

**IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF ARKANSAS
FAYETTEVILLE DIVISION**

KSM Style, LLC, Tongcheng County
Bolilei Trading Co., Ltd., Dongguan
Mingfan E-Commerce Co., Ltd.,
Guangzhou Benmuyu Trading Co., Ltd.,
Hangzhou Aodu Network Technology Co.,
Ltd., Zhengzhou Jujinchao Trading Co.,
Ltd., Hefei Qingpian E-Commerce Co.,
Ltd., Guangzhou Tangxi Technology Co.,
Ltd., Shenzhen Jushengtai Technology Co.,
Ltd., Dongguan Jiali Handbag Co., Ltd.,
Guangzhou Zuijie Technology Co., Ltd.,
Foshan Chancheng Shuitaosheng
Technology Co., Ltd., Shenzhen Huayu
Tongda Trading Co., Ltd., Shenzhen
Ruisheng Chess and Card Co., Ltd.,
Guangzhou Huaming Trading Co., Ltd.,
Wowotou (Shenzhen) Network Trading
Co., Ltd., on behalf of themselves and all
others similarly situated,

Civil Action No. 5:26-cv-05287-DCF

PLAINTIFFS

v.

Walmart Inc.,

DEFENDANT

CLASS ACTION COMPLAINT AND DEMAND FOR JURY TRIAL

Plaintiffs KSM Style, LLC, Tongcheng County Bolilei Trading Co., Ltd., Dongguan Mingfan E-Commerce Co., Ltd., Guangzhou Benmuyu Trading Co., Ltd., Hangzhou Aodu Network Technology Co., Ltd., Zhengzhou Jujinchao Trading Co., Ltd., Hefei Qingpian E-Commerce Co., Ltd., Guangzhou Tangxi Technology Co., Ltd., Shenzhen Jushengtai Technology Co., Ltd., Dongguan Jiali Handbag Co., Ltd., Guangzhou Zuijie Technology Co., Ltd., Foshan Chancheng Shuitaosheng Technology Co., Ltd., Shenzhen Huayu Tongda Trading Co., Ltd.,

Shenzhen Ruisheng Chess and Card Co., Ltd., Guangzhou Huaming Trading Co., Ltd., Wowotou (Shenzhen) Network Trading Co., Ltd. The following allegations are made upon information and belief, except as to allegations specifically pertaining to plaintiffs, which are made upon knowledge.

JURISDICTION AND VENUE

1. This Court has jurisdiction over all causes of action asserted herein pursuant to 28 U.S.C. §1332(d), because the aggregate claims of the Class exceed the sum or value of \$5,000,000.00, and there is diversity of citizenship between proposed class members and Defendant.

2. Venue is proper in this District under 28 U.S.C. §1391(b)(1) and (2). Defendant Walmart, Inc., maintains its headquarters and executive offices in Bentonville, Arkansas, and conducts substantial business in this District, including conduct directed at members of the Class, including the promotion, marketing, and operation of its Walmart Marketplace, sufficient to render it within the jurisdiction of this Court. The events and conduct giving rise to the violations of law in this action constitute interstate commerce, and a significant portion thereof occurred in this District. The Defendant and members of the proposed class are also parties to Comprehensive Walmart Marketplace Program Retailer Agreements which form the subject matter of this litigation and provide that “the federal and state courts located in Benton and Washington County, Arkansas shall have the exclusive venue and jurisdiction over any actions or suits relating thereto.”

PRELIMINARY STATEMENT

3. Plaintiffs (also collectively referred to herein as “Retailers”) are companies which sell merchandise on Defendant Walmart’s website Walmart.com.

4. Plaintiffs bring this class action seeking damages and equitable relief on their own behalf, and on behalf of all others similarly situated who are parties to Walmart's Comprehensive Walmart Marketplace Program Retailer Agreements (hereinafter the "Retailer Agreements") and have had funds withheld by Walmart pursuant to §5(b) of those Agreements. See Retailer Agreement, attached hereto as **Exhibit A**. Walmart has claimed a right under this provision of its Retailer Agreements to unilaterally seize these funds as liquidated damages if Walmart asserts that a Retailer engages in "fraudulent, deceptive, or illegal activity or repeated violation of Retailer policies," and has denied Plaintiffs and members of the proposed class of funds belonging to them. The amounts seized by Walmart are often in the tens or hundreds of thousands of dollars, and in the aggregate are believed to represent tens – if not hundreds – of millions of dollars.

5. Plaintiffs allege, however, that §5(b) is an illegal penalty provision which is null and void under Arkansas contract law because, amongst other things, the amount seized is completely arbitrary, unreasonable based upon the parties' expectations of damages at the inception of the contract and cannot bear any reasonable relationship to the actual damages suffered from any breach.

6. As such, Walmart has improperly enriched itself by confiscating tens or hundreds of millions of dollars of its retailers' funds as an illegal penalty which offends well established principles of Arkansas contract law.

7. Walmart has done this while knowing that the venue provisions in its contracts make redress for the extremely distant members of the proposed class for its wrongful acts economically unviable, and extremely difficult – if not completely impracticable. This action is intended to provide members of the proposed class with a practical means of redress to challenge Walmart's actions.

