

News Release



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U.S. Labor Department Obtains Judgment Against Ohio Computer Company for Mismanaging 401 (k)

AKRON, Ohio — The U.S. Department of Labor has obtained a default judgment removing Pony Computer Inc. of Streetsboro, Ohio, as a fiduciary to its 401(k) plan and appointing Joseph S. Moynihan as the independent fiduciary responsible for managing the 401(k) and distributing more than \$58,000 to 20 participants.

The Labor Department filed a lawsuit on March 24, 2004, alleging that Pony Computer did not appoint a successor plan administrator when Dergann Joseph Chou and Alice Yufen Chou abandoned the plan. Since the abandonment, participants and beneficiaries have been unable to obtain distributions from their accounts. 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 Joseph Menez, director of the department’s Cincinnati regional office of the Employee Benefits Security Administration (EBSA). “This judgment will ensure that these workers and their families have someone with authority to process benefits for eligible participants.”

The default judgment, filed in federal district court in Akron, resulted from an investigation conducted by EBSA’s Cincinnati office.

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 Cincinnati regional office at (859) 578-4680 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 Pony Computer, Inc.)
Civil Action No. 5:04CV0570

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