

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

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ROBERT GARFIELD,

Plaintiff,

- against -

MARY DILLON, VIRGINIA DROSOS, DARLENE  
NICOSIA, ULICE PAYNE, JR., SONIA SYNGAL,  
KIMBERLY UNDERHILL, JOHN VENHUIZEN,  
TRISTAN WALKER, DONA YOUNG, FOOT LOCKER,  
INC., AND DICK'S SPORTING GOODS, INC.,

Defendants.  
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Index No.:

Date Purchased:

**SUMMONS**

Plaintiff designates New York  
County as the place of trial

**TO THE ABOVE-NAMED DEFENDANTS:**

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, on the Plaintiff's attorney within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Venue is appropriate in this County pursuant to CPLR 503(c) since the principal executive office of Defendant Foot Locker is located in New York County.

Dated: New York, New York  
July 19, 2025

/s/ Richard B. Brualdi  
Richard B. Brualdi  
rbrualdi@brualdilawfirm.com  
John F. Keating, Jr.  
jkeating@brualdilawfirm.com  
Gaitri Boodhoo  
gboodhoo@brualdilawfirm.com  
David Titus  
dtitus@brualdilawfirm.com  
THE BRUALDI LAW FIRM, P.C.  
29 Broadway, Suite 2400  
New York, NY 10006  
Telephone: (212) 952-0602  
Facsimile: (212) 952-0608

Dennis E. Glazer, Esq.  
dennis.e.glazer@gmail.com  
LAW OFFICES OF DENNIS E. GLAZER  
15 Kensington Road  
Bronxville, NY 10708  
Telephone: (914) 450-4960

***Counsel for Plaintiff***

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**COMPLAINT**

**COMPLAINT**

Plaintiff Robert Garfield, by his attorneys, alleges as and for his complaint, upon personal knowledge as to himself, his own acts, the contents of documents filed by the Defendants with the Securities and Exchange Commission ("SEC"), and press releases issued by the Defendants, as follows:

**NATURE OF THE ACTION**

1. This lawsuit concerns the questionable proposed sale of Foot Locker, Inc. ("Foot Locker" or the "Company"), a New York corporation, to DICK'S Sporting Goods, Inc. ("DICK'S Sporting Goods") and the incomplete proxy statement (the "Proxy Statement") that was mailed to Plaintiff soliciting shareholder approval of the Sale that does not fully disclose the financial interests of those promoting the Sale or its questionable economics.

2. Plaintiff, who is and has been a Foot Locker shareholder at all relevant times, asserts claims under New York law for breach of fiduciary duties, and/or aiding or abetting the same, and negligent misrepresentation against the Defendants. Plaintiff requests an injunction

preventing Defendants from closing the Foot Locker shareholder vote on the Sale until Defendants issue a supplemental proxy statement that fully discloses the questionable economics of the transaction and the troubling motivations and conflicts of interest of Foot Locker's directors (the "Director Defendants") and their financial advisor, Evercore Group L.L.C. ("Evercore").

3. Absent an injunction, Plaintiff will be deprived of his sacrosanct right to a fair and fully informed vote on the Sale in breach of the Defendants' fiduciary duties to Foot Locker shareholders.

4. Although this action is limited to equitable declaratory and injunctive relief to protect Plaintiff's right to a fair vote on the Sale and does not currently seek money damages, the proposed Sale is fundamentally unfair, makes no economic sense, and is the product of a questionable process that was tainted by the conflicts of interest of the Director Defendants and their financial advisor as alleged in detail *infra*.

5. The proposed transaction is unfair to Plaintiff and Foot Locker shareholders because it substantially undervalues the Company's intrinsic value, existing book of business and future upside that rightfully belongs to Foot Locker's current shareholders.

6. Pursuant to the Sale, Plaintiff and other Foot Locker's shareholders can elect to receive either (i) \$24.00 in cash or (ii) a fraction (0.1168) of a share of DICK'S Sporting Good's common stock (valued at \$24.48 on May 14, 2025, the last trading day prior to announcement of the Sale) for each share of Foot Locker common stock (the "Sale Consideration"). This price is inadequate. The financial analyses of Foot Locker's financial advisor Evercore found the Company to be worth as much as \$40.85 per share (or around \$16.85 – amounting to 70% more – than the around \$24.00 per

share price that Foot Locker's shareholders are receiving in the Sale.<sup>1</sup> The \$24.00 per share price is also less than the around \$34.00 per share price at which Foot Locker's stock traded just last year.<sup>2</sup>

7. The process leading to the Sale was also fundamentally flawed. The Director Defendants determined to sell the Company at a time when the Company's stock was trading at a short term low and affected by the global turmoil and uncertainty caused by the threatened imposition of tariffs. Further, notwithstanding that DICK'S Sporting Goods offered \$40.00 per share for the Company, and thereafter repeatedly lowered its offer, the Director Defendants continued to negotiate with DICK'S Sporting Goods and declined to reach out to other potential buyers who could have paid a higher price for the Company.

8. While the Sale is to the detriment of Plaintiff and other Foot Locker shareholders, it will enrich or personally benefit each of the Director Defendants.

9. Defendant Mary Dillon, Foot Locker's Chief Executive Officer ("CEO"), will receive a cash payout of over \$44.8 million. This includes a transaction-related cash severance payment of around \$8.8 million and over \$29.5 million for her unvested Foot Locker equity awards, which will accelerate and vest in connection with the Sale. Ms. Dillon was further incentivized to favor the Sale because it enables her to monetize her Foot Locker stock holdings

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<sup>1</sup> Indeed, just this past September, the Board also valued the Company's stock at \$41 per share.

<sup>2</sup> Foot Locker's shareholders will be even worse off if they elect to receive DICK'S Sporting Goods' common stock. This is because following the announcement of the Sale the price of DICK'S Sporting Goods' common stock fell to as low as \$167.03 per share. If the Sale were to close at that price, Foot Locker's shareholders would receive shares of DICK'S Sporting Goods' common stock valued at around \$19.50 per share. Indeed, in formulating its opinion on the fairness of the Sale Consideration the Company's financial advisor, Evercore, did not even consider the potential value to Foot Locker's shareholders from electing to receive DICK'S Sporting Goods common stock in the Sale, instead of cash.

that she could not otherwise sell on the open market without signaling a loss of confidence in the Company, causing much negative publicity and violating Company policy which requires her to hold millions of dollars of Foot Locker shares. The other Director Defendants were motivated to support Ms. Dillon because they too are bound by Foot Locker's stock ownership policy, which requires them to directly hold hundreds of thousands of dollars in Foot Locker shares, and because they will collectively receive in excess of \$4 million from the monetization of their Foot Locker shares, including their unvested Foot Locker equity awards.

10. As such, the Sale enables Ms. Dillon and each of the other Director Defendants to monetize their interests in Foot Locker which they would otherwise be unable to do absent the Sale.

