

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

HARTFORD LIFE AND ACCIDENT	)	
INSURANCE COMPANY,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Case No. CIV-17-654-J
	)	
KEISHA JONES-ATCHISON, et al.,	)	
	)	
Defendants,	)	
	)	
and,	)	
	)	
ANITRA HAAG, et al.,	)	
	)	
Defendant-Intervenors/Cross-	)	
Complainants/Counter-	)	
Complainants.	)	

ORDER

Defendant-Intervenors Anitra Haag, Amber Smith, and Kristi Hall, as parents and next friends of minor children L.M.H., I.E.S, and J.H (collectively, the Children), move for summary judgment (Children’s Mot.) [Doc. No. 106] and Defendants David Atchison, Sr. and Fannie Atchison (the Grandparents) move for a motion for judgment on the pleadings or, alternatively, summary judgment (Grandparents’ Mot.) [Doc. No. 112]. The motions have all been fully briefed and are now at issue. For the reasons set forth below, the Court DENIES the Grandparents’ motion, DISMISSES the Children’s state-law claims without prejudice, and DENIES the Children’s motion for summary judgment as moot.

I. Background

Through Hartford Life and Accident Insurance Company (Hartford Life), David Atchison, Jr. had basic life insurance, supplemental life insurance, and accidental death and dismemberment coverage. *See* Complaint (Compl.) [Doc. No. 1] at 3; *see also* Children’s Mot., Ex. 5 at 6. Mr.

Atchison, Jr. named his ex-wife, Keisha Jones-Atchison, as the beneficiary of his \$75,000 basic life insurance policy but did not name a beneficiary for his \$225,000 supplemental life insurance policy or \$150,000 accidental death and dismemberment benefits. *See* Compl. at 3; Children's Mot., Ex. 5 at 1-3.

Mr. Atchison Jr. died on January 8, 2017 and his ex-wife became a suspect in his homicide. *See* Compl. at 4. In March 2017, Ms. Jones-Atchison submitted a claim to the decedent's basic life insurance policy, and in April 2017, the Grandparents made a similar claim, alleging the decedent (their son) had no surviving children. *See id.* at 5-6. Hartford Life initiated the underlying interpleader action in June 2017 to ascertain the correct beneficiary of the \$75,000 basic life insurance policy. *See id.* at 5-7.

Simultaneously to seeking the basic life insurance policy proceeds, the Grandparents made a claim to the supplemental life insurance proceeds and accidental death benefits. The Grandparents again claimed the decedent had no surviving children, and Hartford Life paid them \$375,000 (\$250,000 supplemental; \$150,000 accidental death) under the policy's alternate-beneficiary plan. *See* Children's Mot., Ex. 8 at 1, 3-5. Neither payout was the subject of this interpleader action. *See* Compl. at 6.

After Hartford Life initiated this action, the Children were granted permission to intervene. [Doc. No. 46]. Thereafter, the Children raised crossclaims against the Grandparents and counterclaims against Hartford Life. [Doc. No. 68]. Related to Hartford Life, the Children alleged "(1) failure to pay benefits to the intended beneficiary in violation of ERISA; (2) breach of fiduciary duties; and, (3) breach of contract." [Doc. No. 79 at 4]. Hartford Life sought dismissal, claiming "(1) ERISA preempts the Children's claims for violation of fiduciary duties, and/or breach of contract; and, (2) the Children fail to state a claim for which relief can be granted

regarding any ERISA violation.” *Id.* at 4. The Court ultimately agreed with Hartford, holding the basic life insurance policy was (1) “governed by ERISA;” (2) “ERISA preempts the Children’s state law breach of contract and breach of fiduciary duty claims;” and (3) “the Children have failed to state any plausible claim against Hartford [Life]” for an ERISA violation. *Id.*, *passim*.

Related to the Grandparents, and relevant here, the Children raised state-law claims of (1) unjust enrichment; (2) fraud; and (3) tortious interference with contractual relations. [Doc. No. 68 at 11-12]. In sum, the Children allege that the Grandparents knew or should have known that their son had surviving children who were entitled to the \$225,000 insurance and \$150,000 accidental death benefits.

On May 19, 2020, the Children, the Grandparents, and Ms. Jones-Atchison informed the Court they had reached a settlement regarding distribution of the \$75,000.00 basic life insurance proceeds [Doc. No. 100] and the Court accepted the settlement and released the funds [Doc. No. 101]. The Children’s representatives have all filed proof of deposit [Doc. Nos. 118, 123] and the interpleader claims have been dismissed [Doc. No. 124].

The Children and Defendant David Atchison, Sr. are all Oklahoma residents. [Doc. No. 1, at 1 (David Atchison, Sr.)]; [Doc. No. 6, at 1 (David Atchison, Sr.)]; [Doc. No. 112, at 2 & n. 1 (the Children)]; [Doc. No. 120, at 4 (the Children)].

