

# News Release



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## **Labor Department Settlement Requires Plan Administrator To Terminate Cyrus Intersoft's 401(k) Plan**

**MINNEAPOLIS** – The U.S. Department of Labor obtained a settlement with the administrator of the Minneapolis-based Cyrus Intersoft, Inc., 401(k) plan on Oct. 17, 2003, who agreed to fulfill his fiduciary responsibilities and begin to terminate the plan so benefits can be distributed to eligible participants.

“When the defendant abandoned the plan, participants and beneficiaries were unable to inquire about their accounts or to get retirement distributions. We took action to ensure the workers have access to their retirement savings,” said Robert Webber, acting director of the department’s Kansas City regional office of the Employee Benefits Security Administration (EBSA).

The settlement resolves a lawsuit filed May 20, 2003, alleging that Matthew Thayer failed since 2001 to distribute or authorize distributions of pension assets to participants or to formally terminate the plan. As a result, plan participants and beneficiaries were unable to obtain retirement distributions or get answers to their inquiries. The defendant’s failure to properly administer the 401(k) plan violated the Employee Retirement Income Security Act. The plan had 25 participants and held assets of \$52,441.08 as of Jan. 23, 2003.

A plan generally becomes an orphan plan when it is abandoned by plan fiduciaries designated to manage and operate the plan and its assets. Without a plan fiduciary, participants and beneficiaries are unable to receive retirement distributions or to make inquiries about their benefits.

The settlement, entered in federal district court in Minneapolis, resulted from an investigation by the Kansas City regional office of the Employee Benefits Security Administration (EBSA). Employers and workers can contact the office at (816) 426-5131 or through EBSA’s toll free number, 1-866-444-3272, for help with problems relating to private-sector retirement and health plans.

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(Chao v. Thayer)  
Civil Action # 03-3212 JMR/JSM