UNITED STATES DISTRICT COURT OF
THE SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

HUMBERTO REQUIZ, on behalf of the Lennar Corporation 401(k) Plan, individually and as a representative of a class of participants and beneficiaries,

Plaintiff,

vs.

LENNAR CORPORATION,

Defendant.

CASE NO.:

CLASS ACTION COMPLAINT

Humberto Requiz ("Plaintiff") is a current participant in the Lennar Corporation 401(k) Plan ("Plan"). Plaintiff brings this action as a representative of the Plan against Lennar Corporation ("Defendant") for breach of Employee Retirement Income Security Act, 29 U.S.C. §§1001–1461 ("ERISA").

BRIEF OVERVIEW

1. This action seeks to protect the retirement savings of more than 16,000 current and former Lennar Corporation ("Lennar" or "Defendant") employees who are participants in the Lennar Corporation 401(k) Plan ("Plan").

2. Every ERISA compliant retirement plan must have a "plan document." The plan document describes a plan's terms and conditions related to the operation and administration of a retirement plan. It tells plan participants about the benefits they are entitled to under the plan and provides mandates to be used by the plan sponsor/administrator in decision-making regarding plan operations. A failure by plan fiduciaries to follow the written plan document terms is the most

blatant breach of ERISA fiduciary duties.

3. Here, Plan participants generally make pre-tax contributions to their individual Plan accounts each pay period. These contributions, along with any earnings, are immediately vested. Lennar matches a portion of the contributions participants make to their accounts. Vesting in the matching portion of participant accounts, plus actual earnings thereon, is based on years of credited service. A participant is 100% vested after a number of years of credited service, depending on certain circumstances.

4. When a Plan participant has a break in service prior to full vesting, the participant forfeits the balance of any unvested contributions in his or her individual account.

5. The Plan document controls how forfeitures are to be used by Lennar. Section 6.02 of the Plan document is titled "Allocation of Forfeitures." It provides: "[f]orfeitures **shall first be applied to reduce Plan expenses**, and the remainder, if any, shall be applied to reduce Employer Contributions and shall be allocated as provided pursuant to Sections 3.01 and 3.02." Plan Document at p. 59. (Emphasis added.) The word "shall" is obligatory, not permissive. The word "first" establishes a required sequence. The phrase "the remainder, if any" confirms that forfeitures may only be applied to reduce Employer Contributions **after** all Plan expenses have been paid. Lennar violated the terms of the Plan document by using forfeitures first to reduce its contributions to the Plan (for its own benefit) and instead of first using forfeitures to pay Plan expenses (for the benefit of the Plan). This is a fundamental breach of ERISA's fiduciary duties of prudence and loyalty.

6. Indeed, to be clear, instead of using forfeitures, as required by the terms of the Plan document, to first reduce Plan expenses and only after all Plan expenses were paid to use forfeitures then to reduce Lennar's contributions to the Plan, Lennar caused Plan participants to

pay Plan administrative expenses and instead used forfeitures to reduce its contributions to the Plan. That is, Lennar used the forfeitures to benefit itself financially and to the detriment of the Plan and Plan participants. As such, Plaintiff and all Plan participants paid Plan administrative expenses that they would not have had to pay had forfeitures been used first to pay the Plan expenses.

7. Lennar had a direct financial incentive to violate the Plan document's mandatory forfeiture hierarchy. By applying forfeitures to reduce its own contributions before eliminating all Plan expenses, Lennar cost the Plan and its participants millions of dollars that would otherwise have been contributed to the Plan.

8. Lennar acted on this financial incentive to the detriment of Plan participants. Lennar systematically prioritized reductions in its own financial contribution obligations over reductions in Plan expenses, the opposite of what the Plan document requires.

9. The benefit Lennar received was not incidental. Courts have distinguished cases where an employer's action provides a benefit to participants and an incidental benefit to the employer. Here, Lennar's violation of the mandatory hierarchy provided no benefit to Plan participants. The opposite is true. Plan participants paid for Plan expenses that they would not have had to pay for had Lennar followed the Plan document. In addition, Plan participants received the same matching contributions they were already entitled to receive. The entire benefit of Lennar's misconduct—which amounted to millions of dollars—inured exclusively to Lennar and to the detriment of the Plan and Plan participants.

