

ESOP Class Claims Flop

MARCH 31, 2025

After an eleven-day bench trial in January 2023, the N.D. Ill. delivered a full defense verdict in March 2025 in an ERISA class action brought by participants in Segerdahl Corporation's ESOP. The court rejected the class claims against Segerdahl, its ESOP trustee GreatBanc Trust Company, and various individual defendants including board members Bob Cronin, Rod Goldstein, and Peter Mason, alleging that Segerdahl could have sold for a significantly higher price, which would have increased post-sale distributions to the ESOP participants. Winston earned an *Am Law* Litigator of the Week Shout Out for this win.

The court agreed with the position reiterated during opening and closing statements, an oral motion for judgment on partial findings, and post-trial briefing that the Board Members, highly qualified professionals with decades of relevant experience, acted in the ESOP's best interest by securing a sale of the company at its peak value. Led by Bill O'Neil, the Winston team successfully collaborated with co-defendants' counsel to ensure a unified defense strategy, resulting in an across-the-board victory.

This victory upheld the reputations of Segerdahl board members Bob Cronin, Rod Goldstein, and Peter Mason, confirming they did not breach any fiduciary duties owed to the Employee Stock Ownership Plan (ESOP) participants in connection with the 2016 sale of Segerdahl.

Rush v. Greatbanc Trust Company, et al. (Case No. 1:19-cv-00738, U.S.D.C., N.D. Ill.)

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