JS-6

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No. 2:25-cv-00525-JLS-JC Date: June 13, 2025
Title: Daniel J. Wright v. JPMorgan Chase & Co et al

Present: **Honorable JOSEPHINE L. STATON, UNITED STATES DISTRICT JUDGE**

Kelly Davis	N/A
Deputy Clerk	Court Reporter
Attorneys Present for Plaintiffs:	Attorneys Present for Defendant:
Not Present	Not Present

PROCEEDINGS: (IN CHAMBERS) ORDER GRANTING MOTION TO DISMISS (Doc. 30)

Before the Court is a Motion to Dismiss filed by Defendants JPMorgan Chase & Co. and JPMorgan Chase Bank, N.A. (collectively, "JPM"). (Mot., Doc. 30.) Plaintiff Daniel J. Wright opposed, and JPM responded. (Opp., Doc. 37; Reply, Doc. 40.) Having taken the matter under submission, and for the following reasons, the Court GRANTS the Motion.

I. BACKGROUND

Plaintiff Daniel J. Wright brings this putative class action against Defendants JPM and Does 1–10 for violations of the Employment Retirement Income Security Act ("ERISA"). (Compl., Doc. 1.) At all times relevant to this action, Plaintiff participated in a JPMorgan Chase 401K Savings Plan (the "Plan")—a "defined contribution, individual account, employee pension benefit plan under 29 U.S.C. § 1002(2)(A) and § 1002(34)."[1] (*Id.* ¶ 6.)

[1] Defendants request that the Court take judicial notice of the Plan documents. (Request for Judicial Notice, Doc. 30-2.) Although a court generally cannot consider materials outside the pleadings on a motion to dismiss, under the incorporation by reference doctrine, a district court

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The Plan is subject to the provisions of ERISA pursuant to 29 U.S.C. § 1003(a). (*Id.* ¶ 6.) Under ERISA, an individual account or defined contribution plan "means a pension plan which provides for an individual account for each participant and for benefits based solely upon the amount contributed to the participant's account, and any income, expenses, gains and losses, and any forfeitures of accounts of other participants which may be allocated to such participant's account." 29 U.S.C. § 1002(34). The Plan "is funded by a combination of employee/participant contributions (usually paid through wage withholdings) and employer [matching] contributions, which are deposited into the Plan's trust fund." (*Id.* ¶¶ 12–13.) Plan expenses are paid from assets in the Plan and charged to participants' accounts unless JPM decides otherwise. (Plan § 6.9.)

JPM's contributions to the Plan are subject to a three-year vesting schedule. (Compl. ¶ 14.) That is, participants must stay employed by JPM for three years before they become fully vested in their employer contributions. (*Id.*) If a participant has a "break in service" before the full vesting of JPM's contributions, the participant forfeits the balance of JPM's unvested matching contributions to the Plan's trust fund. (*Id.* ¶ 15.) JPM then has control over how those forfeited contributions are used. (*Id.*) The Plan directs that forfeited amounts must be used to either (1) "reduce future contributions of the Participating Company" or (2) pay "such Participating Company's share of Plan expenses not paid directly by the Plan"; however, "if no future contributions are anticipated to be made by such Participating Company," forfeitures must be used to

may "consider documents 'whose contents are alleged in a complaint and whose authenticity no party questions, but which are not physically attached to the [plaintiff's] pleading.'" *See In re Silicon Graphics Inc. Sec. Litig.*, 183 F.3d 970, 986 (9th Cir. 1999), *as amended* (Aug. 4, 1999) (quoting *Branch v. Tunnell*, 14 F.3d 449, 454 (9th Cir. 1994)). Because the Plan forms the basis of Plaintiff's claims and no party contests its authenticity, the Court will consider the Plan documents as incorporated by reference in Plaintiff's Complaint.

"reduce future contributions of the Bank or the Bank's share of Plan expenses not paid directly by the Plan." (Plan § 4.6.)

Plaintiff alleges that Defendants violated ERISA by "wrongfully and consistently us[ing] forfeited nonvested plan assets for [their] own benefit, to reduce future employer contributions, rather than for the benefit of Plan participants." (Compl. ¶ 16.) Put differently, Plaintiff argues that Defendants' decision to use Plan assets to reduce future employer contributions, rather than to pay Plan expenses, harms Plan participants by "reducing Plan assets, not allocating forfeited funds to participants' accounts, and/or by causing participants to incur expenses that could otherwise have been covered in whole or in part by forfeited funds." (*Id.* ¶ 18.) Based on these allegations, Plaintiff brings claims for (1) breach of fiduciary duty under 29 U.S.C. § 1104(a); (2) breach of ERISA's anti-inurement provision under 29 U.S.C. § 1103(c)(1); (3) breach of ERISA's prohibited transactions under 29 U.S.C. § 1106; and (4) failure to monitor fiduciaries. (*Id.* ¶¶ 32–54.)

