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BRIGHTHOUSE LIFE INSURANCE COMPANY

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA

BRIGHTHOUSE LIFE INSURANCE COMPANY, Plaintiff, v. MINDY RENEE DRAKE, individually and as Executor of the ESTATE OF LAURA MCDONALD; LPL FINANCIAL, LLC; JACOB MCDONALD-ERDMAN, in his individual capacity; JACOB MCDONALD-ERDMAN, as parent and natural guardian of E. M.-E., a minor; and JACOB MCDONALD-ERDMAN, as parent and natural guardian of A. M.-E., a minor, Defendants.	Case No. **PLAINTIFF BRIGHTHOUSE LIFE INSURANCE COMPANY'S COMPLAINT FOR INTERPLEADER**

Plaintiff Brighthouse Life Insurance Company ("Brighthouse"), by and through its undersigned attorneys, states the following claim for interpleader pursuant to 28 U.S.C. § 1332 and Rule 22 of the Federal Rules of Civil Procedure:

PARTIES

1. Brighthouse is an insurance company organized under the laws of the State of Delaware with its principal place of business in North Carolina. Brighthouse is authorized to do business in the State of California. Brighthouse issued the subject annuity.

2. Upon information and belief, Defendant Mindy Renee Drake is the niece of the decedent-annuitant, Laura McDonald. Upon information and belief, Ms. Drake was appointed as the Executor of the Estate of Laura McDonald. Ms. Drake is a citizen of California. Likewise, the Estate of Laura McDonald is a citizen of California pursuant to 28 U.S.C. § 1332(c)(2) because the decedent was a citizen of California at the time of her death.

3. Defendant LPL Financial, LLC ("LPL") assisted in the procurement of the subject annuity and paid premium to Brighthouse for the annuity. The sole member of LPL Financial, LLC is LPL Holdings, Inc. LPL Holdings, Inc. is a citizen of Massachusetts because it is a Massachusetts corporation with its principal place of business in Massachusetts.

4. Defendant Jacob McDonald-Erdman ("Jacob") is the son of the decedent-annuitant and was designated as a beneficiary of the subject annuity. Jacob is a citizen of California. Upon information and belief, Jacob is the parent and natural guardian of minor Defendants E. M.-E. and A. M.-E.

5. Upon information and belief, Defendant E. M.-E. is the minor grandchild of the decedent-annuitant, son of Jacob McDonald-Erdman, and was designated as a beneficiary of the subject annuity. E. M.-E. is a citizen of California.

6. Upon information and belief, Defendant A. M.-E. is the minor grandchild of the decedent-annuitant, son of Jacob McDonald-Erdman, and was designated as a beneficiary of the subject annuity. A. M.-E. is a citizen of California.

JURISDICTION AND VENUE

7. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332 because there is complete diversity between Brighthouse, a citizen of North Carolina and Delaware for diversity purposes, and Defendants, citizens of California and Massachusetts, and because the amount in controversy exceeds $75,000.

8. Venue for this action is proper under 28 U.S.C. § 1391 because at least one Defendant resides in this District and a substantial part of the events or omissions giving rise to the claim occurred in this District.

BACKGROUND

9. On or about February 7, 2025, Laura McDonald ("Ms. McDonald") applied for a Brighthouse Shield Level Pay Plus annuity (the "Application"). On the Application, Ms. McDonald was designated as the owner and annuitant. Ms. McDonald also completed a Brighthouse Shield Level Pay Plus Annuities Withdrawal Form, which authorized a Systematic Withdrawal Program ("SWP") for the prospective annuity distributions.

10. On or about February 10, 2025, LPL electronically submitted the Application to Brighthouse with an electronic transfer of premium in the amount of $364,050 (the "Premium").

11. On or about February 10, 2025, Brighthouse issued Annuity No. S22506197 with Ms. McDonald as owner and annuitant (the "Annuity").

12. Ms. McDonald designated the following Primary Beneficiaries of the Annuity's death benefit (the "Death Benefit"): (i) Jacob – 60% share; (ii) E. M.-E. – 20% share; and (iii) A. M.-E. – 20% share (collectively, the "Beneficiaries").

13. On or about February 12, 2025, Brighthouse issued a SWP payment to Ms. McDonald via EFT in the amount of $1,592.71.

14. On February 14, 2025, Ms. McDonald died.

15. Based on information received from LPL, LPL submitted the Premium to Brighthouse on February 10, 2025, without first receiving the funds from Ms. McDonald or another source.

16. Based on information received from LPL, the ACH transfer to fund the Premium from Ms. McDonald's bank account was cancelled by Ms. Drake prior to the transmittal of the ACH transfer, and a subsequent ACH transfer request did not result in the transmittal of funds from Ms. McDonald to LPL.

17. LPL seeks to recover from Brighthouse the Premium that it paid to Brighthouse.

18. Ms. Drake, individually and/or on behalf of the Estate of Laura McDonald, seeks to rescind and/or cancel the Annuity. Upon information and belief, Ms. Drake also takes the position that the Annuity is not enforceable because Ms. McDonald did not pay the Premium for the Annuity.

