

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Case No. 1:17-cv-01579-WJM-NYW

WILLIAM M. BARRETT, individually and as the representative of a class consisting of the participants and beneficiaries of the Pioneer Natural Resources USA, Inc. 401(K) and Matching Plan,

Plaintiff,

v.

PIONEER NATURAL RESOURCES USA, INC.; THE PIONEER NATURAL RESOURCES USA INC. 401(K) AND MATCHING PLAN COMMITTEE; THERESA A. FAIRBROOK; TODD C. ABBOTT; W. PAUL MCDONALD; MARGARET M. MONTEMAYOR; THOMAS J. MURPHY; CHRISTOPHER M. PAULSEN; KERRY D. SCOTT; SUSAN A. SPRATLEN; LARRY N. PAULSEN; MARK KLEINMAN; and RICHARD P. DEALY,

Defendants.

**DEFENDANTS' ANSWER AND AFFIRMATIVE DEFENSES TO PLAINTIFF'S
FIRST AMENDED COMPLAINT**

Pursuant to Rules 7 and 8 of the Federal Rules of Civil Procedure, Defendants Pioneer Natural Resources USA, Inc. ("Pioneer"); the Pioneer Natural Resources USA, Inc. 401(k) and Matching Plan Committee (the "Committee"); Teresa A. Fairbrook, Todd C. Abbott, W. Paul McDonald, Margaret M. Montemayor, Thomas J. Murphy, Christopher M. Paulsen, Kerry D. Scott, Susan A. Spratlen, Larry N. Paulsen, Mark Kleinman, and Richard P. Dealy (collectively, the "Individual Defendants," and with Pioneer and the Committee, "Defendants") hereby answer Plaintiff William M. Barrett's ("Plaintiff") First Amended Complaint ("FAC") as follows:

GENERAL DENIALS

Except as expressly admitted below, Defendants deny each and every allegation against them and deny liability to Plaintiff. With respect to those allegations in the FAC that specify no applicable time period, Defendants have answered as of the present date.

Plaintiff includes in the FAC bolded headings purporting to characterize certain actions or events. Because the headings are not set forth in numbered paragraphs, they are not properly

pleaded facts, and no response is necessary. To the extent that Plaintiff has included headings that are inappropriate under Rules 8 and 12(f) of the Federal Rules of Civil Procedure, no response is necessary, and any such inappropriate material should be stricken. To the extent Plaintiff's headings purport to state facts to which a response is required, Defendants deny each and every such allegation. Plaintiff's headings are repeated below, solely for organizational purposes. Defendants specifically deny, and do not adopt, the characterizations set forth in these headings.

Defendants expressly reserve the right to seek to amend and/or supplement this Answer as may be necessary.

RESPONSES TO SPECIFIC ALLEGATIONS

In addition to and incorporating the above general denials, Defendants further answer the numbered paragraphs in the FAC as follows:

PRELIMINARY STATEMENT

1. Answering Paragraph 1 of the FAC, Defendants admit each and every allegation in said paragraph.

2. Answering Paragraph 2 of the FAC, Defendants admit each and every allegation in said paragraph.

3. Answering Paragraph 3 of the FAC, Defendants state that Plaintiff appears to be referring to 29 U.S.C. § 1002(34) and that the statute speaks for itself.

4. Answering Paragraph 4 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants state that Plaintiff appears to be referring to a specific court opinion and that such opinion speaks for itself.

5. Answering Paragraph 5 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants state that Plaintiff appears to be referring to a specific document and that such document speaks for itself.

6. Answering Paragraph 6 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants admit that the Plan had \$665,746,623 in assets on October 23, 2017, and admit that there are a variety of administrative and investment management services available in the 401(k) plan market; state that Plaintiff appears to be referring to a specific document and other specific, unidentified documents, and that such documents speak for themselves; and, except as admitted, deny each and every allegation in said paragraph.

