

News Release



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U.S. Labor Department Sues Atlanta Business and Executive Over Delinquent Employee Contributions to Profit Sharing Plan

ATLANTA – The U.S. Department of Labor sued Atlanta-based Clarion Resources Communication and its owner for failure to remit or timely forward employee contributions to the company’s profit sharing plan, resulting in \$13,280.91 in losses to the plan.

“The law states that plan fiduciaries have a responsibility to manage the money set aside in retirement plans for the benefit of employees and their families,” said Howard Marsh, director of the department’s Atlanta regional office of the Employee Benefits Security Administration (EBSA). “Our legal action is designed to restore money to pay future benefits to these plan participants.”

The lawsuit alleges that Clarion Resources Communications Resources and Henry A. McLarty violated the Employee Retirement Income Security when they failed to remit employee contributions to the plan at various times between January 2000 and July 2001. In addition, they failed to segregate plan assets from those of other funds, to ensure plan assets were received by the plan and to obtain a fidelity bond as required by law.

The suit seeks to require that the company and McLarty restore all losses with interest to the plan, return any illegal profits received by them and undo transactions prohibited by law. The suit also asks the court to permanently bar McLarty from service to any plan governed by ERISA and to appoint an independent fiduciary to manage the plan, terminate it and distribute the assets.

Clarion Resources, which served as the plan administrator, is in the business of Telecommunications. The profit sharing plan covered 39 participants and had assets of \$45,665 as of Dec. 31, 2000.

The case resulted from an investigation conducted by the EBSA’s Atlanta regional office. 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 regional office at (202) 452-2156 or EBSA’s 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. Clarion Resources Communications Corp.)
Civil Action No. 1:04-cv-02934RWS