

Business

Blue Bell Directors Reach \$15 Million Listeria-Outbreak Deal

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- ▶ Investor said board members's mismanagement caused outbreak
 - ▶ Settlement terms also involve \$45.2 million note cancellation
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[Blue Bell Creameries Inc.](#) directors agreed to a \$15 million settlement resolving claims that their alleged mismanagement led to a [2015 listeria outbreak](#) that forced the ice-cream maker to recall all products.

The deal means a Blue Bell shareholder won't get a chance at an April 27 trial to determine whether Blue Bell's board did enough to oversee the cleanliness of the company's plants. Delaware Chancery Court Judge Joseph Slights III must approve the deal.

Blue Bell officials agreed to settle to cut down the "expense, inconvenience and distraction" the listeria allegations caused, according to a filing Friday in Chancery Court. The \$15 million in cash will be returned to the company under the terms of the deal.

The Brenham, Texas-based company -- founded in 1909 -- has been rebounding from the 2015 shutdown and last month added its first new flavor of the year to its lineup, [Cookie Dough Overload](#). The company said in an email it's pleased the matter is resolved.

Mary Wenske, who owns a stake in Blue Bell's controlling partnership, alleged in the Delaware suit that the company's directors turned a blind eye to several-years' worth of reports about "unsanitary practices and conditions" at the plants.

Under the terms of the settlement, the \$15 million in cash is slated to be paid by some members of various partnerships that own the company. In addition, a \$45.2 million note owed by one Blue Bell partnership to another will be canceled, according to court filings.

The case is [Wenske v. Blue Bell Creameries Inc.](#), No. 2017-0699, Delaware Chancery Court, (Dover)