



New York City Comptroller
John C. Liu

NEWS RELEASE

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Page(s): 3

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NYC COMPTROLLER, NYC LAW DEPARTMENT ANNOUNCE MAJOR SHAREHOLDER DERIVATIVE SUIT AGAINST WAL-MART

NEW YORK, NY – The Office of the New York City Comptroller and the New York City Law Department announced today that the New York City Pension Funds filed a shareholder derivative action against Wal-Mart Stores, Inc. The lawsuit concerns the recent revelations contained in a *New York Times* article regarding the bribery and corruption scandal at Wal-Mex, the Mexican subsidiary of Wal-Mart.

The Pension Funds' Complaint, filed in the Delaware Chancery Court, alleges that Wal-Mart's officers and directors breached their fiduciary duty to the company and its shareholders by failing to properly handle credible claims of the bribery allegations and attempting to cover up details of the scandal.

"Wal-Mart's board has repeatedly rebuffed our office and the New York City Pension Funds when we have raised concerns over the company's failure to comply with legal and ethical standards," Comptroller John Liu said. "Rooting out the directors and executives responsible for the current crisis would be a first step, but Wal-Mart also needs corporate governance reforms and an independent board that will protect outside shareholders and safeguard against another breakdown of internal controls."

"This suit seeks to recover corporate assets lost as the result of its wrongful acts, tighten legal and regulatory compliance structures, and institute improved governance oversight," noted Inga Van Eysden, Chief of the New York City Law Department's Pension Division.

In 2005, Wal-Mart executives were notified of a scheme involving the bribing of Mexican officials to expedite the building of Wal-Mart stores in that country. Several internal investigations resulted. The Pension Funds allege that the company took no significant action to change the situation. On April 21, 2012, *The New York Times* published an article concerning the Mexican bribery scandal. Wal-Mart's stock quickly declined approximately 8 percent in the days that followed.

Based on these developments, the Pension Funds decided to commence their derivative action against Wal-Mart directors and executives. Separate derivative cases against Wal-Mart are also pending in Delaware Chancery Court and the U.S. District Court in Arkansas.

New York City's legal team includes Valerie Budzik and Richard Simon of the Comptroller's General Counsel's Office, and Inga Van Eysden and Keith Snow of the New York City Law Department's Pensions Division.

The New York City Law Department is one of the oldest, largest and most dynamic law offices in the world, ranking among the top three largest law offices in New York City and one of the largest public law offices in the country. Tracing its roots back to the 1600's, the Department has an active caseload of 90,000 matters and transactions in 17 legal divisions. The Corporation Counsel heads the Law Department and acts as legal counsel for the Mayor, elected officials, the City and all its agencies. The Department's approximately 650 attorneys represent the City on a vast array of civil litigation, legislative and legal issues and in the criminal prosecution of juveniles. For more information, please visit nyc.gov/law.

New York City Comptroller John C. Liu serves as the investment advisor to, custodian and trustee of the New York City Pension Funds. The New York City Pension Funds, consisting of the New York City Employees' Retirement System, New York City Teachers' Retirement System, New York City Police Pension Fund, New York City Fire Department Pension Fund, and New York City Board of Education Retirement System, serve more than 600,000 active and retired New York City employees, and combined constitute one of the largest public pension funds in the United States.

In addition to Comptroller Liu, the New York City Pension Funds trustees are:

New York City Employees' Retirement System: Ranji Nagaswami, Mayor's Representative (Chair); New York City Public Advocate Bill de Blasio; Borough Presidents: Scott Stringer (Manhattan), Helen Marshall (Queens), Marty Markowitz (Brooklyn), James Molinaro (Staten Island), and Ruben Diaz, Jr. (Bronx); Lillian Roberts, Executive Director, District Council 37, AFSCME; John Samuelsen, President Transport Workers Union Local 100; Gregory Floyd, President, International Brotherhood of Teamsters, Local 237.

Teachers' Retirement System: Ranji Nagaswami, Mayor's Representative; Deputy Chancellor Kathleen Grimm, New York City Department of Education; Mayoral appointee Freida Foster and Sandra March, Melvyn Aaronson (Chair) and Mona Romain, all of the United Federation of Teachers.

New York City Police Pension Fund: Mayor Michael Bloomberg; New York City Finance Commissioner David Frankel; New York City Police Commissioner Raymond Kelly (Chair); Patrick Lynch, Patrolmen's Benevolent Association; Michael Palladino, Detectives Endowment Association; Edward D. Mullins, Sergeants Benevolent Association; Thomas Sullivan, Lieutenants Benevolent Association; and, Roy T. Richter, Captain's Endowment Association.

New York City Fire Department Pension Fund: Mayor Michael Bloomberg; New York City Fire Commissioner Salvatore Cassano (Chair); New York City Finance Commissioner David Frankel; Stephen Cassidy, President, James Slevin, Vice President, Robert Straub, Treasurer, and John Kelly, Brooklyn Representative and Chair, Uniformed Firefighters Association of Greater New York; John Dunne, Captains' Rep.; James Lemonda, Chiefs' Rep., and James J. McGowan,

Lieutenants' Rep., Uniformed Fire Officers Association; and, Sean O'Connor, Marine Engineers Association.

Board of Education Retirement System: Schools Chancellor Dennis Walcott; Mayoral: Eduardo Marti, Gitte Peng, Jeff Kay, Joan Correale; Tino Hernandez, Judy Bergtraum, Freida Foster, and Linda Laursell Bryant; Patrick Sullivan (Manhattan BP), Gbubemi Okotieuro (Brooklyn BP), Dmytro Fedkowskyj (Queens BP), Wilfredo Pagan (Bronx BP) and Diane Peruggia (Staten Island BP); and employee members Joseph D'Amico of the IUOE Local 891 and Milagros Rodriguez of District Council 37, Local 372.

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