II. ANALYSIS

Defendants move to dismiss the Complaint in its entirety, arguing that (1) Plaintiff lacks standing to pursue this action under Article III of the Constitution, and (2) Plaintiff fails to state any claim. (Mot. at 2.) As Article III standing is "a jurisdictional prerequisite to a federal court's consideration of any claim[,]" the Court addresses this issue first. *DaVita, Inc. v. Amy's Kitchen, Inc.*, 379 F. Supp. 3d 960, 967 (N.D. Cal. 2019), *aff'd*, 981 F.3d 664 (9th Cir. 2020).

A. Standing

Defendants argue that Plaintiff lacks standing under Article III because he does not allege that Defendants deprived him of any benefits the Plan promised him, or that his individual account suffered any financial harm. (Mot. at 12–15.) To establish standing, a plaintiff must demonstrate that (1) he suffered an injury in fact, (2) the injury is fairly traceable to challenged conduct, and (3) the injury would likely be redressed by the requested judicial relief. *See Lujan v. Defs. of Wildlife*, 504 U.S. 555, 560–61 (1992). A plaintiff establishes an injury in fact when he has suffered an invasion of a legally protected interest that is "concrete and particularized," meaning the injury must "actually exist" and "must affect the plaintiff in a personal and individual way." *Spokeo, Inc. v. Robins*, 578 U.S. 330, 339–40 (2016).

Here, Plaintiff alleges that Defendants chose to use forfeited funds to reduce JPM's contributions to the Plan instead of reducing administrative expenses charged to his individual account. (Compl. ¶¶ 16–18.) As a result, Plaintiff claims he experienced diminished account balances and reduced investment returns. (*Id.*; Opp. at 8–9.) The Court finds that these allegations sufficiently demonstrate that Plaintiff suffered a "concrete and particularized" economic injury attributable to Defendants' conduct. *Spokeo*, 578 U.S. at 339; *see Dimou v. Thermo Fisher Scientific Inc.*, 2024 4508450, at *3 (S.D. Cal. Sept. 19, 2024) (concluding that plaintiff established standing where she alleged that defendants' failure to use forfeited contributions to pay administrative expenses resulted in a reduction in plaintiff's account).

Defendants counter that Plaintiff did not suffer an injury in fact because the Plan does not mandate that JPM use forfeited funds to pay administrative fees. (*See* Mot. at 13 ("Plaintiff has [no] personal entitlement to unallocated forfeitures in the Plan.").) However, as one district court recently explained, "[t]his argument misses the mark" because "[t]he allegedly wrongful conduct, here, involves a violation of the ERISA statute, not of the Plan." *See McManus v. Clorox Co.* ("*McManus I*"), 2024 WL 4944363, at *2 (N.D. Cal. Nov. 1, 2024). Put differently, Plaintiff's theory, at least in part, is that Defendants' practice of using the forfeitures to offset JPM's future contributions violates ERISA, even if the Plan authorizes that practice. Though

Defendants challenge the viability of the theory underlying Plaintiff's claims, the Court finds this challenge does not constitute an attack on standing but instead goes toward whether Plaintiff has plausibly stated his claims.

Finally, the Court concludes that Plaintiff's injury is likely to be redressed by the requested relief. *Lujan*, 504 U.S. at 560–61. Plaintiff argues that if he prevails, the Court will have found that Defendants violated ERISA by misusing the forfeited contributions, and any remedial court order would likely direct Defendants to restore the expenses unlawfully deducted from Plaintiff's and other Plan participants' accounts. (Compl. ¶ 19; Opp. at 10.) Defendants argue that Plaintiff's theory of redressability "is premised on a distortion of the Plan terms" because, according to Defendants, the Plan does not allow JPM to use forfeited funds to pay *participants*' share of expenses. (Reply at 7.) Rather, Defendants maintain that Section 4.6 of the Plan authorizes JPM to use forfeited funds only to reduce future employer contributions or to pay *JPM*'s share of the Plan expenses. (Mot. at 14.) But Defendants' argument rests on their own interpretation of the Plan's terms—an interpretation that Plaintiff disputes. (*See* Opp. at 13–14 (arguing that Defendants' reading of Section 4.6 is "implausible and strained").) Under Plaintiff's interpretation of the Plan, JPM was authorized to use forfeited funds to pay participants', as well as its own, share of Plan expenses. (*Id.*) To the extent Defendants challenge the validity of Plaintiff's interpretation of the Plan, the Court finds that this, too, constitutes an attack on the sufficiency of Plaintiff's allegations to state a claim under ERISA, not on standing.