10. A fiduciary acting with "an eye single" to the interests of participants would have followed the Plan document and applied forfeitures to eliminate all Plan expenses before applying any of these Plan assets to reduce Lennar's financial obligations to the Plan. Lennar

instead acted with an eye single to its own corporate treasury.

11. A prudent fiduciary would have followed the Plan document. A prudent fiduciary would have applied millions of forfeitures during the relevant time period to reduce Plan expenses instead of allowing Lennar to take the money for its own benefit and to the detriment of the Plan and Plan participants. Lennar did the opposite.

12. Plaintiff brings this action as a representative of the Plan against Lennar for breach of ERISA's fiduciary duties. Plaintiff seeks ERISA's statutorily available remedies on behalf of the Plan. Plaintiff seeks no other remedies. Plaintiff seeks no individual remedies.

JURISDICTION AND VENUE

13. This Court has exclusive jurisdiction over the subject matter of this action under 29 U.S.C. §1132(e)(1) and 28 U.S.C. §1331 because it is an action under 29 U.S.C. §1132(a)(2) and (3).

14. This judicial district is the proper venue for this action under 29 U.S.C. §1132(e)(2) and 28 U.S.C. §1391(b) because it is the district in which the Plan is administered and where alleged fiduciary breaches took place.

ERISA

15. ERISA's fiduciary duties are among "the highest known to the law" and require fiduciaries to have "an eye single to the interests of the participants and beneficiaries." *Donovan v. Bierwirth*, 680 F.2d 263, 271, 272 n.8 (2d Cir. 1982). As a fiduciary to the Plan, Lennar is obligated to act for the exclusive benefit of the Plan and to ensure that the Plan's expenses are reasonable. *Sweda v. Univ. of Pennsylvania*, 923 F.3d 320, 333 (3d Cir. 2019). Lennar must act with the "care, skill, prudence, and diligence" that would be expected in managing a plan of similar size. 29 U.S.C. § 1104(a)(1)(B). That is a tall order here, given that Lennar is responsible for

prudently protecting and growing more than $1 billion of retirement savings. A full heart and an empty head are not enough.

16. "ERISA is a remedial statute designed to protect the interests of plan participants and beneficiaries….Courts should not hasten to employ technical rules of pleading and practice to defeat that goal." *Degnan v. Publicker Industries, Inc*., 83 F.3d 27, 30 (1st Cir. 1996). This principle favors liberal construction of pleadings. *Fitzgerald v. Codex Corp*., 882 F.2d 586, 589 (1st Cir. 1989); *see also Jackson v. Truck Drivers' Union Local 42 Health & Welfare Fund*, 933 F. Supp. 1124, 1134 (D. Mass. 1996).

THE PLAN

17. The Plan is a qualified retirement plan commonly referred to as a 401(k) plan. It is subject to the provisions of ERISA.

18. The Plan is established and maintained under written documents in accordance with 29 U.S.C. §1102(a)(1).

19. Retirement plans are generally classified as follows: "Micro" plans (<$5 million in assets); "Small" plans ($5 million-<$50 million); "Mid" plans ($50 million-<$200 million); "Large" plans ($200 million-<$1 billion); and "Mega" plans (>$1 billion).

20. As of December 31, 2024, the Plan had $1,617,821,648 in assets and 16,857 participants with account balances. Thus, the Plan qualifies as a "mega" plan in the 401(k) marketplace.

21. In accordance with 29 U.S.C. § 1103(a), the assets of the Plan are held in a trust fund. The Plan is funded by a combination of wage withholdings by Plan participants and contributions by Lennar that are deposited into the Plan's trust fund. Upon their deposit into the Plan's trust fund, all participant contributions and any matching contribution by Lennar become

assets of the Plan.

