

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

MATTHEW MCCLUSKY,
c/o Justly Prudent
1140 3rd St. NE, Suite 2180,
Washington, DC 20002

Case No. 1:25-cv-3891

Plaintiff,

v.

ALLEGIS GROUP, INC.,
7301 Parkway Drive South
Hanover, MD 21076,

THE COMMITTEE FOR THE ALLEGIS
GROUP AMENDED AND RESTATED
INCENTIVE INVESTMENT PLAN AND
ALLEGIS GROUP INVESTMENT GROWTH
PLAN,
7301 Parkway Drive South
Hanover, MD 21076,

Defendants.

COMPLAINT

Plaintiff Matthew McClusky (“Mr. McClusky”), for his complaint against Defendants Allegis Group, Inc. (“Allegis Group”) and the Committee for the Allegis Group Amended and Restated Incentive Investment Plan and Allegis Group Investment Growth Plan (the “Committee”), alleges the following:

1. This action arises from Defendants’ arbitrary and capricious denial of approximately \$1,678,129.00 in earned deferred compensation benefits that Mr. McClusky accrued through two decades of distinguished service to Allegis Group and its subsidiaries. After Mr. McClusky transparently sought and followed explicit legal guidance from Allegis Group’s

Chief Legal Counsel regarding his post-employment obligations, structured his new business to comply with that guidance, and received initial benefit payments confirming his compliance, Defendants retroactively reversed course and wrongfully denied his earned benefits based on manufactured violations that contradict both the facts and their own prior guidance.

2. Mr. McClusky brings this action under the Employee Retirement Income Security Act of 1974 (“ERISA”), 29 U.S.C. § 1001 *et seq.*, seeking recovery of wrongfully denied benefits, enforcement of his rights under the Allegis Group Amended and Restated Incentive Investment Plan (“IIP Plan”) and the Allegis Group Investment Growth Plan for Key Employees (“IGP Plan”) (collectively, the “Plans”), and equitable relief based on Defendants’ breach of fiduciary duty and violation of ERISA’s procedural and substantive requirements.

JURISDICTION AND VENUE

3. The Court has jurisdiction over this action under 28 U.S.C. §§ 1331 and 29 U.S.C. § 1132(e)(1), as this case involves claims for benefits under employee benefit plans governed by ERISA.

4. This Court has personal jurisdiction over Defendants because Allegis Group is a Maryland corporation with its principal place of business in Maryland, and the Committee administers the Plans from Maryland.

5. Venue is proper in this judicial district under 29 U.S.C. § 1132(e)(2) and 28 U.S.C. § 1391(b) because the Plans are administered in this district, Defendants reside in this district, and a substantial part of the events giving rise to Plaintiff’s claims occurred in this district.

THE PARTIES

6. Plaintiff Matthew McClusky is a resident of Boulder County, Colorado. Mr. McClusky was employed by Allegis Group subsidiaries for approximately 20 years, most recently serving as Director of Sales Operations for Actalent, Inc. from January 2020 through January 13, 2024. Mr. McClusky is a participant in both the IIP Plan and IGP Plan and has vested rights to benefits totaling approximately \$1,678,129 under both Plans combined.

7. Defendant Allegis Group, Inc. (“Allegis Group”) is a Maryland corporation with its principal place of business located at 7301 Parkway Drive South, Hanover, Maryland 21076. Allegis Group is the plan sponsor of both the IIP Plan and IGP Plan, which are “employee welfare benefit plans” and “top hat plans” within the meaning of ERISA, 29 U.S.C. §§ 1002(1) and 1003(a)(3).

8. Defendant Committee for the Allegis Group Amended and Restated Incentive Investment Plan and Allegis Group Investment Growth Plan is the plan administrator for both Plans within the meaning of ERISA, 29 U.S.C. § 1002(16)(A). The Committee has full discretionary authority to administer and interpret the Plans, make eligibility determinations, and decide claims for benefits. The Committee operates from Allegis Group’s headquarters in Hanover, Maryland.

BACKGROUND

Exhaustion of Administrative Remedies

9. Mr. McClusky has fully exhausted all administrative remedies required under the Plans and ERISA before bringing this action.

