

News Release



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U.S. Labor Department Obtains Order Restoring Nearly \$60,000 to Defunct Lansdale Company's 401(k) Plan

LANSDALE, Pa.—The U.S. Department of Labor has obtained a court order requiring David Valaika and Phoenix Technical Services Inc. to restore \$56,988 to the defunct company's 401(k) plan.

Mabel Capolongo, regional director of the department's Employee Benefits Security Administration (EBSA) said, "We filed this case to ensure that the plan participants recoup the money they set aside for their retirement years."

In a suit filed April 22 in the U.S. District Court for the Eastern District of Pennsylvania, the department alleged that Valaika and Phoenix Technical Services violated the Employee Retirement Income Security Act (ERISA) when they illegally liquidated a total of \$44,627 in plan assets and deposited them in a bank account in the company's name.

In addition to repaying money to the plan, the order removes Valaika and Phoenix Technical Services as fiduciaries and permanently bars them from serving as trustees, fiduciaries, advisors or administrators to any ERISA-covered employee benefit plan. The court also authorized the appointment of an independent fiduciary to distribute plan assets to participants and beneficiaries.

The case was investigated by EBSA's Philadelphia 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 reach EBSA's Philadelphia regional office at (215) 861-5300. Help with problems relating to private sector retirement and health plans can also be obtained through EBSA's toll-free number (866) 444-EBSA (3272).

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(Chao v. Valaika)
Civil Action Number: 2:05-CV-00611

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