22. The Plan allows eligible employees to contribute through tax-deferred salary reductions of 1% to 100% of compensation, as defined by the Plan, up to the statutory maximum permitted under the Internal Revenue Code. The Plan also permits after-tax contributions, subject to Plan and Code limits. Eligible participants may also make catch-up contributions, consistent with applicable law. When made, Lennar's matching contribution equals 100% of a participant's tax-deferred and/or Roth contributions, up to a maximum of 5% of eligible compensation.

23. The U.S. Department of Labor requires Lennar to file an annual Form 5500 Disclosure for the Plan. The Form 5500 Disclosure is part of ERISA's overall reporting and disclosure framework, which is intended to assure that employee benefit plans are operated and managed in accordance with certain prescribed standards and that participants and beneficiaries, as well as regulators, are provided or have access to sufficient information to protect the rights and benefits of participants and beneficiaries who participate in employee benefit plans.

24. Lennar has filed annual Form 5500 Disclosures for the Plan during the relevant period as required by the United States Department of Labor. Plaintiff does not contend that Lennar's fiduciary duties arise from its Form 5500 disclosures. Lennar's duties arise from the Plan document and ERISA. The Form 5500 disclosures are cited solely as Lennar's own admissions that it violated the Plan document's mandatory forfeiture hierarchy, and by extension ERISA's twin duties of prudence and loyalty.

25. Lennar signs the annual Form 5500 Disclosures under penalty of perjury and with the following declaration: "I declare that I have examined this return/report, including accompanying schedules, statements, and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete."

26. The annual Form 5500 Disclosure for the period covering the year ending 2024 (the most recent on file) provides the following sworn statement as to forfeitures:

> Forfeitures of terminated participants' non-vested accounts occurring in a Plan year are applied to reduce plan expenses and Company matching contributions. Forfeitures of approximately $1,216,000 and $77,000 were used to reduce employer contributions and administrative expenses, respectively, during the year ended December 31, 2024. Investments of forfeited funds available for future use total $1,234,345 and $806,005 as of December 31, 2024 and 2023, respectively.

27. The annual Form 5500 Disclosure for the period covering the year ending 2023 provides the following sworn statement as to forfeitures:

> Forfeitures of terminated participants' non-vested accounts occurring in a Plan year are applied to reduce plan expenses and Company matching contributions. Forfeitures during the year ended December 31, 2023 totaled $4,845,932. Forfeitures used in 2023 totaled $5,023,134. Investments of forfeited funds available for future use total $806,005 and $58,722 as of December 31, 2023 and 2022, respectively

28. All of the Plan's annual Form 5500 Disclosures for the relevant period contain similar language. All of the Plan's annual Form 5500 Disclosures admit that Lennar took for itself and used Plan forfeitures to reduce its matching contributions.

29. Section 6.02 of the Plan, entitled "Forfeitures," Section (b) expressly provides that: "[f]orfeitures **shall first be applied to reduce Plan expenses**, and the remainder, if any, shall be applied to reduce Employer Contributions and shall be allocated as provided pursuant to Sections 3.01 and 3.02." Plan Document at p. 59. (Emphasis added.)

30. The Plan's annual Form 5500 for 2024, Schedule H, reports total Plan administrative expenses of $1,307,195. The total number of Plan expenses is likely much higher because Lennar does not disclose all of the Plan expenses paid by Plan participants on the Form 5500. Yet the Form 5500 also reports that the Plan applied only $77,000 of forfeitures to Plan administrative expenses while applying about $1,216,000 of forfeitures to reduce Lennar's

contributions.

31. The annual Form 5500 for 2024 also reports that the Plan still carried a large forfeiture balance forward. It reports $1,234,345 of forfeited funds available for future use as of December 31, 2024. Lennar held the money back to invest the money for its own benefit, so that it could earn money on the investment of forfeitures and to further use that money to offset its future matching contributions to the Plan. That is, Lennar is using Plan assets for its own benefit and not for the benefit of the Plan. This is yet another rank violation of the Plan document and Lennar's ERISA fiduciary duties.