Accordingly, Plaintiff has adequately demonstrated Article III standing to bring this action.

B. Failure to State a Claim

Defendants also move to dismiss Plaintiff's Complaint for failure to state a claim pursuant to Federal Rule of Civil Procedure 12(b)(6). (Mot. at 2.) To survive a 12(b)(6) motion, the complaint must contain "sufficient factual matter … to 'state a claim to relief that is plausible on its face.'" *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). "A claim has facial plausibility when the pleaded factual content allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." *Id*. (citing *Twombly*, 550 U.S. at 556). The court may dismiss a claim "where there is either a lack of a cognizable legal theory or the absence of sufficient facts alleged under a cognizable legal claim." *Hinds Invs., L.P. v. Angioli*, 654 F.3d 846, 850 (9th Cir. 2011). In ruling on a Rule 12(b)(6) motion, courts must accept as true all "well-pleaded factual allegations" in the complaint and draw all reasonable inferences in favor of the non-moving party. *Iqbal*, 556 U.S. at 679; *Daniels-Hall v. Nat'l Educ. Ass'n*, 629 F.3d 992, 998 (9th Cir. 2010).

1. Breach of Fiduciary Duties of Loyalty and Prudence (Claim 1)[2]

To protect the benefits due to employees under a plan, ERISA requires a fiduciary to "discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries." 29 U.S.C. § 1104(a)(1). The duty of loyalty under ERISA requires a fiduciary to act "for the exclusive purpose of: (i) providing benefits to participants and

[2] "To state a claim for breach of fiduciary duty under ERISA, a plaintiff must allege that (1) the defendant was a fiduciary; (2) the defendant breached a fiduciary duty; and (3) the plaintiff suffered damages." *Bafford v. Northrop Grumman Corp.*, 994 F.3d 1020, 1026 (9th Cir. 2021). Defendants move for dismissal of Plaintiff's breach of fiduciary duty claim based on both the first and second prongs of *Bafford*. (Mot. at 21–25.) Because the Court ultimately concludes that Plaintiff fails to satisfy the second *Bafford* prong, the Court need not consider the first *Bafford* prong. The Court therefore assumes for purposes of the instant motion that Plaintiff plausibly alleges that Defendants are fiduciaries within the meaning of ERISA.

their beneficiaries; and (ii) defraying reasonable expenses of administering the plan." 29 U.S.C. § 1104(a)(1). As to the duty of prudence, ERISA requires a fiduciary to act "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." 29 U.S.C. § 1104(a)(1)(B).

Plaintiff claims that Defendants placed their own interests above the interests of Plan participants by choosing to use forfeited funds to reduce their own contributions rather than to pay Plan administrative expenses, and thereby violated the duties of loyalty and prudence. (Compl. ¶¶ 33–35.) Notably, Plaintiff does not dispute that Defendants' use of forfeited funds to offset their own contributions comported with the terms of the Plan. Nor could he. Section 4.6 of the Plan explicitly grants Defendants discretion to use forfeited funds for this purpose. (Plan § 4.6.) Plaintiff also does not contest that the law allows Defendants to use forfeited funds to reduce employer contributions; indeed, any theory to the contrary would mark a significant departure from decades of well-settled precedent. *See Hutchins v. HP Inc. ("Hutchins II")*, 767 F. Supp. 3d 912, 923 (N.D. Cal. 2025) (discussing "the long history of using forfeitures to reduce employer contributions"). Plaintiff instead raises a relatively novel theory under ERISA, arguing that it constitutes a breach of fiduciary duty to allocate forfeited funds to reduce employer contributions rather than to pay administrative expenses, even where the Plan grants its administrators discretion to use forfeited funds for either of those purposes.

Plaintiff's theory suffers from two key deficiencies, each of which constitutes an independent basis for dismissal of this claim.

