

Verizon Employees Win Class Certification in ERISA Action

On Tuesday, U.S. District Judge Paul G. Gardephe certified a class of participants in Verizon’s 401(k) Plan pursuant to the Employee Retirement Income Security Act (“ERISA”), finding that Plaintiff Melina N. Jacobs has standing by virtue of her indirect investment in the Global Opportunity Fund through the Plan’s Target Date Funds. Verizon challenged her standing, saying she had no direct investment and did not demonstrate a loss. However, the Court disagreed, saying that it was sufficient that she realized “a more modest gain” by virtue of the inclusion of the Global Opportunity Fund in the Plan’s Target Date Funds.

The certified class consists of participants in Verizon’s 401(k) Plan who made investment, either directly or indirectly, in the Global Opportunity Fund. Plaintiff alleges that Plan participants were harmed when Verizon breached its fiduciary duties to adequately monitor the performance of the Global Opportunity Fund and failed to take any corrective action regarding that fund, as it failed to meet its benchmark and underperformed relative to expectations. The certified class may include as many as 200,000 participants.

Monument’s Cynthia Jones serves as an expert for Plaintiffs in the case and submitted an expert report in support of class certification where she analyzed the performance, risks, and fees associated with an investment in the Global Opportunity Fund during the relevant period. In addition, Ms. Jones made an assessment that class-wide damages could be determined using a common formula. Finally, she prepared an estimate of class-wide damages in the case, demonstrating that participants would have earned a greater return if the Global Opportunity Fund had been dropped from the Plan and their funds were reinvested in other Plan investments.

A copy of the Court’s Order can be [read here](#).