32. In 2023, the Plan's annual Form 5500 Disclosure reports that the Plan paid $1,103,144 in Plan administrative expenses (again the number is likely higher). That same year, the Plan used $5,023,134 in forfeitures and generated $4,845,932 in forfeitures, while carrying $806,005 in forfeited funds available for future use at year end. Forfeitures used by Lennar to offset its financial contributions to the Plan exceeded administrative Plan expenses by at least $3,919,990. Lennar nevertheless imposed $1,103,144 in reported administrative Plan expenses on the Plan and its participants (again, not all Plan administrative expenses are reported in the 5500s) while using Plan forfeitures to reduce Lennar's financial obligations to the Plan.

33. In 2022, the Plan paid $1,201,408 in reported administrative Plan expenses. That same year, the Plan used $1,897,759 in forfeitures and generated $1,456,563 in new forfeitures, while maintaining $58,722 in forfeited funds available for future use at year end. Forfeitures used exceeded Plan administrative expenses by at least $696,351. The Plan's Form 5500 confirmed that forfeitures were applied to reduce both Plan expenses and Lennar's matching contributions, yet the Plan still charged participants at least $1,201,408 in Plan administrative expenses.

34. In 2021, the Plan paid a reported $1,163,519 in Plan administrative expenses.

During that year, the Plan's Form 5500 reports that the Plan used $1,985,374 in forfeitures. That amount exceeded total reported Plan administrative expenses by $821,855. The Plan paid $1,163,519 in reported administrative expenses while Lennar took millions in forfeitures to reduce its matching contribution. This imposed at least $1,163,519 in Plan administrative expenses on participants that forfeitures were required to cover first.

35. In 2020, the Plan's Form 5500 reports that the Plan paid $1,025,385 in Plan administrative expenses. It also reports that the Plan used $2,122,700 in forfeitures and generated $2,175,755 in forfeitures, while still carrying $344,697 in forfeited funds available for future use at year end. The numbers show that forfeitures were more than sufficient to eliminate all Plan administrative expenses in 2020. Yet, the Form 5500 reports that the Plan and its participants still paid a reported $1,025,385 in Plan expenses.

36. Thus, Lennar admits to having wrongfully taken for itself millions of dollars of Plan assets from 2020 to 2024. Plaintiff alleges that Lennar has wrongfully taken for itself forfeitures in 2025 and 2026 as well, but Lennar has yet to disclose the amounts.

37. While Lennar's wrongful taking of the forfeitures benefitted Lennar, it harmed the Plan along with Plan participants by causing participants, like Plaintiff, to incur deductions from their individual Plan accounts each quarter, year, and/or at different time intervals to cover Plan administrative expenses that would otherwise have been covered by forfeited funds.

38. In 2022, Lennar convened and adopted the Fourth Amendment to the Plan. The Fourth Amendment addressed six specific matters: (i) clarifying dividend handling on Company Stock; (ii) granting eligibility and service credit for employees of acquired companies; (iii) accelerating vesting for certain employees; (iv) restating indemnification provisions to protect Plan fiduciaries from liability; (v) adding a mandatory arbitration provision with a class action

waiver; and (vi) updating the list of Participating Employers.

39. Notably absent from the Fourth Amendment was any consideration of whether the Plan's forfeiture allocation practices complied with the Plan document or served the best interests of Plan participants. Lennar took extensive steps to insulate itself from liability, including adding indemnification protections and attempting to require individual arbitration, while doing nothing to address the ongoing misallocation of forfeitures that was costing Plan participants millions of dollars.

THE PARTIES

Plaintiff & Standing

40. Plaintiff is a participant in the Plan under 29 U.S.C. §1002(7).

41. Plaintiff is a participant in the Plan as defined by ERISA.

42. Plaintiff's individual retirement account was injured by Lennar's breach of fiduciary duty of prudence and loyalty. The Plan administrative expenses he pays reduce the amount of his retirement savings.

43. In terms of standing, §1132(a)(2) allows recovery for a "plan" and does not provide a remedy for individual injuries distinct from plan injuries. Here, Plaintiff alleges no individual injuries distinct from Plan injuries. All remedies are sought on behalf of the Plan.