PARTIES

8. Plaintiff KSM Style, LLC (“KSM”) is a company organized and existing under the laws of the State of Minnesota, with its registered office at 23177 Ashbury Dr., Rogers, Minnesota. KSM was party to a Retailer Agreement with Walmart to sell its merchandise on Defendant’s Walmart Marketplace. On March 3, 2026, KSM was informed by Walmart that it was terminating its Retailer Agreement. At the time of termination, KSM had \$25,750.80 in its Retailer account (funds generated by items KSM had sold to customers), all of which has been seized by Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

9. Plaintiff Tongcheng County Bolilei Trading Co., Ltd. (“Tongcheng”) is a company organized and existing under the laws of the People’s Republic of China, with its principal place of business at No. 0259, Building S1, Wanya International, Tongcheng Avenue, Xinta Community, Junshui Town, Tongcheng County, Xianning City, Hubei Province. Its Chinese legal name is 通城县波梨磊商贸有限公司 (Tongcheng Xian Bolilei Shangmao Youxian Gongsì). Tongcheng was party to a Retailer Agreement with Walmart to sell its merchandise on Defendant’s Walmart Marketplace. On August 29, 2025, Tongcheng was informed by Walmart that it was terminating its Retailer Agreement. At the time of termination, Tongcheng had \$3,050.99 in its Retailer account (funds generated by items Tongcheng had sold to customers), all of which has been seized by Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

10. Plaintiff Dongguan Mingfan E-Commerce Co., Ltd. (“Dongguan Mingfan”) is a company organized and existing under the laws of the People’s Republic of China, with its principal place of business at Room 3508, No. 1, Changping Xinshi 3rd Street, Changping Town,

Dongguan City, Guangdong Province. Its Chinese legal name is 东莞名番电子商务有限公司 (Dongguan Mingfan Dianzi Shangwu Youxian Gongsi). Dongguan Mingfan was party to a Retailer Agreement with Walmart to sell its merchandise on Defendant's Walmart Marketplace. On August 28, 2025, Dongguan Mingfan was informed by Walmart that it was terminating its Retailer Agreement. At the time of termination, Dongguan Mingfan had \$4,684.94 in its Retailer account (funds generated by items Dongguan Mingfan had sold to customers), all of which has been seized by Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

11. Plaintiff Guangzhou Benmuyu Trading Co., Ltd. ("Guangzhou Benmuyu") is a company organized and existing under the laws of the People's Republic of China, with its principal place of business at Room 103, No. 25, Aoyugang Street, Tianhe District, Guangzhou City. Its Chinese legal name is 广州贲暮余贸易有限公司 (Guangzhou Benmuyu Maoyi Youxian Gongsi). Guangzhou Benmuyu was party to a Retailer Agreement with Walmart to sell its merchandise on Defendant's Walmart Marketplace. In December 2025, Guangzhou Benmuyu was informed by Walmart that it was terminating its Retailer Agreement. At the time of termination, Guangzhou Benmuyu had \$2,255.75 in its Retailer account (funds generated by items Guangzhou Benmuyu had sold to customers), all of which has been seized by Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

12. Plaintiff Hangzhou Aodu Network Technology Co., Ltd. ("Hangzhou Aodu") is a company organized and existing under the laws of the People's Republic of China, with its principal place of business at Room 451, Building 6, No. 2, Jiuhua Road, Shangcheng District, Hangzhou City, Zhejiang Province. Its Chinese legal name is 杭州傲都网络科技有限公司 (Hangzhou Aodu Wangluo Keji Youxian Gongsi). Hangzhou Aodu was party to a Retailer

Agreement with Walmart to sell its merchandise on Defendant's Walmart Marketplace. On September 10, 2025, Hangzhou Aodu was informed by Walmart that it was terminating its Retailer Agreement. At the time of termination, Hangzhou Aodu had \$34,021.73 in its Retailer account (funds generated by items Hangzhou Aodu had sold to customers), all of which has been seized by Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

13. Plaintiff Zhengzhou Jujinchao Trading Co., Ltd. ("Zhengzhou Jujinchao") is a company organized and existing under the laws of the People's Republic of China, with its principal place of business at Unit 802, Building 4, Yangguang Lane, Yongfeng Lecheng, No. 169 Zijingshan South Road, Longhu Town, Xinzheng City, Zhengzhou City, Henan. Its Chinese legal name is 郑州聚今晁商贸有限公司 (Zhengzhou Jujinchao Shangmao Youxian Gongsi). Zhengzhou Jujinchao was party to a Retailer Agreement with Walmart to sell its merchandise on Defendant's Walmart Marketplace. On December 24, 2025, Zhengzhou Jujinchao was informed by Walmart that it was terminating its Retailer Agreement. At the time of termination, Zhengzhou Jujinchao had \$8,731.79 in its Retailer account (funds generated by items Zhengzhou Jujinchao had sold to customers), all of which has been seized by Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

14. Plaintiff Hefei Qingpian E-Commerce Co., Ltd. ("Hefei Qingpian") is a company organized and existing under the laws of the People's Republic of China, with its principal place of business at Room 201, Building 3, Haoshi Youting, No. 17, Tianchang Road, Yaohai District, Hefei City, Anhui Province. Its Chinese legal name is 合肥清片电子商务有限公司 (Hefei Qingpian Dianzi Shangwu Youxian Gongsi). Hefei Qingpian was party to a Retailer Agreement with Walmart to sell its merchandise on Defendant's Walmart Marketplace. On September 26,

2025, Hefei Qingpian was informed by Walmart that it was terminating its Retailer Agreement. At the time of termination, Hefei Qingpian had \$2,814.91 in its Retailer account (funds generated by items Hefei Qingpian had sold to customers), all of which has been seized by Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

