

Franklin Templeton Employees Expand Claims Involving Company 401(k) Plan

04.11.2018

Participants in the 401(k) Plan offered to employees of Franklin Resources, Inc. scored a victory in their case alleging the financial services firm breached their fiduciary duties to the Plan by populating the Plan with proprietary Franklin Templeton mutual funds. Judge Claudia Wilken denied Franklin's Motion to Dismiss and Motion for Summary Judgment, which sought to dismiss claims against Franklin's Board of Directors and claims that Franklin engaged in prohibited transactions in pushing their own funds in the Plan and charging their employees more than they charged non-affiliated plans. Plaintiffs also allege the employees were overcharged for the Plan's recordkeeping.

Judge Wilken consolidated the case with an existing case, *Cryer v. Franklin Resources*, which is also pending before Judge Wilken and also challenges Franklin's use of its own funds in the 401(k) plan.

Gregory Porter of Bailey Glasser's Washington, D.C., office, and Mark G. Boyko of the firm's St. Louis, Missouri, office are lead attorneys for the workers.

"We are pleased by the ruling," said Porter. "This will allow Franklin's employees to enforce the full range of protections offered under federal law to prevent self-dealing and prohibited transactions with respect to Franklin's 401(k) plan." The case is brought under the Employee Retirement Income Security Act (ERISA).

Judge Wilken set a January 2019 trial date. The case is *Fernandez v. Franklin Resources, Inc., L.P.*, No. 17-cv-06409 and is pending in the United States District Court for the Northern District of California.

Bailey Glasser's ERISA team is currently representing workers and retirees of other companies, including Edward Jones, Providence Health, and Neuberger Berman, in separate litigation across the country.

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Practice Areas

ERISA, Employee Benefits & Trust Litigation