44. To the extent the Plaintiff must also show individual injury even though §1132(a)(2) does not provide redress for individual injuries, Plaintiff has standing to bring this action on behalf of the Plan because he is a current participant in the Plan and continues to be injured by Defendant's unlawful conduct.

45. To establish standing, Plaintiff need only show a constitutionally adequate injury flowing from those decisions or failures. Plaintiff alleges such an injury for each claim. Plaintiff

has standing because the challenged conduct, including Defendant's actions resulting in Plaintiff and the Plan participants paying administrative fees that they would not have had to pay had Defendant first used forfeitures to pay administrative expenses instead of for Defendant's own benefit. All Plan participants were affected by Defendant's challenged conduct in the same way because all Plan participants paid administrative expenses they should not have paid.

46. For example, Plaintiff's individual account in the Plan suffered losses because, in fact, his account was assessed Plan administrative fees, which would not have been assessed (and paid) had Defendant discharged its fiduciary duties to the Plan and first used forfeited Plan assets to pay for Plan administrative expenses and not for Defendant's own benefit.

47. All class members have standing for the same reason. Each class members' individual account in the Plan suffered losses because, in fact, each participant's account was assessed (and paid) Plan administrative fees, which would not have been assessed (and paid) had Defendant discharged its fiduciary duties to the Plan.

48. Plaintiff seeks equitable relief, including restitution of money that should have been in his account had it not been for Lennar's fiduciary breaches, as provided for by ERISA.

49. Should Plaintiff prevail, the value of Plaintiff's individual retirement account would increase as a result of any Plan recovery.

50. In terms of ERISA standing, §1132(a)(2) allows recovery for a "plan" and does not provide a remedy for individual injuries distinct from plan injuries. Here, the Plan suffered millions of dollars in losses caused by Lennar's fiduciary breaches.

51. The Plan continues suffering losses, and those injuries may be redressed by a judgment of this Court in favor of Plaintiff and the Plan. The Plan is the victim of fiduciary breaches and the Plan is the recipient of any recovery. Indeed, if Lennar acted prudently and

loyally, it would immediately correct the flaws identified in this pleading to stop losses from continuing to occur to the Plan and its participants. Lennar's refusal to do so is further evidence of its intentional, knowing, and willful failure to abide by ERISA's duties of prudence and loyalty.

Lennar

52. Defendant is the Plan Sponsor and a fiduciary of the Plan within the meaning of ERISA Section 3(21)(A), 29 U.S.C. § 1002(21)(A), because: (a) it is a named fiduciary under the Plan, (b) during the relevant time period, it exercised discretionary authority and control over Plan management and/or authority or control over management or disposition of Plan assets.

53. Defendant is also a fiduciary to the Plan because it is the Plan administrator and it exercised authority or discretionary control respecting the management of the Plan or exercised authority or control respecting the disposition of Plan assets and has discretionary authority or discretionary responsibility in the administration of the Plan. 29 U.S.C. §1002(21)(A)(i) and (iii).

Exhaustion of Administrative Remedies Would Be Futile

54. This case has a companion case, *Catenac, et al. v. Lennar Corporation*, S.D. Fla. Case No. 1:22-cv-23232-KMW.

55. The *Catenac* case also alleges Lennar breached ERISA's duty of prudence owed to the Plan. It alleges Lennar caused the Plan to pay excessive recordkeeping fees and invest plan assets imprudently.

56. In *Catenac*, Lennar sought dismissal for, among other reasons, because the plaintiffs did not first exhaust their administrative remedies under the Plan before filing suit.

57. The *Catenac* case has been stayed since 2022 due to a dispute over whether Lennar can compel arbitration against the Plan. While the case was stayed, the *Catenac* plaintiffs attempted to exhaust administrative remedies under the Plan.

