

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

<hr/>	X	
CITY OF WARREN POLICE AND FIRE	:	Civil Action No.
RETIREMENT SYSTEM, Individually and on	:	
Behalf of All Others Similarly Situated,	:	<u>CLASS ACTION</u>
	:	
Plaintiff,	:	COMPLAINT FOR VIOLATION OF THE
	:	FEDERAL SECURITIES LAWS
vs.	:	
	:	
FOOT LOCKER, INC., RICHARD A.	:	
JOHNSON and LAUREN B. PETERS,	:	
	:	
Defendants.	:	
<hr/>	X	<u>DEMAND FOR JURY TRIAL</u>

Plaintiff City of Warren Police and Fire Retirement System (“plaintiff”) alleges the following based upon the investigation of plaintiff’s counsel, which included a review of U.S. Securities and Exchange Commission (“SEC”) filings by Foot Locker, Inc. (“Foot Locker” or the “Company”), as well as regulatory filings and reports, securities analysts’ reports and advisories about the Company, press releases and other public statements issued by the Company, and media reports about the Company. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

### **NATURE OF THE ACTION**

1. This is a securities class action on behalf of all purchasers of Foot Locker common stock between August 19, 2016 and August 17, 2017, inclusive (the “Class Period”) seeking to pursue remedies under the Securities Exchange Act of 1934 (the “1934 Act”).

### **JURISDICTION AND VENUE**

2. The claims asserted herein arise under and pursuant to §§10(b) and 20(a) of the 1934 Act [15 U.S.C. §§78j(b) and 78t(a)] and SEC Rule 10b-5 [17 C.F.R. §240.10b-5]. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and §27 of the 1934 Act.

3. Venue is proper in this District pursuant to 28 U.S.C. §1391(b), because certain of the acts and practices complained of herein occurred in this District.

4. In connection with the acts and conduct alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails and interstate wire and telephone communications.

## **PARTIES**

5. Plaintiff City of Warren Police and Fire Retirement System purchased Foot Locker common stock, as set forth in the accompanying certification incorporated herein by reference, and has been damaged thereby.

6. Defendant Foot Locker is an athletic shoe and apparel retailer. Foot Locker common stock traded in an efficient market on the New York Stock Exchange throughout the Class Period under the ticker symbol “FL.” As of November 24, 2017, Foot Locker had more than 121.2 million shares issued and outstanding.

7. Defendant Richard A. Johnson (“Johnson”) is, and was at all relevant times, Foot Locker’s President, Chief Executive Officer (“CEO”) and Chairman of the Board of Directors.

8. Defendant Lauren B. Peters (“Peters”) is, and was at all relevant times, the Chief Financial Officer (“CFO”) of Foot Locker.

9. Defendants Johnson and Peters are referred to herein as the “Individual Defendants.” Foot Locker and the Individual Defendants are referred to herein, collectively, as “defendants.”

10. Defendants are liable for: (i) making false statements; or (ii) failing to disclose adverse facts known to them about Foot Locker. Defendants’ fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of Foot Locker common stock was a success, as it: (i) deceived the investing public regarding Foot Locker’s prospects and business; (ii) artificially inflated the price of Foot Locker common stock; (iii) allowed certain of Foot Locker’s executives and insiders to sell more than \$13.38 million worth of their personally held shares of Foot Locker common stock to the unsuspecting public; and (iv) caused plaintiff and other members of the Class to purchase Foot Locker common stock at inflated prices.

## SUBSTANTIVE ALLEGATIONS

11. Defendant Foot Locker is an American sportswear and footwear retailer with headquarters in Midtown Manhattan. As of October 28, 2017, Foot Locker had 3,349 stores in 23 countries in North America, Europe, Australia and New Zealand.

