



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

POLICE AND FIRE RETIREMENT	)	
SYSTEM OF THE CITY OF	)	
DETROIT,	)	Civil Action No. 2026-0331-NAC
	)	
Plaintiff,	)	<b>PUBLIC VERSION</b>
	)	<b>FILED 3/16/26</b>
v.	)	
	)	
MICHAEL GREENBERG ROBERT	)	
GREENBERG,                  DAVID	)	
WEINBERG, MORTON ERLICH,	)	
RICHARD SISKIND, KATHERINE	)	
BLAIR, ZULEMA GARCIA, and	)	
YOLANDA MACIAS,	)	
	)	
Defendant.	)	
	)	
	)	

**VERIFIED CLASS ACTION COMPLAINT**

Police and Fire Retirement System of the City of Detroit (“Plaintiff”), by its undersigned counsel, brings this class action complaint against the defendants named herein to remedy their misconduct in connection with the take private transaction (the “Buyout”) of Skechers U.S.A., Inc. (“Skechers” or the “Company”) by 3G Capital (“3G”), a private investment firm. The allegations of the complaint are based on the knowledge of Plaintiff as to itself and its own actions and stockholdings, and upon information and belief as to all else, including investigation of counsel, which included, *inter alia*, a review of public filings, press releases, and

reports, and a books and records investigation conducted by counsel, including inspection of corporate books and records pursuant to 8 Del. C. § 220 (“Section 220”) of the Delaware General Corporation Law (the “220 Production”).

## **INTRODUCTION**

1. Plaintiff brings this action to challenge a controller-driven take private transaction in which Robert and Michael Greenberg, and other members of their family (the “Greenbergs” or the “Family Group”) used their voting power and managerial dominance over Skechers U.S.A., Inc. to orchestrate a sale to 3G Capital at a price that did not reflect the Company’s fair value. The Greenbergs’ primary goal was to secure immediate liquidity and unique long-term benefits for themselves, at the expense of the Company’s unaffiliated stockholders.

2. On May 5, 2025, Skechers announced a transaction pursuant to which 3G, a private investment firm, would acquire all outstanding shares of Skechers. The Buyout was orchestrated by Skechers’ controlling stockholders, Robert and Michael Greenberg. Together, the Greenbergs and other members of their family controlled approximately sixty percent of the Company’s stockholder voting power, and used their control to dictate the terms, structure, and timing of a transaction that enriched themselves while depriving the minority stockholders of the fair value of their shares.

3. The Buyout, which was announced on May 5, 2025 and closed on September 12, 2025, valued Skechers at approximately \$9.4 billion and offered public stockholders the option to receive either \$63 in cash for each share of Skechers common stock or \$57 in cash plus one unlisted, illiquid equity unit in the post-merger entity. The Greenbergs received more than one billion dollars in cash and tens of millions of equity units in the new private company. Additionally, the Greenbergs secured continued employment, as Robert Greenberg would continue to serve as Chief Executive Officer and Michael Greenberg would continue to serve as President. Moreover, as detailed herein, the Greenbergs received a fundamentally different and more valuable deal than the rest of the stockholders. Although the Merger Agreement nominally offered all pre-announcement stockholders the ability to “roll over” a portion of their merger consideration into equity of the post-Merger company, the structure was designed so that only the Greenbergs could realistically take advantage of it.

4. The Greenbergs were guaranteed to make up the majority of rollover electors due to a threshold restriction limiting eligibility to those who held shares before the deal was announced, and they alone received meaningful governance rights through their rollover equity, including the right to appoint a director who could force a liquidity event and thereby control the timing of monetizing the new equity. By contrast, minority stockholders faced severe liquidity restrictions, no

information rights, and practical barriers that made the rollover option so unappealing as to be illusory. As a result, they were effectively coerced into accepting the all-cash consideration, which was undervalued and significantly less beneficial than the mixed cash-and-equity package designed for the Greenbergs.

5. The sale process was deeply flawed from its inception. For months before any board involvement, Robert and Michael Greenberg privately negotiated directly with 3G Capital. And 3G made clear that its interest in acquiring Skechers was contingent on the Greenbergs' continued leadership and rollover equity.

6. No formal process was implemented to protect minority stockholders. The Greenbergs and 3G negotiated and finalized nearly all of the essential deal terms before the Skechers Board of Directors (the "Board") took any meaningful action. Only four days before signing a merger agreement did the Board create an "Independent Committee." However, that committee lacked its own independent advisors. It performed no independent valuation analysis, quickly endorsed the transaction that the Greenbergs had already arranged, and conducted a minimal market check. Finally, the Board never considered or conditioned the merger on approval by a majority of unaffiliated stockholders.

7. The resulting Buyout bore all the hallmarks of unfair dealing. It was timed when Skechers' stock price was temporarily depressed following the expected impact of tariffs and disappointing financial results. There was no competitive

process, no negotiation over price by an independent body, and no protection for the minority. The Greenbergs then used their sixty percent voting control to approve the merger unilaterally by written consent, foreclosing any opportunity for stockholders to vote or influence the outcome.

8. The Buyout consideration was also unfair. The \$63 cash price undervalued Skechers given its long-term growth trajectory, expanding international business, and strong brand position. The mixed cash-and-unit option was illusory for public investors because the units were unlisted, nontransferable, and locked up for years. Yet those same units, which comprised much of the Greenbergs' consideration, provided them continuing ownership and control over the private successor company.

9. Plaintiff, who was a minority stockholder of Skechers at all relevant times until the consummation of the Buyout, brings this class action on behalf of all unaffiliated stockholders who were cashed out in the merger. Plaintiff seeks to recover damages for the harm caused by the defendants' breaches of fiduciary duty and to ensure that controlling stockholders who exploit their power to extract personal gain at the expense of public investors are held accountable under Delaware law.

## **PARTIES**

10. Plaintiff Police and Fire Retirement System of the City of Detroit was a stockholder of Skechers at all relevant times, including at the time of the consummation of the Buyout.

11. Defendant Robert Greenberg has served as Skechers' Chairman and CEO since October 1993 and has been a director since the company's founding in 1992. Robert Greenberg was the Company's largest individual stockholder. He beneficially owned approximately 17.9 million shares of Skechers common stock, consisting of 13,619,670 shares of Class B common stock held as sole trustee of the Skechers Voting Trust, 4,255,986 shares of Class B common stock held as co-trustee of the Greenberg Family Trust, and 7,212 shares of Class A common stock held indirectly through that same trust. He also held unvested restricted stock and performance-based equity awards and stood to receive both cash and equity consideration in the Buyout.

12. Defendant Michael Greenberg has served as Skechers' President and a member of the Board of Directors since its inception in 1992. He previously served as Chairman of the Board from June 1992 to October 1993. As the Company's President and a member of its founding family, he beneficially owned 626,425 shares of Skechers common stock. His holdings included 5,322 shares of Class A common stock and 222,555 shares of Class B common stock held by the Michael Greenberg Trust. An additional 400,507 shares of Class B common stock were

pledged as collateral for a line of credit. Like his father, Michael Greenberg also held unvested restricted stock, restricted stock units, and performance-based awards, and his ownership entitled him to both cash and rollover equity in the Buyout transaction.

13. Defendants Michael Greenberg and Robert Greenberg are referenced herein as the “Greenbergs.” By virtue of their holdings of Class B common stock, which carried ten votes per share compared to one vote per share for Class A common stock, the Greenbergs exercised majority voting control over Skechers. At the time of the Buyout, Robert Greenberg beneficially owned 92.6% of the pre-Merger Company’s outstanding Class B Common Stock, while members of his immediate family beneficially owned the remaining 7.4%. Additionally, Robert Greenberg also beneficially owned 12.3% of the pre-Buyout Company’s Class A Common Stock. The Greenbergs’ ownership of nearly all of the outstanding Class B shares conferred upon them approximately 60% of the Company’s total voting power, enabling them to control the outcome of all matters submitted to a stockholder vote, including the election of directors and approval of the merger.

14. Defendant David Weinberg (“Weinberg”) has been with Skechers since it was founded in 1992 and was named chief financial officer in 1993 and chief operating officer in 2006. David Weinberg is a longtime business associate and friend of Robert Greenberg, having loyally remained in the Greenberg family’s employment for more than three decades. Initially, Weinberg worked with Robert

and Michael at L.A. Gear. From 1993 through 2006, Weinberg served as Skechers' CFO and, beginning in 1998, as a Board member. Since 1998, he has also served as executive vice president. As Skechers' Chief Operating Officer and long-time executive, he held 186,128 shares of Class A common stock. Weinberg's sons, Andrew and Jeffrey, also serve as Skechers' employees.