7. Answering Paragraph 7 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

8. Answering Paragraph 8 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants state that Plaintiff appears to be referring to 29 U.S.C. § 1104(a)(1) and a specific court opinion, and that the statute and court opinion speak for themselves.

9. Answering Paragraph 9 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants admit that Defendant Pioneer Natural Resources USA, Inc., is the Plan Sponsor, admit that the Pioneer Natural Resources USA Inc. 401(k) and Matching Plan Committee is the Plan Administrator, admit that Vanguard was the Plan recordkeeper, admit that certain Vanguard mutual funds were included in the Plan lineup, and admit that for certain investment options in the Plan lineup Vanguard received an asset-based recordkeeping fee, but, except as admitted, deny each and every allegation in said paragraph.

10. Answering Paragraph 10 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants admit that Plaintiff purports to bring an action on behalf of the

Plan under 29 U.S.C. §§ 1132(a)(2) and (3) and 29 C.F.R. § 2550.404a-5; and, except as admitted, deny each and every allegation in said paragraph and specifically deny Defendants' liability and Plaintiff's entitlement to any requested relief.

PARTIES

The Plan

11. Answering Paragraph 11 of the FAC, Defendants admit each and every allegation in said paragraph.

12. Answering Paragraph 12 of the FAC, Defendants admit each and every allegation in said paragraph.

13. Answering Paragraph 13 of the FAC, Defendants admit each and every allegation in said paragraph.

Defendants

14. Answering Paragraph 14 of the FAC, Defendants deny that Pioneer is a wholly-owned subsidiary of Pioneer Natural Resources, Inc.; admit that Pioneer is a wholly-owned subsidiary of Pioneer Natural Resources Company; and admit the remaining allegations in said paragraph.

15. Answering Paragraph 15 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants admit that Pioneer is the Plan Sponsor as defined under 29 U.S.C. § 1002(16)(A)(i); admit that Pioneer, acting through its officers, directors, and/or agents, has discretionary authority to appoint or remove members of the Committee and to amend or modify the Plan or Trust; and, except as admitted, deny each and every allegation in said paragraph.

16. Answering Paragraph 16 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants admit that the Committee is the Plan Administrator as defined under 29 U.S.C. § 1002(16)(A)(i); admit that the Committee exercises

discretionary authority over the management and administration of the Plan, including evaluating, analyzing, and monitoring the performance and fees of investment options made available to Plan participants, selecting new investment options to be offered to Plan participants, and removing or replacing investment options offered to Plan participants; and, except as admitted, deny each and every allegation in said paragraph.

17. Answering Paragraph 17 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants admit that the Individual Defendants are current or former members of the Committee; admit that Committee members exercise discretionary authority over the management and administration of the Plan, including evaluating, analyzing, and monitoring the performance and fees of investment options made available to Plan participants, selecting new investment options to be offered to Plan participants, and removing or replacing investment options offered to Plan participants; and, except as admitted, deny each and every allegation in said paragraph.

18. Answering Paragraph 18 of the FAC, Defendants state that Plaintiff has not pled any facts in Paragraph 18, so no response is required.

Plaintiff

19. Answering Paragraph 19 of the FAC, Defendants admit that Plaintiff was employed by Pioneer in Trinidad, Colorado, until September 7, 2017, and that Plaintiff was a Plan participant until September 2017; deny that Plaintiff was employed as a Fleet Coordinator; and, except as admitted or denied, state that they lack sufficient knowledge or information to answer the allegations in said paragraph, and on that basis deny such allegations.

JURISDICTION AND VENUE

20. Answering Paragraph 20 of the FAC, Defendants state that said paragraph asserts conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants admit that this Court has subject matter jurisdiction over Plaintiff's ERISA claims.

21. Answering Paragraph 21 of the FAC, Defendants state that said paragraph asserts conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants admit that venue is proper in this district; admit that some administrative functions of the Plan occur or have occurred in this district and that at least one defendant may be found in this district; and, except as admitted, deny each and every allegation in said paragraph.

