IN THE SUPREME COURT FOR THE STATE OF MONTANA
No. DA 25-0296

STATE OF MONTANA,
Petitioner/Appellee,

v.

THOMAS WILSON as the Personal Representative of the ESTATE OF HALEY WILSON; and THOMAS WILSON as the conservator of Minor Child J.M.W.,
Respondent/Appellant.

APPELLEE'S SUPPLEMENTAL BRIEF

On Appeal from the Montana First Judicial District Court,
Lewis and Clark County, Cause No. Dv-25-2024-0000338-IL
Honorable Michael T. Menahan

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Pursuant to the Court's December 17, 2025 Order, the State of Montana ("State") submits this supplemental brief in response to the questions posed in that Order.

The Court requests supplemental briefing on the following questions:

1. Is the State's action for declaratory judgment and interpleader proper under M. R. Civ. P. 22?

2. Is it appropriate for this Court to issue an opinion in an interpleader action on the constitutionality of the damages cap imposed by § 2-9-108, MCA, when there has been no plaintiff's lawsuit filed and no determination of the State's liability for damages exceeding the statutory limit?

The Court should answer both of these questions in the affirmative.

ARGUMENT

1. Is the State's action for declaratory judgment and interpleader proper under M. R. Civ. P. 22?

Yes.

In pertinent part, M.R.Civ.P. 22 provides:

> **Rule 22. Interpleader.**
>
> (a) Joinder, cross-claim, or counterclaim.
>
> (1) By a Plaintiff. Persons with claims that may expose a plaintiff to double or multiple liability may be joined as defendants and required to interplead. Joinder for

> interpleader is proper even though:
>
> (A) the claims of the several claimants, or the titles on which their claims depend, lack a common origin or are adverse and independent rather than identical; or
>
> (B) the plaintiff denies liability in whole or in part to any or all of the claimants.

The State appropriately commenced this action as the plaintiff after an actual and justiciable controversy arose between the parties that exposed the State to multiple liability. Doc. 1. On behalf of the Estate of Haley Wilson and Minor Child JMW, Respondent Thomas Wilson ("Respondent") submitted claims to the State demanding payment of $1.5 million. Doc. 1, ¶¶ 3, 24. Respondent asserted the $1.5 million demand "should be paid without release" and noted he "has never agreed to be bound by the Tort Claims Caps." Doc. 1, ¶ 24; Doc. 5, ¶ 24.

Respondent's demand and refusal to provide a release conflicts with Montana law. It conflicts with the limitation of damages in § 2-9-108, MCA. It also conflicts with the definition of a claim as defined in § 2-9-101(1), MCA. Respondent's claims on behalf of the Estate and Minor Child therefore exposed the State to multiple liability over the statutory cap of $750,000 per claim set forth in § 2-9-108, MCA.

Rule 22 contains no limitation on who may be a plaintiff. Indeed, in an interpleader action, it more often than not is the party with the funds to be paid toward a claim that is the plaintiff. *See Associated Dermatology & Skin Cancer Clinic v. Fitte*, 2016 MT 349, ¶ 17, 386 Mont. 150, 388 P.3d 632 (encouraging

insurers to file interpleader actions when the funds at issue are at the outer limit of the funds available). Both Montana and persuasive federal authority demonstrate an interpleader action is appropriate under the circumstances presented here.

This Court has stated an interpleader action is "[r]ooted in equity, [and] a handy tool to protect a stakeholder from multiple liability and the vexation of defending multiple claims to the same fund." *Associated Dermatology*, ¶ 13, quoting *6247 Atlas Corp. v. Marine Ins. Co.*, 155 F.R.D. 454, 460-61 (1994) (quoting *Washington Elec. Coop., Inc. v. Paterson, Walker & Pratt, P.C.*, 985 F.2d 677, 679 (2d Cir. 1993)); *see also, e.g.,* Charles Alan Wright, Arthur R. Miller & Mary Kay Kane, *Federal Practice and Procedure* § 1702, 533-37 (3d ed. 2001); *Maryland Casualty Company v. Glassell-Taylor & Robinson*, 156 F.2d 519, 523-24 (5th Cir. 1946).[1] "[T]he interpleader rule must be liberally construed to protect the stakeholder from the expense of defending twice and to protect against double liability." *Associated Dermatology*, ¶ 13, citing *New York Life Insurance Company v. Welch*, 297 F.2d 787, 790, 111 U.S. App. D.C. 376 (D.C. Cir. 1961).

