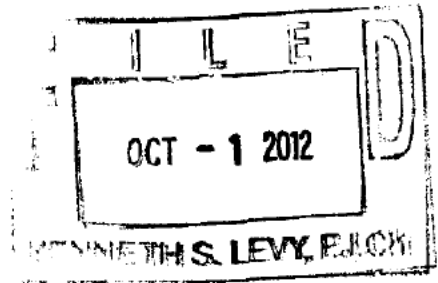


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[REDACTED]

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION: GENERAL
EQUITY
ESSEX COUNTY
DOCKET NO. ESX-C-46-2010

JEFFREY S. CHIESA,
Attorney General of
New Jersey, on behalf of
ABBE R. TIGER, Chief of the
New Jersey Bureau of
Securities,¹

Plaintiff,

v.

JACOB EISENSTARK A/K/A JAY
EISENSTARK,
individually, as the
principal of Eisenstark
Advisory, Inc. a/k/a
Eisenstark
Advisory Inc. Capital
Management, and as the
principal and President of
J.N.J. Capital Management,
Inc.;
BLANCHE EISENSTARK,
individually, and as the
Secretary of J.N.J. Capital
Management, Inc.;
J.N.J. CAPITAL MANAGEMENT,
INC.,
a New Jersey Corporation;

CIVIL ACTION

FINAL JUDGMENT AND
CONSENT ORDER AS TO
JACOB
EISENSTARK A/K/A
JAY EISENSTARK,
BLANCHE EISENSTARK,
J.N.J. CAPITAL MANAGEMENT,
INC. AND EISENSTARK
ADVISORY, INC. A/K/A
EISENSTARK ADVISORY
INC. CAPITAL MANAGEMENT

¹ This action was commenced by former Attorney General Paula T. Dow on behalf of former Chief of the New Jersey Bureau of Securities Marc B. Minor. In accordance with R. 4:34-4, the caption has been revised to reflect the current Chief of the New Jersey Bureau of Securities and current Attorney General Jeffrey S. Chiesa.

and
EISENSTARK ADVISORY, INC.
a/k/a EISENSTARK ADVISORY
INC. CAPITAL MANAGEMENT,
a New Jersey Corporation,

Defendants.

This matter is presented to the Court by Jeffrey S. Chiesa, Attorney General of New Jersey, on behalf of Abbe R. Tiger, Chief of the New Jersey Bureau of Securities ("Bureau Chief"), (Deputy Attorney General Victoria A. Manning, appearing), pursuant to N.J.S.A. 49:3-69(a), R. 4:52-1 and R. 4:67 for violations of the New Jersey Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq. ("Securities Law"), and the Court having appointed Leo J. Zatta, C.P.A. (the "Receiver") as the Receiver in this case (Patricia A. Staiano, Esq., and Matthew E. Moloshok, Esq., of Hellring, Lindeman, Goldstein, & Siegal, LLP, appearing). Defendants Jacob Eisenstark a/k/a Jay Eisenstark ("Eisenstark"), Blanche Eisenstark, Eisenstark Advisory, Inc. a/k/a Eisenstark Advisory Inc. Capital Management ("Eisenstark Advisory"), and J.N.J. Capital Management, Inc. ("J.N.J. Capital"), through their counsel, John H. Norton, Esq., of the Law Office of John H. Norton, LLC, have agreed to resolve any and all issues in controversy in this action, and Julie Eisenstark, Nicole Eisenstark, and Jonah Eric Eisenstark ("Jonah Eisenstark") (collectively, the "Children"), through their counsel, Todd R. Conn, Esq., having agreed to join in the settlement on the terms set forth in this Final Judgment and

Consent Order, which terms have, with the consent of the Bureau Chief, the Receiver, Eisenstark, Blanche Eisenstark, Eisenstark Advisory, J.N.J. Capital, and the Children, been reviewed and approved by the Honorable Kenneth S. Levy, P.J.Ch., as confirmed by the entering of this Final Judgment and Consent Order.

The Bureau Chief makes the following findings of fact and conclusions of law, which defendants Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital admit:

1. At all relevant times, Eisenstark and Blanche Eisenstark, Eisenstark's wife, resided in Livingston, New Jersey. Eisenstark was registered by the New Jersey Bureau of Securities ("Bureau") as an investment adviser representative in 1994.
2. At all relevant times, Eisenstark was the sole signatory on a personal account held by Eisenstark at Valley National Bank ("Eisenstark Account").
3. Eisenstark Advisory was incorporated in New Jersey in March 1993, at which time both Eisenstark and Blanche Eisenstark were directors. In 1994, Eisenstark Advisory maintained a principal place of business at 363 Walnut Street, Livingston, New Jersey and later relocated to 389 Walnut Street, Livingston, New Jersey. Eisenstark Advisory was registered with the Bureau as an investment adviser in 1994. At all relevant times, Eisenstark was the principal of and maintained sole control over Eisenstark Advisory.

4. J.N.J. Capital was incorporated in New Jersey in May 1994, at which time both Eisenstark and Blanche Eisenstark were directors. J.N.J. Capital maintained a principal place of business at 389 Walnut Street, Livingston, New Jersey. J.N.J. Capital was never registered with the Bureau in any capacity. At all relevant times, Eisenstark was the principal and President of J.N.J. Capital and maintained sole control over J.N.J. Capital.
5. At all relevant times, Eisenstark was the sole signatory on a business checking account held by J.N.J. Capital at Valley National Bank ("J.N.J. Account"). The J.N.J. Account was closed on October 2, 2008.
6. On April 25, 2001, Eisenstark Advisory, through Eisenstark, opened an options and margin trading account with check-writing privileges in the name of J.N.J. Capital Management at TD Waterhouse Institutional Services ("TD Waterhouse Account"). On the TD Waterhouse Account, Eisenstark Advisory was named as the financial advisor and Eisenstark was named as Eisenstark Advisory's primary contact. On the TD Waterhouse Account, Eisenstark was identified as J.N.J. Capital's President and Blanche Eisenstark was identified as J.N.J. Capital's Secretary.

Investors P.S. and C.T.

7. Between 2005 and 2006, Eisenstark represented to P.S., a 63-year old New Jersey resident, that:

- a. Eisenstark was an investment adviser representative who owned an investment adviser company, Eisenstark Stock Advisory;
 - b. Eisenstark managed a fund of high net worth individuals consisting of \$15-20 million in assets;
 - c. the fund would achieve an annual 15% return on investments; and
 - d. Eisenstark made more money trading the fund than he distributed to investors, and he retained the excess as compensation.
8. Eisenstark Advisory, through Eisenstark, represented to P.S. and C.T., P.S.'s 95-year old mother-in-law, that their money in the fund would be invested in a select group of actively traded stocks protected on the down side by covered calls and other types of safe investments.
9. Neither P.S. nor C.T. ever received any investment contracts describing Eisenstark Advisory's services, fees, options agreements, or privacy policy.
10. Eisenstark Advisory, through Eisenstark, further represented to P.S. and C.T. that:
- a. they would receive a monthly interest distribution of approximately \$2,300 per month and \$3,500 per month from the fund, respectively, which would be transferred to traditional stock accounts set up in P.S.'s and C.T.'s names, initially at TD Waterhouse

(later known as TD Ameritrade) and later Fidelity Investments ("Fidelity"); and

- b. Eisenstark would buy and sell stock out of P.S.'s and C.T.'s accounts, and P.S. and C.T. would receive profit in addition to the monthly interest distribution of \$2,300 and \$3,500.
11. P.S. gave Eisenstark Advisory, through Eisenstark, a limited power of attorney to trade only the profits from the investment made in the fund.
12. On February 27, 2006, P.S. issued a \$100,000 check payable to J.N.J. Capital for investment into the fund. The check was deposited into the TD Waterhouse Account.
13. Eisenstark Advisory and J.N.J. Capital, through Eisenstark, executed trades, many on margin, for P.S. from the TD Waterhouse Account.
14. At no time did P.S. authorize Eisenstark Advisory or J.N.J. Capital, through Eisenstark, to trade the \$100,000 investment principal on margin, because of the potential to lose money. Only the accounts that would hold the profits from the \$100,000 investment principal could be traded on margin.
15. Eisenstark Advisory and J.N.J. Capital, through Eisenstark, failed to disclose to P.S. that his \$100,000 investment principal would be traded on margin.
16. J.N.J. Capital and Eisenstark Advisory, through Eisenstark, failed to disclose to P.S. that:

- a. they purchased and sold put options and call options with the \$100,000 investment principal. The put options and call options trading resulted in a spread options trading strategy, rather than covered call writing, as had previously been represented to P.S. P.S. did not authorize such trading;
- b. they excessively traded P.S.'s \$100,000 investment principal by effecting multiple trading transactions on a daily basis, known as day-trading. P.S. did not authorize day-trading;
- c. they used the \$100,000 investment principal to pay off a negative margin balance of \$1,287.95 in the TD Waterhouse Account;
- d. they commingled the \$100,000 investment principal with a \$3,000 deposit into the TD Waterhouse Account on February 3, 2006, from an undetermined source; and
- e. Eisenstark misappropriated the \$100,000 investment principal for his and his family's personal benefit.

17. Certain monthly interest distributions were ultimately made from the fund but nearly all were fictitious because the majority of the monthly interest distributions were paid to P.S. and C.T. from their own principal investments deposited in the J.N.J. and Eisenstark Accounts.

18. Between February 27, 2006 and April 25, 2006, \$95,500 of P.S.'s \$100,000 investment principal was transferred to the Eisenstark Account, \$500 of which was payable to "B. Eisenstark," \$2,000 of which was payable to Eisenstark and deposited at accounts held at Sovereign Bank, and \$75,000 of which was transferred to a TD Waterhouse account held in Eisenstark's son's name, Jonah Eisenstark.
19. On July 31, 2006, P.S. issued two checks totaling \$100,000 to TD Ameritrade, which were given to Eisenstark for investment.
20. Two days later, Eisenstark asked P.S. to cancel those checks and instead send new checks payable to J.N.J. Capital Management.
21. On August 3, 2006, P.S. issued a \$65,000 check and a \$35,000 check, each payable to J.N.J. Capital Management, which were deposited into the J.N.J. Account.
22. As set forth more fully below, P.S.'s \$100,000 investment principal deposited in the J.N.J. Account was used for mortgage payments, air conditioning and heating, and insurance for Eisenstark and his family.
23. P.S.'s \$100,000 investment principal was also transferred to:
 - a. the Fairfield Trust account maintained at TD Waterhouse (established to benefit the Children, and whose trustee was Jonah Eisenstark) ("Fairfield Trust Account"), subsequently used for the benefit of

defendants Jacob Eisenstark and Blanche Eisenstark
an/or the Children;

- b. the TD Waterhouse Account for day-trading; and
- c. back to P.S. as a fictitious monthly interest
distribution.

