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THE HONORABLE RICHARD A. JONES

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

LAURA D. JANTOS,

Plaintiff,

v.

THE PRUDENTIAL LIFE INSURANCE
COMPANY OF AMERICA,

Defendant.

Case No. 2:15-cv-01530-RAJ

ORDER

This matter comes before the Court on Defendant The Prudential Life Insurance Company of America’s Motion to Dismiss. Dkt. # 38. Plaintiff Laura Jantos opposes the motion. Dkt. # 40. For the reasons that follow, the Court GRANTS in part and DENIES in part Defendant’s motion.

I. BACKGROUND

ORDER-1

1 Plaintiff is a beneficiary to a Long Term Disability (LTD) Plan that Defendant
2 administers. Dkt. # 33 (Amended Complaint) at ¶¶ 2, 3. After suffering a traumatic
3 brain injury, Plaintiff submitted a claim for benefits under the LTD Plan. *Id.* at ¶ 5.
4 Defendant approved her claim and paid her benefits pursuant to the Plan. *Id.* Plaintiff
5 never contested the amount of her monthly benefit.
6

7 At some point, Defendant terminated Plaintiff’s benefits. *Id.* at ¶ 12. Plaintiff
8 appealed the decision, and Defendant ultimately agreed to reinstate her benefits. *Id.*
9 Plaintiff now claims that Defendant has been underpaying her benefits and brings this
10 lawsuit under the Employee Retirement Income Security Act of 1974 (ERISA).
11

12 **II. LEGAL STANDARD**

13 Fed. R. Civ. P. 12(b)(6) permits a court to dismiss a complaint for failure to state
14 a claim. The rule requires the court to assume the truth of the complaint’s factual
15 allegations and credit all reasonable inferences arising from those allegations. *Sanders*
16 *v. Brown*, 504 F.3d 903, 910 (9th Cir. 2007). A court “need not accept as true
17 conclusory allegations that are contradicted by documents referred to in the complaint.”
18 *Manzarek v. St. Paul Fire & Marine Ins. Co.*, 519 F.3d 1025, 1031 (9th Cir. 2008). The
19 plaintiff must point to factual allegations that “state a claim to relief that is plausible on
20 its face.” *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 568 (2007). If the plaintiff
21 succeeds, the complaint avoids dismissal if there is “any set of facts consistent with the
22 allegations in the complaint” that would entitle the plaintiff to relief. *Id.* at 563;
23 *Ashcroft v. Iqbal*, 556 U.S. 662, 679 (2009).
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1 A court typically cannot consider evidence beyond the four corners of the
2 complaint, although it may rely on a document to which the complaint refers if the
3 document is central to the party's claims and its authenticity is not in question. *Marder*
4 *v. Lopez*, 450 F.3d 445, 448 (9th Cir. 2006). A court may also consider evidence
5 subject to judicial notice. *U.S. v. Ritchie*, 342 F.3d 903, 908 (9th Cir. 2003).

7 III. DISCUSSION

8 A. Exhaustion of Remedies

9
10 Plaintiff's first claim arises under 29 U.S.C. § 1132(a)(1)(B). Dkt. # 33
11 (Amended Complaint) at ¶ 16. She alleges that Defendant underpaid her LTD benefits,
12 and she seeks to enforce her rights under the Plan as well as clarify her right to future
13 benefits under the terms of the Plan. *Id.* To bring such a claim, Plaintiff "must avail . . .
14 herself of a plan's own internal review procedures before bringing suit in federal court."
15 *Vaught v. Scottsdale Healthcare Corp. Health Plan*, 546 F.3d 620, 626 (9th Cir. 2008);
16 *Diaz v. United Agr. Employee Welfare Ben. Plan and Trust*, 50 F.3d 1478, 1483 (9th
17 Cir. 1995); *Amato v. Bernard*, 618 F.2d 559, 568 (9th Cir. 1980). Though this
18 exhaustion requirement is a court-created doctrine, it is long settled that Congress
19 intended for plaintiffs to exhaust their remedies prior to bringing suit in a federal forum.
20 *Diaz*, 50 F.3d at 1483. Doing so reduces frivolous litigation, promotes consistent
21 treatment of claims, minimizes costs of claim settlement, and allows for "proper
22 reliance on administrative expertise." *Id.*
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1 Plaintiff's Plan provided that it would pay sixty-percent of Plaintiff's monthly
2 earnings up to \$15,000. Dkt. # 39 at p. 18. Accordingly, when the Plan approved
3 Plaintiff's LTD benefits, it multiplied her monthly earnings by sixty-percent to calculate
4 her scheduled benefit of \$9,500. *Id.* at p. 54. In addition to approving her benefits,
5 Defendant directed Plaintiff to contact a claims handler or other representative should
6 she have any questions regarding her scheduled benefits. *Id.* at pp. 54-55. Moreover,
7 the Plan provided information on how to file a claim, and authorized Plaintiff to "start
8 legal action regarding [her] claim 60 days after proof of claim has been given and up to
9 3 years from the time proof of claim is required, unless otherwise provided under
10 federal law." *Id.* at pp. 36-38.

