

WAL MART STORES INC

FORM 8-K (Current report filing)

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Address	702 SOUTHWEST 8TH ST BENTONVILLE, AR 72716
Telephone	5012734000
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Industry	Retail (Department & Discount)
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SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported):
March 9, 2009**

Wal-Mart Stores, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other Jurisdiction
of Incorporation)

001-06991
(Commission File Number)

71-0415188
(IRS Employer
Identification No.)

702 S.W. 8th Street
Bentonville, Arkansas 72716
(Address of principal executive offices) (Zip code)

**Registrant's telephone number, including area code:
(479) 273-4000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(c) On March 9, 2009, Wal-Mart Stores, Inc. (the “Company”) appointed Brian C. Cornell, age 50, as Executive Vice President, President and Chief Executive Officer of the Company’s Sam’s Club division, effective as of April 3, 2009. Since June 2007, Mr. Cornell has been Chief Executive Officer of Michaels Stores, Inc., an arts and crafts specialty retailer. Previously, Mr. Cornell was Executive Vice President and Chief Marketing Officer of Safeway Inc., a food and drug retailer, from April 2004 until June 2007. Prior to joining Safeway, Mr. Cornell held senior management positions with PepsiCo, Inc., including President of Pepsi Cola North America’s Food Services Division and Senior Vice President of Sales and President of Tropicana International. The Company issued a press release on March 9, 2009 announcing Mr. Cornell’s appointment. A copy of the press release is attached as Exhibit 99.1 to this report.

Mr. Cornell does not have an employment contract with the Company, and his employment is on an at-will basis. Pursuant to the terms of Mr. Cornell’s offer of employment, as approved by the Compensation, Nominating and Governance Committee (the “CNGC”) of the Company’s Board of Directors, Mr. Cornell will receive an annual base salary of \$800,000, subject to annual adjustment. Mr. Cornell will also be eligible for an annual cash incentive under the Company’s Management Incentive Plan (the “MIP”), based on performance criteria established by the CNGC. For the Company’s fiscal year ending January 31, 2010, Mr. Cornell’s target cash incentive under the MIP is 160% of his base salary, with a maximum possible payout of 200% of his base salary. Under the performance criteria established by the CNGC for fiscal 2010, Mr. Cornell’s cash incentive payment, if any, will be based in part on the Company’s pre-tax profit performance and in part on the operating income of the Company’s Sam’s Club division.

Mr. Cornell will receive a signing bonus of \$1,000,000, payable in two equal installments in March 2010 and March 2011. During the first two years of Mr. Cornell’s employment, the Company is entitled to recover this signing bonus if Mr. Cornell voluntarily resigns from the Company or is terminated for a violation of Company policy. Furthermore, no signing bonus installment shall be paid if, prior to the scheduled date of payment: (1) Mr. Cornell voluntarily resigns from the Company; (2) Mr. Cornell is terminated as the result of Mr. Cornell’s violation of Company policy; or (3) Mr. Cornell’s employment is terminated as the result of his death or disability.

In connection with the commencement of his employment with the Company, Mr. Cornell will receive a grant of restricted shares of the Company’s common stock, par value \$0.10 per share (“Common Stock”), with the number of shares to be determined by dividing \$2,000,000 by the closing price of a share of Common Stock on the date of grant. These shares will vest in two equal installments on the second and fourth anniversaries of the grant date, provided that Mr. Cornell continues to be employed by the Company on these vesting dates. Mr. Cornell will also be eligible for an annual equity award. For fiscal 2010, this award will be comprised of performance shares with a target value of \$3,375,000, which provide the right to receive shares of Common Stock if certain performance goals are achieved over a three-year performance period, and restricted shares of Common Stock with a value of \$1,125,000 on the date of grant, which will vest ratably on the second, fourth and fifth anniversaries of the date of grant, provided that Mr. Cornell continues to be employed by the Company on these vesting dates.

Mr. Cornell will also be eligible to receive certain relocation benefits from the Company, including a relocation allowance equal to one month’s base salary and duplicate housing costs for up to six months. Mr. Cornell will also be entitled to participate in all employee benefit plans and programs generally available to the Company’s associates and officers, including the Company’s medical plan, the Officer Deferred Compensation Plan, the Associate Stock Purchase Plan, and the Profit Sharing/401(k) Plan.

