

3. Alliance Home Healthcare, Inc. (“Alliance”) established the Alliance Home Healthcare, Inc. Profit Sharing Plan (“Plan”) on January 1, 2000 to provide retirement benefits to eligible employees.

4. The Plan is an employee benefit plan within the meaning of ERISA § 3(3), 29 U.S.C. § 1002(3), which is subject to the provisions of Title I of ERISA pursuant to ERISA § 4(a), 29 U.S.C. § 1003(a).

5. Venue of this action lies in the Northern District of Illinois Eastern Division, pursuant to ERISA § 502(e)(2), 29 U.S.C. § 1132(e)(2), because the Plan is administered in Palos Hills, Cook County, Illinois within this district.

DEFENDANTS

6. The Plan is named as a defendant herein pursuant to Federal Rule of Civil Procedure 19(a) solely to assure that complete relief can be granted.

7. From at least January 1, 2008 to February 11, 2015, Dalisay Sulit (“D. Sulit”), mother of Reginaldo Sulit, was a 69.5% owner of Alliance; president of Alliance; one of the Plan’s two named Trustees; had discretionary authority and discretionary responsibility in the administration of the Plan and exercised authority and control over the disposition of Plan assets; was a fiduciary to the Plan within the meaning of ERISA § 3(21)(A), 29 U.S.C. § 1002(21)(A); and was a party in interest to the Plan within the meaning of ERISA § 3(14)(A), (E), (F), and (H); 29 U.S.C. § 1002(14)(A), (E), (F), and (H).

8. From at least January 1, 2008 to February 11, 2015, Reginaldo Sulit (“R. Sulit”), son of D. Sulit, was a 5.5% owner of Alliance; secretary of Alliance, one of the Plan’s two named Trustees; had discretionary authority and discretionary responsibility in the administration of the Plan and exercised authority and control over the disposition of Plan assets; was a

fiduciary to the Plan within the meaning of ERISA § 3(21)(A), 29 U.S.C. § 1002(21)(A); and was a party in interest to the Plan within the meaning of ERISA § 3(14)(A), (F), and (H); 29 U.S.C. § 1002(14)(A), (F), and (H).

9. From January 1, 2000 to the present, Alliance was the Plan sponsor; employer of the Plan participants; Plan Administrator; exercised authority and control over the disposition of plan assets; was a fiduciary to the Plan within the meaning of ERISA § 3(21)(A), 29 U.S.C. § 1002(21)(A); and was a party in interest to the Plan within the meaning of ERISA § 3(14)(A) and (C); 29 U.S.C. § 1002(14)(A) and (C).

VIOLATIONS

Count I

FAILURE TO CONDUCT ANNUAL VALUATION, ACCOUNTING, AND ANNUAL REPORTS

10. Paragraphs 1 through 9 above are hereby re-alleged and incorporated herein.

11. The Plan's governing documents require the Plan's Trustees to prepare annual reports setting forth the net income or loss of the Trust Fund, gains or losses realized by the Trust Fund, changes in value of the Trust Fund, all payments and distributions made from the Trust Fund, and related information.

12. For Plan years 2009 through 2014, R. Sulit and D. Sulit failed to prepare any annual reports for the Plan.

13. R. Sulit's and D. Sulit's failure to prepare annual reports for Plan years 2009 through 2014 prevented R. Sulit and Alliance from having updated account information upon which they could accurately calculate individual participant account balances for each plan participant and determine correct distribution amounts for eligible Plan participants.

14. The Plan's governing documents require the Plan Administrator to direct the Trustees to perform year-to-year valuations of the Plan.

15. The Plan's governing documents require the Plan Administrator to perform an accounting as of each Valuation Date to identify Plan assets attributable to each Plan Participant.

16. From January 1, 2008 through the present, R. Sulit and Alliance directed Trustee R. Sulit to make distributions from the Plan.

17. For Plan years 2009 through 2014, R. Sulit and Alliance failed to direct the Trustees to perform year-to-year valuations of the Plan.

