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Frank B. Hall Asks for Fair Treatment

By Editorial Staff

Editor's note: When we at "DC" write a news story, we give conflicting parties the opportunity to express their points of view. This is called balanced reporting. Not all publications however honor this practice of ethical journalism.

Case in point: The front page of the WCA's January 1993 Chiropractic Journal featured an article describing in detail a \$20 million lawsuit filed by Terry A. Rondberg, DC, against the WCA's former insurance company, Frank B. Hall. Frank B. Hall was never given the chance to present their side of the issue in the article, in fact Frank B. Hall did not know of the existence of the suit until it appeared in the Chiropractic Journal. Further, Frank B. Hall was not notified or served for the lawsuit until weeks after the article was released.

Frank B. Hall has asked "DC" to present their side of this issue.

Though Dr. Rondberg has already taken the opportunity to present his viewpoints of the law suit in his own publication, "DC" still gave Dr. Rondberg the opportunity to provide his own complete, unedited account in this article. As you will read in his one sentence response to "DC" at the end of this article, Dr. Rondberg is apparently unwilling to "discuss the matter" in an open forum where both sides present their side.

Frank B. Hall has asked a number of prominent members of the chiropractic professions from numerous organizations to present factual evidence as to the validity of Dr. Rondberg's claims in his \$20 million lawsuit. It should be noted that this lawsuit is not by and for the benefit of the World Chiropractic Alliance. The lawsuit has been filed by Dr. Rondberg's solely owned, for-profit corporation, WCA Benefit Services, aka Chiropractic Benefit Services (CBS).

Statement of Rollins Hudig Hall of Colorado Regarding the Lawsuit Filed by Chiropractor Benefit Services

On December 2, 1992, Dr. Terry Rondberg's wholly owned company filed a lawsuit against Frank B. Hall & Company of Colorado and Mr. and Mrs. Winston Howell. The suit alleged that Hall Colorado Colorado and Mr. Howell were guilty of defrauding CBS and its predecessor, WCA Benefit Services (WCABS). The claims arise out of a professional malpractice insurance program that Dr. Rondberg claims to have set up as a way of increasing the membership in the World Chiropractic Alliance (WCA). The suit has been amended three times, to change the parties. In the latest version, CBS alleges that parent companies of Hall Colorado and of its successor in interest, Rollins Hudig Hall of Colorado, Inc. (RHH of Colorado), are also responsible for the alleged wrongdoing of Hall Colorado and Mr. Howell.

Dr. Rondberg announced the suit in an issue of his Chiropractic Journal before any of the defendants were even aware of the lawsuit. The corporate defendants have recently filed an answer and several motions to dismiss parts of the suit. In essence, the answer denies any liability and accuses Dr. Rondberg of fraudulently misrepresenting the membership of the WCA in order to induce Mr. Howell to work with Dr. Rondberg's companies.

Dr. Rondberg's claims essentially related to alleged acts and omissions of Mr. Howell. The relationship between those two started when Mr. Howell was president of Rollins Burdick Hunter of Arizona, a position he held until December 1990. RBH, through Mr. Howell, had entered into a contract with WCA Benefit Services, which was later modified. The contract had WCABS acting as a Risk Purchasing Group under federal insurance law. RBH was the broker that placed the malpractice policies with TransAmerica Insurance, which at the time was the company that underwrote the policies.

When Mr. Howell's employment with RBH was terminated, he was offered a position with Hall of Colorado. His employment with that company began on December 17, 1990 and ended in October 1992. Dr. Rondberg's suit alleges that Mr. Howell signed a contract on December 14, 1990 as vice president of Hall of Colorado and agreed that his new employer would be bound by the terms of the RBH agreement. Mr. Howell denied that he ever signed that contract and that he agreed to have the RBH agreement apply to Hall of Colorado. He also denies that Mrs. Rondberg, who claims to have notarized Mr. Howell's signature on that December 14th document, did so in his presence.

Shortly after Mr. Howell began his employment with Hall Colorado, TransAmerica withdrew from the chiropractic malpractice insurance program due to lack of volume. Mr. Howell, along with other Hall of Colorado employees, is also expected to testify that the malpractice program was very difficult to market due to the WCA not having the membership to support a program of this nature as well as the amount of fees Dr. Rondberg was insisting to be paid to his wholly owned company, WCABS (which, unlike WCA, is a for-profit corporation) resulting in the cost of insurance not being competitive.

Counsel for RHH of Colorado has stated that although no formal contract existed between Hall Colorado and WCABS, those parties continued to have a business relationship until June 1992, when Dr. Rondberg terminated the relationship. He did that while the Hall of Colorado people were trying to negotiate a formal agreement with him. RHH of Colorado has a considerable amount of documentation to support the good faith efforts it was making to accommodate Dr. Rondberg's continuous demands, while trying to salvage the program.

Dr. Rondberg's suit also alleges a conspiracy between Hall of Colorado and the Federation of Straight Chiropractic Organizations (FSCO) to force him out of the picture. Counsel for RHH of Colorado states that the evidence will show that Dr. Rondberg set up the contact between Hall of Colorado and the FSCO. The evidence will also show that FSCO, unlike Dr. Rondberg's company, has never been paid any money in connection with the malpractice insurance program, even for FSCO members referred to Hall of Colorado. Dr. Rondberg's conspiracy, RHH of Colorado's lawyer says, has no basis and is undoubtedly resulting from the ongoing battle Dr. Rondberg has been waging against that organization.

Statement of Terry A. Rondberg, DC, president of the World Chiropractic Alliance to "DC"

"In view of the fact that Mr. Donald M. Petersen Jr., publisher of Dynamic Chiropractic, is working closely with the plaintiff in this case to discredit me, I feel it would be inappropriate to discuss the matter or contribute to his attempt to try the case in a public forum."

Editor's note: Frank B. Hall & Co., Mr. and Mrs. Winston Howell, and Rollins Hudig Hall of Colorado, Inc., are of course, are not the "plaintiff" in this lawsuit as Dr. Rondberg stated, but the defendants. Dr. Rondberg's company, WCABS is the plaintiff.

Because this case was made public by Dr. Rondberg in the Chiropractic Journal before the defendants were apprised, the progress of this case will be followed and presented as it develops.

[IMAGE]

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