



Historic \$62 Million Settlement Achieved by Schlichter, Bogard & Denton on Behalf of Lockheed Martin Employees in 401(k) Excessive Fee Case

Largest settlement in 401(k) excessive fee litigation history; settlement includes important non-monetary benefits in the 401(k) plan for employees

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ST. LOUIS--(BUSINESS WIRE)--Schlichter, Bogard & Denton, a leading national law firm, announced today that it reached a \$62 million settlement on behalf of Lockheed Martin employees and retirees in the 401(k) excessive fee case, *Abbott v. Lockheed*.

“This settlement is historic because it’s the largest settlement of a 401(k) excessive fee claim ever against a single employer. The agreed upon affirmative relief along with the monetary payment should provide significant benefits for Lockheed Martin employees and retirees going forward for years to come”

The settlement also includes an important range of non-monetary relief provisions to ensure compliance with the settlement and enhance the 401(k) plan for the benefit of Lockheed Martin employees and retirees.

“We are pleased to have achieved this historic settlement for the employees and retirees of Lockheed Martin,” said Jerry Schlichter, Managing Partner at Schlichter, Bogard & Denton. “In addition to the financial terms, the employees and retirees will benefit significantly from the use of competitive bids for services to their plan, reporting to the Court, assuring compliance, a greater degree of transparency, and lower overall costs. This means the company’s employees and retirees can look forward to the opportunity to build very meaningful retirement savings.”

A motion for approval of the settlement was filed today by the parties in the Court of Chief Judge Michael Reagan of the U.S. District Court for the Southern District of Illinois.

“This settlement is historic because it’s the largest settlement of a 401(k) excessive fee claim ever against a single employer. The agreed upon affirmative relief along with the monetary payment should provide significant benefits for Lockheed Martin employees and retirees going forward for years to come,” said Thomas E. Clark, Jr., Of Counsel with The Wagner Law Group, a national ERISA law firm which is not involved in this case.

In a complaint originally filed on September 11, 2006, the plaintiffs alleged that Lockheed Martin breached its fiduciary duties under the Employee Retirement Income Security Act (ERISA). Plaintiffs alleged that Lockheed Martin imprudently managed and invested plan participants’ retirement savings in funds that charged excessively high expense ratio fees that diminished returns. Further, they alleged that Lockheed Martin allowed an unreasonably high level of participants’ retirement assets to be held in low yielding money market funds of State Street Bank & Trust with whom Lockheed Martin had multiple business relationships.

The plaintiffs also alleged that they were charged excessive record keeping fees.

Lockheed Martin denied all of the allegations and contended it complied in all respects with the law.

In the settlement, Lockheed Martin has agreed to initiatives designed to strengthen its 401(k) plan as part of the

non-monetary relief.

First, Lockheed has agreed to file annually with the Court a notice that assures compliance with the settlement. The notice includes monthly evaluations on the average portion of the plan's Stable Value Fund that is allocated to money market instruments; monthly evaluations on the average portion of the plan's Company Stock Funds that are allocated to cash-equivalents; and monthly reports obtained from Morningstar, an independent investment research firm, summarizing the characteristics of the two funds with respect to performance, among other metrics.

Second, Lockheed Martin must receive bids from at least three third party record keeping services for the Lockheed Martin savings plan. The record keepers providing bids must currently be serving 401(k)s with assets over \$5 billion. The bids and the final selection of record keeper must be reported to the Court.

Third, Lockheed Martin will offer funds that have the lowest expense ratios as applicable.

Lockheed Martin will also consider the use of collective investment trust or separately managed accounts.

The Court will retain jurisdiction to enforce the settlement terms for three years.

Over 100,000 participants in the Lockheed Martin retirement savings plan, the fifth largest corporate 401(k) in the United States with over \$27 billion in assets, were represented.

About Schlichter, Bogard & Denton, LLP

Schlichter, Bogard & Denton, LLP, of St. Louis is a national law firm that represents individuals, including victims of financial abuse and 401(k) plan investors, whose plans suffer from excessive fees or imprudent investment options. Its attorneys are dedicated to helping financial abuse victims, and helping employees and retirees secure the retirement benefits they deserve.

More information can be found at: www.uselaws.com or call (314) 621-6115.

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