11. The Sale was further tainted, and Plaintiff and Foot Locker's other shareholders have been further harmed, by the Director Defendants' engagement of Evercore as the Company's financial advisor.

12. Evercore was incentivized to support the Sale by the contingent structure of its advisory fee. It will receive an exorbitant \$40 million fee only if the Sale closes and just \$1 million if it does not. This gives Evercore a \$39 million incentive to favor the Sale regardless of its unfairness to Foot Locker's shareholders. As troubling, Evercore may stand on both sides of the Sale given Defendants' admission that Evercore and its employees "may" have undisclosed financial interests in DICK'S Sporting Goods.

13. In connection with the Sale, the Defendants filed the Proxy Statement with the SEC and mailed the same to Plaintiff and other Foot Locker shareholders soliciting their approval of the Sale at a meeting of Foot Locker's shareholders that the Foot Locker Defendants have now scheduled for August 22, 2025.

14. The Proxy Statement is materially incomplete and misleading because it does not fully disclose the conflicts of interest of the Director Defendants and their financial advisor and omits material facts regarding the adequacy (or rather inadequacy) of the around \$24.00 per share that DICK'S Sporting Goods is paying for the Company and the metrics, data and assumptions upon which Evercore relied in opining that the Sale Consideration is purportedly fair.

15. This Action seeks, *inter alia*, to enjoin the Defendants from closing the shareholder vote on the Sale proposal until the misrepresentations and omissions in the Proxy Statement are corrected.

### **JURISDICTION**

16. This Court has jurisdiction over the subject matter of this action pursuant to New York Judiciary Law § 140-b.

17. This Court has personal jurisdiction over Defendant Foot Locker because it is incorporated and headquartered in New York State.

18. This Court has personal jurisdiction over all other Defendants pursuant to CPLR 302(a) because each personally or through an agent transacts business in New York State, committed a tortious act within New York State or without New York State that caused injury to person or property within New York State, regularly does or solicits business, or engages in a persistent course of conduct, or derives substantial revenue from goods used or consumed or services rendered, in the state, expects or should reasonably expect their actions to have consequences in the state and derives substantial revenue from interstate or international commerce, the causes of action herein arise out of such activities and their wrongful acts challenged in this complaint were directed toward New York State such that the assertion of jurisdiction comports with due process.

19. Venue is appropriate in this County pursuant to CPLR 503(c) because the principal executive office of Defendant Foot Locker is located in New York County.

### **PARTIES**

20. Plaintiff Robert Garfield is a Foot Locker shareholder who owns and has owned shares of Foot Locker's common stock since on or about June 1, 2016 and continuously since then, including on the July 7, 2025 "record date."

21. Defendant Foot Locker is a publicly traded New York corporation whose principal offices are located at 330 West 34th Street, New York, New York 10001. Foot Locker is a retailer of footwear and apparel. Foot Locker's common stock is currently listed and traded on the New York Stock Exchange ("NYSE") under the symbol "FL."

22. Defendant Mary Dillon, age 63, has been CEO and a director of the Company since 2022. She was also President of the Company from 2022 through 2025. Ms. Dillon's interests are not aligned with the interests of Foot Locker's public stockholders. In connection with the Sale, Ms. Dillon (a) will receive a cash payout of over \$44.8 million dollars (which includes a transaction-related cash severance payment of around \$8.8 million and over \$29.5 million from the accelerated vesting of her unvested Foot Locker equity awards) and (b) will be indemnified for personal liability for her tortious conduct in connection with the Sale. The above personal benefits are material to Ms. Dillon.

23. Defendant Virginia Drosos, age 62, has been a director of the Company since 2022. Ms. Drosos's interests are not aligned with the interests of Foot Locker's public stockholders. In connection with the Sale, Ms. Drosos will be (a) able to monetize her Foot Locker equity interests, including her unvested Foot Locker equity awards, for a cash payout of \$556,752.00 and (b) indemnified for personal liability for her tortious conduct in connection with the Sale. The above



personal benefits are material to Ms. Drosos.

24. Defendant Darlene Nicosia, age 57, has been a director of the Company since 2020. Ms. Nicosia's interests are not aligned with the interests of Foot Locker's public stockholders. In connection with the Sale, Ms. Nicosia will be (a) able to monetize her Foot Locker equity interests, including her unvested Foot Locker equity awards, for a cash payout of \$308,112.00 and (b) indemnified for personal liability for her tortious conduct in connection with the Sale. The above personal benefits are material to Ms. Nicosia.

25. Defendant Ulice Payne, Jr., age 69, has been a director of the Company since 2016. Mr. Payne's interests are not aligned with the interests of Foot Locker public stockholders. In connection with the Sale, Mr. Payne will be (a) able to monetize his Foot Locker's equity interests, including his unvested Foot Locker equity awards, for a cash payout of \$524,448.00 and (b) indemnified for personal liability for his tortious conduct in connection with the Sale. The above personal benefits are material to Mr. Payne.

26. Defendant Sonia Syngal, age 55, has been a director of the Company since 2025. Ms. Syngal's interests are not aligned with the interests of Foot Locker's public stockholders. In connection with the Sale, Ms. Syngal will be (a) able to monetize her Foot Locker equity interests, including her unvested Foot Locker equity awards, for a cash payout of \$165,960.00 and (b) indemnified for personal liability for her tortious conduct in connection with the Sale. The above personal benefits are material to Ms. Syngal.

27. Defendant Kimberly Underhill, age 60, has been a director of the Company since 2016. Ms. Underhill's interests are not aligned with the interests of Foot Locker's public stockholders. In connection with the Sale, Ms. Underhill will be (a) able to monetize her Foot Locker equity interests, including her unvested Foot Locker equity awards, for a cash payout of

\$1,007,832.00 and (b) indemnified for personal liability for her tortious conduct in connection with the Sale. The above personal benefits are material to Ms. Underhill.

28. Defendant John Venhuizen, age 54, has been a director of the Company since 2025. Mr. Venhuizen's interests are not aligned with the interests of Foot Locker's public stockholders. In connection with the Sale, Mr. Venhuizen will be (a) able to monetize his Foot Locker's equity interests, including his unvested Foot Locker equity awards, for a cash payout of \$165,960.00 and (b) indemnified for personal liability for his tortious conduct in connection with the Sale. The above personal benefits are material to Mr. Venhuizen.

29. Defendant Tristan Walker, age 40, has been a director of the Company since 2020. Mr. Walker's interests are not aligned with the interests of Foot Locker's public stockholders. In connection with the Sale, Mr. Walker will be (a) able to monetize his Foot Locker equity interests, including his unvested Foot Locker equity awards, for a cash payout of \$228,384.00 and (b) indemnified for personal liability for his tortious conduct in connection with the Sale. The above personal benefits are material to Mr. Walker.

