Class-action 401(k) fee lawsuit against Lockheed Martin will proceed

By Editor Test *Wed, Aug 14, 2013*

"Abbott v. Lockheed Martin" was one of several 401(k) fee-related class action lawsuits filed in 2006 by the St. Louis law firm of Schlichter, Bogard & Denton.

With the August 7, 2013 reversal of an earlier federal district court denial of class certification in the 401(k) fee case of *Abbott v. Lockheed Martin* (No. 12-3736) by the Seventh Circuit Court of Appeals, the St. Louis law firm of Schlichter, Bogard & Denton, LLP said that it has obtained class certification "involving one of the largest 401(k) fee plans in the United States."

According to the law firm, "Judge Diane Wood writing for a panel of Judges, ruled that a class could be certified consisting of Lockheed Martin employees and their beneficiaries who invested in the Lockheed Martin 401(k) Plans' stable value fund between September 11, 2000 and September 30, 2006 and whose investments underperformed the Hueler FirstSource Index."

Schlichter, Bogard & Denton attorneys said that they argued that the… investments were mainly money market short-term investments with lower returns unlike properly structured stable value investments. "The Court stated that Lockheed's own documents acknowledged that the stable value fund would 'not beat inflation by a sufficient margin to provide a meaningful retirement asset,' the law firm's release said.

"The Court of Appeals… rejected Lockheed's contention that our claim involves just a mislabeling of the Stable Value Fund rather than outright mismanagement. Lockheed now is faced with the reality that there will be a trial of this claim which involves massive losses to the employees and retirees," said attorney Jerry Schlichter in a release.

In 2006, the *Lockheed* case was one of a number of 401(k) fee-related cases filed by Schlichter, Bogard & Denton, including its successful case against ABB and Fidelity Investments, currently on appeal. The firm said it has settled cases on behalf of participants in the 401(k) plans of Cigna, Caterpillar, General Dynamics, Kraft Foods, and Bechtel totaling over $90 million. Its recent $35 million Cigna 401(k) plan settlement was the largest settlement ever in a suit charging excessive 401(k) plan fees in violation of the Employee Retirement Income Savings Act of 1974 ("ERISA").

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