15. Defendant Richard Siskind ("Siskind") has served as Board member since June 1999. Robert Greenberg and Siskind have maintained a decades-long, mutually beneficial relationship that raises serious questions about Siskind's independence. Their ties trace back to the 1990s, when both served on the board of Siskind's company, Stage II. In 1998, Robert Greenberg purchased a home from Siskind in Lake Boca Raton, where the two have lived as close neighbors ever since, with their boat piers facing one another. The following year, Siskind caused Stage II to acquire certain Skechers trademarks through the Greenberg Family Trust, and shortly thereafter Robert appointed Siskind to the Skechers Board. Through the early 2000s, the two continued to serve on the boards of each other's companies, reinforcing an ongoing pattern of reciprocal benefit. Although Siskind stepped down as Stage II's CEO in 2002, he later became Chair of Skechers' Compensation Committee when it was re-established in 2006, a role he holds to this day. Their long-standing relationship was so intertwined that, in 2014, a stockholder investment group formally questioned whether Siskind could be considered "truly independent

in spirit,” citing the pair’s overlapping committee service and threatening to vote against the directors standing for re-election. At the time of the Buyout announcement, Siskind beneficially owned 160,999 shares of Class A common stock.

16. Defendant Morton Erlich (“Erlich”) joined the Skechers Board in January 2006. Erlich beneficially owned 52,500 shares of Class A common stock individually and through The Erlich Family Trust.

17. Defendant Katherine Blair (“Blair”) has served on the Board since May 2019. Blair owned 16,400 shares of Class A common stock.

18. Defendant Zulema Garcia (“Garcia”) was appointed to the Board in December 2021. Garcia owned 14,400 shares of Class A common stock.

19. Defendant Yolanda Macias (“Macias”) joined the Board in April 2022. Macias owned 15,500 shares of Class A common stock.

20. Defendants Blair, Erlich, Garcia, Macias, and Siskind are collectively referred to herein as the so-called “Independent Committee.”

21. Defendants Robert Greenberg, Michael Greenberg, Weinberg, Blair, Erlich, Garcia, Macias, and Siskind are collectively referred to herein as the “Defendants” or the “Board.”

### **RELEVANT NON-PARTIES**

22. Non-party Skechers designs, develops, and markets a diverse range of footwear, apparel, and accessories. Prior to the Buyout, Skechers was a Delaware corporation headquartered at 228 Manhattan Beach Blvd, Manhattan Beach, CA 90266 and its common stock traded on the New York Stock Exchange (“NYSE”) under the ticker symbol “SKX.”

23. 3G is a global investment firm headquartered in New York, New York. The firm was founded by a group of partners led by Alex Behring and Daniel Schwartz, who also directed 3G Capital’s negotiations with Skechers regarding the Buyout.

### **JURISDICTION AND VENUE**

24. This action arises out of Delaware law. Personal jurisdiction is proper over all defendants. The Individual Defendants have consented to personal jurisdiction in Delaware pursuant to 10 Del. C. § 3114.

25. All the individual defendants were directors and/or officers of Skechers, which was, at all relevant times, a Delaware Corporation, as was Merger Sub.

26. Additionally, pursuant to the Merger Agreement, the Defendants have waived any objections to the exercise by this Court of personal jurisdiction over them in any action with respect to the Merger Agreement. Section 13.11 of the Merger Agreement explicitly provides that:

**“Governing Law. This Agreement shall be governed by and interpreted and construed in accordance with the laws of the State of Delaware.** Any and all claims, controversies, and causes of action arising out of or relating to this Agreement (including any claim, controversy, or cause of action based upon, arising out of, or relating to any representation or warranty made in, in connection with, or as an inducement to enter into, this Agreement or any of the transactions contemplated hereby), and the rights and obligations of the parties hereto, shall be governed by the internal laws of the State of Delaware, including its statutes of limitations, without giving effect to any conflict-of-laws rules that would result in the application of the laws of a different jurisdiction.”

27. Furthermore, Section 13.12 of the Merger Agreement states:

**“Consent to Jurisdiction. Each of the parties irrevocably agrees that any Legal Proceeding arising out of or relating to this Agreement or the transactions contemplated hereby shall be brought and determined exclusively in the Court of Chancery of the State of Delaware** (and any state appellate court therefrom within the State of Delaware), and any state or federal court within the State of Delaware in the event that the Court of Chancery of the State of Delaware shall decline to accept jurisdiction over any Legal Proceeding, and each of the parties hereby irrevocably submits to the exclusive jurisdiction of the aforesaid courts for itself and its property, generally and unconditionally, with regard to any such Legal Proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. Each of the parties agrees not to commence any Legal Proceeding relating to this Agreement or the transactions contemplated hereby except in the courts described above in Delaware, other than actions in any court of competent jurisdiction to enforce any judgment, decree, or award rendered by any such court in Delaware as described in this Agreement. Each of the parties further agrees that notice as provided herein shall constitute sufficient service of process and hereby irrevocably and unconditionally waives, and agrees not to assert, by way of motion or as a defense, counterclaim, or otherwise, in any such Legal Proceeding, (i) any claim that it is not personally subject to the jurisdiction of the courts in the State of Delaware for any reason, (ii) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether

through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment, or otherwise), and (iii) that (A) the Legal Proceeding in any such court is brought in an inconvenient forum, (B) the venue of such Legal Proceeding is improper, or (C) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.”

(Emphases added.)

### **CLASS ACTION ALLEGATIONS**

28. Plaintiff brings this action as a class action pursuant to Court of Chancery Rule 23 on behalf of former owners of Skechers common stock at the time of the consummation of the Buyout (the “Class”). Excluded from the Class are Defendants and their affiliates, immediate families, legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

29. This action is properly maintainable as a class action.

30. The Class is so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through discovery, Plaintiff believes that there are tens of thousands, if not hundreds of thousands, of members in the Class. As noted in the Information Statement filed on August 5, 2025 (the “Information Statement”), there were 130,289,468 shares of Class A Common Stock and 19,313,651 shares of Class B Common Stock issued and outstanding at the time of the Buyout.

31. Questions of law and fact are common to the Class, including, *inter alia*, the following:

- a) Whether Defendants breached any of their fiduciary duties owed to Plaintiff and the other members of the Class in connection with the Buyout; and
- b) Whether the members of the Class have sustained damages, and if so, what is the proper measure of damages.

32. Plaintiff is committed to prosecuting this action and has retained competent counsel experienced in litigation of this nature. Plaintiff's claims are typical of the claims of the other members of the Class and Plaintiff has the same interests as the other members of the Class. Accordingly, Plaintiff is an adequate representative of the Class and will fairly and adequately protect the interests of the Class.

33. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications with respect to individual members of the Class that would establish incompatible standards of conduct for Defendants, or adjudications with respect to individual members of the Class that would, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests.

34. Defendants acted, or refused to act, on grounds generally applicable, and are causing injury to the Class and, therefore, final equitable relief on behalf of the Class as a whole is appropriate.

### **SUBSTANTIVE ALLEGATIONS**

#### **The Dual Class Capital Structure and the Greenbergs' Control of Skechers:**

35. Robert Greenberg founded Skechers more than three decades ago and the Company has remained, in every meaningful sense, a family-run enterprise. Starting as a small California footwear line, the Company grew into one of the largest lifestyle and performance shoe brands in the world, selling in more than 180 countries and operating thousands of branded retail locations. Throughout this expansion, the Greenberg family retained tight control.

36. By 2024 Skechers had become a Fortune 500 company and a household name, but its governance remained concentrated in the Greenbergs' hands. Robert Greenberg served as the Company's Chief Executive Officer and Chairman of the Board. Robert's son, Michael Greenberg, served as the President of Skechers. Both served on the Board since its founding in 1992. Additionally, certain other members of the Greenberg family held non-executive roles at the Company. Collectively these other family members earned more than \$12 million in compensation in 2024 alone.

37. The Greenbergs and their family have maintained their control over Skechers through a dual class share structure that grants the trustee of the family's

voting trust significant voting power to guide the direction of the Company. Robert Greenberg, as the trustee of the family's voting trust, had sole voting power and sole dispositive power with respect to the stock held by the trust. The Company's dual-class share structure granted each share of Class B common stock ten votes.

38. As of May 3, 2025, Robert Greenberg beneficially owned an aggregate amount of 17,882,868 shares of Skechers Common Stock as follows: 13,619,670 shares of Class B Common Stock as sole trustee of the Skechers Voting Trust, 4,255,986 shares of Class B Common Stock as a co-trustee of the Greenberg Family Trust, and 7,212 shares of Class A Common Stock through his indirect holding of these shares as co-trustee of the Greenberg Family Trust. Additionally, as of May 3, 2025, Michael Greenberg beneficially owned an aggregate amount of 626,425 shares of Skechers Common Stock. Together, the Greenbergs and immediate family members controlled roughly 60% of the total voting power. Combined with their operational control as a result of their positions as officers and directors of the Company, the Greenbergs exercised absolute control over Skechers at all relevant times.

