UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS, HOUSTON DIVISION

JPMorgan Chase Bank, N.A. v. Treniesha Niesha Houston and Mary Johnson Lard

JPMorgan Chase Bank, N.A. v. Treniesha Niesha Houston and Mary Johnson Lard · No. 4:25-cv-3245 · Decided December 17, 2025

SUMMARY

This Memorandum and Recommendation addresses Defendants' motion to dismiss for lack of subject-matter jurisdiction in an interpleader action involving three payable-on-death bank accounts. The court recommends denying the motion, concluding that statutory interpleader jurisdiction exists based on the amount in controversy and minimal diversity. It further concludes that the probate exception does not apply because the disputed payable-on-death funds are non-probate assets not in the custody of a probate court.

CASE DETAILS

COURT	United States District Court for the Southern District of Texas, Houston Division
WRITING FOR THE COURT	Richard W. Bennett
JURISDICTION	United States District Court for the Southern District of Texas, Houston Division
DECIDED	December 17, 2025
DOCKET	4:25-cv-3245
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved to dismiss Chase's federal interpleader action for lack of subject-matter jurisdiction, asserting the probate exception and disputing the asserted jurisdictional bases. The magistrate judge issued a Memorandum and Recommendation recommending that the motion be denied.
STANDARD OF REVIEW	The recommendation evaluated the motion under the subject-matter-jurisdiction requirements for diversity jurisdiction and statutory interpleader, and applied the Fifth Circuit's two-step test for the probate exception.

PRECEDENTIAL VALUE	nonprecedential magistrate judge memorandum and recommendation

TOPICS

interpleader · subject matter jurisdiction · probate procedure · motions to dismiss · civil procedure

PRACTICE AREAS

civil procedure · probate · commercial litigation · contracts

QUESTIONS PRESENTED

1. Whether the federal court had subject-matter jurisdiction under the statutory interpleader statute, 28 U.S.C. § 1335.
2. Whether the probate exception deprived the federal court of jurisdiction over the dispute concerning ownership of the payable-on-death accounts.
3. Whether the court should dismiss the interpleader action for lack of subject-matter jurisdiction.

HOLDINGS

1. The court concluded that statutory interpleader jurisdiction existed because the amount in controversy exceeded $500 and the adverse claimants satisfied the minimum-diversity requirement.
2. The probate exception did not deprive the federal court of jurisdiction because the payable-on-death funds were not estate property within the custody of a probate court.

KEY QUOTATIONS

> *"A federal court "has no jurisdiction to probate a will or administer an estate[.]""* (at 4)

> *"But it does not bar federal courts from adjudicating matters outside those confines and otherwise within federal jurisdiction."* (at 4)

> *"P.O.D. funds are non-probate assets."* (at 5)

FACTUAL BACKGROUND

Bobby Ray Johnson died on March 24, 2025, holding three accounts at JPMorgan Chase Bank, N.A. that were payable on death to Mary Johnson Lard. Treniesha Niesha Houston later presented a purported durable power of attorney and signature cards seeking to change the payable-on-death beneficiary from Lard to Houston. Chase retained approximately $1.06 million in the accounts and filed an interpleader action because Houston and Lard asserted conflicting rights to the funds.

PROCEDURAL HISTORY

Chase filed an interpleader action on July 11, 2025, concerning competing claims to three payable-on-death accounts formerly held by Bobby Ray Johnson. Defendants moved to dismiss under Federal Rule of Civil

Procedure 12(b)(1). After considering the parties' submissions, the magistrate judge recommended denial of the motion and advised the parties of their fourteen-day period to object under Rule 72(b).

DISPOSITION

other

REMAND INSTRUCTIONS

No remand was ordered. The magistrate judge recommended that Defendants' motion to dismiss be denied and directed the Clerk to send the recommendation to the parties, who had fourteen days after receipt to file objections under Rule 72(b).

CASES CITED

- Auto Parts Mfg. Mississippi, Inc. v. King Constr. of Houston, L.L.C., 782 F.3d 186, 193 (5th Cir. 2015)
- Curtis v. Brunsting, 704 F.3d 406, 408-09 (5th Cir. 2013)
- Markham, Alien Property Custodian, v. Allen et al., Markham v. Allen, 326 U.S. 490, 494 (1946)
- Baxter v. Hastings, No. 3:22-cv-10995, 2022 WL 2306825, at *3-4 (N.D. Tex. June 27, 2022)
- Punts v. Wilson, 137 S.W.3d 889, 892 (Tex. App.—Texarkana 2004, no pet.)
- Graves v. Metro. Life Ins. Co., No. 4:23-cv-947, 2023 WL 4237099, at *5 (S.D. Tex. June 28, 2023)

OPINION

JPMORGAN CHASE BANK, N.A. v. TRENIESHA NIESHA HOUSTON AND MARY JOHNSON LARD

PER CURIAM.