22. Answering Paragraph 22 of the FAC, Defendants state that said paragraph asserts conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants admit that this Court has specific personal jurisdiction over Defendants.

FACTUAL ALLEGATIONS

A. The Pioneer Defendants Caused the Plan Participants to Pay Excessive Recordkeeping Fees

23. Answering Paragraph 23 of the FAC, Defendants admit that Defendants selected Vanguard to serve as the Plan recordkeeper and investment platform; as to the paragraph's other allegations, Defendants state that Plaintiff appears to be referring to a specific document and that such document speaks for itself.

24. Answering Paragraph 24 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants admit that recordkeeping is a necessary service for every defined contribution plan; and, except as admitted, deny each and every allegation in said paragraph.

25. Answering Paragraph 25 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants state that they lack information or belief sufficient to answer the allegations in said paragraph, and, on that basis, deny each and every allegation in said paragraph.

26. Answering Paragraph 26 of the FAC, Defendants state that they lack information or belief sufficient to answer the allegations in said paragraph, and, on that basis, deny each and every allegation in said paragraph.

27. Answering Paragraph 27 of the FAC, Defendants deny each and every allegation in said paragraph.

28. Answering Paragraph 28 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants state that Plaintiff appears to be referring to ERISA §§ 406, 408, 29 U.S.C. §§ 1006, 1108, and that the statutes speak for themselves.

(i) The Plan Paid Unreasonable Recordkeeping Fees to Vanguard

29. Answering Paragraph 29 of the FAC, Defendants admit that, during the Relevant Period, Vanguard received compensation in multiple forms; admit that Vanguard received indirect compensation through revenue sharing from certain mutual funds offered to Plan participants during the Relevant Period; admit that Vanguard received direct compensation from certain mutual funds offered to Plan participants during the Relevant Period; but, except as admitted, deny each and every allegation in said paragraph.

30. Answering Paragraph 30 of the FAC, Defendants admit that mutual funds may offer more than one "class" of their shares to investors, that each class represents a similar interest in the mutual fund's portfolio, and that different classes charge different fees and expenses; but, except as admitted, deny each and every allegation in said paragraph.

31. Answering Paragraph 31 of the FAC, Defendants state that the paragraph contains a generalization of the concept set forth in Paragraph 30, and admit that an investor will realize a greater return on his or her investment as the annual expense ratio decreases if all other factors remain constant; but, except as admitted, deny each and every allegation in said paragraph.

32. Answering Paragraph 32 of the FAC, Defendants admit each and every allegation in said paragraph.

33. Answering Paragraph 33 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

34. Answering Paragraph 34 of the FAC, Defendants admit that Vanguard received revenue sharing payments from certain funds offered by the Plan between 2012 and 2015 and state that Plaintiff appears to be referring to specific, unidentified documents and that such documents speak for themselves.

35. Answering Paragraph 35 of the FAC, Defendants admit that, during the Relevant Period, the Plan offered a number of Vanguard-affiliated funds as investment options; and, except as admitted, deny each and every allegation in said paragraph.

36. Answering Paragraph 36 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants admit that the Plan offered certain investment options with the Vanguard Investor share class; and, except as admitted, deny each and every allegation in said paragraph.

37. Answering Paragraph 37 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants admit that, for certain investment options, Vanguard received an asset-based recordkeeping fee; and, except as admitted, deny each and every allegation in said paragraph.

38. Answering Paragraph 38 of the FAC, Defendants state that they lack information or belief sufficient to answer the allegations in said paragraph, and that Plaintiff appears to be referring to specific, unidentified documents and that such documents speak for themselves.

39. Answering Paragraph 39 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants specifically deny that participants paid any excess fees, and state

that they lack information or belief sufficient to answer the remaining allegations in said paragraph, and on that basis deny such allegations.

40. Answering Paragraph 40 of the FAC, Defendants deny that on November 30, 2015, the Plan had 4,392 participant accounts and paid \$319,432.00 in recordkeeping fees, and admit each and every other allegation in said paragraph.

