



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

DENNIS PALKON and HERBERT
WILLIAMSON,

Plaintiffs,

v.

GREGORY B. MAFFEI, ALBERT E.
ROSENTHALER, MATT GOLDBERG,
JAY C. HOAG, BETSY MORGAN,
GREG O'HARA, JEREMY PHILIPS,
TRYNKA SHINEMAN BLAKE, JANE
JIE SUN, ROBERT S. WISENETHAL,
LARRY E. ROMRELL, J. DAVID
WARGO, MICHAEL J. MALONE,
CHRIS MUELLER, and CHRISTY
HAUBEGGER,

Defendants,

and

TRIPADVISOR, INC. and LIBERTY
TRIPADVISOR HOLDINGS, INC.,

Nominal Defendants.

C.A. No. 2023-0449-JTL

**PUBLIC [REDACTED]
VERSION AS FILED
ON JUNE 27, 2023**

VERIFIED AMENDED COMPLAINT

Plaintiffs Dennis Palkon (“Palkon”) and Herbert Williamson (“Williamson” and, together with Palkon, “Plaintiffs”), (i) on behalf of Palkon and similarly situated holders of common stock of TripAdvisor, Inc. (“TRIP” or “TripAdvisor”), and Williamson and similarly situated holders of common stock of Liberty TripAdvisor

Holdings, Inc. (“Liberty TripAdvisor” and, together with TripAdvisor, the “Companies”), or (ii) in the alternative, derivatively on behalf of TripAdvisor and Liberty TripAdvisor, bring this Verified Amended Complaint (the “Complaint”) against the Defendants named herein. The allegations herein are based on Plaintiffs’ knowledge as to themselves and, as to all other matters, on information and belief, including counsel’s investigation and review of publicly available information and the limited discovery produced in this action (the “Action”) as of the date of the filing of this Complaint.

I. NATURE OF THE ACTION

1. For public stockholders of controlled companies, the entire fairness standard of review is a critical protection. After all, an abusive controller is not afraid of losing votes. And if minority investors sell their shares, abusive controllers have little reason to care because they can still extract private benefits of control.

2. With the rights to vote and sell providing little check on an abusive controller, minority stockholders rely largely on the right to sue and, in turn, the right to obtain meaningful judicial oversight ensuring the fairness of conflicted transactions. Controllers of a Delaware corporation accept careful judicial review as the consequence of engaging in conflicted transactions that are not *MF**W*-compliant.

3. This Action presents a controller who seeks to avoid that natural consequence in conflicted controller transactions by using his corporate power to

serve the most selfish of purposes—avoiding future accountability for breaching his fiduciary duties.

4. Gregory Maffei (“Maffei”) effectively controls Liberty TripAdvisor through personally held supervoting shares, and Liberty TripAdvisor, in turn, controls TripAdvisor through its holdings of supervoting shares. Maffei has a unique history of using multi-class capital structures to achieve voting control despite far smaller economic interests. Maffei also has a history of employing sophisticated financial engineering to serve his personal interests at the expense of minority investors. He has a well-deserved track record of being sued for breaching his fiduciary duties. This Court has repeatedly denied motions to dismiss those claims.

5. Maffei was not the victim of frivolous lawsuits. This Court does not sustain frivolous claims, and controlling stockholders do not personally give up valuable economic and voting power, while paying or causing their D&O insurers to pay out well *over \$300 million*, to resolve unmeritorious strike suits.

6. Being held accountable for fiduciary misconduct makes most controllers less cavalier about non-compliance with their fiduciary duties. In this unusual instance, unfortunately, Maffei has instead chosen to attempt to insulate himself from meaningful judicial review of his conduct so that he may further abuse his power with impunity.

7. Maffei has used his effective control of Liberty TripAdvisor and TripAdvisor to cause each of his controlled boards to propose re-domesticating both Companies to Nevada (the “Conversions”). Both Companies’ boards approved the Conversions without using a special committee or similar independent evaluation process.

8. Section 266 of the Delaware General Corporation Law (“DGCL”) requires a stockholder vote to change a company’s state of incorporation. But due to Maffei’s control, the stockholder votes were a *fait accompli*. Neither Company conditioned the Conversions on a majority-of-the-minority vote, and they were approved at the Companies’ respective annual meetings on June 6, 2023, despite apparently failing to secure the support of public stockholders of either Company. Media coverage of this action focused largely on TripAdvisor—by far the larger company—and it appears that **only 5.4%** of TripAdvisor’s minority stockholders voted in favor of the TripAdvisor Conversion. The Liberty TripAdvisor vote was closer but not close. Only 30% of Liberty TripAdvisor’s minority stockholders voted in favor of the Liberty TripAdvisor Conversion.

9. There is a Status Quo Order in place which will prevent the Conversions from taking place before a final, non-appealable judgment in this Action. Plaintiffs seek a final order enjoining the Conversions.

10. Defendants’ public filings assert that the purpose of the Conversions is “greater protection from unmeritorious litigation” by stockholders. In truth, the Conversions will insulate them from almost any stockholder litigation, including claims that would be highly meritorious under Delaware law.

11. Nevada legislators have been engaged in a decades-long project of deliberately crafting Nevada’s corporate law to provide a “no-liability corporate safe haven. ... Nevada has reformed its laws to free officers and directors from virtually any liability arising from the operation and supervision of their companies. This strategy has allowed Nevada to attract ... firms with a preference for strong management protection that is not satisfied by Delaware law.”¹ Most recently, the Nevada legislature amended Nevada’s corporate code² to “foreclos[e] the inherent fairness standard that previously allowed a shareholder to automatically rebut the business judgment rule” in conflicted transactions.³ This has made Nevada a hotbed for corporate wrongdoers. As prominent corporate law professor Ann Lipton recently observed, “I tell my students, Nevada is where you incorporate if you want

¹ Michal Barzuza, *Market Segmentation: The Rise of Nevada As A Liability-Free Jurisdiction*, 98 VA. L. REV. 935, 938 (2012).

² Nev. Rev. Stat. § 78.138.

³ *Guzman v. Johnson*, 483 P.3d 531, 534 (Nev. 2021).

to do frauds.’”⁴

12. The Nevada legislature has every right to distinguish Nevada’s corporate law from that of Delaware—and the dozens of legal systems around the world that structure their corporate law on Delaware’s model—by appealing to fiduciaries who prefer a no-liability regime. But no rational minority stockholder would voluntarily agree to give up for no consideration the benefits of Delaware’s duty of loyalty, particularly in a controlled company where they face an omnipresent risk of self-dealing by a controller with a history of abusive transactions. Yet that is effectively what Maffei and the other Defendants seek to impose on Plaintiffs and other minority stockholders.

13. It is inequitable for a controller to eliminate unilaterally public stockholders’ ability to sue the controller and their directors. “[A] share of stock carries three basic rights: the right to vote, the right to sell, and the right to sue.”⁵ The right to sue is, in many ways, the “most important baseline power, essential for the others to exist[.]”⁶ The Conversions essentially deprive Plaintiffs and other

⁴ Ann Lipton, Tweet (Apr. 10, 2023), <https://twitter.com/AnnMLipton/status/1645544410665435137>.

