

News Release



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Labor Department Sues Minnesota Plan Administrator For Abandoning 401(k) Plan

MINNEAPOLIS, Minn. -- The U.S. Department of Labor has sued the administrator of the 401(k) plan of Cyrus Intersoft, Inc. in Minneapolis, Minn. on May 20, 2003, for abandoning the plan when the corporation ceased operations in June 2001.

The suit alleges that Matthew Thayer, director of human resources for Cyrus Intersoft, Inc. and plan fiduciary, has failed since 2001 to distribute or authorize distributions of pension assets to participants or to formally terminate the plan. Consequently, the plan's 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 violates the Employee Retirement Income Security Act (ERISA).

The suit seeks to remove the defendant as fiduciary of the plan and to appoint an independent fiduciary to administer the plan, terminate the plan, and to distribute plan assets. As of Jan. 23, 2003, the plan had 25 participants and funds totaling \$52,441.08.

"When the defendants abandoned the plan, participants were unable to get pension distributions or make inquiries about their benefits," said Gregory Egan, director of the department's Kansas City regional office of the Employee Benefits Security Administration (EBSA), which investigated the violations of ERISA. "Our case ensures that workers and their families have someone with authority to transact plan business and distribute plan assets to eligible participants."

The suit was filed in federal district court in Minneapolis. Employers and workers can reach EBSA's Kansas City Regional Office at 816-426-5131 or through its toll-free number, 1-866-444-EBSA (3272), for help with problems relating to private-sector pension and health plans.

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(Chao v. Thayer)
Civil Action No. 03-3212 JMR/JSM