

Firm wants \$145-million for Wal-Mart videos

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Good negotiators always start far apart on price. In the case of Wal-Mart Stores Inc. [WMT-N] and a small Kansas production company that owns three decades of internal Wal-Mart videos, the gap stands close to \$145-million (U.S.).

Flagler Productions of suburban Kansas City confirmed Thursday it asked Wal-Mart to pay \$145-million for a video library of internal Wal-Mart meetings that Flagler shot from the late 1970s until Wal-Mart fired the company in 2006. Wal-Mart's last offer was \$500,000.

Wal-Mart released an October letter from Flagler's attorney, David Sexton from the Kansas City suburb of Gladstone, Mo., after the archive's existence made headlines this week.

Mr. Sexton said Thursday that Wal-Mart, after firing Flagler in 2006, had indicated an interest in buying the archive around March 2007. Mr. Sexton asked them to name a price but Wal-Mart declined and asked Flagler to suggest a number.



According to the letter posted by Wal-Mart on its Web site, the world's largest retailer countered with \$500,000 after Flagler asked for \$150-million. Sexton said the production company then dropped its price to \$145 million but has not gotten a new proposal from Wal-Mart despite corresponding as recently as January.

A Wal-Mart spokeswoman declined to comment on the price haggling except to say, "I think the letter speaks for itself."

The videos are a visual history of the world's largest retailer as it grew, including unguarded moments such as a management meeting where male executives dressed in drag.

"This video is priceless. Nobody else has this. There are years of corporate history in there," Mr. Sexton told The Associated Press about the 15,000-tape archive.

Flagler co-owner Mary Lyn Villaneuva said there are also tapes of family events at founder Sam Walton's home and company barbecues at the ranch of former no. 2 executive Tom Coughlin, who has since been fired and pleaded guilty to embezzling money and products for his personal use.

But the archive has also drawn growing attention from plaintiff lawyers seeking behind-the-scenes material to help various cases against Wal-Mart and from union critics, who used the drag footage for an advertisement castigating Wal-Mart's approach to women employees.

News of the archive had spread by word of mouth between lawyers and union watchdogs since last year and hit the headlines this week when the Wall Street Journal reported its existence.

While corporate records are typically kept under tight seal, Flagler's archive is different. Flagler says because Wal-Mart never signed a contract for its services, the rights to the tapes still belong to the production company.