⁵ *Elec. Workers Pension Fund, Local 103, I.B.E.W. v. Fox Corp./In re Snap Inc. Section 242 Litig.*, 2022-1007-JTL, 2022-1032-JTL, at 8 (Del. Ch. Mar. 29, 2023) (TRANSCRIPT).

⁶ *Id.* at 65-66.

public stockholders of that right without any fair process and without any consideration.

14. [REDACTED]

15. Notably, the TripAdvisor and Liberty TripAdvisor proxies use nearly identical language to describe the effect of the Conversion proposals on future transactions, but with one critical difference that suggests that Maffei already has in mind a specific transaction for which he seeks to avoid judicial scrutiny—the TripAdvisor proxy says that the Conversion “is expected to provide corporate flexibility *in connection with certain corporate transactions.*”⁷

TripAdvisor Proxy	Liberty TripAdvisor Proxy
<i>Further, the Redomestication is expected to provide corporate flexibility in connection with certain corporate transactions.</i> However, note that the Redomestication is not being effected to prevent a change in control, nor is it in response to any present attempt known to our Board to acquire	The conversion is not being effected to prevent a change in control, nor is it in response to any present attempt known to our Board of Directors to acquire control of the company or obtain representation on our Board of Directors. In connection with the conversion, the company will opt out

⁷ TripAdvisor Proxy at 30.

<p>control of the Company or obtain representation on our Board. In connection with the Redomestication, the Nevada Corporation will opt out of certain Nevada statutes that may discourage unsolicited takeovers. Nevertheless, certain effects of the proposed Redomestication may be considered to have anti-takeover implications by virtue of being subject to Nevada law.</p>	<p>of two Nevada statutes that have the direct effect of discouraging unsolicited takeovers. Nevertheless, certain effects of the proposed conversion may be considered to have anti-takeover implications by virtue of making the company subject to Nevada law.</p>
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16. The Proxies do not describe *which* “certain corporate transactions” stockholders should “expect” to be affected by the TripAdvisor Conversion. But it seems clear that one or more transactions benefitting the controller at the expense of the minority stockholders are contemplated, and that Maffei would prefer to be governed by Nevada law when that happens.

17. Until the Conversions actually happen, Defendants’ actions remain subject to Delaware law. Defendants admit that the Conversions will benefit them and strip rights away from stockholders. Defendants’ decision to “race to the bottom” to avoid accountability to minority investors is disloyal. The Court should enjoin the Conversions.

II. PARTIES

A. PLAINTIFFS

18. **Plaintiff Dennis Palkon** (as previously defined, “Palkon”) is, and has been at all relevant times, a stockholder of TripAdvisor.

19. **Plaintiff Herbert Williamson** (as previously defined, “Williamson”) is, and has been at all relevant times, a stockholder of Liberty TripAdvisor.

B. NOMINAL DEFENDANTS

20. **Nominal Defendant TripAdvisor, Inc.** (previously defined as “TRIP” or “TripAdvisor”) is a Delaware corporation headquartered in Needham, Massachusetts. TRIP is the world’s largest travel guidance platform. Travelers across the globe use the TripAdvisor site and app to discover where to stay, what to do, and where to eat based on guidance from those who have been there before. TripAdvisor helps hundreds of millions of people each month plan, book, and take trips. As detailed below, TripAdvisor is controlled by Liberty TripAdvisor, which, in turn, is controlled by Defendant Maffei.

21. **Nominal Defendant Liberty TripAdvisor Holdings, Inc.** (previously defined as “Liberty TripAdvisor”) is a Delaware corporation headquartered in Englewood, Colorado. Liberty TripAdvisor’s sole operations are its controlling interest in TripAdvisor. Liberty TripAdvisor is controlled by Maffei.

C. DEFENDANTS

22. **Defendant Gregory B. Maffei** (previously defined as “Maffei”) is the Chairman, President, and CEO of Liberty TripAdvisor. Maffei serves on the executive committee of the Liberty TripAdvisor Board (the “Executive Committee”), which “may exercise all the powers and authority of the [the company’s] Board of Directors in the management of [the company’s] business and affairs (except as specifically prohibited by the General Corporation Law of the State of Delaware).” Maffei is also the Chairman of the Board of Directors of TripAdvisor. Additionally, Maffei serves as the President and CEO of Liberty Media Corporation (“Liberty Media”) and Liberty Broadband Corporation (“Liberty Broadband”).

23. **Defendant Albert E. Rosenthaler** (“Rosenthaler”) serves as the Chief Corporate Development Officer of Liberty TripAdvisor and has served on the Liberty TripAdvisor Board of Directors since 2014. Rosenthaler serves on the Liberty TripAdvisor Executive Committee. He also serves as a director of TRIP. Additionally, Rosenthaler serves as the Chief Corporate Development Officer of Qurate Retail Group (“Qurate Retail”), Liberty Media, and Liberty Broadband.

24. **Defendant Matt Goldberg** (“Goldberg”) has served as President and CEO of TripAdvisor since July 2022 and serves as a director on the TripAdvisor Board.

25. **Defendant Jay C. Hoag** (“Hoag”) has served as a TripAdvisor director since 2018.

26. **Defendant Betsy Morgan** (“Morgan”) has served as a TripAdvisor director since 2019.

27. **Defendant Greg O’Hara** (“O’Hara”) has served as a TripAdvisor director since 2020.

28. **Defendant Jeremy Philips** (“Philips”) has served as a TripAdvisor director since 2011.

29. **Defendant Trynka Shineman Blake** (“Blake”) has served as a TripAdvisor director since 2019.

30. **Defendant Jane Jie Sun** (“Sun”) has served as the CEO of Trip.com since November 2016 and has served as a TripAdvisor director since 2020.

31. **Defendant Robert S. Wiesenthal** (“Wiesenthal”) has served as a TripAdvisor director since 2011.

32. **Defendant Larry E. Romrell** (“Romrell”) has served as a Liberty TripAdvisor director since 2014. Romrell currently serves as a director of Liberty Media, Qurate Retail, and Liberty Global plc and formerly served as a director of Liberty Global, Inc. and Liberty Media International, Inc. Romrell held numerous executive positions with Tele-Communications, Inc. (“TCI”) when John Malone, the controller of the Liberty complex of companies, was TCI’s president and CEO.

33. **Defendant J. David Wargo** (“Wargo”) has served as a director of Liberty TripAdvisor since 2014. Wargo also currently serves as a director of Liberty Broadband and Liberty Global plc and formerly served as a director of Liberty Global, Inc., Liberty Media International, Inc., Discovery, Inc., and Discovery Holding Company.

34. **Defendant Michael J. Malone** (“M. Malone”) has served as a Liberty TripAdvisor director since 2014.

35. **Defendant Chris Mueller** (“Mueller”) has served as a Liberty TripAdvisor director since 2014. Mueller serves on the Liberty TripAdvisor Executive Committee.

36. **Defendant Christy Haubegger** (“Haubegger”) has served as a Liberty TripAdvisor director since 2021.

37. Defendants Maffei, Goldberg, Hoag, Morgan, O’Hara, Philips, Rosenthaler, Shineman, Sun, and Wiesenthal comprise the TripAdvisor Board and are collectively referred to herein as the “TripAdvisor Director Defendants.”

