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Is Moench the End of the Road for Employer 'Stock Drop' Claims? The ERISA 'Stock Drop' Framework Following the Second Circuit's Adoption of the Moench Presumption in In re: Citigroup ERISA Litigation

January 9, 2012

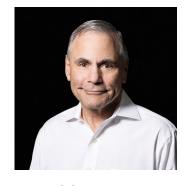
Federal courts have seen a large number of so-called "stock drop" cases from employees asserting that defined contribution plan sponsors and fiduciaries are liable for permitting allegedly imprudent investment in company stock. Much of this litigation has focused on the possible application of the "*Moench* presumption" to defendants' actions. The presumption heightens the standard for federal courts to apply when reviewing the conduct of ERISA plan sponsors and fiduciaries and makes it easier for stock-drop defendants to get claims against them dismissed.

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