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**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

YURIE HOBERG,

Plaintiff,

v.

SANDERSON FARMS, INC., FRED
BANKS, JR., DAVID BARKSDALE,
JOHN BIERBUSSE, LAMPKIN BUTTS,
MIKE COCKRELL, TONI D. COOLEY,
BEVERLY HOGAN, EDITH KELLY-
GREEN, PHIL K. LIVINGSTON,
SUZANNE MESTAYER, SONIA
PEREZ, GALL JONES PITTMAN, and
JOE F. SANDERSON, JR.,

Defendants.

Case No:

JURY TRIAL DEMANDED

COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS

Plaintiff Yurie Hoberg (“Plaintiff”), by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants (defined below), alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and upon information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff’s attorneys.

NATURE OF THE ACTION

1. This is an action against Sanderson Farms, Inc. (“Sanderson” or the “Company”) and its Board of Directors (the “Board” or the “Individual Defendants”) for their violations of

Sections 14(a) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §§ 78n(a) and 78t(a), and Rule 14a-9 promulgated thereunder by the SEC, 17 C.F.R. § 240.14a-9, in connection with the proposed acquisition (the “Proposed Transaction”) of Sanderson by Walnut Sycamore Holdings LLC (“Parent”) and Sycamore Merger Sub LLC (“Merger Sub”), an indirect wholly owned subsidiary of Parent.¹

JURISDICTION AND VENUE

2. The claims asserted herein arise under and pursuant to Sections 14(a) and 20(a) of the Exchange Act (15 U.S.C. §§ 78n(a) and 78t(a)) and Rule 14a-9 promulgated thereunder by the SEC (17 C.F.R. § 240.14a-9).

3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331, and Section 27 of the Exchange Act, 15 U.S.C. § 78aa.

4. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as a substantial portion of the transactions and wrongs complained of herein had an effect in this District, the alleged misstatements entered and the subsequent damages occurred in this District, and the Company conducts business in New York City.²

5. In connection with the acts, conduct and other wrongs alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce,

¹ Parent is jointly controlled by CMSC Poultry, LLC (“CMSC”) and Wayne Farms Holdings LLC (“Holdings”). CMSC is owned and controlled by Cargill, Incorporated (“Cargill”). Holdings is majority-owned by Continental Grain Company (“CGC”).

² For example, the Company reportedly participated in conferences in New York City in recent years.

including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

6. Plaintiff is, and has been at all relevant times hereto, an owner of Sanderson common stock.

7. Defendant Sanderson is an integrated poultry processing company that produces, processes, markets, and distributes fresh, frozen, and prepared chicken products in the United States. The Company is incorporated in Mississippi. The Company's common stock trades on the NASDAQ under the ticker symbol, "SAFM."

8. Defendant Fred Banks, Jr. ("Banks") is a director of the Company.

9. Defendant David Barksdale ("Barksdale") is a director of the Company.

10. Defendant John Blerbusse ("Blerbusse") is a director of the Company.

11. Defendant Lampkin Butts ("Butts") is President and a director of the Company.

12. Defendant Mike Cockrell ("Cockrell") is Treasurer, Chief Financial Officer, Chief Legal Officer, and a director of the Company.

13. Defendant Toni D. Cooley ("Cooley") is a director of the Company.

14. Defendant Beverly Hogan ("Hogan") is a director of the Company.

15. Defendant Edith Kelly-Green ("Kelly-Green") is a director of the Company.

16. Defendant Phil K. Livingston ("Livingston") is a director of the Company.

17. Defendant Suzanne Mestayer ("Mestayer") is a director of the Company.

18. Defendant Sonia Perez ("Perez") is a director of the Company.

19. Defendant Gall Jones Pittman ("Pittman") is a director of the Company.

20. Defendant Joe F. Sanderson, Jr. (“J. Sanderson”) is Chief Executive Officer and Chairman of the Board of the Company.

