

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

Great Lakes Management Company, a
Minnesota corporation, as trustee of
the Great Lakes Management 401(k)
Retirement Savings Plan,

Plaintiff,

v.

USI Consulting Group, Inc., a
Connecticut corporation,

Defendant.

Case No. _____

**PLAINTIFF'S COMPLAINT
AND JURY DEMAND**

The above-named Plaintiff states and alleges as follows against the above-named Defendant:

PARTIES

1. Plaintiff Great Lakes Management Company ("Plaintiff") is a Minnesota corporation incorporated and registered to conduct business in the State of Minnesota. Plaintiff's headquarters is located at 12755 Hwy 55, Suite J-125, Plymouth, MN 55441.

2. Plaintiff manages and serves as the trustee of the retirement savings plan at issue in this dispute: Great Lakes Management 401(k) Retirement Savings Plan (the “Plan”).

3. Defendant is a professional services corporation incorporated, under the laws of the State of Connecticut. Its headquarters are located at 95 Glastonbury Blvd, Suite 102, Glastonbury, CT 06033-4417. Defendant conducts business in Minnesota.

4. Defendant provides retirement plan consulting services including, but not limited to, fiduciary services, financial and investment advice, actuarial valuations, certifications of accounting liabilities, actuarial determination of legally-required retirement plan contributions, and 401(k) plan design.

5. Defendant’s website represents that, “[f]or more than 45 years, organizations have relied on us to help their employees successfully plan and invest for retirement.”¹

JURISDICTION AND VENUE

6. This Court has jurisdiction under 28 U.S.C. § 1332 because this is a civil action in which the amount in controversy exceeds \$75,000 and the dispute is

¹ <https://www.usicg.com/about-us/your-retirement-and-benefit-plan-partner/> (last visited: Dec. 28, 2023).

between citizens of different states. For purposes of diversity, Defendant is not a citizen of the State of Minnesota, as it is incorporated in Connecticut.

7. Venue is proper in this Court under 28 U.S.C. § 1391 because Defendant conducts business in this judicial district and a substantial part of the events and omissions giving rise to this action occurred in this district.

NATURE OF THE ACTION

8. Under the Employee Retirement Income Security Act of 1974 (ERISA), the Plaintiff has numerous regulatory, tax, and financial duties it must comply with when administering the Plan. Plaintiff retained Defendant to advise it regarding these duties.

9. This action seeks redress for Defendant's professional negligence in negligently advising Plaintiff regarding the Plan, which caused the Plan to improperly and unnecessarily contribute \$98,605 for the years 2022 and 2023.

FACTS

10. As a professional association, Defendant must adhere to industry standards applicable to actuaries, financial advisors, and investment advisors.

11. At all relevant times as alleged in this Complaint, Defendant held itself out as providing knowledgeable, experienced, qualified, and capable employee pension benefit consulting and actuarial services.

12. Defendant has provided professional consultation and advice to Plaintiff regarding the Plan since 2018. Defendant advises Plaintiff on, among other things, its regulatory and tax obligations as a fiduciary under ERISA in administering the Plan for the employees that are enrolled.

13. On or about November 30, 2021, Plaintiff agreed to amend the Plan based on Defendant's advice and counsel, which became effective on January 1, 2022. (the "Amendment").

14. The Amendment modified the Plan by, among other things, creating a "Safe Harbor Contribution" that would be recalculated based on the ratio of elective deferrals to compensation for the plan year, and "true up" contributions to be made accordingly at the end of the year.

15. Plaintiff agreed to the Amendment based on the advice of the Defendant. Defendant failed to advise the Plaintiff of the impact and consequences of the Amendment by failing to advise it of the implications of the "true up." After adopting the Amendment, Plaintiff learned for the first time that the "true up" portion of the Amendment obligated Plaintiff to unnecessarily contribute to an employee's 401(k) contribution for the entire year regardless of how long that employee had been employed or enrolled in the Plan.

16. The Amendment's "true up" contractually required the Plan to match an employee's 401(k) contribution for the entire year that an employee enrolled, even if an employee only enrolled partway through the year. So, as an example, according to the Amendment, if an employee enrolled in the Plan in September 2022, the Amendment required the Plan to match the employee's contribution as if they had enrolled in January 2022. This provision did not exist in the Plan prior to Amendment.

