

UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

No. 25-2483

JOHN GROVE,
Appellant

v.

MML INVESTORS SERVICES, LLC AND MASSACHUSETTS
MUTUAL LIFE INSURANCE COMPANY,
Appellees

On Appeal from the United States District Court for the Eastern District of Pennsylvania
Judge Karen S. Marston, No. 2:25-cv-02133

Before: CHAGARES, *Chief Judge*, ROTH, and RENDELL, *Circuit Judges*
Submitted: Apr. 28, 2026; Filed: Oct. 20, 2026

NONPRECEDENTIAL OPINION *

RENDELL, *Circuit Judge*.

John Grove purchased a life insurance policy in May 1994. Since then, Grove has invested \$96,420 into his policy. Grove occasionally received reports about his policy but alleges he was not alerted to the decreasing value of his investment until January 2025 when Grove received a letter that his account's value dropped to \$336.12. Grove sued under common law and statutory claims, but the District Court dismissed his claims as time-barred. Because the District Court should have considered the application of the discovery rule to toll Grove's claims, we will vacate and remand.

* This is not an opinion of the full Court and, under 3d Cir. IOP 5.7, is not binding precedent.

I.

Grove purchased a MetLife flexible premium multifunded life insurance policy (the “Policy”) from a MetLife agent on May 24, 1994. Under the Policy, Grove could allocate payments to a Fixed Account, with interest guaranteed at 4%, and a Separate Account, where funds would be invested. Grove allocated investments in his Separate Account as follows: 40% in growth; 20% in diversified; 20% in aggressive growth; and 20% in international stock. When Grove purchased the Policy, the agent certified that the Policy was suitable for Grove’s purposes, and Grove was also informed that the Policy only makes economic sense if the policyholder can make payments to offset MetLife’s investment costs and losses. Grove made an initial transfer of \$24,000 and, thereafter, deposited \$170 per month for 426 months, creating a total input of \$96,420.00. The allocation of risk did not change significantly.

The account was transferred, at a time unbeknownst to Grove, to MML Investor Services, LLC (“MML”), in the care of its employee Savaz Saymaz. Grove alleges MML and Saymaz had a duty to conduct an annual review, consult with Grove about his goals, and provide Grove notice of the potential or possibility of financial loss. This duty allegedly derives from industry protocol, industry ethics standards, the MetLife contract code of ethics, and the Pennsylvania Securities Commission. The Policy itself provides that Grove would receive written notice of material details including investment objectives, charges, and changes to the underlying investments and an annual report.

On January 24, 2025, MetLife informed Grove by letter that the value of his account was \$336.12 and his Policy would be terminated unless he paid an additional \$6,643.08.

Up to this point, no one had contacted Grove about the decreasing value of his account. Grove only occasionally received reports from MetLife, which never recommended consultation. Grove urges this loss could have been avoided if Grove had been advised to lower his death benefit, provide higher premiums earlier, or switch investment vehicles.

Grove sued MML and its parent company Massachusetts Mutual Life Insurance Company (“MassMutual,” collectively “Defendants”) on March 28, 2025, in the Court of Common Pleas of Bucks County, Pennsylvania for professional negligence, breach of fiduciary duty, concerted tortious action, and violation of Pennsylvania’s Unfair Trade Practice and Consumer Protection Law. Defendants removed the action to federal court and moved to dismiss the Complaint.

The District Court found Grove’s claims were time-barred under the occurrence rule, whereby the statute of limitations begins to run when the cause of action arises, and granted the motion to dismiss. The District Court reasoned that the statute of limitations began to run in 1995, one year after Grove purchased the Policy, because his cause of action arose when the Defendants first breached their duties. Because Grove alleges that the Defendants breached their duties by failing to send annual reports, conduct annual reviews, hold annual meetings, or recommend consultation, the District Court urged that Grove should have known a breach occurred when Grove did not receive an annual report after holding the Policy for one year.

II.¹

We review the District Court’s grant of a motion to dismiss *de novo*. *Doe v. Univ. of Scis.*, 961 F.3d 203, 208 (3d Cir. 2020). A Rule 12(b)(6) motion to dismiss may be granted “only if, accepting all well pleaded allegations in the complaint as true, and viewing them in the light most favorable to plaintiff, plaintiff is not entitled to relief.” *In re Burlington Coat Factory Sec. Litig.*, 114 F.3d 1410, 1420 (3d Cir. 1997). The relevant question is not whether the plaintiff will “ultimately prevail,” but whether the plaintiff is “entitled to offer evidence to support the claims.” *Id.* (quoting *Scheuer v. Rhodes*, 416 U.S. 232, 236 (1974)).

We apply Pennsylvania law to resolve statute of limitations issues. *See Knopick v. Connelly*, 639 F.3d 600, 606 (3d Cir. 2011) (explaining we predict how the Pennsylvania Supreme Court would resolve statute of limitations issues). “Pennsylvania favors strict application of statutes of limitations.” *Id.* Under the occurrence rule, the statute of limitations begins to run when the breach of duty occurs. *Wachovia Bank, N.A. v. Ferretti*, 935 A.2d 565, 572 (Pa. Super. Ct. 2007).