10. On November 22, 2024, Mr. McClusky timely filed a written claim for benefits with the Committee seeking payment of his earned Investment Units under both Plans, totaling

approximately \$1,504,746 (\$875,058 under the IIP Plan and \$629,688 under the IGP Plan), plus accrued interest.

11. On July 9, 2025, the Committee issued an adverse benefit determination denying Mr. McClusky's claim in its entirety, alleging violations of confidentiality provisions and competitive activity restrictions under the Plans.

12. On September 4, 2025, Mr. McClusky timely filed a written request for review of the adverse benefit determination pursuant to Section 19 of the IIP Plan and Article 8.3 of the IGP Plan.

13. On November 3, 2025, the Committee issued its final adverse benefit determination upholding the denial of benefits and additionally announcing its intention to seek recoupment of the \$75,237, in quarterly payments previously paid to Mr. McClusky.

14. Having received the Committee's final adverse determination on review, Mr. McClusky has exhausted all required administrative remedies and is entitled to bring this civil action under ERISA Section 502(a), 29 U.S.C. § 1132(a).

Mr. McClusky's Distinguished Career with Allegis Group

15. Mr. McClusky dedicated approximately 20 years of his professional career to Allegis Group and its subsidiaries, beginning with Aerotek, Inc. in June 2004 and rising to Director of Business Operations by January 2008.

16. In January 2020, as part of Allegis Group's corporate restructuring into specialized operating divisions, Mr. McClusky transitioned from Aerotek to become Director of Sales Operations for Actalent, Inc., Allegis Group's engineering and sciences staffing division.

17. In his role as Director of Sales Operations, Mr. McClusky was responsible for overseeing operations in the Schaumburg, Bloomington, and Chicago, Illinois markets,

managing engineering and technical staffing services distinct from the skilled trades focus of Aerotek.

18. Throughout his tenure, Mr. McClusky was recognized as a high-performing leader who made significant contributions to the strategic goals and success of the company, earning his selection as a participant in both the IIP Plan and IGP Plan—elite deferred compensation programs reserved for a select group of management and highly compensated employees.

Family Crisis Necessitates Relocation

19. In August 2023, Mr. McClusky's wife became pregnant with their first child. Due to significant pregnancy complications, she was unable to work, leaving the family without crucial support as they had no family members in Illinois to assist them.

20. Faced with this family crisis and the impending birth of their child, Mr. McClusky made the difficult decision to relocate to Colorado to be near family support, recognizing this would require him to leave his position with Actalent.

21. In mid-December 2023, Mr. McClusky transparently informed his supervisor, Regional Vice President Brad Kennedy, of his family situation and his intention to resign to relocate to either Colorado, Nebraska, or the Kansas City area.

22. Mr. Kennedy attempted to retain Mr. McClusky by offering to explore other opportunities within Actalent or other Allegis Group companies, but Mr. McClusky's family obligations necessitated his relocation and resignation.

23. Mr. McClusky's last day of employment was January 13, 2024, ending nearly two decades of dedicated service to Allegis Group.

Mr. McClusky Seeks and Follows Legal Guidance

24. Understanding his obligations under the Plans’ restrictive covenants, including 30-month non-compete and confidentiality provisions, Mr. McClusky proactively sought guidance to ensure compliance while pursuing new career opportunities to support his family.

25. On March 15, 2024, Mr. McClusky contacted Dana Baughns, Allegis Group’s Chief Legal Counsel—the highest legal authority within the company and the person responsible for interpreting and enforcing the company’s legal obligations.

26. During their conversation, Mr. McClusky transparently discussed his potential career plans and specifically asked about compliance with the Plans’ restrictions, particularly regarding confidentiality provisions and permissible business activities.

27. Ms. Baughns provided clear, authoritative guidance at two distinct levels: first, she advised that if Mr. McClusky stayed away from the work he performed in Illinois, his path would be “really clean”; second, she stated that if he avoided engineering work altogether, it would be “even cleaner.”

28. This was explicit legal guidance from the company’s Chief Legal Counsel, whose interpretation of the Plans’ requirements carries the authority of Allegis Group itself.

