

News Release



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Labor Department Sues to Appoint Independent Fiduciary For Abandoned New York 401(k) Plan

NEW YORK – The U.S. Department of Labor has sued under the Employee Retirement Income Security Act to obtain court appointment of an independent fiduciary to manage the abandoned 401(k) plan of J. Michael Bloom & Associates Ltd. of New York City. The suit also asks to distribute \$95,422 to eligible participants and to terminate the plan.

Labor Department investigators found that, when talent agency J. Michael Bloom & Associates went out of business in 1999, Hannis Hofer and Daniel Heffernan abandoned their positions as trustees of the plan without ensuring the appointment of a successor fiduciary. Since that time, the company's 401(k) plan participants and beneficiaries have been unable to gain access to their accounts. The custodian of the funds is Fidelity Investments Institutional Services Company, Inc.

“The department took legal action to ensure that participants in the J. Michael Bloom & Associates 401(k) Savings Plan receive their promised benefits,” said Jonathan Kay, acting director of the New York regional office of the department's Employee Benefits Security Administration (EBSA), which investigated the case.

Plans become “orphan plans” when they are abandoned by all fiduciaries designated to manage and operate them and their assets.

In fiscal year 2004, EBSA achieved record monetary results of \$3.1 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers can contact the New York regional office at 212-607-8600. Help with problems relating to private-sector retirement and health plans can also be obtained by calling EBSA's toll free number at **1-866-444-EBSA (3272)**.

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(Chao v. J. Michael Bloom & Associates Ltd. 401(k) Savings Plan)
Civil Action No. 05-5285