

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

MIDLAND NATIONAL LIFE	)	
INSURANCE COMPANY,	)	
	)	
Plaintiff,	)	
	)	
v.	)	CIVIL ACTION
	)	
ANTONIO VILLALOBOS; MARY	)	FILE NO. 1:22-cv-01117-TWT
ANNE BAKER; MARIA	)	
ZAMBRANO BELTRAN; JAVIER	)	
PESTANA; MONICA C. WILHELM,	)	
CO-TRUSTEE OF THE	)	
VILLALOBOS CHILDREN TRUST,	)	
DATED NOVEMBER 9, 2021;	)	
DAVID G. WILHELM,	)	
CO-TRUSTEE OF	)	
THE VILLALOBOS CHILDREN	)	
TRUST, DATED NOVEMBER 9,	)	
2021; CRISTINA I. VILLALOBOS;	)	
and P.C.V., a minor, by Monica C.	)	
Wilhelm as Parent and Next Friend,	)	
	)	
Defendants.	)	

FINAL JUDGMENT ORDER IN INTERPLEADER

This matter coming to be heard on Plaintiff, Midland National Life Insurance Company's Motion for Final Judgment Order in Interpleader, due notice having been given, and this Court being fully advised in the premises:

This Court hereby finds that:

1. Midland National issued a life insurance policy, Policy No. XXXXXX4318 (the “Policy”) to Juan C. Villalobos as the Owner and Insured, with a Face Amount of \$1,000,000 and a Policy Date was March 28, 2019. ([Doc. #1](#), Page 4 of 10, ¶¶14-17).

2. The Policy provides, in pertinent part: “We agree to pay to the Beneficiary the Policy Proceeds payable due to the Insured’s death if the Insured dies before the Expiry Date while this Policy is in effect. ... This agreement is subject to the terms of this Policy.” ([Doc. #1](#), Page 4 of 10, ¶¶18). The Policy also provides, in pertinent part:

3.9 BENEFICIARY – On the Policy Date, Beneficiaries are as stated in the application. ... A Beneficiary is revocable unless otherwise stated in the Beneficiary Designation. ... If there is more than one surviving Beneficiary, they will share the Policy Proceeds as stated in the application or in Written Notice received by Us.

3.9.1 CHANGE OF BENEFICIARY – You may change a revocable Beneficiary. ... We must receive Written Notice informing Us of the change. Upon receipt, a change takes effect as of the date the Written Notice was signed by the Owner.

([Doc. #1](#), Pages 4-5 of 10, ¶¶19).

3. In Part I of the Application, Juan C. Villalobos named his children, Cristina Villalobos and P.C.V., a minor, as co-equal revocable Primary Beneficiaries. ([Doc. #1](#), Page 5 of 10, ¶¶20).

4. Midland National received a Change of Beneficiary form dated May 21, 2021, and signed by Juan C. Villalobos. The form named Cristina Villalobos and P.C.V. as Primary Beneficiaries, each with a 40 percent interest, Antonio Villalobos, his father, as a Primary Beneficiary with a 13 percent interest, and Maria Zambrano, his fiancée, as a Primary Beneficiary with a 7 percent interest. ([Doc. #1](#), Page 5 of 10, ¶¶21).

5. Midland National then received another Change of Beneficiary form, dated May 25, 2021, and signed by Juan C. Villalobos, naming the following individuals as Primary Beneficiaries: Cristina Villalobos, with a 35 percent interest, P.C.V., with a 35 percent interest, Antonio Villalobos, with a 14 percent interest, Maria Zambrano, with a 5 percent interest, Javier Pestana, a friend, with a 6 percent interest, and Mary Anne Baker, a friend, with a 5 percent interest. Midland National received this Change of Beneficiary form on May 28, 2021. ([Doc. #1](#), Page 5 of 10, ¶¶22).

6. Juan C. Villalobos died on June 1, 2021. ([Doc. #1](#), Page 5 of 10, ¶¶23).

7. As a result of the Juan C. Villalobos' death, and under the terms of the Policy, the death benefit of \$1,000,000 became due and payable to a beneficiary or beneficiaries. ([Doc. #1](#), Page 5 of 10, ¶¶24).

8. An Opening Claim Status Form was completed on June 3, 2021. ([Doc. #1](#), Page 6 of 10, ¶¶25).

9. On August 11, 2021, Midland National received copies of the Juan C. Villalobos' and Monica C. Wilhem's divorce decree and settlement agreement. The settlement agreement provided, in part:

The Husband agrees to maintain a life insurance policy on his life with a death benefit of \$1,000,000.00, naming the children as beneficiaries and the Wife as Trustee for the benefit of the children as long as he shall be obligated to pay child support hereunder.

([Doc. #1](#), Page 6 of 10, ¶¶26).

10. On or about November 18 2021, Midland National sent a check dated November 18, 2021 and payable to the Trust in the amount of \$700,000, plus applicable interest. The check was endorsed by The Villalobos Children Trust, by Monica C. Wilhelm, Trustee of The Villalobos Children Trust. ([Doc. #1](#), Page 6 of 10, ¶¶27).