UNITED STATES DISTRICT COURT December 17, 2025 SOUTHERN DISTRICT OF TEXAS

Nathan Ochsner, Clerk

HOUSTON DIVISION

JPMORGAN CHASE BANK, N.A., §

§ Plaintiff, § § v. § CIVIL ACTION NO. 4:25-cv-3245 §

TRENIESHA NIESHA HOUSTON §

AND MARY JOHNSON LARD, §

§ Defendants. §

MEMORANDUM AND RECOMMENDATION

Pending before the Court1 is Defendants' Treniesha Niesha Houston2 ("Houston") and Mary Johnson Lard ("Lard") (collectively, "Defendants") Motion to Dismiss for Lack of Subject-Matter Jurisdiction. (ECF No. 7). Based on a review of the motion, arguments, and relevant law, the Court RECOMMENDS Defendants' Motion to Dismiss (id.) be DENIED. I. Background This case concerns the ownership of three payable on death ("P.O.D.") bank accounts. Bobby Ray Johnson ("Johnson") passed away on March 24, 2025. (ECF No. 1 at ¶ 8). At the time of his death, Johnson had three accounts 1 This case was referred to the Undersigned for all purposes pursuant to 28 U.S.C. § 636(b)(1)(A) and (B) and Federal Rule of Civil Procedure 72. (ECF No. 8). 2 In Plaintiff's Complaint, Houston's name is spelled "Treniesha Nieshia Houston." (See ECF No. 1 at ¶ 2). However, in Defendants' Motion to Dismiss, Houston's name is spelled "Trenisha Nieshia Houston." (ECF No. 7 at 1). For consistency, the Court will follow the spelling used in Plaintiff's Complaint. with JPMorgan Chase Bank, N.A. ("Chase"), xxxxxx8000, xxxxx1811, and xxxxxx9735 (the "Accounts").3 (Id.). Based on signature cards for each of the Accounts dated May 2, 2012, the Accounts were P.O.D. to Lard. (Id.). Houston later presented to Chase a Durable Power of Attorney dated August 30, 2024, purportedly signed by Johnson. (Id. at ¶ 9). The document purports to grant Houston the right to "add or change beneficiaries including myself or any other person." (Id.). On October 5, 2024, Houston presented signature cards for the Accounts that were not signed by Johnson but had the annotation in the space for Johnson's signature "signature on file." (Id. at ¶ 10). On October 10, 2024, Houston presented signature cards for the Accounts that were not signed by Johnson but had the annotation in the space for Johnson's signature, "not present." (Id.). All of the October 5, 2024, and October 10, 2024, signature cards were signed by Houston and purported to change the P.O.D. beneficiary from Lard to Houston. (Id.). Chase explains that the ownership of Johnson's accounts is in dispute. (Id. at ¶ 12). Because there is uncertainty about the rights to the funds on deposit with Chase as between Houston and Lard, Chase alleges it is at risk 3 Chase currently holds $9,982.47 in Johnson's account xxxxxx8000, $701,398.45 in Johnson's account xxxxx1811, and $347,888.33 in Johnson's account xxxxxx9735. (ECF No. 1 at ¶ 14). 2 for conflicting and inconsistent claims to the funds. (Id. at ¶ 15). As such, on July 11, 2025, Chase filed the instant interpleader action. (Id. at ¶¶ 17–21). II. Discussion Defendants argue this Court lacks subject matter jurisdiction under the probate exception because any relief sought by Chase would interfere with the probate of Johnson's will and the distribution of his estate. (ECF No. 7 at 2). Defendants also argue Chase has failed to establish any valid basis for federal jurisdiction. (Id.). Chase responds that this Court has subject matter jurisdiction under both 28 U.S.C. §§ 1332 and 1335. (ECF No. 16 at 2). As Chase explains, Chase is a citizen of Ohio and Defendants are citizens of Texas and Louisiana. (Id. at 2–3). Thus, the parties are completely diverse. (See id. at 3). Further, the amount-in-controversy exceeds $1 million, which is above the $75,000 required. (Id.). As such, the Court has diversity jurisdiction under 28 U.S.C. § 1332. Chase also contends there is subject matter jurisdiction under 28 U.S.C. § 1335. (Id.). 28 U.S.C. § 1335, statutory interpleader, confers on federal courts jurisdiction over certain interpleader claims. Section 1335 declares that "district courts shall have original jurisdiction of any civil action of interpleader," as long as the amount in controversy equals $500 or more and 3 the claimants are minimally diverse. 28 U.S.C. § 1335(a). In other words, assuming the requisite jurisdictional amount is met, statutory interpleader requires two or more of the adverse claimants to a contested fund be "of diverse citizenship as defined in section 1332 of this title." 28 U.S.C. § 1335(a)(1). Here, the amount in controversy exceeds $500. (See ECF No. 1 at ¶

