Federal District Court Dismisses Fiduciary Liability Claims in BP Stock Drop Lawsuit

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The U.S. Federal District Court for the Southern District of Texas dismissed stock drop claims brought against the plan fiduciary for BP?ÃÃs 401(k) plans. The plans contained employer stock funds that allowed investment in BP American Depository Shares (ADSs). The ADSs incurred a 55 percent drop after the Deepwater Horizon incident in the Gulf of Mexico. The plaintiffs claimed that plan fiduciaries should have divested BP stock because of flaws in BP?ÃÃs safety programs. In dismissing all claims, the court determined that plaintiffs failed to show that the plan fiduciaries had access to nonpublic information regarding the safety programs, and that the presumption of prudence applied. *In re BP p.l.c. ERISA Litigation*, S.D. Tex., No. 10-md-2185 (Mar. 30, 2012).

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