In connection with his acceptance of an offer of employment with the Company, Mr. Cornell and the Company entered into a Post-Termination Agreement and Covenant Not to Compete (the “Non-Compete Agreement”). The Non-Compete Agreement is substantially similar to the form of covenant not to compete agreement, as amended, entered into with other executive officers of the Company, and is attached as Exhibit 10.1 to this report. The Non-Compete Agreement prohibits Mr. Cornell, for a period of

two years following his termination of employment with the Company for any reason, from participating in a business that competes with the Company and from soliciting the Company's associates for employment. The Non-Compete Agreement also provides that, if Mr. Cornell is terminated from the Company for any reason, other than his violation of the Company's policies, the Company will continue to pay his base salary for two years following termination of employment, less any earnings he receives from other employment.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- 10.1 Post-Termination Agreement and Covenant Not to Compete between Wal-Mart Stores, Inc., and Brian C. Cornell, dated March 5, 2009.
- 99.1 Press Release dated March 9, 2009 announcing the appointment of Brian C. Cornell as Executive Vice President, President and Chief Executive Officer of the Company's Sam's Club division.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 9, 2009

WAL-MART STORES, INC.

By: /s/ Jeffrey J. Gearhart
Jeffrey J. Gearhart
Executive Vice President and General Counsel

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
10.1	Post-Termination Agreement and Covenant Not to Compete between Wal-Mart Stores, Inc., and Brian C. Cornell, dated March 5, 2009.
99.1	Press Release dated March 9, 2009 announcing the appointment of Brian C. Cornell as Executive Vice President, President and Chief Executive Officer of the Company's Sam's Club division.

**POST-TERMINATION AGREEMENT
AND COVENANT NOT TO COMPETE**

This Post-Termination Agreement and Covenant Not to Compete is entered into this 5th day of March, 2009, by and between Wal-Mart Stores, Inc. and its affiliates ("Wal-Mart") and **Brian C. Cornell** ("Associate"). The parties agree as follows:

1. ACKNOWLEDGMENTS. As part of this Agreement, the parties specifically acknowledge that:

(A) Wal-Mart is a major retail operation, with stores located throughout the United States and in certain foreign locations;

(B) Associate is being hired, effective April 3, 2009, to serve as Executive Vice President, President and Chief Executive Officer, Sam's Club, which is a key officer position appointed by the Wal-Mart Board of Directors;

(C) As an essential part of its business, Wal-Mart has cultivated, established and maintained long-term customer and vendor relationships and goodwill, which are difficult to develop and maintain, have required and continue to require a significant investment of time, effort, and expense, and that can suffer significantly and irreparably upon the departure of key officers, regardless of whether the officer has been personally involved in developing or maintaining the relationships or the good will;

(D) In the development of its business, Wal-Mart has also expended a significant amount of time, money, and effort in developing, maintaining, and protecting confidential, proprietary, and trade secret information which, if disclosed or misused, could cause irreparable harm to Wal-Mart's business, anticipated business, and its competitive position in the retail marketplace;

(E) As Executive Vice President, President and Chief Executive Officer, Sam's Club, Associate has access to confidential and proprietary trade secret information and other confidential and proprietary information, including business and marketing plans and strategies, that would be of considerable value to Wal-Mart's competitors and potential competitors; and

(F) Associate acknowledges that Wal-Mart is entitled to take appropriate steps to ensure: (i) that its associates do not make improper use of confidential or proprietary information gained during the course of their employment with Wal-Mart, (ii) that no individual associate or competing entity gains an unfair, competitive advantage over Wal-Mart, and (iii) that its competitors do not improperly gain access to or make any use of its confidential or proprietary information in their efforts to compete against, or cause harm to, Wal-Mart.

2. TRANSITION PAYMENTS. For purposes of this Agreement, the term "Transition Period" means a period of two (2) years from the date the Associate separates from service from the Company (the "Separation Date"). If Wal-Mart terminates Associate's employment, Wal-Mart will pay Associate during the Transition Period an amount equal to Associate's base salary at the rate in effect on the Separation Date ("Transition Payments"), subject to such withholding as may be required by law and subject to the conditions and offsets set forth in this Section 2. Transition Payments will commence, and be paid at the times and in the amounts, provided in Section 2(E).

(A) Transition Payments will not be paid if Associate is terminated as the result of a violation of any Wal-Mart policy.

(B) No Transition Payments will be paid if Associate voluntarily resigns or retires from employment with Wal-Mart.

(C) Given the availability of other programs designed to provide financial protection in such circumstances, Transition Payments will not be paid under this Agreement if Associate dies or becomes disabled. If Associate dies during the Transition Period, Transition Payments will cease, and Associate's heirs will not be entitled to the continuation of such payments. Transition Payments will not be affected by Associate's disability during the Transition Period.

