UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

PRIMERICA LIFE INSURANCE COMPANY	)	
Plaintiff,	)	
v.	)	No. 4:24-cv-01099-RHH
DAVID LEE TOWNES, *et al*.	)	
Defendants.	)	

MEMORANDUM & ORDER

This statutory interpleader action is before the Court on Plaintiff Primerica Life Insurance Company's motion for attorneys' fees and costs (ECF No. 53) and motion to deposit funds (ECF No. 55), and on Defendants' Joint Notice of Partial Settlement (ECF No. 57).

Plaintiff administered a life insurance policy for David Townes, the decedent in this matter, and is otherwise a disinterested stakeholder. Pursuant to the Court's June 25, 2025 order on Plaintiff's Motion to Deposit Funds and for Discharge and Dismissal with Prejudice (ECF No. 36), Plaintiff timely deposited the proceeds of the decedent's life insurance policy in the Court registry on July 9, 2025. On the same day, Plaintiff filed its motion to deposit funds, asking the Court for an order authorizing deposit of $151,685.96 into the Court's registry. (ECF No. 55.) Because Plaintiff's motion to deposit funds seeks relief already granted by the Court (*see* ECF No. 51), Plaintiff's second motion to deposit funds is denied as moot.

Plaintiff now seeks discharge and an award of attorney's fees in the amount of $12,516.00 and costs in the amount of $107.98. Defendants do not oppose Plaintiff's discharge, but do oppose an award of attorney's fees in the amount requested. (ECF Nos. 67, 58.)

Defendants filed a Joint Notice of Partial Settlement on July 22, 2025. (ECF No. 57.) The notice states that the three defendants have reached an agreement to resolve their competing claims to the subject death benefit. Defendants state that upon resolution of Primerica's pending motions, Defendants will file a joint motion and order for interpleader disbursement and dismissal.

A. Legal Standard

The interpleader statute does not contain an express attorney's fee provision. See 28 U.S.C. § 1335; *First Trust Corp. v. Bryant*, 410 F.3d 842, 856 (6th Cir. 2005). Instead, courts have held that language in 28 U.S.C. § 2361, which provides for service of process and personal jurisdiction for statutory interpleader, stating that the "district court shall hear and determine the case, and may discharge the plaintiff from further liability, make the injunction permanent, *and make all appropriate orders to enforce its judgment,*" allows the court to award attorney's fees to a disinterested stakeholder in a statutory interpleader action. 28 U.S.C. § 2361 (emphasis added); *Bryant*, 410 F.3d at 856 ("Despite the lack of explicit statutory authorization, 'modern federal practice follows the traditional equity rule that gives the trial court discretion to allow a disinterested stakeholder to recover attorney's fees and costs from the stake itself.'") (quoting 4 James Wm. Moore et al., Moore's Federal Practice, § 22.06, at 22-98 to 22-99 (3d ed. 2002)); *Schirmer Stevedoring Co. Ltd. v. Seaboard Stevedoring Corp.*, 306 F.2d 188, 193 (9th Cir. 1962) (finding the "federal courts have continued the former equity practice of allowing attorney fees to interpleading plaintiffs in strict actions of interpleader" under the 28 U.S.C. § 2361 provision allowing the district court to "make all appropriate orders to enforce its judgment.").

The purpose of an interpleader action is to protect a stakeholder from both the cost of multiple suits and the risk of multiple liability when adverse claimants assert a right to a single stake. *Dakota Livestock Co. v. Keim*, 552 F.2d 1302, 1306 (8th Cir. 1977). As such, a disinterested

stakeholder may be entitled to recover attorney's fees and costs in bringing an interpleader action from the interpleaded funds. *Millers Mut. Ins. Ass'n of Illinois v. Wassell*, 738 F.2d 302, 304 (8th Cir. 1984). The court's authority to grant an award of fees and costs is discretionary. *Western-Southern Life Assurance Company v. Lee*, No. 4:13-CV-2499, 2015 WL 2124753, * 1 (E.D. Mo. May 6, 2015).

B. Attorney's Fees

"The amount of fees to be awarded in an interpleader action is committed to the sound discretion of the district court." *Trs. of Dirs. Guild of Am.-Producer Pension Benefits Plans v. Tise*, 234 F.3d 415, 426 (9th Cir. 2000), *opinion amended on denial of reh'g,* 255 F.3d 661 (9th Cir. 2001); *New York Life Ins. Co. v. Miller*, 139 F.2d 657, 658 (8th Cir. 1944). Interpleader, however, is "a simple, speedy, efficient and economical remedy" and typically there is "no justification for seriously depleting the fund deposited in court by a stakeholder through the allowance of large fees to his counsel." *Hunter v. Federal Life Ins. Co.*, 111 F.2d 551, 557 (8th Cir. 1940).

