

News Release



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Labor Department Sues to Appoint Independent Fiduciary To Chicago Medical Center's Abandoned 401(k) Plan

CHICAGO —The U.S. Department of Labor has sued Edgewater Medical Center of Chicago to obtain a court-appointed independent fiduciary to manage the defunct center's 401(k) plan and distribute more than \$1 million in assets to 293 participants.

The independent fiduciary would have authority to terminate the plan and distribute the assets to eligible participants.

The department's lawsuit alleges that Edgewater Medical Center failed to terminate the plan after ceasing operations in December 2001. The suit also alleges participants and beneficiaries have been unable to obtain distributions from their accounts. The company, which has been dissolved, filed for Chapter 11 bankruptcy in February 2002.

Plans become "orphan plans" when they are abandoned by all fiduciaries designated to manage and operate them and their assets.

"The law states that plans must be managed and operated by employers or plan fiduciaries," said Kenneth Bazar, director of the department's regional office of the Employee Benefits Security Administration. "Our case ensures that these workers and their families have someone with authority to transact plan business and distribute its assets to eligible participants."

In fiscal year 2003, EBSA 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. Employers and workers can reach EBSA's Chicago regional office at (312) 353-0900 or through its toll-free number, 1-866-444-EBSA (3272), for help with problems relating to private-sector retirement and health plans.

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(Chao v. Edgewater Medical Center)
Civil Action No. 04C-1835

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