11. On March 18, 2022, Midland National filed its Complaint for Interpleader under the Federal Interpleader Act, [28 U.S.C. §§ 1335, 1397, 2361](#), and

under Rule 22 of the Federal Rules of Civil Procedure, [FED. R. CIV. P. 22](#) to resolve competing claims to the proceeds of the Policy. ([Doc. #1](#)).

12. The remaining amount of the death benefit, \$300,000.00 (Three Hundred Thousand and 00/100 Dollars) plus applicable interest (the “Policy Proceeds”), are due and payable to a beneficiary or beneficiaries, and liability is conceded to that effect. ([Doc. #1](#), Page 6 of 10, ¶¶28).

13. The Defendants have conflicting claims to the Policy Proceeds and do not agree regarding how the Policy Proceeds are to be paid. ([Doc. #1](#), Pages 6-7 of 10, ¶¶29).

14. Midland National cannot determine factually or legally who is entitled to the Policy Proceeds. By reason of the actual or potential claims of the Defendants, Midland National is or may be exposed to multiple liability. ([Doc. #1](#), Page 7 of 10, ¶¶30).

15. The Defendants, as potential beneficiaries of the Policy Proceeds, may each have a claim to and interest in the Policy Proceeds, and said claims are adverse to and conflict with each other. By reason of these adverse and conflicting claims, Midland National is unable to discharge its admitted liability for the remaining \$300,000 under the Policy without exposing itself to multiple litigation, liability, or both. ([Doc. #1](#), Page 7 of 10, ¶¶31).

16. Midland National is indifferent as to which of the defendants is entitled to the Policy Proceeds and is only interested in paying and discharging its admitted liability once; however, it has been unable to do so by reason of the circumstances described herein and thus files this Complaint for Interpleader. ([Doc. #1](#), Page 7 of 10, ¶¶32).

17. As a disinterested stakeholder, Midland National has no interest in the Policy Proceeds payable (except to recover its attorneys' fees and costs of this action), and respectfully requests that this Court determine to whom said benefits should be paid. ([Doc. #1](#), Page 7 of 10, ¶¶33).

18. Midland National has not brought this Complaint in Interpleader at the request of any of the Defendants. There is no fraud or collusion between Midland National and any of the Defendants. Midland National brings this Complaint of its own free will and to avoid being vexed and harassed by conflicting and multiple claims. ([Doc. #1](#), Page 7 of 10, ¶¶34). Midland National therefore filed its Complaint for Interpleader on March 18, 2022. ([Doc. #1](#)).

19. Defendants Antonios Villalobos, Mary Anne Baker, Maria Zambrano Beltran, (all citizens of the State of Georgia) and Javier Pestana (a citizen of the State of Texas) filed their Joint Answer to the Complaint on May 12, 2022. ([Doc. 11](#)).

20. Defendants Monica C. Wilhelm, Co-Trustee of the Villalobos Children Trust, David G. Wilhelm, Co-Trustee of the Villalobos Children Trust, Cristina I. Villalobos, and P.C.V., a minor, (all citizens of the state of Texas) filed their Answer on June 5, 2022. ([Doc. # 23](#)).

21. On July 7, 2022, Midland National filed its Motion for Leave to Deposit its Admitted Contractual Liability, proposed Order, and supporting Memorandum of Law. ([Doc. ## 30, 30-1, 30-2](#)). The motion is currently pending.

WHEREFORE, it is hereby ordered, adjudged, and decreed that:

A. All Defendants, during the pendency of this case and thereafter permanently and perpetually, are enjoined from commencing or prosecuting any proceeding or claim against Midland National Life Insurance Company in any state or federal court or other forum with respect to proceeds payable under the terms of Policy No. XXXXXX4318, and on account of the death of Juan C. Villalobos, the Insured, and that said injunction issue without bond or surety;

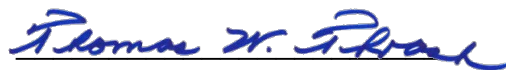
B. Judgment is granted in favor of Midland National Life Insurance Company on its Complaint for Interpleader with an express finding of finality pursuant to [FED. R. CIV. P. 54\(b\)](#), and it is hereby declared that Midland National Life Insurance Company has no further liability to any of the Defendants, or to any person or entity claiming through them, for the proceeds payable under the terms of

Policy No. XXXXXX4318, and on account of the death of Juan C. Villalobos, the Insured;

C. Midland National Life Insurance Company has acted in good faith by interpleading the proceeds of Policy No. XXXXXX4318, and depositing its admitted liability with the Clerk of the Court; and

D. Midland National Life Insurance Company is excused and dismissed from further attendance in this cause and it is hereby ordered that the adverse claimants, all Defendants, shall litigate their claims and contentions concerning the proceeds of Policy No. XXXXXX4318 without further involving Midland National Life Insurance Company.

SO ORDERED this 2nd day of August, 2022.

A handwritten signature in blue ink, reading "Thomas W. Thrash, Jr.", is positioned above the printed name and title.

Hon. Thomas W. Thrash, Jr.
United States District Court
Northern District of Georgia