

News Release



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U.S. Department of Labor Bars Pennsylvania Man from Serving as Employee Benefit Plan Fiduciary

PITTSBURGH -- The U.S. Department of Labor has obtained a consent judgment permanently barring Jeff Thomas Allen of Fox Chapel, Pa, chairman, president and CEO of Advanced Investment Management Inc. (AIM), from acting as a fiduciary and service provider to any employee benefit plan governed by federal employee benefits law.

The consent judgment resolves a lawsuit brought by the department alleging that Allen violated the Employee Retirement Income Security Act (ERISA) by failing to invest assets of the United Mine Workers of America (UMW) Pension Trust Plan in accordance with the plan's investment guidelines. AIM, a privately-owned and operated Pittsburgh investment management firm, was the investment manager for the pension plan.

"Investment guidelines specify the level of risk a plan is willing to bear and are created to ensure that sufficient funds are available to pay workers' benefits," said Ann L. Combs, assistant secretary of labor for employee benefit security. "Investment managers cannot ignore those guidelines."

The investigation, conducted by the department's Employee Benefits Security Administration's Philadelphia regional office, found that from January 2001 through March 2002 Allen routinely invested UMW plan assets using a more aggressive investment strategy than the plan authorized. The plan suffered losses as a direct result of Allen's actions. Several of AIM's clients, including the UMW plan, filed a private lawsuit against the investment manager and ultimately settled.

AIM, which Allen founded in 1992, ceased operations during the summer of 2002 after its investment misconduct became widely known. As of the spring of 2002, AIM managed \$8.3 billion in assets, which included various public and private pension funds. AIM is not related to the AIM Management Group, Inc. which merged with INVESCO to create AMVESCAP PLC.

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(Chao v. Allen) Civil Action No. xxxxxxxx

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