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American Axle's company stock fund to end

By Jewel Gowani
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American Axle & Manufacturing employees who want to hang on to the auto supplier's stock in their retirement plans will have no choice but to sell it because the company-only stock fund will be discontinued next month.

"The decision was made as a result of the volatility of the market and economic conditions," American Axle spokeswoman Renee Rogers said Tuesday.

American Axle's stock has lost nearly 90% of its value in the last two years, falling from about \$19 a share in late May last year. On Tuesday, American Axle's shares closed at \$2.31, up 6 cents, or 2.7%.

Employees can move their money out of American Axle's stock fund by June 22, when Fidelity, which administers American Axle's retirement plan, is to start selling the shares and moving the remaining money into default investment accounts, according to a letter to employees obtained by the Free Press.

The warning to employees comes just a week before American Axle's largest customer, General

Motors Corp., faces a deadline to restructure or file for bankruptcy. Some experts say they anticipate an uptick in supplier bankruptcies if GM files for Chapter 11, and Axle could be at a high risk, given its dependence on GM.

Pension experts say that companies have a responsibility to eliminate high-risk investment funds that would lead to losses, and Axle said it has been warned by the New York Stock Exchange that its stock could be delisted.

"If they see risk in a particular investment option, they have a duty to review it and decide if it's an appropriate investment option in a plan," said David Kudla, CEO of Mainstay Capital Management, which advises on retirement investments.

Public companies are increasingly eliminating funds that contain only company stock, in part, to avoid lawsuits.

"It's very hard to justify having one particular stock as an investment option," said Andrew Stumpff, employee benefits and pension lawyer with Stevenson Keppelman Associates in Ann Arbor.