41. Answering Paragraph 41 of the FAC, Defendants state that Plaintiff appears to be referring to a specific document and that such document speaks for itself.

42. Answering Paragraph 42 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

43. Answering Paragraph 43 of the FAC, Defendants deny that Vanguard provided the Committee with a proposal in 2012 in which recordkeeping fees would be charged at a fixed rate of \$53.19 per participant and state that Plaintiff appears to be referring to said presentation and that such document speaks for itself.

44. Answering Paragraph 44 of the FAC, Defendants admit that the Committee did not approve a change in the recordkeeping fees in 2012; but, except as admitted, deny each and every allegation in said paragraph.

45. Answering Paragraph 45 of the FAC, Defendants deny that Vanguard provided the Committee with a proposal in 2013 in which recordkeeping fees would be charged at a fixed rate of \$58.00 per participant and state that Plaintiff appears to be referring to said presentation and that such document speaks for itself.

46. Answering Paragraph 46 of the FAC, Defendants admit that the Committee did not approve a change in the recordkeeping fees in 2013; but, except as admitted, deny each and every allegation in said paragraph.

47. Answering Paragraph 47 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent

that such allegations require a response, Defendants deny each and every allegation in said paragraph, and specifically deny that Defendants did not monitor investment options or associated fees.

48. Answering Paragraph 48 of the FAC, Defendants deny that Vanguard provided the Committee with a proposal in 2015 in which recordkeeping fees would be charged at a fixed rate of \$74.00 per participant and state that Plaintiff appears to be referring to said presentation and that such document speaks for itself.

49. Answering Paragraph 49 of the FAC, Defendants admit that the Committee did not approve a change in the recordkeeping fees in 2015, admit that recordkeeping costs decreased in 2016; but, except as admitted, deny each and every allegation in said paragraph.

50. Answering Paragraph 50 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

51. Answering Paragraph 51 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

(ii) The Committee Failed to Seek Competitive Bids for Recordkeeping

52. Answering Paragraph 52 of the FAC, Defendants admit that there are multiple recordkeepers in the 401(k) marketplace; and, except as admitted, deny each and every allegation in said paragraph.

53. Answering Paragraph 53 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants admit that, consistent with their fiduciary duties, plan fiduciaries monitor recordkeeping and other administrative costs paid by the Plan; and, except as admitted, deny each and every allegation in said paragraph.

54. Answering Paragraph 54 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

55. Answering Paragraph 55 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants admit that they routinely monitored recordkeeping and other administrative costs paid by the Plan, including reviewing the Plan's recordkeeping arrangement and fees in 2008 and 2016; but, except as admitted, deny each and every allegation in said paragraph.

56. Answering Paragraph 56 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

B. The Pioneer Defendants Imprudently Kept the Vanguard Prime Money Market Fund as an Investment Option

57. Answering Paragraph 57 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants state that Plaintiff appears to be referring to a specific court opinion and that such opinion speaks for itself.

58. Answering Paragraph 58 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent such allegations require a response, Defendants admit that stable value funds are portfolios of assets that are managed with the objective of preserving principal and providing a stable credit rate of interest and are included in the lineups of some defined contribution plans; and, except as admitted, deny each and every allegation in said paragraph. Further, Plaintiff appears to be referring to a specific court opinion, and that opinion speaks for itself.

59. Answering Paragraph 59 of the FAC, Defendants admit that some stable value funds include a wrap contract issued by a bank, insurance company or other financial institution; but, except as admitted, deny each and every allegation in said paragraph.

60. Answering Paragraph 60 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent such allegations require a response, Defendants state that Plaintiff appears to be referring to specific, unidentified documents and that such documents speak for themselves.

61. Answering Paragraph 61 of the FAC, Defendants admit that Vanguard offers the Vanguard Retirement Trust stable value fund, that the fund offers I, III, IV, and V share classes, and that the share classes have different expense ratios; but, except as admitted, deny each and every allegation in said paragraph.

