

News Release



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U.S. Labor Department Seeks Independent Fiduciary To Manage Abandoned Fairfield, New Jersey 401(k) Plan

FAIRFIELD, N.J.—The U.S. Department of Labor has sued to obtain appointment of an independent fiduciary to terminate the 401(k) plan of defunct JAWZ USA Inc., Fairfield, N.J. and distribute its assets to the participants. The company ceased operations in 2001.

The suit was filed in the U.S. District Court for the District of New Jersey under the Employee Retirement Income Security Act (ERISA).

“The department took legal action to ensure that the participants in the JAWZ USA, Inc. 401(k) Plan receive their promised benefits,” said Jonathan Kay, acting director of the New York regional office of the department’s Employee Benefits Security Administration (EBSA), which investigated the case.

The investigation revealed that JAWZ USA, Inc. did not ensure the plan was properly terminated when its named fiduciary, Kathleen Quigley, abandoned her position in 2002. The plan assets, valued at approximately \$38,519, are currently being held by John Hancock Financial Services on behalf of 13 participants.

According to Kay, plan participants and beneficiaries have not been able to gain access to, or information about, their individual accounts due to the lack of a plan fiduciary. Plans become “orphan plans” when they are abandoned by all fiduciaries designated to manage and operate them and their assets.

In fiscal year 2004, EBSA achieved record monetary results of \$3.1 billion related to pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers can contact the New York regional office at (212) 607-8600. Help with problems relating to private-sector retirement and health plans can also be obtained by calling EBSA’s toll free number at 1-866-444-EBSA (3272).

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(Chao v. JAWZ USA, Inc. 401(k) Plan)

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