15. Plaintiff Guangzhou Tangxi Technology Co., Ltd. (“Guangzhou Tangxi”) is a company organized and existing under the laws of the People’s Republic of China, with its principal place of business at Room 0324, No. 212, 2nd Floor, No. 9-11, Jiangong Road, Zhongshan Avenue, Tianhe District, Guangzhou City. Its Chinese legal name is 广州棠熹科技有限责任公司 (Guangzhou Tangxi Keji Youxian Zeren Gongsi). Guangzhou Tangxi was party to a Retailer Agreement with Walmart to sell its merchandise on Defendant’s Walmart Marketplace. On January 24, 2026, Guangzhou Tangxi was informed by Walmart that it was terminating its Retailer Agreement. At the time of termination, Guangzhou Tangxi had \$4,199.79 in its Retailer account (funds generated by items Guangzhou Tangxi had sold to customers), all of which has been seized by Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

16. Plaintiff Shenzhen Jushengtai Technology Co., Ltd. (“Shenzhen Jushengtai”) is a company organized and existing under the laws of the People’s Republic of China, with its principal place of business at Room 1703, Building 3, Fuyuanju, Nanling East Road, Nanwan Subdistrict, Longgang District, Shenzhen City. Its Chinese legal name is 深圳聚盛泰科技有限公司 (Shenzhen Jushengtai Keji Youxian Gongsi). Shenzhen Jushengtai was party to a Retailer Agreement with Walmart to sell its merchandise on Defendant’s Walmart Marketplace. On February 17, 2026, Shenzhen Jushengtai was informed by Walmart that it was terminating its

Retailer Agreement. At the time of termination, Shenzhen Jushengtai had \$5,725.89 in its Retailer account (funds generated by items Shenzhen Jushengtai had sold to customers), all of which has been seized by Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

17. Plaintiff Dongguan Jiali Handbag Co., Ltd. (“Dongguan Jiali”) is a company organized and existing under the laws of the People’s Republic of China, with its principal place of business at Room 201, No. 16, Tianxin Street, Fenggang Town, Dongguan City, Guangdong Province. Its Chinese legal name is 东莞市佳利手袋有限公司(Dongguan Jiali Shoudai Youxian Gongsi). Dongguan Jiali was party to a Retailer Agreement with Walmart to sell its merchandise on Defendant’s Walmart Marketplace. On March 13, 2026, Dongguan Jiali was informed by Walmart that it was terminating its Retailer Agreement. At the time of termination, Dongguan Jiali had \$1,672.09 in its Retailer account (funds generated by items Dongguan Jiali had sold to customers), all of which has been seized by Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

18. Plaintiff Guangzhou Zuijie Technology Co., Ltd. (“Guangzhou Zuijie”) is a company organized and existing under the laws of the People’s Republic of China, with its principal place of business at Room 0357, No. 212, 2nd Floor, No. 9-11, Jiangong Road, Zhongshan Avenue, Tianhe District, Guangzhou City. Its Chinese legal name is 广州蕞捷科技有限公司 (Guangzhou Zuijie Keji Youxian Gongsi). Guangzhou Zuijie was party to a Retailer Agreement with Walmart to sell its merchandise on Defendant’s Walmart Marketplace. In March 2026, Guangzhou Zuijie was informed by Walmart that it was terminating its Retailer Agreement. At the time of termination, Guangzhou Zuijie had \$1,309.45 in its Retailer account (funds generated by items Guangzhou Zuijie had sold to customers), all of which has been seized by

Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

19. Plaintiff Foshan Chancheng Shuitaosheng Technology Co., Ltd. (“Foshan Chancheng”) is a company organized and existing under the laws of the People’s Republic of China, with its principal place of business at No. C0380, Room 1602, Building 1, Block 3, No. 28, Jihua 1st Road, Zhangcha Subdistrict, Chancheng District, Foshan City. Its Chinese legal name is 佛山市禅城区水涛盛科技有限公司 (Foshan Shi Chancheng Qu Shuitaosheng Keji Youxian Gongsi). Foshan Chancheng was party to a Retailer Agreement with Walmart to sell its merchandise on Defendant’s Walmart Marketplace. On March 24, 2026, Foshan Chancheng was informed by Walmart that it was terminating its Retailer Agreement. At the time of termination, Foshan Chancheng had \$1,355.80 in its Retailer account (funds generated by items Foshan Chancheng had sold to customers), all of which has been seized by Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

20. Plaintiff Shenzhen Huayu Tongda Trading Co., Ltd. (“Shenzhen Huayu”) is a company organized and existing under the laws of the People’s Republic of China, with its principal place of business at Room 202, Factory Building B14, No. 48-12, Industrial Avenue, Fucheng’ao Community, Pinghu Subdistrict, Longgang District, Shenzhen City. Its Chinese legal name is 深圳市华宇通达贸易有限公司 (Shenzhen Shi Huayu Tongda Maoyi Youxian Gongsi). Shenzhen Huayu was party to a Retailer Agreement with Walmart to sell its merchandise on Defendant’s Walmart Marketplace. On March 17, 2026, Shenzhen Huayu was informed by Walmart that it was terminating its Retailer Agreement. At the time of termination, Shenzhen Huayu had \$1,060.58 in its Retailer account (funds generated by items Shenzhen Huayu had sold

to customers), all of which has been seized by Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

21. Plaintiff Shenzhen Ruisheng Chess and Card Co., Ltd. (“Shenzhen Ruisheng”) is a company organized and existing under the laws of the People’s Republic of China, with its principal place of business at Room 109, Dormitory Building, Building 2, Jianding Technology Park, Lezhujiao, Huangmabu Community, Hangcheng Subdistrict, Bao’an District, Shenzhen City. Its Chinese legal name is 深圳市瑞胜棋牌有限公司 (Shenzhen Shi Ruisheng Qipai Youxian Gongsi). Shenzhen Ruisheng was party to a Retailer Agreement with Walmart to sell its merchandise on Defendant’s Walmart Marketplace. On March 17, 2026, Shenzhen Ruisheng was informed by Walmart that it was terminating its Retailer Agreement. At the time of termination, Shenzhen Ruisheng had \$1,142.14 in its Retailer account (funds generated by items Shenzhen Ruisheng had sold to customers), all of which has been seized by Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

