

Judge in Hartford Fee Case Chastises Plaintiffs, Predicts Quick Trial

By Beagan Wilcox Volz, [Ignites](#), April 19, 2016 [subscription required]

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The plaintiffs in an excessive-fee case against The Hartford have convinced the presiding judge that they deserve a trial, but just barely.

U.S. district court judge Renée Marie Bumb issued a brief opinion in March outlining her decision to allow the case to proceed to trial, but withheld the full opinion, pending certain redactions. Earlier this month, the court released the full 59-page [decision](#) that delves into the judge's reasoning and indicates that the defendants in the case may have the upper hand. In one instance, the judge accuses the plaintiffs of "cherry-picking" from depositions.

Barring a settlement, the next step for The Hartford is a trial, which would make it only the second case to go to court in the latest round of excessive-fee suits filed. **Axa Equitable** is currently wrapping up the trial of a similar suit. In recent years, more than 20 managers have been hit with claims focused on advisory and subadvisory fees and services and the differences between them.

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The plaintiffs may have made their strongest arguments with respect to the nature-and-quality-of-services prong of the Gartenberg test.

"Because the true nature of the services performed remains relatively nebulous and wrangled-over, viewing the facts in the light more favorable to Plaintiffs suggests that summary judgment on this factor is inappropriate," the judge wrote. "Moreover, with regard to the nature of the services ... some evidence exists that the quality of the services was poor."

This part of the decision is more helpful to the plaintiffs than to the defendants, says Niels Holch, executive director of the Coalition of Mutual Fund Investors.

However, the judge suggests that given other so-called Gartenberg factors, the plaintiffs only narrowly avoided having their case chucked.