
After nine years, Boeing settles 401(k) fiduciary suit

By Editorial Staff Thu, Sep 3, 2015

The suit, filed on behalf of 190,000 Boeing employees and retirees, had accused the aircraft builder of charging excessive investment fees to participants in its \$44 billion 401(k) plan. Despite settling, Boeing denied the allegations.

Boeing, the Seattle-based airplane manufacturer, has settled *Spano v. Boeing*, the class action federal law suit brought against it nine years ago by Schlichter, Bogard & Denton, the St. Louis law firm that specializes in filing such suits against large 401(k) plan providers and plan sponsors for breach of fiduciary duty toward participants.

The suit, filed on behalf of 190,000 Boeing employees and retirees, had accused the aircraft builder of charging excessive investment fees to participants in the \$44 billion Boeing Voluntary Investment Plan, the nation's second largest 401(k) plan. Despite the settlement, Boeing denied the allegations and said it complied in all respects with the law.

In a complaint originally filed in September 2006, the plaintiffs alleged that Boeing breached its fiduciary duties under the Employee Retirement Income Security Act (ERISA). Plaintiffs alleged that Boeing mismanaged the 401(k) plan to the detriment of its employees in violation of its fiduciary obligations.

Specifically, plaintiffs alleged Boeing knowingly allowed the recordkeeper, CitiStreet, to charge employees and retirees excessive fees. In addition, plaintiffs alleged Boeing kept expensive and unduly risky investment options in the plan, leading to a loss of retirement assets to employees and retirees.

A notice of the settlement was filed by the parties in the Court of Chief Judge Nancy J. Rosenstengel of the U.S. District Court for the Southern District of Illinois.

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