62. Answering Paragraph 62 of the FAC, Defendants admit that effective June 2, 2014, the Plan offered the Vanguard Retirement Savings Trust III to replace the Vanguard Retirement Savings Trust V, and as to Plaintiff's remaining allegations, Defendants state that the expense ratios and average returns of the Vanguard Retirement Savings Trust fund vary over time and by fund, that Plaintiff appears to be referring to specific, unidentified documents, and that such documents speak for themselves.

63. Answering Paragraph 63 of the FAC, Defendants admit that the Plan offered to participants a Vanguard money market fund as an investment option; and, except as admitted, deny each and every allegation in said paragraph and state that Plaintiff appears to be referring to specific, unidentified documents and that such documents speak for themselves.

64. Answering Paragraph 64 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required, and state that Plaintiff appears to be referring to specific, unidentified documents and that such documents speak for themselves; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

65. Answering Paragraph 65 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants admit that an investor in the Vanguard Retirement Trust is restricted from purchasing a competing investment for 90 days after withdrawing his or her money; but, except as admitted, deny each and every allegation in said paragraph.

66. Answering Paragraph 66 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

67. Answering Paragraph 67 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

68. Answering Paragraph 68 of the FAC, Defendants state that Plaintiff appears to be referring to specific, unidentified documents and that such documents speak for themselves.

69. Answering Paragraph 69 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

70. Answering Paragraph 70 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants admit that Defendants did not remove the Vanguard money market fund from the Plan lineup in March 2013; but, except as admitted, deny each and every allegation in said paragraph.

71. Answering Paragraph 71 of the FAC, Defendants admit each and every allegation in said paragraph.

72. Answering Paragraph 72 of the FAC, Defendants admit that the Plan no longer offered to participants a Vanguard money market fund as an investment option after 2016; but, except as admitted, deny each and every allegation in said paragraph.

73. Answering Paragraph 73 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

74. Answering Paragraph 74 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

C. The Pioneer Defendants Failed to Properly Disclose Recordkeeping Fees

75. Answering Paragraph 75 of the FAC, Defendants admit that 29 C.F.R. § 2550.404a-5 sets forth certain disclosure requirements applicable to ERISA plan administrators; but, except as admitted, deny each and every allegation in said paragraph.

76. Answering Paragraph 76 of the FAC, Defendants state that Plaintiff appears to be referring to 29 C.F.R. § 2550.404a-5(c)(2), and that the regulation speaks for itself.

77. Answering Paragraph 77 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required, and state that Plaintiff appears to be referring to specific, unidentified documents and that such documents speak for themselves; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

78. Answering Paragraph 78 of the FAC, Defendants state that Plaintiff appears to be referring to a specific document and that such document speaks for itself.

79. Answering Paragraph 79 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required, and state that Plaintiff appears to be referring to specific, unidentified documents and that such documents speak for themselves; to

the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

80. Answering Paragraph 80 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

81. Answering Paragraph 81 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

ERISA's Fiduciary Standards

82. Answering Paragraph 82 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants state that Plaintiff appears to be referring to ERISA § 404(a), 29 U.S.C. § 1104(a), and that the statute speaks for itself.

83. Answering Paragraph 83 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants state that Plaintiff appears to be referring to ERISA § 404(a), 29 U.S.C. § 1104(a), and that the statute speaks for itself.

84. Answering Paragraph 84 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants state that Plaintiff appears to be referring to ERISA § 405(a), 29 U.S.C. § 1105(a), and that the statute speaks for itself.

85. Answering Paragraph 85 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants state that Plaintiff appears to be referring to ERISA § 502(a)(2), 29 U.S.C. § 1132(a)(2), and that the statute speaks for itself.

86. Answering Paragraph 86 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants state that Plaintiff appears to be referring to ERISA § 409(a), 29 U.S.C. § 1109(a), and that the statute speaks for itself.