There is an exception to the occurrence rule when a plaintiff could not reasonably have discovered his injury or its cause. *Pocono Int’l Raceway, Inc. v. Pocono Produce, Inc.*, 468 A.2d 468, 471 (Pa. 1983). In these cases, the discovery rule applies, tolling the statute until “the plaintiff knew or, exercising reasonable diligence, should have known (1) he or she was injured and (2) that the injury was caused by another.” *Adams v. Zimmer US, Inc.*, 943 F.3d 159, 163 (3d Cir. 2019). If the plaintiff has no reason to investigate, the statute

¹ This Court has jurisdiction under 28 U.S.C. § 1291.

will remain tolled. *Knopick*, 639 F.3d at 612; *see also Crouse v. Cyclops Indus.*, 745 A.2d 606, 611 (Pa. 2000) (“[T]here are few facts which diligence cannot discover, but **there must be some reason to awaken inquiry** and direct diligence in the channel in which it would be successful.”) (emphasis added).

The plaintiff bears the burden of showing reasonable diligence. *Nicolaou v. Martin*, 195 A.3d 880, 893 (Pa. 2018). The reasonable diligence standard is objective but takes into account the plaintiff’s capacities and circumstances. *Drelles v. Mfrs. Life Ins. Co.*, 881 A.2d 822, 831 (Pa. 2005).

Whether the exercise of reasonable diligence could have discovered the injury and its cause is a factual question for the jury to decide. *Fine v. Checcio*, 870 A.2d 850, 858 (Pa. 2005). Only where “reasonable minds would not differ” on this question may a court decide that the discovery rule does not apply as a matter of law. *Id.* at 858-59. In declining to use the discovery rule, a court must not undertake fact-finding and inference-drawing. *Id.* at 861.

We illustrated the distinction between the occurrence rule and discovery rule in *Knopick*, 639 F.3d at 615. There, the plaintiff brought a legal malpractice claim based on his lawyer’s failure to call witnesses. *Id.* The district court dismissed his claim under the occurrence rule, finding that the breach occurred at the time of the hearing. The court reasoned that the plaintiff knew or should have known of the alleged malpractice because he had recommended witnesses to call and was present at the hearing when his attorney did not call witnesses. *Id.* at 603. We reversed, holding a jury should decide when the plaintiff, exercising reasonable diligence, knew or should have known that he was injured

as a result of the witnesses not being called. *Id.* at 615. We emphasized the “critical importance” of the “distinction between the act constituting the alleged breach . . . and the injury that flowed from this failure,” finding the district court conflated this distinction. *Id.* (“In this case, we believe the District Court inappropriately equates the breach of duty (or ‘alleged malpractice’ action) with the injury suffered from that breach.”). We refused to determine, as a matter of law, “whether [the plaintiff] had the necessary clues that set off his obligation to investigate the implications of the [breach]” because reasonable minds could disagree. *Id.* at 616.

Here, a court must determine Grove’s ability, exercising reasonable diligence, to discover his injury and its cause and when he should have known he suffered injury from the breach. Only if the facts are so clear that reasonable minds could not differ, may we determine this ability as a matter of law. Dismissal was premature because, on a motion to dismiss, the District Court could not ascertain when the breach caused Grove’s injury and when he should have known of it or investigated.²

Grove alleges he did not discover his injury until he received the January 2025 letter. Grove provides the following failings that could have caused his injury: Defendants neither contacted Grove, recommended meetings, nor sent yearly reports such that we do not know

² On this record, dismissal was premature because the District Court did not undertake the required discovery-rule analysis at all. The court may, if it concludes that the present record is insufficient, exercise its discretion to order limited discovery on the statute-of-limitations issue before resolving the question as a matter of law. *See Cunningham v. M&T Bank Corp.*, 814 F.3d 156, 159 (3d Cir. 2016). We express no view on whether limited discovery is required or how the discovery-rule analysis should ultimately be resolved.

if they provided facts that would alert Grove to the decreasing value of his investment or cause him to reevaluate Defendants' investment strategy. Accepting as true that Grove only occasionally received statements and no other notice, a court cannot ascertain the time he should have known of his injury without an understanding of what he knew and when.

Only a jury should consider whether the alleged failings would have given a reasonably diligent person reason to investigate whether he was being harmed. A jury could plausibly reason that no news is good news as it pertained to the maintenance of his Policy such that he was under no duty to inquire.³ So, we cannot say the facts are so clear to decide as a matter of law when Grove should have discovered his injury and its cause.

As in *Knopick*, here the District Court conflated the time of one alleged breach (failure to receive an annual statement) with when Grove should have known of his injury. A jury should decide whether a reasonable person should have known that he was being injured based on what he knew at the time. For purposes of the motion to dismiss, the court must accept Grove's assertion that he first knew of his harm when he received the January 2025 letter. Thus, the District Court erred by granting the Defendants' motion to dismiss as time-barred without considering the discovery rule.

III.

For these reasons, we will vacate the District Court's judgment and remand for further proceedings.

³ Defendants indicated in their motion to dismiss that they sent 150 pages of annual statements. Unless it is clear as to when Grove was put on notice that he was being harmed, a jury should decide this issue.