

News Release



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U.S. Labor Department Sues Diamond Bar Mortgage Lender to Protect Employees' 401(k) Contributions

SAN FRANCISCO—The U. S. Department of Labor has filed a lawsuit alleging the president of a Diamond Bar, Calif., mortgage lender withdrew employees' contributions from the company's 401(k) plan and failed to return the money to the plan participants.

The suit alleges Robert Cook, the president, majority shareholder and a plan trustee, commingled employees' 401(k) contributions with the general corporate account. The suit seeks \$15,352.04 plus interest for 18 former employees who were plan participants and to permanently bar Cook from service as a plan fiduciary to any employee benefit plan governed by the Employee Retirement Income Security Act (ERISA).

"The Department of Labor will aggressively enforce the law to protect the retirement funds of the nation's hardworking men and women," said Billy Beaver, regional director of the Employee Benefits Security Administration (EBSA).

The complaint was filed in the United States District Court for the Central District of California on January 13.

Mortgage Associates, headquartered in Diamond Bar with offices in Pomona and Chino, was a sub-prime mortgage lender before filing for bankruptcy in May 1999. The bankruptcy petition was later dismissed and the company dissolved shortly thereafter.

In fiscal year 2004, EBSA achieved record monetary results of \$3.1 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers with questions or concerns regarding their private-sector pension and health plans can contact the EBSA regional office in Los Angeles at (626) 229-1000 or EBSA's toll free number, 1-866-444-EBSA (3272). Information is also available from the agency's web site at www.dol.gov/ebsa.

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(Chao v. Mortgage Associates)
Civil Action No. 05-00314-DDP-PLA

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