18. For Plan years 2009 through 2014, R. Sulit and Alliance failed to perform an annual accounting.

19. R. Sulit's and Alliance's failure to direct the Trustees to perform year-to-year valuations of the Plan and annual accountings for Plan years 2009 through 2014 prevented R. Sulit and Alliance from having updated account information upon which they could accurately calculate individual participant account balances for each plan participant and determine correct distribution amounts for eligible Plan participants.

20. By the facts described in paragraphs 10, 14 through 19 above, R. Sulit and Alliance:

a. failed to discharge their duties with respect to the Plan solely in the interest of the participants and beneficiaries and for the exclusive purpose of providing benefits to participants and their beneficiaries in violation of ERISA § 404(a)(1)(A), 29 U.S.C. § 1104(a)(1)(A); and

b. failed to discharge their duties in accordance with the documents and instruments governing the Plan in violation of ERISA § 404(a)(1)(D), 29 U.S.C. § 1104(a)(1)(D).

21. By the facts described in paragraphs 10 through 13, R. Sulit and D. Sulit:

a. failed to discharge their duties with respect to the Plan solely in the interest of the participants and beneficiaries and for the exclusive purpose of providing benefits to participants and their beneficiaries in violation of ERISA § 404(a)(1)(A), 29 U.S.C. § 1104(a)(1)(A); and

b. failed to discharge their duties in accordance with the documents and instruments governing the Plan in violation of ERISA § 404(a)(1)(D), 29 U.S.C. § 1104(a)(1)(D).

22. As a direct and proximate result of R. Sulit's, Alliance's, and D. Sulit's fiduciary breaches, the Plan suffered injury and losses for which they are personally liable and subject to appropriate equitable relief, pursuant to ERISA § 409, 29 U.S.C. § 1109.

COUNT II

Transfers of Plan Assets to Alliance, D. Sulit, and R. Sulit

23. Paragraphs 1 through 9 and 11 through 19 above are hereby re-alleged and incorporated herein.

24. For the Plan year ending on December 31, 2006, Alliance filed an Annual Report Form 5500 with the U.S. Department of Labor in which it reported that the Plan held over \$1,600,000 in total assets.

25. Since at least January 1, 2008, R. Sulit and D. Sulit were authorized to direct distributions of Plan assets from Plan accounts where Plan assets were held.

26. On September 23, 2013, R. Sulit and Alliance authorized Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”), the Plan’s asset custodian, to transfer \$50,000 from the Plan’s account directly to Alliance.

27. On September 23, 2013, Merrill Lynch wire transferred \$50,000 from the Plan’s account to Alliance.

28. On or about January 31, 2014, R. Sulit and Alliance transferred \$30,000 in Plan assets to Alliance when R. Sulit endorsed, on behalf of Alliance, two Plan account checks made out to Alliance in the amounts of \$25,000 and \$5,000, respectively. The Plan assets were transferred on February 3, 2014.

29. The transfer of \$80,000 in Plan assets described in paragraphs 26 through 28 above was not used for Plan purposes.

30. From June 10, 2013 to August 12, 2013, R. Sulit and Alliance transferred \$165,000 in Plan assets to R. Sulit when R. Sulit signed the following six checks made out to himself from the Plan’s accounts in the following amounts:

- a. June 10, 2013 for \$50,000, which was transferred on June 11, 2013;
- b. June 11, 2013 for \$4,000, which was transferred on June 11, 2013;
- c. July 24, 2013 for \$50,000, which was transferred on July 25, 2013;
- d. July 24, 2013 for \$10,000, which was transferred on August 6, 2013;
- e. On or about July 31, 2013 for \$21,000, which was transferred on July 31, 2013; and
- f. August 9, 2013 for \$30,000, which was transferred on August 12, 2013.

31. On August 23, 2013, R. Sulit and Alliance authorized Merrill Lynch to transfer \$25,000 in Plan assets from the Plan account to R. Sulit when R. Sulit requested that Merrill

Lynch execute a wire transfer in the amount of \$25,000 in Plan assets to R. Sulit. Merrill Lynch wire transferred these funds on August 26, 2013.

