

BOISE, FRIDAY, OCTOBER 3, 2025, AT 8:50 A.M.

IN THE SUPREME COURT OF THE STATE OF IDAHO

KAREN SHELSTAD,)

Plaintiff-Respondent,)

AND)

JEFFREY ANDREASEN, RACHEL)

BUCK, FELIX and KARLA)

GONZALEZ, HAYLEY HERMAN,)

HEATHER HERMAN, CHARLIE)

HUMPHREYS, KIRT LEWIS,)

JEFFREY MAUGHAN, KAREN)

ROSEBERRY, LONNA ANN)

SCHMIDT, and JOSEPHINE)

WAMSLEY,)

Plaintiffs,)

v.)

Docket No. 52014

PACIFIC LIFE INSURANCE)

COMPANY,)

Defendant-Appellant,)

and)

RONALD M. HILL, RONALD R. HILL,)

SHURWEST, LLC; AE WEALTH)

MANAGEMENT, LLC; ADVISORS)

EXCEL, LLC; THE QUANTUM)

GROUP, USA, LLC; ANNEXUS)

COMPANY, LLC; ANNEXUS)

MANAGEMENT COMPANY, LLC;)

ANNEXUS HOLDING, LLP; and)

ANNEXUS HOLDING LP,)

Defendants.)

Appeal from the District Court of the Third Judicial District of the State of Idaho,
Canyon County. Randall S. Grove, District Judge.

Hawley Troxell Ennis & Hawley LLP, Boise, for Appellant.

Mooney Wieland Warren, Boise, for Respondent.

Pacific Life appeals a \$1.5 million jury award stemming from its alleged negligent actions in relation to the default of an investment product issued by another company. In 2017, Karen M. Shelstad met Ronald R. Hill while she was trying to sell an apartment complex she owned. Hill convinced Shelstad to use the proceeds from the sale of her apartment complex to invest in a financial product offered by Future Income Payments, LLC (FIP). Hill also persuaded Shelstad to purchase an Indexed Universal Life insurance policy (IUL) from Pacific Life. FIP was later revealed to be a multi-state Ponzi scheme, and Shelstad lost her investment. Shelstad sued Hill and Pacific Life for negligence and prevailed. The jury awarded her \$1,526,136.54 in damages, attributing 60% to Pacific Life and 40% to Hill. The district court then determined that Pacific Life and Hill were severally and jointly liable for the 40% assigned to Hill because the jury found that Hill was Pacific Life's agent.

Pacific Life appeals, arguing that the district court erred by improperly instructing the jury on the duty element of Shelstad's negligence claim and erred in allowing Shelstad's expert witness to testify that Pacific Life had an obligation to ensure its products are properly structured and funded. Pacific Life also argues that the district court erred in denying its motion for directed verdict and erred in allocating the full amount of the jury's damage award to Pacific Life by finding Pacific Life and Hill jointly and severally liable for damages assigned to Hill. Finally, Pacific Life argues that the evidence produced at trial was insufficient to support the jury's verdict.