CLASS ACTION ALLEGATIONS

87. Answering Paragraph 87 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants state that Plaintiff appears to be referring to ERISA § 502(a)(2), 29 U.S.C. § 1132(a)(2), and that the statute speaks for itself.

88. Answering Paragraph 88 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants state that Plaintiff appears to be referring to specific court opinions, and that such opinions speak for themselves.

89. Answering Paragraph 89 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants admit that Plaintiff purports to assert his claims on behalf of certain Plan participants and purports to exclude certain persons or entities from the classes he purports to represent, but deny that class certification is appropriate; and, except as admitted, deny each and every allegation in said paragraph.

90. Answering Paragraph 90 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants admit that the Plan had 4,410 participants with a balance at the end of 2015. Except as so admitted, Defendants deny each and every allegation in said paragraph and specifically deny that class certification is appropriate.

91. Answering Paragraph 91 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent

that such allegations require a response, Defendants deny each and every allegation in said paragraph and specifically deny that class certification is appropriate.

92. Answering Paragraph 92 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants state that they are without sufficient knowledge or information to form a belief as to the allegations in said paragraph, and on that basis deny each and every allegation contained therein.

FIRST CLAIM FOR RELIEF

Breach of Duties of Loyalty and Prudence—Unreasonable Recordkeeping Fees Against the Committee and the Individual Defendants

93. Answering Paragraph 93 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants admit that Plaintiff purports to reallege each of the allegations set forth in the foregoing paragraphs as if fully set forth in this paragraph and Defendants restate and reincorporate by reference all responses to the allegations in the previous paragraphs of the FAC.

94. Answering Paragraph 94 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants admit that they have the duties assigned to them under the Plan's governing instruments and refer to those instruments for their contents; and, except as admitted, deny each and every allegation in said paragraph.

95. Answering Paragraph 95 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants admit that ERISA imposes fiduciary duties of prudence and loyalty on covered fiduciaries and state that Plaintiff appears to be referring to 29 U.S.C. § 1104(a)(1), and that the statute speaks for itself; but, except as admitted, Defendants deny each and every allegation in said paragraph.

96. Answering Paragraph 96 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants state that Plaintiff appears to be referring to a specific court opinion, and that such opinion speaks for itself.

97. Answering Paragraph 97 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph, and specifically deny that they failed to review and monitor the expenses of administering the Plan, that they failed to solicit competing bids for recordkeeping, or that they failed to evaluate whether the fees were reasonable.

98. Answering Paragraph 98 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

99. Answering Paragraph 99 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response Defendants deny each and every allegation in said paragraph, and specifically deny Plaintiff's entitlement to any of the requested relief.

100. Answering Paragraph 100 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response Defendants deny each and every allegation in said paragraph, and specifically deny Plaintiff's entitlement to any of the requested relief.

101. Answering Paragraph 101 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response Defendants deny each and every allegation in said paragraph, and specifically deny Plaintiff's entitlement to any of the requested relief.

SECOND CLAIM FOR RELIEF

Breach of Duties of Loyalty and Prudence—Failure to Remove the Money Market Fund Against the Committee and the Individual Defendants

102. Answering Paragraph 102 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants admit that Plaintiff purports to reallege each of the allegations set forth in the foregoing paragraphs as if fully set forth in this paragraph and Defendants restate and reincorporate by reference all responses to the allegations in the previous paragraphs of the FAC.

103. Answering Paragraph 103 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants admit that the Committee and the Individual Defendants have the duties assigned to them under the Plan's governing instruments and refer to those instruments for their contents; and, except as admitted, deny each and every allegation in said paragraph.

104. Answering Paragraph 104 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required, and state that Plaintiff appears to be referring to specific, unidentified documents and that such documents speak for themselves; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

105. Answering Paragraph 105 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

106. Answering Paragraph 106 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

107. Answering Paragraph 107 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

108. Answering Paragraph 108 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph, and state that Plaintiff appears to be referring to a specific court opinion and that such opinion speaks for itself.

