

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

**SYMETRA LIFE INSURANCE
COMPANY,**
Plaintiff

v.

**STEPHEN BRODERICK,
CHARLENE RAMIREZ,**
Defendants

§
§
§
§
§
§
§

No. A-21-CV-00721-RP

**REPORT AND RECOMMENDATION
OF THE UNITED STATES MAGISTRATE JUDGE**

TO: THE HONORABLE ROBERT PITMAN
UNITED STATES DISTRICT JUDGE

Before the Court is Defendant Charlene Ramirez's Motion for Default Judgment, Dkt. 13. No party has filed a response, and the time to do so has passed.

I. BACKGROUND

Amanda Broderick was an employee covered by group life and accidental death insurance policies issued by Plaintiff, Symetra Life Insurance Company. Ms. Broderick and two other people were murdered by Stephen Broderick on April 18, 2021, in a busy parking lot in front of many witnesses. At the time of Amanda Broderick's death, the designated primary beneficiary of the group policies' death benefits was her still-husband Stephen Broderick, and the designated contingent beneficiary was her mother, Charlene Ramirez. Because the beneficiary of a life insurance contract cannot collect a death benefit by murdering an insured, Symetra filed this interpleader action to avoid the potential for multiple liability. Symetra

served both defendants, and Ramirez timely answered. Broderick, who is in prison, has failed to timely respond to the lawsuit, and he has been defaulted by the Clerk of Court. The funds in issue have been deposited in the registry of the court. Defendant Charlene Ramirez now moves for default judgment against Stephen Broderick, which the undersigned finds should be granted.

II. STANDARD OF REVIEW

“An interpleader action allows the stakeholder to pay the money in dispute into court, withdraw from the proceedings, and leave the claimants to litigate between themselves their entitlement to the funds.” *Ekholm v. T.D. Ameritrade, Inc.*, No. 3:13-CV-0142-D, 2013 WL 4223128, at *2 (N.D. Tex. Aug. 14, 2013) (citation omitted). Symetra pleads interpleader pursuant to Rule 22. Rule 22 provides, in pertinent part: “Persons with claims that may expose a plaintiff to double or multiple liability may be joined as defendants and required to interplead.” *Hartford Life & Accident Ins. Co. v. Varnado*, No. 16-CV-15-SDD-EWD, 2016 WL 9525709, at *2 (M.D. La. Apr. 20, 2016) (citing Fed. R. Civ. P. 22).

The Fifth Circuit instructs district courts to analyze interpleader actions in two stages, as follows:

A district court has broad powers in an interpleader action. An interpleader action typically involves two stages. In the first stage, the district court decides whether the requirements for rule or statutory interpleader have been met by determining if there is a single fund at issue and whether there are adverse claimants to that fund. If the district court finds that the interpleader action has been properly brought the district court will then make a determination of the respective rights of the claimants.

Rhoades v. Casey, 196 F.3d 592, 600 (5th Cir. 1999), cert. denied, 531 U.S. 924 (2000).

The Fifth Circuit has held that “even the mere threat of multiple vexation by future litigation provides sufficient basis for interpleader.” *Tittle v. Enron Corp.*, 463 F.3d 410, 424 n.10 (5th Cir. 2006) (internal quotations omitted). Once a district court concludes that the requirements for interpleader have been met, it may discharge the plaintiff-stakeholder if the stakeholder is a disinterested party willing to tender the disputed funds. *Berry v. Banner Life Ins. Co.*, 718 F. App’x 259, 263 (5th Cir. 2018) (citing *Auto Parts Mfg. Miss., Inc. v. King Const. of Houston, L.L.C.*, 782 F.3d 186, 195 (5th Cir. 2015)).

“When only one of the claimants named in an interpleader action has answered, the court need not consider the merits of which party is entitled to the funds.” *Benjamin Moore & Co. v. Menendez*, No. 3:18-CV-2288-B, 2019 WL 3413420, at *1 (N.D. Tex. July 29, 2019) (citing *USAA Fed. Sav. Bank v. Lavean*, No. 15-CV-194-XR, 2015 U.S. Dist. LEXIS 134301, at *4 (W.D. Tex. Oct. 1, 2015)). Accordingly, if default judgment against Broderick is warranted, then disbursement of the interpleaded funds to Ramirez is proper.

“When a party against whom a judgment for affirmative relief is sought has failed to plead or otherwise defend, ... the clerk must enter the party’s default.” Fed. R. Civ. P. 55(a). Once default has been entered, a court may enter a default judgment against the defaulting defendant upon motion of the plaintiff. Fed. R. Civ. P. 55(b).

“Generally, the entry of default judgment is committed to the discretion of the district judge.” *Mason v. Lister*, 562 F.2d 343, 345 (5th Cir. 1977) (citation omitted). Among the factors a district court may consider when deciding whether to grant a

default judgment are whether: (1) “material issues of fact” exist; (2) “there has been substantial prejudice”; (3) “the grounds for default are clearly established”; (4) “the default was caused by a good faith mistake or excusable neglect”; (5) the default judgment would be harsh; and (6) “the court would think itself obliged to set aside the default on the defendant's motion.” *Lindsey v. Prive Corp.*, 161 F.3d 886, 893 (5th Cir. 1998) (citation omitted).