12. The Class Period starts on August 19, 2016. On that day, before the market opened, Foot Locker issued a press release announcing its second quarter 2016 (“2Q16”) financial results for the period ended July 30, 2016. Foot Locker stated that 2Q16 comparable store sales had grown 4.7%, gross margins had improved 40 basis points, net income had reached \$127 million, and earnings per share (“EPS”) had increased 12% to \$0.94 per share. Defendant Johnson commented on the results, stating in pertinent part as follows:

“As a Company, Foot Locker has strong leadership positions in the athletic industry, with the most important being *our deep understanding of the core customer* for each of our banners . . . . *We share this understanding with our key vendors, which enables us to partner with them to deliver the trend-right, premium footwear and apparel assortments our customers seek*, which in turn has led to *consistently outstanding financial results* such as we announced today. Within the second quarter, we drove comparable sales gains across basketball, running, and classic footwear, as well as apparel. We also posted gains in all regions and channels in which we operate, reflecting the success of our strategic initiatives to build our Company to be an enduring retail leader with strengths across many dimensions.”

Defendant Peters commented on the results, stating in pertinent part as follows:

“The Company has made substantial and thoughtful investments in its stores, digital sites, and infrastructure over the years, which have led to significantly improved productivity . . . . The returns from those investments, combined with careful inventory and expense management, have led to *our current strong financial position*. This position of strength underpins our commitment to balance our allocation of capital between additional investments in the business and returning substantial amounts of cash to shareholders through our dividend and share repurchase programs, as evidenced by the \$350 million of cash we have returned to shareholders in the first half of 2016.”

13. That same day, before the opening of the market, Foot Locker conducted a conference call with analysts and investors to discuss the Company’s earnings and operations.

During the conference call, defendants made positive statements about the Company's then-present business metrics and financial prospects.

14. On November 18, 2016, Foot Locker issued a press release announcing its third quarter 2016 ("3Q16") financial results for the period ended October 29, 2016. Foot Locker reported that 3Q16 comparable store sales had again grown 4.7%, the gross margin rate had improved to 33.9%, net income had reached \$157 million, and EPS were \$1.17 per share.

Defendant Johnson commented on the Company's results, stating in pertinent part as follows:

*"Our outstanding track record of meaningful sales and profit growth over several years is a strong testament to Foot Locker, Inc.'s solid position at the center of sneaker culture . . . . Our associates work hard every day to make our Company the sneaker lover's preferred destination for the best footwear and apparel assortments across our array of outstanding athletic vendors. That work translated once again into an exceptional quarterly sales and profit performance."*

Defendant Peters commented on the Company's purportedly continuing strong financial metrics, stating in pertinent part as follows:

*"The Company continued to execute its strategic initiatives and produce excellent financial results in the quarter, with solid, consistent top-line growth, as well as incremental improvements in both gross margin and SG&A rates. Our inventory is fresh and well-positioned as we prepare for the important holiday selling season, and we remain well on track to achieve our annual guidance of a mid-single digit comparable-store sales gain and double-digit earnings per share growth."*

15. That same day, Foot Locker conducted a conference call with analysts and investors to discuss the Company's earnings and operations. During the conference call, defendants made additional positive statements about the Company's then-present business metrics and financial prospects.

16. On February 24, 2017, Foot Locker issued a press release announcing its fourth quarter 2016 ("4Q16") and fiscal 2016 ("FY16") financial results for the period ended January 28, 2017. Foot Locker reported that 4Q16 comparable store sales had grown 5%, FY16

comparable store sales had grown 4.3%, the 4Q16 gross margin rate had improved to 33.7%, 4Q16 net income had reached \$189 million, and 4Q16 EPS were \$1.42 per share. Defendant Johnson commented on the Company's financial results, stating in pertinent part as follows:

“Generating our seventh consecutive year of meaningful sales and profit growth is ***a strong testament to Foot Locker, Inc.’s solid position at the center of sneaker culture . . . .*** All credit goes to the incredibly talented team of associates we have around the world, and I want to thank them sincerely for another outstanding performance in 2016. Due in part to the change in the cadence of income tax refund check distribution, we are facing a challenging retail sales environment as we enter 2017; however, ***we believe the strategic initiatives we have in place, coupled with our strong vendor relationships, will enable us to deliver another year of record performance.***”

