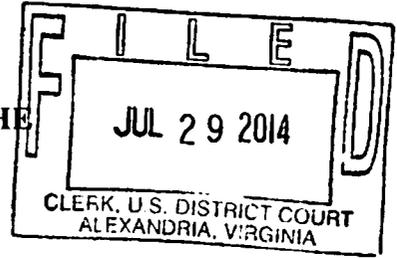


UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA



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

CIVIL ACTION NO. 1:14CV964
CMH/IDD

v. :

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

COMPLAINT

Thomas Perez, Secretary of Labor, United States Department of Labor, hereby alleges:

Jurisdiction and Venue

1. This cause of action arises under the Employee Retirement Income Security Act of 1974 ("ERISA"), 29 U.S.C. §1001, *et seq.*, and is brought by the Secretary under Sections 502(a)(2) and (5) of ERISA, 29 U.S.C. §§1132(a)(2) and (5), to enjoin acts and practices which violate the provisions of Title I of ERISA, to obtain appropriate relief for breaches of fiduciary duty under ERISA Section 409, 29 U.S.C. §1109, and to obtain such other further relief as may be appropriate to redress violations and enforce the provisions of Title I of ERISA.

2. This Court has subject matter jurisdiction over this action pursuant to Section 502(e)(1) of ERISA, 29 U.S.C. §1132(e)(1).

3. The Ridge & Long Limited Company 401(k) Profit Sharing Plan & Trust (the "Plan") is an employee benefit plan within the meaning of Section 3(3) of ERISA, 29 U.S.C. §1002(3), and is therefore subject to the coverage of the Act, pursuant to Section 4(a) of ERISA, 29 U.S.C. §1003(a). The Plan was administered in Manassas, Virginia.

4. Venue with respect to this action lies in Eastern District of Virginia, pursuant to Section 502(e)(2) of ERISA, 29 U.S.C. § 1132(e)(2).

The Parties

5. The relevant time period is January 2009 to present.

6. The Secretary, pursuant to Sections 502(a)(2) and (5) of ERISA, 29 U.S.C. §§ 1132(a)(2) and (5), has the authority to enforce the provisions of Title I of ERISA by, among other means, the filing and prosecution of claims against fiduciaries and others who commit violations of ERISA.

7. At all relevant times, Gregory Ridge (“Ridge”) was President and sole owner of Ridge & Long Limited Company (the “Company”) and a designated trustee of the Plan. In addition, during the relevant time period, Ridge performed the functions of the Plan Administrator. Ridge directed that employee contributions to the Plan be withheld from the employees’ wages and was responsible for the failure to deposit the withholdings and for the failure to make timely deposits of withholdings into the Plan account. Ridge exercised discretionary authority or discretionary control respecting management of the Plan or exercised authority or control respecting management or disposition of the Plan’s assets or had discretionary authority or discretionary responsibility in the administration of the Plan. Gregory Ridge is therefore a fiduciary of the Plan within the meaning of Section 3(21) of ERISA, 29 U.S.C. §1002(21), and a party-in-interest as that term is defined in Sections 3(14)(A), (C) and (E) of ERISA, 29 U.S.C. §§1002(14) (A), (C), and (E). Ridge also acted as a functional fiduciary of the Plan within the meaning of Section 3(21)(A)(i) of ERISA, 29 U.S.C. §1002(21)(A)(i), by retaining certain employee contributions rather than depositing the withholdings into the Plan and by commingling those contributions with the general assets of the Company.

8. Ridge & Long Limited Company (“Ridge & Long” or the “Company”) was the Plan Sponsor of the Plan and performed the duties of the Plan Administrator. At all relevant times, Ridge & Long withheld employee contributions from the Plan and did not timely deposit contributions into the Plan; therefore Ridge & Long exercised discretionary authority or discretionary control respecting management of the Plan and exercised authority or control respecting management or disposition of the Plan’s assets and had discretionary authority or discretionary responsibility in the administration of the Plan. Ridge & Long is therefore a fiduciary of the Plan within the meaning of Section 3(21) of ERISA, 29 U.S.C. §1002(21), and a party-in-interest as that term is defined in Sections 3(14)(A) and (C) of ERISA, 29 U.S.C. §§1002(14)(A) and (C).

9. The Plan is joined as a party defendant pursuant to Rule 19(a) of the Federal Rules of Civil Procedure solely to assure that complete relief can be granted.

General Allegations

10. Ridge & Long established the Plan in January 2003 to provide benefits to its employees upon retirement.

11. The Plan’s governing documents, “Qualified Retirement Plan: Basic Plan Document” and a “Flexible 401(k) Plan: Standardized Adoption Agreement,” provide, in pertinent part, that participants could make salary reduction contributions (“employee contributions”) to the Plan through payroll deductions and that such deferred amounts would be contributed to the Plan and allocated to the individual participants’ accounts.

12. When establishing the Plan, the Company appointed Ridge as the Plan trustee. The Company did not ensure that the obligation to collect contributions made to the Plan was appropriately assigned to a Plan fiduciary.

13. For payroll periods between January 2, 2009 and September 9, 2011 (“the relevant period”), Ridge and Ridge & Long deducted money from the participants’ pay as employee contributions.

14. During the relevant period, Ridge and Ridge & Long retained certain employee contributions rather than deposit the withholdings into the Plan. The employee contributions were commingled with the general assets of Ridge & Long. Additionally, Ridge and Ridge & Long remitted certain employee contributions late and without interest.