32. From November 21, 2013 to December 31, 2013, R. Sulit and Alliance authorized Merrill Lynch to transfer a total of \$72,000 in plan assets to R. Sulit on the following dates and in the following amounts:

a. On November 21, 2013, pursuant to R. Sulit's request, Merrill Lynch issued a \$17,000 check to R. Sulit from the Plan's account; and the Plan assets were transferred on November 25, 2013;

b. On November 21, 2013, pursuant to R. Sulit's request, Merrill Lynch issued a \$30,000 check to R. Sulit from the Plan's account; and the Plan assets were transferred on November 25, 2013;

c. On December 2, 2013, pursuant to R. Sulit's request, Merrill Lynch issued a \$5,000 check to R. Sulit from the Plan's account; and the Plan assets were transferred on December 4, 2013; and

d. On December 27, 2013, pursuant to R. Sulit's request, Merrill Lynch issued a \$20,000 check to R. Sulit from the Plan's account; and the Plan assets were transferred on December 31, 2013.

33. During the relevant period, the Plan's governing documents provided that a participant could only receive a distribution of vested benefits at normal retirement age, upon termination or pre-retirement under certain circumstances. The Plan provided that normal retirement age was the later of 65 years of age or five years after the participant's commencement date in the Plan. The Plan further provided that participants were eligible for

partial or full pre-retirement account distributions at 65 years of age or 55 years of age with 12 years of service, provided he or she was fully vested.

34. When R. Sulit received the Plan transfers described in paragraphs 30 through 32 above, he was not eligible to receive any distributions from the Plan.

35. From August 17, 2012 to February 1, 2013, R. Sulit and Alliance transferred \$298,000 in Plan assets to D. Sulit when R. Sulit signed the following four checks made out to D. Sulit from the Plan's account:

- a. August 17, 2012 for \$150,000, which was transferred from the Plan's account on August 20, 2012;
- b. October 3, 2012 for \$30,000, which was transferred from the Plan's account on October 4, 2012;
- c. December 31, 2012 for \$68,000, which was transferred from the Plan's account on January 3, 2013; and
- d. January 31, 2013 for \$50,000, which was transferred from the Plan's account on February 1, 2013.

36. On December 19, 2013 and on or about February 24, 2014, R. Sulit and Alliance authorized Merrill Lynch to transfer a total of \$226,000 in Plan assets to D. Sulit on the following dates and in the following amounts:

- a. On December 19, 2013, pursuant to R. Sulit's request, Merrill Lynch issued a \$1,000 check to D. Sulit from the Plan's account, and the Plan assets were transferred on December 27, 2013;
- b. On February 24, 2014, R. Sulit requested that Merrill Lynch issue a \$225,000 check to D. Sulit from the Plan; and

c. On February 25, 2014, Merrill Lynch issued a \$225,000 check to D. Sulit from the Plan's account, and the Plan assets were transferred on February 27, 2014.

37. On or about May 30, 2012, D. Sulit received a check from the Plan in the amount of \$300,000, and the Plan assets were transferred on May 31, 2012.

38. On or about November 20, 2012, D. Sulit received a check from the Plan in the amount of \$200,000, and the Plan assets were transferred on November 21, 2012.

39. On information and belief, the May 30, 2012 and November 20, 2012 transfers to D. Sulit were authorized by R. Sulit and Alliance.

40. As a result of the transfers to D. Sulit described in paragraphs 35 through 40, the Plan's account at Merrill Lynch was reduced by a total of \$1,024,000.

41. Based on her participation in the Plan, as of December 31, 2008, D. Sulit's individual account balance in the Plan was approximately \$269,300.11.

42. From May 30, 2012 to February 27, 2014, D. Sulit received approximately \$754,699.90 in excess of her December 21, 2008 account balance.