### **Skechers Only Ever Seriously Considered A Deal With 3G**

39. The seeds of the Buyout were planted via a long-standing relationship between the Greenbergs and executives at 3G Capital. Senior partners from 3G had met periodically with Robert and Michael Greenberg since at least 2021.

40. What began as purportedly general conversations about market trends evolved into confidential discussions about a possible transaction in which 3G would acquire Skechers and retain the Greenbergs to continue leading the business. By late 2024, this dialogue became more concrete. On December 19, 2024, Skechers, acting through Chief Financial Officer John Vandemore (“Vandemore”) and apparently without prior Board authorization, executed a Mutual Nondisclosure Agreement (the “NDA”) with 3G Capital.

41. [REDACTED]

42. In the months that followed, 3G and the Greenbergs, without Board authorization, continued private communications. 3G made clear that it would pursue an acquisition only if Robert and Michael Greenberg remained at the helm and rolled over a portion of their equity, aligning the controllers’ incentives with 3G’s rather than with those of the minority stockholders.

43. Through February 2025, 3G’s diligence continued amid worsening U.S.–China trade tensions. Tariffs imposed on February 1 and February 4, 2025, depressed Skechers’ stock price and heightened market volatility. By February 2025,

3G had outlined its proposed transaction, an acquisition at a price in the high sixties per share, payable in cash and unlisted equity in a new holding company, coupled with employment and rollover agreements securing the Greenbergs' leadership of the post-closing entity. Specifically, on February 19, 2025, representatives of 3G Capital met privately with Robert Greenberg, David Weinberg, and John Vandemore to discuss a potential long-term partnership or acquisition structure. No other directors or advisors attended. At the meeting, representatives of 3G discussed a potential transaction in which all Skechers stockholders would receive \$68 in cash and one equity unit in Parent. They also discussed their desire that the Skechers management team remain actively engaged in the post-closing company. In response, Robert Greenberg noted that the valuation in 3G Capital's illustrative example was below his expectations for Skechers, but that he was supportive of the proposed structure of the transaction. These conversations reflected 3G's insistence that it would proceed only if members of the Greenberg family agreed to roll over a portion of their Skechers shares and continue in management after closing, revealing that the Greenbergs' incentives were aligned with 3G's, rather than with Skechers' minority stockholders.

44. Despite the flurry of activity in February, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

45. In March 2025, 3G delivered its initial non-binding proposal, followed by a discussion of a counterproposal from Skechers. Specifically, on March 12, 2025, 3G presented a proposal (the “March Proposal”) that consisted of the option for Skechers stockholders to elect to receive with respect to each Skechers share, either: \$73 in cash; or \$66 in cash and one equity unit. This proposal was not presented to the Board. Instead, on March 19, 2025, David Weinberg spoke with Daniel Schwartz to discuss initial reactions to the March Proposal. During the meeting, Mr. Weinberg presented Mr. Schwartz with a goal of obtaining more favorable terms prior to formally presenting a potential transaction to the Skechers Board, and made an oral counterproposal to the March Proposal. Mr. Weinberg proposed that Skechers stockholders could elect to receive with respect to each Skechers share, either (a) \$75 in cash or (b) \$72 in cash and one equity unit.

46. On March 31, 2025, Skechers entered a confidentiality agreement with Greenhill & Co. LLC (“Greenhill”) to explore potential financial advisory engagement, and on April 1, 2025, the Board met with Latham & Watkins LLP (“Latham”) to review fiduciary duties and authorize Greenhill’s engagement. Management recommended Greenhill, citing its familiarity with Skechers and asserting that there were “no conflicts of interest with 3G Capital.” That same day,

[REDACTED]

[REDACTED]

[REDACTED]

47. Days later, escalating tariff announcements between the U.S. and China from April 2 through April 9 caused a 17% drop in Skechers' share price. On April 9, representatives of 3G (including Daniel Schwartz and Paulo Basilio) met with Skechers executives David Weinberg and John Vandemore to discuss the tariff impact.

48. On April 13, 2025, Schwartz again met with Vandemore, and on April 18, 3G issued a Revised Proposal offering \$63 per share in cash or \$57 in cash plus one equity unit in the post-merger parent entity, with mixed-consideration elections capped at 20% of the outstanding shares. On April 19, Schwartz met with Weinberg to discuss Skechers' evaluation of the revised offer, and on April 21, he met with Vandemore to emphasize that the revised proposal reflected 3G's "maximum valuation" under the prevailing market conditions.

49. On April 22, 2025, representatives from Paul, Weiss and Latham & Watkins conferred regarding next steps and circulated a term sheet summarizing 3G's Revised Proposal. As detailed in the Background section of the Information Statement, Skechers' purportedly independent directors, Katherine Blair, Morton Erlich, Zulema Garcia, Yolanda Macias, and Richard Siskind, met with management

and counsel to review the effects of tariffs on the Company’s business and to discuss 3G’s revised terms. The SEC filing goes on to note that management recommended continuing diligence and negotiations, noting both parties’ desire to sign an agreement “as soon as possible” given market instability. Management outlined a tentative schedule targeting signing within two weeks and closing within six to twelve weeks thereafter, pending regulatory approvals, and began coordinating due diligence for prospective lenders and auditors. The Board directed management to proceed with discussions and keep it informed of all developments. No competing bidders were identified in the materials, nor was there any discussion about seeking a competing bid.

50. The contemporaneous minutes of the April 22 Board Meeting obtained through Plaintiff’s Section 220 investigation reveal that the Board’s actual deliberations and the information presented to it materially diverged from the account later provided in the Company’s SEC filings. Contrary to the detailed description in the Information Statement, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED].

51. On April 24, 2025, Skechers reported its earnings for the first fiscal quarter of 2025 and announced its withdrawal of annual guidance for 2025, citing “macroeconomic uncertainty stemming from global trade policies,” including imposition and ongoing escalation of tariffs by the United States and Chinese governments from February 2025 to April 2025.

52. A few days later, “Project Marten” materials were circulated to the full Board in advance of its April 30 meeting. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

53. Notwithstanding that the material economic terms of the transaction had been effectively negotiated and settled, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] This is difficult to reconcile with the substantive posture of the transaction at the time and reads as a pro forma reservation rather than an accurate reflection of the parties' decision-making status.

54. Nearly two months after negotiations began, at the April 30, 2025, Board meeting, Latham presented proposed transaction terms and draft resolutions creating an "Independent Committee" comprised of directors Blair, Erlich, Garcia, Macias, and Siskind.

55. The Board purported to delegate to the Independent Committee the full power and authority of the Board to review, evaluate, and negotiate the terms of a possible transaction with 3G Capital (or any alternative proposal arising therefrom), to approve or reject any such transaction, and to make recommendations to the full Board regarding the proposed merger. However, the Independent Committee was not empowered to seek out its own advisors and instead, Latham and Greenhill, who were already engaged through Skechers management (that is, the Greenbergs), worked as advisors to the Independent Committee and continued to report to the same executives who negotiated with 3G. Moreover, the purportedly Independent

Committee included Defendant Siskind, despite his decades-long allegiance to the Greenbergs.

56. At the Board meeting, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

57. Immediately following that April 30 meeting, and just 4 days before the Merger Agreement would be executed, the Independent Committee convened for *the very first time*. It discussed the key proposed terms of the draft Merger Agreement, Greenhill’s preliminary financial analysis, and the sufficiency of 3G’s revised offer to deliver value to Skechers stockholders. The Independent Committee resolved to simply “continue negotiations with 3G Capital based on the terms of the Revised Proposal.” In short, the Independent Committee conducted no independent diligence, retained no separate counsel or financial advisor, made no effort to investigate the possibility of an alternative transaction, and performed no valuation analysis of its own.

58. That same evening, Latham (for Skechers) and Paul, Weiss (for 3G Capital) exchanged comments on draft transaction documents. Latham conveyed the

Independent Committee’s priorities, including a “window shop” period through closing to permit the Board to evaluate superior proposals, a higher reverse termination fee, and enhanced regulatory-effort obligations on 3G to ensure closing certainty. Paul, Weiss subsequently circulated drafts of the debt term sheet, commitment letter, and fee letter, along with a revised support agreement, while Latham returned a revised Merger Agreement incorporating the window-shop clause and a 6% reverse termination fee if 3G’s financing failed.

59. Overnight on April 30–May 1, Latham sent further revised drafts of the Parent LLC Agreement and ancillary documents, removing punitive forfeiture provisions on non-permitted transfers, narrowing non-compete covenants, and expanding the rights of Robert Greenberg to veto certain post-closing transactions.

60. On May 1, 2025, Skechers furnished 3G with updated management projections (the “April Projections”) that departed from the February Projections by lowering the Company’s expected results. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

61. Between May 1 and May 3, counsel and advisors exchanged multiple redlines of the Merger Agreement and financing documents, resolving outstanding provisions regarding debt financing commitments and the support agreement with the Greenbergs.

