

Washtenaw County Employees' Retirement System v. Dollar General Corporation, et al.

COURT: United States District Court for the Middle District of Tennessee
CASE NUMBER: 3:23-cv-01250
CLASS PERIOD: 05/28/2020 - 08/31/2023
CASE LEADERS: Salvatore J. Graziano, Jeremy P. Robinson
CASE TEAM: Jonathan G. D'Errico, Alexander Noble

This is a securities fraud putative class action on behalf of all persons or entities who purchased or otherwise acquired Dollar General Corporation ("Dollar General" or the "Company") common stock during the period from May 28, 2020 to August 31, 2023, inclusive (the "Class Period") and who were damaged thereby (the "Class"). The action alleges claims pursuant to Sections 10(b), 20(a), and 20A of the Securities Exchange Act of 1934 against Dollar General, Todd J. Vasos, Jeffrey C. Owen, John W. Garratt, and Kelly M. Dilts (collectively, "Defendants").

This case arises from Defendants' deception of investors regarding key aspects of Dollar General's business model: the Company's inventory management and staffing levels. Throughout the Class Period, Defendants touted Dollar General's inventory management and controls and claimed to be adequately staffed and proactively investing in the Company's workforce. In reality, Dollar General's inventory management processes were broken, which caused a massive bloat of excess product to clog the Company at both its distribution centers and stores, and its workforce had been slashed to the point of harming the Company's operations.

The truth was revealed in a series of disclosures beginning on December 1, 2022, when Defendants began to disclose that the Company's broken inventory management processes and inadequate staffing were harming the Company's operations. Ultimately, Defendants were forced to disclose higher inventory shrink and damages, the Company's need to invest over \$170 million to remedy staffing problems, and its need to markdown its existing inventory by \$95 million. These disclosures caused Dollar General shares to decline significantly and collectively wiped out billions of dollars in shareholder value when the truth was revealed.

On April 4, 2024, the court appointed BLB&G clients Quoniam Asset Management GmbH and Universal-Investment Gesellschaft mbH as Lead Plaintiffs and appointed BLB&G as Lead Counsel for the Class.

On June 17, 2024, Lead Plaintiffs filed a Consolidated Amended Complaint alleging additional facts and details based on BLB&G's investigation of the claims.

Case Documents

- June 17, 2024 - Consolidated Amended Complaint