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12 *Attorneys for Plaintiffs and the Proposed Class*

13 **UNITED STATES DISTRICT COURT**  
 14 **CENTRAL DISTRICT OF CALIFORNIA**

16 STEPHEN H. BAFFORD and EVELYN  
 17 L. WILSON on their own behalves and on  
 behalf of a class of similarly situated  
 participants and beneficiaries, and  
 18 LAURA BAFFORD,

19 Plaintiffs,

20 vs.

21 NORTHROP GRUMMAN  
 CORPORATION; ADMINISTRATIVE  
 22 COMMITTEE OF THE NORTHROP  
 GRUMMAN PENSION PLAN; and  
 23 ALIGHT SOLUTIONS LLC (formerly  
 known as Hewitt Associates LLC),

24 Defendant.

Case No. 2:18-cv-10219-ODW-E

**AMENDED COMPLAINT FOR VIOLATIONS OF ERISA AND STATE LAW**

**CLASS ACTION**

**JURY TRIAL DEMANDED AS TO STATE-LAW CLAIMS**

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**JURISDICTION**

1. This Court has subject matter jurisdiction over Plaintiffs’ federal claims pursuant to 28 U.S.C. § 1331 and the specific jurisdictional statute for claims brought pursuant to ERISA, ERISA § 502(e) and (f), 29 U.S.C. § 1132(e) and (f). As to the state-law claims, this Court has supplemental subject matter jurisdiction pursuant to 28 U.S.C. § 1367(a) because the state-law claims form part of the same case or controversy. In addition, as to the state-law claims, this Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332 because the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs, and is between citizens of different states.

**VENUE**

2. Venue lies in the Central District of California pursuant to ERISA § 502(e)(2), 29 U.S.C. § 1132(e)(2), because the Northrop Grumman Pension Plan (“Northrop Plan”) is administered in this District and Defendants Northrop Grumman Corporation (“Northrop”), Administrative Committee of the Northrop Grumman Pension Plan (“Administrative Committee”), and Alight Solutions LLC (“Alight”), formerly Hewitt Associates, LLC (“Hewitt”), may be found in this District.

**INTRADISTRICT ASSIGNMENT**

3. Pursuant to General Order 16-05, Section I.B.1.a.(1)(c), this case should be assigned to the Western Division.

**NATURE OF THE CASE**

4. Plaintiffs Stephen H. Bafford and Evelyn L. Wilson bring this suit on behalf of themselves and on behalf all similarly situated participants in and beneficiaries of the Northrop Plan under the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1000 *et. seq.* (“ERISA”), for equitable relief to enforce rights under and remedy violations of ERISA, and to recover statutory penalties for Defendants’ failure to comply with ERISA’s disclosure requirements.

1 Alternatively, with respect to Defendant Alight, Plaintiffs seek to recover damages  
2 stemming from professional negligence and negligent misrepresentation under  
3 California law.

4 **THE PARTIES**

5 5. Plaintiff Stephen H. Bafford is, and has been at all relevant times, a  
6 participant as defined by ERISA § 3(7), 29 U.S.C. § 1002(7), in the Northrop Plan.  
7 Mr. Bafford is a resident of Ogden, Utah.

8 6. Plaintiff Evelyn L. Wilson is, and has been at all relevant times, a  
9 participant as defined by ERISA § 3(7), 29 U.S.C. § 1002(7), in the Northrop Plan.  
10 Ms. Wilson is a resident of Rancho Palos Verdes, California.

11 7. Plaintiff Laura Bafford is, and has been at all relevant times, a  
12 beneficiary, as defined by ERISA § 3(8), 29 U.S.C. § 1002(7), of the Northrop Plan.  
13 Ms. Bafford is a resident of Ogden, Utah.

14 8. Defendant Northrop is a Delaware corporation with its principal place  
15 of business in Falls Church, Virginia. Northrop is a fiduciary of the Northrop Plan  
16 within the meaning of ERISA § 3(21), 29 U.S.C. § 1002(21), in that it exercises  
17 authority or control respecting management or disposition of the Northrop Plan's  
18 assets, it exercises discretionary authority or discretionary control respecting  
19 management of the Northrop Plan, and/or it has discretionary authority or  
20 discretionary responsibility in the administration of the Northrop Plan. Among other  
21 authority, Northrop has the authority to appoint the Northrop Plan's Plan  
22 Administrator and exercises discretion in selecting and monitoring the Plan  
23 Administrator and/or other fiduciaries. The sector headquarters for Northrop  
24 Grumman Aerospace Systems is located in Redondo Beach, Los Angeles County,  
25 California.