Attorney's fee awards for the interpleader plaintiff are "properly limited to those fees that are incurred in filing the action and pursuing the [stakeholder's] release from liability, not in litigating the merits of the adverse claimants' positions." *Tise*, 234 F.3d at 426. Compensable expenses include those related to preparing the complaint, obtaining service of process on the claimants to the fund, and preparing an order discharging the plaintiff from liability and dismissing it from the action. *Id.* at 426–27. The institution of an interpleader action, including depositing the fund in the registry of the court and procuring orders of discharge and dismissal, "does not usually involve any great amount of skill, labor or responsibility, and, while a completely disinterested stakeholder should not ordinarily be out of pocket for the necessary expenses and attorney's fees

incurred by him, the amount allowed for such fees should be modest." *Hunter*, 111 F.2d at 557. *See also Lee*, 2015 WL 2124753, * 1.

The general test for attorney's fees in an interpleader action is reasonableness. *Lee*, 2015 WL 2124753 *2. In determining what fees are reasonable, the court considers the following factors: (1) the complexity of the case; (2) whether the stakeholder performed unique services for the claimants or the court; (3) whether the stakeholder acted in good faith and with diligence; (4) whether the stakeholder benefited from the services rendered; and (5) whether the claimants improperly protracted the proceedings. *Lee*, 2015 WL 2124753 *2. A claimant seeking fees has the burden of proving its entitlement to the fees. *Tise*, 234 F.3d at 427–28; *Lee*, 2015 WL 2124753 *3. If the documentation is inadequate, the court may reduce the applicant's fee award accordingly. *Tise*, 234 F.3d at 427–28. "[A]ny 'uncertainties in a fee application due to nonspecific entries are resolved against the applicant.'" *Lee*, 2015 WL 2124753, * 3 (quoting *Protective Life Ins. Co. v. Kridner*, No. 12-582, 2013 WL 1249205, at *5 (N.D. Iowa 2014) (internal quotations omitted)).

Typically, the starting point for calculating reasonable attorney's fees is the "lodestar," which is calculated by multiplying a reasonable hourly rate by the number of hours reasonably expended on the case. See *Fish v. St. Cloud State Univ.*, 295 F.3d 849, 851 (8th Cir. 2002). The lodestar "provides an objective basis on which to make an initial estimate of the value of a lawyer's services." *Hensley v. Eckerhart*, 461 U.S. 424, 433 (1983). "A court is not required to reach a lodestar determination, however, and may attempt to identify specific hours that should be eliminated or simply reduce the award within its discretion." *Lee*, 2015 WL 2124753 *3 (citing *Hensley*, 461 U.S. at 436-37).

In calculating the lodestar, a reasonable hourly rate "is usually the ordinary rate for similar work in the community where the case has been litigated." *Fish*, 295 F.3d at 851. Here, Plaintiff

seeks $300.00 per hour for the services of attorney William P. Coate, who has over 50 years of litigation experience, $255.00 per hour for eight-year attorney David C. Vaughn, and $150.00 per hour for paralegal Susan D. Payne. The undersigned finds the hourly rates of these three practitioners are reasonable given their experience, the nature of this litigation, and prevailing market rates.

Plaintiff's counsel reports spending 47.3 hours on this matter, for a total of $12,516.00 in attorney's fees.[1] Plaintiff also reports costs of $107.98 for the filing fee in state court.

In Defendants' response to Plaintiff's motion, Defendants do not object to Plaintiffs' attorney's rates, nor do they contest that Plaintiff is entitled to relief in the form of attorney's fees generally. Defendants do contest the fees sought as excessive, specifically identifying several categories they argue are non-compensable charges in an interpleader case: (1) 10.7 hours serving Defendants; (2) 3.1 hours for attorney-client communications; (3) 4.4 hours for legal research; (4) 5.9 hours for non-client communications; (5) 10.2 hours for discovery; and (6) 9.2 hours for "review" and "analysis" not strictly related to preparing the complaint, obtaining service of process on the claimants to the fund, and/or securing the plaintiff's discharge from liability and dismissal from the suit.