62. On May 3, 2025, the Independent Committee met by teleconference with Latham and Greenhill. The advisors “reviewed the key financial analyses and the latest draft of the Merger Agreement,” and the Committee “concluded that it would recommend that the full Board approve the transaction.” The Committee adopted no resolution authorizing a counterproposal and made no attempt to contact alternative bidders.

63. On May 4, 2025, the Independent Committee reconvened in person at Skechers’ Manhattan Beach headquarters. Greenhill formally delivered its signed Fairness Opinion, concluding that the merger consideration was fair from a financial point of view to Skechers’ unaffiliated stockholders. Immediately afterward, the full Board met. As detailed in the presentation materials for the May 4, 2025 Board Meeting, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] After brief discussion, the Board voted unanimously to approve the merger.

64. Notably, there were no negotiations to improve the transaction terms during the brief intervening period between when the Independent Committee was created and when the Independent Committee gave its recommendation to approve the Buyout. Despite the formation of the Independent Committee and the Board's subsequent approval of the Merger Agreement, the record reflects no effort to extract additional value or meaningfully revisit the economic terms of the deal. This absence of negotiation sharply undercuts Defendants' claim that the Buyout had not already been pre-negotiated, and instead supports the inference that the Board and the Independent Committee functioned as little more than a rubber stamp for a transaction whose material terms had already been decided.

65. On May 5, 2025, Skechers issued a press release announcing the merger:

LOS ANGELES & NEW YORK — May 5, 2025 – Skechers U.S.A., Inc. (“Skechers” or the “Company”) (NYSE: SKX), a Fortune 500 company and the third largest footwear company in the world, today announced that it has agreed to be acquired by 3G Capital, a global investment firm built on an owner-operator approach to long-term investing.

One of the largest founder-led consumer product companies in the world with \$9 billion in annual sales, Skechers' significant growth over the past 30 years has been driven by a relentless focus on delivering style, comfort, quality, and innovation at an affordable price. Known as the Comfort Technology Company<sup>®</sup>, Skechers is a growth-oriented, product-driven brand with a diverse distribution network, and highly loyal customers and consumers.

“Over the last three decades, Skechers has experienced tremendous growth,” began Robert Greenberg, Chairman and Chief Executive Officer of Skechers. “Our success has been due to our commitment to excellence and innovation across the entire Skechers organization, in-demand comfort-focused product offering, and loyal partners. With a proven track-record, Skechers is entering its next chapter in partnership with the global investment firm 3G Capital. Given their remarkable history of facilitating the success of some of the most iconic global consumer businesses, we believe this partnership will support our talented team as they execute their expertise to meet the needs of our consumers and customers while enabling the Company's long-term growth.”

“We are thrilled to be partnering with Skechers and look forward to working with an entrepreneur of Robert's caliber and the talented Skechers team. Skechers is an iconic, founder-led brand with a track record of creativity and innovation. We have immense admiration for the business that this team has built, and look forward to supporting the Company's next chapter. Our team at 3G Capital is built to partner with companies like Skechers,” said Alex Behring, Co-Founder and Co-Managing Partner, and Daniel Schwartz, Co-Managing Partner, of 3G Capital.

Following the completion of the transaction, Skechers will continue to execute its ongoing strategic initiatives including designing award-winning and innovative product, international development, direct-to-

consumer expansion, domestic wholesale growth, and strategic investments in global distribution, infrastructure and technology.

This transaction, which was unanimously approved by the Skechers board of directors (the “Skechers Board”) including an independent committee of independent directors, is a transformational long-term partnership opportunity for Skechers to further evolve as a global leader in both lifestyle and performance footwear. The Company’s senior management team will lead that transition alongside 3G Capital, one of the foremost growth-focused investors in the world. Further, the Company will continue to be led by Chairman and Chief Executive Officer Robert Greenberg, President Michael Greenberg, and the rest of the current management team. It will remain headquartered in its hometown of Manhattan Beach, California where it was founded over 30 years ago. 3G Capital brings decades of successful stewardship alongside market-leading companies worldwide.

Under the terms of the definitive merger agreement (the “Merger Agreement”), 3G Capital has agreed to pay \$63.00 per share in cash for all outstanding shares of Skechers, representing a premium of 30% to Skechers’ 15-day volume-weighted average stock price. The transaction includes the option for existing shareholders of Skechers to instead receive \$57.00 in cash and one unlisted, non-transferable equity unit (the “LLC Unit”) in a newly-formed, privately held company that, following the closing of the transaction, will be the parent company of Skechers (the “New LLC”). The ability to make this election is subject to the restrictions described in “Election Mechanics” below.

### **Transaction Details**

Under the terms of the Merger Agreement, subject to the conditions set forth therein and election mechanics described below, Skechers shareholders can elect to receive:

- \$63.00 per share in cash (the “Cash Election Consideration”); or

- \$57.00 per share in cash and one LLC Unit (such consideration, subject to the proration as described below, the “Mixed Election Consideration”).

Both the Cash Consideration and Mixed Election Consideration are available to each share of Skechers stock on the same terms, regardless of whether it is Class A or Class B shares of Skechers stock.

#### Election Mechanics

- No shares that are sold, transferred, assigned, or otherwise disposed of (including by derivative or hedging arrangement) between the close of trading on May 2, 2025, and the closing of the transaction will be eligible to receive the Mixed Election Consideration.
- The amount of Mixed Election Consideration available is limited. A maximum of 20% of the outstanding shares of Skechers common stock will be eligible to receive the Mixed Election Consideration. If holders of shares representing more than the 20% of the outstanding Skechers stock elect to receive the Mixed Election Consideration, these elections will be subject to proration.
- Shares for which an election has not been made will be converted into the Cash Election Consideration.

#### Important Information about the LLC Units

- Holders of LLC Units may not transfer their LLC Units except with 3G Capital’s consent, subject to very limited exceptions set forth in the LLC agreement.
- Transfers of LLC Units in violation of the LLC agreement will be deemed void and will be subject to forfeiture.
- The LLC Units will neither be listed on a stock exchange (unless the LLC makes an initial public offering in the future, which it is not obligated to do and may never do) nor will the LLC Units be otherwise tradable.

- Holders of LLC Units will be subject to non-disparagement and confidentiality obligations and will not have any information rights.
- 3G Capital is expected to hold approximately 80% of New LLC's outstanding units immediately following the closing of the transaction, subject to the number of Skechers shares that convert into the Mixed Election Consideration and finalization of the closing capital structure.
- The New LLC will terminate its periodic reporting obligations under the Securities Exchange Act of 1934 as soon as practicable after the closing of the transaction.
- Further information about the LLC Units and the New LLC including the New LLC's capital structure and pro forma financial information will be provided in the Form S-4 and related information statement when filed. We encourage you to review such information when available before making any decision with respect to your shares. Additional information on the terms of the LLC units will be included in the Current Report on Form 8-K to be filed by Skechers.

In connection with entering into the Merger Agreement, on May 4, 2025, Skechers entered into a support agreement with Robert Greenberg and other members of the Greenberg Family (each, a "Supporting Stockholder"), pursuant to which each Supporting Stockholder has agreed to, among other things, elect to receive the Mixed Election Consideration in the transaction.

The Skechers Board formed an independent committee of independent directors to evaluate the transaction. The independent committee reviewed, negotiated, unanimously approved and recommended the transaction for approval by the Skechers Board. Following approval by the Skechers Board, the Merger Agreement was signed.

Skechers stockholders holding approximately 60% of the combined voting power of the outstanding shares of Skechers common stock have

approved the transaction by written consent. As a result, no further actions by other Skechers stockholders will be required to approve the transaction. The transaction is subject to the satisfaction of customary closing conditions, including receipt of regulatory approvals. The transaction is expected to close in the third quarter of 2025.

The transaction will be financed through a combination of cash provided by 3G Capital as well as debt financing that has been committed by JPMorgan Chase Bank, N.A.

Upon completion of the transaction, the Company's common stock will no longer be listed on the New York Stock Exchange, and Skechers will become a private company.

### **Subsequent Events**

66. The post-signing market check only underscores the imbalance in the Board's conduct. The Board and the Independent Committee declined to seek a go-shop and instead accepted a constrained window-shop period that provided no realistic opportunity for superior proposals, particularly given the Greenbergs' irrevocable support of the Buyout and the temporary tariff volatility that had been affecting the market. Yet, throughout the negotiations and following the negotiations, the Board made substantial efforts to satisfy 3G's preferences, reinforcing that it was far more attentive to 3G's demands than to maximizing value for stockholders.

67. Tariff concerns gradually subsided over the Summer 2025 period, and the share prices of Skechers' peer and competitor companies rebounded to levels

that matched or surpassed their trading prices before the tariff-driven volatility of March and April 2025. Prior to signing the Merger Agreement, Skechers publicly stated on its earnings calls that the tariff headwinds were expected to be short lived and manageable. Nevertheless, the Board proceeded to finalize the Buyout in May, while the Company's stock price remained distorted by the temporary disruption. By that Summer, the broader market and Skechers' peers had recovered to levels around their pre-tariff level, but the Buyout consideration remained tied to the trough. During this period, none of the Defendants ever attempted to negotiate an increase in the Buyout consideration. This sequence underscores that the timing of the transaction enabled 3G to obtain the Company at an artificially depressed valuation, and Defendants were complicit.

