

Los Angeles City Employees' Retirement System, et al. v. Glenn Sanford, et al.

COURT: Delaware Court of Chancery
CASE NUMBER: 2024-0998-KSJM
CASE LEADERS: Gregory V. Varallo, Rebecca E. Boon
CASE TEAM: Benjamin Potts

BLB&G represents plaintiff Los Angeles City Employees' Retirement System in this derivative action brought on behalf of eXp World Holdings, Inc. ("eXp" or the "Company"). The operative complaint, filed on October 8, 2024, alleges that certain officers and directors of eXp breached their fiduciary duty of oversight by failing to ensure that the Company had in place reasonable reporting and information systems that would have allowed eXp's officers and the Board to know about and prevent acts of sexual assault and misconduct, and by failing to appropriately address this misconduct when it was brought to the defendants' attention. This sexual misconduct pervaded Company-sponsored events, and Defendants' fiduciary breaches in connection with this misconduct have exposed eXp to significant reputational and financial harm. For instance, Defendants have caused the Company to pay significant amounts to the individuals engaged in this misconduct, many of the eXp realtors affected by this misconduct have left (and thus are no longer generating revenue for) the Company, and the Company has been named as a defendant in several federal actions asserting claims for negligence and violating the Trafficking Victims Protection Reauthorization Act.

All of the Defendants were personally made aware of the misconduct on numerous occasions, but because many of the Defendants earned bonuses that were inflated by the wrongdoers' books of business, they covered up the misconduct rather than addressing it. As a result, the misconduct continued to run rampant for years, and Defendants took no action until the federal lawsuits were filed.

The case was filed on September 25, 2024.

Case Documents

- October 9, 2024 - Corrected Derivative Complaint