



**EBSA News Release: [10/03/2006]**  
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**Release Number: 06-1685-BOS**

## **U.S. Labor Department Enters Settlements with Connecticut Investment Firms to Restore \$8.8 Million Owed to Pension Plans**

**BOSTON** — The U.S. Department of Labor has obtained settlements in which Circle Trust Company (CTC) of Darien, Conn., Trust Advisors LLC, and certain corporations and individuals agreed to restore more than \$8.8 million to 1,500 pension plans nationwide. The settlements relate to pension plan investments in Trust Advisors Stable Value Plus Fund (SVF), a collective trust administered by CTC. Circle Trust also agreed to allow a \$10 million priority proof of claim in its receivership proceedings. CTC was placed in receivership on Sept. 30, 2005, by the Connecticut Banking Commission.

"The defendants in this case jeopardized millions of dollars in workers' retirement benefits," said U.S. Secretary of Labor Elaine L. Chao. "The department aggressively pursued justice for these workers and their families, recovering \$8.8 million in retirement assets for their pension plans as well as levying a nearly one million dollar civil fine."

Under the settlement agreements, Trust Advisors of Westport, Conn., and certain corporations and individuals affiliated with the company, have also paid a separate civil monetary penalty of \$886,364 to the federal government.

The settlements resolve a Labor Department lawsuit, filed in U.S. District Court for the District of Connecticut, that alleged CTC violated its duties as a fund trustee under the Employee Retirement Income Security Act (ERISA). The corporation allegedly, among other things, caused SVF to invest in a number of speculative and imprudent investments that resulted in millions of dollars in losses to the trust fund. The investments were based on the recommendations of Trust Advisors LLC. On Sept. 30, 2005, an independent fiduciary appointed on behalf of SVF filed a petition seeking bankruptcy protection for SVF. On the same day, the Connecticut Banking Commissioner was appointed as the receiver of CTC.

The Labor Department's legal action resulted from an investigation conducted by the Boston regional office of the department's Employee Benefits Security Administration (EBSA). In fiscal year 2005, EBSA achieved record monetary results of \$1.7 billion related to pension, 401(k), health and other benefits for millions of American workers and their families. Employers and workers can contact the Boston regional office at (617) 565-9600 or EBSA's toll-free number, 1(866) 444-EBSA (3272), for more information on the requirements of ERISA or for help with problems relating to private-sector pension and health plans. Additional information can be found at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

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