

News Release



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Labor Department Sues to Appoint Independent Fiduciary for Manhattan Record Distributor's 401(k) Plan

NEW YORK —The U.S. Department of Labor has filed a lawsuit to obtain a court order appointing an independent fiduciary to manage the Edel America Records, Inc., 401 (k) plan in Manhattan and distribute more than \$63,000 to 15 participants.

Edel America Records has not appointed a successor trustee since the original trustee, Stephan Garfinkle, abandoned the plan. This has resulted in participants and beneficiaries being unable to obtain distributions from their accounts. The company, a record distributor, ceased operations in July 2001.

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 Francis Clisham, director of the department's Employee Benefits Security Administration New York regional office. "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 New York regional office at (212) 607-8600 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. Edel America Records, Inc.)
Civil Action No. 04-CV-01785

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