

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA,

Plaintiff,

Case No. 4:24-cv-4979

v.

[REDACTED] and
[REDACTED],

Defendants.

COMPLAINT FOR RELIEF IN INTERPLEADER

Plaintiff, The Prudential Insurance Company of America (“Prudential”), by and through its undersigned counsel, for its Complaint in Interpleader, alleges as follows:

PARTIES

1. Prudential is an insurance company organized and existing under the laws of the State of New Jersey with its principal place of business in New Jersey. Prudential is duly authorized to do business in the State of Texas.

2. Defendant [REDACTED] (“[REDACTED]”) is an adult citizen of Texas and domiciled in Sugar Land, Texas.

3. Defendant [REDACTED] (“[REDACTED]”) is an adult citizen of Ohio and domiciled in Dayton, Ohio.

JURISDICTION AND VENUE

4. This Court has original federal question jurisdiction under the provisions of 28 U.S.C. § 1331, which gives the District Court jurisdiction over actions arising under the laws of

the United States. At issue are life insurance plan benefits provided to the Department of Veterans Affairs pursuant to the Servicemembers' Group Life Insurance Act, 38 U.S.C. § 1965 *et seq.* ("SGLI Statute").

5. This Court also has jurisdiction under 28 U.S.C. § 1332 because the parties are of diverse citizenship and the amount in controversy exceeds \$75,000.00. Prudential is a citizen of New Jersey for diversity purposes and the Defendants are citizens of Texas and Ohio.

6. This Court also has jurisdiction under 28 U.S.C. § 1335 in that the Defendants are of diverse citizenship and the amount in controversy exceeds \$500.00. There is minimal diversity between the claimants under *State Farm Fire & Casualty Co. v. Tashire*, 386 U.S. 523 (1967). The Defendants are citizens of Texas and Ohio.

7. Venue is proper in this federal district pursuant to 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omissions giving rise to the claim occurred in this district.

8. Venue is also proper in this federal district pursuant to 28 U.S.C. § 1397 because one or more of the claimants resides in this judicial district.

CAUSE OF ACTION IN INTERPLEADER

9. Prudential, through the Office of Servicemembers' Group Life Insurance ("OSGLI"), provides group life insurance benefits under group policy number G-32000 ("SGLI Plan"), which was issued by Prudential to the United States Department of Veterans Affairs pursuant to the SGLI Statute.

10. As an eligible veteran of the United States Air Force, [REDACTED] (the "Insured"), at all relevant times, received veterans' group life insurance ("VGLI") coverage under the SGLI Plan (the "VGLI Coverage").

11. By Application for Veterans' Group Life Insurance form submitted to Prudential on or about July 23, 2003, the Insured designated [REDACTED], his then-spouse, as sole principal beneficiary entitled to receive the VGLI Coverage death benefits, and he did not designate a contingent beneficiary. *A copy of the VGLI application is attached hereto as **Exhibit A**.*

12. Prudential has no record of any subsequent designations submitted by the Insured in connection with his VGLI Coverage.

13. Upon information and belief, the Insured died on or about July 8, 2024. *A copy of the Insured's Certificate of Death is attached hereto as **Exhibit B**.*

14. As a result of the death of the Insured, VGLI Coverage death benefits in the amount of \$250,000.00 (the "Death Benefit") became due to a beneficiary or beneficiaries, and Prudential concedes liability to that effect.

15. By telephone call with Prudential on or about July 15, 2024, [REDACTED] submitted a claim for the Death Benefit.

16. By letter to [REDACTED] dated July 23, 2024, Prudential informed her, in relevant part, that the Insured did not designate her as a beneficiary and consequently no benefits are payable to her. *A copy of the letter dated July 23, 2024 is attached hereto as **Exhibit C**.*

17. By letter to Prudential dated August 5, 2024, counsel for [REDACTED] informed Prudential, in relevant part, that [REDACTED] was making a claim to the Death Benefit as the sole valid beneficiary. *A copy of the letter dated August 5, 2024 is attached hereto as **Exhibit D**.*