43. Based on the facts described in paragraphs 23 through 42 above, R. Sulit and Alliance:

a. failed to ensure that the assets of the Plan were held in trust in violation of ERISA §403(a), 29 U.S.C. §1103(a);

b. failed to discharge their duties with respect to the Plan solely in the interest of the participants and beneficiaries and for the exclusive purpose of providing benefits to participants and their beneficiaries in violation of ERISA § 404(a)(1)(A), 29 U.S.C. § 1104(a)(1)(A);

c. failed to act with the care, skill, prudence, and diligence under the

circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, in violation of ERISA §404(a)(1)(B), 29 U.S.C. §1104(a)(1)(B);

d. failed to discharge their duties in accordance with the documents and instruments governing the Plan in violation of ERISA § 404(a)(1)(D), 29 U.S.C. § 1104(a)(1)(D); and

e. caused the Plan to engage in transactions that they knew or should have known constituted a direct or indirect transfer to, or use by or for the benefit of, a party in interest, of Plan assets in violation of ERISA § 406(a)(1)(D), 29 U.S.C. § 1106(a)(1)(D);

44. Based on the facts described in paragraphs 23 through 29 above, R. Sulit and Alliance failed to ensure that the assets of the Plan were held in trust and did not inure to the benefit of Alliance, in violation of ERISA §403(c)(1), 29, U.S.C. §1103(c)(1).

45. Based on the facts described in paragraphs 23 through 34 above, R. Sulit:

a. dealt with assets of the Plan in his own interest or for his own account, in violation of ERISA § 406(b)(1), 29 U.S.C. § 1106(b)(1); and

b. acted on behalf of a party whose interests are adverse to the interest of the Plan or the interests of its participants and beneficiaries, in violation of ERISA §406(b)(2), 29 U.S.C. §1106(b)(2).

46. Based on the facts described in paragraphs 23 through 29 above, Alliance:

a. dealt with assets of the Plan in its own interest or for its own account, in violation of ERISA § 406(b)(1), 29 U.S.C. § 1106(b)(1); and

b. acted on behalf of a party whose interests are adverse to the interest of the Plan or the interests of its participants and beneficiaries, in violation of ERISA §406(b)(2), 29 U.S.C. §1106(b)(2).

47. Based on the facts described in paragraphs 10, 11 through 13, 25, 35 through 42 above, D. Sulit:

a. failed to ensure that the assets of the Plan were held in trust in violation of ERISA §403(a), 29 U.S.C. §1103(a);

b. failed to discharge her duties with respect to the Plan solely in the interest of the participants and beneficiaries and for the exclusive purpose of providing benefits to participants and their beneficiaries in violation of ERISA § 404(a)(1)(A), 29 U.S.C. § 1104(a)(1)(A);

c. failed to act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, in violation of ERISA §404(a)(1)(B), 29 U.S.C. §1104(a)(1)(B);

d. failed to discharge her duties in accordance with the documents and instruments governing the Plan in violation of ERISA § 404(a)(1)(D), 29 U.S.C. § 1104(a)(1)(D); and

e. caused the Plan to engage in transactions that she knew or should have known constituted a direct or indirect transfer to, or use by or for the benefit of, a party in interest, of Plan assets in violation of ERISA § 406(a)(1)(D), 29 U.S.C. § 1106(a)(1)(D);

f. dealt with assets of the Plan in her own interest or for her own account, in violation of ERISA § 406(b)(1), 29 U.S.C. § 1106(b)(1); and

g. acted on behalf of a party whose interests are adverse to the interest of the Plan or the interests of its participants and beneficiaries, in violation of ERISA §406(b)(2), 29 U.S.C. §1106(b)(2).

48. Based on the facts described in paragraphs 10, 11 through 13, and 25 through 34, D. Sulit:

a. failed to discharge her duties with respect to the Plan solely in the interest of the participants and beneficiaries and for the exclusive purpose of providing benefits to participants and their beneficiaries in violation of ERISA § 404(a)(1)(A), 29 U.S.C. § 1104(a)(1)(A); and

b. failed to discharge her duties in accordance with the documents and instruments governing the Plan in violation of ERISA § 404(a)(1)(D), 29 U.S.C. § 1104(a)(1)(D).

