

Bailey Glasser Files ERISA Class Action Lawsuit Against ESOP Trustee Argent Trust Co.

12.01.2020

Representing a participant in Strategic Financial Solutions, LLC's employee stock ownership plan (ESOP), Bailey Glasser recently filed a class action complaint in the US District Court for the Southern District of New York alleging that plan trustee Argent Trust Co. is liable for losses suffered when it caused the Strategic ESOP to purchase shares of company stock for more than fair market value in 2017, in violation of the Employee Retirement Income Security Act (ERISA).

On December 28, 2017, the Plan purchased 54,900 shares of corporate parent Strategic Family, Inc.'s common stock at a price of approximately \$4,412 per share for an aggregate purchase price of \$242,228,867. Strategic Family and its subsidiaries, including Strategic Financial, became fully employee owned at that time. Argent represented the Strategic ESOP in the transaction, and is alleged to have caused and participated in transactions prohibited by ERISA and breached its fiduciary duties by conducting a sub-standard due diligence allowing the ESOP to pay more than fair market value for the stock. Certain selling shareholders in the transaction are also alleged to face ERISA liability for their knowing participation in the transaction.

The lawsuit, *Cedeno v. Argent Trust Co., et al.*, Case 1:20-cv-09987, seeks the return of monies paid above the fair market value of the company when Argent Trust Co. authorized the plan to buy the stock, and other relief. The plaintiff, Ramon Dejesus Cedeno, and members of the putative class, are represented by Bailey Glasser ERISA litigation partners Gregory Y. Porter, Ryan T. Jenny and Patrick O. Muench. Bailey Glasser's ERISA practice represents participants in many ESOP lawsuits.

Attorneys

Ryan T. Jenny

Patrick Muench

Gregory Y. Porter

Practice Areas

ERISA, Employee Benefits & Trust Litigation