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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA

METROPOLITAN LIFE INSURANCE  
COMPANY,

Plaintiff,

v.

SHARON L. PATE, NORMAN L.  
MONKS, LINDA M. MOCHELL,  
BEULAH MONKS,

Defendants.

No. 2:14-cv-02558-MCE-AC

**MEMORANDUM AND ORDER**

Through the present motion, Plaintiff Metropolitan Life Insurance Company (“MetLife”) seeks discharge in interpleader now that the contested proceeds to its policy of life insurance have been paid into the Court’s registry. No opposition to that request has been made, and it is now granted.<sup>1</sup>

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<sup>1</sup> Because oral argument would not be of material assistance, the Court ordered this matter submitted on the briefs. E.C. Cal. Local Rule 230(g).

1 **BACKGROUND<sup>2</sup>**

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3 This is an interpleader action involving a dispute over entitlement to life insurance  
4 benefits payable as a result of the death of Clyde Monks (“the Decedent”) on May 4,  
5 2014. At the time of his death, the Decedent was insured through a Federal Group Life  
6 Insurance Policy (“the Policy”) issued by MetLife. As a result of the insured’s death, a  
7 total death benefit of \$24,000.00 became payable under the Policy.

8 The latest beneficiary designation on file under the Policy, dated March 3, 2012,  
9 specified that his three children, Defendants Sharon L. Pate, Norman L. Monks and  
10 Linda M. Mochell should each receive an equal one-third of Policy benefits. The  
11 previous designation dated January 21, 1976, however, designated the Decedent’s wife,  
12 Beulah Monks, as sole beneficiary. Following the Decedent’s Death, Beulah Monks’  
13 attorney claimed that he had been diagnosed with severe Alzheimer’s type dementia on  
14 February 17, 2011, and was therefore not competent to make financial decisions at the  
15 time he changed the Policy’s beneficiaries in 2012.

16 Because of the conflicting claims between Decedent’s children on the one hand  
17 and his wife on the other, Met Life filed the instant interpleader action on November 2,  
18 2014. By Order filed May 5, 2016, this Court directed MetLife to pay the Policy benefits,  
19 plus accrued interest, into the Court’s registry. ECF No. 23. A total of \$24,228.49 was  
20 subsequently deposited with the Court on or about May 12, 2016. ECF No. 24.

21 Now that the disputed policy proceeds have been paid, MetLife, through the  
22 present motion, seeks a discharge from any further liability in this matter.

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<sup>2</sup> The underlying facts are undisputed.

## ANALYSIS

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3 A stakeholder holding funds or property to which conflicting claims may be made  
4 can protect itself from multiple liability, and require potential claimants to litigate between  
5 themselves who is entitled to the funds or property, by commencing an action in  
6 interpleader. See, e.g., Cripps v. Life Ins. Co. of N. Am., 980 F.2d 1261, 1265 (9th Cir.  
7 1992). An interpleader action entails a two stage process. “First, the court determines  
8 the propriety of interpleading the adverse claimants and relieving the stakeholder from  
9 liability. The second stage involves an adjudication of the adverse claims of the  
10 defendant claimants.” Metro. Life Ins. Co. v. Billini, 2007 WL 4209405 at \*2 (E.D. Cal.  
11 2007) (quoting First Interstate Bank of Or. v. U.S., 891 F. Supp. 543, 546 (D. Or. 1995)).  
12 The motion presently before this Court focuses on the first stage of the interpleader  
13 process.

14 Jurisdiction over an interpleader may be established in two ways. A “rule  
15 interpleader” is brought pursuant to Federal Rule of Civil Procedure 22. Alternatively,  
16 subject matter jurisdiction for a so-called “statutory interpleader” rests on the Federal  
17 Interpleader Act, 28 U.S.C. § 1335, and exists where there is diversity between the  
18 claimants, the amount in controversy exceeds \$500.00, and the stakeholder has  
19 deposited the disputed funds with the Court. 28 U.S.C. § 1335.<sup>3</sup> MetLife has brought  
20 this action as both rule and a statutory interpleader. See Compl, ¶ 6.

21 The stakeholder seeking discharge and judgment in interpleader has the burden  
22 of demonstrating that interpleader is justified. Interfirst Bank Dallas, N.A. v. Purolator  
23 Courier Corp., 608 F. Supp. 351, 353 (D.C. Tex. 1985). As set forth in the Background  
24 section of this Memorandum and Order, it is undisputed that Decedent’s wife and  
25 children both claim entitlement to the Policy proceeds. MetLife has therefore  
26 demonstrated, as it must, that it faces the prospect multiple liability with respect to its  
27 policy proceeds because of conflicting claims. Id. Because MetLife has satisfied the

28 <sup>3</sup> Statutory interpleader under 28 U.S.C. § 1335 is supplemented by 28 U.S.C. §§ 1397 and 2361.

1 jurisdictional requirements of an interpleader claim, it is entitled to both a discharge of  
2 liability and a dismissal of the action. 28 U.S.C. § 2361; United States v. High  
3 Technology Products, Inc., 497 F.3d 637, 641-42 (6th Cir. 2007).

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5 **CONCLUSION**

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7 For the reasons set forth above, MetLife's Motion for Dismissal and Discharge of  
8 All Liability (ECF No. 25) is GRANTED. MetLife is therefore discharged of any and all  
9 further liability to individuals with competing claims against the proceeds of its Policy  
10 payable as a result of the May 4, 2014 death of Clyde Monks. Met Life is accordingly  
11 dismissed from this action with prejudice. Although the first stage of the two-part  
12 interpleader process has now been completed, the remaining parties must now litigate  
13 their entitlement to the interpled Policy funds in the second phase of these proceedings.

14 Counsel for MetLife shall serve a copy of this Memorandum and Order on all  
15 parties within thirty (30) days after the date it is electronically filed.

16 IT IS SO ORDERED.

17 Dated: July 29, 2016

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20 MORRISON C. ENGLAND, JR.  
21 UNITED STATES DISTRICT JUDGE  
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