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IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF CALIFORNIA

CONNECTICUT GENERAL LIFE )  
INSURANCE COMPANY, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
BRIAN R. PORTER; CHARLES W. )  
NICHOLS, as Co-Trustee of the LeAnn )  
P. Porter Revokable Living Trust; )  
BETTY JANE NICHOLS, as Co-Trustee )  
of the LeAnn P. Porter Revokable )  
Living Trust, )  
 )  
Defendants. )  
\_\_\_\_\_ )

2:09-cv-02058-GEB-DAD  
ORDER DENYING DEFENDANT'S  
MOTION TO DISMISS, FOR  
JUDGMENT ON THE PLEADINGS,  
OR, IN THE ALTERNATIVE, A MORE  
DEFINITE STATEMENT\*

On November 30, 2009, Defendant Brian Porter filed a motion in which he seeks to dismiss Connecticut General Life Insurance Company's interpleader complaint under Federal Rules of Civil Procedure 12(b)(1) and 12(b)(6). Defendant alternatively moves for a more definitive statement under Federal Rule of Civil Procedure 12(e). Defendant also indicates he is moving for judgment on the pleadings under Federal Rule of Civil Procedure 12(c). However, Defendant has not addressed the applicable standard governing a Rule 12(c) motion and has made only a conclusory argument that is woefully insufficient to prevail on

\_\_\_\_\_ )  
\* This matter is deemed to be suitable for decision without oral argument. E.D. Cal. R. 230(g).

1 this portion of his motion. Therefore, Defendant's Rule 12(c) motion  
2 is DENIED.

3 **I. LEGAL STANDARDS**

4 **A. Federal Rule of Civil Procedure Rule 12(b)(1)**

5 Under Federal Rule of Civil Procedure 12(b)(1) ("Rule 12(b)(1)"),  
6 a defendant may move to dismiss a complaint for lack of subject matter  
7 jurisdiction. The plaintiff bears the burden of demonstrating that  
8 federal subject matter jurisdiction exists. See Kokkonen v. Guardian  
9 Life Ins. Co., 511 U.S. 375, 377 (1994).

10 **B. Federal Rule of Civil Procedure 12(b)(6)**

11 In deciding a motion under Federal Rule of Civil Procedure  
12 12(b)(6) ("Rule 12(b)(6)"), the material allegations of the complaint  
13 are accepted as true and all reasonable inferences are drawn in favor  
14 of the plaintiff. See al-Kidd v. Ashcroft, 580 F.3d 949, 956 (9th  
15 Cir. 2009). To avoid dismissal, the plaintiff must allege "only  
16 enough facts to state a claim to relief that is plausible on its  
17 face." Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 547 (2007). "A  
18 claim has facial plausibility when the plaintiff pleads factual  
19 content that allows the court to draw the reasonable inference that  
20 the defendant is liable for the misconduct alleged." Ashcroft v.  
21 Iqbal, 129 S. Ct. 1937, 1949 (2009).

22 **C. Federal Rule of Civil Procedure 12(e)**

23 Under Federal Rule of Civil Procedure 12(e) ("Rule 12(e)"), a  
24 party may move for a more definite statement where the pleading at  
25 issue "is so vague or ambiguous that a party cannot reasonably be  
26 required to frame a responsive pleading." Fed. R. Civ. P. 12(e). "A  
27 Rule 12(e) motion is proper only if the complaint is so indefinite  
28 that the defendant cannot ascertain the nature of the claim being

1 asserted, *i.e.*, so vague that the defendant cannot begin to frame a  
2 response." C.B. v. Sonora Sch. Dist., --- F. Supp. 2d ----, 2009 WL  
3 3077989, at \*6 (E.D. Cal. Sept. 22, 2009) (citation omitted).

4 Therefore, a motion for a more definite statement must be denied if  
5 "the complaint is specific enough to notify the defendant of the  
6 substance of the claim being asserted." Id.

## 7 **II. BACKGROUND**

8 Plaintiff issued a Group Flexible Premium Adjustable Life  
9 Insurance Policy No. 596726 to the People's Bank as Trustee of the  
10 Universal Life Insurance Trust for Kraft General Foods (the "Policy"),  
11 providing certain categories of Kraft employees with life insurance.  
12 (Compl. ¶ 10.) Defendant was a covered employee under the Policy.  
13 (Id.) LeAnn Porter, Defendant's spouse, was also covered under the  
14 Policy in the amount of \$200,000. (Id.) Originally, Defendant was  
15 named as LeAnn Porter's beneficiary under the Policy. (Id. ¶ 11.)

16 However, on or about February 20, 2009, Plaintiff received a  
17 correspondence from LeAnn Porter's counsel, enclosing a "Stipulation  
18 and Order Re: Child Custody, Child Visitation, Counseling and Life  
19 Insurance Beneficiary," (the "Stipulation") in which Defendant and  
20 LeAnn Porter stipulated to designate the LeAnn P. Porter Revokable  
21 Living Trust as the beneficiary to one-half of the proceeds under the  
22 life insurance policy covering LeAnn Porter. (Id. ¶ 12, Ex. B.) The  
23 correspondence instructed Plaintiff to "immediately change the  
24 beneficiary designation of [the Policy]." (Id., Ex. B.) The  
25 Stipulation was adopted by the Sacramento County Superior Court on  
26 February 20, 2009. (Id., Ex. B.)

