

News Release



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U.S. Labor Department Sues to Protect Over \$45,000 in 401(k) Assets For Employees of Defunct Beaverton, Ore., Company

PORTLAND, Ore. - The U.S. Department of Labor has filed an adversary complaint in federal bankruptcy court in Portland, to protect \$45,000 owed to the 401(k) profit sharing plan of defunct Moore Communications, Inc. of Beaverton.

The complaint seeks to prevent Sidney and Jeanette Moore, the founders and former owners of the company, from discharging debts owed to the plan in bankruptcy proceedings. The department alleges that the Moores, who also were fiduciaries of the company's 401(k) plan, violated the Employee Retirement Income Security Act by failing to forward contributions and interest to the plan over a period of months before the company was sold. The Moores also commingled the funds with the company's general assets and used the money to satisfy general corporate obligations.

"This case sends a strong message to those responsible for employee benefit plans that they cannot misuse their employees' funds or have their personal debts forgiven at the expense of the employees," said Paul Baumann, acting regional director of the Labor Department's Employee Benefits Security Administration (EBSA) in San Francisco.

Baumann said the plan has not yet been terminated. While the company deposited some funds into the plan, a substantial amount of money was never deposited into plan accounts. Moore Communications, which closed its doors on June 1, 2003 after being sold to Accolade Technologies, Inc., specialized in sales, service and repairs of telecommunications products. There were approximately 12 employees participating in the plan when the company was sold.

The case was investigated by EBSA's Seattle district office. In fiscal year 2003, EBSA achieved record monetary results of \$1.4 billion related to the pension, 401(k), health and other benefits of millions of American worker and their families. Employers and workers with questions or concerns regarding their private-sector pension and health plans can contact the EBSA District Office in Seattle at (206) 553-4244 or EBSA's toll free number, 1-866-444-EBSA (3272). Information is also available from the agency's web site at www.dol.gov/ebsa.

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(Chao v. Moore)
Adversary No. 04-03402
(Bankruptcy Court)

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