30. Defendant Dona Young, age 71, is a longstanding director of the Company, having been a director for over two decades. Ms. Young's interests are not aligned with the interests of Foot Locker's public stockholders. In connection with the Sale, Ms. Young will be (a) able to monetize her Foot Locker's equity interests, including her unvested Foot Locker equity awards, for a cash payout of \$1,055,304.00 and (b) indemnified for personal liability for her tortious conduct in connection with the Sale. The above personal benefits are material to Ms. Young.

31. Defendant DICK'S Sporting Goods is a publicly traded corporation whose principal offices are located at 345 Court Street, Coraopolis, Pennsylvania 15108. DICK'S is a retailer of

sporting goods. DICK'S Sporting Goods's common stock is currently listed and traded on the NYSE under the symbol "DKS."

### **THE DIRECTOR DEFENDANTS' FIDUCIARY DUTIES**

32. Under applicable law, the directors of a corporation organized under New York law such as Foot Locker have fiduciary duties of care, good faith, loyalty and full disclosure, and are liable to stockholders for breaches thereof. Each Director Defendant owed and owes Foot Locker and its stockholders fiduciary obligations and were and are required to: (a) act in the best interests of Foot Locker and its stockholders, instead of in their own personal financial interests; (b) use their ability to control and manage Foot Locker in a fair, just and equitable manner to maximize shareholder value; (c) refrain from abusing their positions of control; and (d) not favor their own personal interests at the expense of Foot Locker and its public stockholders. Further, where it appears (as with all of the directors here) that a Director or those with whom he or she is affiliated have obtained personal benefits from a transaction involving the Company, and the transaction is drawn into question as between him and the stockholders of the Company, the burden is upon the Director or officer to show that the transaction has been fair, open and in the utmost good faith.

33. Here, the Director Defendants have breached and are breaching their fiduciary duties to Foot Locker and its public stockholders by, *inter alia*:

- (a) agreeing to the Sale for an inadequate price that is less than the Company's intrinsic value and that does not maximize shareholder value;
- (b) negotiating a sale of the Company with only DICK'S Sporting Goods and declining to conduct a market check or otherwise reach out to other potential buyers who could have paid a higher price for the Company;
- (c) negotiating the sale of the Company at a time when the Company's stock was trading at a highly discounted rate;

- (d) determining to sell the Company at a time when the global financial markets were experiencing significant turmoil and uncertainty as a result of the debate surrounding, and imposition of, global tariffs;
- (e) preferring their personal interests in obtaining the lucrative benefits that will inure to them in connection with the Sale, including the opportunity to monetize their Foot Locker equity awards and to receive upfront cash payment from the accelerated vesting of their unvested Foot Locker equity awards;
- (f) discouraging higher bids for the Company by obligating Foot Locker to pay DICK'S Sporting Goods a termination fee of \$59.5 million if it were to accept a higher offer for the Company;
- (g) hiring Evercore as the Company's financial advisor notwithstanding its admission that it and its affiliates and/or its or their respective employees, "may" have financial interests in DICK'S Sporting Goods;
- (h) hiring Evercore as the Company's financial advisor notwithstanding that Evercore aspires to work for DICK'S Sporting Goods and/or its affiliates (which aspirations have been found to incentivize a financial advisor to "shade" its opinion);
- (i) imposing conflicts of interest on Evercore by making the bulk of its fee contingent upon the Sale;
- (j) directing Evercore to rely on management financial projections created during the Sale process notwithstanding that such projections have been found to be unreliable as they are susceptible to manipulation by management to justify acceptance of a lower price;
- (k) relying on Evercore's flawed "fairness opinion" in determining to approve the Sale;
- (l) downwardly revising the Company's financial forecasts during the Sale process; and
- (m) disseminating a Proxy Statement to Foot Locker's stockholders that is false, misleading and materially incomplete.

34. Because the Director Defendants have knowingly or recklessly breached their fiduciary duties in connection with the Sale, and/or are personally profiting from the same, the

burden of proving the inherent or entire fairness of the Sale, including all aspects of its negotiation, structure, and terms, is borne by Defendants as a matter of law.

35. Further, as alleged in detail *infra*, the Director Defendants have breached their fiduciary duty of full disclosure under state law in that the Director Defendants caused the Proxy Statement to be filed with the SEC and mailed to Plaintiff and the other public stockholders of Foot Locker in connection with recommending that they vote in favor of the Sale, but concealed therein certain material information which a reasonable shareholder would find material in determining whether to vote to approve the proposed transaction. Among other things, the Director Defendants have not disclosed material information regarding (i) the serious conflicts of interest of those promoting the Sale, namely the Director Defendants and their financial advisor, (ii) the Company's business prospects, valuation and strategic alternatives and therefore the adequacy (or rather inadequacy) of the Sale price, and (iii) metrics, data and assumptions upon which Foot Locker's investment banker relied in opining that the Sale is purportedly fair.

### **SUBSTANTIVE ALLEGATION**

#### **A. The Unfair Sale Process and Inadequate Sale Consideration**

36. Foot Locker's business is focused on the sports apparel industry, a burgeoning industry that is projected to grow by \$106.5 billion in the next five years, or at a compound annual growth rate ("CAGR") of 8.1%, driven by trends toward health consciousness, physical activities and exercise as well as a widespread shift towards casual wear and sneakers.<sup>3</sup> Foot Locker's

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<sup>3</sup> See DICK'S Sporting Goods Presentation dated May 15, 2025 entitled "Acquisition of Foot Locker" at page 7; Technavio Press Release dated February 7, 2025 entitled "*Sports Apparel Market to Grow by USD 106.5 Billion (2025-2029), Boosted by Innovative Apparel and Product Premiumization, AI Redefining Market Landscape – Technavio*" found at <https://www.prnewswire.com/news-releases/sports-apparel-market-to-grow-by-usd-106-5-billion-2025-2029-boosted-by-innovative-apparel-and-product-premiumization-ai-redefining-market-landscape---technavio-302369846.html>.

management is optimistic about the Company's ability to benefit from those trends and have forecasted the Company's free cash flow to grow by a CAGR of around 25% by 2029.<sup>4</sup>

37. Notwithstanding Foot Locker's promising future, on May 15, 2025, Defendants announced that Foot Locker would be sold to DICK'S Sporting Goods.

38. The proposed transaction is unfair to Plaintiff and Foot Locker shareholders as it substantially undervalues the Company's intrinsic value, existing book of business and future upside that rightfully belongs to Foot Locker's current shareholders and the process leading to it was inadequate.