109. Answering Paragraph 109 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

110. Answering Paragraph 110 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

111. Answering Paragraph 111 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph and specifically deny Plaintiff's entitlement to any of the requested relief.

112. Answering Paragraph 112 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph and specifically deny Plaintiff's entitlement to any of the requested relief.

THIRD CLAIM FOR RELIEF

Violation of Rule 404a-5 Disclosure Rules

113. Answering Paragraph 113 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such

allegations require a response, Defendants admit that Plaintiff purports to reallege each of the allegations set forth in the foregoing paragraphs as if fully set forth in this paragraph and Defendants restate and reincorporate by reference all responses to the allegations in the previous paragraphs of the FAC.

114. Answering Paragraph 114 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants state that Plaintiff appears to be referring to 29 C.F.R. § 2550.404a-5 and that the regulation speaks for itself.

115. Answering Paragraph 115 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required, and state that Plaintiff appears to be referring to specific, unidentified documents and that such documents speak for themselves; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

116. Answering Paragraph 116 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required, and state that Plaintiff appears to be referring to specific, unidentified documents and that such documents speak for themselves; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

117. Answering Paragraph 117 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

118. Answering Paragraph 118 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

119. Answering Paragraph 119 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph and specifically deny Plaintiff's entitlement to any relief.

FOURTH CLAIM FOR RELIEF

Failure to Monitor Fiduciaries Against Pioneer USA

120. Answering Paragraph 120 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants admit that Plaintiff purports to reallege each of the allegations set forth in the foregoing paragraphs as if fully set forth in this paragraph and Defendants restate and reincorporate by reference all responses to the allegations in the previous paragraphs of the FAC.

121. Answering Paragraph 121 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants admit that Pioneer is responsible for the appointment and removal of the Committee and its members to serve as Plan Administrator; and, except as admitted, deny each and every allegation in said paragraph.

122. Answering Paragraph 122 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

123. Answering Paragraph 123 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

124. Answering Paragraph 124 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the

extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

125. Answering Paragraph 125 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

126. Answering Paragraph 126 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph.

127. Answering Paragraph 127 of the FAC, Defendants state that said paragraph asserts Plaintiff's legal position and conclusions of law, to which no response is required; to the extent that such allegations require a response, Defendants deny each and every allegation in said paragraph and specifically deny Plaintiff's entitlement to any of the requested relief.

PRAYER FOR RELIEF

128. Answering Paragraph 128 of the FAC and Plaintiff's Prayer for Relief, Defendants state that said paragraph asserts Plaintiff's legal position, to which no response is required; to the extent that such allegations require a response, Defendants admit that Plaintiff purports to assert claims under ERISA and to seek the relief described; and, except as admitted, deny each and every allegation in said paragraph and specifically deny Plaintiff's entitlement to any of the requested relief.

AFFIRMATIVE DEFENSES

Defendants assert the following affirmative defenses. By alleging these affirmative defenses, Defendants do not agree or concede that they have the burden of proof on any of the issues raised in these defenses or that any particular issue or subject matter herein is relevant to Plaintiff's allegations.

First Affirmative Defense
(Failure to State a Claim)

Plaintiff fails to state a claim or cause of action upon which relief can be granted.

Second Affirmative Defense
(Standing)

Plaintiff lacks constitutional and/or statutory standing to bring the claims alleged.

Third Affirmative Defense
(Standing–No Injury)

Plaintiff lacks constitutional and/or statutory standing to bring the claims alleged because he has suffered no injury related to the purported breaches of fiduciary duties.

Fourth Affirmative Defense
(Statutes of Limitations and Repose)

Plaintiff's claims are barred in whole or in part by the applicable statute of limitations and statute of repose, including but not limited to ERISA § 413, 29 U.S.C. § 1113.

Fifth Affirmative Defense
(Failure to Allege Fraud with Particularity)

Insofar as Plaintiff purports to allege claims of breach of fiduciary duty as a result of misrepresentations, the circumstances constituting the alleged fraud or mistake have not been alleged with the requisite particularity required by Federal Rule of Civil Procedure 9(b).

