taken at the law offices of
Gibson Dunn & Crutcher, LLP,
2100 McKinney Avenue, Suite 1100,
Dallas, Texas, pursuant to Notice,
before April R. Brunson, Certified
Shorthand Reporter in and for the State
of Texas, commencing at 7:29 a.m.,
there being present:

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APPEARANCES:

On behalf of the United States:

U.S. DEPARTMENT OF JUSTICE

ANTITRUST DIVISION

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On behalf of AT&T and DirectTV:

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ALSO PRESENT:

James Meza, III, AT&T SVP &

Assistant General Counsel

THE VIDEOGRAPHER:

Kathy Bentley

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P R O C E E D I N G S

(Exhibits 1 to 4 marked.)

THE VIDEOGRAPHER: This begins the video deposition of John Stankey as 30(b)(6) on the remedy in the matter of the United States versus AT&T, Case Number 1:17-cv-02511 on February 16th, 2018. The time is approximately 7:29 a.m.

My name is Kathy Bentley from the firm of date -- excuse me -- David Feldman Worldwide, and I am the legal video specialist. The court reporter is April Brunson, also in association with David Feldman Worldwide.

Will counsel please state their appearances for the video record and then the witness will be sworn in.

MR. MUSALLAM: Samer Musallam for the United States.

MR. OPPENHEIMER: M. Randall

1 Oppenheimer, O'Melveny & Myers, for
2 AT&T, DirecTV Group Holdings and
3 Time Warner.

4 MR. MEZA: Jim Meza on behalf
5 of AT&T.

6 MS. JEFFREYS: Maureen
7 Jeffreys, Arnold & Porter Kaye
8 Scholer on behalf of AT&T and
9 DirecTV.

10 JOHN STANKEY,
11 having been first duly sworn, testified
12 as follows:

13 EXAMINATION

14 BY MR. MUSALLAM:

15 Q. Good morning, Mr. Stankey.

16 A. Good morning.

17 Q. Mr. Stankey, you are the
18 senior executive vice president of
19 integration planning at AT&T, correct?

20 A. Correct.

21 Q. And prior to that, you were
22 the CEO of AT&T's Entertainment Group?

23 A. That's correct.

24 Q. And if the merger closes,

1 alleged by the government in this case
2 without disclosing attorney-client
3 communications?

4 A. I can't answer that question
5 on privilege.

6 Q. Does AT&T intend on revising
7 the arbitration offer prior to or during
8 trial?

9 A. Don't know of any plans at
10 this point.

11 Q. You don't know one way or the
12 other?

13 A. I do not.

14 Q. Okay. Back to Exhibit 2,
15 Mr. Stankey, the second -- second
16 sentence of paragraph 8 says:
17 Specifically, contingent only upon the
18 closing of this merger, Turner has
19 formally and irrevocably offered its
20 distributors licensing terms.

21 Do you see that?

22 A. I do.

23 Q. All right. What does it mean
24 that Turner irrevocably offered its

1 distributors these terms?

2 A. That they will not withdraw
3 the offer from the market during the term
4 of the agreement.

5 Q. Okay. What -- what makes it
6 irrevocable?

7 A. That they've made a commitment
8 not to withdraw it from the market.

9 Q. Is that the only thing,
10 Mr. Stankey, that makes it irrevocable?

11 MR. OPPENHEIMER: Object to
12 the extent you're asking for a
13 legal conclusion.

14 Q. (BY MR. MUSALLAM) Based on
15 your understanding, Mr. Stankey, is the
16 fact that they've made a commitment not
17 to withdraw it from the market the only
18 thing that makes it irrevocable?

19 A. And the legal basis under
20 which that could be contested.

21 Q. And what is that legal basis?

22 MR. OPPENHEIMER: Again,
23 objection to the extent it calls
24 for a legal conclusion.

1 A. I'm not in a position to
2 consult on the legal foundation for that.

3 Q. (BY MR. MUSALLAM) Well, you
4 said that -- you answered that it was
5 based on the legal basis, so I'm asking
6 you what is that legal basis.

7 MR. OPPENHEIMER: Same. Same
8 objection.

9 A. I don't know that I can give
10 you any different answer. I think one of
11 the other things that -- aside from the
12 legal issues associated with it, these
13 are large and reputable companies that
14 have brand value that is significant.

15 The last thing that any
16 executive or individual of a large
17 company would do is make a very public
18 and obvious offer like this and then walk
19 out into the market and pull it back and
20 endure the damage and the business
21 credibility issues that create aside from
22 the foundation of how it could be
23 challenged legally.

24 Q. (BY MR. MUSALLAM) So just to

1 be clear, you don't -- you don't have an
2 understanding of what the legal basis is
3 for why it's irrevocable, correct?

4 MR. OPPENHEIMER: Same
5 objection to the extent it calls
6 for a legal conclusion, it's an
7 inappropriate question for the
8 witness.

9 A. I'll leave it for the
10 attorneys to discuss that.

11 Q. (BY MR. MUSALLAM) Well, no,
12 but I'm asking you. Do you -- do you --
13 I said you don't -- you don't have an
14 understanding of what the legal basis is
15 as to why it's irrevocable, correct?

16 A. I do not.

17 Q. Okay. And so other than the
18 PR damage that may result of AT&T-Time
19 Warner withdrawing this offer, what
20 else -- what else is there to keep AT&T
21 from revoking these offers post merger?

22 MR. OPPENHEIMER: The
23 question -- the question misstates
24 his prior testimony and is

1 argumentative.

2 Q. (BY MR. MUSALLAM) Do you
3 understand the question?

4 A. It's not PR value, and that's
5 not how I described it. It's a
6 credibility issue for businesses that
7 engage in extensive amount of commercial
8 negotiations, the damage that's done
9 through those relationships and those
10 ongoing negotiations has significant
11 financial harm. It goes well beyond
12 public relations value. It would
13 question our integrity in any business
14 negotiation we got into if we made a
15 public offer like this and then withdraw
16 it.

17 Q. Okay. So if the court allows
18 this merger to proceed, other than damage
19 to your credibility and perhaps any
20 collateral financial damage, what keeps
21 AT&T from revoking these offers that have
22 not been accepted?

23 MR. OPPENHEIMER: Misstates
24 his prior testimony, argumentative,

1 and calls for a legal conclusion.

2 A. We have no intent to pull it
3 back from the market.

4 Q. (BY MR. MUSALLAM) Other than
5 you not having the intent, what is there,
6 besides the credibility damage and
7 collateral damage to your finances, would
8 keep AT&T from revoking this offer?

9 A. I --

10 MR. OPPENHEIMER: Asked and
11 answered, same objections.

12 A. I honestly don't know how to
13 answer your question. We will not pull
14 it back from the market.

15 Q. (BY MR. MUSALLAM) So other
16 than your commitment not to pull it back
17 from the market, what is to keep AT&T
18 from withdrawing it?

19 A. If somebody chooses to
20 ultimately violate the law or do
21 something, I suppose the answer is
22 nothing.

23 Q. Okay. Okay. And that -- that
24 sentence continues and notes that this