38. Defendants Maffei, Rosenthaler, Romrell, Wargo, M. Malone, Mueller, and Haubegger comprise the Liberty TripAdvisor Board and are collectively referred to herein as the “Liberty TripAdvisor Director Defendants.”

39. Collectively, the TripAdvisor Director Defendants and Liberty TripAdvisor Director Defendants are referred to as the “Director Defendants.”

III. SUBSTANTIVE ALLEGATIONS

A. MAFFEI CONTROLS TRIPADVISOR AND LIBERTY TRIPADVISOR

40. TripAdvisor and Liberty TripAdvisor are both publicly traded Delaware corporations with the same human controller, Maffei. Liberty TripAdvisor owns a majority of TRIP's outstanding voting power through its ownership of all of TRIP's super-voting Class B common stock. In turn, Maffei is Liberty TripAdvisor's Chairman and CEO. He controls 43% of Liberty TripAdvisor's outstanding voting power through (a) his ownership of almost all of Liberty TripAdvisor's super-voting Series B stock and (b) the fact that a majority of the Liberty TripAdvisor Board lacks independence from Maffei.

i. TripAdvisor

41. TripAdvisor has a dual-class capital structure. TripAdvisor common stock is entitled to one vote per share and TripAdvisor Class B common stock is entitled to ten votes per share. The shares have equivalent economic rights. As of February 10, 2023, TripAdvisor had 128,164,615 Class A shares and 12,799,999 Class B shares outstanding.

42. Liberty TripAdvisor owns all of TripAdvisor's outstanding super-voting Class B common stock and approximately 20.6% of TripAdvisor's outstanding Class A common stock. In total, Liberty TripAdvisor holds 56.2% of TripAdvisor's total outstanding voting power. In addition to his interests in

TripAdvisor through his controlling position in Liberty TripAdvisor, Maffei also personally owns 107,186 TripAdvisor Class A shares.

43. TripAdvisor public filings concede that the company is controlled by Liberty TripAdvisor. *See* TripAdvisor’s proxy statement filed with the SEC on April 10, 2023, at 15 (“We are a ‘controlled company’ as defined under the Nasdaq Stock Market Listing Rules[.]”); *id.* at 22 (“Given the ownership structure of TripAdvisor and our status as a ‘controlled company’”); *see also* TripAdvisor’s Form 10-K filed with the SEC on February 17, 2023, at 24 (“Liberty TripAdvisor ... currently is a controlling stockholder. Liberty TripAdvisor ... effectively controls the outcome of all matters submitted to a vote or for the consent of our stockholders”); *id.* (“We currently rely on the controlled company exemption for certain of the above requirements”).

ii. Liberty TripAdvisor

44. Liberty TripAdvisor has a dual-class capital structure. Liberty TripAdvisor Series A common stock is entitled to one vote per share and Liberty TripAdvisor Series B common stock is entitled to ten votes per share. The shares have equivalent economic rights. As of January 31, 2023, Liberty TripAdvisor had 72,641,163 Series A shares and 3,370,368 Series B shares outstanding.

45. Maffei does not own any Liberty TripAdvisor Series A common stock, but he owns 97.5% of Liberty TripAdvisor's Series B common stock, which provides him with 43.1% of Liberty TripAdvisor's total voting power.

46. Moreover, Maffei wields control over Liberty TripAdvisor through means other than just his potent voting power. Maffei serves as Liberty TripAdvisor's Chairman and CEO.

47. Maffei has also stocked the seven-member Liberty TripAdvisor Board with loyalists, including Defendants Rosenthaler, Romrell, and Wargo. He and his allies dominate the Board:

- Maffei serves as Liberty TripAdvisor's Chairman.
- Rosenthaler reports to Maffei at other companies in the Liberty family. Rosenthaler is the Chief Corporate Development Officer of Liberty Media, Qurate Retail, and Liberty Broadband. Maffei is the CEO of Liberty Media and Liberty Broadband and the Executive Chairman of Qurate Retail.
- Romrell serves as a director of Liberty Media, Qurate Retail, and Liberty Global plc and formerly served as a director of Liberty Global, Inc., and Liberty Media International, Inc. Romrell held numerous executive positions with TCI when John Malone, a Maffei ally and the controller of the Liberty complex of companies, was TCI's president and CEO.
- Wargo serves as a director of Liberty Broadband and Liberty Global plc and formerly served as a director of Liberty Global, Inc., Liberty Media International, Inc., Discovery, Inc., and Discovery Holding Company.

48. Maffei and Rosenthaler also serve on Liberty TripAdvisor’s three-member Executive Committee, which “may exercise all the powers and authority of the [the company’s] Board of Directors in the management of [the company’s] business and affairs (except as specifically prohibited by the General Corporation Law of the State of Delaware).”

B. THE TRIPADVISOR AND LIBERTY TRIPADVISOR BOARDS AGREE TO THE CONVERSIONS

49. On November 3, 2022, the TripAdvisor Board met for a regularly scheduled meeting. At that meeting, the TripAdvisor Board discussed “reincorporating from Delaware to Nevada.” Management materials circulated to the Board ahead of the meeting stated “

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] The materials stated that [REDACTED]

[REDACTED]

[REDACTED]

50. The TripAdvisor Board met again on February 1, 2023, joined by Michael Aiello, a corporate attorney from Weil, Gotshal & Manges LLP (“Weil”).

According to the minutes, Seth Kalvert, TripAdvisor's Chief Legal Officer,

[REDACTED]

51. The materials for that meeting included a presentation from Weil, which noted, among other things, that:

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

[REDACTED]

52. On March 7, 2023, the Liberty TripAdvisor Board met. Shortly before the meeting, management circulated materials regarding a proposed reincorporation to Nevada. The Liberty TripAdvisor management materials stated, among other things, that:

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

53. The same materials acknowledge the [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] For example, under the heading “Post-Reincorporation Nevada

Litigation,” the materials state: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

⁸ Nothing in the Liberty TripAdvisor management materials explains to the Board that “the Company” is unlikely to be anything other than, at most, a nominal defendant in litigation subject to the internal affairs doctrine and governed by the state of its incorporation.

54. After discussion, Liberty TripAdvisor [REDACTED]

55. The TripAdvisor Board met for a third time on March 23, 2023 to approve the TripAdvisor Conversion. At the meeting, the Board reviewed a management presentation which stated that:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

⁹ Nothing in the TripAdvisor management materials explains to the Board that “the Company” is unlikely to be anything other than a nominal defendant in litigation subject to the internal affairs doctrine and governed by the state of its incorporation.

56. After discussion, the TripAdvisor Board approved the TripAdvisor Conversion in substance.¹⁰

57. On April 5, 2023, acting by unanimous written consent, the Liberty TripAdvisor Board approved the Liberty TripAdvisor Conversion.

58. On April 7, 2023, Liberty TripAdvisor filed its preliminary proxy statement for its annual stockholder meeting on June 6, 2023 (the “Liberty TripAdvisor Proxy”). Proposal 3 on the Liberty TripAdvisor Proxy asked stockholders to approve the redomestication of Liberty TripAdvisor from Delaware to Nevada. Liberty TripAdvisor filed its definitive proxy on April 21, 2023, and the stockholder vote took place on June 6, 2023.