26 9. Defendant Administrative Committee is the Plan Administrator of the  
27 Northrop Plan within the meaning of ERISA § 3(16)(a)(i), 29 U.S.C. §  
28 1002(16)(a)(i). The Administrative Committee is a named fiduciary of the Northrop

1 Plan by reason of being the Plan Administrator, and is a fiduciary of the Northrop  
2 Plan within the meaning of ERISA § 3(21), 29 U.S.C. § 1002(21), in that it exercises  
3 authority or control respecting management or disposition of the Northrop Plan's  
4 assets, it exercises discretionary authority or discretionary control respecting  
5 management of the Northrop Plan, and/or it has discretionary authority or  
6 discretionary responsibility in the administration of the Northrop Plan. The  
7 Administrative Committee's address is in El Segundo, Los Angeles County,  
8 California.

9       10. As the Plan Administrator, the Administrative Committee is the entity  
10 responsible for providing pension benefit statements to the Northrop Plan  
11 participants as required by ERISA § 105(a), 29 U.S.C. § 1025(a), among other  
12 responsibilities. The Northrop Plan designates the Administrative Committee as a  
13 named fiduciary, with responsibility for the general administration of the Northrop  
14 Plan. The Northrop Plan specifies that the Administrative Committee's  
15 responsibilities include the responsibility to comply with ERISA's reporting and  
16 disclosure requirements, to prepare and distribute communications to employees as a  
17 part of Northrop Plan operations, to construe and interpret the terms of the Northrop  
18 Plan, and to determine the amount of benefits and authorize payments from the Trust  
19 funding the Northrop Plan.

20       11. Defendant Alight is an Illinois limited liability company with its  
21 principal place of business in Illinois. Beginning in 2008, Alight's predecessor,  
22 Hewitt, provided record-keeping and third-party administration services to the  
23 Northrop Plan. Alight maintains an office in Irvine, Orange County, California.  
24 Upon information and belief, pursuant to the Administrative Committee's delegation  
25 of authority, Hewitt operated the Northrop Grumman Benefits Center and a website  
26 at <http://benefits.northropgrumman.com>, and issued pension benefit statements and  
27 other communications on Northrop letterhead.

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1 12. Alight holds itself out as providing “a total retirement approach to help  
2 drive better solutions and outcomes,” based on “40+ years of knowledge, expertise,  
3 and innovation managing retirement plans for large organizations, helping people  
4 save, plan and retire confidently.” Alight publicly asserts that its defined benefit plan  
5 administration will enable employees “to retire confidently with industry-leading  
6 expertise, technology and support,” with “a customer experience designed to help  
7 [employees] fully understand their options” and “tools and rigorous processes that  
8 assure quality in all aspects of the services we deliver,” making “essential plan  
9 information easy to access and navigate.”

10 13. Upon information and belief, Northrop and/or the Administrative  
11 Committee contracted with Hewitt to carry out certain of the Administrative  
12 Committee’s responsibilities for Northrop Plan administration, including its pension  
13 benefit statement responsibilities under ERISA § 105(a) and its responsibility for  
14 processing pension applications.

15 14. Hewitt’s services included providing an online platform that allowed  
16 participants to request statements of their accrued pension benefits based on  
17 potential future employment termination dates and benefit commencement dates, in  
18 purported satisfaction of the Administrative Committee’s obligations under ERISA §  
19 105(a).

## 20 FACTS

### 21 **Pertinent Plan Terms**

22 15. The Northrop Plan is an employee pension benefit plan as defined by  
23 ERISA § 3(2), 29 U.S.C. § 1002(2), sponsored by Defendant Northrop. The  
24 Northrop Plan consists in part of sub-plans including the Northrop Grumman  
25 Retirement Plan and the Grumman Pension Plan. The Northrop Plan is a defined  
26 benefit pension plan, meaning that each participating employee is entitled to a fixed  
27 periodic payment during retirement based on a pension calculation formula set forth  
28 in the applicable sub-plan, and each surviving spouse of a participating employee is

1 entitled to a fixed periodic payment during his or her lifetime unless he or she has  
2 validly waived the survivor benefit.

3 16. Prior to July 1, 2003, each Northrop Plan sub-plan used a final average  
4 pay formula to calculate benefits. Under the final average pay formula, a  
5 participant's pension was calculated based on factors including his years of benefit  
6 service and his average rate of annual salary during his highest three years of salary  
7 out of the last ten years that he was a covered employee under the plan.

8 17. Effective July 1, 2003, the Northrop Plan switched to a less-generous  
9 "cash balance" formula. However, because ERISA prohibits reductions of accrued  
10 benefits, Northrop Plan participants who accrued benefits before the cash balance  
11 conversion continued to be entitled to have those benefits calculated under the more-  
12 generous final average pay formula.