- 24. On September 1, 2006, C.T. transferred \$275,000 to J.N.J. Capital for investment.
- 25. C.T.'s \$275,000 investment principal was transferred into the TD Waterhouse Account.
- 26. J.N.J. Capital and Eisenstark Advisory, through Eisenstark, executed trades, many on margin, for C.T. from the TD Waterhouse Account.
- 27. J.N.J. Capital and Eisenstark Advisory, through Eisenstark, failed to disclose to P.S. that they purchased and sold put options and call options in the TD Waterhouse Account with C.T.'s \$275,000 investment principal. The purchase and sale of put and call options resulted in a spread options trading strategy, rather than covered call writing, as had been previously represented to P.S.
- 28. J.N.J. Capital and Eisenstark Advisory, through Eisenstark, failed to disclose to P.S. that they also excessively day-traded C.T.'s \$275,000 investment principal.
- 29. Eisenstark used C.T.'s \$275,000 investment principal for his and his family's benefit, although he returned some of C.T.'s money to C.T. as fictitious monthly interest distributions.

30. Specifically, between September 1, 2006 and April 17, 2007, \$210,480.29 of C.T.'s \$275,000 investment principal was transferred to the Eisenstark Account, to an attorney trust account, to a realtor, and to C.T. as fictitious monthly interest distributions.
31. On May 8, 2007, Eisenstark informed P.S. that Eisenstark was having trouble with TD Ameritrade and would move his other investors' accounts to Fidelity, but would leave P.S. and C.T.'s accounts at TD Ameritrade for an unspecified time.
32. On November 1, 2007, December 1, 2007, February 1, 2008, and March 1, 2008, Eisenstark Advisory and J.N.J. Capital, through Eisenstark, failed to pay monthly interest distributions.
33. In March 2008, P.S. and C.T. opened Fidelity accounts and transferred the balance from their TD Ameritrade accounts to their Fidelity accounts. G.S. was a signatory on the C.T. account.
34. On March 13, 2008, Fidelity notified P.S. that there was a trading violation in his Fidelity account managed by Eisenstark. Eisenstark had sold a security before he had paid for it.
35. On March 28, 2008 and April 1, 2008, P.S. received notices from Fidelity that checks written on the Fidelity accounts were returned for insufficient funds.

36. On June 5, 2008, C.T. received a notice from Fidelity that a check written on C.T.'s Fidelity account was returned for insufficient funds.
37. On June 12, 2008, C.T. received two notices from Fidelity that C.T.'s margin account required \$830 and \$305 from her.
38. On September 2, 2008, P.S. received a notice from Fidelity that a check from J.N.J. Capital for \$11,500 deposited to P.S.'s Fidelity account was returned for insufficient funds.
39. On September 2, 2008, C.T. received a notice from Fidelity that a check from J.N.J. Capital for \$17,500 deposited to her Fidelity account was returned for insufficient funds in the J.N.J. Account.
40. On September 4, 2008, C.T. received a notice from Fidelity that a check written for \$2,160 on C.T.'s account was returned for insufficient funds.
41. P.S. and C.T. had thought that their accounts were adequately funded. P.S. requested that Eisenstark sell stock in the account to meet the margin call.
42. When P.S. successfully contacted Eisenstark, Eisenstark represented to P.S. that the fund was down by 38%, P.S. and C.T. would take a loss if they chose to liquidate their positions at that time, and Eisenstark would sell his apartment instead and distribute part of the proceeds to P.S. and C.T.

43. On May 7, 2009, P.S. visited Eisenstark in person and requested a statement of P.S.'s account.
44. On May 9, 2009, Eisenstark sent a written statement to P.S. representing that P.S. and C.T.'s principal had been invested in Electronic Trading Funds (ETFs), which contradicted earlier representations that their principal had been invested in a "Stock Fund."
45. On May 14, 2009, P.S. asked Eisenstark to liquidate a portion of the aggregate \$475,000 investment principal. Eisenstark represented that he would, but failed to do so.
46. On December 19, 2009, Eisenstark represented that he would know when and how much he could return to P.S. and C.T. the following week, and that the options were expiring.
47. As of October 2010, P.S. and C.T. only received the return of their principal through fictitious interest payments paid to their brokerage accounts in the amount of \$46,304 and \$46,425, respectively.
48. As a result of P.S.'s dealings with Eisenstark, Eisenstark Advisory, and J.N.J. Capital, P.S. and C.T. lost at least \$382,271 of their investment principal.
49. Eisenstark also used part of the aggregate \$475,000 investment principal from P.S. and C.T. to make mortgage payments on Blanche Eisenstark's property or properties and paid fees for a property purchased by his daughters, Julie Eisenstark and Nicole Eisenstark.

50. Specifically, Jacob Eisenstark purchased 389 Walnut Street, Livingston, New Jersey ("Livingston Residence") in November 1995 and then transferred the property to Blanche Eisenstark for \$1 in December 2000.
51. In October 2002, May 2005, and June 2005, Eisenstark and/or Blanche Eisenstark refinanced the mortgage loan for the Livingston Residence through different lenders.
52. In February 2005, Blanche Eisenstark purchased 1630 Lago Vista Boulevard, Palm Harbor, Florida ("Florida Residence") for \$360,000. The lender was JP Morgan Chase Bank and the escrow company was Chase Home Finance.
53. P.S.'s August 3, 2006 deposit of \$100,000 was used to make a payment to Chase Home Finance on August 8, 2006, and to make a "mortgage payment" on August 9, 2006.
54. No other source of funds in the J.N.J. Account was sufficient to cover these two transactions.
55. Five thousand dollars of C.T.'s \$275,000 investment principal was used to pay Century 21 Ron Sharpe Realty on October 19, 2006 for "27 Schindler," and \$25,000 of the \$275,000 investment principal was used to pay an Agostini and Slattery Trust Account on November 16, 2006 for a "deposit on 27 Schindler."
56. On November 29, 2006, Julie Eisenstark and Nicole Eisenstark bought a property at 27 Schindler Terrace, West Orange, New Jersey.

Investor D.M.

57. Between the mid-1990's and 2000, D.M. ("D.M.") invested on several occasions with Eisenstark through Eisenstark Advisory and/or J.N.J. Capital. D.M. did not receive an investment contract, but Eisenstark represented that D.M.'s investment would be protected by a covered call strategy.
58. On January 15, 2006, via letter, Eisenstark represented to D.M. that D.M. had earned over \$47,000 in profit from his investment, and that if D.M. invested \$100,000 in 2006, D.M. would be paid part of the profit D.M. had lost when he withdrew money from his account in 2005.
59. Eisenstark represented to D.M. that he would receive an approximate 15% rate of return on this investment.
60. On May 5, 2006, D.M., through his company, R & M Pattern Works, issued a \$100,000 check to Eisenstark for investment, which Eisenstark deposited into the Eisenstark Account. On May 5, 2006, Eisenstark issued a \$90,000 check from the Eisenstark Account to the Fairfield Trust Account, which at the time had a debit balance of \$17,010.95; the funds were subsequently used for the benefit of defendants Jacob Eisenstark and Blanche Eisenstark and/or the Children. The remaining \$10,000 of D.M.'s \$100,000 investment was used by Eisenstark to make mortgage payments (Chase Home Finance), a pool renovation payment, college payments, a credit card payment, and a car repair payment.

No other source of funds was sufficient to cover Eisenstark's payments.

61. Between May 23, 2006 and January 16, 2007, Eisenstark issued \$15,500 in checks to D.M. from the Eisenstark Account, the TD Waterhouse Account, and the J.N.J. Account.
62. D.M. requested that Eisenstark send more funds in 2007.
63. Between October 11, 2007 and November 25, 2007, Eisenstark issued three checks to D.M., each for \$5,000, from the J.N.J. Account, a Jacob Eisenstark Sovereign bank account, and a Jacob and Blanche Eisenstark Fidelity account. None of these checks were honored due to insufficient funds in the various accounts.
64. Beginning in or about October or November 2007, D.M. requested the return of his entire investment principal from Eisenstark. Throughout 2008, D.M. repeatedly requested the return of his investment principal, a statement of his account, and the amount of money Eisenstark owed him.
65. In July 2008, Eisenstark promised to return D.M.'s funds in August 2008, when Eisenstark received the proceeds from selling Eisenstark's house.
66. On August 25, 2008, D.M. received a letter from Eisenstark, stating that "when the account opened at JNJ Capital Management Inc. it was clear to you that the money will have to be there for the full year 2008," the money was

"safe and secure," and Eisenstark would return the money as soon as he could "without effecting [sic] the rest of us."

67. As of September 2010, D.M. only received the return of \$15,500 of his principal, and was owed \$84,500.
68. Eisenstark Advisory and J.N.J. Capital, through Eisenstark, made materially false and misleading statements or omitted material facts to investors in connection with the offer and sale of securities, in violation of N.J.S.A. 49:3-52(b).
69. Among the misleading statements were:
 - a. Eisenstark managed a fund consisting of \$15-\$20 million in assets of high net worth individuals;
 - b. the fund would achieve an annual 15% return on investment;
 - c. investor D.M. would receive a 15% return on investment;
 - d. Eisenstark made more money trading the fund than he distributed to investors, and took the excess as compensation;
 - e. P.S. and C.T.'s investment principal would be invested in a select group of actively traded stocks protected on the down side by covered calls and by other types of safe investments;
 - f. P.S. and C.T. would obtain a monthly interest distribution of approximately \$2,300 per month and \$3,500 per month from the fund, respectively, which

would be transferred to traditional stock accounts set up in P.S.'s and C.T.'s names, initially at TD Waterhouse, and later Fidelity;

- g. Eisenstark Advisory, through Eisenstark, would buy and sell stock out of P.S.'s and C.T.'s accounts, and P.S. and C.T. would receive profit in addition to the monthly interest distribution of \$2,300 and \$3,500; and
- h. Eisenstark Advisory, through Eisenstark, would only trade the profits from the investment made in the fund.

70. Among the omitted material facts were:

- a. investors' entire investment principal, rather than only the profit, would be traded on margin;
- b. investors' investment principal would be day-traded;
- c. trading resulted in a spread options strategy, not a covered call strategy;
- d. monthly interest distributions were fictitious and were primarily monies returned to investors from their own investment principal;
- e. the use of investors' money; and
- f. investors' investment principal would be used for Eisenstark's personal benefit and use.

71. Eisenstark Advisory, through Eisenstark, employed a scheme to defraud investors while receiving compensation for investment advisory services, by engaging in the conduct

described in this Verified Complaint, in violation of N.J.S.A. 49:3-53(a)(1). The scheme included, but was not limited to:

- a. misrepresenting to investors the nature and solvency of the investments;
- b. misrepresenting Eisenstark Advisory's trading strategy;
- c. misrepresenting the existence of a \$15-20 million fund, when such a fund never existed;
- d. misrepresenting the annual return on investments through Eisenstark Advisory;
- e. misrepresenting the investment risk;
- f. misrepresenting that trades would be protected by a covered call strategy;
- g. misrepresenting that only investors' profits would be traded on margin, and not the entire investment principal;
- h. misrepresenting that monthly interest distributions would be the result of trading in the fund;
- i. misrepresenting the use of investors' money;
- j. failing to return investors' investment principal; and
- k. misappropriating investors' investment principal for Eisenstark's personal benefit and use.