59. Similarly, on April 10, 2023, TripAdvisor filed its preliminary proxy statement for its annual stockholder meeting also on June 6, 2023 (the “TripAdvisor Proxy” and, together with the Liberty TripAdvisor Proxy, the “Proxies”). Proposal 3 on the TripAdvisor Proxy asked stockholders to approve the redomestication of TripAdvisor from Delaware to Nevada. TripAdvisor filed its definitive proxy on April 26, 2023, and the stockholder vote took place on June 6, 2023.

60. Pursuant to the terms of the Conversions, all shares of TripAdvisor Class A and Class B common stock and all shares of Liberty TripAdvisor Class A

¹⁰ In a later meeting on April 19, 2023, the TripAdvisor Board approved the final drafts of the resolutions for the Conversion.

and Class B common stock will be converted, on a one-to-one basis, into the same class of shares in the resulting Nevada corporations. Unless enjoined, the Conversions will take place upon this Action reaching a final, non-appealable judgment.

61. As discussed below, the Conversions would plainly harm the Companies' public stockholders—they will eliminate stockholders' ability to sue Maffei and the other Defendants for future self-dealing, interested, and/or entrenching conduct and will reduce firm value. But given Liberty TripAdvisor's majority voting power in TripAdvisor and Maffei's near-majority voting power in Liberty TripAdvisor, the outcome of the Conversion votes were a *fait accompli*.

62. Maffei controls 43.1% of Liberty TripAdvisor's total voting power. As this Court has previously acknowledged, practically speaking the size of Maffei's block is outcome-determinative in a Liberty TripAdvisor vote.¹¹ Liberty TripAdvisor also holds 56.2% of TRIP's total outstanding voting power. Accordingly, as disclosed in the TripAdvisor proxy, “regardless of the vote of any other [TripAdvisor] stockholder, [Liberty TripAdvisor] has control over the vote relating to ... the approval of the redomestication of [TripAdvisor] to the State of Nevada by conversion.”

¹¹ *Voigt v. Metcalf*, 2020 WL 614999, at *18-19 (Del. Ch. Feb. 10, 2020).

63. Given that the Conversions would insulate each of the Defendants from liability, as discussed in more detail below, all of the Defendants are self-interested in the redomestications. Indeed, the TripAdvisor Proxy admits “[t]he directors and officers of the Company have an interest in the Redomestication to the extent that they will be entitled to such limitation of liability,” *i.e.*, “the elimination of any liability of an officer or director for a breach of the duty of loyalty unless arising from intentional misconduct, fraud or a knowing violation of law.” Likewise, the Liberty TripAdvisor Proxy admits: “Our directors’ and executive officers’ interests may also differ from those of our stockholders in general relating to the greater protections provided to our directors and officers from liability for their service as directors and executive officers pursuant to Nevada law and the Nevada Charter. These interests may present such persons with actual or potential conflicts of interest.”

64. Yet, neither the TripAdvisor Board nor the Liberty TripAdvisor Board tried to (a) inject any semblance of independence or other measures to protect minority stockholders into the processes culminating in the Conversion proposals or (b) negotiate anything of value for the public stockholders as consideration for stripping them of valuable rights. Moreover, neither the TripAdvisor Board nor the Liberty TripAdvisor Board conditioned the Conversions on approval by a majority of minority stockholders.

C. THE CONVERSIONS EFFECTIVELY INSULATE MAFFEI AND THE COMPANIES' OTHER DIRECTORS AND OFFICERS FROM STOCKHOLDER LITIGATION FOR FUTURE SELF-DEALING

65. Because Maffei's voting power diverges sharply from his underlying equity interest, Plaintiffs and the other members of the Classes confront a pervasive risk of tunnelling at the Companies.¹² Delaware law is designed to address that risk and protect stockholders from controller self-dealing without generating frivolous litigation. Delaware's nuanced law incentivizes controllers to impose procedural protections that replicate arm's-length dealing¹³ and imposes entire-fairness review on controllers who ignore the "ground rules of good corporate governance in conflict transactions."¹⁴

¹² See *In re EZCORP Inc. Consulting Agreement Deriv. Litig.*, 2016 WL 301245, at *2 (Del. Ch. Jan. 25, 2016) ("As control rights diverge from equity ownership, the controller has heightened incentives to engage in related-party transactions and cause the corporation to make other forms of non-*pro rata* transfers. Economists call this 'tunneling.'"); *In re Appraisal of Regal Ent. Gp.*, 2021 WL 1916364, at *26 (Del. Ch. May 13, 2021) ("[I]n an efficient market, participants will perceive the possibility that the controller will act in its own interests and discount the minority shares accordingly.").

¹³ *Kahn v. M & F Worldwide Corp.*, 88 A.3d 635, 639 (Del. 2014), *overruled in limited part on unrelated grounds by Flood v. Synutra Int'l, Inc.*, 195 A.3d 754 (Del. 2018).

¹⁴ See *In re Tesla Motors, Inc. S'holder Litig.*, 2022 WL 1237185, at *49 (Del. Ch. Apr. 27, 2022) ("Elon likely could have avoided the need for judicial review of his conduct as a Tesla fiduciary had he simply followed the ground rules of good corporate governance in conflict transactions. He declined to do so.").

66. Nevada has taken a decidedly different path. It has “raced to the bottom” and modified its corporate code to effectively eliminate stockholders’ ability to protect themselves in court through a “no-liability regime.”¹⁵ Nevada legislators have deliberately¹⁶ crafted Nevada’s corporate law to provide a “no-liability corporate safe haven. ... Nevada has reformed its laws to free officers and directors from virtually any liability arising from the operation and supervision of their companies. This strategy has allowed Nevada to attract ... firms with a preference for strong management protection that is not satisfied by Delaware law.”¹⁷ Indeed, as the prominent corporate law professor, Ann Lipton, recently

¹⁵ See Pierluigi Matera, *Delaware’s Dominance, Wyoming’s Dare: New Challenge, Same Outcome?*, 27 FORDHAM J. CORP. & FIN. L. 73, 100 (2022) (“Nevada intended to carve out and become the leader of a specific segment of the corporate charters market: namely, that of firms with a preference for a no-liability regime concerning directors and officers.”).

¹⁶ See Michal Barzuza, *Inefficient Tailoring: The Private Ordering Paradox in Corporate Law*, 8 HARV. BUS. L. REV. 131, 168–69 (2018) (“As the legislative history of Nevada’s new corporate law system shows, Nevada clearly intended to differentiate itself from Delaware by providing its corporations with minimal liability exposure. Accordingly, Nevada has been marketing its services by highlighting the greater protections afforded to managers, directors and officers under Nevada law. For example, the Nevada Secretary of State’s website explains under the heading ‘Why Nevada?’ that Nevada provides stronger personal liability protection to officers and directors.”).