13 18. Thus, after July 1, 2003, participants who accrued benefits prior to July  
14 1, 2003, continued to be entitled to have those benefits calculated using the final  
15 average pay formula. Plaintiffs' Northrop Plan benefits are calculated based on the  
16 pre-July 1, 2003 benefit formula. Through a complex formula pieced together from  
17 multiple plan documents, definitions, and appendices, the final average pay formula  
18 recognized Plaintiffs' years of service after returning to Northrop for vesting and  
19 early retirement credit, but did not recognize their earnings after returning to  
20 Northrop in determining their final average earnings. Plaintiffs had no way to  
21 ascertain and apply this multi-step formula without assistance from Defendants.

22 19. Under the Northrop Plan's terms, a participant is entitled to a normal  
23 retirement benefit commencing at age 65. A participant who has attained at least age  
24 55 with at least 10 years of service is entitled to a reduced early retirement benefit,  
25 and a participant whose age plus his years of early retirement service equals at least  
26 85 is entitled to an unreduced early retirement benefit – that is, to receive his full age  
27 65 pension before age 65.

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1 planning for retirement. Mr. Bafford used the online platform to request statements,  
2 which were then mailed to him.

3 37. Hewitt's statements consistently informed Mr. Bafford that if he  
4 worked until at least age 55 and elected to receive his benefit in the form of a 100  
5 percent joint and survivor annuity, his Northrop Plan benefit would be over \$2,000  
6 per month during his lifetime and the same amount for Ms. Bafford's lifetime if he  
7 predeceased her. Specifically, Hewitt provided the following statements:

8 <b>Statement Date</b>	<b>Employment Termination Date</b>	<b>Benefit Commencement Date</b>	<b>100% JSA Benefit Amount</b>
9 Mar. 2010	Oct. 2015	Nov. 2015	\$2,033.93
10 Nov. 2011	Sept. 2015	Oct. 2015	\$2,011.90
11 Feb. 2013	Sept. 2015	Oct. 2015	\$2,007.27
12 Feb. 2013	Sept. 2016	Oct. 2016	\$2,114.41
13 Mar. 2014	Jan. 2017	Feb. 2017	\$2,110.64
14 Oct. 2014	Sept. 2015	Oct. 2015	\$2,077.27
15 Oct. 2014	Sept. 2015	Apr. 2016	\$2,098.02
16 Oct. 2014	Mar. 2016	Apr. 2016	\$2,098.02
17 Aug. 2015	Sept. 2016	Oct. 2016	\$2,114.41
18 Aug. 2015	Dec. 2016	Jan. 2017	\$2,111.58
19 Aug. 2015	Apr. 2017	May 2017	\$2,107.58
20 June 2016	Sept. 2016	Oct. 2016	\$2,114.41

21 38. Each of the statements provided to Mr. Bafford showed that it was  
22 based on his earnings from his second period of Northrop employment.  
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1 again showing the 100 percent joint-and-survivor benefit amount of \$2,114.41 per  
2 month.

3 44. After Mr. Bafford submitted his pension paperwork, Hewitt issued him  
4 a “Retirement Plan Pension Election Confirmation Statement” on Northrop  
5 letterhead, showing that he had elected the 100 percent joint-and-survivor annuity  
6 benefit of \$2,114.41 per month. Mr. Bafford signed and returned the accompanying  
7 “Pension Election Authorization Form,” certifying that he had elected the 100  
8 percent joint-and-survivor annuity form of benefit. The form states that Mr. Bafford  
9 “[c]ertifies that I understand this payment option pays **\$2,114.41** per month,” and  
10 “[c]ertifies that I understand my beneficiary is LAURA A. BAFFORD and will  
11 receive upon my death \$2,114.41 per month.”

12 45. On August 11, 2016, Hewitt confirmed on Northrop letterhead that it  
13 had received and would process Mr. Bafford’s Pension Election Authorization Form  
14 and that his first payment would be made on October 1, 2016.

15 46. From October 1, 2016, through January 1, 2017, the Northrop Plan  
16 made monthly benefit payments to Mr. Bafford of \$2,114.41 each.

#### 17 **Discovery of the Systemic Error; Benefit Recalculations**

18 47. Upon information and belief, in 2016 Northrop and/or the  
19 Administrative Committee replaced Hewitt as recordkeeper and third-party  
20 administrator of the Northrop Plan.

21 48. Upon information and belief, plan fiduciaries performed an audit in  
22 2016 as part of the hand-off to Fidelity, the new third-party administrator, and  
23 discovered the systemic overstatement of benefits.

24 49. In December 2016, more than three months after his retirement, Mr.  
25 Bafford received a “Pension Plan Recalculation Notice” on Northrop letterhead,  
26 stating that Northrop had recalculated his benefit “based on updated information.”