68. On September 12, 2025, Skechers announced that all required approvals had been obtained and the Buyout had closed. Each share of Class A common stock was converted into the right to receive the Buyout consideration. Of course, the Greenbergs and their family elected to receive both cash and rollover equity units. The Company's shares were delisted from the New York Stock Exchange, and 3G Capital and the Greenbergs became co-owners of the private successor entity.

69. As detailed herein, the sale of Skechers to 3G Capital was a controller-driven transaction executed at a time when the Company's stock was temporarily

depressed, negotiated without independent oversight, approved without a vote of the unaffiliated stockholders, and structured to deliver enormous personal benefits to the Greenberg family. The process was neither fair in form nor in substance, and the price was not fair to the stockholders who were forced to surrender their shares.

### **The Unfair Process**

#### **A. The Controllers Conducted Undisclosed Negotiations With 3G Capital Before Informing the Board**

70. Long before any strategic review or formal sale process began, the Greenbergs initiated and maintained a private communication channel with 3G Capital. These interactions occurred outside any authorized board process and without disclosure to the independent directors.

71. Beginning as early as 2021, senior Skechers executives met with 3G representatives, provided tours of company facilities, and privately conveyed detailed operational and financial information. These interactions were presented to 3G as opportunities to explore strategic alignment, leadership continuity, and shared long-term vision for the business.

72. At no point during this early contact does it appear that the controllers disclosed to the Board the frequency of these meetings, the substance of the information provided, or the depth of 3G's interest. These private sessions created a growing informational imbalance between 3G and any potential third-party bidder.

73. By December 2024, 3G Capital made a formal expression of interest in acquiring Skechers. During a December 17, 2024 meeting attended by Robert and Michael Greenberg, 3G stated that any acquisition would require the Greenbergs' continued leadership and rollover of a significant portion of their shares into the post-closing private company. On December 19, 2024, Skechers and 3G executed a nondisclosure agreement. Immediately thereafter, management began preparing diligence materials for 3G and made executives available for in-depth meetings. These efforts appear to have proceeded without board authorization and without any formal process in place.

74. On January 8, 2025, management provided 3G with expanded access to confidential information, including internal financials and projections. Again, it does not appear that the Board was informed of these steps, or of the extent of 3G's access to confidential information. Throughout January and February 2025, management and 3G engaged in repeated diligence calls and meetings. Senior executives described operational efficiencies, long term capital allocation plans, international growth strategies, and sourcing initiatives. All of this information was shared exclusively with 3G and not with any other potential acquirer.

75. By February 2025, negotiation of deal terms was well underway, but the Board remained sidelined. On February 19, 2025, 3G provided an indication of interest offering \$68 per share in cash plus rollover equity valued at twelve dollars

per share. The proposal assumed a continued leadership role for the Greenberg family. However, it appears that again, the Board was not presented with this development. At no point did the controllers convene a meeting to inform the directors that a detailed acquisition proposal had been received. Instead, the Greenbergs continued to negotiate unsupervised and for their own benefit, demonstrating that they and 3G alone would determine next steps.

76. Following additional discussions, 3G submitted a revised and more formal proposal on March 12, 2025. This proposal included an all-cash option of \$73 per share and a mixed option consisting of \$66 per share in cash and rollover equity valued at \$22 per share. The revised offer represented 3G's increased assessment of Skechers' long-term value.

77. The March 12 proposal also appears to have been withheld from the Board. No directors (other than those who were also members of management) were informed that a \$73 offer had been proposed. No advisor was retained. No independent counsel or banker evaluated the offer. Management continued direct engagement with 3G as if a formal process were underway, when in fact no Board mandated process existed.

78. During this period, the Greenbergs also discussed with 3G the structure of post-closing governance. 3G and the controllers explored the creation of a Legacy Member Representative with special consent rights, restrictions on transferability of

units, limitations on third party liquidity, and the parameters of any future sale of the company. These governance discussions occurred before any independent committee was formed and before any formal process had been authorized by the Board.

79. By the time the Greenbergs finally presented the matter to the full Board in April 2025, several months of detailed negotiations had already taken place. 3G had received extensive confidential information, 3G and the Greenbergs had already negotiated the details of deal price and structure, and 3G had gained a substantial head start over any potential competing bidder. These prolonged unauthorized discussions undermine any attempt to claim that the process was neutral. The structure, timing, and strategic direction of the sale had already been set by the Greenbergs and 3G alone.

**B. Tariff Volatility Provided a Temporary and Artificial Justification for 3G's Opportunistic Price Cut**

80. In early 2025, the global footwear industry experienced short-lived volatility following a series of tariff announcements by the United States and foreign governments. These announcements affected the entire sector and caused brief fluctuations in equity prices, including Skechers' stock.

81. The volatility reflected uncertainty about potential tariff levels rather than any change in Skechers' underlying financial strength. Skechers itself noted

that the Company was well positioned to manage short-term tariff disruptions during its Q1 earnings call on April 24, 2025, noting that two thirds of Skechers' business was outside the United States, that the company had experience navigating prior tariff cycles, and that the brand remained strong across global markets. Specifically, they noted in the Q&A session that tariff uncertainty would be temporary and would not have a negative long-term impact on the Company:

- “Today, we still believe many markets will continue along that trajectory, absent unforeseen impacts from the current macroeconomic environment.”
- “While we are fully cognizant of the uncertainty in the current environment, we believe we are well positioned to navigate this leveraging the strength of our brand, our distinct and global market position and our healthy balance sheet.”
- “We not only successfully navigated the situation five years ago [during the pandemic], but emerged as a stronger brand and fully expect to do the same this time.”
- “Ultimately, we remain confident in our ability to navigate these challenges as we have in the past. We know that our proven track record of managing this globally diverse brand with a unique and compelling product portfolio focused on delivering style, comfort, quality and innovation at a reasonable price will enable Skechers to endure and likely thrive during this time.”

- “While we are aware of the uncertainty in the macroenvironment, we believe we are well positioned with our distinct and global market position. We have a proven track record of managing our business in crisis situations such as we experienced five years ago. Like then, we are grounded in a clear strategic plan and remain agile and responsive to this dynamic situation.”
- “[T]wo-thirds of our business is outside of the United States. So while this issue is incredibly in focus as it relates to our domestic market, recognize that two-thirds of our business is much less impacted, if not minimally, to not impacted at all by the current situation.”
- “[W]hat we see today has nothing to do with consumer demand. Consumer demand for the Skechers brand, for our comfort technology products is extremely robust.”
- “[W]e know long term there’s great prospects for the brand and . . . more than anything, [we] would want folks to understand that there is certainly, at the outset, no concern from a consumer perspective for our brand.”
- “[W]e think we're in a good place. We have some levers. We don’t know what the final [tariff landscape] is, so we don’t know which levers will do the best. What we do know is that the product is being received very well around the world and selling through. And we have faith in our way to maneuver these things to know that will come out as well as is possible.”

As these statements reveal, in the days immediately leading up to the Buyout announcement, particularly during the Q1 earnings call on April 24, 2025, the Company made several public statements discussing its belief that such tariff uncertainty was transitory and not a long-term threat to the Company's underlying value.

82. Although the Company's stock price briefly declined following the April 2 tariff announcement, the decline tracked the reaction of other footwear peers and reflected market uncertainty rather than any new information about the company's long-term profitability. Furthermore, despite the drop, analysts described the tariff developments as transitional and noted that the early reactions likely overstated the impact on Skechers because of its scale and international reach. Following Skechers' Q1 Earnings Call, UBS analysts stated "[w]e have high conviction SKX will navigate tariffs better than most." Similar comments came from other analysts. Deutsche Bank opined that Skechers was the "best-positioned footwear retailer in our coverage to take share during a recession given its clear value proposition." And that it was well positioned because, "while a sizeable portion of SKX's global sourcing footprint is concentrated in China (40-50%), the only product exclusively manufactured in the region is kids footwear (the smallest piece of SKX's total Men's/Women's/Kid's franchises)." Raymond James actually saw the tariffs as a benefit to Skechers, because "[i]f the U.S. consumer weakens and inflation picks

up, SKX's affordable prices could be a bright spot enabling share gains." Morgan Stanley was similarly optimistic, noting that Skechers "continues to screen well on both our tariff & recession scorecards (due to its high int'l revenue exposure, relatively elevated OM, & resilient revenue trends in economic downturns) & maintains a favorable position in the fragmenting sportswear market."