First, Plaintiff's theory rests on the flawed assumption that the Plan gives Defendants discretion to use forfeited funds to pay administrative expenses that would otherwise be covered by Plan participants. But the Plan does *not* in fact allow Defendants to use forfeited funds to pay participants' share of administrative expenses.

Section 4.6 of the Plan, which governs forfeited contributions, provides that such forfeitures must be used to either (1) "reduce future contributions of the Participating Company," or (2) "if no future contributions are anticipated to be made by such Participating Company," to "reduce future contributions of the Bank or the *Bank's share* of Plan expenses not paid directly by the Plan." (Plan § 4.6 (emphasis added).) Plaintiff insists that the term "share" as used in this Section is meant to differentiate between the share of expenses owed by "the Bank" (here, JPM) and the "Participating Company," rather than JPM and Plan participants. (Opp. at 12–13.) However, neither the Plan nor common sense supports this interpretation. The Plan could have been drafted—as in other cases—to allow Defendants to use forfeitures to pay only participants' share of Plan expenses or to pay "Plan expenses" generally. *See, e.g., Dimou*, 2024 WL 4508450, at *1 (evaluating forfeiture-based ERIS theory where plan authorized defendants to use forfeitures to "pay reasonable expenses of the Plan" but only "to the extent not paid by the [e]mployer"); *Hutchins v. HP Inc.* ("*Hutchins I*"), 737 F. Supp. 3d 851, 856–57 (N.D. Cal. 2024); (evaluating forfeiture-based ERISA theory where plan authorized defendants to use forfeitures to "pay Plan expenses"). The only reasonable interpretation of Section 4.6 is thus that it allows Defendants to use forfeited amounts to pay JPM's share, not participants' share, of Plan expenses. As Plaintiff points to no provision of the Plan authorizing Defendants to use forfeited amounts to pay participants' share of Plan expenses, [3] the Court concludes that the Plan in fact precludes Defendants from doing so. This renders Plaintiff's theory of breach of fiduciary duty unviable because, despite

[3] The Court rejects Plaintiff's contention that Sections 6.9 and 12.10 of the Plan "undermine" Defendants' reading of Section 4.6. (Opp. at 14.) Neither Section 6.9 nor 12.10 pertains to Defendants' use of forfeited amounts, let alone authorizes Defendants to use forfeitures to pay participants' share of Plan expenses.

Plaintiff's insistence otherwise, Defendants could not have used forfeited amounts to offset costs that would have been borne by participants.

Second, even if the Plan did allow Defendants to use forfeited amounts to pay participants' share of expenses, Plaintiff's theory still fails because it contravenes ERISA and decades of settled precedent. Within the past year alone, several district courts in the Ninth Circuit have rejected forfeiture-based ERISA challenges that are nearly identical to that at issue in this case. *See Hutchins I*, 737 F. Supp. 3d at 860–64; *Dimou v. Thermo Fisher Scientific Inc.*, 2024 WL 4508450 (S.D. Cal. Sept. 19, 2024); *Sievert v. Knight-Swift Transportation Holdings, Inc.*, 2025 WL 1248922 (D. Az. Apr. 30, 2025); *Madrigal v. Kaiser Foundation Health Plan, Inc.*, 2025 1299002 (C.D. Cal. May 2, 2025).

The Court is persuaded by *Hutchins* and its progeny, all of which concluded that breach of fiduciary duty claims like the one presented here seek to stretch the fiduciary duties of loyalty and prudence beyond what ERISA requires. Like in *Hutchins*, the "import of [Plaintiff's] allegations is that, if given the option between using forfeited funds to pay administrative costs or to reduce employer contributions, a fiduciary is *always* required to choose to pay administrative costs." *Hutchins I*, 737 F. Supp. 3d at 862 (emphasis in original). This theory runs contrary to the Supreme Court's instruction that the plausibility of allegations of breach of fiduciary duty is a "context specific" inquiry dependent on the particular circumstances at issue. *Fifth Third Bankcorp v. Dudenhoeffer*, 573 U.S. 409, 421 (2014). Moreover, this theory ignores that ERISA does not require fiduciaries to "maximize pecuniary benefits" or to "resolve every issue of interpretation in favor plan beneficiaries." *Wright v. Oregon Metallurgical Corp.*, 360 F.3d 1090, 1100 (9th Cir. 2004) (internal quotation marks omitted) (citing *Collins v. Pension & Ins. Comm. Of So. Cal. Rock Prods. & Ready Mixed Concrete Ass'ns*, 144 F.3d 1279, 1282 (9th Cir. 1998) (*per curiam*)). As the Supreme Court has explained, ERISA's "principal function" is to "protect contractually defined benefits." *US Airways, Inc. v. McCutchen*, 569 U.S. 88, 100 (2013) (internal quotation and citation omitted).