29. Based on this authoritative guidance, Mr. McClusky chose the most conservative approach, deciding to create a business that would implement both layers of protection: avoiding not only his Illinois work but engineering services entirely.

Mr. McClusky Structures His Business in Compliance

30. In direct reliance on Ms. Baughns’s guidance, Mr. McClusky carefully structured his new business, Industrial Talent Group, to focus exclusively on skilled trades staffing—a market segment handled by Aerotek, not his former division Actalent.

31. Mr. McClusky deliberately avoided any engineering-related services, established his business over 1,000 miles from his former Illinois territory, and operated solely in Colorado markets where he had never held Actalent responsibilities.

32. Industrial Talent Group does not compete with Actalent's engineering and sciences focus, does not solicit any Allegis Group employees or clients, and operates in a different market segment in a distant geographic region.

Allegis Group Initially Approves and Pays Benefits

33. Following Mr. McClusky's transparent disclosure of his career plans and Ms. Baughns's guidance that his approach would be "really clean," Allegis Group made its first quarterly payment of benefits to Mr. McClusky.

34. On or about April 8, 2024, Allegis Group paid Mr. McClusky \$75,237 in earned benefits (\$43,753 from the IIP Plan and \$31,484 from the IGP Plan), representing the first quarterly installment of his deferred compensation.

35. This payment, made with full knowledge of Mr. McClusky's disclosed career intentions and after the Chief Legal Counsel's guidance, constituted Allegis Group's implicit approval and ratification that Mr. McClusky was in compliance with the Plans' requirements.

Allegis Group Reverses Course and Denies Benefits

36. In May 2024, approximately one month after approving and paying the initial benefits, Allegis Group allegedly "discovered" that Mr. McClusky had started Industrial Talent Group in Colorado.

37. Despite having previously been informed of Mr. McClusky's career plans, receiving his transparent communications, and making benefit payments based on the Chief

Legal Counsel's interpretation, Allegis Group initiated an investigation into Mr. McClusky's activities.

38. The investigation retroactively examined Mr. McClusky's work activities from October 2023 through December 2023—the period when he was still employed and actively attempting to create a new role within Allegis Group to avoid resignation.

39. On July 9, 2025, the Committee denied Mr. McClusky's claim for the remaining \$1,602,892 in benefits, alleging violations of confidentiality provisions and competitive activity restrictions.

40. The Committee's denial was based on two categories of alleged violations: (a) accessing internal documents and creating a Colorado engineering market analysis while employed, which the Committee characterized as confidentiality violations; and (b) establishing Industrial Talent Group, which the Committee deemed competitive activity despite the Chief Legal Counsel's prior guidance to the contrary.

The IIP Plan

41. The IIP Plan is an unfunded deferred compensation plan established in 1993 to provide select management and highly compensated employees an opportunity to earn deferred compensation based on company performance and continued service. Attached hereto as Exhibit 1 is a true and correct copy of the IIP Plan.

42. Under the IIP Plan, participants are allocated "Units" to their accounts, with each Unit having a fixed value of \$34.00 as of December 31, 2015.

43. To earn and receive payment for allocated Units, participants must comply with restrictive covenants for 30 months following separation from service, including non-compete and confidentiality provisions set forth in Section 9 of the IIP Plan.

44. Mr. McClusky was allocated Units under the IIP Plan valued at \$875,058, with payments to be made quarterly over 30 months following separation, provided he complied with the Plan's restrictive covenants.

The IGP Plan

45. The IGP Plan is an unfunded deferred compensation plan adopted effective December 31, 2015, designed to provide competitive compensation and incentivize key leaders. Attached hereto as Exhibit 2 is a true and correct copy of the IGP Plan.

46. Under the IGP Plan, participants are credited with "Investment Units" that vest and become payable based on continued employment and compliance with restrictive covenants.

47. Article 6 of the IGP Plan conditions payment upon participants not engaging in "Competitive Activity" or committing a "Confidentiality Violation" during employment or for 30 months following separation from service.

48. Mr. McClusky was credited with Investment Units under the IGP Plan valued at \$629,688, with payments to be made quarterly over 30 months following separation, provided he complied with the Plan's restrictive covenants.

