

Employer Stock Litigation

Since the Enron bankruptcy in 2001, over 160 Employee Retirement Income Security Act (ERISA) class action lawsuits have challenged ERISA plans' holding of company stock. The typical stock drop case involves a claim that fiduciaries knew about the financial deterioration of the company and breached their duty of prudence by (1) continuing to allow investments in the company stock fund and/or not selling the company stock, and (2) failing to inform plan participants of material, non-public facts relating to the company's financial condition.

Although employer lawsuits have proliferated in recent years, we have been defending these lawsuits for nearly two decades. Our litigation team includes a deep bench of lawyers who have represented plan fiduciaries and trustees embroiled in employer stock lawsuits, whether brought by plan participants or the Department of Labor.