

**IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT**

United States Court of Appeals
Fifth Circuit

FILED

May 11, 2009

No. 08-20248

Charles R. Fulbruge III
Clerk

SYMETRA LIFE INS. CO.; SYMETRA ASSIGNED BENEFITS
SERV. CO.

Plaintiffs-Appellees

v.

RAPID SETTLEMENTS LTD.

Defendant-Appellant

RAPID SETTLEMENTS LTD.

Plaintiff-Appellant

v.

SYMETRA LIFE INS. CO.; SYMETRA ASSIGNED BENEFITS
SERV. CO.

Defendants-Appellees

Appeal from the United States District Court
for the Southern District of Texas

Before HIGGINBOTHAM, GARZA, and PRADO, Circuit Judges.

PER CURIAM:

For essentially the reasons stated by the district court,¹ we AFFIRM.

In so holding, we join numerous state and federal courts concluding that a sham arbitration cannot be used as a device to bring about an otherwise unlawful transfer.² To hold otherwise would be to sanction easy invalidation of a wide range of state policies. Arbitral powers do not extend beyond the substantive capacity of the party agreeing to arbitration, and neither *Prima Paint* nor any other Supreme Court case teaches to the contrary. And on matters of insurance regulation, the congressional message of the Federal Arbitration Act comes with the congressional message of the McCarran-Ferguson Act. On that score, no fewer than forty-six states have seen fit to enact statutes exercising the power, to which Congress has consented, to guard recipients of structured settlements against abusive transfers. We are loathe to read the Federal Arbitration Act to provide an end run around this dually secured line of protection.

¹ For Judge Rosenthal's published memorandum opinion from the case, see *Symetra Life Ins. Co. v. Rapid Settlements, Ltd.*, 599 F.Supp.2d 809 (S.D. Tex. 2008).

² See *Allstate Life Insur. Co. v. Rapid Settlements Ltd*, No. 08-60685 (5th Cir., May 1, 2009); *Allstate Settlement Corp. v. Rapid Settlements, Ltd.*, 559 F.3d 164 (3d Cir. 2009); *Pacific Life Ins. Co. v. Rapid Settlements, Ltd.*, 2009 WL 320184 (2d Cir., Feb. 10, 2009); *Pacific Life Ins. Co. v. Rapid Settlements, Ltd.*, 2007 WL 2530098 (W.D.N.Y., Sept. 5, 2007); *R&W Reins. Co. v. Rapid Settlements Ltd.*, 2007 WL 2330899 (S.D. Fla., Aug. 13, 2007); *AllState Settlement Corp. v. Rapid Settlements, Ltd.*, 2007 WL 1377667 (E.D. Penn., May 8, 2007); *CNA Structured Settlements, Inc. v. Rapid Settlements, Ltd.*, 2007 WL 811983 (N.Y. Sup. Ct., Mar. 15, 2007).