27 50. In January 2017, Mr. Bafford received another “Pension Plan  
28 Recalculation Notice” on Northrop letterhead, explaining that his monthly Northrop

1 Plan benefit would be permanently reduced from \$2,114.41 to \$807.89 – a reduction  
2 of more than 60 percent.

3 51. The second recalculation notice admitted that there was no “updated  
4 information” that formed the basis of the recalculation. Instead, the notice explained  
5 that that Mr. Bafford’s pension amount had been based on “incorrect pay.”  
6 Specifically, the benefit had been based on Mr. Bafford’s final average salary from  
7 his second period of Northrop employment, but should have been based on final  
8 average salary from his first period of Northrop employment.

9 52. Thus, Mr. Bafford’s pension was recalculated based on information that  
10 had been in Northrop’s possession for nearly 20 years, including throughout the  
11 period when Hewitt issued at least a dozen statements showing that Mr. Bafford had  
12 earned a pension in excess of \$2,000 per month.

13 53. In February 2017, three years after her retirement, Ms. Wilson received  
14 a Pension Plan Recalculation Notice on Northrop letterhead. Although Ms. Wilson  
15 was told for numerous years that her benefits would be based on her earnings from  
16 her final three years of service at Northrop, and the Northrop Plan actually paid  
17 those benefits for three years, the Pension Plan Recalculation Notice states that there  
18 was a mistake in the benefit calculation. The notice states that Ms. Wilson’s pension  
19 benefits would be recalculated using her 1995-1997 salary, the final average salary  
20 from her first period of Northrop employment. The recalculation decreased her  
21 retirement benefits dramatically to less than half the retirement benefits she had been  
22 promised and was receiving for three years.

23 54. Thus, as with Mr. Bafford, Defendants recalculated Ms. Wilson’s  
24 Northrop Grumman Retirement Plan and Grumman Pension Plan benefits based on  
25 information that had been in Northrop’s possession for 20 years, including the entire  
26 time Hewitt issued statements showing she had earned pension benefits in excess of  
27 \$1,600 and the entire three years that the Northrop Plan actually paid her that  
28 amount.

1 55. Northrop insisted that Ms. Wilson repay the alleged “overpayment” of  
2 over \$35,000, even though any mistake in the calculation was through no fault of  
3 Ms. Wilson, and stated that if Ms. Wilson did not repay the alleged overpayment in a  
4 lump sum, her already diminished pension would be reduced further until the  
5 Northrop Plan had collected the alleged overpayment.

6 **Plaintiffs’ Reliance**

7 56. In issuing pension benefit statements, pension election paperwork, and  
8 pension payments, Defendants intended to, and did, induce reliance on the part of  
9 Northrop Plan participants, including Plaintiffs. The sole purpose for requesting a  
10 pension benefit statement is to learn the amount of a participant’s pension benefit  
11 upon retirement.

12 57. Due to the complexity of the Northrop Plan terms and the required  
13 calculations, and the multiple plan documents involved, Northrop Plan participants  
14 had no way to verify the benefit amounts provided in pension benefit statements,  
15 pension election paperwork, and pension payments.

16 58. Specifically, in deciding when to retire, and in making other financial  
17 decisions to plan for retirement, Plaintiffs relied on Defendants’ promises of a  
18 monthly pension benefit in excess of \$2,000 for Mr. Bafford and in excess of \$1,700  
19 for Ms. Wilson.

20 **CLASS ALLEGATIONS**

21 59. Mr. Bafford and Ms. Wilson bring this action on behalf of themselves  
22 and all others similarly situated as a class action pursuant to Federal Rule of Civil  
23 Procedure 23(b)(1) and (2).

24 60. The Class is defined as all Northrop Plan participants and beneficiaries  
25 whose final average pay benefits were miscalculated due to participants accruing  
26 benefits, while working at Northrop, under a plan previously sponsored by an  
27 acquired company, and whose final average pay benefits were recalculated after  
28 June 1, 2016.

1           61. Plaintiffs reserve the right to modify the definition of the proposed class  
2 based on information that they or their counsel learn through discovery.

3           62. The proposed class meets all the requirements of Federal Rule of Civil  
4 Procedure 23, as follows.

