

News Release



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Labor Department Obtains Bankruptcy Ruling Protecting Nearly \$170,000 Owed to 401(k) Plan by Bankrupt Reno Software Executive

SAN FRANCISCO —The U. S. Bankruptcy Court in Reno, Nev. has ruled that the owner of bankrupt Lodging & Gaming Systems, Inc. (LGS) cannot discharge his debt of \$167,530, plus lost opportunity costs, owed to the company's 401(k) plan for unpaid contributions and loan repayments. Steven H. Urie owns the software development company.

The ruling obtained by the department will prevent Urie from using the bankruptcy proceedings to avoid paying the money to the plan.

The Labor Department sued Urie and LGS in June 2004 after an investigation revealed that the defendants failed to collect delinquent employer contributions and to forward to the plan employee contributions and loan repayments deducted from employee paychecks during 2000, 2001 and 2003. Urie allegedly used the money to pay corporate debts and expenses after the corporation and two other companies owned by Urie experienced financial problems. The company's plan covered as many as 34 participants and had \$755,428 in assets during 2002.

"Our legal action demonstrates the department's commitment to protect the retirement benefits of America's workers," said Assistant Secretary Ann L. Combs of the Labor Department's Employee Benefits Security Administration (EBSA).

The case was investigated by the San Francisco regional office of EBSA. 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 with questions or concerns regarding their private-sector pension and health plans can contact the San Francisco regional office at (415) 975-4600 or through EBSA's toll free number, 1-866-444-3272. Information is also available from the agency's web site at www.dol.gov/ebsa.

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(Chao v. Urie)
Civil Action No. CV-N-04-0623-HDM-VPC
Bankruptcy Adversary Proceeding No. 04-05161-GWZ