

News Release



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Labor Department Sues to Appoint Independent Fiduciary for Abandoned Englewood, Colo., Profit Sharing Plan

DENVER - The U.S. Department of Labor has sued to appoint a successor fiduciary to manage the 401(k) profit sharing plan of defunct Sirius Inc, Englewood, Colo. The company's 401(k) plan has been without oversight since the company ceased doing business in 2002.

"This action demonstrates our commitment to protect the hard-earned benefits of American workers," said Steven Eischen, director of the Kansas City regional office of the department's Employee Benefits Security Administration (EBSA), which investigated the case.

The plan was abandoned after the company ceased operations and filed for dissolution in October 2002. According to the suit, participants are unable to access their account balances, either to reinvest them in other tax-qualified retirement savings vehicles before retirement or to draw them down upon retirement.

Plans become "orphan plans" when they are abandoned by all fiduciaries designated to manage and operate them, leaving participants without a way to transact business and communicate with the plan.

The suit, filed in federal district court in Denver, seeks an order appointing an independent fiduciary to administer the plan and assure distribution of its assets to participants and beneficiaries. The court also asked that the plan be terminated.

Sirius, a provider of computer services, ceased operations in late 2002. The employee 401(k) profit sharing plan had 13 participants and assets of \$95,365.65 as of April 30, 2005.

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 can reach EBSA's Kansas City regional office at (816) 426-5131 or can contact EBSA's 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. Sirius, Inc. 401(k) Plan)
Civil Action No. 05-cv-1453

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