

Judge Allows ERISA Class Action Lawsuits Against Employers Over 401(k) Plans to Proceed

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Employees and retirees of Edward Jones and Franklin Templeton scored wins last week when defendants' motions to dismiss were denied in both cases.

Bailey Glasser represents employees and retirees of Edward D. Jones & Co. The 401(k) plan available to Edward Jones employees contains numerous mutual funds managed by American Funds and other "Preferred Product Partners" of Edward Jones. These Preferred Product Partners, selected for the plan by Edward Jones management and investors, pay Edward Jones tens of millions of dollars in "revenue sharing" each year for selling and distributing their funds.

In 2014 alone, Edward Jones reported a profit of \$770 million, of which \$153 million came from such revenue sharing. The plaintiff-participants allege that Edward Jones allowed the plan's recordkeeper, Mercer, to collect excessive fees through revenue sharing as well.

With the court's denial of Edward Jones' motion to dismiss, the case moves forward for discovery and certification of a class of all plan participants. For more information about this case, [click here](#).

Bailey Glasser also represents participants in the Franklin Templeton 401(k) Retirement Plan, who allege that their employer, Franklin, breached its fiduciary duties under the Employee Retirement Income Security Act (ERISA) by forcing the plan into funds managed by Franklin, when better-performing and lower-cost funds were available. The participants allege that Franklin Templeton was motivated to force the plan into its own funds to benefit the company's investment management business. A copy of the Court's order can be found [here](#).

The Court set a trial date of July 23, 2018. For more information about this case, [click here](#).

The cases are: *McDonald v. Edward Jones, et al.*, Case No. 16-1346 (E.D. Mo.) and *Cryer v. Franklin Resources, Inc. et al.*, Case No. 16-4265 (N.D. Cal.).

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In both cases, the plaintiffs are represented by Bailey Glasser attorneys Gregory Porter and Ryan Jenny of the firm's Washington, DC office, and Mark Boyko of the firm's St. Louis office.

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Practice Areas

ERISA, Employee Benefits & Trust Litigation