The fiduciary duty is thus fulfilled "where the fiduciary ensures that participants have received their *promised* benefits." *Hutchins II*, 767 F. Supp. 3d at 924 (emphasis added); *Lockheed Corp. v. Spink*, 517 U.S. 882, 887 (1996) ("ERISA … seek[s] to ensure that employees will not be left empty-handed once employers have guaranteed them certain benefits."); *Wright*, 360 F.3d at 1100 ("ERISA does no more than protect the benefits which are due to an employee under a plan.")

Here, there is no allegation that Plaintiff or any Plan participant did not receive the benefits they were promised under the terms of the Plan. Nor is there any allegation that Defendants violated the terms of the Plan by using the forfeited funds to offset their own contributions. The Court is cognizant of Plaintiff's practical concerns about how Defendants have chosen to design the Plan and use forfeited amounts. But Plaintiff has failed to show how those choices violate the applicable law especially where, as here, it is undisputed that the terms of the Plan give Defendants discretion to use forfeitures to reduce their own contributions. Because Plaintiff's theory of liability would contravene decades of federal regulations suggesting that using forfeitures to reduce employer contributions is entirely permissible, and would necessarily "create benefits beyond what was promised in the Plan itself," the Court concludes that Plaintiff has failed to state a claim under ERISA. *Hutchins II*, 767 F. Supp. 3d. at 923.

In response, Plaintiff identifies three district court decisions denying motions to dismiss in forfeiture-based ERISA cases. *Rodriguez v. Intuit Inc.*, 744 F. Supp. 3d 935 (N.D. Cal. 2024); *Perez-Cruet v. Qualcomm Inc*., 2024 WL 2702207 (S.D. Cal. May 24, 2024); *McManus v. Clorox Co.* ("*McManus II*"), 2025 WL 732087 (N.D. Cal. Mar. 3, 2025). However, Plaintiff's reliance on these cases is misplaced. The theories addressed in *Intuit* and *Qualcomm* are meaningfully different from that advanced here, as the plaintiffs there alleged that the defendants' use of forfeitures violated the express terms of the plans at issue. *McManus* is the only case cited by Plaintiff in which a district court found that a plaintiff stated a cognizable breach of fiduciary duty claim, even though the defendants' use of forfeitures was undisputedly consistent with the plan's terms. But the plan in *McManus* expressly permitted the defendants to use forfeitures to "pay Plan expenses" generally. *McManus I*, 2024 WL 4944363, at *4 (emphasis added). In contrast, as discussed above, the Plan here permitted Defendants to use forfeitures to pay JPM's share, but not participants' share, of expenses.

The Court therefore DISMISSES Plaintiff's breach of fiduciary duty claim.

2. Breach of ERISA's Anti-Inurement Provision (Claim 2)

ERISA's anti-inurement provision states that "the assets of a plan shall never inure to the benefit of any employer and shall be held for the exclusive purposes of providing benefits to participants in the plan and their beneficiaries and defraying reasonable expenses of administering the plan." 29 U.S.C. § 1103(c)(1). The anti-inurement inquiry "focuses exclusively on whether fund assets were used to pay … benefits to plan participants[.]" *Hughes Aircraft Co. v. Jacobson*, 525 U.S. 432, 442 (1999); *see also Raymond B. Yates, M.D., P.C. Profit Sharing Plan v. Hendon*, 541 U.S. 1, 22 (2004).

Plaintiff claims that "[b]y using the Plan assets for [their] own benefit, to reduce [their] own future employer contributions to the Plan, thereby saving [themselves] millions of dollars in contribution costs, Defendants caused the assets of the Plan to inure to the benefit of the employer in violation of 29 U.S.C. § 1103(c)(1)." (Compl. ¶ 42). But as Defendants point out, Plaintiff does not allege that any of the forfeited assets at issue ever left the Plan. (Mot. at 25.) Nor does Plaintiff allege that Defendants used Plan assets "for a purpose other than to pay [their] obligations to the Plan's beneficiaries." *Hughes Aircraft*, 525 U.S. at 442–43. The absence of such allegations dooms Plaintiff's claim. *See id.*; *see also Madrigal*, 2025 WL 129902 at *6 (concluding that plaintiff failed to state an anti-inurement claim because she did not allege that defendants removed any of the forfeited assets at issue from the Plan and collecting cases holding the same).

