

# News Release



U.S. Department of Labor  
Office of Public Affairs  
Chicago, Ill.  
Release Number: 05-1471-CHI

For Immediate Release  
Aug. 11, 2005  
Contact: Brad Mitchell  
Phone: (312) 353-6976

## **U.S. Labor Department Obtains Consent Judgment Restoring \$17,928 To Gladstone, Mich. Profit Sharing Programs**

**DETROIT, Mich.--**The U.S. Department of Labor has obtained a consent judgment restoring \$17,928.30 to two Gladstone, Mich.-based Lakeside Machine, Inc. profit sharing & salary deferral plans – one for salaried employees and the other a collectively bargained employee plan.

“The department will act when plan fiduciaries fail to carry out their duty to protect the retirement plan assets held on behalf of participants,” said Joseph Menez, director of the department’s Cincinnati regional office of the Employee Benefits Security Administration (EBSA).

The settlement resolves a lawsuit filed by the Labor Department alleging that Paul D. Paulson, Jr.-- president, CEO and chief financial officer of the former Lakeside Machine Inc.-- failed to remit employee contributions to the profit sharing and salary deferral plans at various times between January 2000 and November 2002. Paulson also allegedly commingled the employee contributions with the assets of the company in violation of the Employee Retirement Income Security Act. The judgment permanently bars plan trustee Paulson from serving as a fiduciary or service provider to any employee benefit plans governed by ERISA.

Employers with similar problems, who are not yet the subject of an investigation by EBSA, may be eligible to participate in the department’s Voluntary Fiduciary Correction Program (VFCP). Participation in the program requires employers to correct violations of the law but allows them to avoid EBSA enforcement actions and civil penalties as well as any applicable excise taxes. For more information about the VFCP, see [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

The suit, filed in federal district court in Michigan, resulted from an investigation conducted by the Detroit district office of EBSA’s Cincinnati regional office. Employers and workers can reach the Cincinnati office at (859) 578-4680 or through EBSA’s toll-free number, 1-866-444-EBSA (3272), for help with problems relating to private-sector retirement and health plans. 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.

###

Chao v. Paulson  
Civil Action No. 2:05-ev-33

---

U.S. Labor Department releases are accessible on the Internet at <http://www.dol.gov/ebsa>. The information in this news release will be made available in alternate format upon request (large print, Braille, audio tape or disc) from the COAST office. Please specify which news release when placing your request at (202) 693-7765 or TTY (202) 693-7755. The U.S. Department of Labor is committed to providing America’s employers and employees with easy access to understandable information on how to comply with its laws and regulations. For more information, please visit [www.dol.gov/compliance](http://www.dol.gov/compliance).