

**Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between:

The Paul Revere Variable Annuity Insurance Company, UNUM Provident Corporation, The Provident Life & Accident Company, The Paul Revere Corporation, The Paul Revere Life Insurance Company and The Paul Revere Protective Life Insurance Company, Claimants v. Arthur F. Zang, Jr., Respondent.

Case Number: 00-00495

Hearing Site: Columbus, Ohio

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**REPRESENTATION OF PARTIES**

Claimants, The Paul Revere Variable Annuity Insurance Company, ("Paul Revere Variable"), UNUM Provident Corporation, ("Unum Provident Corp."), The Provident Life & Accident Company ("Provident Life"), The Paul Revere Corporation ("Paul Revere Corp."), The Paul Revere Life Insurance Company ("Paul Revere Life Insurance"), The Paul Revere Protective Life Insurance Company ("Paul Revere Protective Life"), hereinafter collectively referred to as "Claimants" and/or "Counter-Respondents": Bonnie Pierson-Murphy, Esquire, of Paul, Hastings, Janofsky & Walker, LLP, Stamford, Connecticut.

Respondent/Counterclaimant Arthur F. Zang, Jr. ("Respondent" and/or "Counterclaimant"): James R. Hubbard, Esquire, Law Offices of James R. Hubbard, West Palm Beach, Florida.

**CASE INFORMATION**

The Statement of Claim was filed on or about April 11, 2000.

Glenn P. Felton, Vice President and Assistant General Counsel for Claimants Paul Revere Variable, Unum Provident Corp., Provident Life, Paul Revere Corp., Paul Revere Life Insurance and Paul Revere Protective Life, signed the Uniform Submission Agreements on their behalf on March 31, 2000.

Respondent filed his Statement of Answer on or about June 14, 2000.

Respondent did not file a properly executed Uniform Submission Agreement.

### **CASE SUMMARY**

Claimants asserted no cause of action, but sought declaratory relief. Specifically, Claimants requested that the Panel issue a Declaratory Judgment stating that they did not breach their employment agreement with Respondent nor wrongfully terminate him.

Respondent denied that NASD Dispute Resolution, Inc. had jurisdiction over his employment claims against Claimants.

### **RELIEF REQUESTED**

In addition to their request for declaratory relief, Claimants requested:

Compensatory Damages	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified

In his Statement of Answer, Respondent requested that all proceedings against him be stayed pending the outcome of a federal court appeal.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondent, through his attorney, agreed at the hearing that he should have filed a Counterclaim with the appropriate fees. The undersigned Panel permitted Respondent to enter a Counterclaim seeking the following relief:

Compensatory Damages	unspecified
Punitive Damages	unspecified
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified

Respondent/Counterclaimant Arthur F. Zang, Jr., did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and, having filed a Statement of Answer, appeared at the hearing and filed a Counterclaim against Claimants, is bound by the determination of the Panel on all issues submitted.

### **AWARD**

After considering the pleadings, the testimony and evidence presented at the hearing, the undersigned Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants/Counter-Respondents, The Paul Revere Variable Annuity Insurance Company, UNUM Provident Corp., The Provident Life & Accident Company, The Paul Revere Corp., The Paul Revere Life Insurance Company and The Paul Revere Protective Life Insurance Company, are jointly and severally liable for and shall pay to the Respondent/Counterclaimant, Arthur F. Zang, Jr., the sum of \$190,000 (One Hundred Ninety Thousand Dollars and No Cents) as Compensatory Damages.
2. Claimants/Counter-Respondents, The Paul Revere Variable Annuity Insurance Company, UNUM Provident Corp., The Provident Life & Accident Company, The Paul Revere Corp., The Paul Revere Life Insurance Company and The Paul Revere Protective Life Insurance Company, are jointly and severally liable for and shall pay to Respondent/Counterclaimant, Arthur F. Zang, Jr., Interest at the rate of 8% per annum on the Compensatory Damages awarded in Paragraph 1 above. This Interest begins to accrue 30 (thirty) days after the date of service of this Award and ceases to accrue upon full payment of the Compensatory Damages awarded in Paragraph 1 above.
3. Claimants' (Counter-Respondents') claims against Respondent (Counterclaimant) Arthur F. Zang, Jr., are denied in their entirety.
4. Except as otherwise specified herein, each party shall bear its own costs and attorneys' fees.
5. Any and all relief not specifically addressed herein, including punitive (treble) damages, is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial Claim Filing Fee	= \$500
Counterclaim Filing Fee	= \$250

### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is Claimant/Counter-Respondent, The Paul Revere Variable Annuity Insurance Company:

Member surcharge	= \$1,200
Pre-hearing process fee	= \$ 600
Hearing process fee	= \$2,000

### **Forum Fees and Assessments**

The panel has the authority to assess forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$1,000	= \$1,000
Pre-hearing conference: January 12, 2001 1 session	
Seven (7) Hearing sessions x \$ 1000	= \$7,000
Hearing Dates: June 25, 2001 2 sessions	
June 26, 2001 2 sessions	
June 27, 2001 2 sessions	
June 28, 2001 1 session	
Total Forum Fees	= \$8,000

The Panel has assessed the Forum Fees as follows:

1. Claimants, The Paul Revere Variable Annuity Insurance Company, UNUM Provident Corp., The Provident Life & Accident Company, The Paul Revere Corp., The Paul Revere Life Insurance Company and The Paul Revere Protective Life Insurance Company, be and hereby are jointly and severally liable for \$4,000 in Forum Fees incurred in this arbitration.
2. Respondent, Arthur F. Zang, Jr., be and hereby is solely liable for \$4000 in Forum Fees incurred in this arbitration.