Plan Administration

49. Both Plans are administered by the Committee, which has "full discretionary authority to exercise all powers and make all determinations, consistent with the terms of the Plans."

50. Under ERISA, the Committee serves as a fiduciary and must discharge its duties solely in the interest of participants and beneficiaries, with the care, skill, prudence, and diligence that a prudent person would use.

51. The Plans require the Committee to provide specific reasons for benefit denials, conduct adequate investigations, and apply Plan provisions consistently and in good faith.

HARM CAUSED

52. As a direct result of Defendants' wrongful denial of benefits, Mr. McClusky has been deprived of approximately \$1,602,892 (including interest) in deferred compensation that he earned through two decades of service to Allegis Group.

53. The denial of these benefits has caused severe financial hardship to Mr. McClusky and his family at a time of extraordinary medical crisis—his infant son was diagnosed with a spinal tumor requiring major surgery and extensive medical treatment.

54. Mr. McClusky has suffered additional damages including loss of the time value of money, as the wrongfully denied benefits should have been paid in quarterly installments beginning in April 2024.

55. Mr. McClusky has been forced to incur substantial attorney fees and costs to pursue his rightful benefits through the administrative process and this litigation.

56. Defendants' announcement of their intention to seek recoupment of the \$75,237 already paid has created additional financial uncertainty and distress for Mr. McClusky's family during their medical crisis.

COUNT I

Wrongful Denial of Benefits under 29 U.S.C. § 1132(a)(1)(B)

57. Mr. McClusky incorporates herein the allegations set forth in paragraphs 1 through 56, above.

58. Section 502(a)(1)(B) of ERISA authorizes a participant to bring a civil action "to recover benefits due to him under the terms of his plan, to enforce his rights under the terms of

the plan, or to clarify his rights to future benefits under the terms of the plan.” 29 U.S.C. § 1132(a)(1)(B).

59. Mr. McClusky is a participant in both the IIP Plan and IGP Plan within the meaning of ERISA, 29 U.S.C. § 1002(7).

60. Under the terms of both Plans, Mr. McClusky earned and became entitled to deferred compensation benefits through his years of service and satisfaction of vesting requirements, totaling approximately \$1,678,129.

61. Mr. McClusky has satisfied all conditions for payment under both Plans, including compliance with the 30-month restrictive covenants regarding competitive activity and confidentiality.

62. Mr. McClusky did not violate any confidentiality provisions as: (a) all documents he accessed were within his job responsibilities as Director of Sales Operations; (b) the Colorado engineering market analysis was a legitimate business activity for his position; and (c) Defendants have provided no evidence of actual misuse, disclosure, or misappropriation of any confidential information.

63. Mr. McClusky did not engage in prohibited competitive activity as: (a) he followed explicit guidance from the Chief Legal Counsel that avoiding engineering work would be “really clean”; (b) Industrial Talent Group operates exclusively in skilled trades, not engineering services; (c) the business operates over 1,000 miles from his former territory; and (d) he has not solicited any Allegis Group employees or clients.

64. The Committee’s denial of benefits was arbitrary and capricious because it: (a) contradicted authoritative guidance from the Chief Legal Counsel; (b) reversed the company’s initial determination that Mr. McClusky was in compliance; (c) relied on post-hoc

rationalizations rather than contemporaneous evidence; and (d) applied an unreasonable “could have used” standard not supported by the Plans’ language.

65. As a direct and proximate result of Defendants’ wrongful denial, Mr. McClusky has suffered and continues to suffer substantial harm.

COUNT II

Alternative Theory: Breach of Fiduciary Duty under 29 U.S.C. § 1132(a)(3)

66. Mr. McClusky incorporates herein the allegations set forth in paragraphs 1 through 56, above.

67. Section 502(a)(3) of ERISA authorizes a participant to bring a civil action “to enjoin any act or practice which violates any provision of this title or the terms of the plan” and “to obtain other appropriate equitable relief.” 29 U.S.C. § 1132(a)(3).

68. The Committee and its members are fiduciaries within the meaning of ERISA, 29 U.S.C. § 1002(21), as they exercise discretionary authority and control over plan administration and benefit determinations.