Plaintiff responds that contrary to Defendants' claim, there are no generally accepted "four categories" of compensable fees. Plaintiff further argues that this was not a "standard" case, as there was more procedural complexity and delay "primarily driven by Defendants' own actions." Plaintiff emphasizes that it does not seek fees for costs related to the use of a private process server, any communications to its clients regarding liability, or fees related to briefing the attorney fees issue. The Court will address each category identified by Defendants in turn.

[1] This amount is comprised of 8.9 hours by Mr. Coate at $300.00 per hour, 26.2 hours by Mr. Vaughn at $255.00 per hour, and 21.2 hours by Ms. Payne at $150.00 per hour.

As to the first category of services identified by Defendants—10.7 hours related to service efforts—Defendants argue the majority of this time appears to be related to the paralegal's communication with a process server "that there is no indication Primerica even ultimately employed or paid in this case." Defendants' argument is puzzling, as the record reflects that Defendant Franklin was served by the process server identified in the time entries. (*See* ECF No. 1-3.) Moreover, Defendants explicitly acknowledge that "service on the claimants" is one of the services that courts will reimburse in interpleader cases. *See, e.g., Transamerica Life Ins. Co. v. Lambert*, No. 4:12-CV-1253 CAS, 2013 WL 328792, at *2 (E.D. Mo. Jan. 29, 2013) (service on the claimants is a reimbursable service in interpleader cases); *Hearing v. Minnesota Life Ins. Co.*, 33 F. Supp. 3d 1035, 1045 (N.D. Iowa 2014) (tasks related to obtaining service of process on the claimants to the fund are compensable), *aff'd*, 793 F.3d 888 (8th Cir. 2015). Plaintiff did not expend attorney hours on this task, instead delegating the task to a paralegal. Additionally, Plaintiff, through no fault of its own, had difficulty locating and serving certain Defendants. For these reasons, the Court will allow time related to Plaintiff's service efforts.

As to the second category of services—attorney-client communications—Defendants argue that communication with a client is not compensable, and asks the Court to exclude those hours, totaling $696.00 in fees.[2] Plaintiff responds that the modest 3.1 hours of attorney-client communication across fourteen months was required to fulfill counsel's ethical obligations under the Missouri Rules of Professional Conduct to keep its client reasonably informed about the case, and those hours for which fees were sought were not expended to protect against liability or to discuss attorney fees. Plaintiff may be correct; however, whether the time incurred is reasonable

[2] Defendant also argues that the redactions in time entries make it difficult to discern whether those communication time entries are for attorney-client communication, and if they are not, they should still be excluded as ambiguous. Plaintiff's response confirms that the time entries are for attorney-client communications.

and necessary is not the only consideration for the Court in an interpleader case. The undersigned will exclude these 3.1 hours from the reimbursable fees not because they were unnecessary or improper, but because they do not fall under the limited scope of legal services for which an interpleader plaintiff is entitled to recover. *See U.S. Bank Nat'l Ass'n v. Beck*, No. 4:20-CV-01847 PLC, 2022 WL 112154, at *4 (E.D. Mo. Jan. 12, 2022) ("While coordination between counsel and attorney-client communications are not per se unreasonable, U.S. Bank has failed to demonstrate that the Fund should compensate for these types of activities."); *Texas Life Ins. Co. v. Packman*, No. 4:13-CV-2019 JAR, 2014 WL 1400182, at *2 (E.D. Mo. Apr. 10, 2014) (reducing the fee award to exclude time expended on attorney-client communications); *Hearing*, 33 F. Supp. 3d at 1044, ("Nor will I allow Minnesota Life to recover attorney fees for attorney-client communications…").

Third, Defendants argue that Plaintiff's 4.4 hours for legal research should be excluded because "[i]t appears that at least some of these tasks were undertaken not to prepare the interpleader documents" but to protect the interest of the stakeholder and research its liability. Defendants do not suggest which specific tasks are purportedly to protect the interest of the stakeholder and research its liability. Moreover, many of the time entries identified were the result of Defendants' decision to contest personal jurisdiction in state court and remove this matter to federal court. Despite Defendants' vague objections, it is Plaintiff's burden to establish entitlement to fees. Upon review of the time entries associated with legal research, the undersigned finds that the research time incurred on August 7, 2024 (for 1.2 hours) and on April 29, 2025 (for .2 hours) were for the benefit of Plaintiff and are not recoverable here.