Accordingly, Plaintiff's anti-inurement claim is DISMISSED.

3. Breach of ERISA's Prohibited Transactions (Claim 3)

ERISA provides that a fiduciary "shall not cause the plan to engage in a transaction, if he knows or should know that such transaction constitutes a direct or indirect"—

> (A) sale or exchange, or leasing, of any property between the plan and a party in interest; (B) lending of money or other extension of credit between the plan and a party in interest; (C) furnishing of goods, services, or facilities between the plan and a party in interest; (D) transfer to, or use by or for the benefit of a party in interest, of any assets of the plan; or (E) acquisition, on behalf of the plan, of any employer security or employer real property in violation of section 1107(a) of this title.

29 U.S.C. § 1106(a)(1). ERISA also prohibits certain "transactions between plan and fiduciary," including where a fiduciary "deal[s] with the assets of the plan in his own interest or for his own account[.]" *Id.* § 1106(b)(1). To allege a violation of Section 1106, a plaintiff must identify a prohibited transaction. *See Spink*, 517 U.S. at 888.

Defendants argue that Plaintiff fails to allege a prohibited transaction within the meaning of Section 1106. The Court agrees. As discussed above, Plaintiff's allegations reflect that the forfeited funds remain Plan assets and are simply reallocated to provide benefits to other employees through use as matching contributions. In *Wright*, the Ninth Circuit held that an employer's decision to hold certain plan assets in employer stock was not a "transaction," but "merely a lawful decision to remain in full compliance with the explicit language of the Plan's terms." *Wright*, 360 F.3d at 1101. The same logic applies here: because Defendants' reallocation of Plan assets to provide benefits to employees as matching contributions was explicitly permitted by the Plan's terms, that reallocation does not constitute a prohibited transaction.

Plaintiff's prohibited transactions claim is therefore DISMISSED. *See Dimou*, 2024 4508450, at *11; *see also Hutchins I*, 737 F. Supp. 3d at 868–869.

4. Failure to Monitor Fiduciaries (Claim 4)

Plaintiff concedes that his failure to monitor claim is derivative of his underlying claim for breach of fiduciary duty. (Opp. at 26.) Because Plaintiff has not alleged a plausible breach of fiduciary duty claim, his failure to monitor claim is also DISMISSED. *See Partida v. Schenker Inc.*, 2024 WL 1354432, at *9 (N.D. Cal. Mar. 29, 2024) ("A failure to monitor claim is only viable when there is an underlying claim for breach of fiduciary duty.")

C. Leave to Amend

In general, courts are to "freely give leave to amend when justice so requires." Fed. R. Civ. P. 15(a)(2); *see also Eminence Capital, LLC v. Aspeon, Inc.*, 316 F.3d 1048, 1051 (9th Cir. 2003) (indicating that Rule 15(a)(2) is to be applied with "extreme liberality"). But Rule 15's "liberality does not apply when amendment would be futile." *Ebner v. Fresh, Inc.*, 838 F.3d 958, 968 (9th Cir. 2016). A proposed amendment is futile where "no set of facts can be proved under the amendment that would constitute a valid claim." *Abels v. JBC Legal Grp., P.C.*, 229 F.R.D. 152, 157 (N.D. Cal. 2005).

Ultimately, Plaintiff's ERISA claims rest on a misinterpretation of the Plan's terms and a novel legal theory that is unsupported by present law. Some courts addressing similar forfeiture-based ERISA claims have granted leave to amend, noting that a plaintiff might be able to allege "more particularized facts or special circumstances" that would justify the relief sought. *Hutchins I*, 737 F. Supp. 3d at 864; *Dimou*, 2024 WL 4508450, at *9. But the theories advanced in those cases were not premised on a misreading of the Plan's terms, as they are here. And in this case, Plaintiff had the benefit of drafting his Opposition *after* numerous rulings in similar ERISA cases, yet failed to meaningfully address those rulings—let alone proffer *any* argument that the "particularized facts or special circumstances" of this case warrant a different outcome. Moreover, Plaintiff's Opposition does not request leave to amend in the alternative. Given these circumstances, the Court concludes that amendment would be futile and grants Defendants' Motion without leave to amend.

III. <u>CONCLUSION</u>

For the above reasons, Defendants' Motion is GRANTED. All claims in this action are DISMISSED WITH PREJUDICE.

Initials of Deputy Clerk: kd