

# News Release



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## **Labor Department Obtains Consent Judgment Against Trustees of Pension Plan of Alabama Corporation**

**ATLANTA** – The U. S. Department of Labor has obtained a consent judgment permanently barring the former trustees of the profit sharing plan of Bama Wood Inc. in Montgomery, Ala., from serving as fiduciaries or in positions of trust to employee benefit plans governed by the Employee Retirement Income Security Act.

Defendants Benjamin Francis Nolen, Marion Daniel Nolen and Glennis Jerome Harris were executives of the corporation, as well as plan trustees. They previously were removed by court order from their positions with the plan. The court appointed M. Larry Lefoldt as the independent fiduciary with authority to manage the plan. Assets were restored to the plan under a settlement between the trustees and the independent fiduciary that was approved by the court on March 23, 2004.

“The law clearly states a company that sponsors a plan intended to benefit employees cannot use its assets for any other business purpose,” said Howard Marsh, director of the Atlanta regional office of the department’s Employee Benefits Security Administration, which investigated the case.

Bama Wood Inc. managed and operated forest and timber properties. The profit sharing plan covers 29 participants.

The judgment resolves a lawsuit filed by the Labor Department on May 13, 2002. The suit alleged that the trustees transferred more than \$2 million from the plan to the corporation, thus leaving the plan with insufficient cash to meet its obligations to creditors and participants. In addition, the defendants allegedly defaulted on a promissory note secured by plan properties and \$500,000 in benefits owed to a single plan participant.

In fiscal year 2003, EBSA achieved record monetary results of \$1.4 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers can reach EBSA’s Atlanta regional office at (404) 562-2156 or through its toll-free number, **1-866-444-EBSA (3272)**, for help with problems relating to private-sector retirement and health plans.

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(Chao v. Nolen)  
Civil Action No. 02-D-544-N

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