
PARTIES/ATTORNEYS

Plaintiff	Jackson National Life Insurance Company	Leann M. Bethel Maynard Nexsen LLP
Defendants	No appearances	

RECOMMENDATION

For all the reasons discussed below, the court accordingly grants the motion to the extent it discloses there is no dispute over the funds interpleaded on December 4, 2024, and that plaintiff intends to dismiss the action voluntarily. Once dismissed, the court no longer has any basis for retaining the interpleaded funds and orders the Clerk to disburse those funds to Jackson National Life Insurance Company once it has filed a voluntary dismissal. Plaintiff is ordered to submit a proposed order commensurate with this ruling.

On April 21, 2023, Jackson National Life Insurance Company issued a life insurance policy for Laine Lundberg, who designated beneficiaries as follows: Michaelle Allen (daughter) in the amount of 33%; Melaina DiBuduo (daughter) in the amount of 34%, and Victor Breceda (friend) in the amount of 33%. On December 6, 2023, the Company received a request from Lundberg to change the contract's primary beneficiary solely to DiBuduo, so she would receive 100% of the death benefit. Lundberg died on November 23, 2024. On January 29, 2025, Allen contacted Company to contest the 2023 amendment, asserting that it was signed under duress, and reported that this allegation had been investigated by APS and the police as potential elder abuse.

On November 12, 2025, Company filed a complaint in interpleader, and an amended complaint on November 19, 2025. It alleged there was a dispute as to 66% of the death benefit, conceding that DiBuduo was entitled to 34% of the benefit because even if the amendment was successfully challenged, distribution would occur under the original designation, which designated 34% to DiBuduo. It alleged that because of the dispute, Company could not determine the proper party entitled to the remaining 66% of the death benefit. On December 4, 2025, the court signed

an order directing the clerk to accept deposit of \$67,127.66 of the funds.¹ The clerk notes that the funds were collected.

That should have been the end of Company's involvement. Usually, the goal in an interpleader is for the stakeholder to obtain dismissal and an order discharging it from any further liability after the funds have been deposited. Here, however, it appears that Company engaged in negotiations with DiBuduo (who appears to be represented by counsel) in which she agreed to distribution pursuant to the original designation and released her claims to the deposited funds. In other words, she agreed to receive 34% of the benefit rather than 100% of the benefit. Since Company retained 34% of the benefit, it has already distributed it to her. (Bethel Decl., Exh. A.)

The Company now moves the court for an order disbursing the remaining funds to Michaelle Allen and Victor Brecedo under the original beneficiary designation. To be clear, it is not asking the court for an order adjudicating the issues; it just wants an order to distribute the funds.

In the normal course of proceedings, the second phase of an interpleader proceeding involves the trial court adjudication of the issues raised by the interpleader action including: the alleged existence of conflicting claims regarding the interpleaded funds; plaintiffs' alleged position as a disinterested mere stakeholder; and ultimately the disposition of the interpleaded funds after deducting plaintiffs' attorney fees. (*Hood v. Gonzales* (2019) 43 Cal.App.5th 57, 71–72.) However, Company argues that the second phase is not required because there are no longer any competing claims to resolve and the court can simply order the funds distributed to Michaelle Allen and Victor Brecedo.

Procedurally, this relief *might* have been appropriate as requested if the default of defendant DiBuduo had been taken. (*Cantu v. Resolution Trust Corp.* (1992) 4 Cal.App.4th 857, 875—claim of a defaulting defendant in an interpleader action would be barred.) Instead, Company dismissed her from this action on January 27, 2026. Moreover, Michaelle Allen and Victor Brecedo have not appeared in this case, and proof of service of summons has only been filed on Michaelle Allen. It seems unlikely the court can legally adjudicate the conflicting claims in their favor when they have not even made a claim to the deposited funds in this proceeding. The court declines to make this order.

As an alternative, Company suggests the court disburse the funds back to it, so that it could make the distributions to Allen and Brecedo. The court agrees this is an appropriate resolution. The court accordingly grants the motion to the extent it discloses there is no dispute over the funds interpleaded on December 4, 2024,

¹ It reported that as of April 2025, the contract's death benefit was \$80,047.11, but that because the contract was variable. The deposited amount suggests the contract value was approximately \$102,000 at the time of distribution.

and that plaintiff intends to dismiss the action voluntarily. Once dismissed, the court no longer has any basis for retaining the interpleaded funds. The court orders the Clerk to disburse those funds to Jackson National Life Insurance Company once it has filed a voluntary dismissal. Plaintiff is ordered to submit a proposed order commensurate with this ruling.