¹⁷ Michal Barzuza, *Market Segmentation*, 98 VA. L. REV. at 938; see also Ofer Eldar, *Can Lax Corporate Law Increase Shareholder Value? Evidence from Nevada*, 61 J.L. & ECON. 555, 556 (2018) (“The migration of firms to Nevada seems to be driven by the laxity of its corporate law with respect to managers,

commented: “I tell my students, Nevada is where you incorporate if you want to do frauds.”¹⁸

67. As the Proxies acknowledge, Nevada law “provides broader protection from personal liability for directors and officers than the DGCL.” This is an understatement. Among other things:

- a. Delaware law prohibits a certificate of incorporation or bylaws from exculpating officers or directors from breaches of the duty of loyalty. Nevada law contains no such prohibition¹⁹ and the Companies’ proposed Nevada charters would exculpate Maffei and the other Defendants to the fullest extent permitted by Nevada law.
- b. A recent amendment to Nevada’s corporate code²⁰ “foreclos[ed] the inherent fairness standard that previously allowed a shareholder to automatically rebut the business judgment rule”

particularly a 2001 legal reform that exempted managers from liability for violation of the duty of loyalty without requiring shareholders’ approval[.]”).

¹⁸ Ann Lipton, Tweet (Apr. 10, 2023), <https://twitter.com/AnnMLipton/status/1645544410665435137>.

¹⁹ Nev. Rev. Stat. § 78.138.

²⁰ Nev. Rev. Stat. § 78.138(3), (7).

in conflicted transactions.²¹ Following that amendment, the “*sole avenue* to hold directors and officers individually liable for damages arising from official conduct” under Nevada law is overcoming the business judgment rule.²²

- c. Inspection rights under Nevada law are substantially more limited than those under Delaware law. In practical terms, Nevada allows a person who has been a stockholder of record of a corporation for at least six months immediately preceding the demand, or any person holding, or thereunto authorized in writing by the holders of, at least 5% of all of its outstanding shares, upon at least five days’ written demand the right to inspect only (i) the articles of incorporation and all amendments thereto, (ii) the bylaws and all amendments thereto, and (iii) a stock ledger or a duplicate stock ledger.²³

²¹ *Guzman*, 483 P.3d at 534.

²² *Id.*

²³ Additionally, a stockholder who owns at least 15% of the corporation’s issued and outstanding shares may inspect the books of account and all financial records of the corporation but only if the corporation neither (i) furnishes to its stockholders a detailed, annual financial statement nor (ii) has filed during the preceding 12 months all reports required to be filed pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934. This exception would not apply to either of the Companies, and no stockholder of either Company would have these inspection rights.

68. One Nevada legislator who was bullied to vote for the Nevada law limiting fiduciaries' liabilities to cases involving intentional misconduct, fraud or knowing violation of the law, Senator Dina Titus, suggested that the legislature had "sold its soul" in doing so:

I have serious reservations about this bill.... [which] includes added immunity, protection for officers and directors of businesses incorporating in Nevada. Protections which give directors of Firestone and Reynolds Tobacco less liability than the officers of a homeowner's association. Such directors will, thus, have greater ability to act without oversight by the courts, essentially allowing them to bilk our residents with impunity.

...

Should we not demand accountability from corporations and businesses that operate in Nevada? Of course. In fact, we should be wary when those individuals seek to have blanket immunity before moving to Nevada. ... What a terrible message we are now sending to the business world. We might as well hang out a shingle, 'Sleaze balls and rip off artists welcome here.'

...

I have been threatened, and I do not use that term lightly, that if [this bill] does not pass in this exact form, the so-called education funding package deal falls apart, and there will be no money to pay for the critical needs of our schools and no money for teacher raises. I cannot let that happen.

...

For that reason, I will vote for this bill, but I do so with a heavy heart. Nevada has sold its soul, tarnished is already shaky reputation, today, in exchange for a \$30 million band-aid.²⁴

69. In that same debate, another Nevada state Senator, Bob Coffin, stated that the law was inviting “scoundrels” to incorporate in Nevada because they could “commit virtually any act and get away with it”:

Why would we, and in the words of the distinguished Minority Leader, ‘sell our soul’ for a pittance. ... What is going to happen, by this little amendment as I see it, is that reputable companies are not going to want to come here to save a few dollars. Do you think for a minute that the investors of America are going to want to hold stock in a company domiciled in Nevada with laws looser than Delaware without the experienced Judiciary and the established nearly 200 year-old case law history of Delaware? No.

I am not sure about the words the distinguished Minority Leader used to describe what Nevada will be called, but I will tell you what I would call it. I would call it the place where Butch Cassidy and the Sundance Kid would go, the Hole in the Wall. Instead of being in Utah, it is going to be in Nevada.

The pension funds that we own, we have invested in and that your constituents have are in the hands of the very corporate officers and directors who could, if they chose domicile in Nevada, commit virtually any act and get away with it and waste your money. Make no mistake these subtle changes are significant. Scoundrels can move here, and there are scoundrels in the mutual fund business and in the pension business and in many corporations. If I was one of them, I might consider moving here now. Remember that it is the directors and officers that pick the consultants who say, if they rely upon their advice, they will not be held liable. It is going to be very difficult to hold them

²⁴ Statement of Nevada Senator Dina Titus, *Hearing on S.B. 577 before the S. Comm. on Judiciary*, 71st Sess., <https://www.leg.state.nv.us/Session/71st2001/Journal/Senate/Final/sj111.html>.

liable if they have relied upon some expert. But who is paying the expert? It is the director and the officer who chooses the expert.

So why would we want such a terrible reputation? The stock and bond ratings services would look at a Nevada domiciled corporation in a whole different way if they knew that the officers and directors were going to be held to a lower standard of behavior in the way they manage the assets of a company.²⁵

70. A third Nevada legislator, Senator Terry Care, bemoaned that “[i]t is unfortunate, because what we are being asked here, today ... is ... protect some corporate crooks. I know what we are going to do here, but I would like to say it comes at a terrible price.”²⁶

71. Unsurprisingly, Nevada’s radical no-liability approach has a negative impact on stockholders. “Although the growth of Nevada’s share of reporting companies appears impressive, most of the ... ‘public’ companies incorporated in Nevada are ‘penny stock companies’ with little significance. Indeed, the annual reports of 69% of Nevada public companies contain text referring to ‘penny stock,’

²⁵ Statement of Nevada Senator Bob Coffin, *Hearing on S.B. 577 before the S. Comm. on Judiciary*, 71st Sess., <https://www.leg.state.nv.us/Session/71st2001/Journal/Senate/Final/sj111.html>.

²⁶ Statement of Nevada Senator Terry Care, *Hearing on S.B. 577 before the S. Comm. on Judiciary*, 71st Sess., <https://www.leg.state.nv.us/Session/71st2001/Journal/Senate/Final/sj111.html>.

‘blank check company,’ or ‘shell company,’ all terms used by the SEC to refer to securities with abuse potential.”²⁷

72. Simply put—and as Senator Coffin predicted—“Nevada corporate law attracts scoundrels[.]”²⁸ “[A]mong firms that issue restatements, Nevada firms are more likely to be associated with serious corporate governance and data manipulation problems. Thus, Nevada may be associated with some of the most serious restatements involving real corporate governance and data manipulation problems.”²⁹ According to another study, “[u]sing accounting restatements as a dependent variable, Nevada firms fare poorly.... Compared with Delaware and other states, the restatement likelihood for Nevada-incorporated firms is nearly double on an unconditional basis and is up to 40% higher after controlling for firm-level characteristics.”³⁰

73. Another study’s “findings demonstrate a cost to shareholders [of Nevada-incorporated firms] in the form of increased agency costs due to the legal

²⁷ Robert Anderson IV, *The Delaware Trap: An Empirical Analysis of Incorporation Decisions*, 91 S. CAL. L. REV. 657, 675 n.76 (2018).

