

NEWS RELEASE

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MassMutual Class Action Trial Ends in Defense Verdict

IRVINE, CA, MARCH 1, 2018 --- A jury in Los Angeles Superior Court found Tuesday that Massachusetts Mutual Life Insurance Co. ("MassMutual") did not improperly withhold dividends from a class of hundreds of term life insurance policyholders. The jury sided with the insurer and found that the policies in question never generated enough profit to warrant dividends under the policy agreements.

In *Christina Chavez v. Massachusetts Mutual Life Insurance Co.*, after deliberations following a 12-day trial, the jury rejected named plaintiff Christina Chavez's claims that the insurer had breached its contracts with hundreds of people who had purchased participating 20-year term life insurance, or T20G policies, from 2000 to 2004 in the Los Angeles area.

As a mutual insurance company owned by its policyholders, MassMutual pays out its excess profits to "participating" policyholders each year in the form of dividends. Chavez filed suit in April 2010, and in her trial brief filed last month contended that as

part of the language of the participating life insurance policies, the insurer was mandated to annually determine those policies' contributions to the company's excess profits, or "divisible surplus," and return their fair share in a dividend. During closing arguments, the plaintiff attorney claimed that the company had dodged its duties by refusing to actually do the math and determine if the T20G policies were entitled to dividends each year, asserting that MassMutual actually owed the class a total of \$717,000 in dividends. The jury sided with the insurer in holding the plaintiffs had failed to prove that the policies actually generated such profits.

Jennifer Keller of [Keller Anderle LLP](#), representing MassMutual, defended the company during closing arguments by focusing on Chavez's actuarial expert Tom Bakos, explaining to the jury that Bakos had manipulated the financial numbers to show a profit on the T20G policies, which actually had not come close to surpassing a 5 percent profit, the threshold over which dividends were payable, she said. "The Tom Bakoses of the world can probably find any mutual life insurance policy anywhere in the world and pick it apart ... and can find somewhere in there some numbers to manipulate," she said. Sean Commons of Sidley Austin was second chair at the trial.



"After close to a decade of protracted litigation, a California jury confirmed what MassMutual has always known: that these policies never earned, and were therefore never entitled to receive, dividends," MassMutual spokesperson Michael McNamara said in a statement Wednesday, stating that the company was very pleased with the verdict.

[Jennifer Keller](#) is one of California's premier trial lawyers. She has tried over 150 cases to jury verdict, ranging from complex civil matters — including business and intellectual

property cases — to white collar to murder. She has received innumerable awards for excellence as a trial lawyer and excels at “bet the company” litigation. Ms. Keller is a Fellow of the American College of Trial Lawyers, widely considered the most significant honor a trial attorney in North America can receive. She is listed annually in “The Best Lawyers in America®,” is among the Lawdragon 500 Leading Lawyers in America, and has been selected for the Benchmark Litigation “Top 100 Trial Lawyers in America” and the “Benchmark Top 250 Women in Litigation.” She appears routinely in the Los Angeles Daily Journal as one of California’s Top 100 Lawyers and has been selected to the list of Top 10 Southern California Super Lawyers. Ms. Keller is a fellow of the Litigation Counsel of America, an invitation-only organization limited to the top one-half of one percent of the nation’s attorneys. Ms. Keller is also active in the community. She is the former President of the Orange County Bar Association and serves as a Trustee of Chapman University. She counts as present and former clients a number of judges, public officials, law enforcement officers, CEOs, CFOs, lawyers, physicians, professional athletes, venture capitalists and entrepreneurs.

About the firm: [Keller/Anderle LLP](#) is among the premier boutique trial firms in California, with a record second to none, and local, statewide and national recognition of the firm’s success. The firm handles high-stakes litigation of all types including commercial, intellectual property, securities, bad faith, class actions, white collar criminal defense, and entertainment/sports. Keller/Anderle LLP attorneys have won over \$925 million in judgments, and successfully defended many other clients. Members of the firm have over 350 jury trials among them. Unique among law firms handling high profile, bet-the-company cases of such a caliber is that both name partners are women, and the firm is women-owned.