



U.S. Department of Labor

News Release

[Printer Friendly Version](#)

Release Date: January 10, 2008

Release Number: 07-1958-CHI

Contact Name: Gloria Della/Brad Mitchell

Phone Number: 202.693.8666/312.353.6976

U.S. Labor Department sues Fifth Third Bank and advisor to Operating Engineers Local 324 Pension Fund in Troy, Michigan

\$28 million real estate investment sold for \$4.5 million

Troy, Michigan – The U.S. Department of Labor has sued Fifth Third Bank, an Ohio corporation and advisor to the Operating Engineers Local 324 Pension Fund in Troy, Michigan, to recover plan losses suffered when the defendants mismanaged the sale of property owned by the fund.

“The department’s action protects the workers, retirees and their families who are counting on the Operating Engineers Local 324 Pension Fund for their retirement security,” said Bradford P. Campbell, assistant secretary of the Labor Department’s Employee Benefits Security Administration (EBSA). “In taking this legal action we are seeking to recover, with interest, all the funds that are owed to the pension plan.”

The bank and Carey Milestone Advisors LLC, another Ohio company, managed real estate investments on behalf of the pension plan. Based on the advice of Carey Milestone Advisors, the bank furnished the plan with a strategy for development of property located at 1001 Woodward in Detroit, Michigan. Fifth Third Bank subsequently reversed its development strategy and sold the property to the Cavaliere Group for only \$4.5 million in 2004. At the time the sale took place, the plan had invested more than \$28 million in the property.

The lawsuit, filed in U.S. District Court in Detroit, alleges that during the period from August 25, 2003, to October 1, 2006, defendant Fifth Third Bank served as an investment manager and fiduciary, bank vice president John Schmitz acted as a fiduciary, and Carey Milestone Advisors acted as an investment advisor and fiduciary to the pension plan.

The Labor Department’s suit seeks to recover any losses owed to the plan, including interest, resulting from fiduciary violations committed by the defendants under the Employee Retirement Income Security Act.

The suit resulted from an investigation conducted by EBSA’s Cincinnati, Ohio office. Employers and workers can reach the Cincinnati Regional Office at 859.578.4680 or through EBSA’s toll-free number at 1.866.444.EBSA (3272) for help with problems relating to private sector retirement and health plans. In fiscal year 2007, EBSA achieved monetary results of \$1.5 billion related to pension, 401(k), health and other benefits for millions of American workers and their families.

Chao v. Fifth Third Bank
Civil Action Number 2:07-CV-15519

U.S. Department of Labor news releases are accessible on the Department's [Newsroom](#) page. The information in this news release will be made available in alternate format upon request (large print, Braille, audio tape or disc) from the COAST office. Please specify which news release when placing your

request at 202.693.7828 or TTY 202.693.7755. The U.S. Department of Labor is committed to providing America's employers and employees with easy access to understandable information on how to comply with its laws and regulations. For more information, please visit the Department's [Compliance Assistance](#) page.

**U.S. Department of Labor
Frances Perkins Building
200 Constitution Avenue, NW
Washington, DC 20210**

**Toll-free Hotline: 1.866.444.EBSA
Text Telephone: 1.877.889.5627
[Questions/Assistance](#)**