39. Pursuant to the Sale, Plaintiff and other Foot Locker's shareholders can elect to receive either (i) \$24.00 in cash or (ii) a fraction (0.1168) of a share of DICK'S Sporting Good's common stock (valued at \$24.48 on May 14, 2025, the last trading day prior to announcement of the Sale) for each share of Foot Locker common stock (the "Sale Consideration"). This price is inadequate. The analyses of Foot Locker's financial advisor Evercore found the Company to be worth as much as \$40.85 per share (or around \$16.85 – amounting to 70% more – than the around \$24.00 per share price that Foot Locker's shareholders are receiving in the Sale.<sup>5</sup> The \$24.00 per

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<sup>4</sup>The Company's prospects could be even rosier than management projects. This is because the Company's financial projections were prepared in the context of the Sale process, rather than in the ordinary course of business, and Courts have found that projections prepared under such a circumstance are susceptible to manipulation by management for its personal benefit. *See In re PLX Tech. S'holders Litig.*, 2018 Del.Ch. LEXIS 336, at \*4–6 (Oct. 16, 2018) (finding that projections were revised downward to justify acceptance of a lower sale price).

<sup>5</sup> Indeed, just this past September, the Board also valued the Company's stock at \$41 per share.

share price is also less than the around \$34.00 per share price at which Foot Locker's stock traded just last year.<sup>6</sup>

40. The process leading to the Sale was also flawed. The Director Defendants determined to cause the Sale at a time when the Company's stock was trading at a highly discounted rate and the global financial markets were experiencing significant turmoil and uncertainty as a result of the debate surrounding, and imposition of, global tariffs. Further, notwithstanding that DICK'S Sporting Goods offered \$40.00 per share for the Company, and thereafter repeatedly lowered its offer, the Director Defendants continued to negotiate with DICK'S Sporting Goods and declined to reach out to other potential buyers who could have paid a higher price for the Company.

**B. The Director Defendants Were Motivated by Self-Interest to Cause Foot Locker to Be Sold for Inadequate Consideration and Pursuant to an Inadequate Process**

41. While the Sale is fundamentally unfair and detrimental to Foot Locker's shareholders and makes little economic sense, it is being driven by the Director Defendants because it will enrich each with a large cash payout.

42. Defendant Mary Dillon, Foot Locker's Chief Executive Officer ("CEO") will receive a cash payout of over \$44.8 million dollars. This includes a transaction-related cash severance payment of around \$8.8 million that, as a practical matter, she would be entitled to receive only if the Company is sold in its entirety and her employment is "severed," and over \$29.5

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<sup>6</sup> Foot Locker's shareholders will be even worse off if they elect to receive DICK'S Sporting Goods' common stock. This is because following the announcement of the Sale, the price of DICK'S Sporting Goods' common stock fell to as low as \$167.03 per share. If the Sale were to close at that price, Foot Locker's shareholders would receive shares of DICK'S Sporting Goods' common stock valued at around \$19.50 per share. Indeed, in formulating its opinion on the fairness of the Sale Consideration, the Company's financial advisor, Evercore, did not even consider the potential value to Foot Locker's shareholders from electing to receive DICK'S Sporting Goods common stock in the Sale, instead of cash.

million for her unvested Foot Locker equity awards, which will accelerate and vest in connection with the Sale.<sup>7</sup> Ms. Dillon was further incentivized to favor the sale of the Company because it enables her to monetize her Foot Locker stock holdings that she could not otherwise sell on the open market without signaling a loss of confidence in the Company, causing much negative publicity and violating Company policy which requires her to hold millions of dollars of Foot Locker shares.<sup>8</sup> The other Director Defendants were motivated to support Ms. Dillon because they too are bound by Foot Locker's stock ownership policy, which requires them to directly hold hundreds of thousands of dollars in Foot Locker shares, and because they will collectively receive in excess of \$4 million from the monetization of their Foot Locker shares, including their unvested Foot Locker equity awards.

43. In addition, each of the Director Defendants will be indemnified against personal liability for his or her actions and inactions in promoting the Sale and disseminating a misleadingly incomplete Proxy Statement.

**C. The Company's Financial Advisor Was Also Conflicted**

44. The Sale was further tainted, and Plaintiff and Foot Locker's other shareholders have been further harmed, by the Director Defendants' engagement of Evercore to act as the

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<sup>7</sup> The temptation for management to engineer a sale of the company to trigger enhanced severance pay for themselves was criticized by the Delaware Court of Chancery in *In re Columbia Pipeline Grp.*, 2023 Del. Ch. LEXIS 162, at \*157 n.29, \*191, 200 (June 30, 2023), where the CEO structured a sale of the entire company in order to trigger a large change of control payment for himself.

<sup>8</sup> See *In re Mindbody, Inc., Stockholder Litig.*, 2024 Del. LEXIS 397, at \*74-87 (Dec. 2, 2024, No. 484, 2023) (CEO favored a sale of the entire company (as here) so that he could sell his company stock, which he could not otherwise do without signaling a lack of confidence in the company).



Company's financial advisor and to render an opinion on the purported fairness of the Sale Consideration notwithstanding its extensive conflicts of interest.

45. Evercore was incentivized to support this unfair transaction by the contingent structure of its advisory fee.<sup>9</sup> It will receive an exorbitant \$40 million fee only if the Sale closes and just \$1 million if it does not. This gives it a \$39 million incentive to favor the Sale regardless of its unfairness to Foot Locker's shareholders.

46. As troubling, Evercore may stand on both sides of the Sale given Defendants' admission that Evercore and its affiliates and/or its or their respective employees, "may" have financial interests in DICK'S Sporting Goods. However, the Defendants have failed to disclose the extent of those financial interests.

47. In addition, Evercore aspires to work for DICK'S Sporting Goods and/or its affiliates which aspirations have been found to encourage bankers to "shade" their opinions.<sup>10</sup>

**D. The Financial Advisor's Opinion is Limited in Scope, Flawed and Does Not Actually Address the Merits of the Acquisition**

48. Apart from Evercore's conflicts of interest and lack of independence, its so-called "fairness opinion" is flawed, as the analyses deviated from standard practice, and it does not address at all whether the Sale is in the best interests of Foot Locker's shareholders.

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<sup>9</sup> See *In re Atheros Communs., Inc. S'holder Litig.*, 2011 Del. Ch. LEXIS 36, at \*29 (Ch. Mar. 4, 2011) (a "contingent fee can readily be seen as providing an extraordinary incentive for [an investment bank] to support the Transaction"); *In re Tele-Comms., Inc. S'holders Litig.*, 2005 Del. Ch. LEXIS 206, at \*41 (Ch. Dec. 21, 2005) ("[T]he contingent compensation of the financial advisor, DLJ, of roughly \$40 million creates a serious issue of material fact, as to whether DLJ ... could provide independent advice ...").

<sup>10</sup> See Afra Afsharipour and J. Travis Laster, *Enhanced Scrutiny on the Buy Side*, 53 GEORGIA LAW REVIEW 443, 455-457 (2019) (Noted corporate scholar and Delaware Vice Chancellor Travis Laster has warned that "[bankers are likely to] 'shade [their] advice . . . to avoid displeasing [those from whom] they wish to have repeat business.'").