72. The business practices of Eisenstark Advisory, through Eisenstark, among other things, of receiving compensation for investment advisory services, of misrepresenting the

nature and solvency of the investments to investors, misrepresenting that Eisenstark Advisory would engage in protected trading strategies and achieve a 15% annual return, misrepresenting the investment adviser representative's commission, misrepresenting the investment risk, day-trading investors' investment principal to their detriment, failing to return investors' investment principal and transferring investors' investment principal to other accounts for Eisenstark's or Eisenstark's family's benefit, failing to disclose that investors' investment principal, rather than profits of the fund, would be traded on margin, using the investors' funds for purposes other than what was represented to the investors, and misrepresenting the nature of the monthly interest distributions, operated as a fraud or deceit upon the investor and others, in violation of N.J.S.A. 49:3-53(a)(2).

73. Eisenstark Advisory, through Eisenstark, received compensation for investment advisory services while engaging in dishonest and unethical practices in violation of N.J.S.A. 49:3-53(a)(3). The dishonest and unethical practices included, but was not limited to:

- a. failing to provide margin agreements to its investors and failing to obtain signatures to trade on margin for its investors' entire investment principal;

- b. failing to receive authorization from investors to trade the investment principal on margin;
- c. failing to provide and execute written investment advisory contracts with its investors;
- d. failing to provide copies of privacy policies to its investors;
- e. failing to provide regular trading statements to investors;
- f. failing to provide required disclosures about Eisenstark Advisory's business qualifications and business practices by failing to provide either a Form ADV, Part II, or a brochure;
- g. failing to provide and obtain signatures on options agreements and failing to provide options prospectuses which disclose the risks associated with trading options;
- h. failing to place investors' interests above that of Eisenstark and Eisenstark Advisory;
- i. failing to consider investors' ages, employment status, net worth, investment time frame, and other factors, such as a demand for liquidity, when an investor required it;
- j. failing to use individualized trading strategies for each investor;
- k. failing to ask investors to complete suitability questionnaires;

- l. misrepresenting the trading strategy of Eisenstark Advisory;
- m. misrepresenting that trades would be protected by a covered call strategy;
- n. commingling investors' investment principal in one trading account;
- o. engaging in day-trading of investors' investment principal when that was not the represented strategy;
- p. misrepresenting the existence of a \$15-20 million fund, when such a fund never existed;
- q. misrepresenting the annual return on investments through Eisenstark Advisory;
- r. misrepresenting the investment risk;
- s. misrepresenting the nature and solvency of the investments;
- t. misrepresenting that only profits would be traded on margin, and not investors' entire investment principal;
- u. misrepresenting that monthly interest distributions were the result of trading in the fund;
- v. misrepresenting the use of investors' money;
- w. failing to return investors' investment principal; and
- x. misappropriating investors' investment principal for Eisenstark's personal benefit and use.

Investor R.J.

74. From 2004 through 2007, Eisenstark Advisory and Eisenstark served as R.J.'s investment adviser and investment adviser representative, respectively, on an Individual Retirement Rollover ("IRA") Account maintained for R.J. through TD Waterhouse (the "IRA Account"). Previously, Eisenstark provided investment advisory services to R.J. from 2000 through 2004, on at least one other IRA account.
75. At the time that R.J. entrusted his IRA Account to Eisenstark's custody and on numerous occasions thereafter, R.J. made Eisenstark aware of his age, investment objectives, trading knowledge and experience, and his purpose for these accounts, which was to provide for R.J.'s retirement years.
76. The general expectation was that Eisenstark's investment strategies for R.J.'s IRA Account would tend to be conservative.
77. Based upon his direct communications with Eisenstark, R.J. reasonably expected and anticipated, based upon Eisenstark's repeated assurances that Eisenstark would engage in trades and transactions for the IRA Account that would be suitable for R.J. in light of his age, investment experience, objectives and financial wherewithal.
78. The specific trades and transactions in the account that R.J. entrusted to Eisenstark, and in which Eisenstark engaged for R.J.'s IRA Account, were inappropriate and

unsuitable for R.J.'s stated, clear and unambiguous investment needs and objectives, as well as his particular financial circumstances. Among other things, Eisenstark weighted R.J.'s investments in unreasonably volatile positions, exposing R.J.'s investments to unreasonable market fluctuations that were entirely inappropriate for the IRA Account.

79. Eisenstark also engaged in an excessive number of trades and transactions over an extended period of time.
80. Eisenstark also failed and refused, despite R.J.'s repeated and sustained requests, to keep R.J. informed of the trading strategies and decisions that Eisenstark engaged in for R.J.'s IRA Account. The types of volatile and high-risk trades that Eisenstark engaged in, the extended period of time over which the high-risk trades were made and the volume of trades that Eisenstark engaged in for R.J.'s IRA Account were inappropriate and unsuitable for R.J.
81. The specific trades and transactions in the accounts that R.J. entrusted to Eisenstark, and in which Eisenstark engaged in for R.J.'s IRA Account resulted in losses during a period of sustained market growth.
82. Eisenstark acknowledged to R.J. that the trading activities for R.J.'s IRA Account were inappropriate, and that R.J.'s losses stemmed from such inappropriate trading activity.
83. Eisenstark promised to compensate R.J. for R.J.'s losses as a result of Eisenstark's trading activities.

84. However, Eisenstark failed and refused, despite further requests made on R.J.'s behalf, to provide actual financial recompense to R.J. for such losses.
85. On January 24, 2008, R.J. submitted a statement of claim to FINRA for arbitration, captioned [R.J.] v. Eisenstark Advisory, Inc. and Jay Eisenstark ("FINRA Arbitration"), which alleged breach of contract and fiduciary duty, negligence, and violation of NYSE Rule 405.
86. On June 1, 2010, R.J. was awarded compensatory damages in the FINRA Arbitration, against Eisenstark and Eisenstark Advisory, joint and several, in the amount of \$375,000, plus 6% interest per year from the award date until payment in full ("Arbitration Award"). No findings of fact were recorded in this matter.
87. On October 20, 2010, the FINRA Arbitration Award was entered as a final judgment in the New Jersey Superior Court, Essex County, in the amount of \$383,259.76.
88. Eisenstark Advisory, through Eisenstark, received compensation for investment advisory services, while engaging in dishonest and unethical practices, in violation of N.J.S.A. 49:3-53(a)(3). The dishonest and unethical practices included, but were not limited to:
- a. inducing trading in a customer's account that was excessive in size or frequency in view of the financial resources and character of the account;

- b. failing to place the investor's interests above that of Eisenstark and Eisenstark Advisory; and
- c. failing to consider the investor's age, employment status, net worth, investment time frame, and other factors in investing for him.

IT IS on this 1st day of Oct, 2012, ORDERED AND AGREED:

89. Final judgment is entered in the amount of \$940,036.76 against Eisenstark, Eisenstark Advisory, and J.N.J. Capital, jointly and severally, consisting of:
- a. \$850,036.76 in restitution for losses incurred by the investors; and
 - b. \$90,000 as a civil monetary penalty, assessed against each defendant, joint and several, in accordance with N.J.S.A. 49:3-70.1 for each separate act of violating the Securities Law;
90. Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital specifically agree and acknowledge that Plaintiff and Receiver are entering into the Final Judgment and Consent Order, and the Court is approving it, in reliance on defendants' representations herein, the accuracy of such representations, and the financial disclosures made by Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital. Plaintiff and Receiver may move to vacate all and/or part of the Final Judgment and Consent Order if defendants Eisenstark,

Blanche Eisenstark, Eisenstark Advisory, and/or J.N.J. Capital has or have:

- a. failed to comply with the restraints and conditions set forth herein;
- b. misrepresented or omitted knowledge of or involvement in the activities described above, or misrepresented or omitted information to the Bureau Chief in connection with resolving this matter; and/or
- c. violated the Securities Law;

91. If Eisenstark, Eisenstark Advisory, and J.N.J. Capital fail to comply with any provision set forth herein, or cause a failure to comply by Blanche Eisenstark or the Children, any unpaid balance of the restitution and civil monetary penalty (\$940,030.76), plus interest, shall be immediately due and payable upon notice by the Bureau Chief;

92. Eisenstark, Eisenstark Advisory, and J.N.J. Capital, individually and by or through any corporation, business entity, agent, employee, broker, partner, officer, director, attorney, stockholder, and/or any other person who is directly or indirectly under their control or direction, are permanently restrained and enjoined from directly or indirectly violating the Securities Law and, specifically, from:

- a. engaging in the securities business in New Jersey in any capacity, including, but not limited to, acting as

- a broker-dealer, an agent, investment adviser, investment adviser representative, or otherwise;
 - b. engaging in the securities business in New Jersey in any capacity including, but not limited to, employing an agent, investment adviser representative, or otherwise;
 - c. issuing, offering for sale or selling, offering to purchase or purchasing, distributing, promoting, advertising, soliciting, and/or negotiating, advancing the sale of and/or promoting securities, or advising regarding the sale of any securities, in any manner to, from, or within the State of New Jersey;
 - d. engaging in the conduct described in Plaintiff's Verified Complaint filed in this matter, including, but not limited to, employing any device, scheme, or artifice to defraud, making any materially false and misleading statements and/or omitting material facts, engaging in any act, practice, or course of business which operates as a fraud or deceit, and engaging in dishonest and unethical practices in violation of the Securities Law; and
 - e. trading in accounts for the benefit of any person;
93. Eisenstark, Eisenstark Advisory, and J.N.J. Capital are denied all exemptions contained in N.J.S.A. 49:3-50, subsection (a), paragraphs 9, 10, and 11, and subsection (b);

94. The exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c) and N.J.S.A. 49:3-56(g) are hereby revoked;
95. Eisenstark, Eisenstark Advisory, and J.N.J. Capital agree to cooperate with the Bureau Chief and the Receiver in identifying with specificity:
- a. the clients, customers, and creditors of Eisenstark, Eisenstark Advisory, and J.N.J. Capital, the institutions in which the client/customer funds were and/or are maintained, the account numbers and any other identifying information concerning the accounts, the status of each account and the identity of the individuals and/or entities having signatory or trading authority over the account, the amounts in such accounts, and the amounts, if any, owed to clients, customers or creditors. Eisenstark, Eisenstark Advisory, and J.N.J. Capital agree to completely and fully disclose the names, addresses, accounts and status or disposition of the assets of all clients of Eisenstark Advisory and J.N.J. Capital;
 - b. the assets of Eisenstark, Eisenstark Advisory, and J.N.J. Capital or assets held for the benefit of Eisenstark, Eisenstark Advisory, and J.N.J. Capital, including the names of the institutions, account numbers, signatories, and other details;

- c. transfers made by Eisenstark, Eisenstark Advisory, and J.N.J. Capital, which may be subject to avoidance or recapture; and
 - d. Eisenstark, Eisenstark Advisory, and J.N.J. Capital must prepare and verify, under oath, schedules of assets, creditors, liabilities and financial affairs substantially similar to Official Form 6 (Schedules) and Official Form 7 (Statement of Financial Affairs) of the United States Bankruptcy Courts, required to be filed by debtors generally at the commencement of bankruptcy cases under Chapter 7 of the Bankruptcy Code;
96. Eisenstark, Eisenstark Advisory, and J.N.J. Capital agree to meet and review with the Receiver's representatives at such times and places as the Receiver shall reasonably designate upon reasonable notice, to review the schedules and related documentation and to respond to questions under oath concerning assets, liabilities, transfers, customers and creditors, among other items. The Bureau Chief shall receive notice of, and shall have the right, but not the obligation, to participate in such meetings;
97. Eisenstark, Blanche Eisenstark, Eisenstark Advisory, J.N.J. Capital, and the Bureau Chief acknowledge that the Receiver currently holds Eisenstark and Blanche Eisenstark's assets in the following accounts ("Assets"):

