

# Bailey Glasser Reaches \$15 Million ERISA Settlement On Behalf Of Workers and Retirees of Seventy Seven Energy Corporation

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Lawyers from Bailey & Glasser, LLP reached an agreement with the former 401(k) plan of Seventy Seven Energy Corporation to resolve an Employee Retirement Income Security Act (ERISA) lawsuit on behalf of former employees and retirees of the company. The \$15 million settlement relates to the 2014 spinoff of Seventy Seven Energy from Chesapeake Energy Corporation. The Seventy Seven Energy 401(k) plan participants allege that their plan, created as part of the spin-off, was imprudently concentrated in Chesapeake Energy stock. This settlement resolves the lawsuit which alleges the 401(k) plan fiduciaries should have removed former employer company stock from their newly created plan as part of ERISA's duties of prudence and diversification.

"We're pleased with the result for Class, which includes over 4,000 workers and retirees," Bailey Glasser Partner Mark Boyko noted, "but we're also hopeful that this case, and others like it, will enhance the diversification of 401(k) plans across the country. We are looking forward to securing final approval of the settlement from the court soon."

The complaint alleged that by placing a large percentage of the Plan in a single security, the plan fiduciaries violated obligations under ERISA to be prudent and diversify the assets of the Plan to avoid large losses. It is the first settlement of its type in an area pioneered by Bailey Glasser and their co-counsel, Izard, Kindall and Raabe. The employees contended that more than 40 percent of the Plan's total assets were invested in Chesapeake Energy stock, and that the subsequent losses cost participants tens of millions of dollars in 401(k) savings.

In addition to Boyko, the Bailey Glasser team also included partner Gregory Porter and associate Laura Babiak. The case is *Snider v. Administrative Committee of Seventy Seven Energy, Inc. Retirement & Savings Plan*, No. 20-cv-977 and is pending for final approval in the Western District of Oklahoma.

BAILEY GLASSER REACHES \$15 MILLION ERISA SETTLEMENT ON BEHALF OF WORKERS  
AND RETIREES OF SEVENTY SEVEN ENERGY CORPORATION

## **Attorneys**

Mark G. Boyko

Gregory Y. Porter

## **Practice Areas**

ERISA, Employee Benefits & Trust Litigation