49. As a Trustee, D. Sulit had an obligation to monitor Plan accounts to ensure that her co-fiduciaries made no impermissible disbursements of Plan assets.

50. D. Sulit is individually liable, pursuant to ERISA §405(a)(2); 29 U.S.C. §1105(a)(2), for the breaches of fiduciary responsibility by co-fiduciaries, as described in paragraphs 24 through 46 above, because by failing to comply with ERISA §404(a)(1)(A), 29 U.S.C. §1104(a)(1)(A) in the administration of her specific responsibilities which gave rise to her individual status as a fiduciary of the Plan, she enabled her co-fiduciaries to commit the breaches described in paragraphs 23 through 46 above.

51. D. Sulit is individually liable, pursuant to ERISA §405(a)(3); 29 U.S.C. §1105(a)(3), for the breaches of fiduciary responsibility by co-fiduciaries, as described in paragraphs 24 through 29 and 35 through 46 above, regarding the improper transfers described

therein to Alliance and to D. Sulit, because she had knowledge of such breaches described in paragraphs 24 through 29 and 35 through 51 based upon her knowledge that any distributions that exceeded the Participants' 2008 account balances or transfers made for non-Plan purposes constituted fiduciary breaches pursuant to ERISA §404(a)(1)(A) and (B), 29 U.S.C. § 1104(a)(1)(A) and (B).

52. D. Sulit is individually liable, pursuant to ERISA §405(a)(3); 29 U.S.C. §1105(a)(3), for the breaches of fiduciary responsibility by co-fiduciaries, as described in paragraphs 24, 25, 30 through 34, and 43 above, to the extent the transfers described therein exceeded R. Sulit's 2008 account balance of \$95,928.15, because she had knowledge of such breaches based upon her knowledge that any distributions that exceeded the Participants' 2008 account balances constituted fiduciary breaches pursuant to ERISA §404(a)(1)(A) and (B), 29 U.S.C. § 1104(a)(1)(A) and (B).

53. D. Sulit, as a trustee is individually liable, pursuant to ERISA §405(b)(1)(A), 29 U.S.C. §1105(b)(1)(A), for the breaches of fiduciary responsibility by a co-trustee, as described in paragraphs 24 through 46 above, because she failed to use reasonable care to prevent a co-trustee from committing a breach.

54. As a direct and proximate result of R. Sulit's, Alliance's, and D. Sulit's fiduciary breaches, the Plan has suffered injury and losses for which they are personally liable and subject to appropriate equitable relief, pursuant to ERISA § 409, 29 U.S.C. § 1109.

Count III

PROHIBITED TRANSFERS TO PARTY IN INTEREST IN EXCESS OF VESTED ACCOUNT BALANCE

55. Paragraphs 10 through 19 above are hereby re-alleged and incorporated herein.

56. From at least January 1, 2008 through the present, Reynaldo Sulit was the father of R. Sulit, the husband of D. Sulit, and the Vice President of Alliance and was therefore a party in interest to the Plan within the meaning of ERISA § 3(14) (F) and (H), 29 U.S.C. § 1002(3)(14)(F) and (H).

57. From August 3, 2012 to November 30, 2012, R. Sulit and Alliance transferred \$321,000 in Plan assets to Reynaldo Sulit when R. Sulit signed the following three checks made out to Reynaldo Sulit from the Plan's account:

- a. August 3, 2012 for \$150,000, which was transferred on August 6, 2012;
- b. September 28, 2012 for \$120,000, which was transferred on October 1, 2012; and
- c. November 29, 2012 for \$51,000, which was transferred on November 30, 2012.

58. On or about November 20, 2012, Reynaldo Sulit received a transfer of Plan assets in the amount of \$200,000 in the form of a check issued by Merrill Lynch.

59. On or about November 20, 2012, Reynaldo Sulit received a check from the Plan in the amount of \$2,000.

60. On information and belief, the November 20, 2012 transfers to Reynaldo Sulit were authorized by R. Sulit and Alliance.