- a. Blanche and Jacob Eisenstark, Leo J. Zatta, Receiver, Wachovia Bank Account No. xxxx6799, February 28, 2011 balance of \$6,908;
 - b. Jacob Eisenstark, JP Morgan Chase Account No. xxxx8918, March 10, 2011 balance of \$469;
 - c. Blanche Eisenstark Traditional IRA ("Blanche Eisenstark IRA"), Fidelity Investments Account No. xxxx6229, October 31, 2011 balance of \$5,456.12;
 - d. Blanche Eisenstark FC USA Inc. 401-K plan ("Blanche Eisenstark 401-K"), ING Account No. xxxx7420, December 31, 2011, balance of \$11,623.59; and
 - e. Jacob and Blanche Eisenstark, Trustees Eisenstark Advisory Pension Trust, Charles Schwab Account No. xxxx0202, September 30, 2011 balance of \$903.25;
98. Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital, subject to Addendum 1 and Addendum 2 hereto, irrevocably assign the Assets to the Receiver to administer the Receivership estate pursuant to this Final Judgment and Consent Order;
99. The parties additionally agree and acknowledge that:
- a. the Receiver is simultaneously resolving, via separate Final Judgment and Consent Order, the companion case of Zatta ex rel. Eisenstark v. Eisenstark, No. ESX-C-278-10 (N.J. Super. Ct., Ch. Div.), pursuant to which Julie Eisenstark and Nicole Eisenstark are, on this date, irrevocably paying \$70,000 to the Receiver as

funds they held on a resulting trust for J.N.J. Capital, in full satisfaction of the claim asserted in that action. The Receiver shall retain this sum to administer the Receivership estate pursuant to the Final Judgment and Consent Order;

b. Julie Eisenstark and Nicole Eisenstark, on this date, are paying \$10,000 to the Receiver for occupancy charges owed to the Receivership estate. The Receiver shall retain such sum to administer the Receivership estate pursuant to this Final Judgment and Consent Order. Julie Eisenstark and Nicole Eisenstark have directly inherited this sum from their grandmother's estate, and it has never formed part of any of defendants' properties;

c. Julie Eisenstark and Nicole Eisenstark on this date are paying to the Receiver an additional \$123,000 (\$66,500 each) to partially pay restitution hereunder, and not to satisfy general creditors' claims. Julie Eisenstark and Nicole Eisenstark have directly inherited this sum from their grandmother's estate, and it has never formed part of any of defendants' properties;

100. Payment of the restitution and civil monetary penalty shall be further secured by assigning to the Receiver:

a. the interests of Blanche Eisenstark, Julie Eisenstark, and Nicole Eisenstark in the properties located at 389

Walnut Street, Livingston, New Jersey, 27 Schindler Terrace, West Orange, New Jersey, and 1630 Lago Vista Boulevard, Palm Harbor, Florida (hereinafter "the Real Properties"). Blanche Eisenstark, Julie Eisenstark, and Nicole Eisenstark shall execute, or cause to be executed, all documents necessary to document these liens; agree to fully cooperate in selling and disposing of the interests; and agree to pay to the Receiver, to administer the Receivership estate, the proceeds, if any, of the sale or disposition of any such Real Properties (as surplus monies or otherwise) that would otherwise be payable to Blanche Eisenstark, Julie Eisenstark, and Nicole Eisenstark. Eisenstark, Blanche Eisenstark, Julie Eisenstark, and Nicole Eisenstark further agree and understand that they shall pay to the Receiver, any commission, share of commission, fee, or other right to payment earned in connection with the sale or disposition of any such Real Properties;

- b. as the owner and sole and irrevocable beneficiary, all life insurance maintained on the lives of either or both Eisenstark and Blanche Eisenstark, all casualty insurance, and all liability insurance. A schedule of the policies is attached as Exhibit A. Eisenstark and Blanche Eisenstark shall maintain all the scheduled policies in force. Eisenstark and Blanche Eisenstark

shall cause the scheduled policies to include provisions requiring the policy issuer to notify the Receiver and the Bureau Chief of any delays or defaults in payment of premiums, of any attempted changes in policy terms or beneficiaries, of any attempts to cancel or amend the policy or take a policy loan, or other changes in the policy or its balances. In addition, Eisenstark and Blanche Eisenstark shall cause the life insurance policies to include provisions that will automatically apply the cash values to premium payments to avoid a lapse in coverage, and for an automatic loan provision, where available, to borrow against the death benefit to prevent the policy from lapsing. As to any life insurance policy which is a term life policy, the parties shall confer at least six months prior to the expiration of the term coverage to determine whether the policy shall be extended, replaced or substitute security shall be furnished, and if they are unable to agree the parties shall submit the matter to the Court for instructions, it being the intention of the parties that any unsatisfied obligations under this Final Judgment and Consent Order be fully secured at all times; and

- c. the rights of Eisenstark and Blanche Eisenstark under any estate (whether by descent, devise or

inheritance), trust (testamentary or inter vivos), or other mechanism, including rights derived through Israeli or religious law;

101. Eisenstark and Blanche Eisenstark shall make monthly payments to the Receiver (the "Monthly Payments") on the first day of each month, until the obligation to pay the restitution and the civil monetary penalty is fully discharged;

- a. Each Monthly Payment shall be in the aggregate \$1,000, or 25%, whichever sum is greater, of the combined total monthly take-home income (after income and other ordinary payroll taxes and mandatory medical insurance premiums, but exclusive of deductions for retirement, medical or other voluntary payments);
- b. Eisenstark and Blanche Eisenstark shall annually provide the Receiver with paystubs and income reports (whether on a W-2, 1099, K-1, or other tax reporting form), prior to April 15 of the year for which the income is reported. Such paystubs and income reports shall provide the basis for calculating the next twelve (12) months of Monthly Payments; in addition, they shall promptly notify the Receiver of any change in their circumstances;
- c. If the Receiver receives reliable documentation that Eisenstark and/or Blanche Eisenstark's income has changed since the Monthly Payments were calculated,

the Receiver may request a change in the Monthly Payment, on 10 days notice to all parties, and if the change is not agreed, may apply to the Court for an adjustment to the Monthly Payment to an amount calculated in accordance with subparagraph (a) of this Paragraph;

- d. Eisenstark and Blanche Eisenstark shall set up automatic transfers of the Monthly Payments to the Receiver from an account in a New Jersey bank acceptable to the Receiver;
- e. Eisenstark and Blanche Eisenstark each grants to the Receiver a lien and security interest on their respective incomes to secure the payments. If Receiver does not receive the Monthly Payment by the tenth day of each month, this shall be considered a breach of the Final Judgment and Consent Order. In case of breach, besides exercising any other rights and remedies available to the Receiver, the Receiver may notify any employers of Eisenstark and/or Blanche Eisenstark, and/or other source(s) of income, to make an automatic deduction and payment to the Receiver for the appropriate amounts. Such amounts cannot be changed without written notice to the Receiver;
- f. Provided, however, if Eisenstark and/or Blanche Eisenstark ("the Eisenstarks") contend that they have experienced a change in circumstances, such that their

compliance with the payment or other obligations under the Final Judgment and Consent Order may become impossible, unduly burdensome or inequitable, then the Eisenstarks may apply to the Receiver for relief from all or a portion of the obligations under the Final Judgment and Consent Order. The Eisenstarks must fully disclose all information reasonably requested by the Receiver to evaluate such request. The Receiver shall respond to the application within a reasonable period of time after receiving such disclosures, and having a view as to the nature of any demonstrated change in circumstances, shall recommend to the Court, on notice to all parties, to whether to permit such a change. All parties may be heard on the Receiver's recommendation. Nothing herein shall prevent any party from applying to the Court for instructions;

- g. And further provided that if the Court finds that the Eisenstarks have made a frivolous application or have failed to respond to reasonable requests for information regarding the proposed change, the Receiver may apply to the Court for costs of evaluating the application, including reasonable counsel fees;
- h. From the Monthly Payments, the Receiver shall be paid a monthly fee ("the Monthly Fee"), of seven and 25/100ths one hundredths of a percent (0.0725%) of all

amounts remaining to be collected from Defendants, but no less than \$100 per month. (For example, if the remaining balance to be collected were \$700,000, the Monthly Fee would be \$525.) Defendants shall each defend, indemnify and hold the Receiver harmless from all cost, loss or expenses in respect to his responsibilities pursuant to this Final Judgment and Consent Order, including holding and administering the life insurance policies, superintending the Real Properties, monitoring and administering the Monthly Payments, and costs (including reasonable counsel fees) for enforcing all rights and remedies. Receiver shall have a lien on all such properties and proceeds to secure payment of these amounts. The Receiver shall remain responsible to the Court for his administration, but the Monthly Fee is a calculated fee, and shall not require additional applications to the Court for allowance.

- i. If, after the entry of this Final Judgment and Consent Order, any or all of the Children resides with Eisenstark and/or Blanche Eisenstark, each child residing in the household must pay \$500 per month towards expenses of the household. (Thus, if two children were living there the contribution would be \$1,000.) If the expenses of the household increase in the future from the amounts shown in the budget

annexed to this Final Judgment and Consent Decree then , each child must increase their contribution of \$500 by the percentage that the household expenses increased. The Children's contribution to household expenses shall be paid to the Receiver with the amounts due under the preceding subparagraph "a" of this Paragraph 101 and subject to the same lien for expenses as provided in the preceding subparagraph "h" of this Paragraph 101;

102. Receiver shall retain ownership, possession, and control of all assets and properties of Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital until all allowed claims of the Plaintiff (including restitution and the civil monetary penalty), are paid in full, or until the Court directs the Receivership to terminate. However, the Receiver shall be permitted to resign at any time upon giving written notice to the Court, the Bureau Chief, and all parties in interest, of the Receiver's intention to resign, which shall not become effective until appointment by the Court of a successor Receiver (which shall be subject to the Bureau Chief's approval) or to a trustee approved by this Court (including the Liquidating Trustee identified below), or to a bankruptcy trustee appointed by the Bankruptcy Court and directed to take control of assets of the Receivership estate;

103. It is understood, agreed and acknowledged that all property and interests of Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital, if not already turned over to the Receiver, or which shall subsequently come into existence, shall be turned over from Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital to the Receiver, and paid by Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital to the Receiver immediately, in a lump sum, as received, and that the parties shall also fully cooperate to direct all payors to make such payments directly to the Receiver, provided however, the Receiver shall permit Eisenstark and Blanche Eisenstark to retain any such property which is:

- a. exempted from execution by the trustee or judgment creditors under the United States Bankruptcy Code or any provision of the laws of New Jersey;
- b. household items obtained by gift or in the ordinary course having, in the aggregate, a value of less than \$1,000 annually; and
- c. such other disclosed items as Eisenstark, Blanche Eisenstark and the Receiver shall agree may be retained by Eisenstark and Blanche Eisenstark in light of their needs and circumstances at the time and the value (or lack thereof) of the property to creditors.

