

**UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA**

THOMAS E. PEREZ, SECRETARY OF LABOR, :
UNITED STATES DEPARTMENT OF LABOR, :

Plaintiff, :

v. :

Civ. A. No. 1:14 cv 964
CMH/IDD

GREGORY RIDGE, RIDGE & LONG :
LIMITED COMPANY, and RIDGE & LONG :
LIMITED COMPANY 401(K) PROFIT :
SHARING PLAN & TRUST, :

Defendants. :

CONSENT JUDGMENT

Plaintiff, Thomas E. Perez, Secretary of Labor, United States Department of Labor (“Secretary”), has filed a Complaint in this action pursuant to the Employee Retirement Income Security Act of 1974 (“ERISA”), 29 U.S.C. § 1001 *et seq.*, alleging certain violations by each of the above-captioned defendants.

The defendants waived service of summons. *See* Item 3 on Docket. Counsel for the Secretary has engaged in settlement discussions with defendants Gregory Ridge (“Ridge”) and Ridge & Long Limited Company (“the Company”). The parties have agreed to resolve this case without further litigation. The defendants waive answering the Complaint and consent to the entry of this Consent Judgment against them by this Court, the terms of which are set forth herein. The Ridge & Long Limited Company 401(k) Profit Sharing Plan & Trust (“the Plan”) was included in the Complaint as a Rule 19 defendant only so that complete relief could be granted.

1. The Secretary's Complaint alleges that defendants Ridge and the Company violated Sections 403, 404, and 406 of ERISA, 29 U.S.C. §§ 1103, 1104, and 1106, and are liable as co-fiduciaries under Section 405 of ERISA, 29 U.S.C. § 1105.
2. For purposes of this Consent Judgment, the defendants admit that the Court has jurisdiction over them and the subject matter of this action.
3. The Secretary has agreed to resolve all claims asserted in the Complaint against the defendants for the relief set forth below.
4. The Secretary, Ridge, and the Company understand and agree that entry of this Consent Judgment is without prejudice to the Secretary's right to investigate and redress violations of ERISA, if any, not alleged in the Complaint, including the Secretary's right to institute future enforcement actions with respect to any other such matter or any other employee benefit plans. It is further understood that this paragraph shall not constitute a waiver by the defendants of any defenses, legal or equitable, to any such future action.

Accordingly, it is hereby ORDERED, ADJUDGED, and DECREED that:

- a. This Court has jurisdiction over this action and the defendants.
- b. Ridge shall restore \$31,234.13 to the Plan as restitution and shall further restore \$7,932.50 to the Plan for the costs and expenses of the independent fiduciary appointed herein. The total amount Ridge shall restore to the Plan is \$39,166.63, which must be paid by Ridge from personal assets within sixty (60) days of the date of this Consent Order.
- c. The Plan is hereby amended to allow forfeiture of the individual Plan account of Ridge to the extent necessary to satisfy this Consent Judgment and to permit the reallocation and distribution of the restitution to Plan participants. This Order

shall be attached to the Plan document as an amendment.

- d. The Plan shall redistribute the restitution to the Plan participants in amounts necessary to restore their losses incurred as a result of the fiduciary breaches alleged in the Complaint. Ridge waives his right to receive any restitution which is owed to him as a result of his fiduciary breaches. No part of the restitution amount shall be redistributed to the individual account balance of Gregory Ridge.
- e. The Plan shall provide to the Regional Director of EBSA satisfactory proof of the payment of the above described restitution and the reallocation of Ridge's account within 7 days of such payment and reallocation. Satisfactory proof of the reallocation shall include, at a minimum, copies of records maintained by a the Plan's third party record keeper before and after the reallocation demonstrating the reallocation from Ridge's account to the accounts of other participants, or (in the case of reallocation to former participants or their beneficiaries) checks written to those participants, or transfers of funds to IRAs established in their names, together with a statement in writing from the Plan Administrator that appropriate 1099Rs will be issued reflecting the reallocations. Satisfactory proof of the payments by the defendants shall consist, at a minimum, of documentation obtained from a third party service provider that confirm that the defendants have made payments to the Plan in the form of wire transfers or checks that have cleared, and the amount of such payments. Such proof shall be sent to the Regional Director, EBSA, U.S. Department of Labor, 170 S. Independence Mall West Suite 870 West, Philadelphia, PA 19106.