15. Unremitted employee contributions are assets of the Plan within the meaning of ERISA. Defendants Ridge and Ridge & Long failed to segregate the Plan assets and failed to timely segregate the Plan assets from the general assets of the Company.

16. Ridge and Ridge & Long failed to ensure that the Plan assets described in paragraph 15, *supra*, were collected by the Plan.

17. Ridge and Ridge & Long participated knowingly in or knowingly undertook to conceal acts or omissions by each other that they knew to be violations of ERISA.

18. Ridge and Ridge & Long failed to comply with the Section 404(a)(1) of ERISA in the administration of their specific fiduciary responsibilities and enabled each other to commit a breach of ERISA.

19. Ridge and Ridge & Long each knew that the other had violated ERISA, but did not make reasonable efforts under the circumstances to remedy the breaches.

Violations

20. Pursuant to Rule 10(c) of the Federal Rules of Civil Procedure, the Secretary adopts by reference the averments and allegations of paragraphs 1-19 inclusive.

21. By the actions and conduct described in paragraphs 1-19, defendants Ridge and

Ridge & Long, as fiduciaries of the Plan:

a. failed to ensure that the assets of the Plan were held in trust by the trustee named in the plan document in violation of Section 403(a) of ERISA, 29 U.S.C.

§1103(c)(1);

b. failed to ensure that the assets of the Plan did not inure to the benefit of the Company in violation of Section 403(c)(1) of ERISA, 29 U.S.C. §1103(c)(1);

c. failed to discharge their duties with respect to the Plan solely in the interest of the participants and beneficiaries and for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Plan, in violation of Section 404(a)(1)(A) of ERISA, 29 U.S.C.

§1104(a)(1)(A);

d. failed to discharge their duties with respect to the Plan solely in the interest of the participants and beneficiaries and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, in violation of Section 404(a)(1)(B) of ERISA, 29 U.S.C. §1104(a)(1)(B);

e. failed to discharge their duties with respect to the Plan solely in the interest of the participants and beneficiaries and in accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with the provisions of Subchapters I and III of Chapter 29 of ERISA, in violation of Section 404(a)(1)(D) of ERISA, 29 U.S.C. §1104(a)(1)(D);

- f. dealt with assets of the Plan in their own interest or for their own account, in violation of Section 406(b)(1) of ERISA, 29 U.S.C. §1106(b)(1); and
- g. failed to ensure that they were bonded as required by Section 412(a) of ERISA, 29 U.S.C. §1112(a).

22. By participating knowingly in the fiduciary breaches of one another, knowing such acts or omissions to be breaches of fiduciary duty, Ridge and Ridge & Long are each liable for the other's breaches of fiduciary responsibility, pursuant to Section 405(a)(1) of ERISA, 29 U.S.C. § 1105(a)(1).

23. By failing to comply with the Section 404(a)(1) of ERISA in the administration of their specific fiduciary responsibility and thereby enabling each other to commit a breach of ERISA, Ridge and Ridge & Long are liable for each other's breaches of fiduciary responsibility, pursuant to Section 405(a)(2) of ERISA, 29 U.S.C. § 1105(a)(2).

24. Ridge and Ridge & Long, as fiduciaries of the Plan, by failing to make reasonable efforts under the circumstances to remedy the breaches of which they had knowledge, are each liable for the other's fiduciary breaches, pursuant to Section 405(a)(3) of ERISA, 29 U.S.C. § 1105(a)(3).

Prayer for Relief

WHEREFORE, the Secretary prays that this Court issue an Order:

- a. Ordering the defendants Ridge and Ridge & Long to restore to the Plan all losses, including interest or lost opportunity costs, which were caused by their fiduciary misconduct;
- b. Requiring the Plan to set off any individual account balance of Ridge against the amount of losses, including interest or lost opportunity costs and the costs of

the independent fiduciary, resulting from Ridge's fiduciary breaches of ERISA, and, as authorized by 29 U.S.C. § 1056(d)(4), reallocate it to the non-breaching participants, if the losses are not otherwise restored to the Plan by defendants;

c. Permanently enjoining Ridge and Ridge & Long from acting directly or indirectly, in any fiduciary capacity, with respect to any employee benefit plan subject to ERISA;

d. Permanently enjoining Ridge and Ridge & Long from exercising any custody, control or decision making authority with respect to the assets of any employee benefit plan covered by ERISA;

e. Removing defendants Ridge and Ridge & Long from their positions as fiduciaries of the Plan;

f. Appointing an independent fiduciary with plenary authority and control with respect to the management and administration of the Plan, to pursue claims on behalf of the Plan, and to take all appropriate action for the termination of the Plan and the distribution of benefits to the Plan's participants and beneficiaries, with all costs to be borne by the defendants;

g. Ordering the defendants, their agents, employees, service providers, banks, accountants, and attorneys to provide the Secretary and the independent fiduciary with all of the books, documents, and records relating to the finances and administration of the Plan, and to make an accounting to the Secretary and to the independent fiduciary of all contributions to the Plan and all transfers, payments, or expenses incurred or paid in connections with the Plan;

h. Awarding plaintiff, Secretary of Labor, the costs of this action; and

i. Awarding such other relief as is equitable and just.

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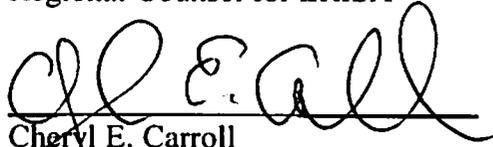
Respectfully submitted,

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U.S. DEPARTMENT OF LABOR
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