Defendant Peters commented on the Company's financial results, stating in pertinent part as follows:

“***We continued to make substantial progress in 2016 towards our long-term goals . . . .*** Our Earnings Before Interest and Taxes surpassed \$1 billion for the first time in our history and the EBIT rate improved to 13 percent of sales. Our adjusted net income margin increased to 8.4 percent and our sales per gross square foot reached \$515. Although we currently face a softer sales environment than at this time last year, ***we are planning for a mid-single digit comparable sales gain and a double-digit earnings per share increase for the full year of 2017.***”

17. That same day, Foot Locker conducted a conference call with analysts and investors to discuss the Company's earnings and operations. During the conference call, defendants made additional positive statements about the Company's then-present business metrics and financial prospects.

18. The statements referenced above in ¶¶12-17 were materially false and misleading when made, because they failed to disclose the following adverse facts, which were known to defendants or recklessly disregarded by them:

(a) that Foot Locker's vendors were transitioning to selling through various online retailers, diminishing the utility of Foot Locker's large number of brick and mortar stores and the once-high value of its exclusivity relationships with those vendors;

(b) that competition with online retailers had increased the pricing competition Foot Locker faced while concomitantly lowering demand at its stores; and

(c) that, as a result, defendants' statements about Foot Locker's business, operations and prospects were materially false and misleading and/or lacked a reasonable basis at all relevant times.

19. On May 19, 2017, Foot Locker issued a press release announcing its first quarter 2017 ("1Q17") financial results for the period ended April 29, 2017. Foot Locker reported that its 1Q17 revenue growth had plummeted, falling to essentially flat. Same store sales increased only a mere half percent. As a result, Foot Locker reported that its profits fell during the period to \$180 million, or \$1.36 per share, below the \$1.38 per share the Company had led investors to expect, and well below the \$191 million, or \$1.39 per share, the Company had reported for 1Q16. During the conference call held with investors and analysts that morning, defendants further disclosed that this trend was not restricted to the second half of 2016 and 1Q17, but would continue, and that the Company was then forecasting second quarter 2017 ("2Q17") comparable store sales up only in the low single digits, with profits relatively flat compared to the 2Q16. Defendants stated that if sales did not improve, the Company would be forced to cut costs and inventory in order to make its 2017 financial guidance of a mid-single digit EPS increase.

20. In response, the price of Foot Locker common stock declined precipitously, from its open of \$70.45 per share on May 19, 2017 to a close of \$58.72 per share, a decline of nearly

17% on unusually high trading volume of more than 16 million shares traded, or more than eight times the average daily trading volume over the preceding 30 trading days.

21. On August 18, 2017, before the open of trading, Foot Locker issued a press release announcing its 2Q17 financial results for the period ended July 29, 2017. Foot Locker reported that its 2Q17 *revenues had now actually declined 4.4% year-over-year*, falling nearly \$80 million from \$1.78 billion in the 2Q16 to \$1.7 billion in the 2Q17. *Same store sales fell a full 6%*. As a result, Foot Locker reported that its profits fell during the period to just \$51 million, or \$0.39 per share, drastically below the \$0.90 per share the Company had led investors to expect, and well below the \$127 million, or \$0.94 per share, the Company had reported in 2Q16. The Company also stated that it would close approximately 130 stores, more than the 100 stores it had previously announced it would close. During the conference call held with investors and analysts that morning, the Company said it expected weaker sales for the remainder of FY17, with same store sales likely to be down between 3% and 4% for 3Q17 and 4Q17.

22. In response, the price of Foot Locker common stock declined precipitously, from a close of \$47.70 per share on August 17, 2017 to a close of \$34.38 per share on August 18, 2017, on unusually high trading volume of more than 36.2 million shares traded, or more than nine times the average daily trading volume over the preceding ten trading days.

