

# News Release



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## **Independent Fiduciary Named to Manage Penn's Best, Inc. Employee Stock Ownership Plan**

**PHILADELPHIA, Pa.** – The U.S. Department of Labor obtained a consent order on June 4, 2003, appointing an independent fiduciary to manage the company's employee stock ownership plan (ESOP). The order also required Meshoppen, Pa.-based Penn's Best, Inc. and its corporate executives to restore to the plan \$485,000 plus issue to the plan 200,000 newly-issued shares of Penn's Best common stock.

"Our action sends a clear message that the department will aggressively enforce the law to ensure that plans are not paying unreasonable amounts for investments," said Secretary of Labor Elaine L. Chao. "This settlement recovers retirement assets that unlawfully enriched plan fiduciaries at the expense of the workers."

Besides the restitution, the court order required company president Meredith W. Ruark to resign his position as sole trustee of the ESOP and permanently barred him from serving any employee benefit plan governed by the Employee Retirement Income Security Act (ERISA). Mark J. Stanley, comptroller and plan committee member, is removed as a plan committee member and barred from serving in any capacity to an ERISA plan for three years.

After issuing the stock, the plan will hold 46.48% of the company's outstanding and issued common stock. Officials agreed not to issue additional stock or use any other measures to dilute the plan's percentage of ownership.

The department sued the defendants on Dec. 21, 2001 in federal district court in Scranton, Pa. for purchasing from Ruark 196,000 shares of stock in 1994 at an allegedly inflated price. The lawsuit alleged that the stock was not properly valued and the plan paid more than the stock was worth.

Penn's Best, a trucking company, created the pension plan in 1993. As of Dec. 31, 2000, the ESOP had 343 participants and assets of \$2,479,675.

The case was investigated by the department's Philadelphia regional office of the Employee Benefits Security Administration (EBSA). Employers and workers who have questions or concerns regarding their private-sector pension and health plans can contact the EBSA regional office for help at (215) 861-5300 or EBSA's toll free number, 1-866-444-EBSA (3272).

(Chao v. Ruark)  
Civil Action # CV01-2433