5           63. Upon information and belief, the Class is so numerous that joinder of  
6 all persons in the class is impracticable. The Northrop Plan's publicly available  
7 Form 5500 (Annual Return/Report of Employee Benefit Plan), for the Plan year  
8 ending December 31, 2015, states that there were more than 111,000 Northrop Plan  
9 participants during that year. Plaintiffs are informed and believe that hundreds of  
10 former Northrop employees were hired by TRW, many of whom subsequently  
11 returned to Northrop employment when Northrop acquired TRW. While the precise  
12 number of proposed class members has not been determined at this time, Plaintiffs  
13 are informed and believe that the substantial number of Northrop Plan participants  
14 and beneficiaries who have been similarly affected precludes joinder of all affected  
15 participants and beneficiaries. Numerosity of the class will be ascertained and  
16 confirmed by discovery. The number and identity of the members of the class are  
17 readily determinable from the Defendants' records.

18           64. There are common questions of law and fact affecting the rights of the  
19 members of the Class, including, without limitation:

- 20           a. Whether Defendants acted in a fiduciary capacity in providing pension  
21 benefit statements to Northrop Plan participants;
- 22           b. Whether Defendants breached their fiduciary and statutory duties by  
23 failing to ensure the accuracy of the benefits statements provided to  
24 Northrop Plan participants;
- 25           c. Whether Plaintiffs and the Class are entitled to equitable relief from  
26 Defendants' violations of ERISA §§ 404(a), 105(a), and/or 406; and/or  
27 to statutory penalties for Defendants' violations of ERISA § 105(a);  
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1 d. Whether, if Defendant Alight was not acting as a fiduciary, it acted  
2 negligently with respect to the Class under State law;

3 e. Whether Defendants engaged in a transaction prohibited by ERISA  
4 when they caused the Northrop Plan to pay compensation to Hewitt for  
5 work that Defendants contend was unreliable.

6 65. The claims of the named class representatives are typical of the claims  
7 of the proposed Class. Plaintiffs and all members of the proposed Class sustained the  
8 same or similar injuries arising out of and caused by Defendants' common course of  
9 conduct in violation of applicable Federal and State law. Plaintiffs' claims are  
10 thereby representative of, and co-extensive with, the claims of the proposed Class  
11 members.

12 66. The named representatives will fairly and adequately protect the  
13 interests of the proposed Class. There are no conflicts between the interests of the  
14 Mr. Bafford and Ms. Wilson and the other members of the proposed Class.

15 67. This action is maintainable as a class action under Fed. R. Civ. P.  
16 23(b)(1) because prosecuting separate actions by individual class members would  
17 create a risk of (A) inconsistent or varying adjudications with respect to individual  
18 class members that would establish incompatible standards of conduct for the party  
19 opposing the class; or (B) adjudications with respect to individual class members  
20 that, as a practical matter, would be dispositive of the interests of the other members  
21 not parties to the individual adjudications or would substantially impair or impede  
22 their ability to protect their interests. Specifically, separate actions by individual  
23 class members could produce varying adjudications as to, *inter alia*, whether  
24 Defendants acted in a fiduciary capacity in providing inaccurate pension benefit  
25 statements to Plaintiffs and class members, whether Northrop and the Administrative  
26 Committee should be estopped to deny that Plaintiffs and class members are entitled  
27 to the miscalculated benefits, and whether other equitable relief is available for  
28 Defendants' ERISA violations.



1 68. This action is maintainable as a class action under Rule 23(b)(2)  
2 because Defendants have acted and/or refused to act on grounds generally applicable  
3 to the Class, thereby making appropriate monetary, injunctive and other equitable  
4 relief in favor of the Class. In particular, Defendants' miscalculation of pension  
5 benefits for Northrop Plan participants who accrued benefits under plans formerly  
6 sponsored by acquired companies, such as TRW, was systemic in nature, affecting  
7 all similarly situated Northrop Plan participants in the same way.

8 **FIRST CLAIM FOR RELIEF**

9 **Claim for Violation of ERISA § 404(a), 29 U.S.C. § 1104(a),**

10 **Against Defendants Northrop and the Administrative Committee**

11 69. Plaintiffs incorporate the above paragraphs as though fully set forth  
12 herein.

13 70. ERISA § 404(a), 29 U.S.C. § 1104(a), requires that a fiduciary  
14 discharge its duties with respect to a plan solely in the interest of the participants and  
15 beneficiaries and for the exclusive purpose of providing benefits to participants and  
16 their beneficiaries and defraying reasonable expenses of administering the plan, and  
17 that a fiduciary act under a prudent person standard of care. These duties include the  
18 duty to provide complete and accurate information regarding participants' benefits.

19 71. Northrop and the Administrative Committee breached their fiduciary  
20 duties to Plaintiffs and the Class members by acts and omissions including failing to  
21 ensure that they or their delegees provided Plaintiffs with complete and accurate  
22 information regarding the amount of the Northrop Plan benefit.

23 72. Plaintiffs and the Class members reasonably relied on the pension  
24 information they received in planning for their retirement.