14). At the time this action was filed, Houston and Lard were domiciled in Texas. (Id. at ¶ 2–3). However, Chase now contends Houston is domiciled in Texas and Lard is domiciled in Louisiana. (ECF No. 16 at 3 (citing ECF Nos. 16-2– 16-3)). Defendants did not file a reply to contest Chase's assertion as to Lard's updated citizenship. As such, the Court finds there is jurisdiction under 28 U.S.C. § 1335. See Auto Parts Mfg. Mississippi, Inc. v. King Constr. of Houston, L.L.C., 782 F.3d 186, 193 (5th Cir. 2015) ("APMM named as claimants King (a Mississippi citizen), Noatex (a California citizen), and later Kohn (a California citizen), satisfying § 1335's minimum diversity requirement."). Finally, as to the probate exception, Chase contends the probate exception to federal-court jurisdiction does not apply because the funds at issue are not in the exclusive control of a probate court. (ECF No. 16 at 4). A federal court "has no jurisdiction to probate a will or administer an estate[.]" Curtis v. Brunsting, 704 F.3d 406, 408 (5th Cir. 2013) (quoting Markham v. Allen, 326 U.S. 490, 494 (1946)). Thus, the probate exception, 4 which has a "distinctly limited scope," "reserves to state probate courts the probate or annulment of a will and the administration of a decedent's estate [and] precludes federal courts from endeavoring to dispose of property that is in the custody of a state probate court." Id. at 409. "But it does not bar federal courts from adjudicating matters outside those confines and otherwise within federal jurisdiction." Id. To determine whether the probate exception deprives a federal court of jurisdiction, the Fifth Circuit requires "a two-step inquiry into (1) whether the property in dispute is estate property within the custody of the probate court and (2) whether the plaintiff's claims would require the federal court to assume in rem jurisdiction over that property." Id. "If the answer to both inquiries is yes, then the probate exception precludes the federal district court from exercising diversity jurisdiction." Id. Here, this case falls outside the scope of the probate exception at the first step of the inquiry because the funds in the three P.O.D. accounts are not within the custody of any probate court. Under Texas Estates Code § 113.001(1), an "account" is "a contract of deposit of funds between a depositor and a financial institution," and includes "a checking account, savings account, certificate of deposit, share account, or other similar arrangement." A "P.O.D. account" is an account payable to one person during their lifetime and, after their death, to one or more P.O.D. payees. See TEX. EST. CODE § 113.004(4)(A). 5 Section 113.152 states that "if the account is a P.O.D. account and there is a written agreement signed by the original payee. . ., on the death of the original payee . . ., any sums remaining on deposit belong to (1) the P.O.D. payee . . . ." Thus, as argued by Chase, "[t]his transfer is effective by reason of the account contract involved and Chapter 113; it is not considered to be a testamentary transfer or subject to the testamentary provisions of the Estates Code. (ECF No. 16 at 6 (citing TEX. EST. CODE § 113.158)). "P.O.D. funds are non-probate assets." Baxter v. Hastings, No. 3:22-cv-10995, 2022 WL 2306825, at *3 (N.D. Tex. June 27, 2022) (citing Punts v. Wilson, 137 S.W.3d 889, 892 (Tex. App.— Texarkana 2004, no pet.)). As such, because the ownership of accounts does not pass through Johnson's estate, the probate exception does not apply, and this Court has subject-matter jurisdiction over this case to determine their ownership. Id. at

*4 (the disputed P.O.D. accounts are not within the custody of the probate court, and the probate exception does not apply); see Graves v. Metro. Life Ins. Co., No. 4:23-cv-947, 2023 WL 4237099, at *5 (S.D. Tex. June 28, 2023) ("In Texas, 'property passing at death pursuant to terms of a contract, such as provided in life insurance policies' is considered a non-probate asset. . . . Thus, the probate exception does not apply to a life insurance policy such as this."). 6 III. Conclusion Based on the foregoing, the Court RECOMMENDS Defendants' Motion to Dismiss (ECF No. 7) be DENIED. The Clerk shall send copies of this Memorandum and Recommendation to the respective parties who have fourteen days from the receipt thereof to file written objections thereto pursuant to Federal Rule of Civil Procedure 72(b) and General Order 2002-13. Failure to file written objections within the time period mentioned shall bar an aggrieved party from attacking the factual findings and legal conclusions on appeal. SIGNED in Houston, Texas on December 17, 2025. Richard W. Bennett United States Magistrate Judge