18. By email to Prudential dated August 15, 2024, counsel for [REDACTED] alleged, in relevant part, that pursuant to a legally binding divorce decree between [REDACTED] and the Insured, [REDACTED] agreed to give up any interest in being named beneficiary of the Insured's life insurance policies. Counsel for [REDACTED] informed Prudential that if it released the Death Benefit to any

party other than [REDACTED], [REDACTED] would have no other choice but to file suit. *A copy of the email dated August 15, 2024 with the Final Decree of Divorce¹ is attached hereto as **Exhibit E**.*

19. By email to counsel for [REDACTED] dated August 16, 2024, Prudential explained, in relevant part, that divorce decrees or any other state court orders are not binding on the VGLI Coverage and cannot effectively change an insured's beneficiary designation. Insured members always retain ownership and the right to name beneficiaries of their choosing. *A copy of an email thread containing the August 16, 2024 email is attached hereto as **Exhibit F**.*

20. By email to Prudential dated September 4, 2024, counsel for [REDACTED] alleged, in relevant part, that the divorce decree is a binding contract between the Insured and [REDACTED] in which [REDACTED] agreed to give up any interest in being named beneficiary of the Insured's policies. By Prudential releasing the Death Benefit to [REDACTED], Prudential is actively interfering with the divorce decree, and [REDACTED], as representative of the Insured's estate, will have no choice but to make a claim against Prudential for tortious interference. *See Exhibit F at 1.*

21. By letter to Prudential dated December 6, 2024, counsel for [REDACTED] indicated, in relevant part, that payment to [REDACTED], as the designated beneficiary, is the only legally supported option. *A copy of the letter dated December 6, 2024 is attached hereto as **Exhibit G**.*

22. There have been no other claims or demands for the Death Benefit.

23. Under the circumstances, Prudential cannot determine factually or legally who is entitled to the Death Benefit. By reason of the actual or potential claims of the Defendants, Prudential is or may be exposed to multiple liability.

¹ The portions of the Divorce Decree unrelated to life insurance have been redacted for privacy reasons. Upon request by the Court, Prudential will make an unredacted copy available as the Court directs.

24. Prudential is ready, willing and able to pay the Death Benefit in accordance with the terms of the VGLI Coverage and SGLI Statute and to whomever this Court shall designate.

25. As a mere stakeholder, Prudential has no interest (except to recover its attorneys' fees and cost of this action) in the Death Benefit and respectfully requests that this Court determine to whom the Death Benefit should be paid.

26. Prudential has not brought this Complaint in Interpleader at the request of any of the Defendants. There is no fraud or collusion between Prudential and any of the Defendants.

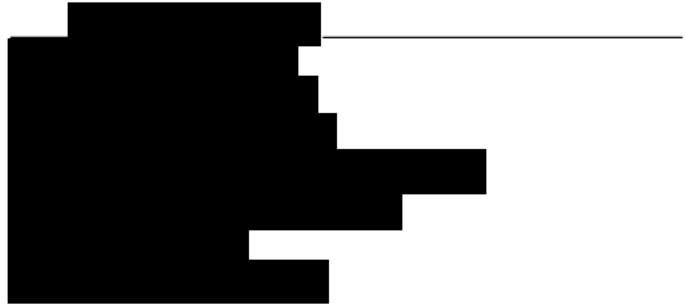
27. Prudential brings this Complaint of its own free will and to avoid being vexed and harassed by conflicting and multiple claims.