Critically, in its definitive opinion on interpleader, the United States Supreme Court explained there is no need to wait until claimants have reduced their claims to

[1] "Montana's interpleader rule as set forth in M. R. Civ. P. 22(a) is identical to Fed. R. Civ. P. 22." *Associated Dermatology,* ¶ 15. "It is therefore appropriate to look to federal jurisprudence interpreting the counterpart to Montana's rule." *Id.,* citing, *Farmers Union Mut. Ins. Co. v. Bodell*, 2008 MT 363, ¶ 21, 346 Mont. 414, 197 P.3d 913.

judgment before an interpleader action may be filed. *Associated Dermatology*, ¶ 14, citing *State Farm Fire & Cas. Co. v. Tashire*, 386 U.S. 523, 87 S. Ct. 1199, 18 L. Ed. 2d 270 (1967). The *Tashire* court reasoned that "considerations of judicial administration" demonstrate that requiring the party with the funds – there, the insurance company – to wait until a judgment is entered would be unwise. *Tashire*, 386 U.S. at 533. Such a rule could result in the first claimant to obtain a judgment "appropriat[ing] all or a disproportionate slice of the fund…." *Id.*; *see also Associated Dermatology*, ¶ 14; § 2-9-303(1), MCA (Montana funds judgments against and settlements with it are funded from the State's self-insurance reserve fund). This would cut against the very purpose of interpleader, as "the difficulties such a race to judgment may pose for the insurer, and the unfairness which may result to some claimants, were among the principal evils the interpleader device was intended to remedy." *Tashire*, 386 U.S. at 533.

This Court applied these same principles in *Associated Dermatology*. There, a Mountain West insured was burning trees when the fire got out of control and damaged properties and vehicles of 35 of his neighbors. *Id.*, ¶ 3. About six months later, two claimants filed separate state court actions against the insured. *Id.*, ¶ 4. The insured had $1.3 million in applicable insurance through personal liability and commercial policies. *Id.* "[R]ealizing the extent of damage and number of potential claimants," Mountain West filed an interpleader action and interpleaded the

$300,000 in personal liability limits. *Id.*, ¶¶ 4, 5, 8. It declined to interplead the full $1.3 million until there was a decision on whether the commercial policy applied and filed a declaratory judgment action on that coverage question in federal court. *Id.*, ¶¶ 4, 5.

After the interpleader and declaratory judgment actions were filed, the insured admitted liability. *Id.*, ¶ 6. The insured confessed judgment for $1.9 million to one claimant. *Id*. The other claimant obtained a $500,000 judgment against the insured. *Id.* Both the confessed judgment and judgment resulted in an agreement with the insured and claimants that the claimants would seek satisfaction only against the available insurance and not against the insured personally. *Id.*

Shortly thereafter, the federal court ruled that the commercial policy applied, and Mountain West moved to interplead those funds as well. *Id.*, ¶ 7. Mountain West also moved in the interpleader action to discharge attachments the two claimants had filed against the insurance proceeds. *Id.*, ¶ 7. The two claimants' actions against the insured were then consolidated into Mountain West's interpleader action. *Id.*, ¶ 8.

After all interested parties were before the district court in the interpleader action, the parties filed cross-motions for summary judgment on whether the commercial policy $1 million limits should be apportioned through the interpleader action or should be used to satisfy the judgments apart from the interpleader. *Associated Dermatology*, ¶ 8. The district court noted the interpleader action was

filed before either judgment was obtained and therefore it was appropriate to apportion the policy through the interpleader action. *Id.* This Court agreed the funds were not subject to the discharge attachments. *Id.*, ¶ 25.

In affirming the district court, this Court first explained that in filing the interpleader action, Mountain West "was properly availing itself of the procedure this Court has determined an insurer should utilize." *Id.*, ¶ 17, citing *State Farm Mut. Auto. Ins. Co. v. Freyer*, 2013 MT 301, 372 Mont. 191, 312 P.3d 403 (insurers who dispute coverage must seek a judicial determination through a declaratory judgment action); *Farmers Union Mut. Ins. Co. v. Staples*, 2004 MT 108, ¶ 28, 321 Mont. 99, 90 P.3d 381 (same). It cited *Tashire* in holding "an insurance company was not required to wait until [] claimants reduced their claims to judgment." *Associated Dermatology*, ¶ 14, citing *Tashire*, 386 U.S. at 532-533. As established in *Tashire*, where a stakeholder acknowledges – or even denies – liability to one or more claimants, and interpleaded funds mark the outer limits of the controversy, it is reasonable and sensible that the interpleader action resolve issues to protect the stakeholder from multiple litigation. *Tashire*, 386 U.S. at 534.

Other federal authority is also in accord. In *Schlemmer v. Provident Life & Acc. Ins. Co.,* 349 F.2d 682 (9thth Cir. 1965), the insurer issued a policy to which two claimants claimed the proceeds. Provident Life filed a complaint in interpleader and prayed for a determination as to which claimant was entitled to the proceeds.