22. Plaintiff Guangzhou Huaming Trading Co., Ltd. (“Guangzhou Huaming”) is a company organized and existing under the laws of the People’s Republic of China, with its principal place of business at Room 0345, No. 212, 2nd Floor, No. 9-11, Jiangong Road, Zhongshan Avenue, Tianhe District, Guangzhou City. Its Chinese legal name is 广州骅洺贸易有限公司 (Guangzhou Huaming Maoyi Youxian Gongsi). Guangzhou Huaming was party to a Retailer Agreement with Walmart to sell its merchandise on Defendant’s Walmart Marketplace. On March 23, 2026, Guangzhou Huaming was informed by Walmart that it was terminating its Retailer Agreement. At the time of termination, Guangzhou Huaming had \$1,663.01 in its Retailer account (funds generated by items Guangzhou Huaming had sold to customers), all of which has

been seized by Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

23. Plaintiff Wowotou (Shenzhen) Network Trading Co., Ltd. (“Wowotou Shenzhen”) is a company organized and existing under the laws of the People’s Republic of China, with its principal place of business at Room 8331D, Building 30, Dayun Software Town, No. 8288, Longgang Avenue, He’ao Community, Yuanshan Subdistrict, Longgang District, Shenzhen City. Its Chinese legal name is 葛葛头（深圳）网络贸易有限公司 (Wowotou (Shenzhen) Wangluo Maoyi Youxian Gongsi). Wowotou Shenzhen was party to a Retailer Agreement with Walmart to sell its merchandise on Defendant’s Walmart Marketplace. In May 2026, Wowotou Shenzhen was informed by Walmart that it was terminating its Retailer Agreement. At the time of termination, Wowotou Shenzhen had \$1,207.44 in its Retailer account (funds generated by items Wowotou Shenzhen had sold to customers), all of which has been seized by Walmart as a penalty under its liquidated damages clause, and none of which has been returned as of the filing of this Complaint.

24. Walmart, Inc. (hereinafter “Walmart”) is a Delaware corporation, with its principal offices located in Bentonville, Arkansas. Walmart owns and runs the Walmart Marketplace through which Plaintiff and members of the proposed class are able to sell their merchandise to consumers on Walmart.com pursuant to its Retailer Agreements.

STATEMENT OF FACTS

25. Walmart Marketplace is an online platform that allows independent third-party merchants to sell products directly to consumers on Walmart.com and on the Walmart app.

26. The terms governing Walmart’s offers to third-party retailers using the Walmart Marketplace, and third-party retailers’ acceptance of Walmart’s offer, are set forth in the Comprehensive Walmart Marketplace Program Retailer Agreement.

27. The Retailer Agreement is a form contract with materially identical standardized terms, drafted exclusively by Walmart, and offered to Retailers on a non-negotiable basis.

28. Generally speaking, the Retailer Agreement provides that Walmart will allow Retailers to offer their merchandise to consumers, with Walmart facilitating delivery of Retailers' merchandise to consumers, and processing payments from consumers for Retailers. The Retailer Agreement further provides that Walmart earns a referral fee which it deducts from transaction receipts, with the balance to be remitted to its Retailers, subject to a holding period and offsets for customer returns, etc.

29. Walmart maintains Retailer Accounts for the benefit of Retailers such as Plaintiffs and members of the class which contain the proceeds of sales of products sold by Retailers on Walmart.com, less Walmart's share of those sales. These Retailer Accounts include a reserve against potential returns, and a paid-out portion which Retailers may transfer out of the Retailer Accounts and into their own accounts. The Retailer Agreement is not limited to a general promise to pay. It provides that Walmart.com will remit the amount it collects from the sale of a Retailer's products -- less the referral fee -- for products shipped during each fourteen-day period, within seven days after the conclusion of that period. It separately permits offsets, an initial new-seller hold, investigation-related delay, reserves, and account holds. Those provisions confirm that Walmart's permanent-forfeiture power is distinct from ordinary payment administration and lawful offsets.

30. The Retailer Agreement further states that all transactions with customers are between the Retailer and the customer, that the Retailer is the seller of record, and that Walmart collects customer proceeds as the Retailer's authorized agent. It further provides that when a customer pays Walmart, the payment is construed as payment to the Retailer. Accordingly, after

Walmart deducts lawful referral fees and other lawful amounts actually owed, the net proceeds from consummated transactions belong to the Retailer and cannot be converted into Walmart's property merely because Walmart labels them a penalty.

31. The Retailer Agreement allows Walmart to terminate the Agreement at any time and in its sole discretion. Although termination does not absolve Walmart of its payment obligations to retailers, Walmart confiscates all funds held in Retailer Accounts and fails to remit the proceeds of all processed and uncontested transactions with consumers – in whatever amount – which Walmart claims it is entitled to as a result of retailers having allegedly engaged in “fraudulent, deceptive or illegal activity or repeated violation of Retailer Policies.” Walmart's confiscation of funds in Retailer Accounts includes not only amounts held as reserves but also amounts that have been fully earned which Retailers would otherwise have had the ability to transfer to their own accounts.