WHEREFORE, Prudential prays that the Court enter judgment:

- (a) requiring that the Defendants settle and adjust between themselves, or upon their failure to do so, requesting this Court settle and adjust the claims and determine to whom the Death Benefit should be paid;
- (b) permitting Prudential to deposit the amount of the Death Benefit, plus applicable interest, if any, into the Registry of the Court or as this Court otherwise directs to be subject to the Order of this Court and to be paid out as this Court shall direct;
- (c) discharging Prudential from any and all further liability to the Defendants relating in any way to the Death Benefit or otherwise in connection with the VGLI Coverage upon payment of the Death Benefit into the Registry of this Court or as otherwise directed by this Court;
- (d) dismissing with prejudice Prudential from this action following deposit of the Death Benefit with the Registry of the Court or as otherwise directed by this Court;
- (e) enjoining the Defendants from instituting or prosecuting any proceeding in any state or United States court in connection with payment of the Death Benefit and/or otherwise in connection with the VGLI Coverage;
- (f) awarding Prudential its attorneys' fees and costs in their entirety; and
- (g) awarding Prudential any other and further relief that this Court deems just and proper.

Dated: December 18, 2024

Respectfully submitted,

A large black rectangular redaction box covers the signature and name of the attorney. A horizontal line extends from the right side of the redacted area.

*Counsel for Plaintiff The Prudential
Insurance Company of America*

Of Counsel:

A black rectangular redaction box covers the text of the "Of Counsel:" section.



Prudential

Office of Servicemembers' Group Life Insurance

P.O. Box 70173

Philadelphia, PA 19176-0173

Toll Free Phone: (800) 419-1473

Overseas Fax: (973) 548-5300

Claims Fax: (877) 832-4943

Re: [REDACTED]

Claim ID: [REDACTED]

July 23, 2024

Dear [REDACTED],

Please accept our condolences for your loss.

We have received your claim form for death benefits under Veteran [REDACTED] Veterans' Group Life Insurance (VGLI).

Please be advised that Veteran [REDACTED] did not designate you as a beneficiary for their VGLI coverage. Consequently, there are no benefits payable to you.

The VGLI program is governed by federal statute under Title 38, United States Code, Sections 1965-1980(a). Insured members always retain ownership and the right to name beneficiaries of their own choosing. We are contractually bound to pay the designated beneficiary. Beneficiary information is confidential and cannot be released without consent or a court order.

We suggest you contact the Department of Veterans Affairs Insurance Center in Philadelphia, PA to find out if there are benefits available under other government life insurance programs. Their toll-free telephone number is (800) 669-8477.

If you have any questions, please contact us at **(800) 419-1473**, between 8:00 a.m. and 5:00 p.m. Eastern time, Monday through Friday. You can also send a fax to **(877) 832-4943**, or email **osgli.claims@prudential.com**.

Sincerely,

[REDACTED]

[REDACTED]

August 5, 2024

VIA FACSIMILE (800.419.6142) & FIRST-CLASS MAIL

Prudential - VGLI
ATTN: CLAIMS DEPT.
P.O. Box 41618
Philadelphia, PA 19176

Re: My Client(s): [REDACTED]
Insured: [REDACTED]
Claim No. [REDACTED]

Dear Sir/Madam:

Please be advised that this law firm represents [REDACTED] in the above-referenced matter. Kindly direct all future communication to my attention, including any and all payments of Life Insurance and/or Accidental Death & Dismemberment death benefits. Do **not** contact my client(s) for any reason.

Prudential - VGLI is responsible for the review and payment of the outstanding death benefit claim of [REDACTED] on the life insurance policy of [REDACTED] (deceased). [REDACTED] is the **sole** valid beneficiary to this outstanding policy. This letter identifies that my client is making a claim to the life insurance proceeds **as the sole valid beneficiary**. I am hereby requesting a complete copy of all plan documents and the entire claim file involved in this matter, along with all documentation supporting your denial. Please forward the same to our mailing address below or via .pdf attachment email to [REDACTED].com as soon as possible.

If a claim form needs to be completed by my client(s), please forward it to my office. Also, when mailing any benefits check, you are required to mail **all checks** made payable to our client c/o [REDACTED] to:

[REDACTED]

Finally, your receipt of this correspondence confirms your understanding that **any payment associated with this life insurance must be sent to my law firm and not to any other party**. This is because the [REDACTED] will be litigating this matter on a Contingency Fee Agreement and attorney's fees will be paid out of any payment made in relation to the relevant life insurance benefits.