Schlemmer, 349 F.2d at 683. The Ninth Circuit held that "[s]itting as a court in equity in an interpleader action, with all interested parties before it and with the facts undisputed, the district court, in our opinion, properly applied the law to achieve justice and to avoid unnecessary litigation." *Id.*, 349 F.2d at 684-85.

Here too, the State's interpleader action satisfied all the requirements of Rule 22. As in the cases discussed above, the State was presented with a claim that exposed it to multiple liability. In particular, the claimants insisted there were multiple claims not subject to the statutory caps, whereas there is only one claim for which its liability is capped at $750,000. As set forth above, the interpleader was ripe despite the claims not being reduced to a final judgment. *Associated Dermatology*, ¶ 8; *Tashire*, 386 U.S. at 533; *Schlemmer*, 349 F.2d at 684-85.

The State's request for declaratory judgment was likewise appropriate. The purpose of Montana's Declaratory Judgment Act is to settle and afford relief from uncertainty and insecurity with respect to rights, status, and other legal relations. *Gardiner-Park Cty. Water & Sewer Dist. v. Knight*, 2024 MT 121, ¶ 28, 417 Mont. 1, 549 P.3d 1151. The Act is to be remedial in nature and liberally construed and administered to achieve its purpose. § 27-8-102, MCA. The existence of another remedy does not preclude a declaratory judgment that is otherwise appropriate. *Gardiner-Party Cty. Water & Sewer Dist.*, ¶ 28; *see also* M.R.Civ.P. 57. Courts of record have the power to declare rights, status and other legal relations "whether or

not further relief is or could be claimed." § 27-8-201, MCA. "No action or proceeding shall be open to objection on the ground a declaratory judgment or decree is prayed for." *Id.*

The State determined Ruiz was acting within the course and scope of his employment when the accident with Ms. Wilson occurred. Doc. 1, ¶ 9; *see also* § 2-9-305(2), (5), MCA. Ruiz was therefore immune from liability to the Estate and Minor Child. *See Gardiner-Park Cty. Water & Sewer Dist.*, ¶ 22. The claimants, however, refused to release either the State or Ruiz from liability. A declaratory ruling was appropriate to resolve that issue as well as the constitutionality of the statutory limit on the State's and Ruiz's liability. *See Gardiner-Party Cty. Water & Sewer Dist.*, ¶ 28; M.R.Civ.P. 57; § 27-8-201, MCA.

There is no evidence other than that the State employee's vehicle went out of control and ultimately collided with Ms. Wilson's vehicle, resulting in her death. Doc. 1, ¶ 20, Doc. 5, ¶ 20. Therefore, the only interested parties were Respondent on behalf of the Estate and Minor Child, and the State. All were before the District Court in one proceeding. Additionally, because § 2-9-108, MCA, sets the limit of the amount for which the State can be liable, regardless of whether there was a separate proceeding to determine the State's liability, the most that can be paid by the State to the Estate and Minor Child is $750,000. Holding a separate proceeding would defeat the purpose of the interpleader rule and Declaratory Judgment Act.

2. Is it appropriate for this Court to issue an opinion in an interpleader action on the constitutionality of the damages cap imposed by § 2-9-108, MCA, when there has been no plaintiff's lawsuit[2] filed and no determination of the State's liability for damages exceeding the statutory limit?

Yes.

The State is unlike a private party in that a person seeking recovery in tort against the State or a State employee must first file a claim under the Montana Tort Claims Act. § 2-9-301, MCA. The purpose of the Tort Claims Act is to allow the State to resolve or deny a claim so as to make a lawsuit unnecessary. *Id*. Further, under the Tort Claims Act, the Department of Administration may compromise and settle any claim allowed under Title 2, Chapter 9, parts 1 through 3. *See* § 2-9-303(1), MCA. Any amount over $10,000 to be paid by the State "must be approved by the district court of the first judicial district except when suit has been filed in another judicial district, in which case the presiding judge shall approve the compromise settlement." *Id*.

The purpose of both an interpleader action and a settlement is so that an aggrieved party may "buy peace" from a claimant. *Durden v. Hydro Flame Corp.*, 1999 MT 186, ¶ 13, 295 Mont. 318, 983 P.2d 943; *Associated Dermatology*, ¶ 14; *Tashire*, 386 U.S. at 533.

[2] The State understands the reference to "plaintiff's lawsuit," to mean a lawsuit filed by the Respondent on behalf of the Estate and Minor Child against the State.