49. In connection with its opinion Evercore performed three analyses: *Selected Publicly Traded Companies Analysis*; *Selected Transactions Analysis* and *Discounted Cash Flow Analysis*, each of which was flawed.

50. For Evercore's *Selected Publicly Traded Companies Analysis*, it reviewed data of the selected companies and Foot Locker, using publicly available data from the five years prior to May 13, 2025, which would include data that was negatively impacted by the Covid-19 pandemic thereby reducing the resulting valuation range.

51. For Evercore's *Selected Transactions Analysis*, Evercore included data points from certain decade old transactions and a transaction involving a minority stake (unlike the present transaction which requires sale of control of Foot Locker) as well as disparate transactions ranging including the sale of a mattress company, pet supplies companies and office supplies companies.

52. For Evercore's *Discounted Cash Flow Analysis*,<sup>11</sup> Evercore used unusually low perpetuity growth rates of minus 2.0% to 2.0%<sup>12</sup> and high discount rates ranging from 12.0% to

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<sup>11</sup> The discounted cash flow method, which focuses on the long-term, future cash flows of a company, has been found to be "arguably the most important valuation metric," *Laborers Local 235 Benefit Funds v. Starent Networks, Corp.*, 2009 Del. Ch. LEXIS 210, at \*2 (Nov. 18, 2009) and "the most reliable and pertinent" valuation analysis, *Global GT LP v. Golden Telecom, Inc.*, 993 A.2d 497, 510 & n.10 (Del. Ch. 2010).

<sup>12</sup> See *Merion Capital, L.P. v. 3M Cogent, Inc.*, 2013 Del. Ch. LEXIS 172, \*72 (2013) (using a 4.5% perpetuity growth rate in a discounted cash flow analysis based "historical GDP and inflation data, economic analysts projections, and the growth prospects of the [] industry"); *Del. Open MRI Radiology Assocs., P.A. v. Kessler*, 898 A.2d 290, 337 (Del. Ch. 2006) ("Both experts use a form of the capitalization method to calculate a terminal value for the MRI Centers. Mitchell assumed a constant perpetuity growth rate of 4%. Reed assumed a perpetuity growth rate of 3%. As between the two, I find Mitchell's rate more realistic. Reed essentially assumes no real growth in the value of [the Company] after the projection period, which I believe is unduly pessimistic. Mitchell captures a modest increment of growth for the MRI Centers above the growth in the entire economy that is realistically achievable, and I adopt his perpetuity assumption); *In re Cellular Tel. P'ship Litig.*, 2022 Del. Ch. LEXIS 56, \*114-115 (2022) ("Conventional valuation wisdom holds that the perpetuity growth rate generally should fall somewhere between the rate of inflation and the projected growth rate of the nominal gross domestic product ("GDP") . . . 'A viable company

14.0%. The usage of such high discount rates is especially confounding given that the average cost of capital for the apparel industry is only 7.44%.<sup>13</sup> Notwithstanding these manipulations, this analysis resulted in a valuation range of \$20.95 to \$30.90 for each share of Foot Locker's common stock.

53. Moreover, the fairness opinion is meaningless because it assumes, "without any independent verification or investigation," the accuracy of the financial information for the Company upon which it relied for the analyses underlying its "fairness opinion" and does not address at all the "relative merits" of the Sale or whether it is in shareholders' best interest.

54. Evercore's Opinion states that:

- For purposes of Evercore's analysis and opinion, ***Evercore assumed and relied upon*** the accuracy and completeness of the financial and other information publicly available, and all of the information supplied or otherwise made available to, discussed with, or reviewed by Evercore, ***without any independent verification*** of such information . .
- Evercore did not . . . evaluate the solvency or fair value of Foot Locker or DICK'S Sporting Goods.
- **Evercore's opinion did not address the relative merits of the merger** as compared to other business or financial strategies that might be available to Foot Locker, **nor did it address the underlying business decision of Foot Locker to engage in the [Sale].**
- Evercore did not express any view on, and its opinion did not address, what the value of the DICK'S Sporting Goods common stock actually will be when issued or the prices at which . . . DICK'S Sporting Goods common stock will trade at any time, including following announcement or consummation of the merger.

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should grow at least at the rate of inflation and . . . the rate of inflation is the floor for a terminal value estimate for a solidly profitable company that does not have an identifiable risk of insolvency.'")(citations omitted).

<sup>13</sup> See [https://pages.stern.nyu.edu/~adamodar/New\\_Home\\_Page/datafile/wacc.html](https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/wacc.html).

- In arriving at its opinion, Evercore was not authorized to solicit, and did not solicit, interest from any third party with respect to the acquisition of any or all of Foot Locker common stock or any business combination or other extraordinary transaction involving Foot Locker.

**E. The Deceptive Proxy Statement**

55. Entirely apart from, and more troubling than, the transaction's questionable economics, Plaintiff and Foot Locker's other public shareholders are also being deprived of their sacrosanct right to a fair vote on the Sale by the Defendant's misleadingly incomplete Proxy Statement which has, or threatens to, compromise the integrity of the investor vote on the Sale and irreparably infringe their right to a fair vote.

56. The Proxy Statement that Defendants disseminated to Plaintiff and other Foot Locker's shareholders recommending that they vote in favor of the Sale misrepresents and/or omits the following material facts:

***The undisclosed conflicts of interest of the Individual Defendants***

- (i) According to the Proxy Statement, as of the date of the proxy statement/prospectus, none of Foot Locker's non-employee directors or executive officers has entered into any agreement, arrangement or understanding with DICK'S Sporting Goods regarding employment or service with, or compensation following the merger to be paid by, DICK'S Sporting Goods. However, prior to or following the closing of the merger, certain executive officers of Foot Locker may have discussions, or may enter into agreements with, DICK'S Sporting Goods or Foot Locker regarding post-closing employment with DICK'S Sporting Goods or Foot Locker. The Proxy Statement is deficient, misleading, and incomplete because it does not disclose (a) whether any of Foot Locker's non-employee directors or executive officers has had discussions with DICK'S Sporting Goods regarding employment or service with, or compensation following the merger to be paid by, DICK'S Sporting Goods, (b) when those discussions took place, and (c) any compensation terms discussed.

The financial interests and other conflicts of interest of those recommending the transaction to the Company's shareholders are

material and must be disclosed, and the failure to disclose them is a breach of fiduciary duty and renders the sections of the proxy statement that purport to disclose all of the conflicts misleading.

***The undisclosed conflicts of interest of the financial advisor***

- (ii) According to the Proxy Statement, Evercore and its affiliates may at any time directly hold long or short positions and may trade or otherwise effect transactions for their own accounts in debt or equity securities, senior loans and/or derivative products or other financial instruments of or relating to DICK'S Sporting Goods and/or any of its affiliates. The Proxy Statement is deficient, misleading, and incomplete because it does not disclose the aggregate value of Evercore's and its affiliates' long or short positions in debt or equity securities, senior loans and/or derivative products or other financial instruments of or relating to DICK'S Sporting Goods and/or any of its affiliates, including the extent to which it traded in those positions at the same time it was advising Foot Locker.