17. The Amendment was a significant change from the prior versions of the Plan.

18. As a result, Plaintiff was required – as a fiduciary for the Plan to – contribute \$98,605 to employees in 2022 and 2023. Plaintiff would not have been required to contribute this amount but for the Amendment.

19. After Plaintiff learned of this additional liability, Plaintiff made arrangements to reverse the Amendment effective July 2023.

20. As professional advisers, Defendant owed a duty to advise Plaintiff of the implications of the Amendment, particularly the "true up."

21. Defendant breached its duties to the Plaintiff by failing to properly advise it of the implications of the Amendment.

COUNT I
Professional Negligence

22. Plaintiff realleges and incorporates all foregoing paragraphs of this Complaint.

23. At all relevant times, Plaintiff was a client of Defendant and hired Defendant for, among other things, professional advice and consulting services regarding the Plan.

24. Defendant provided advice and consulting services to Plaintiff through licensed professionals, who acted in those capacities in providing the Plaintiff advice and consulting services regarding the Amendment to the Plan.

25. Plaintiff relied on Defendant's advice when it decided to adopt the Amendment.

26. Defendant owed a duty to advise Plaintiff regarding the financial and regulatory implications of the Amendment.

27. Defendant owed the Plaintiff and the Plan a duty of care to exercise the competence and diligence normally exercised by professional advisors under similar circumstances. Included in that duty was Defendant's duty to notify Plaintiff of risks that Defendant knew or should have known were posed by its advice.

28. Defendant breached its duties, and rendered negligent advice to Plaintiff, by failing to adequately advise the Plaintiff that the Amendment would require the Plaintiff and the Plan to contribute \$98,605 more than it otherwise would have been required to contribute had Plaintiff not adopted the Amendment. By failing to properly advise Plaintiff, Defendant was negligent.

29. Defendant's negligence was the proximate cause of the Plaintiff's damages.

30. But for Defendant's negligence, the Plaintiff would not have suffered damages.

31. If Defendant had not been negligent, Plaintiff would not have contributed \$98,605 to employees enrolled in the Plan.

32. As a result of Defendant's negligence, Plaintiff has suffered damages in an amount to be determined at trial, in excess of \$75,000.

33. Plaintiff compensated Defendant to advise it regarding the administration of the Plan. Defendant should be ordered to disgorge the fees Plaintiff paid to it with respect to its negligent advice, as alleged above, in an amount to be determined at trial.

WHEREFORE, Plaintiff seeks a Judgment, Decree, and Order from this Court granting the following relief:

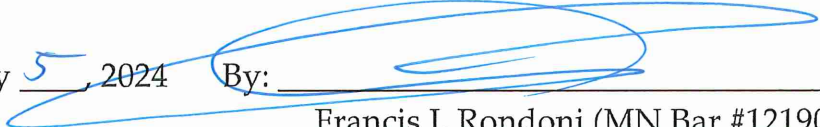
1. Awarding judgment in favor of Plaintiff on all claims with prejudice.
2. Awarding Plaintiff its costs and disbursements.
3. All other relief that this Court deems just and equitable.

PLAINTIFF DEMANDS A TRIAL BY JURY.

RESPECTFULLY SUBMITTED,

CHESTNUT CAMBRONNE PA

Dated: February 5, 2024

By: 

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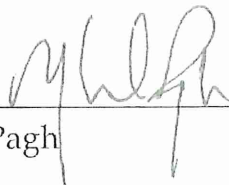
VERIFICATION

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

Mike Pagh, President of Great Lakes Management Company, as Trustee of the Great Lakes Management 401(k) Retirement Savings Plan, being first duly sworn upon oath, deposes and says that he is the Plaintiff in the foregoing proceeding, that he has read the foregoing Complaint and knows the contents thereof; that the same is true of his own knowledge, except those matters therein stated upon information and belief, and as to such matters he believes them to be true.

I swear under penalty of perjury that everything
I have stated in this document is true and correct.

Dated: February 5th, 2024



Mike Pagh