21. Defendants Banks, Barksdale, Blerbusse, Butts, Cockrell, Cooley, Hogan, Kelly-Green, Livingston, Mestayer, Perez, Pittman, and J. Sanderson are collectively referred to herein as the “Individual Defendants.”

22. Defendants Sanderson and the Individual Defendants are collectively referred to herein as the “Defendants.”

SUBSTANTIVE ALLEGATIONS

A. The Proposed Transaction

23. On August 9, 2021, Sanderson, Cargill, and CGC announced that they had reached a definitive agreement for a joint venture between Cargill and CGC to acquire Sanderson for \$203.00 per share in cash. The press release announcing the Proposed Transaction states, in pertinent part:

Cargill and Continental Grain Company to Acquire Sanderson Farms for \$203 per Share in Cash and Create a Leading U.S. Poultry Company

- All-cash transaction delivers significant and certain value to Sanderson Farms stockholders at a 30.3% premium to the June 18, 2021 unaffected share price, a 22.8% premium to the 30-day VWAP as of June 18, 2021, and 15.2% premium to the all-time high share price as of June 18, 2021
- Transaction brings together two complementary U.S. poultry operators, Wayne Farms and Sanderson Farms, under the joint ownership and control of two premier food and agribusiness companies with deep roots in U.S. agriculture
- Wayne Farms CEO Clint Rivers to lead the combined business

NEWS PROVIDED BY

Cargill, Inc.

Aug 09, 2021, 07:00 ET

MINNEAPOLIS and NEW YORK and LAUREL, Miss., Aug. 9, 2021 /PRNewswire/ -- Cargill, Continental Grain Company, and Sanderson Farms, Inc. (NASDAQ: SAFM) announced today they have reached a definitive agreement for a joint venture between Cargill and Continental Grain to acquire

Sanderson Farms for \$203 per share in cash, representing a total equity value for Sanderson Farms of \$4.53 billion. The purchase price represents a 30.3% premium to Sanderson Farms' unaffected share price of \$155.74 on June 18, 2021, the last full trading day prior to media speculation about the potential sale of Sanderson Farms; a 22.8% premium to the Sanderson Farms 30-day volume weighted average price ("VWAP") as of June 18, 2021, and a 15.2% premium to the all-time high share price as of June 18, 2021. Upon completion of the transaction, Cargill and Continental Grain will combine Sanderson Farms with Wayne Farms, a subsidiary of Continental Grain, to form a new, privately held poultry business.

* * *

TRANSACTION DETAILS

The transaction is expected to close by the end of 2021 or early 2022, and will be subject to regulatory and Sanderson Farms stockholder approval, and other customary closing conditions.

The acquisition consortium has committed equity and debt financing in place to complete the transaction.

Wayne Farms CEO Clint Rivers will lead the combined company.

Upon the completion of the transaction, Sanderson Farms will become a private company, and its shares will no longer be traded on NASDAQ.

BofA Securities acted as the financial advisor to Cargill and Freshfields Bruckhaus Deringer (US) LLP acted as legal counsel. Gibson Dunn & Crutcher acted as tax counsel.

Centerview Partners LLC acted as financial advisor to Sanderson Farms and Wachtell Lipton Rosen & Katz and Fishman Haygood LLP acted as legal counsel. Lazard acted as the financial advisor for Wayne Farms and Continental Grain, and Paul, Weiss, Rifkind, Wharton & Garrison LLP acted as legal counsel.

About Sanderson Farms

Sanderson Farms, Inc. is engaged in the production, processing, marketing and distribution of fresh, frozen and minimally prepared chicken. Its shares trade on the NASDAQ Global Select Market under the symbol SAFM.

About Cargill

Cargill's 155,000 employees across 70 countries work relentlessly to achieve our purpose of nourishing the world in a safe, responsible and sustainable way. Every day, we connect farmers with markets, customers with ingredients, and people and animals with the food they need to thrive. We combine 156 years of experience with new technologies and insights to serve as a trusted partner for food,

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