(D) Transition Payments will be offset by any amounts that Associate may earn during the Transition Period by virtue of employment with, or involvement in, an entity other than a Competing Business, as defined in Section 4(B) below. No Transition Payments will be made if Associate is employed by a Competing Business as defined in Section 4. Associate's violation of the obligations under Sections 4 or 5 below, or any other act that is materially harmful to Wal-Mart's business interests during the Transition Period, will result in the immediate termination of the Transition Payments, in addition to any other remedies that may be available to Wal-Mart, including but not limited to the recovery of the Transition Payments made.

(E) Transition Payments will be paid on such regularly scheduled pay periods as may be adopted by Wal-Mart for its other salaried employees. The first payment shall be equal to one-half ($1/2$) of Associate's total Transition Payments, and will be made as soon as practical after the Separation Date, but not to exceed 45 days after the Separation Date. The next scheduled Transition Payment shall be made during the first regularly scheduled pay period following six (6) months after Associate's Separation Date. Thereafter, the remaining Transition Payments shall be the amount which would have continued as part of Associate's regular pay and will continue until the end of the Transition Period, subject to the terms and conditions of this Agreement.

(F) Receipt of Transition Payments will not entitle Associate to participate during the Transition Period in any of the other incentive, stock option, profit sharing, or other associate benefit plans or programs maintained by Wal-Mart, except, Associate will be entitled to participate in such plans or programs, to the extent that the terms of the plan or program provide for participation by former associates. Such participation, if any, shall be governed by the terms of the applicable plan or program.

3. BENEFITS. Associate will be eligible for all other payments and benefits accrued and owing at the time of termination. Participation in all other benefit programs available to current associates, will end on the Separation Date, subject to Associate's rights under COBRA to continue group medical and dental coverage for eighteen (18) months, pursuant to the terms of COBRA, which are currently extended to terminating Wal-Mart associates.

4. COVENANT NOT TO COMPETE. Associate agrees, promises, and covenants that:

(A) For a period of two (2) years from the Separation Date, and regardless of the cause or reason for such separation, Associate will not directly or indirectly:

(i) own, manage, operate, finance, join, control, advise, consult, render services to, have a current or future interest in, or participate in the ownership, management, operation, financing, or control of, or be employed by or connected in any manner with, any Competing Business as defined below in Section 4(B), without regard to the geographic location of such Competing Business, due to the sensitive and far-reaching nature of the duties of Associate's position at Wal-Mart; or

(ii) solicit for employment, hire or offer employment to, or otherwise aid or assist any person or entity other than Wal-Mart in soliciting for employment, hiring, or offering employment to, any employee of Wal-Mart, or any of its affiliates.

(B) For purposes of this Agreement, the term "Competing Business" shall include any general or specialty retail, wholesale, or merchandising business that sells goods or merchandise of the types sold by Wal-Mart at retail to consumers that is: (i) located within the United States, or any other country in which Wal-Mart or its affiliates either operate a store or are known by Associate to have plans to open or acquire an operation within the next twelve (12) months, and that (ii) has gross annual sales volume or revenues attributable to its retail operations in excess of U.S. \$2 billion, or is reasonably expected to have gross sales volume or revenues of more than U.S. \$2 billion in either the current fiscal year or the next following fiscal year. "Competing Business" as of the date of this Agreement shall specifically include, but is not limited to: Target Corporation, Costco Wholesale Corporation, Best Buy Co., Inc., The Home Depot, Inc., Dollar General Corp., Family Dollar Stores, Inc., Kohls Corporation, Hudson's Bay Company, Carrefour S.A., Lowe's Companies, Inc., The Kroger Co., Tesco plc, Metro AG, Koninklijke Ahold N.V., J C Penney Co., Inc., SuperValu Inc., Sears Holdings Corp., Aldi Einkauf GmbH & Co. oHG, Lidl Stiftung & Co. KG, J Sainsbury plc, WM Morrison Supermarkets Plc, Jim Pattison Group, Ito-Yokado Co., Ltd., AEON Co., Ltd, Groupe Auchan SA, Toys "R" Us, Inc., Loblaw Companies Limited, Casino Guichard-Perrachon S.A., Woolworths Ltd (Australia), Grupo Gigante, S.A. de C.V., Controladora Comercial Mexicana S.A. de C.V., Organizacion Soriana S.A. de C.V., Dollar Tree Stores, Inc., Reliance Industries Limited, and Safeway Inc. (USA) and Plc (UK).

(C) Ownership of an investment of less than the greater of \$25,000 or 1% of any class of equity or debt security of a Competing Business will not be deemed ownership or participation in ownership of a Competing Business for purposes of this Agreement.