Nothing herein shall exempt Eisenstark, Blanche Eisenstark, Eisenstark Advisory or J.N.J. Capital from the obligation

to fully disclose all such receipts, nor shall it permit them to retain any non-exempt property obtained directly or indirectly as a proceed or product of the conduct admitted in this Final Judgment and Consent Order as constituting violations of the Securities Law;

104. Eisenstark, Blanche Eisenstark, Eisenstark Advisory, J.N.J. Capital, and the Children agree that they shall, and are hereby directed to, execute such mortgages, financing statements, assignments, notices, designations of beneficiaries, and such other documents as the Receiver deems necessary or appropriate to perfect the Receiver's rights, title and interest in the property of Eisenstark, Blanche Eisenstark, Eisenstark Advisory, J.N.J. Capital, and the Children, including the assets and properties being used to secure payment of the restitution and the civil monetary penalty;

105. It is anticipated that the Receiver shall develop and submit to the Court:

a. a proposed plan that distributes the assets that Receiver will possess as of the entry of this Order: first, to the Receivership's administrative costs, not to exceed \$88,000, except if the Receiver shall have to administer future assets, as set forth herein; second, pro rata to clients and customers' claims against Eisenstark, Eisenstark Advisory, and J.N.J. Capital, as a result of losses from the securities

violations and/or misappropriations of Eisenstark, Eisenstark Advisory, and J.N.J. Capital, not to exceed \$125,000, as described in the attached Exhibit B; third, to any claims given priority under the Bankruptcy Code; fourth, to all other unsecured creditors of the defendants (including holders of any claims not fully paid from the second distribution), and fifth, to the civil monetary penalty;

b. a claims procedure, so that claims may be properly proven, classified and administered, on notice to parties in interest. The Receiver shall only distribute money to persons who have filed claims and whose claims have been allowed;

c. a fee application (at or before Receiver submits the proposed claim procedure to the Court), on notice to parties in interest, for the Court's approval. Except as authorized by this Final Judgment and Consent Order or by the order on the fee application, the Receiver may only receive further compensation by application to the Court, on notice to all parties in interest;

106. Eisenstark, Blanche Eisenstark, Eisenstark Advisory, J.N.J. Capital, and the Children agree that until the restitution and civil monetary penalty, and any other allowed claims under the Final Judgment and Consent Order are fully paid:

a. the Receiver shall remain in place and Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J.

Capital shall assign to the Receiver all amounts to which they would otherwise be entitled (including but not limited to any cash values in life insurance policies, death benefits or other sums), and turn over to the Receiver all other funds or property received by them, provided however that the Receiver shall allow to Eisenstark and Blanche Eisenstark a monthly budget in accordance with the attached Exhibit C and the use of any property exempted under the provisos of Paragraph 103;

- b. it is understood, agreed and acknowledged that if Eisenstark, Blanche Eisenstark, Eisenstark Advisory, or J.N.J. Capital receives a bonus or other special distributions or dividends not specifically described or included within the monthly budget, that defendant shall immediately turn it over to the Receiver and the Receiver, in his sole discretion, may apply the bonus, special distribution or dividend to the outstanding obligations;
- c. the Receiver shall have the right (but not the obligation), subject to Court approval, on notice to all parties in interest, to make a life (viatical) settlement of the life insurance policies if all financial obligations under this Final Judgment and Consent Order have not been satisfied within ten years from the entry of this Final Judgment and Consent

Order and to apply the proceeds of the life (viatical) settlement to such obligations and claims. Otherwise, the Receiver shall execute a change in beneficiaries to the persons designated in writing by the insured individual(s) when restitution and civil monetary penalty, all other allowed claims, and all interest, fees, and other amounts due under this Final Judgment and Consent Order are fully paid. The Receiver shall also have the right, but not the obligation, to pay the premiums for the life insurance out of the assets under his control that were part of the Blanche Eisenstark IRA and Blanche Eisenstark 401-K accounts, and then to recover such amounts from Eisenstark and Blanche Eisenstark, if Eisenstark and Blanche Eisenstark fail to pay the premiums. It is specifically agreed and understood that those amounts are intended only as security, and that the Receiver may look directly to Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital to compel payment. The Receiver shall be entitled to recover costs of any collection actions filed plus reasonable counsel fees from Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital;

- d. no portion of any assets held as security or any proceeds thereof shall be received or turned over or paid to any defendant or to any of the Children until

such time as all obligations (with interest at the judgment rate) of Eisenstark, Eisenstark Advisory, and J.N.J. Capital under the Final Judgment and Consent Order are fully paid; and

- e. the Receiver, prior to terminating the Receivership, with Court approval, shall assign to a Trust ("the Liquidating Trust"), to be administered by a Trustee (the "Liquidating Trustee"), the Monthly Payments, the remaining proceeds, if any, of the Assets, and any and all other property and/or rights securing defendants' obligations. The Liquidating Trustee shall have all of Receiver's rights and obligations. The Liquidating Trust shall terminate when all amounts due under the Final Judgment and Consent Order are fully paid;

107. If Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and/or J.N.J. Capital shall at any time file a petition for bankruptcy, it is understood, agreed, and acknowledged that the amounts paid or payable to the Receiver under this Final Judgment and Consent Order and all security represent funds and assets that (A) are paid by third-parties specifically to pay the restitution obligations hereunder; (B) belonged to the investors for whom restitution is obtained, to which Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital (and their transferees) never had valid title; (C) are otherwise exempt from creditors' claims; and/or (D) in respect to the

interest granted in the life insurance, represents new value provided by Eisenstark and Blanche Eisenstark through their obligation to pay the insurance premiums in futuro;

108. If Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and/or J.N.J. Capital shall ever file a bankruptcy petition and the bankruptcy trustee shall pay (as an allowed claim) any amount to a person or entity, then that person or entity's claim submitted to the Receiver shall be reduced by that amount. Additionally, the Receiver may defer to the bankruptcy trustee to determine the extent and validity of claims against the bankrupt defendant. All parties agree and acknowledge that the obligation to pay the Receiver and his counsel's fees is recognized as non-dischargeable under 11 U.S.C. § 523(a)(19);

109. It is a condition of this Final Judgment and Consent Order that:

- a. Eisenstark, Eisenstark Advisory, and J.N.J. Capital shall fully cooperate with the Bureau Chief and the Receiver in tracing their receipts and dispositions of funds and other assets, and describing their dealings with clients and customers;
- b. Eisenstark, Eisenstark Advisory, and J.N.J. Capital establish to the satisfaction of the Bureau Chief and the Receiver that no funds or assets have been fraudulently transferred or hidden by or on behalf of the defendants;

- c. Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital shall notify the Receiver and cooperate with the Receiver as to any claims or judicial process received against them which may result in the imposition of any lien, claim, encumbrance or alternate allocation of their assets or resources; provided however, it is understood, agreed, and acknowledged that Receiver will collect and administer the assets of Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital for the benefit of their creditors and in accordance with their rights and priorities, pursuant to the Final Judgment and Consent Order; nothing herein, however, shall preclude any person or entity from requesting instructions from the Superior Court of New Jersey regarding the Receiver's rights and obligations.
- d. that Eisenstark, Blanche Eisenstark, Julie Eisenstark, and Nicole Eisenstark shall fully cooperate in the Receiver's efforts to sell the Real Properties owned by Blanche Eisenstark, Julie Eisenstark, and Nicole Eisenstark;
- e. Eisenstark, Blanche Eisenstark, Eisenstark Advisory, J.N.J. Capital, and the Children shall exercise their best efforts to preserve the value of all property to which the Receiver has or will have a right, title or

interest (including all property securing restitution and other allowed claims) and will not, by action or inaction, allow or suffer any increase in secured claims against such property, the imposition of any tax liens or tax-sale certificates, or any waste, destruction or damage to the property; and

f. Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital shall comply with all laws in respect to their reporting of income and tax obligations; and

g. Eisenstark, Blanche Eisenstark, Eisenstark Advisory, J.N.J. Capital and the Children each and all shall have the ongoing obligation to execute such additional documents (including but not limited to financing statement, beneficiary designations, insurance forms, and other papers) as the Receiver shall reasonably request from time to time as necessary or proper to perfect and/or maintain the security interests granted herein and otherwise to preserve and protect for the benefit of the Receivership estate any rights, interests, or collateral referred to in this Judgment.

110. This action was brought pursuant to the Bureau's police powers;

111. In exchange for the terms offered in this Final Judgment and Consent Order, each defendant agrees not to, and hereby waives their right to, file a bankruptcy petition during

the ninety (90) day period following entry of this Final Judgment and Consent Order;

112. All parties agree and acknowledge, without limitation, that the Receiver's appointment and his retention of counsel was necessitated by Defendants' violations of securities laws described in the foregoing findings, and was necessary to protect the public. The Receiver's authority under the Court's April 20, 2010 Order Granting Plaintiff Preliminary Injunctive Relief and Ancillary Relief Against is hereby continued until the obligations of this Final Judgment and Consent Order is fully complied with and further order of this Court;

113. Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital also agree and acknowledge that all payments, obligations, and other liabilities of Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital undertaken and ordered hereunder are non-dischargeable under the United States Bankruptcy Code, including under 11 U.S.C. § 523, subdivisions (a)(6), (a)(7), and (a)(19). Defendants also agree and acknowledge that the obligation to pay Receiver's and his professional's fees is non-dischargeable under 11 U.S.C. § 523(a)(19). Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital shall not ever seek to, and hereby waive any right to, argue, submit, propose, seek to establish or otherwise contend before any court or tribunal that this Final

Judgment and Consent Order is a dischargeable debt or claim under any provision of the United States Bankruptcy Code;

114. Eisenstark, Blanche Eisenstark, Eisenstark Advisory, J.N.J. Capital, the Children, and their agents, attorneys, and other persons acting in concert with them are bound by this Final Judgment and Consent Order. The violation of this Final Judgment and Consent Order may be punishable as a contempt of Court and/or otherwise is subject to further orders to enforce its terms;

115. Eisenstark, Blanche Eisenstark, Eisenstark Advisory, J.N.J. Capital, and the Children are legally bound by this Final Judgment and Consent Order, and had a full opportunity to consider the ramifications of entering into this Final Judgment and Consent Order. Eisenstark, Blanche Eisenstark, Eisenstark Advisory, J.N.J. Capital, and the Children further recognize that by agreeing hereto, Eisenstark, Blanche Eisenstark, Eisenstark Advisory, J.N.J. Capital, and the Children waive all rights to trial, or to appeal the relief granted;

116. This Consent Order and Final Judgment is immediately enforceable;

117. This Court shall retain jurisdiction over all matters relating to this matter;

118. Eisenstark, Eisenstark Advisory, or J.N.J. Capital shall not represent or imply that any act or practice hereinafter used or engaged in by Eisenstark, Eisenstark Advisory, or

J.N.J. Capital has been required or approved, in whole or part, by the Bureau Chief or the Bureau;

119. The parties acknowledge that for purposes of enforcement of this Final Judgment and Consent Order, New Jersey law shall govern the terms and provisions herein;

120. This Final Judgment and Consent Order constitutes the entire agreement between Plaintiff and Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital and shall bind the parties hereto, the Children, and the Defendants' respective officers, directors, principals, trustees, agents, employees, successors, subsidiaries, affiliates and assigns;