Accordingly, you acknowledge that the sending of any payment to any entity other than this firm would tortiously interfere with the contractual relationship which we maintain in this matter.

Very truly yours,

[REDACTED]

[REDACTED]

[REDACTED]

Exhibit D

From: [REDACTED]
Received: Thursday, August 15, 2024 03:24 PM -04:00
To: [REDACTED];
Cc: [REDACTED];
Subject: [REDACTED]
Attachments: [REDACTED]

Importance: normal

Good afternoon [REDACTED],

I hope all is well with you.

I am reaching out as we currently represent [REDACTED], spouse of [REDACTED] who passed on July 8, 2024. OSGLI's latest correspondence dated August 7, 2024, alleges that our client was not named beneficiary of the in-question policy.

As we are certain that the beneficiary incorrectly named per OSGLI's records is [REDACTED], we have provided a copy of [REDACTED] divorce decree highlighting Life Insurance Policies (please see attached). You will see that according to the legally binding divorce decree, [REDACTED] agreed to give up any interest in being named beneficiary of her now ex-spouse's policies. In other words, [REDACTED] relinquished any interest towards the relevant OSGLI funds. Accordingly, our firm will be contesting any outside claim, as [REDACTED] is the appropriate beneficiary under these funds. If OSGLI releases these funds to any other party outside of our client, we would have no other choice but to file suit.

Thank you,

[REDACTED]

[REDACTED]


[REDACTED]


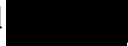



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IRS CIRCULAR 230 NOTICE: Be advised that unless specifically indicated otherwise, any tax advice contained in this communication is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code, or (ii) promoting, marketing, or recommending to another party any tax-related matter addressed herein.

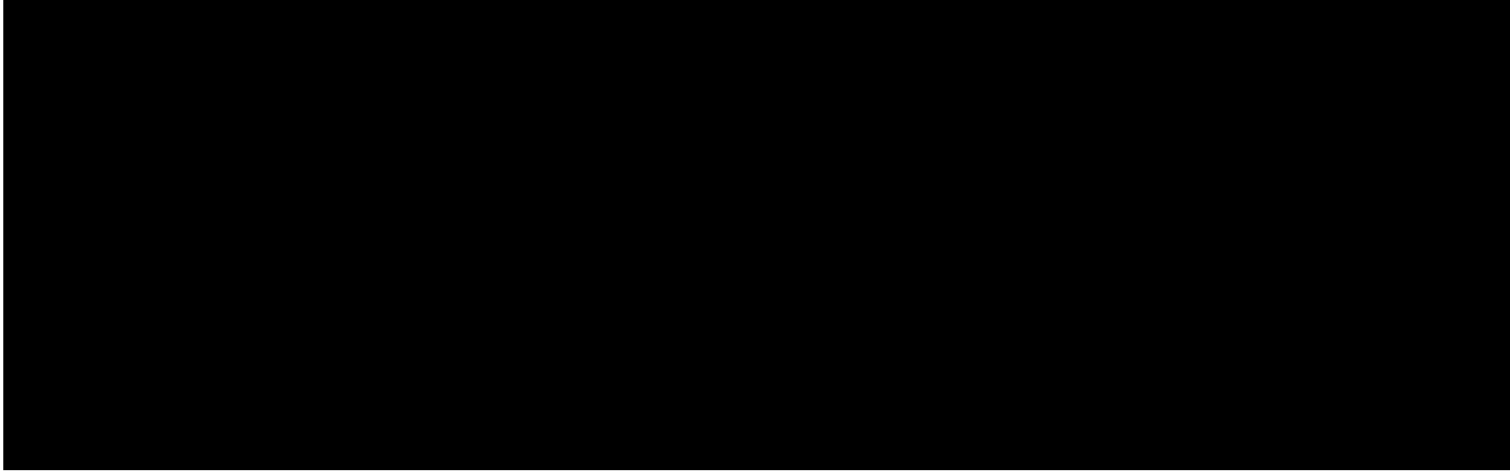
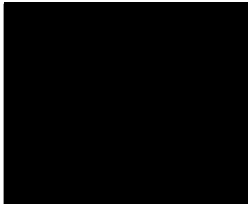



