

# City of Miami General Employees' & Sanitation Employees' Retirement Trust v. LKQ Corporation

**COURT:** Middle District of Tennessee  
**CASE NUMBER:** 26-cv-00498  
**CLASS PERIOD:** 02/27/2023 - 07/23/2025  
**CASE LEADERS:** Hannah Ross, Scott R. Foglietta

On April 22, 2026, Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”) filed a class action in the U.S. District Court for the Middle District of Tennessee alleging violations of the federal securities laws by LKQ Corporation (“LKQ” or the “Company”) and certain of the Company’s current and former senior executives (collectively, “Defendants”). The action is brought on behalf of all investors who purchased or otherwise acquired LKQ common stock between February 27, 2023, and July 23, 2025, inclusive (the “Class Period”).

BLB&G filed this action on behalf of its client, City of Miami General Employees' & Sanitation Employees' Retirement Trust, and the case is captioned *City of Miami General Employees' & Sanitation Employees' Retirement Trust v. LKQ Corporation*, No. 26-cv-00498 (M.D. Tenn.). The complaint is based on an extensive investigation and a careful evaluation of the merits of this case. To view the complaint, see the **Case Documents** section of this page.

## LKQ's Alleged Fraud

LKQ is a global distributor of replacement parts, recycled engines, and other vehicle components for the repair of automobiles. In February 2023, LKQ announced plans to acquire its competitor Uni-Select, including Uni-Select’s United States operating subsidiary, FinishMaster. FinishMaster offered automotive refinishing and painting services at approximately 200 locations throughout the United States, accounting for approximately 40% of Uni-Select’s annual revenue. LKQ paid over \$2 billion to acquire Uni-Select.

The claims against Defendants arise from misrepresentations related to LKQ’s acquisition and integration of FinishMaster. Throughout the Class Period, LKQ repeatedly touted the benefits of the acquisition. For example, in announcing the acquisition in February 2023, LKQ represented that the acquisition was a “compelling strategic fit” to “enhance LKQ’s business and drive profitable growth.” LKQ also represented that the acquisition presented “minimal integration risk,” including because “Uni-Select’s FinishMaster business improves LKQ’s scale and product mix to compete” in the North American automotive paint segment.

After completing the acquisition in August 2023, LKQ began to integrate FinishMaster into the Company’s North American operating segment. LKQ and its executives touted the integration as a “highly synergistic opportunity” and “competitive moat” to protect LKQ against market share losses to AutoZone and other competitors. In reality, FinishMaster was losing major customers and market share, including the business of key multi-shop operator clients that were critical to FinishMaster’s revenue.

The truth began to emerge on April 23, 2024, when LKQ unexpectedly lowered the Company’s financial guidance for the 2024 fiscal year. The Company attributed the reduction of its earnings projections to the worsening performance of its North American operations where FinishMaster was being integrated, but blamed slowing demand and warmer weather reducing the need for auto repairs. The Company also announced that CEO Dominick

Zarcone, who oversaw the Uni-Select acquisition, was departing the Company. As a result of these disclosures, the price of LKQ stock declined by \$7.28 per share, or 14.9%.

On July 25, 2024, LKQ reported disappointing financial results for the second quarter of 2024. LKQ failed to meet the reduced revenue targets it set only one quarter earlier. The Company again blamed demand issues impacting the performance of its North American operations and further reduced its financial guidance for the 2024 fiscal year. As a result of these disclosures, LKQ's share price declined by \$5.53 per share, or 12.4%.

Then, on October 24, 2024, LKQ revealed that FinishMaster was, in fact, losing business, including major multi-shop operator customers that were migrating their business to LKQ's competitors. It revealed that these losses began "pre-acquisition or pre-closing and leading into post-acquisition." Additional information emerged on April 24, 2025, when LKQ reported that its Wholesale North America segment, where FinishMaster was now fully integrated, missed revenue targets by approximately \$200 million. LKQ also reported that, contrary to its assurances that FinishMaster improved the Company's margins, the segment missed adjusted earnings before interest, taxes, depreciation, and amortization ("EBITDA") margin targets by \$24 million and suffered a year-over-year decline of 9%. As a result of these disclosures, LKQ's share price declined by another \$4.87 per share, or 11.6%.

Finally, on July 24, 2025, LKQ reported that the segment's margin performance continued to deteriorate due to competitors taking market share by undercutting LKQ on price. LKQ again missed EBITDA targets by approximately \$20 million and suffered a year-over-year decline of 11%. The Company admitted that its earnings and margin declines were predominantly driven by business losses from increased competition from others in the industry. As a result of these disclosures, LKQ's share price declined another \$6.88 per share, or 17.8%.

If you wish to serve as Lead Plaintiff for the Class, you must file a motion with the Court no later than June 22, 2026, which is the first business day on which the U.S. District Court for the Middle District of Tennessee is open that is 60 days after the publication date of April 22, 2026. Any member of the proposed Class may seek to serve as Lead Plaintiff through counsel of their choice, or may choose to do nothing and remain a member of the proposed Class.

If you wish to discuss this action or have any questions concerning this notice or your rights or interests, please contact Scott R. Foglietta of BLB&G at 212-554-1903, or via e-mail at [scott.foglietta@blbglaw.com](mailto:scott.foglietta@blbglaw.com).

## Case Documents

- April 22, 2026 - PSLRA Notice
- April 22, 2026 - Initial Complaint