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## **Federal Court Rules in Favor of Fringe Benefit Group Against Beneco and Zane Smith; Judge orders Beneco to stop deceptive marketing and copyright infringement**

Austin, TX – February 26, 2015 -- [Fringe Benefit Group \(Fringe Insurance Benefits, Inc., FIBI\)](#), an industry leader in the design, implementation and administration of health and retirement plans for government contractors, today announced that the U.S. District Court for the Western District of Texas entered a final judgment in favor of FIBI and against Beneco, Inc. and J. Zane Smith, an officer of Beneco, as the result of a lawsuit tried in Austin.

The dispute arose when FIBI alleged that Beneco, which also offers health and retirement plans to government contractors, had engaged in various unscrupulous business practices. In support of the final judgment, Judge Austin found, among other things, that Beneco violated the Lanham Act and engaged in unfair competition by making literally false statements about endorsements or approvals that Beneco had obtained, by making literally false statements about the cost of its plans compared to the costs of FIBI's plans, and by making literally false statements that FIBI hides fees and costs. He also found that Beneco and Smith violated the Copyright Act by copying materials that were created by FIBI. The final judgment can be viewed on Beneco's website at <http://www.beneco.com>.

As part of the judgment, Judge Austin entered a permanent injunction that prohibits Beneco and Smith in the future from (1) stating or suggesting that its products are approved by the Department of Labor (DOL); (2) stating or suggesting that its products are approved by the American Subcontractors Association or the national Associated Builders and Contractors (ABC) organization; (3) making inaccurate and/or incomplete customer-specific comparisons between the costs, fees or expenses of FIBI and Beneco; (4) stating or suggesting that FIBI hides its costs, fees or expenses; or (5) stating or suggesting that FIBI does not have a 3rd party independent trustee or that FIBI's plan forces customers to take on fiduciary liability for investment selections.

The injunction also prohibits Beneco and Zane Smith (and their employees, agents and affiliates) from infringing FIBI's copyrights by copying FIBI's publications, articles, literature and/or marketing material. According to the Court's Memorandum Opinion and Order, "FIBI made considerable investment of time, talent and treasure in producing and distributing the articles to potential customers, all for naught if Beneco continues to reprint them under its own name." The judge's Memorandum Opinion and Order can be found at <http://www.beneco.com/about-us>

"We are pleased with the result of this ruling because it sets a standard for business activity that Beneco must follow moving forward," said Adam Bonsky, executive vice president of government markets for Fringe Benefit Group. "The judgment clearly establishes that it's unacceptable to engage in deceptive marketing activities. Moving forward, Beneco will not be able to plagiarize our materials or disseminate false information about our company and our products."

Fringe Benefit Group helps government contractors bid more effectively on public projects while complying with government regulations through its prevailing wage benefit program, The Contractors Plan. For more than 30 years, The Contractors Plan product has helped companies bidding on and performing work subject to the Davis-Bacon Act and Service Contract Act, state prevailing wage laws, and living and responsible wage ordinances via its integrated platform of products, compliance support and benefits administration.

Fringe Benefit Group partners with more than 600 brokers throughout the U.S. to provide major medical, retirement and specialty benefits plan (e.g., dental, vision, life and disability coverage) administration to government contractors.

#### About Fringe Benefit Group

Fringe Benefit Group and its affiliate companies have helped employers design and administer fringe benefit programs since 1983. Through its nationwide network of independent brokers and agents, FBG has established itself as the leader in administering health, welfare and retirement plans for contractors. Drawing on its expertise in the prevailing wage segment, the company also has emerged as a leader in group benefit plans designed specifically for hourly and part-time workers. For more information, log on to [www.fbg.com](http://www.fbg.com), [www.thecontractorsplan.com](http://www.thecontractorsplan.com) or [theamericanworker.com](http://theamericanworker.com).