²⁸ Dain C. Donelson & Christopher D. Yust, *Litigation Risk and Agency Costs: Evidence From Nevada Corporate Law*, 57 J.L. & ECON. 747, 754 (2014).

²⁹ Jordan Siegel & Yanbo Wang, *Cross-Border Reverse Mergers: Causes and Consequences* 1, at 26 (Harv. Bus. Sch. Strategy Unit, Working Paper No. 12-089, 2013).

³⁰ Barzuza, *Market Segmentation*, 98 Va. L. Rev. at 989.

change.”³¹ A fourth study found that “the legislative change increase[d] loan spread, covenant restrictiveness, and the use of performance-pricing provisions for Nevada-incorporated firms compared with the matched non-Nevada-incorporated firms.”³²

74. Conversely, there is a Delaware premium: “Delaware firms are worth more than similar firms incorporated elsewhere. ... The effect is economically and statistically significant, and robust to controls for company size, industry, growth opportunities, diversification, financial performance, managerial ownership, and firm-specific effects. This result is consistent with the theory that Delaware law improves firm value.”³³

75. Maffei’s history leaves little doubt about the true motivations behind the Companies’ westward migration. Maffei continues to engage in conflicted

³¹ Donelson & Yust, *Litigation Risk and Agency Costs*, 57 J.L. & ECON. at 750.

³² Zhihong Chen *et. al.*, *Litigation Risk and Debt Contracting: Evidence from a Natural Experiment*, 63 J.L. & ECON. 595, 623 (2020).

³³ Robert Daines, *Does Delaware law improve firm value?*, 62 J. Fin. Econ. 525, 527 (2001); *see also* Ronald J. Gilson *et. al.*, *Regulatory Dualism As A Development Strategy: Corporate Reform in Brazil, the United States, and the European Union*, 63 STAN. L. REV. 475, 512–13 (2011) (“Companies whose managers or controlling shareholders wish to ... protect their personal interests ... have an incentive to incorporate in their headquarters state. Companies whose managers or controlling shareholders, in contrast, are more interested in establishing a high market value for their shares prefer to incorporate in Delaware[.]”); John Armour & David A. Skeel, Jr., *Who Writes the Rules for Hostile Takeovers, and Why?—The Peculiar Divergence of U.S. and U.K. Takeover Regulations*, 95 GEO. L.J. 1727, 1766 (2007) (“There is also strong empirical evidence that reincorporating in Delaware increases a company’s value, rather than undermining it.”).

transactions favoring his own interests at the expense of public stockholders. And this Court continues to hold him accountable:

- In *GCI*, Vice Chancellor Glasscock granted plaintiffs' motion to expedite their claims against Maffei and other defendants³⁴ and the action settled for \$110 million, plus substantial corporate governance relief that reduced the post-closing voting power of Maffei and his mentor, John Malone, from 61% to 47%.
- In *Starz*, Maffei and other defendants answered the complaint without moving to dismiss and the action ultimately settled for \$92.5 million.³⁵
- In *Charter*, Vice Chancellor Glasscock denied Maffei's and most other defendants' motions to dismiss and their motions for summary judgment,³⁶ and the action settled for \$87.5 million (final approval pending).
- In *SiriusXM I*, former-Chancellor Bouchard denied Maffei's and other defendants' motions to dismiss³⁷ and the action settled for a cash recovery of \$8.25 million.
- In *Pandora*, former-Chancellor Bouchard denied Maffei's and other defendants' motions to dismiss³⁸ and the action settled shortly before trial on terms that are not yet public.

³⁴ *Hollywood Firefighters Pension Fund v. Malone*, 2020-0880-SG (Del. Ch. Oct. 27, 2020) (TRANSCRIPT).

³⁵ *In re Starz S'holder Litig.*, 12584-VCG (Del. Ch.)

³⁶ *Sciabacucchi v. Liberty Broadband Corp.*, 2017 WL 2352152, at *1 (Del. Ch. May 31, 2017); *Sciabacucchi v. Liberty Broadband Corp.*, 2018 WL 3599997 (Del. Ch. July 26, 2018); *Sciabacucchi v. Liberty Broadband Corp.*, 2022 WL 1301859, at *1 (Del. Ch. May 2, 2022).

³⁷ *Rux v. Meyer*, 11577-CB (Del. Ch. Nov. 18, 2016) (TRANSCRIPT).

³⁸ *Tornetta v. Maffei*, 2019-0649-AGB (Del. Ch. Feb. 23, 2021) (TRANSCRIPT).

- In *Sirius XM II*, Chancellor McCormick denied Maffei’s and other defendants’ motions to dismiss³⁹ and the action is headed to trial in October 2023.

76. It unlikely that any law firm would have filed these cases if they were governed by Nevada law, let alone been able to obtain significant value for stockholders. In substance, the Conversions will eliminate stockholders’ ability to sue Maffei and the other Defendants for future self-dealing.

D. DEFENDANTS FREELY ADMIT THE PRIMARY PURPOSE OF THE CONVERSIONS ARE TO INSULATE FIDUCIARIES FROM LIABILITY

77. Consistent with the analysis set out in the Board materials, each of the Proxies admits that the primary purpose of the Conversions is to insulate the Director Defendants from future stockholder litigation.

78. For instance, under “Reasons for the Redomestication,” the TripAdvisor Proxy states: “[T]he Redomestication will provide potentially greater protection for unmeritorious litigation for directors and officers of the Company.”

79. The TripAdvisor Proxy goes on to say that “[t]he Redomestication will result in the elimination of any liability of an officer or director for a breach of the duty of loyalty unless arising from intentional misconduct, fraud, or a knowing

³⁹ *Fishel v. Liberty Media Corp.*, 2021-0820-KSJM (Del. Ch. Nov. 1, 2022) (TRANSCRIPT).

violation of law.”⁴⁰ The TripAdvisor Proxy states that “we believe that in general, Nevada law provides greater protection to our directors, officers, and the Company than Delaware law.”

80. Similarly, under “Reasons for the Conversion,” the Liberty TripAdvisor Proxy states: “We believe that ... Nevada law generally provides greater protection against liability for our directors, officers and the company than Delaware law.” The Liberty TripAdvisor Proxy also states that “[t]he conversion will therefore result in the elimination of liability of an officer or director for breaches of fiduciary duties to the company, including its stockholders unless, [sic] involving intentional misconduct, fraud or knowing violation of law.”

81. The only non-self-interested justifications that the Proxies provide for the Conversions is the saving of approximately \$250,000 per company per year on Delaware franchise taxes. Such savings are plainly immaterial for TripAdvisor—which has a market capitalization of over \$2.6 billion—and for Liberty TripAdvisor—which has a market capitalization of over \$132 million. Moreover, the purported “get” of the Conversions (annual savings of \$250,000 per year) pales in comparison to the “give” (a broad liability shield for fiduciaries who have, in the

⁴⁰ TripAdvisor Proxy at 29.

last few years alone, resolved breach-of-fiduciary-duty cases for nearly \$300 million in addition to valuable corporate governance relief).

