

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Samuel Toven v. Metropolitan Life Insurance Company, et al.

517 F. Supp. 2d 1174 (C.D. Cal. 2007) · No. No. CV 06-07260 ABC (RZx) · Decided October 17, 2007

SUMMARY

The court affirmed a magistrate judge’s denial of MetLife and the plan’s motion for a protective order in an ERISA dispute. It held that narrowly tailored depositions concerning the nature and effect of MetLife’s conflict of interest were permissible despite being outside the administrative record.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Audrey B. Collins
JURISDICTION	California
DECIDED	October 17, 2007
DOCKET	No. CV 06-07260 ABC (RZx)
DISPOSITION	affirmed
PROCEDURAL POSTURE	Defendants sought review of a magistrate judge's order denying their motion for a protective order concerning depositions in an ERISA action. The district court reviewed the order under the clearly erroneous or contrary to law standard and affirmed it.
STANDARD OF REVIEW	A magistrate judge's ruling on a pretrial discovery matter is reviewed to determine whether it is clearly erroneous or contrary to law; the ruling is entitled to great deference.
PRECEDENTIAL VALUE	Published federal district court opinion; persuasive authority within the Central District of California and elsewhere, subject to controlling Ninth Circuit precedent.

TOPICS

- discovery dispute
- insurance coverage
- civil procedure

PRACTICE AREAS

- ERISA
- insurance
- civil procedure
- discovery

QUESTIONS PRESENTED

1. Whether the magistrate judge's denial of Defendants' motion for a protective order was clearly erroneous or contrary to law.
2. Whether, in an ERISA case, discovery outside the administrative record may be permitted to determine the nature, extent, and effect of a plan administrator's conflict of interest.
3. Whether the three proposed depositions were sufficiently narrowly tailored to the conflict-of-interest inquiry rather than an impermissible fishing expedition.

HOLDINGS

1. The magistrate judge's order denying the protective order was not clearly erroneous or contrary to law and was affirmed.
2. A district court may permit evidence outside the administrative record to determine the nature, extent, and effect of a plan administrator's conflict of interest, even though the merits decision must ultimately rest on the administrative record once the conflict is established.
3. The three depositions were sufficiently narrowly tailored to the conflict-of-interest inquiry and did not constitute a fishing expedition.

KEY QUOTATIONS

"The court "may, in its discretion, consider evidence outside the administrative record to decide the nature, extent, and effect on the decision-making process of any conflict of interest; the decision on the merits, though, must rest on the administrative record once the conflict (if any) has been established, by extrinsic evidence or otherwise." (517 F. Supp. 2d at 1175)

"Allowing the three depositions at issue to be taken in order to make a proper conflict of interest determination is sufficiently "narrowly tailored" and is not "a fishing expedition" as Defendants claim." (517 F. Supp. 2d at 1176)

"The Magistrate Judge's order allowing the three depositions to go forward is not inconsistent with Abatie and its progeny." (517 F. Supp. 2d at 1176)

FACTUAL BACKGROUND

The action is governed by ERISA and concerns MetLife's administration and payment of benefits under an employee welfare benefit plan. Defendants sought to prevent depositions of two MetLife claims representatives and an independent physician because the depositions would involve evidence outside the administrative record. Plaintiff sought the depositions to examine whether MetLife had a conflict of interest and the nature, extent, and effect of that conflict on its decision-making. The magistrate judge denied the protective order, and the district court affirmed.

PROCEDURAL HISTORY

Magistrate Judge Ralph Zarefsky denied Defendants' motion for a protective order on September 12, 2007. Defendants moved for district court review on September 26, 2007; Plaintiff opposed, Defendants replied, and

the district court took the matter under submission without oral argument. The district court affirmed the magistrate judge's order and permitted the three depositions to proceed.

DISPOSITION

affirmed

CASES CITED

- Rockwell Int'l, Inc. v. Pos-a Traction, Inc., 712 F.2d 1324, 1325 (9th Cir. 1983)
- U.S. v. Abonce-Barrera, 257 F.3d 959, 969 (9th Cir. 2001)
- Abatie v. Alta Health & Life Ins. Co., 458 F.3d 955, 968, 970 (9th Cir. 2006)
- Tremain v. Bell Indus., Inc., 196 F.3d 970, 976-77 (9th Cir. 1999)
- Shorter v. Metro. Life Ins. Co., 216 Fed. App'x 689, 691 n.1 (9th Cir. 2007)
- Groom v. Standard Ins. Co., 492 F. Supp. 2d 1202, 1205 (C.D. Cal. 2007)

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