58. Lennar denied the claim, stating: "Upon further review, it has been determined that the Administrative Demand does not constitute a 'claim' within the meaning of Section 10.10 of the Plan Document because Claimants do not seek benefits under the terms of the Plan Document. Instead, Claimants are accusing the various 'defendants' in the Original Complaint of breaching their fiduciary duties under 29 U.S.C. § 1104 and appear to seek relief for the Plan, instead of benefits from the Plan."

59. Like in *Catenac*, pursuing administrative remedies here would accomplish nothing. Lennar has already taken the position that fiduciary-breach allegations are not "claims" subject to the Plan's administrative process. Exhaustion would, therefore, be futile.

CLASS ACTION ALLEGATIONS

60. Plaintiff brings this action as a class action pursuant to Fed. R. Civ. P. 23 on behalf of himself and the following proposed class ("Class"):

> All persons who were participants in or beneficiaries of the Plan at any time between February 23, 2020, and the present (the "Class Period").

61. Class members are so numerous that joinder is impractical. According to the Plan's annual Form 5500 for the year ending 2024, there were more than 16,000 Plan participants with account balances as of December 31, 2024.

62. Plaintiff's claims are typical of Class members' claims. Like other Class members, Plaintiff participated in the Plan and suffered injuries because of Lennar's ERISA fiduciary breaches. Lennar treated Plaintiff the same as other Class members and managed the Plan as a single entity – as required by ERISA. Plaintiff's claims and Class members' claims thus arise out of the same conduct, policies, and practices of Lennar as alleged herein, and all members of the Class have been similarly affected by Lennar's ERISA violations and will be similarly affected in the future unless remedial measures are adopted.

63. There are questions of law and fact common to the Class, and these questions predominate over questions affecting only individual Class members. Common legal and factual questions include, but are not limited to:

A. Whether Lennar is a fiduciary of the Plan;

B. Whether Lennar breached its fiduciary duty of loyalty by engaging in the conduct described herein;

C. Whether Lennar breached its fiduciary duty of prudence by engaging in the conduct described herein;

D. Whether Lennar breached the Plan document by using Plan assets to offset its financial contributions to the Plan instead of using those assets to pay the administrative expenses of the Plan;

E. Whether Lennar caused losses to the Plan; and

F. The proper measure of relief.

64. Plaintiff will fairly and adequately represent the Class and has retained counsel experienced and competent in the prosecution of ERISA class action litigation. Plaintiff has no interests antagonistic to those of other Class members. Plaintiff is committed to the vigorous prosecution of this action and anticipates no difficulty in managing this action as a class action.

65. This action may be properly certified under Fed. R. Civ. P. 23(b)(1). Class action status in this action is warranted under Fed. R. Civ. P. 23(b)(1)(A) because prosecution of separate actions by the members of the Class would create a risk of establishing incompatible standards of conduct for Lennar. Class action status is also warranted under Fed. R. Civ. P. 23(b)(1)(B) because prosecution of separate actions by the members of the Class would create a risk of adjudications with respect to individual members of the Class that, as a practical matter, would be dispositive of the interests of other members not parties to this action, or that would substantially impair or impede their ability to protect their interests.

66. In the alternative, certification under Fed. R. Civ. P. 23(b)(2) is warranted because Lennar has acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final injunctive, declaratory, or other appropriate equitable relief with respect to the Class as a whole.

FIRST CLAIM
Breach of Fiduciary Duty of Loyalty

67. Plaintiff re-alleges and incorporates herein by reference all prior allegations in this Complaint as if fully set forth herein.

68. Pursuant to 29 U.S.C. § 1104(a)(1)(A), Defendant was required to discharge its duties to the Plan "solely in the interest of the participants and beneficiaries" and "for the exclusive purpose of: (i) providing benefits to participants and their beneficiaries; and (ii) defraying reasonable expenses of administering the plan."

69. Defendant has continually breached this duty of loyalty with respect to its control and management of the Plan's assets throughout the Class Period by choosing to utilize forfeited funds in the Plan for the benefit of Defendant rather than solely in the interest of Plan participants.