A declaratory judgment proceeding is appropriate for questions involving the constitutionality of legislative enactments. *State ex rel. Judge v. Legislative Fin. Comm.*, 168 Mont. 470, 472, 476, 543 P.2d 1317 (1975); *see also Board of Regents v. Judge*, 168 Mont. 433, 543 P.2d 1323 (1975). The purpose of the Declaratory Judgment Act is to adjudicate justiciable controversies. *City of Missoula v. Fox,* 2019 MT 250, ¶ 11, 397 Mont. 388, 450 P.3d 898. A justiciable controversy is "one upon which the judgment of the court may effectively operate, as distinguished from a debate or argument invoking a purely political, administrative, philosophical or academic conclusion." *City of Missoula*, ¶ 11, quoting *Chipman v. Nw. Healthcare Corp.*, 2012 MT 242, ¶ 19, 366 Mont. 450, 288 P.3d 193.

Here, a justiciable controversy is unquestionably present. Far from a hypothetical or contingent dispute, the dispute between the State and Respondent involves an "issue in which the asserting party has an actual, non-theoretical interest, and an issue upon which a judgment can 'effectively operate' and provide meaningful relief." *City of Missoula*, ¶ 11*,* quoting *Larson v. State*, 2019 MT 28, ¶ 18, 394 Mont. 167, 434 P.3d 241. Respondent submitted claims on behalf of the Estate and Minor Child. *See* Doc. 1, ¶¶ 2, 3, 22, 26; Doc. 5, ¶¶ 2, 3, 22, 26. There is nothing theoretical about what Respondent seeks – payment of $1.5 million without release of the State or Ruiz. Doc. 1, ¶ 24; Doc. 5, ¶ 24. There is also nothing theoretical about the Legislature's express limitation on the State's liability in tort to

$750,000 per claim[3]. § 2-9-308, MCA. As it was allowed (and in fact encouraged) under the Tort Claims Act, the State determined to offer the $750,000 statutory limit to the Respondent after reviewing the facts of the accident. The Respondent rejected that amount, demanding twice the amount without a release. Doc. 1, ¶¶ 2, 3, 24; Doc. 5, ¶¶ 2, 3, 24.

The claim submitted to the State by the Estate and Minor Child are real; there is nothing theoretical about it. The injury to Ms. Wilson is real; she unfortunately died in the accident. The parties' dispute is also real. The State has requested and been refused a release of claims despite its willingness to pay the maximum amount of its potential liability under the Tort Claims Act. If these facts do not present an actual, non-theoretical and justiciable controversy, it is hard to imagine what might.

It would defeat the purpose of the Declaratory Judgment Act, and indeed the well-entrenched broader public policy encouraging settlement and compromise, to require a separate lawsuit be filed to judicially determine what the parties already know – that the Appellants' damages exceed the statutory limit under § 2-9-108, MCA. It would further defeat these policies to require a separate lawsuit be filed to consider the constitutionality of the damage cap, when that issue is squarely before the Court in an actual and justiciable controversy brought under Rule 22 and the

[3] As the Court is aware, the district court concluded the claims of the Estate and Minor Child are one claim under § 2-9-101(1), MCA. Doc. 30, p. 20.

Montana Declaratory Judgment Act. The Court should issue an opinion on the constitutionality of the damages cap imposed by § 2-9-108, MCA.

CONCLUSION

For the foregoing reasons, the State's action for declaratory judgment and interpleader is proper under M.R.Civ.P. 22. It is appropriate for this Court to issue an opinion in an interpleader action on the constitutionality of the damages cap imposed by § 2-9-108, MCA, although Respondent has not filed a lawsuit against the State and Ruiz and obtained a judgment against the State and Ruiz in excess of the statutory limit.

The Court should answer both of these questions in the affirmative.

Respectfully submitted this 21st day of January, 2026.

MOORE, COCKRELL,
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CERTIFICATE OF COMPLIANCE

Pursuant to Rule 11(4)(e), Montana Rules of Appellate Procedure, I certify that this Supplemental Brief is printed with proportionately spaced Times New Roman text typeface of 14 points; is double spaced; and the word count calculated by Microsoft Word for Windows is 2,891 words, excluding the caption, signature block, certificate of service, certificate of compliance, table of contents and table of authorities.

Respectfully submitted this 21st day of January, 2026.

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I, Breanne Pritchett, a paralegal of the law firm, MOORE, COCKRELL, GOICOECHEA & JOHNSON, P.C., do hereby certify that the Appellee's Supplemental Brief was electronically filed with the Clerk of the Montana Supreme Court on January 21, 2026, at approximately 4:15 p.m. I also certify that I served a copy of the Appellee's Supplemental Brief by mailing (first class postage prepaid) and emailing a copy thereof, to the following:

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