69. ERISA Section 404(a), 29 U.S.C. § 1104(a), requires fiduciaries to discharge their duties solely in the interest of participants and beneficiaries, with the care, skill, prudence, and diligence of a prudent person.

70. Defendants breached their fiduciary duties by: (a) disregarding authoritative legal guidance provided to Mr. McClusky by the Chief Legal Counsel; (b) applying inconsistent interpretations of Plan provisions; (c) reversing course after initial benefit payments without any change in circumstances; (d) conducting an inadequate investigation that ignored critical evidence; and (e) retroactively reinterpreting Plan requirements to deny earned benefits.

71. Defendants further breached their fiduciary duties by failing to act in good faith, as evidenced by: (a) the Committee’s factual errors, including incorrectly stating Mr.

McClusky's job transition date; (b) relying on speculative "could have" theories rather than actual evidence of violations; and (c) characterizing legitimate business activities as grounds for "termination for cause" after previously approving benefits.

72. As a direct and proximate result of Defendants' breach of fiduciary duties, Mr. McClusky has suffered and continues to suffer substantial harm.

COUNT III
Equitable Estoppel under ERISA

73. Mr. McClusky incorporates herein the allegations set forth in paragraphs 1 through 56, above.

74. Under federal common law applicable to ERISA plans, a plan sponsor may be equitably estopped from denying benefits when: (a) the plan makes a material representation; (b) the participant reasonably relies on that representation; (c) the participant suffers detriment as a result; and (d) enforcing the plan terms would be unjust.

75. Allegis Group, through its Chief Legal Counsel Dana Baughns, made material representations to Mr. McClusky that: (a) staying away from his Illinois work would be "really clean" for purposes of Plan compliance; and (b) avoiding engineering work entirely would be "even cleaner."

76. These representations were made by the company's highest legal authority with apparent authority to interpret and enforce Plan requirements, making them binding on Allegis Group.

77. Mr. McClusky reasonably and justifiably relied on these authoritative representations by: (a) structuring his entire business model to avoid engineering services; (b) focusing exclusively on skilled trades; (c) operating only in Colorado, far from his former

territory; and (d) foregoing other business opportunities that might have been closer to engineering services.

78. Mr. McClusky suffered substantial detriment in reliance on Defendants' representations, including: (a) limiting his business opportunities to comply with the guidance; (b) investing resources in a business model specifically designed around the guidance; and (c) foregoing potentially more lucrative opportunities in engineering-related services.

79. Allegis Group's initial payment of \$75,237 in benefits after receiving Mr. McClusky's disclosure of his career plans constituted ratification of the Chief Legal Counsel's interpretation and created additional reasonable reliance.

80. It would be manifestly unjust to allow Defendants to deny benefits after inducing Mr. McClusky's compliance through authoritative legal guidance and initial benefit payments.

81. Defendants should be enjoined from denying Mr. McClusky's benefits based on alleged violations that contradict the guidance he received and relied upon.

COUNT IV
Violation of ERISA's Procedural Requirements

82. Mr. McClusky incorporates herein the allegations set forth in paragraphs 1 through 56, above.

83. ERISA and its implementing regulations require plan administrators to follow specific procedures when denying benefit claims, including providing specific reasons for denial, reference to plan provisions, and a full and fair review process.

84. Defendants violated ERISA's procedural requirements by: (a) failing to provide specific factual details supporting their conclusory allegations of "patterns" and "concerted" conduct; (b) failing to address or acknowledge the Chief Legal Counsel's guidance in their determination; (c) relying on vague allegations of what "could have" happened rather than

specific evidence of actual violations; and (d) failing to conduct an adequate investigation that considered all relevant evidence.

85. Defendants further violated procedural requirements by fundamentally changing their interpretation of Plan requirements after making initial benefit payments, without providing any explanation for the change in position or any changed circumstances justifying the reversal.

86. The Committee's basic factual errors, including misstating Mr. McClusky's employment history and position, demonstrate a failure to conduct the careful review required by ERISA.

87. These procedural violations deprived Mr. McClusky of a full and fair review of his claim and warrant reversal of the benefit denial or, alternatively, remand for proper consideration.