Importance: normal

Good afternoon ,

As Prudential is aware, the Divorce Decree is a binding contract between  and  in which  agreed to give up any interest in being named beneficiary of her now ex-spouse's policies. In other words,  relinquished any interest towards the relevant OSGLI funds. Accordingly, by Prudential releasing the benefits to , Prudential is actively interfering with the divorce decree. Given Prudential's actions our firm will have no choice but to make a claim against Prudential for tortious interference, as our client represents the estate. To avoid unnecessary litigation, our firm is asking that Prudential initiate an interpleader in TX to settle this matter appropriately.

Thank you,



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Exhibit F

Dear [REDACTED]

If you have any questions, please contact us at 800-419-1473, between 8:00 a.m. and 5:00 p.m. Eastern time, Monday through Friday. You can also send a fax to 877-832-4943, or email

Sincerely,

Good afternoon

I hope all is well with you.

I am reaching out as we currently represent [REDACTED], spouse of [REDACTED] who passed on July 8, 2024. OSGLI's latest correspondence dated August 7, 2024, alleges that our client was not named beneficiary of the in-question policy.

As we are certain that the beneficiary incorrectly named per OSGLI's records is [REDACTED], we have provided a copy of [REDACTED] and [REDACTED] divorce decree highlighting Life Insurance Policies (please see attached). You will see that according to the legally binding divorce decree, [REDACTED] agreed to give up any interest in being named beneficiary of her now ex-spouse's policies. In other words [REDACTED] relinquished any interest towards the relevant OSGLI funds. Accordingly, our firm will be contesting any outside claim, as [REDACTED] is the appropriate beneficiary under these funds. If OSGLI releases these funds to any other party outside of our client, we would have no other choice but to file suit.

Thank you,

[REDACTED]

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December 6, 2024

SENT VIA CERTIFIED MAIL

&

Dear [REDACTED],

I represent [REDACTED] in connection with the referenced claim for life insurance benefits. Please do not initiate contact with my client except through me, including any contact by telephone, postal mail or electronic means, including contact through insurer claim portals. This will further serve as a revocation of any and all previous consent for contact.

I understand that there is a competing claimant, and have notified her attorney, [REDACTED], of my representation as well. If any other attorneys or claimants are involved, please let me know so I can so notify them accordingly.

I am in receipt of your August 12, 2024 letter to [REDACTED] advising of the competing claimant and noting intention to pay policy proceeds to the named beneficiary by September 6, 2024 unless legally restrained from doing so. We agree that payment to the named beneficiary is the only legally supported option.

Please let me know if anything of substance has transpired regarding this claim since the August 12, 2024 letter, and provide copies of any written communications with attorney [REDACTED], the competing claimant, or my client since then. Please also send me copies of any court pleadings that have been filed and all other documents relevant to the claim in your possession.

Finally, please let me know of your current intentions regarding whether to pay my client, pay the competing claimant, or file an Interpleader lawsuit, and any suggestions regarding how to best move forward from here to resolve the claim. If you would like to discuss this claim by phone, please email me at [REDACTED] so we can schedule a call and avoid any phone tag.

I look forward to working with you to get this claim resolved.

NOTICE OF LIEN AND INSTRUCTIONS FOR ALL BENEFIT PAYMENTS

Pursuant to our representation agreement with our client, all payments made to our client are to be made payable to the client and [REDACTED]. Please mail all payments to [REDACTED].

Exhibit G

[REDACTED] v. [REDACTED]

Strict compliance with this request is required by law until further written notice from this office. Failure to comply with this request will be considered intentional interference with contractual rights, resulting in appropriate legal response.

**Please confirm your receipt of this by fax or email.

With kind regards, I remain

[REDACTED]

[REDACTED]