BAILEY GLASSER LLP

Neuberger Berman Employees Notch Win In 401(k) Self-Dealing Lawsuit

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Washington, DC – Participants in the 401(k) Plan offered to employees of Neuberger Berman scored a victory yesterday in their case against the investment management firm. The employees allege Neuberger breached its fiduciary duties by keeping a fund managed by one of its largest shareholders in the employee 401(k) plan despite years of poor performance and high fees. Judge Laura Taylor Swain denied Neuberger's Motion to Dismiss, which had sought to end the employees' three-year-old case pending in the US District Court in New York.

Gregory Porter and Mark Boyko of Bailey Glasser are lead attorneys for the workers, who allege over $130 million in losses.

"The decision recognizes that money managers can't give themselves special treatment when deciding where to put their employees' retirement savings," said Boyko. Judge Swain noted that Plaintiffs' "allegations plausibly suggest that [Neuberger], despite higher fees and lower performance, retained the [Neuberger Value Equity Fund] where they would have terminated an unaffiliated fund." Her order requires the parties to begin discovery. No trial date is currently set. The case, which is brought under the Employee Retirement Income Security Act (ERISA) and seeks class action status on behalf of all participants in the Neuberger Berman 401(k) Plan, is *Bekker v. Neuberger Berman Investment Committee*, No. 16-cv-06123 (S.D.N.Y.).

Earlier this year, Bailey Glasser's ERISA team settled a similar claim against Franklin Templeton concerning its selection of proprietary funds for its employee plan.

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Practice Areas

ERISA, Employee Benefits & Trust Litigation