

In fiduciary suit, Northrop Grumman settles with participants for \$16.75 million

By Editorial Staff *Thu, Jun 15, 2017*

The settlement does not cover claims raised in Marshall v. Northrop Grumman Corp., a second case against Northrop filed by Schlichter, Bogard & Denton on September 9, 2016.

Northrop Grumman has reached a \$16.75 million settlement with its employees and retirees, represented by Schlichter, Bogard & Denton law firm, who had alleged that Northrop fiduciaries violated their fiduciary duties to participants in two 401(k) retirement plans, by “improperly causing those plans to pay Northrop for administrative services.”

The parties filed a motion for approval of the settlement Tuesday before Judge Andre Birotte Jr. of the U.S. District Court for the Central District of California.

Schlichter first filed the Northrop case in 2006. The trial began in Los Angeles on March 14, 2017, and the settlement was reached after three days. The settlement covers conduct between Sept. 28, 2000 and May 11, 2009.

The settlement does not cover claims raised in Marshall v. Northrop Grumman Corp., a second case against Northrop filed by Schlichter, Bogard & Denton on September 9, 2016. It has similar allegations for conduct from 2010 to the present Marshall v. Northrop remains pending in the same court.

Schlichter, Bogard & Denton pioneered excessive fee 401(k) litigation on behalf of employees and retirees. Since 2006, the firm has filed over 20 such complaints and secured 13 settlements on behalf of employees. In 2009, the firm won the only full trial of a 401(k) excessive fee case against ABB. In 2015, the firm achieved a unanimous victory on behalf of employees, in the only 401(k) excessive fee case taken by the U.S. Supreme Court. In 2016, the firm brought excessive fee suits against 12 major universities with defined contribution retirement plans.

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