COUNT V
Retaliation in Violation of 29 U.S.C. § 1140

88. Mr. McClusky incorporates herein the allegations set forth in paragraphs 1 through 56, above.

89. Section 510 of ERISA provides that “[i]t shall be unlawful for any person to . . . discriminate against a participant or beneficiary for exercising any right to which he is entitled under the provisions of an employee benefit plan . . . or for the purpose of interfering with the attainment of any right to which such participant may become entitled under the plan.” 29 U.S.C. § 1140.

90. On April 8, 2024, the Committee approved and Allegis paid Mr. McClusky his first quarterly benefit installments totaling \$75,237, consisting of \$43,753 from the IIP Plan and \$31,484 from the IGP Plan.

91. On July 9, 2025, the Committee reversed course and denied Mr. McClusky's formal claim for his remaining benefits, alleging for the first time that he had committed confidentiality violations that occurred months before the initial payment was made.

92. On September 4, 2025, Mr. McClusky filed a comprehensive request for review of the Committee's adverse benefit determination, asserting his rights under ERISA's administrative review procedures and raising substantive challenges to the Committee's decision, including that McClusky had relied on explicit guidance from Allegis's Chief Legal Counsel Dana Baughns.

93. Mr. McClusky's request for review constituted protected activity under ERISA.

94. On November 3, 2025, in direct response to and retaliation for Mr. McClusky's exercise of his ERISA rights, the Committee not only upheld its denial of benefits but announced for the first time its intent to recoup the \$75,237 in benefits it had already paid to Mr. McClusky seven months earlier.

95. The Committee's decision to seek recoupment represents a punitive escalation that was not raised in the initial July 9, 2025 denial letter and was only introduced after Mr. McClusky exercised his rights to challenge the Committee's decision through legal counsel.

96. The timing of the recoupment demand—coming only after Mr. McClusky's formal appeal through counsel—demonstrates that this action was taken in retaliation for Mr. McClusky's protected activity rather than based on any legitimate plan administration concern.

97. The Committee's retaliatory recoupment demand is particularly egregious given that: (a) the alleged violations occurred before the Committee made its initial payment; (b) the Committee had full knowledge of Mr. McClusky's business plans when it approved the initial payment; (c) Mr. McClusky reasonably relied on receiving these quarterly payments to support

his family, including his infant son who requires extensive medical care following major spinal tumor surgery; and (d) the Committee provided no explanation for why recoupment was not sought initially if the alleged violations truly justified forfeiture.

98. The Committee's pattern of escalating penalties in response to Mr. McClusky's exercise of his ERISA rights demonstrates unlawful retaliation designed to punish Mr. McClusky for challenging the benefits denial and to discourage other plan participants from asserting their rights under ERISA.

99. By threatening to recoup already-paid benefits only after Mr. McClusky retained counsel and filed an administrative appeal, Defendants have violated Section 510's prohibition against discriminating against a participant for exercising rights under an employee benefit plan.

100. Defendants' retaliatory conduct was willful and undertaken with reckless disregard for Mr. McClusky's protected rights under ERISA.

101. As a direct and proximate result of Defendants' retaliatory conduct, Mr. McClusky has suffered and continues to suffer substantial harm.

PRAYER FOR RELIEF

Plaintiff Matthew McClusky respectfully requests that the Court enter judgment on the Complaint, in his favor and against Defendants Allegis Group, Inc. and the Committee for the Allegis Group Amended and Restated Incentive Investment Plan and Allegis Group Investment Growth Plan, as follows:

A. Declare that Mr. McClusky has satisfied all conditions for payment under the IIP Plan and IGP Plan and is entitled to all accrued benefits thereunder;

B. Order Defendants to pay Mr. McClusky all unpaid benefits under the Plans, totaling approximately \$1,678,129, plus accrued interest;

C. Enjoin Defendants from seeking recoupment of the \$75,237 in benefits already paid to Mr. McClusky;

D. Award Mr. McClusky his reasonable attorney fees and costs pursuant to 29 U.S.C. § 1132(g); and

E. Grant Mr. McClusky such other relief as the Court deems just and proper.

Dated: November 24, 2025

/s/ Jordan D. Howlette
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