The financial interests and conflicts of interest of the Company's financial advisor are material and must be disclosed, and the failure to disclose them is a breach of fiduciary duty and renders the sections of the proxy statement that purport to disclose all of the conflicts misleading.

- (iii) According to the Proxy Statement, Evercore may provide financial advisory or other services to DICK'S Sporting Goods and/or its affiliates in the future, and in connection with any such services Evercore may receive compensation. The Proxy Statement is deficient, misleading, and incomplete because it does not disclose the extent to which Evercore pitched its services to DICK'S Sporting Goods and/or its affiliates at the same time it was advising Foot Locker in the sale process.

The financial interests and conflicts of interest of the Company's financial advisor are material and must be disclosed, and the failure to disclose them is a breach of fiduciary duty and renders the sections of the proxy statement that purport to disclose all of the conflicts misleading.

***The deceptive and/or undisclosed valuation metrics intended to conceal that the Sale price is unfair to the Company's shareholders***

- (iv) According to the Proxy Statement, DICK'S Sporting Goods expects that it will recognize anticipated cost synergies following consummation of the merger, which Foot Locker shareholders who

make a stock election will benefit from as continuing stockholders of DICK'S Sporting Goods. The Proxy Statement is deficient, misleading, and incomplete because it does not disclose (a) the value of the anticipated synergies and (b) the timeline on which they are expected to be achieved.

A reasonable shareholder being asked to support the Sale and to make an election whether to accept DICK'S Sporting Goods stock as consideration would consider it important to know the value of the synergies that may benefit DICK'S Sporting Goods shareholders and when they are expected and the omission of this material information renders the proxy statement's summary of the work of the financial advisor materially incomplete and misleading.

- (v) The Proxy Statement is deficient, misleading, and incomplete because it does not disclose the P/NTM EPS multiples, TEV/NTM EBITDA multiples, FY2025E P/Adjusted EPS multiples, and FY2025E TEV/Adjusted EBITDA multiples for each of the selected companies in Evercore's selected publicly traded companies valuation of Foot Locker.

The key assumptions and financial metrics used by the Company's financial advisor in arriving at its Opinion are material to stockholders and must be disclosed so that shareholders can determine how much weight to put on the Opinion in deciding whether to vote for the Sale and the omission of this material information renders the proxy statement's summary of the work of the financial advisor materially incomplete and misleading.

- (vi) The Proxy Statement is deficient, misleading, and incomplete because it does not disclose the TEV / LTM Adjusted EBITDA multiples for each of the selected transactions in Evercore's selected transactions valuation of Foot Locker.

The key assumptions and financial metrics used by the Company's financial advisor in arriving at its Opinion are material to stockholders and must be disclosed so that shareholders can determine how much weight to put on the Opinion in deciding whether to vote for the Sale and the omission of this material information renders the proxy statement's summary of the work of the financial advisor materially incomplete and misleading.

- (vii) The Proxy Statement is deficient, misleading, and incomplete because it does not disclose how stock-based compensation was treated—as a cash or non-expense—in Evercore's discounted cash flow valuation of Foot Locker.

The key assumptions and financial metrics used by the Company's financial advisor in arriving at its Opinion are material to stockholders and must be disclosed so that shareholders can determine how much weight to put on the Opinion in deciding whether to vote for the Sale and the omission of this material information renders the proxy statement's summary of the work of the financial advisor materially incomplete and misleading.

***The undisclosed facts about the strategic process***

- (viii) According to the Proxy Statement, the Director Defendants reviewed the complexities and risks to achieving the Lace-Up Plan, the differences between Wall Street analyst estimates and the targets in the Lace-Up Plan, and recent investor feedback to Foot Locker management regarding the timing and achievability of financial targets in the Lace-Up Plan. The Proxy Statement is deficient, misleading, and incomplete because it does not disclose the Director Defendants' substantive discussion of recent investor feedback to Foot Locker management regarding the timing and achievability of financial targets in the Lace-Up Plan.

Factual information regarding the process, potential bidders and bids, strategic alternatives, negotiations and discussions leading to the Sale is material and must be disclosed in order for the Company's shareholders and securities holders to assess the fairness and sufficiency of the process and the Sale price, whether the process was biased or tainted by the personal interests of those recommending the transaction, and whether to vote in favor of the Sale.

- (ix) According to the Proxy Statement, on September 23, 2024, the Director Defendants discussed their belief that DICK'S Sporting Goods should increase its purchase price—then \$37.00 per share, or \$13.00 higher than the Sale price—to take into account synergies that would be available to DICK'S Sporting Goods in an all-cash transaction. The Proxy Statement is deficient, misleading, and incomplete because it does not disclose the Director Defendants' substantive discussion of synergies that would be available to DICK'S Sporting Goods in an all-cash transaction, including the value of synergies and timeline expected to achieve them.

Factual information regarding the process, potential bidders and bids, strategic alternatives, negotiations and discussions leading to the Sale is material and must be disclosed in order for the

Company's shareholders and securities holders to assess the fairness and sufficiency of the process and the Sale price, whether the process was biased or tainted by the personal interests of those recommending the transaction, and whether to vote in favor of the Sale.

- (x) According to the Proxy Statement, on April 8, 2025, the Director Defendants considered that the ability to elect stock of DICK'S Sporting Goods would allow Foot Locker shareholders to participate in any recovery in retail stock prices prior to closing, as well as the ability to share in synergies created by a combination of DICK'S Sporting Goods and Foot Locker. The Proxy Statement is deficient, misleading, and incomplete because it does not disclose the Director Defendants' substantive discussion of synergies created by a combination of DICK'S Sporting Goods and Foot Locker, including the value of synergies and timeline expected to achieve them.

Factual information regarding the process, potential bidders and bids, strategic alternatives, negotiations and discussions leading to the Sale is material and must be disclosed in order for the Company's shareholders and securities holders to assess the fairness and sufficiency of the process and the Sale price, whether the process was biased or tainted by the personal interests of those recommending the transaction, and whether to vote in favor of the Sale.

- (xi) According to the Proxy Statement, on May 7, 2025, Foot Locker's Mr. Bracken met with the Chief Executive Officer of Company X at an industry event and discussed the status of a potential business transaction that was the subject of ongoing discussions between Foot Locker and Company X. The Proxy Statement is deficient, misleading, and incomplete because it does not disclose when discussions between Foot Locker and Company X had taken place including any key terms discussed.

Factual information regarding the process, potential bidders and bids, strategic alternatives, negotiations and discussions leading to the Sale is material and must be disclosed in order for the Company's shareholders and securities holders to assess the fairness and sufficiency of the process and the Sale price, whether the process was biased or tainted by the personal interests of those recommending the transaction, and whether to vote in favor of the Sale.

