

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF FLORIDA
PENSACOLA DIVISION**

I.A.W., M.E.W., I.M.W.,
Minor Children represented by
Next Friend LANCE LEHMAN,

Plaintiffs,

v.

Case No. 3:24cv577-MCR-HTC

USAA LIFE INSURANCE
COMPANY,

Defendant.

USAA LIFE INSURANCE
COMPANY,

Interpleader Plaintiff,

v.

I.A.W., M.E.W., I.M.W.,
Minor Children represented by
Next Friend LANCE LEHMAN, and
KRISTEN KESTEL,

Counter Defendants/Third Party Defendants.

ORDER

This is an interpleader action involving a life insurance death benefit policy.

USAA Life Insurance Company issued a life insurance policy to the insured Richard

Wentworth, which included a death benefit payable at his death.¹ The policy named Wentworth's wife Kristen Kestel as the primary beneficiary. Wentworth and Kestel had three minor children, I.A.W., M.E.W., and I.M.W, and the couple later divorced. Wentworth died on April 16, 2023, and Kestel subsequently made a claim for Wentworth's death benefit—which USAA Life denied based on the couple's divorce.

The minor children, represented by counsel and next friend Lance Lehman, sued USAA Life, which then sought impleader and joined Kestel as a third-party defendant. Kestel did not answer so a clerk's default was entered against her. The minor children by their next friend Lehman then filed a notice of partial settlement of the claims between the children and Kestel; and the minor children now request Court approval of the unopposed settlement agreement, which Kestel has signed. Specifically, they seek approval without appointment of a guardian ad litem, contending that Lehman as next friend has no conflict of interest and has negotiated the settlement solely to achieve the children's best interests.² Additionally, USAA

¹ According to the Complaint, the life insurance policy bears the "USAA number 8601877 and Contract Number/Policy Number P067551195." ECF No. 1 at 2.

² Lehman submitted a sworn declaration in support of the unopposed motion for approval of settlement, which details his relationship to the parties. ECF No. 17-2 at 2-5 (Lehman discussing he was a close friend of the children's deceased father, that he and his wife are the children's godparents, and responsibility as their godparents includes "an unwavering interest in the children's upbringing and personal development."). Lehman has no interest in the Funds and brings suit solely on behalf of the minor children. He holds an MBA and is a Certified Financial Planner, a Certified Private Wealth Advisor, and a Certified Investment Management Analyst. *Id.*

Life and the minor children jointly move for interpleader relief, disbursement of interpleader funds, and default judgment against Kestel.

The settlement agreement resolves the competing claims to the death benefit, with the minor children receiving 100% of the total \$250,000 death benefit provided that: it is paid to Lehman as trustee, who would serve in that position without compensation; and the total \$250,000 would be subject to \$5,000 in attorney's fees and costs that Lehman has agreed should be awarded to USAA Life.³

The Court has diversity jurisdiction over this case, and accordingly Florida substantive law and federal procedural law govern. *See Horowitch v. Diamond Aircraft Indus., Inc.*, 645 F.3d 1254, 1257 (11th Cir. 2011) (citing *Erie R.R. v. Tompkins*, 304 U.S. 64 (1938)). Under Florida law, a settlement on behalf of a minor is not effective “unless approved by the court having jurisdiction of the action.” Fla. Stat. § 744.387(3)(a); *see also McLaughlin v. Lara*, 133 So. 3d 1004, 1006 (Fla. 2d DCA 2013) (stating, “the purpose of an order approving a minor’s settlement is . . . to protect the interests of the minor and the guardian and to ensure that any release given on behalf of the minor is legally effective”). In reviewing the settlement, the

at 4. Lehman states that he has “hired a professional money manager who is not affiliated with [him] or [his] company to invest the funds for the Trust.” *Id.* at 5 (also explaining that he “will not earn any fees or commissions as a result of that arrangement”).

³ The terms of the settlement agreement and the trust are otherwise set forth in the Settlement Agreement, signed by Lehman and Kestel, which outlines the power of the trustee and distribution guidelines. *See* ECF No. 17-1 at 2-12.