70. Instead of acting solely in the interest of Plan participants by utilizing forfeited funds in the Plan to reduce or eliminate the administrative expenses charged to the Plan and Plan participants, Defendant chose to use these Plan assets for the purpose of reducing its own financial contributions to the Plan, including by investing Plan assets and using the returns on those assets for Defendant's benefit, thereby saving Defendant millions of dollars during the Class Period at the expense of the Plan and Plan participants who were forced to incur avoidable administrative expense deductions to their individual accounts in the Plan.

71. As a direct and proximate result of Defendant's fiduciary breaches described herein, the Plan suffered injury and loss for which it is personally liable and is subject to

appropriate equitable relief, pursuant to 29 U.S.C. § 1109, including, without limitation, the disgorgement of all ill-gotten gains to Defendant resulting from the breach of its duty of loyalty.

SECOND CLAIM
Breach of Fiduciary Duty of Prudence

72. Plaintiff re-alleges and incorporates herein by reference all prior allegations in this Complaint as if fully set forth herein.

73. Pursuant to 29 U.S.C. § 1104(a)(1)(B), Defendant was required to discharge its duties with respect to the Plan "with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims."

74. Defendant has continuously breached its duty of prudence under 29 U.S.C. § 1104(a)(1)(B) throughout the Class Period by declining to use the forfeited funds in the Plan to eliminate the administrative expenses charged to participant accounts, or in other ways that benefit solely the Plan, and instead using such Plan assets to reduce the Defendant's own contributions and financial obligations owed to the Plan.

75. Defendant failed to engage in a reasoned and impartial decision-making process to determine that using the forfeited funds in the Plan to reduce the Defendant's own contribution expenses, as opposed to the administrative expenses charged to Plan participant accounts, was in the best interest of the Plan's participants or was prudent under the circumstances considering the language in the Plan document and disclosures to Plan participants, and failed to consider whether participants would be better served by another use of these Plan assets after considering all relevant factors.

76. By declining to use forfeited funds in the Plan to eliminate the administrative expenses charged to participant accounts and instead using Plan assets to reduce the Defendant's

own contribution expenses, Defendant caused the Plan to incur and pay for expenses that would otherwise have been covered in whole or in part by utilizing the forfeited funds to pay Plan expenses.

77. A prudent fiduciary would have recognized that applying forfeitures to Plan administrative expenses directly benefits all Plan participants by reducing the drag on their account balances caused by expense deductions.

78. Lennar's prioritization of its own financial interests, without any reasoned evaluation of Plan participants' interests, constitutes a breach of the duty of prudence.

79. As a direct and proximate result of Defendant's fiduciary breaches described herein, the Plan suffered injury and loss for which Defendant is personally liable and subject to appropriate equitable relief, pursuant to 29 U.S.C. § 1109, including, without limitation, the disgorgement of all ill-gotten gains resulting from the breach of its ERISA duty of prudence.

THIRD CLAIM
Failure to Adequately Monitor Other Fiduciaries

80. Plaintiff re-alleges and incorporates herein by reference all prior allegations in this Complaint as if fully set forth herein.

81. Defendant is the named fiduciary with the overall responsibility for the control, management and administration of the Plan, in accordance with 29 U.S.C. §1102(a). Defendant is the Plan administrator of the Plan under 29 U.S.C. §1002(16)(A)(i) with exclusive responsibility and complete discretionary authority to control the operation, management and administration of the Plan, with all powers necessary to enable it to properly carry out such responsibilities, including the selection and compensation of the providers of administrative services to the Plan.

82. Given that Defendant had the overall responsibility for the oversight of the Plan, Defendant had a fiduciary responsibility to monitor the performance of the other fiduciaries and

service providers, including those delegated fiduciary responsibility to administer and manage Plan assets.

83. A monitoring fiduciary must ensure that its monitored fiduciaries and service providers are performing their obligations in a prudent manner and at a reasonable cost to the Plan and must take prompt and effective action to protect the Plan and participants when they are not. Defendant breached its fiduciary monitoring duties by, among other things:

a. Failing to monitor its appointees, to evaluate their performance, or to have a system in place for doing so, and standing idly by as the Plan suffered losses as a result of its appointees' imprudent actions and omissions with respect to the Plan;

b. Failing to ensure that the monitored fiduciaries and service providers had a prudent process in place for evaluating the Plan's administrative fees and forfeited funds and ensuring that forfeited funds were first used to pay administrative fees; and

c. Failing to remove monitored fiduciaries whose performance was inadequate in that they continued to use forfeited funds for Defendant's benefit and to the detriment of the Plan and all Plan participants.