#### **ADDITIONAL SCIENTER ALLEGATIONS**

23. As alleged herein, Foot Locker and the Individual Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as



primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Foot Locker, their control over, and/or receipt and/or modification of Foot Locker's allegedly materially misleading statements and/or their associations with the Company which made them privy to confidential proprietary information concerning Foot Locker, participated in the fraudulent scheme alleged herein.

24. The Individual Defendants were further motivated to misrepresent the Company's business metrics and financial prospects in order to profit from selling Foot Locker common stock. Indeed, during the Class Period, Foot Locker senior executives and directors, including both of the Individual Defendants, sold 192,162 shares of their personally held Foot Locker stock, reaping *more than \$13.38 million* in gross proceeds:

SELLER	DATE	SHARES	PRICE	PROCEEDS
<b>Defendant Johnson</b> President, CEO & Chairman of the Board	08/19/16	50,000	\$68	\$3,402,000
<b>Defendant Peters</b> CFO	08/22/16 03/08/17	20,000 <u>25,000</u> 45,000	\$68.00 \$77.51	\$1,360,000 <u>\$1,937,650</u> \$3,297,650
<b>Lewis Phillip Kimble</b> Exec. VP/CEO Int'l	09/07/16	43,479	\$65.38- \$65.46	\$2,843,682
<b>Cheryl N. Turpin</b> Director	10/12/16 03/02/17	10,000 <u>2,000</u> 12,000	\$69.16 \$76.17	\$691,600 <u>\$152,340</u> \$843,940
<b>Nicholas P. Dipaolo</b> Director	10/13/16	5,424	\$68.75	\$372,900
<b>Matthew M. McKenna</b> Director	11/29/16 03/01/17	6,659 <u>5,000</u> 11,659	\$72.39 \$75.92	\$482,045 <u>\$379,600</u> \$861,645

<b>Paulette Alviti</b>	12/05/16	10,000	\$75.23- \$75.37	\$753,280
Sr. VP/Chief HR Officer	04/20/17	<u>8,000</u>	\$74.50	<u>\$596,000</u>
		18,000		\$1,349,280
<b>Jarobin Gilbert</b>	12/06/16	1,000	\$76.23	\$76,230
Director		<u>5,600</u>	\$59.40	<u>\$332,640</u>
		<u>6,600</u>		<u>\$408,870</u>
		<b>192,162</b>		<b>\$13,380,580</b>

### LOSS CAUSATION/ECONOMIC LOSS

25. During the Class Period, as detailed herein, the defendants made false and misleading statements and engaged in a scheme to deceive the market and a course of conduct that artificially inflated the price of Foot Locker securities and operated as a fraud or deceit on Class Period purchasers of Foot Locker securities by misrepresenting the Company's business and prospects. Later, when the defendants' prior misrepresentations and fraudulent conduct became apparent to the market, the price of Foot Locker securities fell precipitously, as the prior artificial inflation came out of the price over time. As a result of their purchases of Foot Locker securities during the Class Period, plaintiff and other members of the Class suffered economic loss, *i.e.*, damages, under the federal securities laws.

### NO SAFE HARBOR

26. Foot Locker's verbal "Safe Harbor" warnings accompanying its oral forward-looking statements ("FLS") issued during the Class Period were ineffective to shield those statements from liability.

27. Defendants are also liable for any false or misleading FLS pleaded because, at the time each FLS was made, the speaker knew the FLS was false or misleading and the FLS was authorized and/or approved by an executive officer of Foot Locker who knew that the FLS was false. None of the historic or present tense statements made by defendants were assumptions underlying or relating to any plan, projection or statement of future economic performance, as

they were not stated to be such assumptions underlying or relating to any projection or statement of future economic performance when made, nor were any of the projections or forecasts made by defendants expressly related to or stated to be dependent on those historic or present tense statements when made.