121. In the event that any term, provision or paragraph of this Final Judgment and Consent Order is ruled invalid or unenforceable by a court of competent jurisdiction, the validity, legality and enforceability of the remaining terms, provisions and paragraphs hereof shall not in any way be affected or impaired thereby;

122. The parties and non-parties represent that an authorized representative of each has signed this Final Judgment and Consent Order with full knowledge, understanding, and acceptance of its terms and this person has done so with authority to legally bind the respective party or any non-party;

123. Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital have consented to the entry of this Final

Judgment and Consent Order, upon advice of counsel as their own free and voluntary act, and with full knowledge and understanding of the nature of the proceedings and the obligations and duties imposed upon them by this Final Judgment and Consent Order, Eisenstark, Blanche Eisenstark, Eisenstark Advisory, and J.N.J. Capital consent to its entry without further notice, and aver that no offer, agreement or inducements of any nature whatsoever have been made to them by the Bureau Chief or the Bureau Chief's employees to procure this Final Judgment and Consent Order;

124. The Children have consented to the entry of this Final Judgment and Consent Order, having had the opportunity to consult with counsel of their own choice, and upon advice of counsel as their own free and voluntary act, and with full knowledge and understanding of the nature of the proceedings and the obligations and duties imposed upon them by this Final Judgment and Consent Order, the Children consent to its entry without further notice, and aver that no offer, agreement or inducements of any nature whatsoever have been made to them by the Bureau Chief or the Bureau Chief's employees to procure this Final Judgment and Consent Order;

125. It is understood, agreed, and acknowledged that the Eisenstarks' daughters Julie Eisenstark and Nicole Eisenstark are paying a total of \$203,000, pursuant to

Paragraphs 99(a), 99(b), and 99(c), at the time of the execution of this Final Judgment and Consent Order;

- a. It is a condition of this settlement, and Final Judgment and Consent Order that all such money be paid to the Receiver, to be held in escrow, prior to the application for judicial approval in good and collectible funds;
- b. If judicial approval is not received, then the Receiver shall return to Julie Eisenstark and Nicole Eisenstark the sum of \$133,000, representing the payments of \$10,000 being made under Paragraph 103(b) and of \$123,000 being made under Paragraph 103(c), such repayment being without prejudice to the Plaintiff's and the Receiver's rights and remedies and the Plaintiff and the Receiver may thereafter exercise any rights or remedies. As set forth in Paragraph 103(a), the Receiver is authorized to and shall retain the \$70,000 thereunder regardless of whether this Final Judgment and Consent Order is judicially approved;
- c. Upon judicial approval of this Final Judgment and Consent Order and its entry as a Court Order and the Receiver's receipt of an affidavit from Julie Eisenstark and Nicole Eisenstark acceptable to the Receiver that they have received no transfers of assets from any of the Defendants, other than the

\$70,000 transfer from J.N.J. Capital Management which was the subject matter of the companion case as referenced in Paragraph 99(a), and [z] the Receiver's collection from them of the amounts due under Paragraphs 99(a), (b) and (c) as provided for therein, the Receiver shall then provide to Julie Eisenstark and Nicole Eisenstark, upon demand, with a written letter confirming payment and satisfaction and release of the obligations in Paragraphs 99(a), (b) and (c), and Julie Eisenstark and Nicole Eisenstark shall have no further obligations to the Receiver by reason of the matters set out in this Final Judgment and Consent Order;

d. Nothing in this Final Judgment or Consent Order or in any satisfaction shall constitute a release or discharge of any unknown claims regarding Eisenstark, Blanche Eisenstark, Eisenstark Advisory, J.N.J. Capital Management, Julie Eisenstark, Nicole Eisenstark, Jonah Eisenstark or of any person, entity, attorney, agent or persons acting in concert with them;

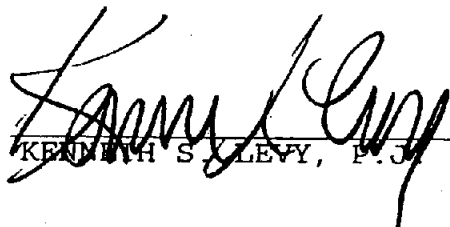
126. All creditors receiving notice of the application for the entry of this Final Judgment shall be and hereby are enjoined from seizing, levying upon or attempting to execute or garnish any money, property or things which are subject to the Receivership, and the claims of any such

Creditor must be presented to the Receiver for allowance or disallowance and participation in the distribution in accordance with the plan of distribution being submitted to the Court. Any disputes as to the determinations by the Receiver shall be submitted to the Superior Court for adjudication;

127. The parties have negotiated, jointly drafted and fully reviewed the terms of this Final Judgment and Consent Order and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Final Judgment and Consent Order;

128. This Final Judgment and Consent Order may be signed in counterparts, each of which shall be deemed an original; and

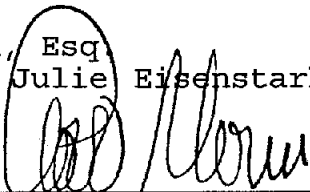
129. Plaintiff shall serve a copy of this Order upon Eisenstark, Blanche Eisenstark, Eisenstark Advisory, J.N.J. Capital, and the Children within 10 days of Plaintiff's counsel's receipt of same.


KENNETH S. LEVY, P.J. Ch. 10/11/12

(THIS AREA INTENTIONALLY LEFT BLANK.)

I hereby consent to the form and entry of the within Final Judgment and Consent Order as to Julie Eisenstark, Nicole Eisenstark, and Jonah Eric Eisenstark


Todd R. Conn, Esq.
Counsel for Julie Eisenstark, Nicole Eisenstark, and Jonah Eric Eisenstark

By: 
Todd R. Conn, Esq.

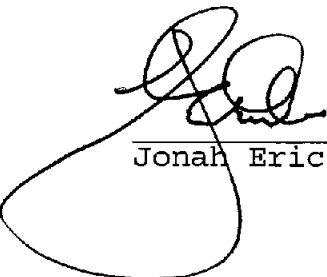
Dated: 4/24/12


Julie Eisenstark

Dated: 4/19/12


Nicole Eisenstark

Dated: 4/19/2012

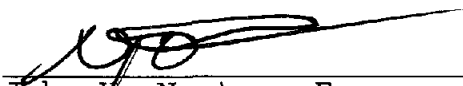

Jonah Eric Eisenstark

Dated: 4/24/2012

I hereby consent to the form and entry of the within Final Judgment and Consent Order as to Defendants Jacob Eisenstark a/k/a Jay Eisenstark, Blanche Eisenstark, J.N.J. Capital Management, Inc. and Eisenstark Advisory, Inc. a/k/a Eisenstark Advisory Inc. Capital Management

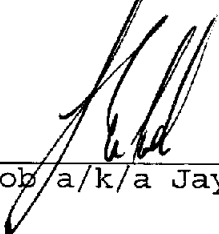
John H. Norton, Esq.
Counsel for Defendants
Jacob Eisenstark a/k/a Jay Eisenstark
Blanche Eisenstark
Eisenstark Advisory, Inc. a/k/a Eisenstark
Advisory Inc. Capital Management
J.N.J. Capital Management, Inc.

By:



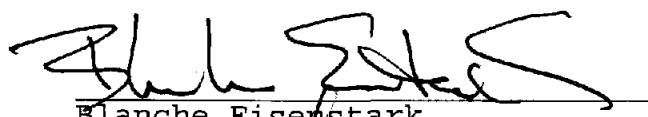
John H. Norton, Esq.

Dated: 4/26/12



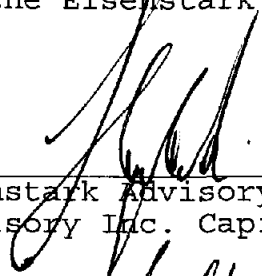
Jacob a/k/a Jay Eisenstark

Dated: 4/26/12



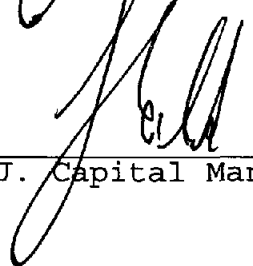
Blanche Eisenstark

Dated: 4/26/12



Eisenstark Advisory, Inc. a/k/a Eisenstark
Advisory Inc. Capital Management

Dated: 4/26/12



J.N.J. Capital Management, Inc.

Dated: 4/26/12

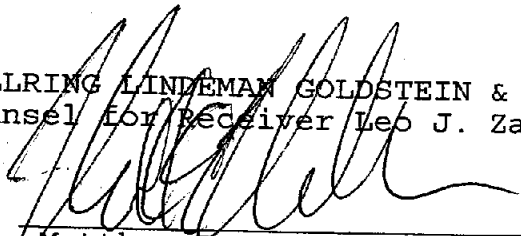
JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Counsel for Plaintiff

By: 

SAMUEL CORNISH
Chief, Deputy Attorney General,
Securities Fraud Prosecutions
VICTORIA MANNING
Assistant Chief, Deputy Attorney General,
Securities Fraud Prosecutions

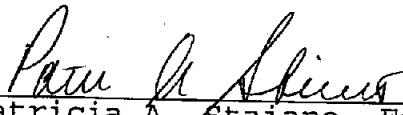
Dated: 5/2/12

HELLRING LINDEMAN GOLDSTEIN & SIEGAL LLP
Counsel for Receiver Leo J. Zatta, C.P.A.

By: 


Matthew E. Moloshok, Esq.

Dated: 4/26/2012

By: 

Patricia A. Staiano, Esq.

Dated: 4/26/12


Leo J. Zatta, C.P.A., Receiver

Dated: 4/26/12

ADDENDUM NO. 1 TO FINAL JUDGMENT AND CONSENT ORDER AS TO
JACOB EISENSTARK A/K/A JAY EISENSTARK, BLANCHE EISENSTARK, J.N.J.
CAPITAL MANAGEMENT, INC. AND EISENSTARK ADVISORY, INC. A/K/A/
EISENSTARK ADVISORY INC. CAPITAL MANAGEMENT

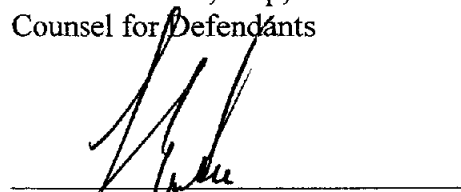
This Addendum is dated as of April 16, 2012 and is conditioned upon judicial approval and entry of the related Final Judgment And Consent Order As To Jacob Eisenstark a/k/a Jay Eisenstark, Blanche Eisenstark, J.N.J. Capital Management, Inc. ("JNJ") and Eisenstark Advisory Inc. a/k/a Eisenstark Advisory Inc. Capital Management ("Eisenstark Advisory") (collectively all the foregoing being referred to as "Defendants").

1. Defendants acknowledge that, except as set forth in Paragraph 2 below, all their property is subject to the ownership and control of the Receiver named as the Receiver for the Defendants under the Final Judgment and Consent Order and to be administered in accordance with the Final Judgment and Consent Order.
2. The Receiver, subject to the approval of the Superior Court, authorizes Defendants Jacob Eisenstark and Blanche Eisenstark to sell for their own account and receive and retain the proceeds of the items of personal property listed in the May 19, 2010 Inventory and Appraisal of A. Atkins Appraisal Corporation, copy hereto annexed. Defendants shall advise the Receiver of the amounts received for the items and any application of the proceeds.
3. Nothing herein shall authorize the sale, transfer or other disposition of any property not listed in the May 19, 2010 Inventory and Appraisal, and nothing herein shall authorize any transactions or operations by Defendants JNJ or Eisenstark Advisory.