(D) The covenant not to compete contained in this Section 4 shall bind Associate, and shall remain in full force and effect, regardless of whether Associate qualifies, or continues to remain eligible, for the Transition Payments described in Section 2 above. Termination of the Transition Payments pursuant to Section 2 will not release Associate from Associate's obligations under this Section 4.

5. FUTURE ASSISTANCE: Associate agrees to provide reasonable assistance and cooperation to Wal-Mart in connection with any agency investigation, litigation or similar proceedings that may exist or may arise regarding events as to which Associate has knowledge by virtue of Associate's employment with Wal-Mart. Wal-Mart will compensate Associate for reasonable travel, materials, and other expenses incidental to any such support Associate may provide to Wal-Mart, at Wal-Mart's request.

6. PRESERVATION OF CONFIDENTIAL INFORMATION. Associate will not at any time, directly or indirectly, use or disclose any Confidential Information obtained during the course of his employment with Wal-Mart except as may be authorized by Wal-Mart. "Confidential Information" shall include any non-public information pertaining to Wal-Mart's business, and shall include information obtained by Associate during the course of, or as a result of, his employment with Wal-Mart, including, without limitation, information regarding Wal-Mart's processes, suppliers (including the terms, conditions, or other business arrangements with such suppliers), advertising and marketing plans and strategies, profit margins, seasonal plans, goals, objectives and projections, compilations, analyses, and projections regarding Wal-Mart's business, trade secrets, salary, staffing, compensation, and other employment data, and any "know-how" techniques, practice or any technical information not of a published nature regarding Wal-Mart's business.

7. REMEDIES FOR BREACH. The parties shall each be entitled to pursue all legal and equitable rights and remedies to secure performance of their respective obligations and duties under this Agreement, and enforcement of one or more of these rights and remedies will not preclude the parties from pursuing any other rights and remedies. Associate acknowledges that a breach of the provisions of Sections 4 through 6, above, could result in substantial and irreparable damage to Wal-Mart's business, and that the restrictions contained in Sections 4 through 6 are a reasonable attempt by Wal-Mart to protect its rights and to safeguard its Confidential Information. Associate expressly agrees that upon a breach or a threatened breach of the provisions of Sections 4 through 6, Wal-Mart will be entitled to injunctive relief to restrain such violation, and Associate hereby expressly consents to the entry of such temporary, preliminary, and/or permanent injunctive relief, as may be necessary to enjoin the violation of Sections 4 through 6. With respect to any breach of this Agreement by Associate, Associate agrees to indemnify and hold Wal-Mart harmless from and against any and all loss, cost, damage, or expense, including, but not limited to, attorneys' fees, incurred by Wal-Mart, and to return immediately to Wal-Mart all of the monies previously paid to Associate by Wal-Mart under this Agreement, provided, however, that such repayment shall not constitute a waiver by Wal-Mart of any other remedies available under this Section or by law.

8. SEVERABILITY. In the event that a court of competent jurisdiction shall determine that any portion of this Agreement is invalid or otherwise unenforceable, the parties agree that the remaining portions of the Agreement shall remain in full force and effect. The parties also expressly agree that if any portion of the covenant not to compete set forth in Section 4 shall be deemed unenforceable, then the Agreement shall automatically be deemed to have been amended to incorporate such terms as will render the covenant enforceable to the maximum extent permitted by law.

9. NATURE OF THE RELATIONSHIP. Nothing contained in this Agreement shall be deemed or construed to constitute a contract of employment for a definite term. The parties acknowledge that Associate is not employed by Wal-Mart for a definite term, and that either party may sever the employment relationship at any time and for any reason not otherwise prohibited by law.

10. ENTIRE AGREEMENT. This document contains the entire understanding and agreement between Associate and Wal-Mart regarding the subject matter of this Agreement. This Agreement supersedes and replaces any and all prior understandings or agreements between the parties regarding this subject, and no representations or statements by either party shall be deemed binding unless contained herein.

11. MODIFICATION. This Agreement may not be amended, modified, or altered except in a writing signed by both parties or their designated representatives.

12. SUCCESSORS AND ASSIGNS. This Agreement will inure to the benefit of, and will be binding upon, Wal-Mart, its successors and assigns, and on Associate and his heirs, successors, and assigns. No rights or obligations under this Agreement may be assigned to any other person without the express written consent of all parties hereto.

13. COUNTERPARTS. This Agreement may be executed in counterparts, in which case each of the two counterparts will be deemed to be an original and the final counterpart will be deemed to have been executed in Bentonville, Arkansas.