25 73. Plaintiffs and the Class members have been harmed by Northrop's and  
26 the Administrative Committee's breaches in that they received and relied on  
27 inaccurate information about their retirement income in planning for retirement.  
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**SECOND CLAIM FOR RELIEF**

**Claim for Violation of ERISA § 404(a), 29 U.S.C. § 1104(a),**

**Against Defendant Alight**

74. Plaintiffs incorporate Paragraphs 1 through 58 as though fully set forth herein.

75. ERISA § 404(a), 29 U.S.C. § 1104(a), requires that a fiduciary discharge its duties with respect to a plan solely in the interest of the participants and beneficiaries and for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the plan, and that a fiduciary act under a prudent person standard of care. These duties include the duty to provide complete and accurate information regarding participants’ benefits.

76. At all relevant times, Alight’s predecessor Hewitt was a fiduciary of the Plans within the meaning of ERISA § 3(21), 29 U.S.C. § 1002(21), in that it exercised discretionary authority or discretionary control respecting management of the Plans, and/or it had discretionary authority or discretionary responsibility in the administration of the Plans. In particular, Hewitt prepared summaries of the Northrop Plan provisions – sometimes referred to as “requirements documents.” Upon information and belief, Hewitt performed its pension calculations and other services according to these summaries, rather than according to the Northrop Plan documents.

77. Hewitt breached its fiduciary duty to Plaintiffs and the Class members by acts and omissions including failing to apply the Northrop Plan provisions in calculating participants’ benefits and repeatedly providing Plaintiffs and the Class members with inaccurate information regarding the amounts of their pensions.

78. Plaintiffs and the Class members reasonably relied on the pension information they received in planning for their retirement.

1 79. Plaintiffs and the Class members have been harmed by Hewitt's  
2 breaches in that they received and relied on inaccurate information about their  
3 retirement income in planning for retirement.

4 **THIRD CLAIM FOR RELIEF**

5 **Claim for Violation of ERISA § 105, 29 U.S.C. § 1025,**

6 **Against Defendant Administrative Committee**

7 80. Plaintiffs incorporate Paragraphs 1 through 58 as though fully set forth  
8 herein.

9 81. ERISA § 105(a)(1)(B), 29 U.S.C. § 1025(a)(1)(B), requires that a plan  
10 administrator furnish pension benefit statements to defined benefit plan participants.  
11 Specifically, a plan administrator must furnish a pension benefit statement (1) at  
12 least once every three years to each participant with a nonforfeitable accrued benefit  
13 and who is employed by the employer maintaining the plan at the time the statement  
14 is to be furnished, and (2) to a participant or beneficiary of the plan upon written  
15 request.

16 82. ERISA § 502(a)(3), 29 U.S.C. § 1132(a)(3), authorizes a plan  
17 participant to file suit to obtain injunctive and other appropriate equitable relief from  
18 a violation of ERISA.

19 83. ERISA § 502(a)(1)(A), 29 U.S.C. § 1132(a)(1)(A), authorizes a plan  
20 participant to bring a civil action for the relief provided for in ERISA § 502(c), 29  
21 U.S.C. § 1132(c).

22 84. ERISA § 502(c)(1)(A), 29 U.S.C. § 1132(c)(1)(A), provides that any  
23 administrator who fails to meet the requirements of ERISA § 105(a), 29 U.S.C. §  
24 1025(a), with respect to a participant may in the court's discretion be personally  
25 liable to such participant in the amount of up to \$100 a day from the date of such  
26 failure, and the court may in its discretion order such other relief as it deems proper.  
27 For this purpose, each violation with respect to any single participant shall be treated  
28

1 as a separate violation. 29 C.F.R. § 2575.502c-1 increases the penalty under ERISA  
2 § 502(c) to \$110 per day.

3 85. The Administrative Committee violated Section 105(a) by failing to  
4 provide Plaintiffs and the Class members with accurate statements of their Northrop  
5 Plan benefits and/or by failing to monitor the performance of its delegate that  
6 provided pension statements to Plaintiffs and the Class members.

7 86. Plaintiffs and the Class members have been harmed by the  
8 Administrative Committee's breaches in that they received and relied on inaccurate  
9 information about their retirement income in planning for retirement.

10 **FOURTH CLAIM FOR RELIEF**

11 ***In the Alternative to the Second Claim for Relief***

12 **Claim for Professional Negligence Against Defendant Alight**

13 87. Plaintiffs incorporate Paragraphs 1 through 58 as though fully set forth  
14 herein.