FOR THE DEFENDANTS:



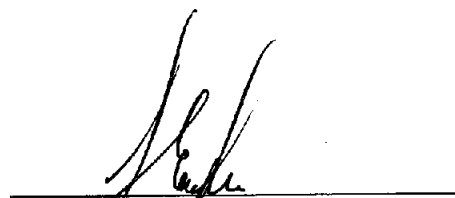
John H. Norton, Esq.,
Counsel for Defendants



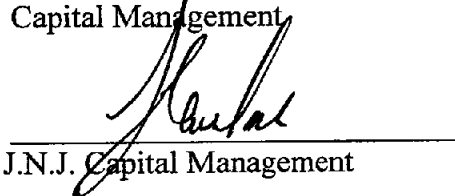
Jacob (a/k/a Jay) Eisenstark



Blanche Eisenstark



Eisenstark Advisory Inc.
a/k/a Eisenstark Advisory Inc.
Capital Management




J.N.J. Capital Management

[Additional signatures follow on page 2]

FOR THE PLAINTIFF:

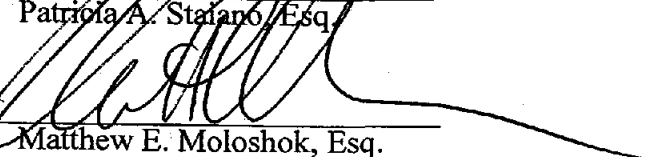
JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Counsel for Plaintiff

By:  5/2/12
SAMUEL CORNISH
Chief, Deputy Attorney General,
Securities Fraud Prosecutions
VICTORIA MANNING
Assistant Chief, Deputy Attorney General,
Securities Fraud Prosecutions


FOR THE RECEIVER:

Helling Lindeman Goldstein & Siegal LLP

By: 
Patricia A. Stafano, Esq.

By: 
Matthew E. Moloshok, Esq.

Counsel for Receiver Leo J. Zatta, C.P.A.


Leo J. Zatta, C.P.A.,
As Receiver for the Defendants

A. ATKINS APPRAISAL CORPORATION
122 Clinton Road
Fairfield, New Jersey 07004
(973) 227-1900

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION: GENERAL EQUITY
ESSEX COUNTY

PAULA T. DOW, Attorney
General of New Jersey, on behalf of
MARC B. MINOR, Chief of the New Jersey
Bureau of Securities,

Plaintiff,

v.

JACOB EISENSTARK a/k/a JAY
EISENSTARK, individually, as the principal
of Eisenstark Advisory, Inc. a/k/a
Eisenstark Advisory Inc. Capital
Management, and as the principal and
President of J.N.J. Capital Management, Inc.;
BLANCHE EISENSTARK, individually,
and as the Secretary of J.N.J. Capital
Management, Inc.; J.N.J. CAPITAL
MANAGEMENT, INC., a New Jersey
Corporation; and EISENSTARK
ADVISORY, INC. a/k/a EISENSTARK
ADVISORY INC. CAPITAL
MANAGEMENT, a New Jersey
Corporation,

Defendant.

CIVIL ACTION

Docket No. ESX-C-46-2010

INVENTORY AND APPRAISAL

The following is an inventory and appraisal of the goods, chattels and assets of the
above named Receiver made by the undersigned at Forced Sale Value. Assets located
at 389 Walnut Street, Livingston, New Jersey.

A. ATKINS APPRAISAL CORPORATION

By: 

ALAN ATKINS, For the Firm

DATED: May 19, 2010

Located at: 389 Walnut St., Livingston, N.J.

HOME FURNISHING & EQUIPMENT

QTY.	DESCRIPTION	FORCED SALE VALUE
Dining Room		
1	Contemporary laminated regular table w/ 8- upholstered chairs & matching buffet or server 51" x 20" abstract geometric design w/ table with 3 inserts, fabric shows some wear and stains 42" x 10"	\$ 400.00
1	Wall print on paper, "Purple Tide II", signed Michael Joh March 22" x 23" (all size given in impression size unless otherwise noted), plastic frame	150.00
1	Wall print on paper, untitled, signed Natalie Levine, 24" x 36" plastic frame	100.00
1	Hanging Chandelier, clear molded glass rod fixture, metal structure, ~24" x 18", considered part of real estate (not practical or financially wise to replace)	NO VALUE
1	Lot of assorted accessories, glassware, Bric-a-Brac, and "Smalls," consisting of ~25 total pieces including 2 pieces of Lenox, older cut glass pitcher, creamer and sugar sets, hanging plates, center piece compote with 2- candleholders, blown glass, and etc . (no pieces are major)	300.00
Living Room		
1	3 piece sectional contemporary sofa/lounge set, black graphic pattern (obsolete), wood legs, Charlton concepts (10-20 years old)	200.00
1	Glass top cocktail table w/ swirled glass/Lucite base, 30" x 51"	50.00
1	Glass top credenza w/ frosted glass pedestal, 53" x 16" (make unknown)	100.00

3	Composition figure sculptures of 3 - Peasant Women Dancing, 20" (damaged), - large silver plated Soldier on Horseback, 24" Signed Berye (unknown) - mixed metal Persian Warrior on an onyx base, 11" (origin unknown)	475.00
1	Wall box, shadowbox framed on print on paper, 3 separate clown profiles, signed (possibly Cirigliano) 24" x 44" w/ gilt frame	120.00
1	Knabe cherry or fruitwood case baby grand piano, s/n 167807, 54" (over 15 years old)	3,500.00
1	Glass semi-circular console or table w/ frosted base, 20" x 52"	125.00
1	Acrylic or oil on canvas artwork, Lady in White Dress Signed Jon Alan, 50" x 40" in gilt molded wood frame	150.00
1	Acrylic or oil Giclee artwork on canvas, "Tango En San Telmo" Signed Jose Cirigliano, Argentine, 32" x 23" in molded frame	150.00
1	Plastic in blue and silver floor lamp, Torchiere style, 5'	25.00
1	Oil or acrylic Giclee artwork, Interior Scene, signed H. Davis Richter, molded frame, 31" x 26"	150.00
1	Artwork, Painting of Girl, signed Carlan, wood frame (probably family relation)	NO VALUE
1	Print, Ballerinas (Degas type), 11" x 15", in molded frame	20.00
1	Lot of miscellaneous accessories consisting of: 1- brass figure table lamp 2- glass objects 1- ceramic floor vase/sculpture 1- chess set 2- planters 2- decorative objects	150.00
1	Contemporary table style lamp w/ green glass shade Metal leaves, 29" tall	150.00
1	Contemporary ceramic vase or sculpture, shaped in the letter "V", 15"	40.00

Hallway

1	Granite or stone top credenza, pierced Chippendale style faux Wood in bleached finish, 46" x 13"	150.00
1	Silver colored framed wall mirror, plate glass, 54" x 44"	80.00
2	Prints of a Lady in Foreign (European) costume, art deco style, Signed (illegal), dated 1972, 18" x 13"	200.00
1	Framed oil/Giclee, Lady Reclining on a Day Bed Molded composition frame, unsigned, ~4' x 3' (too high on wall to measure accurately)	150.00

Family Room

1	Sectional 3 piece sofa/lounge set, leather, salmon color (worn, scratched, poor condition)	25.00
2	Stone or composition table or credenza and cocktail table set, Glass top, 20" x 55", and 40" square	175.00
1	Laminated or formica wood grain entertainment center, ~10' x 7' (damaged)	NO VALUE
1	Carved Jade Dragon Ship, green, teak stand, 23" x 10" (probably Hong Kong origin)	125.00
1	Serigraph, Lady in Hat, signed (illegible), numbered 109/245 28" x 37" in a molded gilt frame	200.00
1	Area rug, abstract in white with brown border, ~6' x 6', wool	70.00
1	Lot of ~12/14 framed family photographs	NO VALUE

Kitchen

Note: Kitchen appliances are built in and considered part of real property.
Includes Sub-Zero refrigerator/freezer, Viking gas stove, G.E. microwave,
Marvel wine cooler, Miele Express coffee machine

1	Round granite table w/ 7- metal white upholstered chairs (table is cut and pieced to counter and is considered Real property), chairs are moveable	280.00
1	Assorted ceramic goods and glassware in built-in hutch Consisting of cups and saucers, porcelain serving pieces, Ceramic rooster, minimal accessories	125.00
1	Decorative adverting sign reproduction, Tequila Sunrise, 23" x 15"	30.00
1	Hanging leaded glass fixture, fish scale design with brass frame Or hangers, pink and tan colors, make unknown, 23" diameter (not vintage)	125.00

Bathroom

1	Composition faux wood leaf design wall mirror	80.00
1	Artwork, acrylic on canvas, Beach Scene, signed B. Schreiner (unknown), 25" x 20" in an oak frame	125.00

Office Area

1	Fruitwood writing desk, inset leather top, 3 drawers Painted with Chinoiserie decoration, 60" x 26" (worn)	150.00
1	Leather or vinyl arm chair, wood frame, Southern furniture	75.00
1	Assembled desktop computer system, w/ Dell keyboard, AUC monitor, CPU (unknown), H.P. Laserjet 1100 printer	100.00

Main Office

1	Mahogany finish executive office desk w/matching credenza unit Brass hardware, 37" x 72" (older, worn) Credenza 72" long	250.00
1	Leather swivel office chair (torn)	NO VALUE
1	Casio model LK33 electronic keyboard with 100 song bank	50.00

2	Mahogany finish 5 shelf bookcases, adjustable shelves 36" x 6' (match desk)	140.00
1	Sentry #4300 small safe, key lock	75.00
1	H.P. OfficeJet 6500 wireless printer	75.00
2	Padded waiting room chairs, wood trim, Haworth seating	80.00
1	Print, Wall Street, G. Harvey, 3738/4250, 28" x 22" In a molded frame	75.00
1	Electric/battery plastic wall clock, small world, Hourly sound, Japan, 16"	45.00
1	Framed print and stamps, "The Big Board", Kamil Kubich, 18" x 20"	40.00
1	Print, NYSE, unsigned, 20" x 24" in molded frame	50.00
1	Lot of assorted small accessories: silver plated miniature animal figures, bookends, Seiko desk clock, and etc.	150.00

Conference Area

1	Round glass top table w/ 4- upholstered chairs The center pedestal of abstract green glass, Fabric is abstract, table diameter 52" (worn)	100.00
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Front Room

1	French style mahogany or rosewood finish vitrine, Single glass door front, curved sides, 26" x 51 (poor condition)	200.00
1	Mahogany Chippendale style library table, faux leather top Far East origin, 52" x 20"	150.00
1	Sony Videoscope model KP-46V2596 television, 1996 w/ Sony Hi-Fi stereo, VCR SLV 740HF, DVD recorder RDR GX315	125.00
5	Framed prints, Black and White Pen and Ink posters Unsigned	25.00
1	Metal figure, reclining nude, 12" (unsigned)	10.00

