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**HLLI Moves to Stop the Biden Administration's ESG Investing Rules for ERISA Plan Assets**

Washington D.C. — Today, the Hamilton Lincoln Law Institute asked a federal court to stop the Department of Labor from enforcing its revised Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights regulation. HLLI's motion follows the lawsuit it filed along with 25 states, Western Energy Alliance, and Liberty Energy, Inc., challenging the new rule as contrary to the ERISA statute and an arbitrary and capricious exercise of the Department's regulatory authority. This new rule undermines key protections for retirement savings of 152 million workers in the name of promoting environmental, social, and governance ("ESG") factors in investing. HLLI represents James R. Copland, a Manhattan Institute scholar who previously filed comments opposing the proposed rule, and a participant in an ERISA retirement plan adversely affected by the new rule.

The preliminary injunction sought by HLLI would stop the Department from taking any steps to enforce the harmful new rule while the case proceeds in court. Congress's intent when it passed ERISA was to provide a safe and secure retirement for workers and it thus created a rigid duty of loyalty and prudence for plan fiduciaries. The new rule replaces two rules issued in 2020 that were intended to reinforce the limitations on ERISA plan fiduciaries' ability to consider nonpecuniary factors when investing retirement plan assets or exercising the shareholder rights for assets held in retirement plans.

The new rule formally introduces ESG considerations into the management of ERISA plan assets. ESG factors are subjective and ill-defined, and ESG investing typically results in lower investment returns and higher costs. The rule also eliminates enhanced documentation and monitoring requirements in effect so as to undermine fiduciary accountability. The practical effect will be to loosen the statutory restraints on plan fiduciaries and investment managers, allowing them greater latitude to incorporate vague and ill-defined ESG factors into investment decisions for ERISA plan assets, rather than prioritizing the financial or pecuniary benefits to plan participants. This is not what Congress intended when it passed ERISA.

If allowed to stand the rule jeopardizes the financial security of millions of American workers. A copy of HLLI's motion and the complaint filed in the U.S. District Court for the Northern District of Texas, Amarillo Division, are available here.

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Founded in 2019, Hamilton Lincoln Law Institute is a nonprofit public interest law firm that challenges improper restrictions on speech, administrative and regulatory actions, and abuses of the class action and civil justice system that exceed constitutional limits, promote rent-seeking, or otherwise improperly created deadweight loss.

As a nonprofit, tax-exempt organization as defined by section 501(c)(3) of the Internal Revenue Code, HLLI relies on support from individuals and foundations that share a commitment to individual liberty, free enterprise, and limited government.

HLLI's website is http://hlli.org.