

Prudential To Stay In Suit Over Ex-Law Partner's \$2M Policy

By **Carolina Bolado**

Law360, Miami (August 22, 2018, 8:32 PM EDT) -- A Florida judge declined on Wednesday to dismiss Prudential Insurance Co. of America from a lawsuit accusing the former law partner of a Miami tax lawyer who killed himself of scheming to keep \$2 million in insurance policy proceeds.

At a hearing in Miami, Judge Beatrice Butchko said she wasn't ready to dismiss Prudential from the lawsuit, as she found some merit to the Cantor Group's argument that the insurer should have understood that though the policy was in former partner Hal J. Webb's name, it was contingent upon him being a business associate of Steven L. Cantor. Webb left the law firm a few months before Cantor killed himself in October 2016.

The judge said she understood Prudential's position, which is that it simply paid out the policy proceeds to the listed beneficiary as required under the policy, but pointed to the phrase "Hal J. Webb business associate" in the contract and said at this early stage in the litigation she could not dismiss it.

"I think this is a case of first impression," Judge Butchko said. "I don't know if we're going to find another fact pattern like this."

At issue is a "key man" life insurance policy that Webb took out on Cantor when the two owned a joint law firm, Cantor & Webb PA. Cantor also took one out on Webb, and though their law firm paid the premiums for the policies, the two partners designated themselves personally as beneficiaries for tax purposes.

In its suit, filed in January, the Cantor Group said that under an amendment to the shareholder agreement, any department partner had to sign over the policy to the firm. The Cantor Group says Webb, now a partner at Bilzin Sumberg Baena Price & Axelrod LLP, deliberately delayed doing so after his departure from the firm in June 2016.

At the hearing in Miami on Wednesday, Prudential's attorney, Andres Rivero of Rivero Mestre LLP, said the contract is very clear on how to change a beneficiary to the policy, and it was never changed.

"When Mr. Cantor passes away, there's no dispute raised by anyone about the payment," Rivero said. "No one raises a hand and says, wait a minute, don't do that."

The insurer did not have a duty to verify that Webb was still a business associate of Cantor, he said.

But the Cantor Group's attorney, Robert Zarco of Zarco Einhorn Salkowski & Brito PA, said the "business associate" language is a key part of the policies and the insurer should have verified that Webb was still in business with Cantor before cutting a check.

"It's not superfluous language," Zarco said. "The language is a qualifier to convey the intent for why this policy was issued."

After the judge said she would not dismiss Prudential from the suit, Rivero said he would be drafting

a motion to sever the case so that the claims against the insurer can proceed on a separate track without getting bogged down in the complicated dispute between Cantor's law firm and Webb.

The Cantor Group claims Webb began the process of signing the policy over to the law firm but never completed it, and in early October 2016, he said in an email that Cantor might not be in a right state of mind. The Cantor Group said Webb knew of Cantor's battle with depression and of previous suicide attempts.

On Oct. 11, 2016, Cantor killed himself by jumping off of a high-rise building.

One week after Cantor's death, Webb obtained a death certificate, sent it to Prudential and requested a payout of the \$2 million insurance policy he had taken out on Cantor, according to the suit. The now-defunct firm said that Webb took advantage of Cantor's wife, Sharon Dresser, who was handling her husband's estate, to purchase the firm's assets, including the insurance policies.

In court on Wednesday, Webb's attorney, Dennis Richard of Richard & Richard PA, called these "scurrilous allegations" and said his client's reputation has taken a hit from the lawsuit and will likely be filing counterclaims against the Cantor Group.

"These are incredibly serious claims made against a member of this legal community who has never had an issue," Richard said. "There have been horrible things said about him and he needs to properly get to the bottom of it."

The Cantor Group is represented by Robert Zarco, Robert Einhorn and Colby Conforti of Zarco Einhorn Salkowski & Brito PA.

Webb is represented by Dennis Alan Richard of Richard & Richard PA.

Prudential is represented by Andres Rivero of Rivero Mestre LLP.

The case is The Cantor Group PA v. Webb et al., case number 2018-000596-CA, in the Eleventh Judicial Circuit Court of Florida.

--Editing by Jack Karp.