

\$19.8 Million ESOP Settlement Negotiated In MonaVie Case

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\$19.8 Million Settlement Negotiated In MonaVie ESOP Case - *If a federal judge approves the class-action settlement, the trustee for an employee stock purchase plan will compensate employees who overpaid for MonaVie stock when the ESOP was first formed.*

Current and former employees of a multi-level marketing company will receive \$19.8 million if a class-action settlement negotiated with the trustee of their employee stock ownership program is approved by a federal court.

On July 18, 2016, Bailey Glasser ESOP attorneys presented a \$19.8 million cash settlement to the US District Court of Utah, Central Division, in the case *Jessop v. Larsen*. Attorneys Gregory Porter and James Kauffman of Bailey Glasser's Washington, DC, office, represent the plaintiff Kelly Jessop and a class of participants in the MonaVie Inc. Employee Stock Ownership Plan.

The plaintiffs alleged that the trustee for the ESOP, Bankers Trust, caused the ESOP to pay too much for MonaVie Inc. stock when the ESOP was formed in 2010. The company sold shares valued at \$186 million to the ESOP, but the value of those shares quickly declined and, by January 2014, the shares were worth only \$774,000 – a decline of more than 99 percent.

Porter and Kauffman defeated motions to dismiss and obtained class certification despite opposition from the defendants.

Working closely with the Department of Labor, Porter and Kauffman reached settlement terms with the defendants after two full days of settlement negotiations. Bankers Trust has agreed to pay \$16 million in cash and the individual defendants agreed to pay \$3.8 million.

With about 400 class members, Porter estimates that the average class member will receive over \$30,000 from the settlement fund. Because the settlement distributions are in connection with a retirement plan, class members will have the option of receiving the money on a tax-deferred basis in an IRA, which will allow the money to grow with taxes deferred for many years until retirement.

Media Coverage:

\$19.8 MILLION ESOP SETTLEMENT NEGOTIATED IN MONAVIE CASE

The Salt Lake Tribune - *Multilevel marketer MonaVie settles employee lawsuit for \$19 million*

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Practice Areas

ERISA, Employee Benefits & Trust Litigation