27 Shortly thereafter, on February 24, 2009, LeAnn Porter died.  
28 (Id. ¶ 13, Ex. C.) On or about March 20, 2009, Plaintiff received a

1 correspondence from Defendant's counsel, in which he instructed  
2 Plaintiff that "[a]ny claim for the proceeds under the [Policy] . . .  
3 should be held pending a court determination as to the validity of  
4 [the] recent court-ordered change of beneficiary designation." (Id. ¶  
5 14, Ex. D.)

6 On July 23, 2009, Plaintiff filed a complaint under Federal Rule  
7 of Civil Procedure 22 against Defendant and Charles and Betty Nichols,  
8 as the Co-Trustees of the LeAnn P. Porter Revokable Living Trust.  
9 Plaintiff alleges each Defendant is "asserting some right, title or  
10 interest in all or a portion of the proceeds of the Policy" and  
11 therefore, "there are conflicting potential demands upon [Plaintiff]  
12 regarding the Policy." (Id. ¶ 15.) Further, [Plaintiff] alleges it  
13 "does not know and cannot determine the beneficiaries of the Policy or  
14 persons legally entitled to the proceeds of the Policy." (Id. ¶ 16.)  
15 Concurrent with the filing of the complaint, Plaintiff deposited with  
16 the Clerk of the Court, \$200,347.93, which represents the proceeds of  
17 the Policy plus accrued cash value and interest. (Id. ¶ 23.)  
18 Plaintiff requests that the court "determine the true and lawful  
19 beneficiary(ies) to the proceeds of the Policy, and to subsequently  
20 release such proceeds to the true and lawful beneficiary(ies)."  
21 (Prayer ¶ 2.)

### 22 **III. DISCUSSION**

#### 23 **A. Diversity Jurisdiction Provides Subject Matter Jurisdiction**

24 Defendant argues Plaintiff's complaint should be dismissed under  
25 Rule 12(b)(1) since ERISA preempts Plaintiff's action, and under  
26 ERISA, Plaintiff cannot bring an interpleader complaint. While this  
27 argument does not appear to challenge subject matter jurisdiction,  
28 federal courts have a duty to establish subject matter jurisdiction

1 regardless of whether it is raised by the parties. See United  
2 Investors Life Ins. Co. v. Waddell & Reed Inc., 360 F.3d 960, 966-67  
3 (9th Cir. 2004) (stating that "a district court's duty to establish  
4 subject matter jurisdiction is not contingent upon the parties  
5 arguments.")

6 Plaintiff's complaint is brought under Federal Rule of Civil  
7 Procedure 22(a). "Rule 22 interpleader[,] [however,] is only a  
8 procedural device . . . [and] does not convey [subject matter]  
9 jurisdiction on the [district] courts. Accordingly, a party seeking  
10 to bring an interpleader action in federal court must establish  
11 statutory jurisdiction." Aetna Life Ins. Co. v. Bayona, 223 F.3d  
12 1030, 1033 (9th Cir. 2000) (quotations and citations omitted).

13 Plaintiff alleges there is diversity jurisdiction under 28 U.S.C.  
14 § 1332(a) ("Section 1332(a)"). (Compl. ¶ 7.) To establish diversity  
15 jurisdiction under Section 1332(a), Plaintiff must demonstrate there  
16 is "complete diversity" between it and all Defendants and that the  
17 amount in controversy exceeds \$75,000. 28 U.S.C. § 1332(a).  
18 Plaintiff alleges it is a corporation organized and existing under the  
19 laws of Connecticut with its principal place of business in  
20 Connecticut, and each Defendant is a citizen of California. (Compl.  
21 ¶¶ 1-5.) Further, Plaintiff alleges that the amount in controversy is  
22 \$200,000 plus interest, which represents the proceeds of the Policy at  
23 issue. (Id. ¶¶ 6-7.)

24 Rather than challenging the existence of diversity jurisdiction,  
25 Defendant argues federal question jurisdiction also lies under ERISA  
26 since ERISA preempts the allegations in Plaintiff's complaint. This  
27 argument, however, does not show that the court is without subject  
28 matter jurisdiction. Since Plaintiff has demonstrated the existence

1 of diversity jurisdiction, the merits of Defendant's ERISA preemption  
2 argument need not be decided in connection with Defendant's motion for  
3 dismissal for lack of subject matter jurisdiction. Therefore,  
4 Defendant's Rule 12(b)(1) motion is denied.

5 **B. Plaintiff Has Stated a Claim under Rule (12) (b) (6)**

6 Defendant also seeks dismissal of Plaintiff's complaint under  
7 Rule 12(b)(6), arguing that Plaintiff lacks standing to sue "because  
8 the threat of future harm averred in the complaint is too abstract,  
9 conjectural, and hypothetical." Plaintiff counters it has standing to  
10 bring an interpleader action since it has satisfied the requirements  
11 of Rule 22(a)(1).