15 88. A third-party administrator performing professional services owes a  
16 duty of care to the intended beneficiaries of the professional services rendered,  
17 including, without limitation, (1) the duty to have that degree of learning and skill  
18 ordinarily possessed by a reputable third-party administrator practicing in the same  
19 or similar locality under similar circumstances; (2) the duty to use the care and skill  
20 ordinarily exercised in like cases by reputable members of the profession practicing  
21 in the same or similar locality in similar circumstances; and (3) the duty to use  
22 reasonable diligence and his or her best judgment in the exercise of skill and the  
23 application of learning. A failure to perform any one of these duties constitutes  
24 negligence.

25 89. A third-party administrator that holds itself out as a specialist in a  
26 particular field, such as the calculation of benefits under a pension plan, has the duty  
27 (1) to have the knowledge and skill ordinarily possessed, and (2) to use the care and  
28 skill ordinarily used, by a reputable specialist practicing in the same field and in the

1 same or similar locality and under similar circumstances. A failure to fulfill either  
2 duty constitutes negligence.

3 90. Thus, a third-party administrator providing services to an employee  
4 benefit plan has a duty to exercise such care, skill, and diligence as other members of  
5 the profession commonly possess and exercise in the course of the provision of  
6 services to or for an employee pension benefit plan.

7 91. Hewitt breached its professional duties by providing grossly inaccurate  
8 information to Plaintiffs and Class members regarding the amount of their benefits  
9 under the Northrop Plan on numerous occasions over at least a six-year period, and  
10 by related acts and omissions.

11 92. As a consequence of Hewitt's professional negligence, Plaintiffs and  
12 Class members have been injured in that they relied upon the inaccurate information  
13 in planning for their retirements, and have suffered losses as a result.

14 **FIFTH CLAIM FOR RELIEF**

15 **In the Alternative to the Second Claim for Relief**

16 **Claim for Negligent Misrepresentation Against Defendant Alight**

17 93. Plaintiffs incorporate Paragraphs 1 through 58 as though fully set forth  
18 herein.

19 94. Hewitt misrepresented to Plaintiffs and the Class members the amount  
20 of their benefits under the Northrop Plan.

21 95. Hewitt had no reasonable grounds for believing that its statements  
22 regarding the amount of Plaintiffs' and the Class members' benefits were true.

23 96. Hewitt had a duty to Plaintiffs and the Class members to exercise  
24 reasonable care in providing them with statements of pension benefits.

25 97. Hewitt intended that Plaintiffs and the Class members act in reliance on  
26 its statements of their pension benefit for purposes of financial planning, including  
27 because there is no purpose for a pension benefit statement other than to assess the  
28 value of the pension benefits.

1 98. Plaintiffs and the Class members justifiably relied on Hewitt’s pension  
2 statements in planning for their retirement.

3 99. Plaintiffs and the Class members have been injured as a result of their  
4 justifiable reliance on the inaccurate information in planning for retirement, and  
5 have suffered losses as a result.

6 **SIXTH CLAIM FOR RELIEF**

7 **Claim for Violation of ERISA § 406(a), 29 U.S.C. § 1106(a), Against All**

8 **Defendants**

9 100. Plaintiffs incorporate Paragraphs 1 through 58 as though fully set forth  
10 herein.

11 101. ERISA § 406(a), 29 U.S.C. § 1106(a), prohibits all transactions  
12 between a plan and a party in interest, including any furnishing of services between  
13 a plan and a party in interest and any transfer of plan assets to a party in interest.

14 102. ERISA § 408(b)(2), 29 U.S.C. § 1108(b)(2), permits a plan to pay no  
15 more than reasonable compensation to a party in interest for services necessary for  
16 the operation of the plan.

17 103. ERISA § 3(14)(B), 29 U.S.C. § 1102(14)(B), defines “party in interest”  
18 to include a person providing services to an ERISA plan.

19 104. The Northrop Plan paid compensation to Hewitt for providing services  
20 to the Northrop Plan, including providing pension benefit statements to Northrop  
21 Plan participants. For example, the Northrop Plan’s IRS Form 5500 for the 2015  
22 plan year states that the Northrop Plan paid more than \$11 million to Hewitt for  
23 recordkeeping services.

24 105. Upon information and belief, Defendants contend that the pension  
25 benefit statements and pension election paperwork provided to Northrop Plan  
26 participants by Hewitt were inherently unreliable and unfit for their purpose of  
27 notifying participants of the amount of their accrued benefits under the Northrop  
28 Plan.

1 106. If Defendants are correct that Plaintiffs and Class members were not  
2 justified in relying upon Hewitt's statements, then reasonable compensation for  
3 Hewitt's services was zero and any compensation above zero paid by the Northrop  
4 Plan to Hewitt for these services was unreasonable.