13 Plaintiff claims an exception to her exhaustion requirement. *See, generally*, Dkt.
14 # 40. Plaintiff explains that if Defendant's approval letter is not an "adverse benefit
15 determination," and it is not, then she may sidestep any exhaustion requirement and
16 bring a lawsuit within the time frame noted in the Plan. *Id.* at pp. 24-25. The Court
17 disagrees. Plaintiff must attempt to utilize Defendant's internal resources before
18 venturing into a federal forum. *Diaz*, 50 F.3d at 1484 ("If the denial letters left Diazes
19 in the dark . . . , a toll-free telephone call could have shed light on the matter. Diazes fail
20 to explain why that phone call was not made, nor have they suggested that the call
21 would have been unproductive."). Had Plaintiff called her claims handler or any other
22 representative—information that Defendant provided in its benefits approval letter—to
23 seek clarification regarding her scheduled benefits, she may have had the opportunity
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1 for an internal review. In fact, Defendant proved that it could resolve Plaintiff's issues
2 both internally and in her favor based on Plaintiff's appeal in 2016. Dkt. # 33
3 (Amended Complaint) at ¶ 12. Internal resolution and judicial economy are not mere
4 details in ERISA's construction, and the Court takes Plaintiff's exhaustion requirement
5 seriously. Accordingly, the Court **GRANTS** Defendant's motion to dismiss Plaintiff's
6 first claim under 29 U.S.C. § 1132(a)(1)(B) without prejudice.
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8 **B. Plaintiff's Second Claim under 29 U.S.C. § 1132(a)(3)**
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10 Plaintiff alleges that Defendant violated its obligations as a fiduciary "by failing
11 to act in accordance with the documents and instruments governing the LTD Plan"
12 when calculating Plaintiff's monthly benefit. Dkt. # 33 (Amended Complaint) at ¶ 20.
13 However, Plaintiff does not allege any plausible facts to show that Defendant
14 miscalculated her benefit.
15

16 The Plan clearly states that it will pay sixty-percent of Plaintiff's monthly
17 earnings, not to exceed \$15,000. Dkt. # 39 at p. 7. Defendant found that Plaintiff
18 earned \$15,833.33 per month. Dkt. # 39 at p. 54. Defendant agreed to pay Plaintiff
19 sixty-percent of this amount, which equals approximately \$9,500. *Id.* Plaintiff
20 therefore fails to allege facts indicating Defendant breached its duties under the Plan.
21 Because Plaintiff's second claim turns on whether Defendant miscalculated Plaintiff's
22 monthly benefit—and it is not clear from the Amended Complaint that this occurred—
23 the Court **GRANTS** Defendant's motion to dismiss this claim without prejudice.
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1 **IV. CONCLUSION**

2 For all the foregoing reasons, the Court **GRANTS in part and DENIES in part**
3 Defendant's Motion to Dismiss. Dkt. # 38. The Court dismisses Plaintiff's Amended
4 Complaint without prejudice.
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6 Dated this 20th day of April, 2017.
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11 The Honorable Richard A. Jones
12 United States District Judge
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