32. Walmart claims this right to unilaterally confiscate the funds in its Retailers' Accounts earned by Retailers for completed transactions, from Walmart's Retailer Agreement, §5, which provides that:

If Walmart.com determines that your account has been used to engage in fraudulent, deceptive or illegal activity or repeated violation of Retailer Policies, we may permanently withhold payments to you in our sole discretion. As a security measure, Walmart.com may, but is not required to, impose transaction limits on you or some or all Customers relating to the value of any transaction or disbursement, the cumulative value of all transactions or disbursements during a period of time, or the number of transactions per day or other period of time.

33. This provision of Walmart's Retailer Agreement serves as an illegal penalty that violates well established principles of Arkansas contract law, and as such is null and void. The amount of funds due to a Retailer and subject to Walmart's unilateral seizure under this contractual provision is highly varied according to sales volume and is therefore entirely unpredictable. The confiscation of these funds is not a reasonable forecast of Walmart's actual or anticipated losses

but serves as an arbitrary penalty for alleged contract violations which Walmart awards to itself as its own prosecutor, judge, jury, and executioner – all without right to appeal or even providing a basis for its determination.

34. The provision of the Retailer Agreement by which Walmart unilaterally seized the Retail Accounts of Plaintiffs and the Class --§5(b) -- contains no formula, cap, period, percentage, or damages methodology. As such, §5(b) has several features that demonstrate that it acts as an illegal penalty rather than a valid liquidated damages clause:

- (1) two sellers committing the same alleged policy violation can lose radically different amounts solely because their account balances differ;
- (2) the amount seized depends on sales timing and Walmart's termination date rather than expected harm;
- (3) Walmart does not calculate anticipated loss before permanently withholding the balance;
- (4) refunds, chargebacks, fees, taxes, reserves, WFS charges, etc. are capable of being separately and accurately calculated and deducted, but Walmart nevertheless treats the residue of the Retailer Account as its own.

As such, the amounts seized by Walmart from its Retailers' Accounts are punitive rather than compensatory.

35. Section 5(b) is also procedurally and substantively unconscionable. Walmart drafted and presented the standardized Retailer Agreement on a non-negotiable basis to small domestic and foreign retailers that had no meaningful ability to negotiate the terms. Walmart then retained sole discretion to determine whether a violation occurred, to delay or permanently withhold payments, to impose transaction limits, and to decide whether a termination would

receive any reason or appeal. The Retailer Agreement thus combines superior bargaining power with a one-sided forfeiture remedy and no meaningful post-termination process. Procedurally, the challenged forfeiture term was imposed as part of Walmart's standardized, Walmart-drafted form and was not individually negotiated with Plaintiffs or Class members. Substantively, §5(b) combines Walmart's unilateral authority to determine whether a violation occurred with uncapped authority to permanently retain the Retailer's entire remaining balance, even though the amount of that balance varies with sales activity and termination timing rather than anticipated compensatory harm.

36. Acting under §5 of the Retailer Agreement, Walmart has systematically seized the Retailer accounts of Plaintiffs and the class for its own benefit. Walmart does so after simply providing a single document to Retailers in the form of **Exhibit B**, informing them succinctly that "Your Marketplace Retailer Agreement has been terminated." See **Exhibit B** (hereinafter the "Termination Letter").

37. Walmart's own policies confirm the consequences of this contractual scheme. Walmart states that after suspension or termination it may place a reserve or hold on funds, deduct refunds, chargebacks, customer adjustments, fees, penalties, taxes, WFS charges, and other debts, and permanently withhold payouts for fraud, deceptive or illegal activity, repeated policy violations, customer or third-party risks, or other conduct allowed by the Retailer Agreement. Walmart also states that the final payout occurs only after returns, chargebacks, and investigations are resolved, that no fixed payout date is guaranteed, and that the payout window commonly occurs around 180 days after account closure.

38. Walmart's public appeal policy further distinguishes suspension or suppression from termination. Walmart states that it will provide a reason and appeal information for an eligible

suspension or suppression, but that, when selling privileges are terminated, Walmart is not required to provide a reason and appeals will not be granted. Thus, Walmart's policy, by careful design, permits the permanent retention of a Retailer's earned proceeds while withholding the alleged factual basis and evidence, eliminating the appeal process that would allow the Retailer to challenge the retention.

39. The form Termination Letter further informs Retailers that "If we determine that your account has been used to engage in fraud, illegal activity or repeated violations of the Retailer Policies, your final payouts may be permanently withheld by Walmart pursuant to Section 5 of the Retailer Agreement."

40. As if to underline the imperiousness of Walmart's actions, the Termination Letter provides opaquely that it is based upon "Trust & Safety" and "Please note that no appeals will be accepted for this termination." See **Exhibit B**.

41. Walmart knows that Plaintiffs and members of the proposed class who have had their funds seized by Walmart will be unlikely to be able to vindicate their rights or challenge Walmart's actions. Plaintiff and members of the class are often extremely distant from Walmart's chosen venue in Arkansas and greatly constrained by logistics and economics from suing Walmart -- often in a foreign country -- to recoup funds rightfully due to them. Walmart takes full advantage of these facts and engages in these abusive tactics that it would not perpetrate against firms which could more easily challenge its actions.

42. Upon information and belief, Walmart has padded its own earnings with tens or hundreds of millions of dollars of the proceeds of retail sales of merchandise on the Walmart Marketplace that it has claimed as a penalty -- proceeds taken from Retailers who had inventory

manufactured then sold to customers through Walmart's online channels. This action seeks to reclaim these funds for those who have earned them.