### **CLASS ACTION ALLEGATIONS**

28. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all purchasers of Foot Locker common stock during the Class Period who were damaged thereby (the “Class”). Excluded from the Class are defendants and their families, the officers and directors of the Company, at all relevant times, members of their immediate families, and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

29. The members of the Class are so numerous that joinder of all members is impracticable. Foot Locker common stock was actively traded. While the exact number of Class members is unknown to plaintiff at this time and can only be ascertained through appropriate discovery, plaintiff believes that there are hundreds of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Foot Locker or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

30. Plaintiff’s claims are typical of the claims of the members of the Class, as all members of the Class are similarly affected by defendants’ wrongful conduct in violation of federal law that is complained of herein.

31. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

32. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- (a) whether the 1934 Act was violated by defendants' acts as alleged herein;
- (b) whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Foot Locker; and
- (c) to what extent the members of the Class have sustained damages and the proper measure of damages.

33. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

### **COUNT I**

#### **For Violation of §10(b) of the 1934 Act and Rule 10b-5 Against All Defendants**

34. Plaintiff incorporates ¶¶1-33 by reference.

35. During the Class Period, defendants disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

36. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- (a) employed devices, schemes and artifices to defraud;
- (b) made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of Foot Locker common stock during the Class Period.

37. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Foot Locker common stock. Plaintiff and the Class would not have purchased Foot Locker common stock at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by defendants' misleading statements.

## **COUNT II**

### **Violations of §20(a) of the 1934 Act Against All Defendants**

38. Plaintiff incorporates ¶¶1-37 by reference.

39. The Individual Defendants acted as controlling persons of Foot Locker within the meaning of §20(a) of the 1934 Act. By reason of their positions with the Company, and their ownership of Foot Locker stock, the Individual Defendants had the power and authority to cause Foot Locker to engage in the wrongful conduct complained of herein. Foot Locker controlled the Individual Defendants and all of its employees. By reason of such conduct, defendants are liable pursuant to §20(a) of the 1934 Act.

### **PRAYER FOR RELIEF**

WHEREFORE, plaintiff prays for relief and judgment, as follows:

- A. Determining that this action is a proper class action, designating plaintiff as Lead Plaintiff and certifying plaintiff as Class representative under Rule 23 of the Federal Rules of Civil Procedure and plaintiff's counsel as Lead Counsel;
- B. Awarding compensatory damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- C. Awarding plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- D. Such equitable/injunctive or other relief as may be deemed appropriate by the Court.

### **JURY DEMAND**

Plaintiff hereby demands a trial by jury

DATED: March 9, 2018

ROBBINS GELLER RUDMAN  
& DOWD LLP  
SAMUEL H. RUDMAN  
MARY K. BLASY

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*s/ Samuel H. Rudman*  
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Attorneys for Plaintiff

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CERTIFICATION OF NAMED PLAINTIFF  
PURSUANT TO FEDERAL SECURITIES LAWS

CITY OF WARREN POLICE AND FIRE RETIREMENT SYSTEM  
("Plaintiff") declares:

1. Plaintiff has reviewed a complaint and authorized its filing.
2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.
3. Plaintiff is willing to serve as a representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.
4. Plaintiff has made the following transaction(s) during the Class Period in the securities that are the subject of this action:

<u>Security</u>	<u>Transaction</u>	<u>Date</u>	<u>Price Per Share</u>
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*See attached Schedule A.*

5. (a) Plaintiff has been appointed to serve as a representative party for a class in the following actions filed under the federal securities laws within the three-year period prior to the date of this Certification:

*Sohol v. Yan, et al.*, No. 1:15-cv-00393 (N.D. Ohio)  
*In re Plains All American Pipeline, L.P. Sec. Litig.*, No. 4:15-cv-02404 (S.D. Tex.)