61. Between December 2, 2013, and February 21, 2014, R. Sulit and Alliance authorized Merrill Lynch to transfer a total of \$65,000 in plan assets to Reynaldo Sulit on the following dates and in the following amounts:

- a. On December 2, 2013, pursuant to R. Sulit's request, Merrill Lynch issued a \$20,000 check to Reynaldo Sulit from the Plan's account;

b. On December 19, 2013, pursuant to R. Sulit's request, Merrill Lynch issued an \$8,000 check to Reynaldo Sulit from the Plan's account; and the Plan assets were transferred on December 24, 2013;

c. On February 14, 2014, R. Sulit requested that Merrill Lynch issue a \$37,000 check to Reynaldo Sulit from the Plan's account; and

d. On February 18, 2014, Merrill Lynch issued a \$37,000 check to Reynaldo Sulit from the Plan; and the Plan assets were transferred on February 21, 2014.

62. As a result of the transfers to Reynaldo Sulit described in paragraphs 57 through 61 above, the Plan's account at Merrill Lynch was reduced by \$588,000.

63. As of December 31, 2008, Reynaldo Sulit's individual account balance in the Plan was \$102,791.83.

64. From August 3, 2012 to February 21, 2014, Reynaldo Sulit received approximately \$485,208.17 in excess of his December 21, 2008 account balance.

65. By the facts described in paragraphs 10 through 19 and 56 through 64 above, R. Sulit and Alliance:

a. failed to ensure that the assets of the Plan were held in trust in violation of ERISA § 403(a), 29 U.S.C. § 1103(a).

b. failed to discharge their duties with respect to the Plan solely in the interest of the participants and beneficiaries and for the exclusive purpose of providing benefits to participants and their beneficiaries in violation of ERISA § 404(a)(1)(A), 29 U.S.C. § 1104(a)(1)(A);

c. failed to act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such

matters would use in the conduct of an enterprise of a like character and with like aims, in violation of ERISA §404(a)(1)(B), 29 U.S.C. §1104(a)(1)(B);

d. failed to discharge their duties in accordance with the documents and instruments governing the Plan in violation of ERISA § 404(a)(1)(D), 29 U.S.C. § 1104(a)(1)(D); and

e. caused the Plan to engage in transactions that they knew or should have known constituted a direct or indirect transfer to, or use by or for the benefit of, a party in interest, of any assets of the Plan in violation of ERISA § 406(a)(1)(D), 29 U.S.C. § 1106(a)(1)(D).

66. Based on the facts described in paragraphs 10, 11 through 13, and 56 through 64 above, D. Sulit:

a. failed to discharge her duties with respect to the Plan solely in the interest of the participants and beneficiaries and for the exclusive purpose of providing benefits to participants and their beneficiaries in violation of ERISA § 404(a)(1)(A), 29 U.S.C. § 1104(a)(1)(A); and

b. failed to discharge her duties in accordance with the documents and instruments governing the Plan in violation of ERISA § 404(a)(1)(D), 29 U.S.C. § 1104(a)(1)(D).

67. As a Trustee, D. Sulit had an obligation to monitor Plan accounts to ensure that her co-fiduciaries made no impermissible disbursements of Plan assets.

68. D. Sulit is individually liable, pursuant to ERISA §405(a)(2); 29 U.S.C. §1105(a)(2), for the breaches of fiduciary responsibility by co-fiduciaries, as described in paragraphs 56 through 65 above, because by failing to comply with ERISA §404(a)(1)(A), 29

U.S.C. §1104(a)(1)(A) in the administration of her specific responsibilities which gave rise to her individual status as a fiduciary of the Plan, she enabled her co-fiduciaries to commit the breaches described in paragraphs 56 through 65 above.

69. D. Sulit is individually liable, pursuant to ERISA §405(a)(3); 29 U.S.C. §1105(a)(3), for the breaches of fiduciary responsibility by co-fiduciaries, as described in paragraphs 56 through 65 above, because she had knowledge of such breaches described in paragraphs 56 through 65 above based upon her knowledge that any distributions that exceeded the Participants' 2008 balance constituted a fiduciary breach pursuant to ERISA §404(a)(1)(A), 29 U.S.C. § 1104(a)(1)(A).

