

# District Court Rejects Demand for Jury Trial in 401(k) Investment Litigation

**Employee Benefits & Executive Compensation Blog** on January 25, 2022

A South Carolina federal district court denied plaintiffs' demand for a jury trial in an ERISA fiduciary-breach action. The court held that, because federal courts in the Fourth Circuit and elsewhere have consistently held that ERISA claims are equitable in nature even when plaintiffs seek monetary relief, jury trials are unavailable. The case is *Williams et al. v. Centerra Grp., LLC et al.*, 1:20-cv-04220, 2022 WL 88586 (D.S.C. Jan. 7, 2022).

Plaintiffs were participants in Centerra's 401(k) plan who alleged that the defendants breached their fiduciary duties in connection with the monitoring of various investment options that had excessive fees and underperformed. The complaint included a demand for a jury trial under Fed. R. Civ. P. 39 and the U.S. Constitution, or, alternatively, for an advisory jury under Fed. R. Civ. P. 39(c)(1).

After denying the defendants' motion to dismiss last fall, the court recently granted defendants' motion to strike plaintiffs' jury demand. First, the court concluded that ERISA does not provide a statutory right to a jury trial because plaintiffs' claims were equitable in nature; they were most akin to those actions traditionally adjudicated in a court of equity based on ERISA's derivation from the equitable law of trusts.

Second, the court observed that the Seventh Amendment only provides a right to a jury trial for suits at common law, *i.e.*, cases implicating legal, rather than equitable, rights. To determine whether a claim is legal or equitable under the Seventh Amendment, courts examine (1) the nature of the issues involved and (2) the remedy sought. Here, the court held that both prongs weighed in favor of striking plaintiffs' jury demand. In particular, plaintiffs sought an injunction and surcharge, both equitable remedies under ERISA § 502(a)(3). While plaintiffs sought compensatory damages, a traditionally legal remedy, for their fiduciary-breach claims under ERISA § 502(a)(2), the court reasoned that monetary relief is considered equitable when sought from ERISA fiduciaries.

Finally, the court denied plaintiffs' request to empanel an advisory jury to hear the case and issue an advisory ruling. The court reasoned that while Fed. R. Civ. P. 39(c)(1) permits the court to try any issue by advisory jury in cases not triable by jury as of right, doing so in this case would prolong the proceedings and increase trial costs, provide little or no value to the court, and risk unfairness to defendants.

[View Original](#)

#### [Related Professionals](#)

---

- **Russell L. Hirschhorn**  
Partner
- **Sydney L. Juliano**  
Associate