

Settlement Announced in McBride ESOP Litigation

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St. Louis area homebuilder McBride & Son Homes and trustee GreatBanc Trust Co. have reached a settlement with participants in McBride's Employee Stock Ownership Plan (ESOP) over claims related to the ESOP between 2013 and 2017. The participants are asking for court approval of the \$16.5 million class action settlement. The lawsuit, *Godfrey v. GreatBanc Trust Co.*, No. 1:18-cv-07918, was brought under the Employee Retirement Income Security Act of 1974 (ERISA) and is pending in federal court in the Northern District of Illinois.

The participants claim in their lawsuit that McBride structured, and GreatBanc approved, a series of transactions that reduced, and later eliminated, the ESOP's ownership interest in McBride and that these transactions violated ERISA. McBride and GreatBanc have denied the allegations, contending that the transactions increased and then redeemed the ESOP's ownership at a fair price and in the best interest of the ESOP. The parties reached a settlement before the Court ruled on pending motions for Summary Judgment.

Class members received a notice last year when U.S. District Court Judge Matthew Kennelly certified the class. At the parties' request, Judge Kennelly is expected to approve the mailing of an additional notice with details about the settlement. Judge Kennelly is also expected to set a hearing date in the fall to approve the settlement. After approval, former McBride ESOP shareholders will receive payments based on the number of vested shares they held in the ESOP during the 2013-17 period.

The group is represented by Kirkwood, Missouri attorneys Mark Boyko (Bailey & Glasser, LLP) and Thomas Clark (The Wagner Law Group), as well as Bailey Glasser attorneys Gregory Porter, Ryan Jenny and Patrick Muench. McBride is represented by Groom Law Group, Chartered, and GreatBanc Trust Co. is represented by Keating Muething & Klekamp PLL.

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SETTLEMENT ANNOUNCED IN MCBRIDE ESOP LITIGATION

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Practice Areas

ERISA, Employee Benefits & Trust Litigation