

## Pensions&Investments

### Great-West ordered to pay \$8 million to mayors' group

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Great-West Life & Annuity Insurance Co. was ordered Wednesday to pay \$8 million to the United States Conference of Mayors by the U.S. District Court in Washington after a jury found the company broke promises made in licensing and marketing agreements.

The USCM represents more than 1,400 U.S. cities with populations of 30,000 or more, and its subsidiary, United States Mayors Enterprises Inc., markets products to cities and their employees, including retirement plans.

In 2012, USCM and USME signed two agreements with Great-West covering licensing and joint marketing and training for 457 deferred compensation plans. At the time of the agreements, there were \$6.5 billion in plan assets, according to court documents.

In April 2016, the groups sued Great-West, claiming that it "grossly overstated" fee growth projections, failed to provide dedicated staff and did not pay fees. The lawsuit also noted that a Great-West reorganization was a distraction, and that Great-West had a conflict of interest with its state business.

Great-West denied the charges and filed a counterclaim that the USCM "failed to mitigate the damages, if any, of its own actions," according to court documents.

Stephen Gawlik, spokesman for Great-West, said the company does not comment on pending litigation, but noted the company believes the "suit and the claims it makes are without merit, and we will defend the matter vigorously."

USCM officials said in a statement that the conference "remains committed to its retirement program for 330,000-plus city employees across the nation," and the verdict will allow them to continue to support it.

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