

Ontario Provincial Council of Carpenters' Pension Trust Fund, et al. v. S. Robson Walton, et al.

COURT: Delaware Court of Chancery
CASE NUMBER: 2021-0827-JTL
CASE LEADERS: Edward G. Timlin
CASE TEAM: Mae Oberste, Eric J. Riedel, Daniel Meyer

On February 2, 2022, BLB&G filed an amended stockholder derivative complaint (the "Complaint") in the Delaware Court of Chancery on behalf of nominal defendant Walmart Inc. ("Walmart" or the "Company"), for Plaintiffs the Police & Fire Retirement System of the City of Detroit and Norfolk County Retirement System. The parties have reached a proposed settlement of this case, the details of which are below and in the Notice of Pendency of Derivative Action, Proposed Settlement of Derivative Action, Settlement Hearing, and Right to Appear, available [here](#).

The Complaint alleges that current and former officers and directors of Walmart, as well as the Company's controlling stockholders, breached their fiduciary duties in connection with the Company's contribution to the opioid epidemic ravaging the United States. The public version of the Complaint is accessible [here](#). Before filing the Complaint, Plaintiffs conducted an extensive investigation, including successfully trying a books-and-records action against Walmart to compel the production of internal records. The Complaint seeks to require Defendants to take action to have Walmart comply with the Controlled Substances Act (collectively, the "CSA") and related regulations and to hold Defendants liable for their breaches of fiduciary duty, which have already caused substantial damages to the Company, such as the November 2022 \$3.1 billion settlement of the National Opioid MDL in which Walmart was a defendant.

Defendants' Motion to Dismiss the Complaint was mostly denied in two landmark opinions in April 2023. The opinion discussing the Complaint's claims relating to Walmart's compliance with its obligations as a dispenser under the CSA is available [here](#).

In June 2023, the Court stayed this case to allow a special litigation committee to conduct an internal investigation on behalf of Walmart.

The parties, including Plaintiffs' counsel, Defendants' counsel, counsel for Walmart, as well as the special litigation committee's counsel, attended an all-day mediation in July 2024. That mediation and the discussions that followed led to a settlement of this case. Under the settlement, Defendants' insurers have paid \$123 million (plus interest, less Court-awarded attorneys' fees and expenses and applicable taxes) to the Company, and Walmart has agreed to implement corporate governance practices that strengthen the compliance-oversight function of Walmart's Controlled Substance Compliance Committee and the Audit Committee.

The Court held a hearing on December 20, 2024, to consider approval of the settlement. Following the hearing, the Court entered a Final Order and Judgment Approving Derivative Action Settlement (the "Final Order") approving the Settlement and awarding attorney's fees and litigation expenses to Plaintiffs' Counsel. The Stipulation and Agreement of Settlement, Compromise, and Release, the Notice of Pendency of Derivative Action, Proposed

Settlement of Derivative Action, Settlement Hearing, and Right to Appear, and the Final Order can be found [here](#), [here](#), and [here](#) as well as under the **Case Documents** section of this page.

Case Documents

- Notice of Pendency of Derivative Action, Proposed Settlement of Derivative Action, Settlement Hearing, and Right to Appear
- December 20, 2024 - Final Order and Judgment Approving Derivative Action Settlement
- October 15, 2024 - Scheduling Order
- October 13, 2024 - Stipulation and Agreement of Settlement, Compromise, and Release
- April 26, 2023 - Memorandum Opinion
- February 22, 2022 - Walmart Verified Amended Stockholder Derivative Complaint