82. Moreover, consistent with the March 7, 2023 board materials discussed above, the Proxies appear to telegraph an impending transaction that would subject the TripAdvisor Director Defendants to entire fairness judicial review (and potential liability) under Delaware law, but not under Nevada law. Specifically, the TripAdvisor Proxy discloses that “the Redomestication is expected to provide corporate flexibility in connection with certain corporate transactions.” That language is notably omitted from an otherwise substantively identical paragraph in the Liberty TripAdvisor Proxy, suggesting that its inclusion is deliberate and not merely boilerplate. Yet the TripAdvisor Director Defendants do not include any further disclosure about what those “certain corporate transactions”⁴¹ might be:

⁴¹ TripAdvisor Proxy at 30.

TripAdvisor Proxy	Liberty TripAdvisor Proxy
<p><i>Further, the Redomestication is expected to provide corporate flexibility in connection with certain corporate transactions.</i> However, note that the Redomestication is not being effected to prevent a change in control, nor is it in response to any present attempt known to our Board to acquire control of the Company or obtain representation on our Board. In connection with the Redomestication, the Nevada Corporation will opt out of certain Nevada statutes that may discourage unsolicited takeovers. Nevertheless, certain effects of the proposed Redomestication may be considered to have anti-takeover implications by virtue of being subject to Nevada law.</p>	<p>The conversion is not being effected to prevent a change in control, nor is it in response to any present attempt known to our Board of Directors to acquire control of the company or obtain representation on our Board of Directors. In connection with the conversion, the company will opt out of two Nevada statutes that have the direct effect of discouraging unsolicited takeovers. Nevertheless, certain effects of the proposed conversion may be considered to have anti-takeover implications by virtue of making the company subject to Nevada law.</p>

83. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

84. The Liberty TripAdvisor Proxy does not include the language about the Conversion being “expected to provide corporate flexibility in connection with certain corporate transactions” but it does bemoan that “[t]he increasing frequency

of claims and litigation directed towards directors and officers of public companies, including in the context of ‘change of control’ and controlling stockholder transactions, has, in general, greatly expanded the risks facing directors and officers in exercising their duties.’⁴²

85. At bottom, the Conversions are self-interested transactions aimed to benefit the Companies’ directors, officers, and conflicted controlling stockholder to the clear detriment of minority public stockholders. Absent judicial intervention, the Conversions will allow Defendants to act with near-complete impunity.

E. MINORITY STOCKHOLDERS OVERWHELMINGLY REJECTED THE CONVERSIONS

86. TripAdvisor and Liberty TripAdvisor both held stockholder votes on the Conversions on June 6, 2023. Minority stockholders of both Companies rejected the Conversions by overwhelming margins. The table below sets out the votes cast by stockholders of each Company on their respective Conversions and what the implied support for the Conversion was from minority stockholders, assuming that Maffei and Liberty TripAdvisor each cast all of their votes in favor of the Conversions:

⁴² Liberty TripAdvisor Proxy at 40.

<u>TripAdvisor</u>	For	Against	Abstain + Broker Non-Votes	Not Present	Total	Percentage In Favor
Total	150,522,811	73,292,135	12,061,926	21,433,549	257,310,421 ⁴³	58.5%
Liberty TripAdvisor ⁴⁴	- 144,445,884	-	-	-	- 144,445,884	100%
Others	6,076,927	73,292,135	12,061,926	21,433,549	112,864,537	5.4%

<u>Liberty TripAdvisor</u>						
Total	58,479,389	14,003,671	17,222,019	20,491,590	110,196,669 ⁴⁵	53.1%
Maffei ⁴⁶	- 35,932,550	-	-	-	-35,932,550	100%
Others	22,546,839	14,003,671	17,222,019	20,491,590	74,264,119	30.4%

IV. CLASS ACTION ALLEGATIONS

87. Plaintiff Palkon brings this action as a class action, pursuant to Court of Chancery Rule 23, on behalf of himself and all other similarly situated stockholders of TripAdvisor (the “TripAdvisor Class”). Plaintiff Williamson brings this action as a class action, pursuant to Court of Chancery Rule 23, on behalf of himself and all other similarly situated stockholders of Liberty TripAdvisor (the

⁴³ As of the record date, 129,310,431 shares of common stock (one vote per share) and 12,799,999 shares of Class B common stock (ten votes per share) were outstanding and entitled to vote at TripAdvisor’s Annual Meeting for a total of 257,310,421 eligible votes.

⁴⁴ Liberty TripAdvisor owns 16,445,894 shares of common stock (one vote per share) and 12,799,999 shares of Class B Common Stock) (ten votes per share) for a total of 144,445,884 votes.

⁴⁵ As of the record date, 72,821,919 shares of Class A common stock (one vote per share) and 3,737,475 shares of Class B common stock (ten votes per share) were outstanding and entitled to vote at Liberty TripAdvisor’s Annual Meeting for a total of 110,196, 669 eligible votes.

⁴⁶ Maffei owns 3,593,255 shares of Class B stock carrying ten votes per share for a total of 35,932,550 votes.

“Liberty TripAdvisor Class,” and together with the TripAdvisor Class, the “Classes”). Excluded from the Classes are Defendants and any person, firm, trust, corporation, or other entity related to or affiliated with any Defendant, and their successors in interest.

88. This action is properly maintainable as a class action.

89. The TripAdvisor Class and the Liberty TripAdvisor Class are each so numerous that joinder of all members is impracticable. According to TripAdvisor’s Form 10-K filed with the SEC on February 17, 2023, as of February 10, 2023, TripAdvisor had 128,164,615 shares of common stock outstanding and 12,799,999 shares of Class B common stock outstanding. According to Liberty TripAdvisor’s Form 10-K filed with the SEC on February 17, 2023, as of January 31, 2023, Liberty TripAdvisor had 72,641,163 shares of Series A common stock outstanding and 3,370,368 shares of Series B common stock outstanding.

90. There are questions of law and fact common to each Class, including, among others, whether (a) Maffei, as a controlling stockholder, breached his fiduciary duties owed to the Classes, (b) the Director Defendants breached their fiduciary duties owed to the respective Classes, and (c) Plaintiffs and the other members of each Class are entitled to relief.

91. A class action is superior to other available means for the fair and efficient adjudication of this controversy.

92. Plaintiffs' claims are typical of the claims of the other members of each Class.

93. Plaintiff Palkon will fairly and adequately protect the interests of the TripAdvisor Class, and Plaintiff Williamson will fairly and adequately protect the interests of the Liberty TripAdvisor Class. Neither Plaintiff has any interests contrary to or in conflict with the Class he seeks to represent. Plaintiffs are committed to prosecuting this action and have retained competent counsel experienced in litigation of this nature. Plaintiffs anticipate that there will not be any difficulties in the management of this litigation as a class action.

94. The prosecution of separate actions by individual members of each Class would create the risk of inconsistent or varying adjudications with respect to individual members of each Class that would establish incompatible standards of conduct for the parties opposing each Class, or adjudications with respect to individual members of each Class that would as a practical matter be dispositive of the interests of the other members not parties to the adjudications or would substantially impair or impede their ability to protect their interests.