83. Despite the temporary nature of these market conditions, 3G used tariff driven uncertainty as a pretext to reduce its offer. On April 13, 2025, only one month after offering \$73 per share in cash, 3G informed management that it would not honor the earlier proposal and instead presented a reduced all cash offer of \$63 per share.

84. There was no operational or financial justification for the downward-revised price. Internally, management had not identified any deterioration in demand, margins, supply chain conditions, inventory levels, or international performance. Externally, analysts continued to project earnings growth and stable fundamentals.

85. The Greenbergs did not challenge the revised offer. They did not insist that 3G adhere to its March proposal, did not question the timing of the reduction, and did not ask Greenhill or management to determine whether the temporary volatility justified a \$10 reduction in value.

86. Instead, the Greenbergs accepted the reduced offer as a basis for accelerating the approval process. By seizing on the brief window of tariff-related volatility, 3G and the Greenbergs created a justification for accepting a price well below the levels at which 3G itself had valued the company only weeks earlier.

**C. Management Rewrote the April 2025 Projections to Align the Company's Valuation With 3G's Reduced Price**

87. Around the time that 3G cut its offer from \$73 per share to \$63 per share on April 13, 2025, and despite management and analysts publicly insisting that the tariffs would not have significant negative effects on the Company, the Greenbergs directed a rapid and significant rewrite of the Company's financial projections. These April 2025 projections deviated sharply from prior long-range plans and materially reduced the Company's expected performance across multiple metrics. This rewrite was fundamentally inconsistent with the prior expressions of confidence that tariffs would not have deleterious impacts on the Company.

88. The April projections were prepared during the same period in which management publicly told investors that tariff conditions were evolving too rapidly to allow reliable forecasting. Only days before beginning the rewrite, management stated on earnings calls and in public communications that it was not possible to issue updated guidance due to the fluid tariff environment.

89. Despite acknowledging that forecasting conditions were unstable, management produced new projections that dramatically lowered expected revenue growth, delayed margin recovery, and reduced profitability. These downward revisions had the immediate effect of shifting implied valuation ranges into alignment with 3G's reduced offer.

90. The April projections contradicted Skechers' ordinary course long range planning. Internal documents show that, earlier in 2025 (at a time when the Trump administration's general tariff intentions were already widely understood), management had prepared long range plans reflecting continued growth in revenue, stable operating margins, expansion of direct-to-consumer channels, and improving performance in key international markets. Nothing in the Company's operations between March and April justified abandoning these expectations and, as detailed above, the revisions also conflicted with external analysis. Analysts noted that the Company remained well positioned, that tariff effects would be temporary, and that consumer demand continued to strengthen both domestically and abroad.

91. The downward revisions included changes to core assumptions. Management reduced expected gross margins despite having previously explained that the Company could mitigate tariff impacts through sourcing adjustments and product mix. Management also lowered revenue growth assumptions even though recent sales results exceeded expectations and international growth remained strong.

92. In addition, management adjusted SG&A assumptions and capital expenditure plans in a manner that further depressed projected profitability while contradicting prior internal planning documents. The revisions did not reflect updated data or new developments. Instead, they reflected a discretionary shift that appears to have been inconsistent with both prior experience and contemporaneous market conditions.

93. The revised projections were delivered to Greenhill and to the Independent Committee on May 1, 2025. It does not appear that either group had ever received the Company's earlier long-range plans for comparison. And it does not appear that either group was concerned that the April projections represented a departure from ordinary course forecasting procedures. The Board and the Independent Committee did not question why the projections had changed so significantly in such a short period. They did not inquire whether management's forecasting methodology had been altered, whether different assumptions were used, or whether the revised projections were consistent with historical performance during prior episodes of short-term volatility. Nor did the Board seek an independent review of the projections by any outside advisor.

94. Greenhill relied on the revised April projections when preparing its valuation analysis. Greenhill adopted discount rate assumptions that exceeded those used by analysts, further reducing implied valuation levels. Greenhill did not prepare

alternative cases based on the Company's prior long-range plan. *Furthermore, Greenhill did not provide a fairness opinion on the mixed consideration option.*

This apparently reflected an underlying assumption that the Greenbergs would be essentially alone in selecting the mixed consideration option.

95. The April 2025 projections were not the product of ordinary course forecasting or updated business performance. They were prepared after 3G delivered its reduced proposal and were shaped to validate the \$63 price. By relying on these projections, the Board approved a transaction based on valuation materials that did not reflect the company's actual long-term prospects.

**D. The Independent Committee Was Formed Too Late, Lacked Real Authority, and Functioned as a Rubber Stamp**

96. The Board formed an Independent Committee on April 30, 2025, more than three years after the Greenbergs first began their flirtations with 3G Capital, and nearly five months after 3G formally expressed interest in acquiring the company. By the time the Independent Committee was created, the Greenbergs and 3G had already negotiated the essential elements of the transaction, including price ranges, rollover expectations, governance rights, and post-closing leadership roles.

97. The Independent Committee was not independent because it included Siskind, whose decades-long personal and business ties to Robert Greenberg rendered him incapable of exercising impartial judgment. Even were that not the

case, the Independent Committee was not provided with the authority, time, or resources necessary to conduct a genuine review. The Independent Committee did not retain its own independent banker. It did not retain specialized independent counsel. It did not retain any advisor capable of conducting a valuation analysis separate from that performed by management's chosen advisors.

98. Instead, the Independent Committee relied entirely on materials prepared by management, including the revised April 2025 projections that had been created at the same time management publicly stated that tariff conditions were too unstable to forecast accurately. Furthermore, it does not appear that the Independent Committee was informed that these projections departed from ordinary course long range planning or that they contradicted both internal expectations and external analysis.

99. Management controlled the flow of information to the Independent Committee. The Independent Committee received only a limited number of presentations from Greenhill and Latham. It did not receive a comparison between the new projections and earlier versions. It did not receive independent models showing the effect of tariff normalization or the Company's expected performance under stable conditions. The Independent Committee conducted a limited market check through a post-signing window shop lasting only 20 days. It did not contact any potential strategic acquirers. It did not contact any potential private equity

sponsors other than 3G. It did not request that Greenhill identify potential bidders or evaluate whether alternative buyers might be interested at the price levels reflected in the February or March proposals.

100. Internal Board documents confirm that the Independent Committee never attempted to negotiate the Buyout price, and instead deferred entirely to the deal the Greenbergs had already cut. The Independent Committee did not ask 3G to revisit the \$73 proposal made in March. It did not ask whether the temporary tariff volatility justified a ten-dollar reduction. It did not analyze whether external conditions had stabilized enough to renegotiate.

101. Instead, the Independent Committee focused primarily on deal certainty terms, such as the duration of the window shop period and the terms of reverse termination fees. These provisions did nothing to protect the minority from the unfair price and did not address the core flaws in the process.

102. On May 4, 2025, only four days after its formation, and only three days after receiving the most critical financial materials, the Independent Committee recommended approving the reduced \$63 per share offer. There was no extended deliberative process, no independent evaluation of alternatives, and no negotiation.

103. The full Board accepted the Independent Committee's recommendation at the same meeting. The Greenbergs executed a written consent immediately

afterward, ensuring that the Buyout could not be reviewed by disinterested stockholders in a vote.

104. The Independent Committee's formation did not cleanse the process. Its late creation, lack of real independence, and inability to influence the critical economic terms of the deal or seek out competing bidders confirm that the Buyout remained controlled by the Greenberg family and that the Independent Committee functioned as a procedural formality rather than a substantive protection for minority stockholders.

#### **E. The Rollover Structure Reserved the Most Valuable Rights for the Greenbergs**

105. The merger agreement included a mixed-consideration option under which eligible stockholders could elect to receive part of their merger consideration in the form of rollover equity in the post-closing private company. Although the structure appeared neutral on paper, its design ensured that only the Greenbergs would benefit from it.

106. The eligibility criteria for rollover equity required a stockholder to hold Skechers shares continuously from prior to May 2, 2025 through the election deadline of September 5, 2025. Even for minority stockholders who qualified, the rollover option was economically irrational. The equity units to be issued in the private company were subject to significant transfer restrictions that prevented any

realistic opportunity to monetize or exit the investment. The agreements imposed strict limitations on transferability, required extended holding periods, and denied minority holders the ability to sell units to third parties.

107. The units were also subject to material tax burdens and compliance obligations that made them unsuitable for institutional or regulated investors. Public funds, pension plans, and other regulated entities could not feasibly hold such illiquid, non-transferable equity interests. These conditions effectively forced essentially all of the minority stockholders to elect the cash option, even though the economic value of the rollover units would ultimately exceed that of the cash consideration. Accordingly, this structure guaranteed, by design, that the Greenbergs would constitute the overwhelming majority of the post-closing equity class.

108. However, the most problematic aspect of the rollover structure was the fact that the financial advisor *failed to conduct any fairness analysis of the mixed-consideration alternative*, and therefore deprived minority stockholders of material information necessary to evaluate the transaction. By declining to opine on the fairness of the mixed consideration, the advisor left the stockholders blind to the relative economics of the two options and ensured that the deal structure that most favored the Greenbergs was never subjected to independent financial scrutiny.

