
International Paper settles 401(k) fee case for \$30 million

By Kerry Pechter *Fri, Oct 4, 2013*

In addition to the payment of \$30 million, the settlement requires International Paper's 401(k) plans to be monitored for four years and requires the company to put its recordkeeping out for bids, the release added.

A tentative \$30 million settlement has been reached in a seven-year-old 401(k) fee lawsuit involving International Paper Co., the plaintiffs' attorneys announced in a release this week.

The St. Louis law firm of Schlichter, Board & Denton, a specialist in class action lawsuits against large plan sponsors, said it reached a tentative settlement with International Paper Company in *Pat Beesley, et al., v. International Paper Company, et al.*, Case No. 06-703, in the U.S. Federal Court for the Southern District of Illinois.

The settlement must be approved by an independent fiduciary and Chief Judge David R. Herndon before it becomes final.

The case, pending since September of 2006, involves allegations that the fiduciaries responsible for International Paper's 401(k) plans "breached their duties resulting in excessive fees, treating the 401(k) plans differently from the company's pension plan, and by imprudently selecting funds in the plans," the release said.

In addition to the payment of \$30 million, the settlement requires International Paper's 401(k) plans to be monitored for four year and requires the company to put its recordkeeping out for bids, the release added.

The International Paper defendants disputed the allegations in the case, contending that the Plans had been appropriately managed.

In addition to the settlement with International Paper, Schlichter recently settled an excessive fee case on behalf of Cigna employees and retirees for \$35 million, said to be the largest settlement in an excessive fee case in history.

Schlichter has achieved settlements on behalf of employees and retirees of Caterpillar, General Dynamics, Bechtel, and Kraft Foods. In 2012, he and his firm won a judgment against ABB and Fidelity of over \$50 million in the only full trial of an excessive fee 401(k) plan lawsuit in U.S. history.

© 2013 RIJ Publishing LLC. All rights reserved.