

In re Pilgrim's Pride Corp. Derivative Litigation

COURT: Delaware Court of Chancery
CASE NUMBER: No. 2018-0058-JTL
CASE LEADERS: Edward G. Timlin
CASE TEAM: Andrew Blumberg, David Carlet, Stavros Katsetos

On May 24, 2018, through their counsel, BLB&G, Plaintiff Employees' Retirement System of the City of St. Louis filed a Verified Stockholder Derivative Complaint, on behalf of Pilgrim's Pride Corporation ("PPC" or the "Company"), against (i) certain members of PPC's board of directors; and (ii) PPC's controlling stockholders, JBS S.A. ("JBS") and JBS USA Holdings Lux S.à r.l. ("JBS Lux"). On July 2, 2018 the Court consolidated our action with a similar case. The consolidated complaint alleged, among other things, that certain of PPC's directors and PPC's controlling stockholders breached their fiduciary duties by causing PPC to acquire Moy Park at an unfair price and following an unfair process.

On March 15, 2019, following briefing and oral argument, the Court issued a Memorandum Opinion denying Defendants' motion to dismiss. Click "Case Documents" at left to see the Opinion.

Following the Court's decision on the motion to dismiss, the parties engaged in extensive discovery. On July 1, 2019, Plaintiffs' counsel and Defendants' counsel participated in a full day mediation session. The session ended without any agreement being reached. Thereafter, the parties continued to engage in arm's-length negotiations under the supervision and guidance of the mediator.

On September 5, 2019, after extensive, arm's-length negotiations, Plaintiffs and Defendants reached an agreement on the principal terms of a settlement. On October 4, 2019 the parties filed a Stipulation and Agreement of Settlement, Compromise and Release, which can be viewed under Case Documents.

On January 28, 2020, the Court approved the settlement.

Case Documents

- October 18, 2019 - Notice of Pendency of Derivative Action, Proposed Settlement of Derivative Action, Settlement Hearing, and Right to Appear
- October 8, 2019 - Scheduling Order
- October 4, 2019 - Stipulation and Agreement of Settlement, Compromise and Release
- October 4, 2019 - Exhibit A to the Stipulation and Agreement of Settlement, Compromise and Release
- October 4, 2019 - Notice of Pendency of Derivative Action, Proposed Settlement of Derivative Action, Settlement Hearing, and Right to Appear
- October 4, 2019 - Final Order and Judgment Approving Derivative Action Settlement
- January 29, 2018 - Verified Derivative Complaint