19. By check dated April 3, 2025, Ms. Drake issued a check to Brighthouse in the amount of $1,592.71, purporting to refund the SWP payment issued by Brighthouse on February 12, 2025 (the "SWP Refund").

20. In the event the Annuity is deemed enforceable, the Beneficiaries are entitled to the Death Benefit.

21. Brighthouse faces uncertainty and competing claims as to (1) the enforceability of the Annuity; and (2) the proper distribution of the Annuity funds, e.g., whether to return the Premium to LPL (or to Ms. Drake) or to pay the Death Benefit to the Beneficiaries.

22. Based on the foregoing, Brighthouse is commencing this action in interpleader out of necessity.

COUNT I

INTERPLEADER

23. Brighthouse incorporates each of the paragraphs above as if set forth herein at length.

24. LPL and Ms. Drake claim that the Annuity is not enforceable and/or that the Premium should be refunded because the Annuity was rescinded.

25. In the event the Annuity is not enforceable or is otherwise rescinded, Brighthouse faces competing claims as to the proper recipient of the Premium to be refunded.

26. Alternatively, in the event the Annuity is deemed enforceable and not rescinded, the Death Benefit is payable to the Beneficiaries by reason of Ms. McDonald's death.

27. Brighthouse faces competing claims to the distribution of the Annuity funds, e.g., whether to rescind the Annuity and return the Premium to LPL (or to Ms. McDonald) or to pay the Death Benefit to the Beneficiaries.

28. These competing claims present an actual, justiciable controversy among Defendants as to their respective rights to the Annuity funds.

29. Brighthouse claims no interest in the Annuity funds and is a disinterested stakeholder. Brighthouse has, at all times, been willing to deliver – to the party entitled – the refunded Premium or the Death Benefit.

30. Unless the potentially conflicting claims are disposed of in a single proceeding, Brighthouse may be subject to multiple litigation and at substantial risk of suffering duplicate or inconsistent rulings on liability for payment.

31. Brighthouse is ready, willing, and able to pay the Death Benefit, plus applicable interest, if any, and the February 12, 2025 SWP payment,[1] into the Registry of the Court, upon issuance of an order permitting Brighthouse to deposit said proceeds.[2]

32. Brighthouse is entitled to an order enjoining Defendants, and anyone directly or indirectly acting on their behalf, from prosecuting any action against Brighthouse regarding the Annuity funds, including the potential refund of the Premium and the payment of the Death Benefit.

33. Brighthouse brings this interpleader in good faith, and not in collusion with Defendants or any other claimant, individual, or entity. Brighthouse has done nothing to cause

[1] Because Ms. Drake purported to return to Brighthouse the SWP payment in the amount of $1,592.71 that Brighthouse paid on February 12, 2025, Brighthouse seeks to include the $1,592.71 payment in the interpleaded funds because, in the event the Court deems the Annuity enforceable, Ms. McDonald was entitled to the SWP payment on February 12, 2025, and Brighthouse claims no interest in the SWP payment.

[2] In the event the Court concludes that the Annuity is not enforceable or is otherwise rescinded and distributes the Premium to Ms. Drake and/or to LPL, Brighthouse respectfully requests that the Court return to Brighthouse the excess funds (*i.e.*, the interpleaded Death Benefit, plus applicable interest and the SWP payment, less the Premium to be refunded).

the controversy among Defendants.

34. As an innocent, disinterested stakeholder bringing this interpleader action in good faith, Brighthouse is entitled to an award of costs and reasonable attorneys' fees incurred.

35. Brighthouse reserves the right to defend any claims not provided for or covered by this interpleader tender, if any, should a court order or judgment relating to this interpleader not fully discharge and release Brighthouse from liability regarding the Annuity and the Annuity funds.

RELIEF REQUESTED

WHEREFORE, Brighthouse demands judgment as follows:

(i) Order Defendants to interplead and resolve between themselves their respective rights to the Annuity funds, including the potential refund of the Premium and the payment of the Death Benefit, without further involvement of Brighthouse;

(ii) Enjoin and restrain Defendants, their agents, attorneys, and assigns, from commencing or further prosecuting any other proceedings in any state or United States Court against Brighthouse on account of the Annuity and/or the Annuity funds, including the potential refund of the Premium and the payment of the Death Benefit;

(iii) Discharge and dismiss Brighthouse from this litigation and any and all liability in connection with, arising out of, or relating to this action, the Annuity and the Annuity funds, including the potential refund of the Premium and the payment of the Death Benefit;

(iv) Direct and declare the respective rights of Defendants with respect to the Annuity and direct and declare to whom and what amount should be paid;

(v) Award Brighthouse its reasonable attorneys' fees, disbursements, and all other proper costs and charges incurred in connection with this action; and

(vi) Award such other and further relief as the Court may deem just and proper.

Dated: March 19, 2026

FAEGRE DRINKER BIDDLE & REATH LLP

By: */s/ Susan Y. Ly*
SUSAN Y. LY
Attorneys for Plaintiff
BRIGHTHOUSE LIFE INSURANCE COMPANY