- (xii) According to the Proxy Statement, on May 10, 2025, the Director Defendants reviewed with management and Evercore



representatives strategic alternatives available to Foot Locker, including a continued focus on the execution of the Lace-Up Plan, potential joint ventures and divestitures, operational transformation projects, modifications to Foot Locker's capital structure and/or capital return program, potential capital market transactions, potential minority investments and potential licensing partnerships and considered whether other strategic or financial buyers could have potential interest in acquiring Foot Locker. The Proxy Statement is deficient, misleading, and incomplete because it does not disclose the Director Defendants' substantive discussions of strategic alternatives available to Foot Locker, including whether other strategic or financial buyers could have potential interest in acquiring Foot Locker and the number of strategic or financial buyers discussed.

Factual information regarding the process, potential bidders and bids, strategic alternatives, negotiations and discussions leading to the Sale is material and must be disclosed in order for the Company's shareholders and securities holders to assess the fairness and sufficiency of the process and the Sale price, whether the process was biased or tainted by the personal interests of those recommending the transaction, and whether to vote in favor of the Sale.

- (xiii) According to the Proxy Statement, on May 14, 2025, the Director Defendants considered strategic alternatives to the merger, including continuing to pursue Foot Locker's stand-alone plan, and its assessment that no other alternatives were reasonably likely to create greater value for Foot Locker shareholders than the Sale. The Proxy Statement is deficient, misleading, and incomplete because it does not disclose the Director Defendants' substantive discussions of other alternatives to create greater value for Foot Locker shareholders than the Sale.

Factual information regarding the process, potential bidders and bids, strategic alternatives, negotiations and discussions leading to the Sale is material and must be disclosed in order for the Company's shareholders and securities holders to assess the fairness and sufficiency of the process and the Sale price, whether the process was biased or tainted by the personal interests of those recommending the transaction, and whether to vote in favor of the Sale.

- (xiv) According to the Proxy Statement, on May 14, 2025, after reviewing the updated version of Evercore's relationship disclosure letter, the Director Defendants concluded that there were no conflicts of

interest that would impede Evercore's ability to continue to serve as Foot Locker's financial advisor. The Proxy Statement is deficient, misleading, and incomplete because it does not disclose the Director Defendants' substantive discussions of Evercore's relationship disclosure letter, including the basis for its conclusion that there were no conflicts of interest that would impede Evercore's ability to continue to serve as Foot Locker's financial advisor.

Factual information regarding the process, potential bidders and bids, strategic alternatives, negotiations and discussions leading to the Sale is material and must be disclosed in order for the Company's shareholders and securities holders to assess the fairness and sufficiency of the process and the Sale price, whether the process was biased or tainted by the personal interests of those recommending the transaction, and whether to vote in favor of the Sale.

### COUNT I

#### BREACH OF FIDUCIARY DUTIES OF GOOD FAITH, LOYALTY, FAIR DEALING, AND DUE CARE UNDER NEW YORK LAW

##### *(Against the Director Defendants)*

57. Plaintiff repeats and realleges all previous allegations as if set forth in full herein.

58. By reason of the foregoing, the Director Defendants have breached their fiduciary duties of, *inter alia*, good faith, loyalty, fair dealing, and due care under New York law to Plaintiff and/or aided and abetted in the breach of those fiduciary duties.

59. The Director Defendants breached their fiduciary duties to Foot Locker shareholders, including Plaintiff, by *inter alia*:

- (a) agreeing to the Sale for an inadequate price that is less than the Company's intrinsic value and that does not maximize shareholder value;
- (b) negotiating a sale of the Company with only DICK'S Sporting Goods and declining to conduct a market check or otherwise reach out to other potential buyers who could have paid a higher price for the Company;

- (c) negotiating the sale of the Company at a time when the Company's stock was trading at a highly discounted rate;
- (d) determining to sell the Company at a time when the global financial markets were experiencing significant turmoil and uncertainty as a result of the debate surrounding, and imposition of, global tariffs;
- (e) preferring their personal interests in obtaining the lucrative benefits that will inure to them in connection with the Sale, including the opportunity to monetize their Foot Locker equity awards and to receive upfront cash payment from the accelerated vesting of their unvested Foot Locker equity awards;
- (f) discouraging higher bids for the Company by obligating Foot Locker to pay DICK'S Sporting Goods a termination fee of \$59.5 million if it were to accept a higher offer for the Company;
- (g) hiring Evercore as the Company's financial advisor notwithstanding its admission that it and its affiliates and/or its or their respective employees, "may" have financial interests in DICK'S Sporting Goods;
- (h) hiring Evercore as the Company's financial advisor notwithstanding that Evercore aspires to work for DICK'S Sporting Goods and/or its affiliates (which aspirations have been found to incentivize a financial advisor to "shade" its opinion);
- (ii) imposing conflicts of interest on Evercore by making the bulk of its fee contingent upon the Sale;
- (j) directing Evercore to rely on management financial projections created during the Sale process notwithstanding that such projections have been found to be unreliable as they are susceptible to manipulation by management to justify acceptance of a lower price;
- (k) relying on Evercore's flawed "fairness opinion" in determining to approve the Sale;
- (l) downwardly revising the Company's financial forecasts during the Sale process; and
- (m) disseminating a Proxy Statement to Foot Locker's stockholders that is false, misleading and materially incomplete.

60. As a result, Plaintiff has and will suffer harm, including irreparable harm.

**COUNT II****FAILURE TO DISCLOSE UNDER NEW YORK LAW**

*(Against Foot Locker and the Director Defendants)*

61. Plaintiff repeats and realleges all previous allegations as if set forth in full herein.

62. Under applicable New York law, the Director Defendants have a fiduciary obligation to disclose in the Proxy Statement all material facts that may influence shareholder action on the proposed transaction so that Foot Locker's shareholders can make an informed decision as to whether to vote in favor of the Sale. As alleged in detail above, the Director Defendants have breached their fiduciary duty by making materially inadequate disclosures and material omissions in the Proxy Statement.

63. As a result of these failures to disclose, Plaintiff has and will suffer harm, including irreparable harm.

**COUNT III****AIDING AND ABETTING BREACH OF FIDUCIARY DUTIES  
UNDER NEW YORK LAW**

*(Against DICK'S Sporting Goods)*

64. Plaintiff repeats and realleges all previous allegations as if set forth in full herein.

65. At all times relevant to this Complaint, the Director Defendants were directors of Foot Locker.

66. As directors of Foot Locker, the Director Defendants owed a fiduciary obligation of loyalty to Foot Locker's shareholders, including Plaintiff.

67. As directors of Foot Locker, the Director Defendants owed a fiduciary obligation to act with due care.

68. DICK'S Sporting Goods is charged with knowledge of the Director Defendants' fiduciary duties to Foot Locker's shareholders and ignorance of the law is no defense to a claim of aiding and abetting a breach of fiduciary duty.