- (b) Plaintiff is seeking to serve as a representative party for a class in the following actions filed under the federal securities laws:

- (c) Plaintiff initially sought to serve as a representative party for a class in the following actions filed under the federal securities laws within the three-year period prior to the date of this Certification:

*City of Warren Police and Fire Retirement System v. Zebra Technologies*, No. 2:17-cv-4412 (E.D.N.Y.)  
*City of Warren Police and Fire Retirement System v. TransDigm Group*, No. 1:17-cv-01677 (N.D. Ohio)



6. The Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 15 day of February, 2018.

CITY OF WARREN POLICE AND FIRE  
RETIREMENT SYSTEM

By: Scott d. Sam

Its: Chairperson

## SCHEDULE A

## SECURITIES TRANSACTIONS

## Acquisitions

<u>Date Acquired</u>	<u>Type/Amount of Securities Acquired</u>	<u>Price</u>
01/19/2017	5	\$68.44
01/19/2017	37	\$69.13
01/19/2017	67	\$68.73
01/19/2017	98	\$69.09
01/23/2017	33	\$68.63
01/24/2017	370	\$68.99
06/23/2017	438	\$48.03

## Sales

<u>Date Sold</u>	<u>Type/Amount of Securities Sold</u>	<u>Price</u>
10/12/2016	16	\$69.23
11/14/2016	1	\$71.63
11/14/2016	1	\$71.64
11/14/2016	2	\$71.66
11/14/2016	13	\$72.22
11/14/2016	19	\$71.83
11/14/2016	30	\$71.45
11/14/2016	31	\$72.50
11/14/2016	44	\$72.16
11/14/2016	46	\$71.66
11/14/2016	84	\$71.55
11/14/2016	88	\$72.91
11/14/2016	145	\$72.23
11/15/2016	5	\$71.73
11/15/2016	8	\$70.06
11/15/2016	8	\$70.07
11/15/2016	8	\$70.07
11/15/2016	9	\$70.07
11/15/2016	9	\$70.07
11/15/2016	33	\$70.61
11/15/2016	112	\$70.86
11/15/2016	153	\$70.20
11/15/2016	156	\$70.03
11/15/2016	245	\$70.51
01/12/2017	34	\$70.35
02/14/2017	28	\$70.64
03/14/2017	27	\$75.86
03/27/2017	12	\$72.80
04/11/2017	16	\$72.48
05/11/2017	20	\$75.81
06/13/2017	20	\$55.10
06/20/2017	2	\$50.93

<u>Date Sold</u>	<u>Type/Amount of Securities Sold</u>	<u>Price</u>
06/20/2017	22	\$50.75
06/20/2017	31	\$50.40
06/20/2017	37	\$50.33
06/20/2017	40	\$50.25
06/20/2017	55	\$50.74
06/20/2017	121	\$50.91
06/20/2017	433	\$50.44
06/21/2017	10	\$46.26
06/21/2017	27	\$46.00
06/21/2017	34	\$47.76
06/21/2017	71	\$45.71
06/21/2017	104	\$46.64
06/21/2017	111	\$45.48
06/21/2017	567	\$47.59
06/21/2017	665	\$46.51
06/22/2017	355	\$47.76
06/23/2017	41	\$47.46
06/23/2017	247	\$48.03
06/23/2017	851	\$48.22

\*Opening position of 4,718 shares.

## CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

**I. (a) PLAINTIFFS**

CITY OF WARREN POLICE AND FIRE RETIREMENT SYSTEM,  
Individually and on Behalf of All Others Similarly Situated,

(b) County of Residence of First Listed Plaintiff Macomb County, Michigan  
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Robbins Geller Rudman & Dowd LLP  
58 South Service Road, Suite 200  
Melville, NY 11747 (631) 367-7100

**DEFENDANTS**

FOOT LOCKER, INC., RICHARD A. JOHNSON and LAUREN B. PETERS,

County of Residence of First Listed Defendant \_\_\_\_\_

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF  
THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

**II. BASIS OF JURISDICTION** (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☒ 3 Federal Question  
(U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant
- ☐ 4 Diversity  
(Indicate Citizenship of Parties in Item III)

**III. CITIZENSHIP OF PRINCIPAL PARTIES** (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- |   | PTF                        | DEF                        |   | PTF                        | DEF                        |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State                   | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State     | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State                | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation  | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