- f. Upon receiving proof of the restitution payment, the Secretary shall assess a penalty against the defendants of \$7,833.33, which represents 20 percent of the applicable recovery amount of \$39,166.63 pursuant to ERISA § 502(I), 29 U.S.C. § 1132(I). The defendants waive their right to contest the assessment of said penalty, but reserve their right to request a penalty waiver.
- g. Ridge is removed as Trustee of the Plan and the Company is removed as the Plan Administrator. Ridge is removed from all fiduciary positions with the Plan.
- h. Lefoldt & Co., P.A. is appointed as the independent fiduciary of the Plan with plenary authority over Plan administration, management and disposition of the Plan's assets, including termination of the Plan. Lefoldt & Co., P.A. shall be compensated not more than \$7,932.50 for the performance of its duties and costs incurred, in accordance with the terms set forth in Exhibit A. That amount shall be paid from Plan assets but Gregory Ridge shall reimburse the Plan in that same amount as provided in paragraph (b) herein.
- i. Ridge and the Company are permanently enjoined from serving as trustee, fiduciary, advisor, or administrator to any employee benefit plan, as that term is defined at Section 3(3) of ERISA, 29 U.S.C. § 1002(3). Ridge and the Company are permanently enjoined from serving in any capacity that involves decision-making authority or custody or control of the moneys, funds, assets, or property of any employee benefit plan.
- j. The defendants are permanently enjoined from violating any provisions of ERISA in the future.

- k. If Ridge or the Company files for any form of bankruptcy prior to the full payment of restitution to the Plan, they will: (1) ensure that any assets of the Plan are segregated from and not commingled with the debtor's estate; (2) not oppose any proof of claim that the Secretary files in the bankruptcy proceeding for any amount still owing; and (3) not oppose an adversarial action that the Secretary may file against Ridge to have the debt to the Plan declared non-dischargeable.
- l. The Secretary and the defendants shall each bear their own costs, expenses, and attorneys' fees incurred to date in connection with any stage of this proceeding, including but not limited to, attorneys' fees which may be available under the Equal Access to Justice Act, as amended.
- m. This Consent Judgment shall operate as a final disposition of all claims asserted by the Secretary against the defendants in the Complaint.
- n. Nothing in this Consent Judgment is binding on any governmental agency other than the United States Department of Labor.
- o. This Court retains jurisdiction of this action for purposes of enforcing compliance with the terms of this Consent Judgment.
- p. The Court directs the entry of this Consent Judgment as a final order.

Date: Jan 26, 2015

Claude M. Hilton
United States District Judge

Defendants Gregory Ridge, Ridge & Long Limited Company, and Ridge & Long Limited Company 401(k) Profit Sharing Plan & Trust waive answering the Complaint and agree to entry of this Consent Judgment:

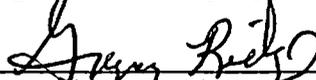


Gregory Ridge

M. Patricia Smith
Solicitor of Labor

Oscar L. Hampton III
Regional Solicitor

Ridge & Long Limited Company

By: 

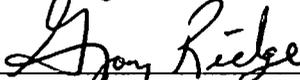
Gregory Ridge, President

Joanne Roskey
Regional Counsel for ERISA



Cheryl E. Carroll (VA Bar #68393)
Attorney

Ridge & Long Limited Company
401(k) Profit Sharing Plan & Trust

By: 

Gregory Ridge, Trustee

Office of the Solicitor
1100 Wilson Boulevard
22nd Floor West
Arlington, VA 22209-2296
(202) 693-9377
(202) 693-9392 (fax)

U.S. DEPARTMENT OF LABOR

Attorneys for Plaintiff