

News Release



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Houston Firm and Owners Sued Over Misuse of Profit Sharing Plan Assets

HOUSTON, Texas—Houston-based Easy Does It, Inc. and its owners have been sued by the U. S. Department of Labor for failing to properly manage the company's profit sharing plan and failing to distribute plan assets to more than 20 participants. Easy Does It, Inc. provided alcohol and drug abuse treatment services.

“This action underscores the Labor Department and Labor Secretary Elaine L. Chao's commitment to protect the benefits employers promise to their employees,” said Steven Eischen, director of the Dallas regional office of the Employee Benefits Security Administration (EBSA), whose office investigated the case.

The suit alleges the firm, Bridgette Davis and Eugene Davis violated the Employee Retirement Income Security Act (ERISA) when they failed to properly administer the plan and distribute plan assets to participants of the profit sharing plan. The Davises were founders and officers of Easy Does It, Inc. The suit also alleges that the defendants failed to hold plan assets in trust and used the money to benefit themselves. The defendants' actions resulted in a loss of approximately \$38,753.43.

The department is seeking a court order to require that the defendants restore to the plan all losses with interest, to remove Bridgette Davis as a trustee and the firm as the plan's administrator, to appoint an independent fiduciary to manage the plan, to require the defendants to pay the costs of the independent fiduciary, and to permanently bar the Davises from serving in positions of trust to any plan governed by ERISA.

Employers with similar problems, who are not yet the subject of an investigation by EBSA, may be eligible to participate in the department's Voluntary Fiduciary Correction Program (VFCP). Participation in the VFCP requires employers to make workers whole but allows them to avoid EBSA enforcement actions, civil penalties and any applicable excise taxes. For more information see www.dol.gov/ebsa.

In fiscal year 2003, EBSA has achieved record monetary results of \$1.4 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. The Dallas regional office of the department's Employee Benefits Security Administration investigated the case. Employers and workers can reach the Dallas regional office at (214) 767-6831 or through EBSA's toll-free number, **1-866-444-EBSA (3272)**, for help with problems relating to private-sector retirement and health plans.

Chao v. Easy Does It, Inc. Civil Action No. H-04-0217

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