Sixth Affirmative Defense

(Not Appropriate Relief under ERISA § 502(a)(2))

The requested relief does not constitute appropriate relief under ERISA § 502(a)(2), 29 U.S.C. § 1132(a)(2).

Seventh Affirmative Defense

(Prudent Action)

Without conceding that any Defendant is a fiduciary with respect to the conduct complained of by Plaintiff, Plaintiff's claims are barred in whole or in part because Defendants' actions were both procedurally and substantively prudent and cannot give rise to fiduciary liability under ERISA § 409(a), 29 U.S.C. § 1109(a).

Eighth Affirmative Defense

(Laches)

Plaintiff's claims are barred in whole or in part by the doctrine of laches.

Ninth Affirmative Defense

(Independent Control)

Plaintiff's claims, and those of the members of the putative classes, are barred in whole or in part to the extent that Plaintiff and the putative classes exercised independent control over their Plan accounts.

Tenth Affirmative Defense

(Independent Control/ERISA § 404(c))

Plaintiff's claims, and those of the members of the putative classes, are barred in whole or in part by application of ERISA § 404(c), 29 U.S.C. § 1104(c).

Eleventh Affirmative Defense

(Causation)

Plaintiff's claims are barred in whole or in part because any losses alleged by Plaintiff were not caused by any alleged breach of fiduciary duty by the Defendants.

Twelfth Affirmative Defense

(Waiver)

Plaintiff's claims are barred in whole or in part by the doctrine of waiver.

Thirteenth Affirmative Defense

(Estoppel)

Plaintiff's claims are barred in whole or in part by the doctrine of estoppel.

Fourteenth Affirmative Defense

(Reasonable Fees)

Plaintiff's claims, and those of the members of the putative classes, are barred, in whole or in part, because the challenged fees and expenses are not excessive or unreasonable.

Fifteenth Affirmative Defense

(No Fiduciary Status)

Plaintiff's claims, and those of the members of the putative classes, are barred, in whole or in part, because Defendants are not ERISA fiduciaries with respect to the conduct alleged in the FAC.

Sixteenth Affirmative Defense

(Failure to Satisfy Rule 23)

This action may not be maintained as a class action because Plaintiff cannot satisfy the prerequisites of Federal Rule of Civil Procedure 23.

Seventeenth Affirmative Defense

(Failure to Satisfy Rule 23)

Plaintiff's claims may not be maintained as a class action because any alleged injury cannot be proven on a class-wide basis with common methods of proof.

Eighteenth Affirmative Defense

(Failure to Satisfy Rule 23)

Plaintiff's claims may not be maintained as a class action because damages cannot be proven on a class-wide basis.

Nineteenth Affirmative Defense

(Failure to Satisfy Rule 23)

Plaintiff's claims may not be maintained as a class action because Plaintiff does not adequately represent the interests of proposed class members.

Twentieth Affirmative Defense

(Failure to Satisfy Rule 23)

Plaintiff's claims may not be maintained as a class action because Plaintiff's claims are not typical of claims of the putative classes.

Twenty-First Affirmative Defense
(Prohibited Transaction Exemptions)

To the extent that Plaintiff has alleged that Defendants have committed any transactions prohibited by ERISA § 406, 29 U.S.C. § 1106, Plaintiff's claims are barred in whole or in part because ERISA § 408, 29 U.S.C. § 1108, and the Prohibited Transactions Exemptions promulgated by the Department of Labor pursuant thereto, exempt all such transactions.

Reservation of Rights to Assert Additional Defenses

Defendants reserve the right to assert, and hereby give notice that they intend to rely upon, any other defense that may become available or appear during discovery proceedings or otherwise in this case and hereby reserve the right to amend their Answer to assert any such defense.

Dated: January 5, 2018

Respectfully submitted,

By: /s/ Catalina J. Vergara
Catalina J. Vergara

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