

News Release



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Contact: John M. Chavez
Phone: (617) 565-2075

Labor Department Settles Lawsuit Over Abandoned Taunton, Mass., Stock Bonus Plan and Obtains Appointment of Independent Fiduciary

BOSTON – Trustees of the stock bonus plan of Trust Group Inc., Taunton, Mass., are barred from future service to employee benefit plans, and the court appointed an independent fiduciary to administer the plan, according to a consent judgment and order obtained by the U.S. Department of Labor resolving alleged violations of the federal Employee Retirement Income Security Act (ERISA).

The court order appoints The Wagner Law Group of Boston as the independent plan fiduciary and gives the firm authority to terminate the plan and distribute plan assets to eligible participants and beneficiaries.

The department's lawsuit, filed in U.S. District Court for the District of Massachusetts simultaneously with the consent judgment and order, alleged that Paul F. Cantiani and Joseph E. Anastasi committed various violations of ERISA. Trust Group, the plan's administrator, allegedly failed to protect more than \$400,000 in plan assets from an encumbrance placed upon them by a state court injunction obtained by Fleet Bank and to file annual reports required by law. Trustees Cantiani and Anastasi failed, among other allegations, to protect the assets of the plan. All three defendants were alleged to have effectively abandoned the plan.

Between January 1997 and January 2002, Trust Group conducted business primarily through two related insurance companies, Trust Insurance Company and Trust Assurance Company. Trust Group had approximately 300 to 500 employees until Jan. 31, 2002. As of Dec. 31, 1998, the Trust Group Inc. Stock Bonus Plan had 532 participants and beneficiaries. The company currently has no employees and the related insurance companies are in state receivership.

The Boston regional director of the Labor Department's Employee Benefits Security Administration (EBSA), James Benages, said, "ERISA is designed to protect the assets of employee benefit plans and the rights of the participants and beneficiaries of such plans. We will do everything in our power to enforce the law, including resorting to litigation when necessary."

In fiscal year 2004, EBSA achieved record monetary results of \$3.1 billion related to pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers can contact the Boston regional office at 617-565-9600. 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. Trust Group, Inc.)
Civil Action Number: 05-CV-11087