II. The Children’s Remaining State-Law Claims

Now that the original interpleader claims have been dismissed, the Court is left only with the Children’s crossclaims against the Grandparents for (1) unjust enrichment; (2) fraud; and (3) tortious interference with contractual relations. *See supra* at 3. These claims relate only to the supplemental insurance benefits (\$225,000) and the accidental death benefits (\$150,000) that Hartford Life paid to the Grandparents before the initiation of this action.

III. The Grandparents' Dispositive Motion

The Grandparents seek a motion for judgment on the pleadings under Fed. R. Civ. P. 12(c) and/or a motion for summary judgment under Fed. R. Civ. P. 56(c). The Court finds Rule 12(c) to be the appropriate avenue for relief and DENIES the motion.

A. Standard of Review

In relevant part, the Grandparents seek dismissal under Fed. R. Civ. P. 12(c). “A motion for judgment on the pleadings under Rule 12(c) is treated as a motion to dismiss under Rule 12(b)(6).” *Atlantic Richfield Co. v. Farm Credit Bank of Wichita*, 226 F.3d 1138, 1160 (10th Cir. 2000). In other words, the Court applies the same standards under either rule, accepting as true the complaint’s well-pleaded factual allegations and viewing them in the light most favorable to the non-movant. *See Brown v. Montoya*, 662 F.3d 1152, 1160 n. 4 (10th Cir. 2011); *see also Schrock v. Wyeth Inc.*, 727 F.3d 1273, 1280 (10th Cir. 2013). “That they share governing standards does not mean that Rule 12(c) motions are the same as Rule 12(b) motions.” *Burris v. MHM Support Servs.*, No. CIV-19-1174-SLP, 2020 WL 2747992, at *1 (W.D. Okla. May 27, 2020) (citation omitted). “A motion proceeding under Rule 12(c) occurs only after the pleadings are closed and is designed to provide a means of disposing of cases when the material facts are not in dispute and a judgment on the merits can be achieved by focusing on the content of the pleadings and any facts of which the court will take judicial notice.” *Id.* (citation omitted).

B. ERISA Preemption

This Court has previously held that ERISA governs the Hartford Life supplemental and accidental death policies and that ERISA preempted the Children’s claims against Hartford Life. [Doc. No. 79 at 7-10]. The Grandparents now seek dismissal alleging ERISA also preempts the

Children's state-law claims against the Grandparents. *See* Grandparents' Mot. at 4-6. The Court disagrees.

ERISA's preemption provisions are "intended to ensure that employee benefit plan regulation would be 'exclusively a federal concern.'" *Aetna Health Inc. v. Davila*, 542 U.S. 200, 208 (2004) (citation omitted). To that end, preemption protects against three important ERISA objectives: "simple administration, avoiding double liability [for plan administrators], and ensuring that beneficiaries get what's coming quickly, without the folderol essential under less-certain rules." *Kennedy v. Plan Adm'r for DuPont Sav. & Inv. Plan*, 555 U.S. 285, 301 (2009) (internal brackets omitted). Thus, crucial to the Court's prior ruling was the fact that the Children had sued Hartford Life seeking to force the insurance company to take some action in relation to the ERISA policy. [Doc. No. 79 at 7-10].

In contrast, the Children here bring claims against the Grandparents arguing entitlement to money the Grandparents allegedly received in violation of state law. A post-distribution suit such as this "does not require [a] ERISA plan administrator to pay life insurance proceeds" and does not "interfere with ERISA's objectives." *Estate of Griffin v. Goree*, No. SA17CA1182FBHJB, 2018 WL 4701828, at *3 (W.D. Tex. May 3, 2018), *adopted*, 2018 WL 5733165 (W.D. Tex. Sept. 6, 2018) (finding ERISA did not preempt plaintiff's claims, raised not against the plan administrator but against the beneficiary, alleging the beneficiary was not entitled to keep the funds received). The circuit courts are in agreement. *See, e.g., Guidry v. Sheet Metal Workers Nat. Pension Fund*, 39 F.3d 1078, 1083 (10th Cir. 1994) (addressing other ERISA provisions and holding "ERISA section 206(d)(1) protects ERISA-qualified pension benefits from garnishment only until paid to and received by plan participants or beneficiaries"); *Metlife Life & Annuity Co. of Connecticut v. Akpele*, 886 F.3d 998, 1007 (11th Cir. 2018) ("This court likewise holds as