CLASS ACTION ALLEGATIONS

43. Plaintiffs bring this action on behalf of themselves and all other members of a class consisting of all Retailers who are parties to Walmart's Comprehensive Walmart Marketplace Program Retailer Agreements and who have had funds withheld by Walmart pursuant to §5(b) of those Agreements (the "Class"). Excluded from the Class is Defendant herein, and any person, firm, trust, corporation, or other entity related to or affiliated with Defendant, including, without limitation, persons who are employees or directors of Walmart.

44. The Class is composed of no fewer than thousands of persons or entities and is sufficiently numerous for class treatment. The joinder of all Class members individually in one action would be impracticable, and the disposition of their claims in a class action will provide substantial benefits to the parties and the Court.

45. All members of the proposed Class are readily ascertainable using objective information, including Walmart's records identifying Marketplace Retailers whose accounts were terminated or suspended and whose proceeds were withheld pursuant to Section 5(b). Walmart has access to the account, transaction, payout, and contact information needed to identify Class members and provide class notice.

46. Plaintiffs' claims are typical of the claims of the Class, and Plaintiffs have no interests adverse to the interests of other members of the Class.

47. This dispute raises questions of law and fact that are common to all Class members. Those common questions predominate over questions that arise on an individual basis for Class members. The common questions of law and fact include, without limitation:

- (a) Whether §5 of Walmart's Retailer Agreement serves as an illegal penalty in violation of Arkansas contract law;
- (b) Whether the amounts seized by Walmart are reasonably related to the damages expected to be suffered in case of a breach;
- (c) Whether Walmart has breached its contracts with the Class;
- (d) Whether Walmart has been unjustly enriched by its seizure of the proceeds of Retailer sales to consumers on the Walmart Marketplace;
- (e) Whether Class members are entitled to the funds that have been withheld by Walmart;
- (f) Whether Walmart's payment policies and practices, including investigation holds, reserves, final-settlement delays, and permanent withholding, are consistent with the Retailer Agreements and applicable Arkansas law;
- (g) Whether Walmart's policy of providing no basis and no appeal for a termination, while retaining the retailer's proceeds, constitutes an unfair or unconscionable method of administering the Retailer Agreements;
- (h) Whether Class members are entitled to damages, restitution, injunctive relief, an accounting, constructive trust, or other monetary or equitable relief, and if so the methodology of determining such relief;
- (i) The claims of Plaintiffs and the proposed Class can be proven on a class-wide basis using the same common evidence that would be used to prove the same claims in individual actions, including the Retailer Agreements, Walmart's incorporated Retailer Policies, Walmart's standardized payout and termination practices, and Walmart's Seller Center and payout records.

48. Plaintiffs will fairly and adequately protect the interests of the Class and have retained counsel experienced and competent in the prosecution of class action litigation.

49. A class action is superior to other methods for the fair and efficient adjudication of the claims herein asserted. Plaintiffs anticipate that no unusual difficulties are likely to be encountered in the management of this class action.

50. A class action will permit a large number of similarly situated persons or entities to prosecute their common claims in a single forum simultaneously, efficiently, and without the duplication of effort and expense that numerous individual actions would engender. Class treatment also will permit the adjudication of otherwise uneconomic claims by many Class members who could not otherwise afford to seek legal redress for the wrongs complained of herein. If a class action is not permitted, Class members will continue to suffer losses and Walmart's misconduct will continue without proper remedy.

51. Walmart has acted and refused to act on grounds generally applicable to the entire Class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the Class as a whole.

52. In the alternative, if class certification under Fed. R. Civ. Proc. 23(b)(3) should be unavailable, the Plaintiffs seek certification of the class under Fed. R. Civ. Proc. 23(c)(4) "with respect to particular issues," including the following specific issues:

- (a) Whether §5 of the Walmart Retailer Agreement is null and void as an illegal penalty under Arkansas contract law;
- (b) Whether Walmart is acting in conformance with Arkansas law by retaining the funds due to Plaintiffs and the proposed class for consummated and uncontested sales to consumers;

- (c) Whether Walmart has been unjustly enriched by its seizure of funds due to Plaintiffs and the proposed class for consummated and uncontested sales to consumers.

**FIRST CAUSE OF ACTION
(Breach of Contract)**

53. Each of the above allegations is incorporated herein by reference.

54. Plaintiffs and members of the Class entered into Comprehensive Walmart Marketplace Program Retailer Agreements with Defendant, which explicitly provide that they are to be interpreted with reference to the application of Arkansas law.

55. Pursuant to the Retailer Agreements, Walmart was to remit receipts from processed and uncontested sales of Retailers' merchandise.

56. Walmart materially breached these Retailer Agreements by failing to remit receipts due to Retailers by seizing such funds belonging to Plaintiffs and the class as a penalty under §5 of the Retailer Agreements.

57. Walmart has interpreted and utilized §5 of the Retailer Agreement to avoid payment to Retailers of the proceeds of sales of their merchandise on Walmart Marketplace, resulting in an illegal penalty that violates Arkansas contract law and is, therefore, null and void.

58. Walmart also breached the implied covenant of good faith and fair dealing by exercising its contractual discretion to retain Plaintiffs' proceeds without identifying the specific violation, disclosing supporting facts, providing a reliable accounting, or distinguishing lawful offsets and investigation reserves from a permanent forfeiture. Walmart's discretion did not authorize it to use a conclusory policy label to obtain a windfall or to deprive Plaintiffs of the benefit of the payment promises in the Retailer Agreement.

59. Plaintiffs and the other members of the Class have been and will continue to be harmed as a direct and proximate result of Defendant's breach of the parties' Retailer Agreements.

60. An accounting is necessary because it is otherwise difficult to determine the full extent of the harm caused by Defendant's misconduct and because Defendant is in complete control of information needed to make such a determination.