Court must determine whether it is in the best interests of the minor children. *See* Fla. Stat. § 744.387(1); *Bullard v. Sharp*, 407 So. 2d 1023, 1024 (Fla. 4th DCA 1981).

Florida law also requires the appointment of a guardian ad litem before approving the settlement, when a settlement exceeds \$50,000. *See* Fla. Stat. § 744.3025(1)(b).⁴ The Eleventh Circuit, however, considers the appointment of a guardian ad litem procedural and controlled by Rule 17 of Federal Rules of Civil Procedure.⁵ *See Burke v. Smith*, 252 F.3d 1260, 1264 (11th Cir. 2001) (applying federal procedural law and Alabama substantive law in relation to a minor's settlement, and finding Alabama's requirement for a fairness hearing to settle a minor's claim was "substantive" whereas the appointment of a guardian ad litem was procedural). "Rule 17[] does not require that a district court appoint a guardian ad litem in all cases." *Id.* Instead, "unless a conflict of interest exists between the

⁴ *See also* Fla. Prob. R. 5.636(d) ("The court shall appoint a guardian ad litem on behalf of a minor, without bond or notice, with respect to any proposed settlement that equals or exceeds \$50,000 and affects the interests of the minor, if: (1) there is no court-appointed guardian of the minor; (2) the court-appointed guardian may have an interests adverse to the minor; or (3) the court determines the representation of the minor's interest is otherwise inadequate."). Florida law requires the guardian ad litem to take an oath and provide the Court with a report analyzing whether the settlement is in the best interests of the children. *See* Fla. Prob. R. 5.636(f); Fla. Prob. R. 5.600.

⁵ The Eleventh Circuit noted in *Burke v. Smith* that "Rule 17 deals only with the protection of incompetents in their status as parties and gives no general powers over their person or property." 252 F.3d 1260, 1266 (11th Cir. 2001) (internal quotations omitted). As to substantive protections, the court stated that minors who settle their claims in federal court should have "the same protections afforded to a minor in state court." *Id.*

representative and minor, a district court need not even consider the question [of] whether a guardian ad litem should be appointed.” *Id.*

If a minor has no duly appointed representative, the minor “may sue by a next friend.” Fed. R. Civ. P. 17(c)(2). Rule 17 has thus functionally erased the distinction between a next friend and a guardian ad litem as the minor may sue through either.⁶ *See Byrd on behalf of Byrd v. United States*, No. 1:20-CV-03090-LMM, 2021 WL 5033826, at *3 (N.D. Ga. July 19, 2021) (stating, “for all practical purposes there is no substantive difference between a guardian ad litem and next friend”) (citing *Scannavino v. Fla. Dep’t of Corr.*, 242 F.R.D. 662, 666 n.5 (M.D. Fla. 2007) and 6A Charles Alan Wright & Arthur R. Miller, *Federal Practice and Procedure* § 1572 (3d. ed. 2021)). And, “where a minor or incompetent individual is already adequately represented by a next friend, there is no need to separately appoint a guardian ad litem.” *Id.* (citing *Burke*, 252 F.3d at 1264).

⁶ As other courts have explained:

Historically there was a difference in the terms guardian ad litem and next friend: “A guardian ad litem is a special guardian, appointed by the court to defend on behalf of an infant party. A next friend is one who, without being a regularly-appointed guardian, represents an infant plaintiff.” *Federal Practice and Procedure* § 1572 at 683 n.10 (quoting *Till v. Hartford Acc. & Indem. Co.*, 124 F.2d 405, 408 (10th Cir. 1941)). However, “Rule 17(c)(2) permits suit to be brought on behalf of an infant by either.” *Id.*

J.L.B. by & through H.M.B. v. Walt Disney Parks & Resorts US, Inc., No. 614CV1943ORL22GJK, 2017 WL 3065121, at *4 n.8 (M.D. Fla. July 19, 2017) (also noting that next friend and guardian ad litem function “really much the same” and “cases do not make a distinction about the formal title of the representative”); *Scannavino v. Fla. Dep’t of Corr.*, 242 F.R.D. 662, 666 n.5 (M.D. Fla. 2007) (“Rule 17[] appears to have abandoned th[e] distinction” between next friend and guardian ad litem).

