

News Release



U.S. Department of Labor
Office of Public Affairs
Chicago, Ill.
Release Number: 04-1783-CHI

For Immediate Release
Date: Sept. 9, 2004
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U.S. Labor Department Seeks Independent Fiduciary For Abandoned Ohio Employee Stock Ownership Plan

CLEVELAND, Ohio -- The U.S. Department of Labor filed a lawsuit to appoint an independent fiduciary for the retirement plan of The Astatic Corporation of Conneaut, Ohio, to distribute plan assets to participants and terminate the plan.

“The department acted quickly when the plan was abandoned to help workers receive their promised benefits,” said Joseph Menez, director of the Cincinnati regional office of the department’s Employee Benefits Security Administration (EBSA), which investigated the case.

Plans become orphan plans when they are abandoned by all fiduciaries designated to manage and operate them, thereby leaving participants without a way to transact business and communicate with the plan.

The suit, filed in the federal district court in Cleveland, alleges that plan administrator Michael Chait and fiduciaries Arthur N.K. Friedman and Carl J. Mooney abandoned the plan when the company ceased operating in June 1987. Chait and Friedman are now deceased and the location of Mooney is unknown. The Employee Retirement Income Security Act (ERISA) requires plan fiduciaries to properly distribute plan assets and terminate a plan.

The Astatic Corporation manufactured phonograph cartridges, needles and related electronic devices. The employee stock ownership plan and trust held \$23,489 in assets and had approximately 143 participants as of March 31, 2004.

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 the Cincinnati regional office at (859) 578-4680 or through EBSA’s 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. The Astatic Corporation)
Civil Action No. 1:04CV1769