61. Plaintiffs and the other members of the Class have suffered damages in an amount to be determined at trial.

**SECOND CAUSE OF ACTION
(Arkansas Deceptive Trade Practices Act
Ark. Code Ann. §4-88-101 et seq.)**

62. Each of the above allegations is incorporated herein by reference.

63. Plaintiffs are entitled to protection under the Arkansas Deceptive Trade Practices Act ("ADTPA"), Ark. Code Ann. §4-88-101 et seq.

64. Plaintiffs, members of the proposed Class, and Walmart are "persons" within the meaning of the Arkansas DTPA. Ark. Code Ann. § 4-88-102(5).

65. Walmart is an Arkansas company engaged in business activities involving the marketing and operation of its Walmart Marketplace for Plaintiffs and members of the proposed class.

66. Walmart entered into explicit agreements with Plaintiffs and members of the proposed class through which Walmart agreed to remit the proceeds of the consummated and uncontested sales of their merchandise on the Walmart Marketplace.

67. Walmart collected, received, and otherwise obtained funds as a result of these agreements, which it had agreed to pay to Plaintiffs and members of the proposed class.

68. Defendant expressly and impliedly represented that it would properly account for such funds and remit amounts due and owing to Plaintiffs and the proposed class in accordance with the Retailer Agreements.

69. Walmart implicitly represented to Plaintiffs and Class members that the net proceeds from completed Marketplace transactions would be maintained and remitted in accordance with the Retailer Agreements and that any hold, reserve, deduction, or withholding would be administered consistently with the stated payment policies.

70. Alternatively, Walmart failed to warn Plaintiffs and Class members that Walmart could permanently retain the proceeds from completed and uncontested transactions without providing adequate notice, disclosing the specific factual basis and evidence, or legally recoverable loss supporting the retention, or providing adequate appeal or review remedies.

71. Contrary to its representations, Walmart has withheld and refused to remit amounts owed to Plaintiffs and the proposed class, despite Walmart's receipt of funds from the sale of their merchandise.

72. Walmart's conduct in administering and enforcing the Retailer Agreements and its related seller policies was deceptive, unfair, and unconscionable, and caused ascertainable injury to Plaintiffs, in:

- a) its representations concerning the timing and disposition of sales proceeds;
- b) its undisclosed or inconsistently applied withholding practices, its failure to provide accurate accounting, and
- c) its permanent retention of funds without a meaningful explanation or appeal.

73. Walmart's representations purporting to maintain unilateral authority to retain the Retailer Accounts of Plaintiffs and the Class, without identifying a valid offset, actual loss, or supported violation, constitute the deceptive, unfair, and unconscionable conduct alleged herein.

74. Walmart's failure to remit funds was not merely a breach of contract but was accompanied by deceptive, unfair and/or unconscionable conduct, including, without limitation:

(a) Representing that Plaintiffs and the proposed class would receive payment of amounts due while failing to disclose that Walmart would withhold, delay, or retain such funds without a legitimate contractual or legal basis.

(b) Misrepresenting the status, amount, or disposition of funds owed to Plaintiffs and the proposed class;

(c) Failing to provide accurate and truthful accounting regarding amounts collected, retained, or withheld;

(d) Applying undisclosed or inconsistently applied standards, policies, or practices to justify withholding the funds of Plaintiffs and the proposed class; and

(e) Withholding funds without providing reasonable communication or explanation for doing so.

75. The information withheld was material in that it was vitally important to Plaintiffs and Class members in determining whether Walmart had lawfully retained their proceeds and whether they could obtain release of those funds. Walmart's withholding of this information was likely to mislead Marketplace retailers acting reasonably under the circumstances.

76. Walmart's conduct and omissions proximately caused injuries to Plaintiffs and the proposed Class. Plaintiffs and Class members were injured as a result of Walmart's conduct as

alleged herein, and these injuries are the direct and natural consequences of Walmart's unconscionable conduct, misrepresentations, and omissions.

77. Walmart had an ongoing duty to Plaintiffs and Class members to refrain from unfair and deceptive practices in the administration of the Marketplace, payment, termination, and payout policies. Plaintiffs and Class members are entitled to recover actual damages and reasonable attorneys' fees to the full extent permitted by applicable law.

78. Because of Walmart's unconscionable and deceptive trade practices, Plaintiffs have each been economically harmed by Walmart's unjustified withholding of funds paid to Plaintiffs by their customers in an amount to be determined at trial.

THIRD CAUSE OF ACTION (Unjust Enrichment)

79. Each of the above allegations is incorporated herein by reference.

80. This cause of action is pleaded in the alternative in case Plaintiffs' contractual causes of action should fail.

81. Walmart was unjustly enriched by its wrongful conduct at the expense and to the detriment of Plaintiffs and the other members of the proposed Class. Defendant was aware that it had received the benefit of its wrongfully retained funds.

82. Walmart used its superior position to force the outcome it wanted regardless of either the contractual terms or Plaintiffs' objection to Walmart's conduct. Namely, Walmart retained funds due to Plaintiffs without Plaintiffs having any ability to compel compliance with the terms of their agreements with their buyers or Walmart's Marketplace Agreement.

83. Walmart should be required to disgorge and provide restitution of all amounts it inappropriately acquired or continues to retain as a result of the conduct alleged herein, subject to

lawful deductions, offsets, reserves, refunds, chargebacks, taxes, fees, and proven amounts actually owed.

84. It would be inequitable and unconscionable for Defendant to enjoy the benefit of its wrongful conduct.

85. An accounting is necessary because it is difficult to determine the full extent of Defendant's unjust enrichment and because Walmart is in complete control of information needed to make such a determination.