70. D. Sulit, as a trustee is individually liable, pursuant to ERISA §405(b)(1)(A), 29 U.S.C. §1105(b)(1)(A), for the breaches of fiduciary responsibility by a co-trustee, as described in paragraphs 56 through 65 above, because she failed to use reasonable care to prevent a co-trustee from committing a breach.

71. As a direct and proximate result of R. Sulit's, Alliance's, and D. Sulit's fiduciary breaches, the Plan suffered injury and losses for which they are personally liable and subject to appropriate equitable relief, pursuant to ERISA § 409, 29 U.S.C. § 1109.

Count IV

IMPROPER IN-SERVICE DISTRIBUTION

72. Paragraphs 1 through 19 above are hereby re-alleged and incorporated herein.

73. During the period of September 6, 2013 through September 11, 2013, "Participant A" was an employee of Alliance and a Plan Participant and was therefore a party in interest to the Plan within the meaning of ERISA § 3(14) (H).

74. On September 6, 2013, R. Sulit and Alliance improperly authorized the request for distribution of \$20,000 in Plan assets to Participant A when R. Sulit requested that the Plan's asset custodian, Merrill Lynch, issue a \$20,000 check to Participant A from the Plan's account.

75. On September 9, 2013, Merrill Lynch issued a \$20,000 check to Participant A from the Plan, and the Plan assets were transferred on September 11, 2013.

76. As of September 9, 2013, Participant A had not reached the age of 55 and was not eligible to receive any distributions from the Plan under the Plan's governing documents.

77. By the facts described in paragraphs 72 through 76 above, R. Sulit and Alliance:

a. failed to ensure that the assets of the Plan were held in trust in violation of ERISA §403(a), 29 U.S.C. §29 U.S.C. §1103(a);

b. failed to discharge their duties with respect to the Plan solely in the interest of the participants and beneficiaries and for the exclusive purpose of providing benefits to participants and their beneficiaries in violation of ERISA § 404(a)(1)(A), 29 U.S.C. § 1104(a)(1)(A);

c. failed to discharge their duties in accordance with the documents and instruments governing the Plan in violation of ERISA § 404(a)(1)(D), 29 U.S.C. § 1104(a)(1)(D); and

d. caused the Plan to engage in a transaction that they knew or should have known constituted a direct or indirect transfer to, or use by or for the benefit of, a party in interest, of any assets of the Plan in violation of ERISA § 406(a)(1)(D), 29 U.S.C. § 1106(a)(1)(D).

PRAYER FOR RELIEF

WHEREFORE, the Secretary prays for judgment:

- A. Permanently enjoining Defendants R. Sulit, Alliance, and D. Sulit from violating the provisions of Title I of ERISA;
- B. Removing Defendants R. Sulit, Alliance, and D. Sulit from any positions that they now have as a fiduciary to the Plan;
- C. Permanently enjoining Defendants R. Sulit, Alliance, and D. Sulit from serving as a service provider or fiduciary to any ERISA-covered employee benefit plan;
- D. Appointing an independent fiduciary to ensure the proper administration and termination of the Plan and to conduct a Plan accounting to determine the amounts owed to all eligible Plan participants and any amounts overpaid to ineligible Plan participants;
- E. Ordering Defendants R. Sulit, Alliance, and D. Sulit pay the reasonable costs and expenses the appointed independent fiduciary incurs in administering and terminating the Plan;
- F. Ordering Defendants R. Sulit, Alliance, and D. Sulit to correct the prohibited transactions in which they engaged or for which they are liable;
- G. Ordering Defendants R. Sulit, Alliance, and D. Sulit to restore to the Plan all losses, including lost opportunity costs, resulting from their fiduciary breaches;
- H. Awarding the Secretary the costs of this action; and

I. Ordering such further relief as is appropriate and just.

Respectfully submitted,

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