IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

STATE NATIONAL INSURANCE COMPANY, Plaintiff, v. THE COUNTY OF CAMDEN, Defendants. THE COUNTY OF CAMDEN, Counterclaimant and Third-Party Plaintiff, v. STATE NATIONAL INSURANCE COMPANY, Counterclaim-Defendant and NICHOLAS M. ANDERSON, Third-Party Defendant, and SCIBAL ASSOCIATES, INC., Third-Party Defendant and Third-Party Counterclaimant. THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA, Intervening Plaintiff, v. THE COUNTY OF CAMDEN and SCIBAL ASSOCIATES, Defendants.	CIV. NO. 08-5128(NLH)(AMD) **MEMORANDUM OPINION & ORDER**

APPEARANCES:

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On behalf of Scibal Associates, Inc.

HILLMAN, District Judge

This matter having come before the Court on the motions of the County of Camden for summary judgment[1]; and

[1]Because numerous Opinions setting forth the facts and background of this case have been issued, the Court will not restate those again here.

The County arguing that State National's action against it should be dismissed because State National has not actually prosecuted the matter, but rather non-party Meadowbrook Insurance Group has instituted and prosecuted the action under the veil of State National; and

The County further arguing that State National's case should be dismissed because Meadowbrook is the real party-in-interest, and as such, State National has not suffered any cognizable injury, such as claims of prejudice from the County's conduct in the underlying Anderson litigation; and

The Court noting that the relationship between State National and Meadowbrook has caused confusion for the parties and the Court, as demonstrated, for example, by whether Meadowbrook employees were considered parties to the litigation or non-party witnesses for the purposes of determining the location of discovery depositions,[2]

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[2]There, on State National's appeal of the magistrate judge's order regarding the location of the depositions of two Meadowbrook employees, this Court found that State National did not have standing to challenge the magistrate judge's order because those two employees were not State National employees. The Court also explained the blurred relationship between State National and Meadowbrook:

> In this case, although it seems undisputed that Alexander and Meleedy are non-party, non-officer witnesses who do not reside or work within 100 miles of New Jersey, the relationship between State National and Alexander and Meleedy, through their employer Meadowbrook Insurance Group, causes the issue of who can challenge these Rule 45 depositions to be less-than-clear. This is evidenced by the County's and State National's motion practice regarding discovery

(see Docket No. 272); and

The Court having previously noted, "Much time and expense has been spent on issues caused by this hazy interrelationship between State National and Meadowbrook," (Docket No. 272 at 10); and

The Court finding that the resolution of the issue of which

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issues, as well as the parties' supplemental briefs discussing State National's standing.

Meadowbrook Insurance Group is the claims administrator for State National. Fourth-party claims had been lodged against Meadowbrook by third party defendant Scibal Associates, and for those claims, Meadowbrook was represented by State National's counsel. Upon motion by Meadowbrook, those claims have been dismissed, and, thus, Meadowbrook is no longer an active party in this case. However, due to the agency relationship between State National and Meadowbrook, and the fact that it appears that Meadowbrook possesses much of the information concerning the County's communications about the underlying Anderson litigation, the County has directed much of its discovery requests regarding those communications to State National. In turn, State National has not appeared to object to it being the target of this discovery, although it has challenged the substance of those requests.

Neither party disputes that State National and Meadowbrook are completely different entities. That distinction has been blurred by State National's proffer of Meadowbrook employees and documents in response to the County's discovery demands, by State National's counsel's acceptance and waiver of service regarding Meadowbrook officers, and by the County's directing of its discovery regarding Meadowbrook to State National, ostensibly because of the overlapping legal representation, as well as the nature of how Meadowbrook and State National handled the County's claim regarding the Anderson lawsuit.

(Docket No. 272 at 8-9.)

entity is the proper real party-in-interest to prosecute this matter against the County is paramount; and

The Court further finding that the motion papers submitted by the parties do not provide enough information for the Court to make a determination on this issue;

Accordingly,

IT IS HEREBY on this 29th day of June, 2011

ORDERED that the motions of the County of Camden [302, 371] are **DENIED WITHOUT PREJUDICE**; and it is further

ORDERED that this Court shall conduct a hearing on the issues raised by the County of Camden as to State National's standing to prosecute its case on July 18th, 2011 at 2:00 am/(pm) in Courtroom 3A.

Noel L. Hillman

At Camden, New Jersey NOEL L. HILLMAN, U.S.D.J.