Lehman brought suit on behalf of the children as a next friend, but next friend status “is by no means granted automatically to whomever seeks to pursue an action on behalf of another.” *Sanchez-Velasco v. Sec’y of Dep’t of Corr.*, 287 F.3d 1015, 1025 (11th Cir. 2002) (quoting *Whitmore v. Arkansas*, 495 U.S. 149, 163 (1990)). A next friend must meet two requirements: (1) he or she must provide an adequate explanation for why the real party cannot appear and prosecute the action personally, and (2) demonstrate that he or she is “truly dedicated to the best interests of the person on whose behalf” the next friend seeks to litigate, which may be shown by demonstrating “some significant relationship with the real party in interest.” *Id.* at 1025–26 (quoting *Whitmore*, 495 U.S. at 163–64); *see also John v. Royal Caribbean Cruises, Ltd.*, No. 07-22766-CIV, 2008 WL 11407174, at *2 (S.D. Fla. June 11, 2008). The Court finds these requirements met.

First, the children cannot appear and prosecute the case personally because they are minors, and their natural guardian, Kestel, has a clear conflict of interest with them in this suit because she claims entitlement to the same death benefit. Second, on review of the record, the Court finds that Lehman has demonstrated he is truly dedicated to the children’s best interest. Lehman provided a sworn declaration setting out his relationship with the children. More specifically, Lehman was a close friend of their now deceased father and has known two of the three children since their birth. Lehman clearly has been present in the lives of all of the

children for events such as birthdays, BBQs, and sporting events. Before his death, their father asked Lehman and his wife to be godparents to the children and to raise them in the event he and Kestel both died, and Lehman and his wife agreed. Lehman has no potential interest in the death benefit. He brought suit on behalf of the children to protect their interests, he retained an attorney to represent them, and he has agreed to serve as trustee for the children without compensation. This relationship satisfies the Court that Lehman's sole interest in this litigation is to protect the children's interests as best as possible, and he has no conflict.

On finding Lehman a qualified next friend with no conflict, the Court concludes that appointing a guardian ad litem in this case would be redundant, unnecessary, and would serve only to deplete the children's ultimate recovery. *See Byrd*, 2021 WL 5033826, at *7 (denying request for appointment as guardian ad litem as redundant given that the individual was already adequately represented by his next friend) (citing *Burke*, 252 F.3d at 1264)). Under *Burke*, the absence of an actual conflict between Lehman and the children is the end of the inquiry. 252 F.3d at 1264.

In consideration, the Court finds that the Settlement Agreement should be approved. Accordingly:

1. The Unopposed Amended Motion for Approval of Minors' Settlement, ECF No. 17, and the Joint Motion for Default Judgment, Interpleader Relief, and

Disbursement of Interpleader Funds, ECF No. 18, are **GRANTED** and the Settlement Agreement is **APPROVED**. The original Motion for Approval of Minors' Settlement, ECF No. 16, is **TERMINATED** as moot.

2. The death benefit, plus any accrued interest, is awarded and to be disbursed by USAA Life as follows:

a. Disburse—to Interpleader Law, LLC IOLTA, and mail to 5800 One Perkins Place Dr., Suite 21, Baton Rouge, LA 70808—\$245,000 plus any accrued interest through the date of payment for the benefit of Lance Lehman, Trustee of The Wentworth Children's Trust. Lehman must abide by the terms of the Settlement Agreement and Mutual General Release with respect to his use of the death benefit, and Lehman must otherwise administer the trust pursuant to the terms of the Settlement Agreement and Mutual General Release.

b. USAA Life retains \$5,000 as the agreed amount of reasonable and necessary attorney's fees incurred in connection with this action.

3. The Clerk is directed to enter a Final Default Judgment against Kestel, to enter judgment dismissing the case with prejudice pursuant to the Settlement Agreement, and to close the case.

DONE and ORDERED on this 22nd day of December 2025.

M. Casey Rodgers

M. CASEY RODGERS
UNITED STATES DISTRICT JUDGE