**IV. NATURE OF SUIT** (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice <b>PERSONAL INJURY</b> <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act <b>IMMIGRATION</b> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
<b>REAL PROPERTY</b> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<b>CIVIL RIGHTS</b> <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education <b>PRISONER PETITIONS</b> <b>Habeas Corpus:</b> <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <b>Other:</b> <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

**V. ORIGIN** (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding    ☐ 2 Removed from State Court    ☐ 3 Remanded from Appellate Court    ☐ 4 Reinstated or Reopened    ☐ 5 Transferred from Another District (specify)    ☐ 6 Multidistrict Litigation - Transfer    ☐ 8 Multidistrict Litigation - Direct File

**VI. CAUSE OF ACTION**

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

Pursuant to §§10(b) and 20(a) of the Exchange Act, 15 U.S.C. §§78i, 78j(b) and 78t(a), and Rule 10b-5, 17 C.F.R.

Brief description of cause:

Violations of the federal securities laws.

**VII. REQUESTED IN COMPLAINT:**

☒ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.    DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☒ Yes    ☐ No

**VIII. RELATED CASE(S) IF ANY**

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

03/09/2018

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE

**CERTIFICATION OF ARBITRATION ELIGIBILITY**

Local Arbitration Rule 83.10 provides that with certain exceptions, actions seeking money damages only in an amount not in excess of \$150,000, exclusive of interest and costs, are eligible for compulsory arbitration. The amount of damages is presumed to be below the threshold amount unless a certification to the contrary is filed.

I, Samuel H. Rudman, counsel for Plaintiff, do hereby certify that the above captioned civil action is ineligible for compulsory arbitration for the following reason(s):

- ☒ monetary damages sought are in excess of \$150,000, exclusive of interest and costs,
- ☐ the complaint seeks injunctive relief,
- ☐ the matter is otherwise ineligible for the following reason

**DISCLOSURE STATEMENT - FEDERAL RULES CIVIL PROCEDURE 7.1**

Identify any parent corporation and any publicly held corporation that owns 10% or more of its stocks:

City of Warren Police and Fire Retirement System does not have a parent corporation; and no publicly held corporation owns 10% or more of City of Warren Police and Fire Retirement System stock.

**RELATED CASE STATEMENT (Section VIII on the Front of this Form)**

Please list all cases that are arguably related pursuant to Division of Business Rule 50.3.1 in Section VIII on the front of this form. Rule 50.3.1 (a) provides that "A civil case is "related" to another civil case for purposes of this guideline when, because of the similarity of facts and legal issues or because the cases arise from the same transactions or events, a substantial saving of judicial resources is likely to result from assigning both cases to the same judge and magistrate judge." Rule 50.3.1 (b) provides that "A civil case shall not be deemed "related" to another civil case merely because the civil case: (A) involves identical legal issues, or (B) involves the same parties." Rule 50.3.1 (c) further provides that "Presumptively, and subject to the power of a judge to determine otherwise pursuant to paragraph (d), civil cases shall not be deemed to be "related" unless both cases are still pending before the court."

**NY-E DIVISION OF BUSINESS RULE 50.1(d)(2)**

- 1.) Is the civil action being filed in the Eastern District removed from a New York State Court located in Nassau or Suffolk County? No
- 2.) If you answered "no" above:
- a) Did the events or omissions giving rise to the claim or claims, or a substantial part thereof, occur in Nassau or Suffolk County? No
- b) Did the events or omissions giving rise to the claim or claims, or a substantial part thereof, occur in the Eastern District? Yes

If your answer to question 2 (b) is "No," does the defendant (or a majority of the defendants, if there is more than one) reside in Nassau or Suffolk County, or, in an interpleader action, does the claimant (or a majority of the claimants, if there is more than one) reside in Nassau or Suffolk County? No

(Note: A corporation shall be considered a resident of the County in which it has the most significant contacts).

**BAR ADMISSION**

I am currently admitted in the Eastern District of New York and currently a member in good standing of the bar of this court.

☒ Yes ☐ No

Are you currently the subject of any disciplinary action (s) in this or any other state or federal court?