12 Rule 22(a)(1) provides, in pertinent part, that "[p]ersons having  
13 claims against the plaintiff may be joined as defendants and required  
14 to interplead when their claims are such that the plaintiff is or may  
15 be exposed to double or multiple liability." Fed. R. Civ. P.  
16 22(a)(1). "In an interpleader action, the 'stakeholder,' of a sum of  
17 money sues all those who might have claim to the money, deposits the  
18 money with the district court, and lets the claimants litigate who is  
19 entitled to the money." Cripps v. Life Ins. Co. of N. Am., 980 F.2d  
20 1261, 1265 (9th Cir. 1992). Therefore, an interpleader action's  
21 "primary purpose is not to compensate, but rather to protect [the]  
22 stakeholder[] from multiple liability as well as from the expense of  
23 multiple litigation." Bayona, 223 F.3d at 1034. An interpleader  
24 action "is appropriate if the stakeholder-plaintiff has a real and  
25 reasonable fear of double liability or vexatious, conflicting claims.  
26 This danger need not be immediate; any possibility of having to pay  
27 more than is justly due, no matter how improbable or remote, will  
28 suffice." Prudential Ins. Co. Of Am. v. Wells, No. C09-0132 BZ, 2009

1 WL 1457676, at \*2 (N.D. Cal. May 21, 2009) (quotations and citations  
2 omitted). Further, “[t]he availability of the interpleader remedy is  
3 not dependent upon on the merits of the claims asserted against the  
4 stakeholder.” Id.

5 Plaintiff alleges LeAnn Porter was covered under a Group Flexible  
6 Premium Adjustable Life Insurance Policy that it issued in the amount  
7 of \$200,000, and that LeAnn died on February 24, 2009. (Compl. ¶¶ 10,  
8 13.) Further, Plaintiff alleges each Defendant is “asserting some  
9 right, title or interest in all or a portion of the proceeds of the  
10 Policy” and as a result, Plaintiff “believes that there are  
11 conflicting potential demands upon [it] . . . .” (Id. ¶ 15.)

12 Plaintiff also attached to its complaint a letter from Defendant’s  
13 counsel, in which he argues that the Stipulation executed by Defendant  
14 and LeAnn Porter, that was adopted by the Sacramento County Superior  
15 Court on February 20, 2009, may not have effectuated a change in  
16 beneficiaries under the Policy. These allegations are sufficient to  
17 state a claim under Rule 22(a) since Plaintiff has alleged Defendant  
18 and the Co-Trustees of the LeAnn P. Porter Revokable Living Trust are  
19 adverse claimants to the proceeds of the Policy. “Under the  
20 circumstances, [P]laintiff has a bona fide fear of adverse claims  
21 arising with regard to the [proceeds of the Policy] . . . .” Wells,  
22 2009 WL 1457676, at \*4. Therefore, Defendant’s argument that  
23 Plaintiff lacks standing to sue is rejected.

24 Defendant also argues Plaintiff’s interpleader action is not  
25 supported by either a federal or state cause of action and should  
26 therefore be dismissed under Rule 12(b)(6). This argument reflects  
27 Defendant’s misunderstanding of the interpleader action pled in  
28 Plaintiff’s complaint. By bringing an interpleader action against

1 Defendants, Plaintiff seeks to have the "[Defendants] litigate who is  
2 entitled to the money." Cripps, 980 F.2d at 1265. Since Defendant  
3 has not shown Plaintiff's interpleader allegations are insufficient to  
4 state an interpleader claim, this portion of the motion is also  
5 denied.

6 Defendant also argues ERISA preempts Plaintiff's interpleader  
7 action and since Plaintiff may not maintain a claim under ERISA, the  
8 complaint should be dismissed under Rule 12(b)(6). However, Defendant  
9 has cited no authority suggesting that ERISA precludes Plaintiff from  
10 bringing its interpleader action under Rule 22(a)(1) and Section  
11 1332(a). Further, "[t]he limitations on ERISA standing to sue are not  
12 directly present here because [P]laintiff . . . brought [the]  
13 interpleader action under Fed. R. Civ. P. 22, with federal  
14 jurisdiction premised upon diversity of citizenship." State St. Bank  
15 and Trust Co. v. Denman Tire Corp., 240 F.3d 83, 89 n.4 (1st Cir.  
16 2001). While ERISA may subsequently be found to apply to this action,  
17 that issue need not be reached in deciding this portion of Defendant's  
18 motion. ERISA, if applicable, may dictate the law governing  
19 Defendants' claims to the proceeds of the Policy. See Connecticut  
20 Gen. Life Ins. Co. v. Riner, 351 F. Supp. 492, 497 (W.D. Va.  
21 2005) (discussing ERISA preemption of state law when interpleader  
22 action is brought under Rule 22(a)(1) and subject matter jurisdiction  
23 is premised upon diversity jurisdiction). Notwithstanding any  
24 potential applicability of ERISA to this action, Defendant has failed  
25 to demonstrate any infirmity in Plaintiff's complaint justifying  
26 dismissal. Therefore, Defendant's dismissal motion under Rule  
27 12(b)(6) is denied.

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