84. Had Defendant discharged its fiduciary monitoring duties prudently as described above, the losses suffered by the Plan would have been minimized or avoided. Therefore, as a direct result of the breaches of fiduciary duty alleged herein, the Plan and Plan participants lost millions of dollars of retirement savings.

FOURTH CLAIM
Prohibited Transaction

85. Plaintiff re-alleges and incorporates herein by reference all prior allegations in this Complaint as if fully set forth herein.

86. 29 U.S.C. § 1106(a)(1) provides that "[a] fiduciary with respect to a plan shall not cause the plan to engage in a transaction, if he knows or should know that such transaction constitutes a direct or indirect . . . exchange . . . of any property between the plan and a party in interest . . . or use by or for the benefit of a party in interest, of any assets of the plan."

87. Defendant is a party in interest, as that term is defined under 29 U.S.C. §1002 (14), because it is a Plan fiduciary and because Defendant is the employer of Plan participants.

88. Defendant reports in the Plan's annual Form 5500s that it caused forfeited funds to be removed from the Plan trust, invested outside of the Plan trust, and that Defendant then used earnings on those Plan assets to offset Defendant's financial obligations to the Plan. These are transactions for purposes of 29 U.S.C. § 1106. Defendant's use of forfeited funds in this regard is a rank violation of ERISA's prohibited transaction rules.

89. By electing to use forfeited funds in the Plan as a substitute for Defendant's financial obligations to the Plan, and thereby saving Defendant millions of dollars, Defendant caused the Plan to engage in transactions that constituted a direct or indirect exchange of existing Plan assets for the benefit of a party in interest (Defendant).

90. As a result of these prohibited transactions, Defendant caused the Plan to suffer losses in the amount of the Plan assets that were taken by Defendant and used by Defendant for Defendant's benefit and to the detriment of the Plan.

91. Defendant is personally liable under 29 U.S.C. § 1109(a) to make good to the Plan any losses to the Plan resulting from the prohibited transactions alleged in this claim, to reverse

and/or correct the prohibited transactions, to restore to the Plan all assets and profits obtained through the use of Plan assets and is subject to other equitable or remedial relief as appropriate.

PRAYER FOR RELIEF

For these reasons, Plaintiff, on behalf of the Plan and all Plan participants, respectfully requests that the Court:

1. Find and declare that the Defendant has breached its fiduciary duties and engaged in prohibited conduct and transactions as described above;

2. Find and adjudge that Defendant is personally liable to make good to the Plan all losses to the Plan resulting from each violation of ERISA described above, and to otherwise restore the Plan to the position it would have occupied but for these violations;

3. Determine the method by which Plan losses under 29 U.S.C. §1109(a) should be calculated;

4. Order disgorgement of all assets and profits secured by Defendant as a result of each ERISA violation described above;

5. Order Defendant to provide all accountings necessary to determine the amounts Defendant must make good to the Plan under §1109(a);

6. Remove the fiduciaries who have breached their fiduciary duties and enjoin them from future ERISA violations;

7. Surcharge against Defendant and in favor of the Plan all amounts involved in any transactions which such accounting reveals were improper, excessive and/or in violation of ERISA;

8. Certify the Class, appoint the Plaintiff as class representatives, and appoint their counsel as Class Counsel;

9. Award to the Plaintiff and the Class their attorney's fees and costs under 29 U.S.C. §1132(g)(1) and the common fund doctrine;

10. Order the payment of interest to the extent it is allowed by law; and

11. Grant other equitable or remedial relief as the Court deems appropriate.

DATED this 2nd day of March, 2026.

Respectfully submitted,

/s/ Brandon J. Hill

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