mandated by the Supreme Court in *Kennedy* that a party who is not a named beneficiary of an ERISA plan may not sue the plan for any plan benefits. A party, however, may sue a plan beneficiary for those benefits, but only after the plan beneficiary has received the benefits.”); *Andochick v. Byrd*, 709 F.3d 296, 301 (4th Cir. 2013) (collecting cases and holding: “Because we detect no conflict with either ERISA’s objectives or relevant Supreme Court precedent, we hold that ERISA does not preempt post-distribution suits against ERISA beneficiaries.”); *Estate of Kensinger v. URL Pharma, Inc.*, 674 F.3d 131, 136 (3d Cir. 2012) (holding a post-distribution suit against the beneficiary of an ERISA insurance plan “would neither ‘destroy a plan administrator’s ability to get clear distribution instructions, without going to court’ nor subject [the ERISA plan] to ‘litigation-fomenting ambiguities.’ Rather, a suit against [the beneficiary] would simply require a court to determine the rightful recipient of the plan proceeds as a matter of contract law.” (citations omitted)); *see also, e.g., Cent. States, Se. & Sw. Areas Pension Fund v. Howell*, 227 F.3d 672, 678-79 (6th Cir. 2000) (citing *Guidry* and holding, “We find the Tenth Circuit’s reasoning persuasive. Today, we hold that once the benefits of an ERISA employee welfare benefit plan have been distributed according to the plan documents, ERISA does not preempt the imposition of a constructive trust on those benefits.”).

Based on the foregoing, the Court finds that ERISA does not preempt the Children’s allegations – directed at the Grandparents and not Hartford Life – that the supplemental life and accidental death proceeds were ill-gained under state law. *See Partlow v. Person*, 798 F.Supp.2d 878, 884-886 (E.D. Mich. 2011) (analyzing Supreme Court and circuit court case law and holding ERISA did not preempt state law claims against a beneficiary after distribution of funds).

C. Supplemental Jurisdiction

Because (1) ERISA does not govern the Children’s remaining claims, (2) the original interpleader claims have all been dismissed, and (3) there is no diversity of jurisdiction,¹ this Court must decide if it will exercise supplemental jurisdiction over the remaining state-law claims. It will not.

“Under 28 U.S.C. § 1367(c)(3), a district court may decline to exercise supplemental jurisdiction if ‘the district court has dismissed all claims over which it has original jurisdiction.’” *Koch v. City of Del City*, 660 F.3d 1228, 1248 (10th Cir. 2011) (citation omitted). Indeed, “[w]hen all federal claims have been dismissed, the court may, and usually should, decline to exercise jurisdiction over any remaining state claims.” *Id.*

Here, the Court had jurisdiction over the original action, which was an interpleader filed by Hartford Life to determine the proper beneficiary of the decedent’s \$75,000 basic life insurance policy. But the parties resolved that issue and the only claims on which the Court had jurisdiction have been dismissed. And, Oklahoma law is the basis for the Children’s claims. Therefore, the Court declines to assert supplemental jurisdiction and dismisses the Children’s remaining claims without prejudice. *See Principal Life Ins. Co. v. Lozar*, No. 15-CV-01073-EFM-KGG, 2016 WL 844822, at *2 (D. Kan. Mar. 1, 2016) (declining to exercise supplemental jurisdiction after interpleader action had been resolved and only remaining claims involved state law conflicts

¹ Defendant Fannie Atchison resides in Florida. *See* [Doc. No. 1, at 2; Doc. No. 6, at 1]. Nevertheless, jurisdiction under 28 U.S.C. § 1332(a) requires complete diversity among the parties. *See McPhail v. Deere & Co.*, 529 F.3d 947, 951 (10th Cir. 2008). Because the Children and Defendant David Atchison, Sr. share citizenship in Oklahoma, there is not complete diversity in this action. *See Dutcher v. Matheson*, 733 F.3d 980, 987 (10th Cir. 2013) (“Complete diversity is lacking when any of the plaintiffs has the same residency as even a single defendant.”).

between Kansas citizens); *see also, e.g., Speer v. Prudential Ins. Co. of Am.*, No. CIV-14-669-C, 2014 WL 4209572, at *1 (W.D. Okla. Aug. 25, 2014), *aff'd*, 645 F. App'x 821 (10th Cir. 2016).²

IV. Conclusion

For the reasons set forth above, the Court DENIES the Grandparents' dispositive motion [Doc. No. 112], DISMISSES the Children's state-law claims without prejudice, and DENIES the Children's motion for summary judgment [Doc. No. 106] as moot. A separate judgment will issue.

IT IS SO ORDERED this 12th day of August, 2020.



BERNARD M. JONES
UNITED STATES DISTRICT JUDGE

² In *Speer*, the plaintiff's father listed he and his brother as beneficiaries, and while the insurance company issued payments for both brothers, it mailed both payments to the brother who cashed both checks. The plaintiff sued the insurance company and his brother, and this Court found that ERISA preempted the claims against the insurance company. *See Speer*, 2014 WL 4209572, at *1. However, the Court then severed the claims against the brother, holding: "Plaintiff's claims against [his brother] are not within the Court's original . . . jurisdiction because they are not part of the same claims brought against Defendant Prudential, in that they do not arise under ERISA. Rather, they are claims for negligence, deceit, fraud, misrepresentation, bad faith, oppressiveness, or forgery – all state law-based claims." *Id.*