
AXA wins excessive fee litigation suit

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U.S. Judge Peter G. Sheridan ruled that the plaintiffs failed to prove that AXA Equitable's Fund Management Group had charged "exorbitant fees" while delegating "all of the services" to sub-advisers or a sub-administrator for a "nominal amount."

After five years of litigation and a 25-day trial in New Jersey federal court, AXA US has been found not guilty of receiving excessive compensation for managing and administering certain of its mutual funds, as alleged in *Mary Ann Sivoletta v. AXA Equitable Life Insurance Company and AXA Equitable Funds Management Group, LLC* and *Sanford et al. v. AXA Equitable Funds Management Group, LLC* (Civil Action No. 3:11-cv-04194 (D.N.J.)).

In a 159-page [opinion](#), Judge Peter G. Sheridan ruled that the plaintiffs failed to prove that AXA Equitable's Fund Management Group had charged "exorbitant fees" while delegating "all of the services" to sub-advisers or a sub-administrator for a "nominal amount."

According to an AXA release, the decision "vindicates FMG LLC's 'manager-of-managers' structure, whereby FMG LLC provides essential services to the funds and at its own expense and engages third-party service providers to provide certain limited investment and administrative services."

The AXA US case is the first Section 36(b) excessive case to go to trial since 2009 and is the first of the numerous cases that recently have been filed challenging the manager-of-managers structure, the release said.

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