Fourth, Defendants argue that the 5.9 hours of attorney time related to communication with Defendants and their counsel regarding scheduling, jurisdiction, interest, and hearings should be

excluded because time devoted to limiting client liability or briefing on other issues is not compensable. The Court has carefully reviewed these time entries. It appears many of these entries relate to defense counsel's request for information regarding a co-defendant and defense counsel's decision to remove the matter to federal court. Such entries relate to effectuating service on, or at least procuring the participation of, Defendant Modise, and securing Plaintiff's dismissal from the action. Nevertheless, the Court has excluded time entries that reflect two different timekeepers reviewed the same correspondence and time entries that include redactions suggesting that the entries are for client communications or otherwise lack sufficient information to allow the Court to evaluate the reasonableness of the activities and hours expended. The undersigned will exclude 2.3 hours of time incurred, resulting in a $543 reduction in fees from this category.

Fifth, Defendants contend fees incurred for 10.2 hours of discovery, totaling $2,254.50 in fees, should be excluded. The undersigned agrees. Regardless of whether Plaintiff was a party to this case, Plaintiff would have been subject to participating in discovery and bearing its own attorneys' fees in responding to the claimants' requests. The Court will exclude discovery expenses from the fee award. *Hearing*, 33 F. Supp. 3d at 1044 ("Minnesota Life is not entitled to reimbursement for discovery-related attorney fees" because "[e]ven if Minnesota Life was not a party, it would have been subject to discovery through the subpoena process"); *Midland Nat. Life Ins. Co.--v. Ingersoll*, No. 13-C-1081, 2014 WL 7240268, at *4 (E.D. Wis. Dec. 18, 2014) (rejecting interpleader plaintiff's request for fees incurred in responding to discovery requests because "the fact that Midland is also a disinterested stakeholder is not grounds for shifting the costs of responding to the discovery onto the claimants"); *Field v. United States*, No. 2:15-CV-00241-TLN-DB, 2020 WL 903203, at *3 (E.D. Cal. Feb. 25, 2020) (rejecting hours spent on

discovery-related matters because the expenses "seem to have been incurred to protect Plaintiff's interest and/or litigate the claims"), *supplemented*, 2020 WL 1139484 (E.D. Cal. Mar. 9, 2020).

The sixth and final category raised by Defendants is time they contend is related to receipt, review, filing, and analysis "not strictly related to preparing the complaint, obtaining service of process on the claimants to the funds, and/or securing the plaintiff's discharge from liability and dismissal." Defendants contend the time entries in this catch-all category do not relate to the aforementioned acceptable categories, and Plaintiff has provided no justification for their inclusion as compensable time. After careful review of these entries identified by Defendants, as well as review of the entries Defendants had no specific objection to, the undersigned has excluded 2.3 hours of time incurred, resulting in a $598.50 reduction of fees. The entries that the undersigned found were not appropriate for reimbursement from the interpleader fund include: entries that appear to be communications with the client; entries wherein two different timekeepers appear to review the same file, in which case the Court excluded one timekeeper's entry; entries related to discovery tasks; entries that appeared to be for the goal of limiting liability; and entries that were otherwise too vague for the Court to determine their reasonableness and/or purpose.

For the foregoing reasons, after a reduction of 19.3 hours totaling $4,449.00 in fees, the Court hereby awards Plaintiff $8,067.00 in attorney fees and $107.98 in costs to be paid from the fund.

Accordingly,

IT IS HEREBY ORDERED that Plaintiff's Motion to Deposit Funds (ECF No. 55) is **DENIED as moot**.

IT IS FURTHER ORDERED that Plaintiff Primerica Life Insurance Company is **DISMISSED with prejudice** from this action.

IT IS FURTHER ORDERED that Plaintiff's Request for Attorneys' Fees and Costs (ECF No. 53) is **GRANTED in part** and **DENIED in part**. Plaintiff's request for attorney fees and costs is granted but the Court declines to award the full amount of fees requested by Plaintiff.

IT IS FURTHER ORDERED that Plaintiff is entitled to recover from the funds deposited in the Court's Registry its attorney's fees in the amount of $8,067.00 and costs in the amount of $107.98, for a total of $8,174.98. The Clerk of Court is directed to distribute $8,174.98 of the funds to Plaintiff's counsel.

IT IS FURTHER ORDERED that Defendants shall file a joint motion and proposed order regarding disbursement and dismissal within **thirty (30) days** of the date of this Order.

Dated this 15th day of October, 2025.

RODNEY H. HOLMES
UNITED STATES MAGISTRATE JUDGE