86. Plaintiffs and the other members of the proposed Class are entitled to recover any and all amounts proven to have enriched Defendant arising from its wrongful conduct, which amounts will be determined at trial.

**FOURTH CAUSE OF ACTION
(Money Had and Received -- Accounting)**

87. Each of the above allegations is incorporated herein by reference.

88. The funds wrongfully and deceptively obtained by Defendant from Plaintiffs and the other members of the proposed class justly and equitably belong to Plaintiffs and the class members.

89. Defendant's actions harmed Plaintiffs and the proposed class by denying them of monies that they rightfully earned through the sale of their own merchandise in consummated transactions for which there was no objection or chargeback.

90. Walmart gave Plaintiffs no choice in the matter. Instead, it used its superior position as holder of the funds to force Plaintiffs to capitulate to the outcome Walmart wanted: Walmart keeps the money and Plaintiffs take nothing.

91. Walmart is indebted to Plaintiffs and the other members of the proposed class in the amount had and received by Walmart.

92. Permitting Defendant to wrongfully retain the benefits and profits (in the form of money rightfully belonging to Plaintiffs and the other members of the proposed class) from its unlawful scheme would be unjust and unconscionable.

93. Despite demand, Defendant has wrongfully failed and refused to pay said sum to Plaintiffs and the other members of the Class – or even to explain its retention of it.

94. An accounting is necessary because it is difficult to determine the full extent of the money had and received and wrongfully retained by Defendant and because Defendant is in complete control of information needed to make such a determination.

95. Walmart maintains the records necessary to determine the full extent of the amounts collected, withheld, deducted, reserved, offset, and retained, including transaction records, payout ledgers, refund and chargeback records, customer adjustments, policy-enforcement records, and Seller Center communications.

96. Plaintiffs and the other members of the class have been damaged in an amount to be proven at trial.

FIFTH CAUSE OF ACTION (Conversion)

97. Each of the above allegations is incorporated herein by reference.

98. Plaintiffs and the Class have sold goods through Walmart's Marketplace and were entitled to receive funds that customers paid for those goods.

99. Walmart received funds paid by customers for goods sold by Plaintiffs, but Walmart retained those funds that were rightfully due to Plaintiffs.

100. The funds at issue are readily identifiable from Walmart's seller-specific transaction and payout records. Each customer payment is attributable to a particular Marketplace transaction and Retailer account, and the Retailer Agreement provides that Walmart receives

customer proceeds as the Retailer's authorized agent and that customer payment to Walmart is construed as payment to the Retailer. After lawful fees, offsets, refunds, chargebacks, taxes, reserves, WFS charges, and other ascertainable deductions are accounted for, the remaining net proceeds are identifiable seller proceeds held for remittance to the particular Retailer, not merely an undifferentiated obligation to pay money.

101. Walmart improperly retained and converted not only funds held as reserves, but also Retailers' funds that had been fully earned out and which had become the beneficial property of Plaintiffs.

102. Walmart intentionally took or exercised dominion over personal property of Retailers in violation of their rights.

103. Plaintiffs have demanded return of funds held by Walmart, but Walmart has wrongfully failed and refused to transfer to Plaintiffs the funds that Walmart has wrongfully withheld.

104. Walmart's acts amount in law to the appropriation of Plaintiffs' property to itself for its own beneficial use to the injury of Plaintiffs.

105. Plaintiffs and the class have been damaged by Walmart's conversion of their personal property in an amount to be determined at trial.

**SIXTH CAUSE OF ACTION
(Intentional Interference with Business Expectancy)**

106. Each of the above allegations is incorporated herein by reference.

107. Through Walmart's Marketplace, Plaintiffs offered goods for sale, that is, Plaintiffs offered to sell goods to customers if customers paid for those goods.

108. Customers purchased those goods, supplying the funds to pay for them.

109. Plaintiffs, based on that agreement, shipped goods to the customers.

110. Walmart was aware of this business expectancy and, indeed, facilitated the transactions.

111. But Walmart intentionally interfered in this business expectancy by withholding the funds paid by customers with no legal basis to do so.

112. Walmart itself disclaimed any role in the transactions between Plaintiff Retailers and their customers. (“All transactions with Customers are between you and the Customer, and you will be the seller of record.”) “When a Customer pays Walmart.com, it shall be construed as if the Customer will be paying” Plaintiff retailers. Walmart’s role was to “accept payment from Customers for remittance to” Plaintiffs.

113. Plaintiffs were damaged by Walmart’s intentional interference with the end result of the business engaged in between Plaintiffs and their customers: payment for goods sold.

114. Further, because of Walmart’s unlawful retention of funding, Plaintiffs and the class continue to be damaged by the inability to continue offering sales to their customers.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that this Court enter judgment as follows:

- A. Declaring that this action is properly maintainable as a class action and certifying Plaintiffs as Class representatives;
- B. An award of damages in an amount to be determined at trial;
- C. Restitution and disgorgement of amounts improperly withheld by Defendant;
- D. Pre-judgment interest;
- E. Post-judgment interest;
- F. Declaratory relief;
- G. An order requiring an accounting with respect to the amounts Defendant

unlawfully withheld from its Retailers;

H. An order enjoining Walmart from unlawfully awarding itself penalties pursuant to §5 of its Retailer Agreement;

I. Attorneys' fees, costs, disbursements, and expenses of suit, including expert witness fees; and

J. Such other relief as the Court may deem appropriate.

JURY TRIAL DEMANDED

Plaintiffs hereby demand a trial by jury on all matters so triable.

Dated: October 8, 2026

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