UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

Shephard-Smith v. PMC Property Group, Inc.

Civil Action No. 25-530 (E.D. Pa. Jan. 12, 2026) · No. 2:25-cv-00530 · Decided January 12, 2026

SUMMARY

The court reviewed cross-motions for judgment on the administrative record in an ERISA dispute concerning the beneficiary of a deceased participant’s 401(k) account. Applying an abuse-of-discretion standard, the court held that PMC Property Group did not abuse its discretion in determining that it had not received the participant’s beneficiary designation before his death and that the benefits should be divided equally between his two children. The court granted PMC’s motion and denied the plaintiff’s motion.

CASE DETAILS

COURT	United States District Court for the Eastern District of Pennsylvania
WRITING FOR THE COURT	Harvey Bartle III
JURISDICTION	U.S. District Court for the Eastern District of Pennsylvania
DECIDED	January 12, 2026
DOCKET	2:25-cv-00530
DISPOSITION	other
PROCEDURAL POSTURE	Cross-motions for judgment on the administrative record in an ERISA claim seeking payment of all benefits from a deceased participant's 401(k) account.
STANDARD OF REVIEW	Where an ERISA plan grants the administrator discretionary authority to determine eligibility for benefits and construe plan terms, the court reviews the administrator's decision for abuse of discretion under an arbitrary-and-capricious standard. The court must uphold the decision unless it is without reason, unsupported by substantial evidence, or erroneous as a matter of law, while considering any conflict of interest.
PRECEDENTIAL VALUE	nonprecedential

TOPICS

erisa · employee benefits · trustee duties · administrative law · civil procedure

PRACTICE AREAS

ERISA · employee benefits · administrative law · civil procedure

QUESTIONS PRESENTED

1. Whether PMC abused its discretion under ERISA by determining that it had not received the beneficiary designation form during Charles Shepard's lifetime.
2. Whether PMC's financial conflict of interest required reversal of its benefits determination.
3. Whether the administrative record supported PMC's determination that the 401(k) benefits were to be divided equally between plaintiff and her brother.

HOLDINGS

1. Because the plan granted PMC discretionary authority to determine benefit eligibility and construe plan terms, the court reviewed PMC's determination for abuse of discretion under an arbitrary-and-capricious standard rather than de novo.
2. PMC's financial interest in denying plaintiff's claim was a factor the court had to consider in determining whether PMC abused its discretion, but the conflict did not by itself establish an abuse of discretion.
3. PMC did not abuse its discretion by determining that it had not received the May 4, 2018 beneficiary designation form before Charles Shepard's death and that plaintiff was therefore not the sole beneficiary.

KEY QUOTATIONS

> *"The guiding principle in a court's review is the common law of trusts."* (Section I)

> *"This court, of course, is not sitting as a factfinder to decide de novo which version is more likely. Its role is much more limited."* (Section III)

FACTUAL BACKGROUND

Charles D. Shepard died on May 5, 2018, while unmarried, leaving two children, plaintiff Alisha Shephard-Smith and Donald Shepard. Plaintiff asserted that her father signed a beneficiary designation form on May 4, 2018 naming her as the sole beneficiary of his 401(k) account and that the form was faxed to PMC's human-resources director, but PMC had no such form in its files or in the record keeper's files. In 2024, after Donald requested his 50% share and PMC distributed it, plaintiff submitted the form and fax cover sheet and pursued an administrative appeal. PMC concluded that no beneficiary designation had been filed during the participant's lifetime and that the plan therefore required equal distribution among the two children.

PROCEDURAL HISTORY

Plaintiff challenged PMC Property Group's determination that the deceased participant's 401(k) benefits were required to be divided equally between plaintiff and her brother because no beneficiary designation was filed with the plan administrator during the participant's lifetime. After PMC denied plaintiff's administrative appeal, plaintiff filed this action under ERISA. The court granted PMC's motion for judgment on the administrative record and denied plaintiff's motion.

DISPOSITION

other

CASES CITED

- Metropolitan Life Ins. Co. v. Glenn, 554 U.S. 105, 111 (2008)
- Viera v. Life Ins. Co. of North America, 642 F.3d 407, 413 (3d Cir. 2011)
- Noga v. Fulton Financial Corp. Employee Benefits Plan, 19 F.4th 264, 275 (3d Cir. 2021)
- Courson v. Bert Bell NFL Player Retirement Plan, 214 F.3d 136, 142 (3d Cir. 2000)
- Miller v. American Airlines, Inc., 632 F.3d 837, 845 n.3 (3d Cir. 2011)
- Howley v. Mellon Financial Group, 625 F.3d 788, 793 (3d Cir. 2010)