109. Conversely, the rollover structure provided unique and valuable benefits to the Greenbergs that were not shared with the public stockholders. As the

recipients of nearly all of the rollover equity, the Greenbergs obtained the sole and exclusive right to designate a Legacy Member Representative with special consent rights over major post-closing corporate actions, including acquisitions, dispositions, financing transactions, and amendments to key corporate documents. The Legacy Member Representative also possessed the unilateral authority to compel the post-Buyout Company to pursue a liquidity event within a prescribed time frame. No similar rights were available to any minority stockholder. These governance rights reflected the Greenbergs' priority to retain meaningful control of the Company's future strategic direction despite formally selling the business.

110. As a result of the rollover structure, the Greenbergs received both immediate liquidity for a portion of their holdings and long-term upside through enhanced post-closing economic and governance rights. Minority stockholders, by contrast, were deprived of any opportunity to participate in the Company's continued growth and were forced to accept a price that did not reflect fair value.

#### **F. There Was No Market Check, Either Before or After Signing**

111. The Board conducted no pre-signing outreach to any potential buyer. Skechers was a global footwear brand with substantial international growth, a strong balance sheet, and attractive strategic attributes that would ordinarily draw widespread interest from both strategic acquirers and private equity firms. Yet the

Board made no effort to identify or contact any potential acquirors whatsoever other than 3G.

112. Greenhill, which was selected by management and not by the Independent Committee, did not reach out to possible strategic acquirers or other private equity entities. Instead, Greenhill apparently accepted the premise that 3G was the only viable buyer. That premise appears to have been predicated not on analysis, but instead on the fact that 3G had already received confidential information through private meetings with the Greenbergs and management. No other party had been given comparable access to financial data, operational insight, or leadership continuity discussions.

113. The Greenbergs' long standing private dealings with 3G created a lopsided environment in which 3G had a substantial informational advantage over any other potential bidder. Due to the extent of these unauthorized interactions, no other bidder had a realistic opportunity to compete on equal footing.

114. When the Board finally approved the merger agreement on May 4, 2025, the only post-signing market check it negotiated was a short window shop period lasting just 20 days. The window shop provision permitted the Company to entertain unsolicited proposals but prohibited the Company from actively soliciting competing offers.

115. The limited duration of the window shop period made meaningful competition impossible, as did the Greenbergs' irrevocable consent to the Buyout. The tariff driven volatility that temporarily affected the market was still unresolved. No rational bidder could complete diligence, evaluate projections, structure financing, and formulate a topping bid within such a narrow timeframe.

116. The Board did not negotiate for a go shop period, did not negotiate for broader solicitation rights, and did not provide any mechanism that would allow potential bidders to obtain the information necessary to make an informed proposal. This failure ensured that 3G faced no competitive pressure.

117. The Greenbergs' ability to execute a written consent further deterred potential bidders. Because the Greenberg family held more than ninety percent of the Class B voting power, any third party bidder understood that a competing proposal would require their support. But the Greenbergs had already signed irrevocable consents to the Buyout, after having negotiated contractual governance rights, post-closing leadership arrangements, and rollover terms with 3G. Under these circumstances, no competing bidder would devote resources to pursuing a transaction that the Greenbergs would inevitably reject unilaterally.

118. The Board did not take steps to mitigate this deterrent. It did not condition the transaction on a vote of a majority of unaffiliated stockholders. It did

not require the Greenbergs to abstain. It did not take any action to assure potential bidders that the process would be open and competitive.

119. The absence of a pre-signing market check, coupled with the ineffectual post-signing window shop period, meant that the Company was sold without ever testing whether a superior transaction was available. The failure to even attempt a search for competing bidders is inconsistent with reasonable practices in transactions involving controlled companies.

120. These failures were not accidents. They were consistent with a process designed to deliver the Company to 3G on terms negotiated by, and for the benefit of, the Greenbergs. By structuring the process to foreclose competition, the Board ensured that the only price available to unaffiliated stockholders was a cash price dictated by 3G and accepted by the Greenbergs, while the Greenbergs themselves would benefit nearly exclusively from the mixed consideration option.

### **G. Post Signing Events Confirm That the Merger Price Was Not Fair**

121. The merger agreement was executed on May 4, 2025. In the immediate aftermath of the deal, many analysts expressed shock at the deal. For example, Raymond James expressed surprise at the deal noting that “While its valuation was low post- [April 2] tariffs and 1Q earnings, it’s neither a broken company nor an emerging growth brand. . . . 3G’s acquisition signals confidence that China headwinds from high sourcing and revenue exposure are either transitory or can be

mitigated better than the market believes.” Likewise, UBS commented that Skechers was well suited to handle the economic climate stating “we believe SKX’s scale and diverse business mix will help it navigate the current environment better than its peers.”

122. In the months that followed, the temporary tariff-related volatility that 3G used to justify its reduced offer dissipated. Market analysts observed that tariff announcements had begun to stabilize, that prior reactions had overstated long term impact, and that Skechers remained well positioned due to its global footprint and sourcing flexibility.

123. Equity markets reflected this stabilization. By the Summer, footwear and apparel peers recovered the trading levels they held before the early April tariff announcements. The recovery of these peers demonstrated that the valuation trough 3G used to negotiate the price was temporary and not reflective of underlying fundamentals. However, despite the industry quickly recovering, the Board did not revisit the fairness of the merger price. The Independent Committee did not seek to improve the offer. No director sought updated forecasts from management. No one requested that Greenhill revisit its analysis or provide a fairness opinion based on normalized conditions. The Board simply allowed the transaction to proceed even as external evidence suggested that the company’s long-term prospects justified a much higher price.

124. Management did not prepare revised projections for the Board or Independent Committee after April 2025, even though the April projections were prepared during a period of acknowledged volatility and were inconsistent with both internal plans and external analysis. The Board accepted the Buyout without any updated valuation materials, despite having access to information showing improvement in conditions affecting the Company's performance.

125. Internal documents show that during the post-signing period, management and the Greenbergs continued to coordinate with 3G on major decisions. Management sought 3G's views on operating matters, including commercial agreements, vendor relationships, and leasing plans. These repeated consultations indicated that 3G had begun exercising influence over the Company's affairs before closing, further evidencing the Greenbergs' alignment with 3G.

126. None of these interactions resulted in a request by the Board to renegotiate. The Board did not attempt to ensure that the \$63 price still reflected fair value in light of stabilizing conditions. It did not request improved terms or press 3G to reinstate the earlier seventy-three dollar offer or the more favorable mixed-consideration structure.

127. Board minutes and other materials obtained through Plaintiff's Section 220 investigation confirm that between signing and closing, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] This inaction in the face of material changed circumstances further confirms that the Board's role throughout the process was not to protect the interests of minority stockholders, but to facilitate the completion of a transaction that served the interests of the Greenberg family and 3G Capital.

128. Meanwhile, the value of the rollover units available only to the Greenbergs increased as market volatility eased. Because minority holders were functionally excluded from selecting the mixed consideration option and could not realistically continue to participate in the post-Buyout Company's equity, they did not share in this improved valuation. The Greenbergs, however, stood to gain from both the cash they received at closing and the rising value of their exclusive rollover interests.

129. When the Buyout closed on September 12, 2025, the disparity between the \$63 merger price and the Company's long-term fundamentals was even more evident. Analysts noted that Skechers' peers had regained or exceeded pre-tariff

trading levels. The Company's operations remained strong, with international demand and direct to consumer channels performing at or above expectations.

130. The Board took no action to protect the minority stockholders from the widening gap between the merger price and the Company's fair value. It did not request new analysis, did not seek updated information, and did not reconsider its decision. The Board's inaction confirms that the process was designed to complete the transaction negotiated by the controllers and 3G to the detriment of the unaffiliated stockholders.

131. The post-signing facts therefore reinforce what the pre-signing process already demonstrated: the Buyout price was not fair, the process was not fair, and the Buyout itself was the product of controller domination and a sale structure that deprived minority stockholders of the value of their investment.

## **Price Is Unfair**

### **A. The April Projections**

132. The April 2025 Projections cannot justify the Merger Consideration because they were not prepared in the ordinary course, were created only after 3G Capital lowered its bid to \$63 per share, and were designed to back into that reduced price rather than reflect Skechers' true standalone prospects. As alleged herein, management created these projections well after the receipt of 3G's proposal, but before the Independent Committee had even been formed.

133. This timing alone demonstrates that the April 2025 Projections were not a neutral assessment of Skechers' future performance. Prior to 3G's downward revision, the Company had recently updated its long-range plan in mid-2024 and again prepared its annual operating plan in January 2025. Yet management did not abandon or revise those plans until after 3G lowered its price and the Greenbergs committed to forcing a rapid sale.