III. DISCUSSION

Applying the default-judgment analysis, the undersigned concludes that Ramirez’s requested default judgment is properly granted.

The undersigned finds there is a sufficient basis in the pleadings for the default judgment. The insurance proceeds at issue in this interpleader action arise under an employee welfare benefit plan governed by the Employee Retirement Income Security Act of 1974. In a rule interpleader case, a federal question implicating ERISA confers subject-matter jurisdiction by way of 28 U.S.C. § 1331 and 29 U.S.C. §§ 1132(a)(3)(B) and 1132(e)(1), regardless of whether complete diversity of citizenship exists among the parties. There is a single fund at issue and potential multiple claimants to that fund. Thus, Symetra has satisfied the requirements for interpleader.

Reviewing Ramirez’s motion in light of the six *Lindsey* factors, the undersigned determines that the requested default judgment is procedurally proper. First, Broderick has not filed any responsive pleadings. Consequently, there are no material facts in dispute. *Lindsey*, 161 F.3d at 893; *Nishimatsu Constr.*, 515 F.2d at 1206 (“The defendant, by his default, admits the plaintiff's well-pleaded allegations of fact[.]”).

Second, Broderick’s “failure to respond threatens to bring the adversary process to a halt, effectively prejudicing [the moving party’s] interest.” *See Ins. Co. of the W.*, 2011 WL 4738197, at *3 (citing *Lindsey*, 161 F.3d at 893).

Third, the grounds for default are “clearly established,” as Broderick has failed to respond to the complaint for interpleader, the entry of default against him, and the instant motions for default judgment. *See J.D. Holdings, LLC v. BD Ventures, LLC*, 766 F. Supp. 2d 109, 113 (D.D.C. 2011) (“Default judgment is appropriate if [the] defendants are ‘totally unresponsive’ and the failure to respond is ‘plainly willful, as reflected by the parties’ failure to respond either to the summons and complaint, the entry of default, or the motion[s] for default judgment.” (citation omitted)).

Fourth, there is no evidence before the Court to indicate that Broderick’s silence is the result of a “good faith mistake or excusable neglect.” *Lindsey*, 161 F.3d at 893.

Fifth, Broderick’s “complete failure to respond to [the] Complaint or otherwise appear ... ‘mitigat[es] the harshness of a default judgment.’” *See COG Marketers, Ltd. v. Bohr*, 2021 WL 3721459, at *2 (N.D. Tex. July 6, 2021) (quoting *John Perez Graphics & Design, LLC v. Green Tree Inv. Grp., Inc.*, No. 3:12-cv-4194-M, 2013 WL 1828671, at *3 (N.D. Tex. May 1, 2013)).

Finally, the undersigned is not aware of any facts that would give rise to “good cause” to set aside the default if challenged by Broderick. *See Lindsey*, 161 F.3d at 893. In fact, in light of the circumstances of Ms. Broderick’s death, the facts support that Stephen Broderick has no possibility of setting aside a judgment awarding the

proceeds of her life insurance policy. Therefore, the undersigned concludes that default judgment is warranted.

IV. RECOMMENDATION

In accordance with the foregoing discussion, the undersigned **RECOMMENDS** that the District Court **GRANT** Defendant Charlene Ramirez's Motion for Default Judgment, Dkt. 13, and **ENTER** an **ORDER OF DEFAULT JUDGMENT** against Stephen Broderick. It is **FURTHER ORDERED** that this cause of action is **REMOVED** from the docket of the undersigned and **RETURNED** to the docket of the Honorable Robert Pitman.

V. WARNINGS

The parties may file objections to this Report and Recommendation. A party filing objections must specifically identify those findings or recommendations to which objections are being made. The District Court need not consider frivolous, conclusive, or general objections. *See Battle v. United States Parole Comm'n*, 834 F.2d 419, 421 (5th Cir. 1987). A party's failure to file written objections to the proposed findings and recommendations contained in this Report within fourteen days after the party is served with a copy of the Report shall bar that party from *de novo* review by the District Court of the proposed findings and recommendations in the Report and, except upon grounds of plain error, shall bar the party from appellate review of unobjected-to proposed factual findings and legal conclusions accepted by the District Court. *See* 28 U.S.C. § 636(b)(1)(C); *Thomas v. Arn*, 474 U.S. 140, 150-53 (1985); *Douglass v. United Servs. Auto. Ass'n*, 79 F.3d 1415, 1428-29 (5th Cir. 1996) (en banc).

SIGNED May 2, 2022.

A handwritten signature in blue ink, appearing to read 'D. Howell', is written above a horizontal line.

DUSTIN M. HOWELL
UNITED STATES MAGISTRATGE JUDGE