5 **PRAYER FOR RELIEF**

6 WHEREFORE, Plaintiffs and the Class members pray that the court grant the  
7 following relief:

8 **As to the First Claim for Relief:**

9 A. Declare that Defendants Northrop and Administrative Committee have  
10 breached their fiduciary duties to Plaintiffs and the Class members;

11 B. Order that Defendants Northrop and Administrative Committee are  
12 estopped to deny that Plaintiffs are entitled to benefits under the Northrop Plan  
13 consistent with the statements furnished to Plaintiffs and the Class members;

14 C. Surcharge Defendants Northrop and the Administrative Committee in  
15 the amount necessary to place Plaintiffs and the Class members in the position they  
16 would have occupied but for Defendants' breaches;

17 D. Reform the Northrop Plan to provide the final average pay benefits  
18 promised to Plaintiffs and Class members;

19 E. Award Plaintiffs reasonable attorneys' fees and costs of suit incurred  
20 herein pursuant to ERISA § 502(g), 29 U.S.C. § 1132(g); and

21 F. Provide such other equitable relief as the Court deems appropriate.

22 **As to the Second Claim for Relief:**

23 A. Declare that Defendant Alright has breached its fiduciary duties to  
24 Plaintiffs and the Class members;

25 B. Surcharge Defendant Alight in the amount necessary to place Plaintiffs  
26 and the Class members in the position they would have occupied but for Defendant's  
27 breaches;

28



1 C. Award Plaintiffs and the Class members reasonable attorneys' fees and  
2 costs of suit incurred herein pursuant to ERISA § 502(g), 29 U.S.C. § 1132(g); and

3 D. Provide such other equitable relief as the Court deems appropriate.

4 **As to the Third Claim for Relief:**

5 A. Declare that Defendant Administrative Committee violated ERISA §  
6 105, 29 U.S.C. § 1025;

7 B. Pursuant to ERISA § 502(a)(3), 29 U.S.C.1132(a)(3), order that  
8 Defendant Administrative Committee is estopped to deny that Plaintiffs are entitled  
9 to benefits under the Plans consistent with the statements provided to Plaintiffs and  
10 the Class members prior to their date of retirement;

11 C. Reform the Northrop Plan to provide the final average pay benefits  
12 promised to Plaintiffs and Class members;

13 D. Pursuant to ERISA § 502(a)(3), 29 U.S.C. § 1132(a)(3), award such  
14 other equitable relief as the Court deems appropriate;

15 E. Pursuant to ERISA § 502(c), 29 U.S.C. § 502(c), find the  
16 Administrative Committee personally liable to Plaintiffs in the amount of \$110 per  
17 day from the date of each separate failure to meet the requirements of ERISA §  
18 105(a), 29 U.S.C. § 1025(a);

19 F. Pursuant to ERISA § 502(c), 29 U.S.C. § 502(c), order such other relief  
20 as the Court deems proper;

21 G. Award Plaintiffs and the Class members reasonable attorneys' fees and  
22 costs of suit incurred herein pursuant to ERISA 502(g), 29 U.S.C. § 1132(g); and

23 H. Provide such other relief as the Court deems equitable and just.

24 **As to the Fourth Claim for Relief:**

25 A. Order that Alight pay Plaintiffs and the Class members damages for the  
26 harm they have suffered as a result of Hewitt's professional negligence; and

27 B. Provide such other relief as the Court deems equitable and just.

28 **As to the Fifth Claim for Relief:**

1 A. Order that Alight pay Plaintiffs damages for the harm they have  
2 suffered as a result of Hewitt’s negligent misrepresentations; and

3 B. Provide such other relief as the Court deems equitable and just.

4 **As to the Sixth Claim for Relief:**

5 A. Declare that compensation paid by the Northrop Plan to Hewitt for  
6 calculating benefits under the Northrop Plan, providing pension benefit statements,  
7 providing pension election paperwork, and related services was unreasonable;

8 B. Order that Defendants make the Northrop Plan and its participants  
9 whole for unreasonable compensation paid to Hewitt;

10 C. Award Plaintiffs and the Class members reasonable attorneys’ fees and  
11 costs of suit incurred herein pursuant to ERISA 502(g), 29 U.S.C. § 1132(g); and

12 D. Provide such other relief as the Court deems equitable and just.

13 **DEMAND FOR JURY TRIAL**

14 Plaintiffs and the Class members demand a jury trial as to their claims brought  
15 under state law.

16 Respectfully submitted

17  
18 Dated: March 29, 2019

RENAKER HASSELMAN SCOTT LLP  
KANTOR & KANTOR, LLP

19  
20 By: /s/ Elizabeth Hopkins  
21 Elizabeth Hopkins  
22 Attorneys for Plaintiffs  
23 and the Proposed Class  
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