134. The April 2025 Projections also sharply diverged from external expectations for Skechers' performance. As noted above, Wall Street analysts uniformly concluded that the tariff environment was transitory and that Skechers remained fundamentally strong, well positioned for long-term growth, and likely to return to pre-announcement multiples once markets stabilized.

135. The April projections, likewise, conflicted with management's own contemporaneous statements. On April 24, 2025, management told investors that it could not reliably forecast earnings due to extreme volatility and the lack of tariff stability. Yet at the same time, management presented a multi-year forecast slashing Skechers' long-term prospects. These internally inconsistent positions underscore that the Projections were not created to reflect business reality, but to rationalize a sale at 3G's lowered price.

136. The April 2025 Projections also materially departed from internal planning documents created only months earlier. Operating income was cut between

31 percent and 41 percent for each forecast year compared to the Company's long-range plan updated in mid-2024, and 2025 projected operating income was reduced by 24 percent compared to the annual operating plan created in January 2025. No contemporaneous internal or external evidence justified these dramatic reductions.

137. Moreover, the Projections ignored the Company's own view that tariff-related headwinds were temporary. On April 24, 2025, Skechers publicly stated during its Q1 Earnings call that the tariff environment was transitory, that two-thirds of the Company's business was minimally affected, and that consumer demand remained robust worldwide. Nonetheless, the April 2025 Projections assumed a sustained and long-term impairment out of step with both the Company's public messaging and its internal strategic outlook.

138. Greenhill's reliance on the April 2025 Projections compounded the unreliability of their analysis. Greenhill used discount rates that were unreasonably high relative to peer and historical precedents, thereby producing artificially low valuation outputs. Moreover, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

139. The process surrounding the creation and use of the April 2025 Projections further demonstrates their unreliability. The Independent Committee existed for only four days before approving the Merger, did not engage independent advisors, and asked no substantive questions regarding management's assumptions or the dramatic departure from prior plans. The Projections were thus adopted without any meaningful scrutiny and were used to justify an opportunistic purchase price struck at a temporary market trough.

140. Because the April 2025 Projections were timed to rationalize 3G's reduced offer, contradicted management's own prior plans and public statements, diverged from universal market expectations, and were incorporated into a valuation analysis deliberately constructed to depress implied value, they cannot support a finding that the Merger Consideration was fair. Instead, the Projections reinforce that the \$63 per share price was artificially and improperly low.

**B. The February and March 2025 Offers Demonstrated Fair Value Far Above the Final Merger Price**

141. The February 19 and March 12 proposals reflected 3G's view of Skechers' long-term value before any tariff driven market volatility occurred. These proposals provide critical evidence of fair value and demonstrate that the price ultimately accepted by the board was artificially depressed.

142. The February 19 proposal valued Skechers at \$68 per share in cash plus rollover equity valued at \$12 per share, implying an aggregate value materially higher than the \$63 deal price ultimately accepted. At the time, Robert Greenberg himself noted that the valuation in 3G Capital's February 19<sup>th</sup> proposal was below his expectations for Skechers.

143. The March 12 proposal included an all-cash option at \$73 per share. This offer came shortly after management presented updated internal forecasts and strategic plans that showed continued growth, stable margins, and strong international performance.

144. The March 12 proposal also contained a mixed consideration option that combined \$66 in cash with rollover equity valued at \$22 per share. There was no deterioration in business performance between March 12 and April 13, the date on which 3G cut its price to sixty-three dollars per share. Internal documents reviewed by Plaintiff reveal that management did not identify any operational, financial, or strategic issue that would justify a reduction of ten dollars per share. Instead, the only change was temporary public market volatility caused by tariff

announcements. As noted above, this reaction was viewed as temporary by both analysts and Skechers itself.

145. The existence of the earlier offers establishes a clear price floor well above \$63 and demonstrates that the reduced offer was opportunistic and unrelated to fair value. In substance and effect, the Buyout transferred the Company's future upside and long-term growth potential to the Greenbergs and 3G Capital at a steep discount. The transaction price failed to compensate Skechers' public stockholders for the Company's true worth and was therefore economically unfair.

**COUNT I**  
**For Breach of Fiduciary Duties**  
*(Against the Individual Defendants)*

146. Plaintiff repeats and realleges all preceding paragraphs as if fully set forth herein.

147. The Individual Defendants, including Robert Greenberg, Michael Greenberg, and the members of Skechers' Board of Directors who approved the merger, owed fiduciary duties of loyalty, good faith, due care, and candor to the public stockholders of Skechers. These duties required them to act in the best interests of Skechers and its unaffiliated stockholders, to refrain from self-dealing, and to ensure that any transaction in which they had personal interests was conducted through a fair process and at a fair price.

148. The Individual Defendants breached their fiduciary duties by negotiating, approving, and effectuating the Buyout through a process that was dominated by the Greenberg family and designed to serve their personal interests at the expense of Skechers' public stockholders. They abdicated their responsibility to establish an independent negotiating structure, failed to secure the protections of a majority-of-the-minority vote, and permitted the controlling stockholders to dictate the terms and timing of the transaction.

149. The so-called Independent Committee was appointed only after the essential terms of the transaction had already been negotiated. It lacked authority, independence, and adequate advice. The committee conducted no meaningful valuation analysis, retained no separate counsel or financial advisor of its own, and did not engage in any market check or solicitation of competing offers. It merely ratified the merger agreement the Greenbergs had arranged with 3G.

150. The Board's approval of the Buyout by written consent further deprived Skechers' minority stockholders of any opportunity to vote or express dissent. By approving a self-interested transaction without procedural safeguards, the Board violated its duty to act in the best interests of the corporation and its public stockholders.

151. The Buyout consideration was unfair. The \$63 per-share cash price and the alternative mixed consideration undervalued the Company, which had recently

achieved record international expansion, significant cash flow growth, and improving margins. The mixed election was illusory for public stockholders but highly advantageous to the Greenbergs, who were allowed to roll over substantial equity and retain operational control.

152. The conduct of the Individual Defendants constitutes bad faith and disloyalty. They subordinated the interests of the unaffiliated stockholders to those of the Greenberg family and 3G Capital, enabling a conflicted controller transaction that was unfair in both process and price.

153. As a direct and proximate result of these breaches of fiduciary duty, Plaintiff and the other members of the Class have suffered damages in an amount to be determined at trial, representing the difference between the fair value of their shares and the consideration received in the merger, together with interest, costs, and such additional equitable relief as the Court deems appropriate.

**COUNT II**  
**For Breach of Fiduciary Duties**  
*(Against the Greenbergs as Controlling Stockholders)*

154. Plaintiff repeats and realleges all preceding paragraphs as if fully set forth herein.

155. At all relevant times, Robert and Michael Greenberg were the controlling stockholders of Skechers, possessing and exercising more than 60% of the Company's voting power and absolute dominion over its management and

operations. As controlling stockholders, they owed fiduciary duties of loyalty and good faith to the Company's unaffiliated stockholders. Those duties required them to ensure that any transaction in which they stood on both sides was entirely fair in both process and price.

156. The Greenbergs violated these duties by orchestrating and approving the sale of Skechers to 3G Capital on terms that benefited themselves at the expense of the public stockholders. They negotiated directly with 3G to secure personal employment contracts, substantial rollover equity, and governance rights in the post-merger entity, all while freezing out the public stockholders for inadequate cash consideration.

157. The Greenbergs controlled and manipulated every stage of the process. They initiated discussions with 3G, provided nonpublic information, and dictated the structure of the transaction, including the decision to approve the merger by written consent. They hand-picked the nominal Independent Committee, limited its authority, and ensured that no competitive process could occur. Their domination of the Board and management rendered any procedural safeguard illusory.

158. By reason of the foregoing, the Greenbergs breached the fiduciary duties they owed to Skechers' public minority stockholders. Their actions caused substantial harm to the Class, depriving them of the true value of their Skechers shares and the opportunity to participate in the Company's continued growth.

159. Plaintiff and the other members of the Class have been damaged thereby and are entitled to equitable and monetary relief, including compensatory and rescissory damages, together with interest and costs.

**PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff demands judgment against Defendants jointly and severally, as follows:

- (A) Certifying this case as a class action, certifying Plaintiff as Class representative and its counsel as Class counsel;
- (B) Awarding rescissory and compensatory damages to Plaintiff and the Class, including pre-judgment and post-judgment interest;
- (C) Finding that the Defendants are liable for breaching their fiduciary duties owed to Plaintiff and the Class;
- (D) Directing Defendants to account to Plaintiff and the Class for all damages suffered by them as a result of Defendants' wrongful conduct alleged herein;
- (E) Awarding Plaintiff the costs of this action, including reasonable allowance for Plaintiff's attorneys' and experts' fees; and
- (F) Awarding Plaintiff and the Class such other relief as this Court deems just, equitable, and proper.

COOCH AND TAYLOR P.A.

/s/ Blake A. Bennett

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