69. The Director Defendants breached their fiduciary duties to Foot Locker's shareholders, including Plaintiff, by among other things:

- (a) agreeing to the Sale for an inadequate price that is less than the Company's intrinsic value and that does not maximize shareholder value;
- (b) negotiating a sale of the Company with only DICK'S Sporting Goods and declining to conduct a market check or otherwise reach out to other potential buyers who could have paid a higher price for the Company;
- (c) negotiating the sale of the Company at a time when the Company's stock was trading at a highly discounted rate;
- (d) determining to sell the Company at a time when the global financial markets were experiencing significant turmoil and uncertainty as a result of the debate surrounding, and imposition of, global tariffs;
- (e) preferring their personal interests in obtaining the lucrative benefits that will inure to them in connection with the Sale, including the opportunity to monetize their Foot Locker equity awards and to receive up front cash payment from the accelerated vesting of their unvested Foot Locker equity awards;
- (f) discouraging higher bids for the Company by obligating Foot Locker to pay DICK'S Sporting Goods a termination fee of \$59.5 million if it were to accept a higher offer for the Company;
- (g) hiring Evercore as the Company's financial advisor notwithstanding its admission that it and its affiliates and/or its or their respective employees, "may" have financial interests in DICK'S Sporting Goods;
- (h) hiring Evercore as the Company's financial advisor notwithstanding that Evercore aspires to work for DICK'S Sporting Goods and/or its affiliates (which aspirations have been found to incentivize a financial advisor to "shade" its opinion);

- (iii) imposing conflicts of interest on Evercore by making the bulk of its fee contingent upon the Sale;
- (j) directing Evercore to rely on management financial projections created during the Sale process notwithstanding that such projections have been found to be unreliable as they are susceptible to manipulation by management to justify acceptance of a lower price;
- (k) relying on Evercore's flawed "fairness opinion" in determining to approve the Sale;
- (l) downwardly revising the Company's financial forecasts during the Sale process; and
- (m) disseminating a Proxy Statement to Foot Locker's stockholders that is false, misleading and materially incomplete.

70. DICK'S Sporting Goods knowingly encouraged, induced, participated and assisted in, and benefited from the Director Defendants' breaches of their fiduciary duties.

71. DICK'S Sporting Goods aided and abetted all of the Director Defendants' breaches of their fiduciary duties to Foot Locker's shareholders by, among other things, (a) negotiating the Sale with knowledge of and exploiting the conflicts of interest of the Director Defendants, (b) acquiring 4.5% Foot Locker common stock and using such acquisition to compel the Director Defendants to engage in Sale negotiations, (c) threatening to go public with its offer to buy the Company; and (d) obligating the Company to pay it a \$59.5 million termination fee if it is sold to a higher bidder

72. The Sale could not have taken place without the knowing participation of DICK'S Sporting Goods.

73. Plaintiff has and will suffer harm as a result of DICK'S Sporting Goods aiding and abetting the Director Defendants' breaches of their fiduciary duties, including irreparable harm.

**COUNT IV****CLAIM FOR NEGLIGENT MISREPRESENTATION  
AND CONCEALMENT UNDER NEW YORK LAW**

*(Against all Defendants)*

74. Plaintiff repeats and realleges all previous allegations as if set forth in full herein.

75. Pursuant to New York common law, Defendants are required to exercise reasonable care and competence in connection with the accuracy and completeness of their communications with Foot Locker investors, including investor communications in connection with the Sale.

76. In connection with the Sale, the Foot Locker Defendants disseminated to Foot Locker's shareholders, including Plaintiff, the Proxy Statement which contains the materially false and misleading statements and omissions of presently existing or past facts specified herein.

77. The Proxy Statement is a prospectus of DICK'S Sporting Goods with respect to the DICK'S Sporting Goods shares to be issued to plaintiff and other Foot Locker's shareholders in connection with the Sale.

78. DICK'S Sporting Goods further participated in the dissemination of the Proxy Statement by supplying information to Foot Locker specifically for inclusion in the Proxy Statement. It is also contractually obligated, pursuant to the Sale agreement, to ensure that the Proxy Statement does not contain any material misrepresentations or omissions.

79. Defendants were negligent and failed to exercise reasonable care or competence in communicating or failing to communicate in the Proxy Statement truthfully and completely the material information specified herein.

80. As persons to whom the Proxy Statement was disseminated, Defendants intended for Plaintiff (and the other Foot Locker shareholders) to rely on the materially false and misleading

statements and omissions in the Proxy when voting on the Sale and Foot Locker's shareholders did rely, and were justified in doing so, and by reason thereof, their collective action has been or will be tainted, compromised and corrupted by the Defendants' materially false and misleading statements and omissions.

81. By reason thereof, the Defendants' dissemination of the Proxy Statement, which contains the false and misleading information and omissions specified above, has or threatens to cause irreparable harm to Plaintiff because it has or threatens to infringe Plaintiff's right to a fair vote and to taint, compromise and corrupt the Sale and vote thereon, and damage and deprive Plaintiff of his interest in Foot Locker without proper and fully informed collective action by the shareholders of Foot Locker.

82. As a result of the above, Defendants' negligent misrepresentation and/or omission of the material information specified herein has and will proximately cause Plaintiff injury and irreparable harm absent an injunction.

**WHEREFORE**, Plaintiff demands judgment as follows:

1. declaring that Defendants have breached their fiduciary duties to Plaintiff and/or aided and abetted the same;
2. declaring that Defendants negligently misrepresented, concealed and omitted facts, and/or aided and abetted the same, in the Proxy Statement they distributed to Plaintiff in connection with recommending that Plaintiff vote in favor of the Sale;
3. requiring the Director Defendants to cause Foot Locker to make corrective and complete disclosures;
4. enjoining and/or rescinding the closing of the shareholder vote on the Sale until trial or until the Defendants make corrective and complete disclosures;



5. awarding interest, attorney's fees, expert fees and other costs in an amount to be determined; and

6. granting such other relief as the Court may find just and proper.

Dated: New York, New York  
July 19, 2025

/s/ Richard B. Brualdi  
Richard B. Brualdi  
rbrualdi@brualdilawfirm.com  
John F. Keating, Jr.  
jkeating@brualdilawfirm.com  
Gaitri Boodhoo  
gboodhoo@brualdilawfirm.com  
David Titus  
dtitus@brualdilawfirm.com  
THE BRUALDI LAW FIRM, P.C.  
29 Broadway, Suite 2400  
New York, NY 10006  
Telephone: (212) 952-0602  
Facsimile: (212) 952-0608

Dennis E. Glazer, Esq.  
dennis.e.glazer@gmail.com  
LAW OFFICES OF DENNIS E. GLAZER  
15 Kensington Road  
Bronxville, NY 10708  
Telephone: (914) 450-4960

***Counsel for Plaintiff***