☐ Yes (If yes, please explain) ☒ No

I certify the accuracy of all information provided above

Signature: 

Eastern District of New York

Civil Action No.

Signature of Clerk or Deputy Clerk

Civil Action No. \_\_\_\_\_

**PROOF OF SERVICE**

*(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))*

This summons for *(name of individual and title, if any)* \_\_\_\_\_  
was received by me on *(date)* \_\_\_\_\_.

☐ I personally served the summons on the individual at *(place)* \_\_\_\_\_  
\_\_\_\_\_ on *(date)* \_\_\_\_\_; or

☐ I left the summons at the individual's residence or usual place of abode with *(name)* \_\_\_\_\_  
\_\_\_\_\_, a person of suitable age and discretion who resides there,  
on *(date)* \_\_\_\_\_, and mailed a copy to the individual's last known address; or

☐ I served the summons on *(name of individual)* \_\_\_\_\_, who is  
designated by law to accept service of process on behalf of *(name of organization)* \_\_\_\_\_  
\_\_\_\_\_ on *(date)* \_\_\_\_\_; or

☐ I returned the summons unexecuted because \_\_\_\_\_; or

☐ Other *(specify)*:

My fees are \$ \_\_\_\_\_ for travel and \$ \_\_\_\_\_ for services, for a total of \$ 0.00.

I declare under penalty of perjury that this information is true.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Server's signature*

\_\_\_\_\_  
*Printed name and title*

\_\_\_\_\_  
*Server's address*

Additional information regarding attempted service, etc:

Signature of Clerk or Deputy Clerk



Civil Action No. \_\_\_\_\_

**PROOF OF SERVICE**

*(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))*

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\_\_\_\_\_ on *(date)* \_\_\_\_\_; or

☐ I left the summons at the individual's residence or usual place of abode with *(name)* \_\_\_\_\_  
\_\_\_\_\_, a person of suitable age and discretion who resides there,  
on *(date)* \_\_\_\_\_, and mailed a copy to the individual's last known address; or

☐ I served the summons on *(name of individual)* \_\_\_\_\_, who is  
designated by law to accept service of process on behalf of *(name of organization)* \_\_\_\_\_  
\_\_\_\_\_ on *(date)* \_\_\_\_\_; or

☐ I returned the summons unexecuted because \_\_\_\_\_; or

☐ Other *(specify)*: \_\_\_\_\_

My fees are \$ \_\_\_\_\_ for travel and \$ \_\_\_\_\_ for services, for a total of \$ 0.00.

I declare under penalty of perjury that this information is true.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Server's signature*

\_\_\_\_\_  
*Printed name and title*

\_\_\_\_\_  
*Server's address*

Additional information regarding attempted service, etc:

Eastern District of New York

Civil Action No.

Signature of Clerk or Deputy Clerk

Civil Action No. \_\_\_\_\_

**PROOF OF SERVICE***(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))*

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 \_\_\_\_\_ on *(date)* \_\_\_\_\_; or

☐ I left the summons at the individual's residence or usual place of abode with *(name)* \_\_\_\_\_  
 \_\_\_\_\_, a person of suitable age and discretion who resides there,  
 on *(date)* \_\_\_\_\_, and mailed a copy to the individual's last known address; or

☐ I served the summons on *(name of individual)* \_\_\_\_\_, who is  
 designated by law to accept service of process on behalf of *(name of organization)* \_\_\_\_\_  
 \_\_\_\_\_ on *(date)* \_\_\_\_\_; or

☐ I returned the summons unexecuted because \_\_\_\_\_; or

☐ Other *(specify)*:

My fees are \$ \_\_\_\_\_ for travel and \$ \_\_\_\_\_ for services, for a total of \$ 0.00.

I declare under penalty of perjury that this information is true.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Server's signature*

\_\_\_\_\_  
*Printed name and title*

\_\_\_\_\_  
*Server's address*

Additional information regarding attempted service, etc:

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Foot Locker, Execs Facing Class Action Over Allegedly Artificially Inflated Stock Prices \[UPDATE\]](#)

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