14. GOVERNING LAW AND VENUE. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, but without regard to Delaware law concerning the conflicts of law. The parties further agree that any action relating to the interpretation, validity, or enforcement of this Agreement shall be brought in the appropriate state or federal court encompassing Benton County, Arkansas, and the parties hereby expressly consent to the jurisdiction of such courts and agree that venue is proper in those courts. Associate further agrees that in any claim or action involving the execution, interpretation, validity, or enforcement of this Agreement, he will seek satisfaction exclusively from the assets of Wal-Mart, and will hold harmless all of Wal-Mart's individual directors, officers, employees, and representatives.

15. STATEMENT OF UNDERSTANDING. By signing below, Associate acknowledges: (i) that Associate has received a copy of this Agreement, (ii) that Associate has read the Agreement carefully before signing it, (iii) that Associate has had ample opportunity to ask questions concerning the Agreement and has had the opportunity to discuss the Agreement with legal counsel of Associate's own choosing, and (iv) that Associate understands the rights and obligations under this Agreement and enters into this Agreement voluntarily.

WAL-MART STORES, INC.

By: /s/ Fred W. Ley

March 5, 2009
Date

BRIAN C. CORNELL

/s/ Brian C. Cornell

March 4, 2009
Date



FOR IMMEDIATE RELEASE

Contact: David Tovar, Wal-Mart
1-800-331-0085

Investor Relations Contacts: Carol Schumacher
479-277-1498
Mike Beckstead
479-277-9558

**Wal-Mart Names Brian Cornell
President and CEO of Sam's Club**

BENTONVILLE, Ark., Mar. 9, 2009 — Wal-Mart Stores, Inc. (NYSE: WMT) announced today that Brian Cornell, 50, will become president and chief executive officer of Sam's Club, the company's members-only warehouse operating segment, effective April 3. Cornell replaces Doug McMillon, who became president and CEO of Wal-Mart International on Feb. 1, and will report to Mike Duke, president and CEO of Wal-Mart Stores, Inc.

"In searching for our new Sam's Club CEO, we wanted a leader who is strong, talented and people-oriented," said Duke. "We also wanted someone with broad experience in retail management, food merchandising and consumer product marketing. Above all, we looked for a leader who would live up to our brand and our culture. We found all of these things in Brian."

Sam's Club ended last fiscal year with \$46.8 billion in sales, a 5.6 percent increase in revenue over the prior year. As of year end, there were 602 Sam's Clubs operating in the United States. Sam's plans to add between 15 and 20 clubs during the current fiscal year.

Duke continued, "If you look at the performance of the three biggest warehouse clubs over the past year, it's clear that the club business is among the fastest growing retail segments. There has never been a time of greater opportunity for Sam's Club and its continued growth is an integral part of our company's overall business plan. Brian's unique talent and experience will help build on the strong foundation and recent momentum at Sam's Club and take our club business to the next level."

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According to Cornell, “I am excited to join the Wal-Mart family and have the opportunity to lead an organization like Sam’s Club. It’s truly an honor to succeed a terrific leader like Doug and I look forward to continuing a strong strategic direction for the business. I am committed to remaining relentlessly focused on serving our members’ needs, delivering value through merchandise quality and enhancing the member shopping experience.”

Cornell has more than 20 years of experience, most recently serving as CEO of Michael’s Stores, Inc., the largest specialty retailer of arts and crafts merchandise for the hobbyist and do-it-yourself home decorator in North America. Prior to that, Cornell was executive vice president and chief marketing officer for Safeway, where he was responsible for the company’s marketing, merchandising and distribution operations, as well as its online home delivery business. Cornell has also held senior management positions at PepsiCo, including president of Pepsi-Cola North America’s Food Services Division and president of Tropicana International.

He earned a bachelor’s degree at UCLA and attended its Anderson Graduate School of Management. He will relocate to Bentonville, Ark. with his wife Martha.

NOTE: A bio and high resolution photo of Brian Cornell are available for downloading at: <http://www.walmartstores.com/factsnews>

About Wal-Mart Stores, Inc. (NYSE: WMT)

Wal-Mart Stores, Inc. operates Walmart discount stores, supercenters, Neighborhood Markets and Sam’s Club locations in the United States. The company also operates in Argentina, Brazil, Canada, Chile, China, Costa Rica, El Salvador, Guatemala, Honduras, India, Japan, Mexico, Nicaragua, Puerto Rico and the United Kingdom. The company’s common stock is listed on the New York Stock Exchange under the symbol WMT. More information about Wal-Mart can be found by visiting www.walmartstores.com. Online merchandise sales are available at www.walmart.com and www.samsclub.com.

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