### **Fee Summary**

1. Claimants, The Paul Revere Variable Annuity Insurance Company, UNUM Provident Corp, The Provident Life & Accident Company, The Paul Revere Corp., The Paul Revere Life Insurance Company and The Paul Revere Protective Life Insurance Company, be and hereby are jointly and severally liable for:

NASD Dispute Resolution, Inc.  
 Arbitration Case #: 00-00495  
 Page 5 of 5

Forum Fees	= \$4,000
Initial Filing Fee	= \$ 500
Total Fees	= \$4,500
Less payments	= \$1,500
Balance Due NASD Dispute Resolution, Inc.	= \$3,000

2. Claimant, The Paul Revere Variable Annuity Insurance Company, be and hereby is solely liable for:

Member Fees	= \$3,800
Total Fees	= \$3,800
Less payments	= \$3,800
Balance Due NASD Dispute Resolution, Inc.	= \$ 0

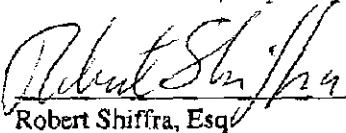
3. Respondent, Arthur F. Zang, Jr., be and hereby is solely liable for:

Counter Claim Filing Fee	= \$ 250
Forum Fees	= \$4,000
Total Fees	= \$4,250
Less payments	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$4,250

All balances are due to NASD Dispute Resolution, Inc.

#### ARBITRATION PANEL

Robert Shiffra, Esq.	-	Non-Public Arbitrator, Presiding Chair
Kenneth Kleeman	-	Non-Public Arbitrator
Dennis J. Concilla, Esq.	-	Non-Public Arbitrator

  
 Robert Shiffra, Esq.  
 Non-Public Arbitrator, Presiding Chair

8-8-01  
 Signature Date

\_\_\_\_\_  
 Kenneth Kleeman  
 Non-Public Arbitrator, Panelist

\_\_\_\_\_  
 Signature Date

\_\_\_\_\_  
 Dennis J. Concilla, Esq.  
 Non-Public Arbitrator, Panelist

\_\_\_\_\_  
 Signature Date

\_\_\_\_\_  
 Date of Service (For NASD-Dispute Resolution, Inc. office use only)

Forum Fees = \$4,000  
Initial Filing Fee = \$ 500  
Total Fees = \$4,500  
Less payments = \$1,500  
Balance Due NASD Dispute Resolution, Inc. = \$3,000

2. Claimant, The Paul Revere Variable Annuity Insurance Company, be and hereby is solely liable for:

Member Fees = \$3,800  
Total Fees = \$3,800  
Less payments = \$3,800  
Balance Due NASD Dispute Resolution, Inc. = \$ 0

3. Respondent, Arthur F. Zang, Jr., be and hereby is solely liable for:

Counter Claim Filing Fee = \$ 250  
Forum Fees = \$4,000  
Total Fees = \$4,250  
Less payments = \$ 0  
Balance Due NASD Dispute Resolution, Inc. = \$4,250

All balances are due to NASD Dispute Resolution, Inc.

**ARBITRATION PANEL**

Robert Shiffra, Esq.	-	Non-Public Arbitrator, Presiding Chair
Kenneth Kleeman	-	Non-Public Arbitrator
Dennis J. Concilla, Esq.	-	Non-Public Arbitrator

Robert Shiffra, Esq.  
Non-Public Arbitrator, Presiding Chair

Signature Date

*Kenneth Kleeman*

*8/9/2004*

Kenneth Kleeman  
Non-Public Arbitrator, Panelist

Signature Date

Dennis J. Concilla, Esq.  
Non-Public Arbitrator, Panelist

Signature Date

Date of Service (For NASD-Dispute Resolution, Inc. office use only)

NASD Dispute Resolution, Inc.  
 Arbitration Case #: 00-00495  
 Page 5 of 5

Forum Fees	= \$4,000
<u>Initial Filing Fee</u>	= \$ 500
Total Fees	= \$4,500
<u>Less payments</u>	= \$1,500
Balance Due NASD Dispute Resolution, Inc.	= \$3,000

2. Claimant, The Paul Revere Variable Annuity Insurance Company, be and hereby is solely liable for:

<u>Member Fees</u>	= \$3,800
Total Fees	= \$3,800
<u>Less payments</u>	= \$3,800
Balance Due NASD Dispute Resolution, Inc.	= \$ 0

3. Respondent, Arthur F. Zang, Jr., be and hereby is solely liable for:

Counter Claim Filing Fee	= \$ 250
<u>Forum Fees</u>	= \$4,000
Total Fees	= \$4,250
<u>Less payments</u>	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$4,250

All balances are due to NASD Dispute Resolution, Inc.

#### ARBITRATION PANEL

Robert Shiffra, Esq.	-	Non-Public Arbitrator, Presiding Chair
Kenneth Kleeman	-	Non-Public Arbitrator
Dennis J. Concilla, Esq.	-	Non-Public Arbitrator

Robert Shiffra, Esq.  
 Non-Public Arbitrator, Presiding Chair

Signature Date

Kenneth Kleeman  
 Non-Public Arbitrator, Panelist

Signature Date

  
 Dennis J. Concilla, Esq.  
 Non-Public Arbitrator, Panelist

8/8/01  
 Signature Date

Date of Service (For NASD-Dispute Resolution, Inc. office use only)