95. Defendants have acted, or refused to act, on grounds generally applicable to each Class as a whole, thereby making appropriate the relief sought herein with respect to each Class as a whole.

V. DEMAND FUTILITY ALLEGATIONS

96. Plaintiffs allege and believe the claims asserted here, which seek to vindicate the rights of stockholders, are direct. In the alternative, and only to the extent that the Court deems the claims derivative, Plaintiffs also bring the claims as derivative claims. Plaintiffs have not made demands on the Liberty TripAdvisor or TripAdvisor Boards to assert these claims against the Defendants. Such a demand would be futile and useless, and is thereby excused, because the allegations contained herein, at a minimum, permit the inference that the directors lack disinterest to determine fairly whether the claims should be pursued.

97. The Director Defendants constitute all of the members of each Companies' current Board. Because the Conversions are being effectuated for the primary purpose of effectively stripping stockholders of their right to hold fiduciaries accountable for misconduct, the Director Defendants are directly interested in the Conversions and thus could not disinterestedly determine whether to pursue claims challenging the Conversions. Moreover, as detailed elsewhere herein, the Director Defendants are dominated, controlled, and/or have disabling ties to Maffei who controls both Companies and is interested in the Conversions. Accordingly, to the extent that the Court deems the claims derivative, demand is excused as futile.

COUNT I
**Breach of Fiduciary Duty Against Maffei as
TripAdvisor's Controlling Stockholder**

98. Plaintiff Palkon repeats and realleges each and every allegation above as if set forth in full herein on behalf of himself and the TripAdvisor Class.

99. Maffei, as TRIP's controlling stockholder, owed and owes the TripAdvisor Class fiduciary duties. In connection with the TripAdvisor Conversion, Maffei owed and owes a fiduciary duty to the TripAdvisor Class to only enter into such a transaction on terms that are entirely fair to TripAdvisor's public stockholders.

100. Maffei breached his fiduciary duties by, among other things, causing TripAdvisor to enter the TripAdvisor Conversion, which will effectively eliminate TripAdvisor public stockholders' ability to sue him or the company's other fiduciaries over future self-dealing. Further compounding his breaches, Maffei caused TripAdvisor to enter into the TripAdvisor Conversion pursuant to an inadequate process and without providing any material consideration to TripAdvisor's public stockholders.

101. By reason of the foregoing acts, practices, and courses of conduct, Maffei has failed to lawfully discharge his fiduciary obligations toward Plaintiff Palkon and the other members of the TripAdvisor Class.

102. As a result of Maffei's breaches of fiduciary duty, Plaintiff Palkon and the TripAdvisor Class have been and will be harmed.

COUNT II

Breach of Fiduciary Duty Against the TripAdvisor Director Defendants

103. Plaintiff Palkon repeats and realleges each and every allegation above as if set forth in full herein on behalf of himself and the TripAdvisor Class.

104. The TripAdvisor Director Defendants, as directors of TripAdvisor, owed and owe the Class fiduciary duties of care and loyalty. The TripAdvisor Director Defendants breached their fiduciary duties by approving the self-interested TripAdvisor Conversion to insulate Maffei and themselves from future liability and without providing any material consideration to TripAdvisor's public stockholders.

105. By reason of the foregoing acts, practices, and courses of conduct, the TripAdvisor Director Defendants failed to lawfully discharge their fiduciary obligations toward Plaintiff Palkon and the other members of the TripAdvisor Class.

106. As a result of the TripAdvisor Director Defendants' breaches of fiduciary duty, Plaintiff Palkon and the TripAdvisor Class have been and will be harmed.

COUNT III
**Breach of Fiduciary Duty Against Maffei as
Liberty TripAdvisor's Controlling Stockholder**

107. Plaintiff Williamson repeats and realleges each and every allegation above as if set forth in full herein on behalf of himself and the Liberty TripAdvisor Class.

108. Maffei, as Liberty TripAdvisor's controlling stockholder, owed and owes the Liberty TripAdvisor Class fiduciary duties. In connection with the Liberty TripAdvisor Conversion, Maffei owed and owes a fiduciary duty to the Liberty TripAdvisor Class to only enter into such a transaction on terms that are entirely fair to Liberty TripAdvisor's public stockholders.

109. Maffei breached his fiduciary duties by, among other things, causing Liberty TripAdvisor to enter the Liberty TripAdvisor Conversion which will effectively eliminate Liberty TripAdvisor public stockholders' ability to sue him or the company's other fiduciaries over future self-dealing. Further compounding his breaches, Maffei caused Liberty TripAdvisor to enter into the Liberty TripAdvisor Conversion pursuant to an inadequate process and without providing any material consideration to Liberty TripAdvisor's public stockholders.

110. By reason of the foregoing acts, practices, and courses of conduct, Maffei has failed to lawfully discharge his fiduciary obligations toward Plaintiff Williamson and the other members of the Liberty TripAdvisor Class.

111. As a result of Maffei's breaches of fiduciary duty, Plaintiff Williamson and the Liberty TripAdvisor Class have been and will be harmed.

COUNT IV
**Breach of Fiduciary Duty Against
the Liberty TripAdvisor Director Defendants**

112. Plaintiff Williamson repeats and realleges each and every allegation above as if set forth in full herein on behalf of himself and the Liberty TripAdvisor Class.

113. The Liberty TripAdvisor Director Defendants, as directors of Liberty TripAdvisor, owed and owe the Class fiduciary duties of care and loyalty. The Liberty TripAdvisor Director Defendants breached their fiduciary duties by approving the self-interested Liberty TripAdvisor Conversion to insulate Maffei and themselves from future liability and without providing any material consideration to Liberty TripAdvisor public stockholders.

114. By reason of the foregoing acts, practices, and courses of conduct, the Liberty TripAdvisor Director Defendants failed to lawfully discharge their fiduciary obligations toward Plaintiff Williamson and the other members of the Liberty TripAdvisor Class.

115. As a result of the Liberty TripAdvisor Director Defendants' breaches of fiduciary duty, Plaintiff Williamson and the Liberty TripAdvisor Class have been and will be harmed.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs demand judgment and relief in their favor and in favor of the Classes, and/or in favor of TripAdvisor and Liberty TripAdvisor and against Defendants, as follows:

A. Declaring that this action is properly maintainable as a class action and certifying the proposed Classes;

B. In the alternative, declaring that this action is properly maintainable as a stockholder derivative action and declaring that demands against the TripAdvisor Board and Liberty TripAdvisor Board are excused as futile;

C. Finding that Defendants breached their fiduciary duties;

D. Enjoining the Conversions;

E. Awarding Plaintiffs and the members of the Classes their reasonable attorneys' and experts' witness fees and other costs; and

F. Awarding Plaintiffs and the Class and/or TripAdvisor and Liberty TripAdvisor such other relief as this Court deems just and equitable.

Dated: June 20, 2023

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CERTIFICATE OF SERVICE

Andrew E. Blumberg hereby certifies that, on June 27, 2023, a copy of the foregoing *Public [Redacted] Version of the Verified Amended Complaint* was filed and served electronically via File & ServeXpress upon the following counsel of record:

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