Family Room

1	Contemporary Louis XV style round table w/ 4- balloon back chairs, brass mounts and faux porcelain (sevres type) medallions, inlaid wood, Spanish origin set	1,600.00
1	Composition or plastic wall unit, Southwestern style Horseshoe shape w/ 2- glass shelves, 62" x 44"	100.00
2	Leather 2 tone brown color matching sofas	700.00
1	Contemporary Grand Rapids style glass top oval table, 28"	50.00
1	Jade and mineral bird sculpture, 3-birds on white base Made in Argentina, 20" (damaged)	300.00
1	Round laminated pedestal with glass top	40.00
1	Canvas Giclee, Harbor Scene, artist unknown, 24" x 20" Molded frame	100.00
1	Porcelain figure, Lady Dancer, Royal Dux, Late 20 th century, Blue and white, 24"	175.00
1	Glass top cocktail table w/ plastic pedestal in leaf shape, 42"	75.00
1	Serigraph artwork, Exterior Mediterranean scene, Signed John King, 62/260, 40" x 35", gilt frame	200.00
2	Silver gilt figural candle holders, 5- branches w/ Ram's head ornamentation on base, 42"	200.00
2	Paintings on board, Ladies in Period Foreign Costume, Signed Corman (illegible), & P. Fondon, Late 20 th Century, 15" x 11.5" in molded frames	200.00
1	Contemporary metal floor urn/vase or water jug, Greek or Egyptian influence, multi-colors, 37" tall on teak base, standing 10" high	100.00
2	Stuffed children's dogs (soft animal toys), brown	80.00
1	Miscellaneous figures (glass and porcelain) consisting of 2- Japanese green glass figures with hats and a Royal Doulton style lady in gown, 10-15"	150.00
1	Lot of miscellaneous bar contents, glasses (minimal stemware) Bottle opener, Hebrew silver colored wine set (general access.)	150.00

Basement:**Recreation Room**

1	Weider Crossbow Advantage exercise machine	75.00
1	Pro-Form Crosswalk 400e Prosoft Plus treadmill	50.00
1	Power Rider exercise machine	35.00
1	Formica 3 tier table, 32" x 32"	15.00
1	L shape 3 section leather sofa (torn, poor condition)	NO VALUE
1	Wood credenza, 20" x 72"	50.00
1	Philips Magnavox FW62C mini Hi-fi system	15.00
2	Leather seating units, 44" long	40.00
2	2 door formica cabinets, 72" high	20.00
1	Wood dresser, 20" x 78" (poor condition)	10.00
1	Table lamp (missing shade)	5.00
1	Sony CFE-510 CD/radio	10.00
1	Norcent DVD player	10.00

Storage Area

1	Kenmore dehumidifier, 40 pint	10.00
1	4 tier wire rack, w/ casters	40.00
8	Metal upholstered stacking chairs	40.00
1	Hoover steam vacuum	10.00
1	Hoover Elite upright vacuum	15.00
6	4 drawer metal file cabinet	NO VALUE
1	Formica top metal table (damaged)	NO VALUE
1	9 drawer plastic cabinet	10.00
1	Portable metal garment rack	5.00

2	Wood frame lounge chairs w/ upholstered chairs (soiled) w/ ottomans	50.00
4	Sections of metal shelving	4.00
1	Formica top metal table, 35" x 67"	20.00
1	Toshiba 19" color television	NO VALUE
1	Metal frame futon	40.00
1	Sentry Survivor safe	10.00
1	Sentry 1100 safe chest	5.00
1	Formica bookcase, 72" high	5.00
1	Formica sofa table, 20" x 84"	10.00
1	Portable metal clothes rack	10.00
1	Wood dining room table, 44" x 68" w/ leaf w/ 6- wood chairs with upholstered seats	300.00
1	3 bulb pole lamp	2.00
1	Table lamp, brass tone w/ shade	5.00
1	Magnavox Combination 9" television/VHS VCR	NO VALUE
10	Assorted framed paintings, posters, and pictures	150.00
2	2 door formica storage cabinets, 72" high	20.00
1	Hoover upright vacuum	NO VALUE
1	Section of plastic shelving	5.00
1	Framed mirror, 25" x 45"	25.00
1	Mirror and Lucite 2 door curio cabinet, 35" wide x 75" high	50.00
1	Lot of assorted appliances, house ware, luggage, books, Beach mats, and etc.	100.00

Work Room

3	Sections of plastic rack	15.00
1	Genie 5 H.P. shop vacuum	15.00
1	Suncast plastic baseball bat rack	15.00
3	Assorted table lamps (no shade)	10.00
1	Formica top folding table, 8'-0 long	10.00
1	Formica top folding table, 5'-0 long	5.00
1	Wood work bench, 28" x 30" w/ vise	10.00
1	Manning-Bowman 6" double end bench grinder, 1/4 H.P.	10.00
1	Wood work table, 48" x 96'	5.00
1	Craftsman 10" compound miter saw	60.00
1	Electric hand drill (old)	5.00
1	Craftsman 3/8" electric hand drill	10.00
1	Skilsaw 858 circular saw	20.00
1	Craftsman 18 Bushwhacker trimmer	5.00
1	Lot of assorted hand tools, paint, and assorted supplies	100.00
1	Lot of baby crib, mattress, bed frames, bike rack, and etc.	75.00

Garage

2	Sections of assorted plastic rack	10.00
1	Craftsman vacuum	8.00
1	Kenmore 2 door refrigerator/freezer	100.00
8	Plastic parts containers containing assorted fastening hardware, And etc.	40.00
1	Craftsman portable 5 drawer tool cabinet containing assorted hand tools	400.00

2	Plastic top adjustable height folding tables	40.00
1	G.E. double wall oven (not connected)	NO VALUE
1	RCA model HDLP50W151, 50" DLP HDTV s/n E036CD026 (1/2004)	200.00
1	Hand truck	10.00
1	Frigidaire undercounter dishwasher (not connected)	NO VALUE
1	G.E. Profile Advantium 120 microwave oven (not connected)	NO VALUE
1	Westway 12'-6" aluminum adjustable ladder	30.00
3	MAC Sports folding chairs	24.00
1	Mag Tag clothes washer and clothes dryer (not connected)	NO VALUE
1	DeWalt model DW411 sander	10.00
1	Portable glass top metal computer desk	10.00
1	Echo PB260L back pack blower, gas	75.00
1	Raleigh sports men's bike (old)	10.00
1	Craftsman 17" Bushwhacker trimmer, gas	15.00
1	Floor jack	15.00
1	Sears 10/2/50 battery charger	10.00
1	Wood end table, 26" x 26"	5.00
1	Craftsman 358.791050, 25cc, gas trimmer	40.00
1	Craftsman 7 1/4 circular saw, w/ case	20.00

Second Floor:**Hallway**

2	Carpet runners, 25" x 92"	100.00
1	Contents of bedroom consisting of: 1- single bed w/ formica headboard 1- formica frame single platform bed 2- formica end tables/night stands 1- table lamp 1- 5 bulb pole lamp 1- single pedestal bamboo style desk w/ 6 drawer dresser w/ top bookcase w/ 4 drawer chest 1- wood frame mirror, 13" x 50 1/2" 1- metal chair with upholstered seat and back 1- area rug, 45" x 60" (soiled)	300.00
1	Sony model KV20VM30 combination, 20" TV/VHS VCR	25.00

Bedroom

1	Contents of bedroom set consisting of: 1- queen bed w/ headboard bookcase 2- night tables 1- armoire (poor condition) 1- 9 drawer dresser w/ top mirror 2- vinyl upholstered wood benches 15" x 44" 1- wood table, 30" diameter w/ Lucite top 1- pair table lamps w/ shades 1- glass vase, 20" high 1- wood TV stand, 18" x 40" 1- throw rug, 29" x 49"	400.00
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Bedroom

1	Contents of bedroom consisting of: 1- full size bed 2- assorted night tables 1- single pedestal formica desk 1- metal chair w/ upholstered seat and back 1- 5 bulb pole lamp 1- 3 section formica L shape dresser w/ top mirror, 35" diameter 1- glass pedestal, 42" high 1- wood frame mirror, 13" x 50 1/2" 1- carpet runner, 25" x 82"	300.00
1	1- Sony 32" color television	50.00

Bedroom

1	Contents of bedroom consisting of: 3- carpet runners, 25" x 91" 1- metal rocking chair w/ upholstered seat and back 1- 4 door formica cabinet, 40" wide x 91" high 1- queen platform bed w/ attached side night tables w/ cabinet w/ dressing table w/ upholstered Lucite stool w/ mirror back, 36" x 46" (cracked) 1- pair of ceramic table lamps w/ shades 1- chaise lounge 1- glass end table, 19" diameter 1- torchiere lamp 4- assorted perfume bottles 1- mirror, 23" x 32 1/2"	800.00
1	Dynex 32" LCD television	250.00
1	Framed painting fishing off pier, 20" x 23 1/2", signed Lilly	150.00
1	Framed painting landscape w/ building, 20" x 23 1/2" Signature not legible	100.00
1	Framed painting, flowers (signature not legible)	100.00

Outside

1	Group of patio furniture consisting of: 1- glass top patio table, 40" x 65" w/ Lazy Susan w/ 6- arm chairs w/ 2- ottomans w/ 1- glass top end table 1- glass top high table, 40" diameter 1- metal patio table, 65" x 65" w/Lazy Susan, w/ 8- metal arm chairs 1- portable 2 tier bar cart 4- assorted patio chairs 1- plastic patio storage chest 1- metal frame swing, 65" wide 1- patio umbrella w/ base 1- round seating unit, 80" diameter	850.00
1	Kenmore LPG BBQ grill (poor condition)	NO VALUE
1	MHP BBQ grill, natural gas (post mounted in patio)	NO VALUE
1	Charmglow stainless steel LPG BBQ grill w/ side burner, w/ cover	<u>100.00</u>

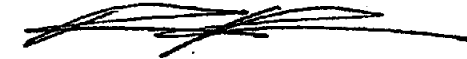
RECAPITULATION

HOME FURNISHING & EQUIPMENT.....\$ 20,813.00

TOTAL FORCED SALE VALUE.....\$ 20,813.00

STATE OF NEW JERSEY :
:
COUNTY OF ESSEX :

ALAN ATKINS, being duly sworn according to law, upon his oath deposes and says:
That he is the Appraiser named in and who executed the foregoing appraisal; that the good,
chattels and merchandise set forth in the annexed inventory and appraisal, therein set down
and specified, were by him appraised according to his judgement and understanding; and
that deponent appraised all things that were brought to his view as Appraiser.



ALAN ATKINS

Sworn and subscribed to :
before me this 19th day:

of May 2010 :



Soanwon Gwon
A Notary Public of New Jersey
My Commission Expires Jan. 31, 2012

ADDENDUM NO. 2 TO FINAL JUDGMENT AND CONSENT ORDER AS TO
JACOB EISENSTARK A/K/A JAY EISENSTARK, BLANCHE EISENSTARK, J.N.J.
CAPITAL MANAGEMENT, INC. AND EISENSTARK ADVISORY, INC. A/K/A/
EISENSTARK ADVISORY INC. CAPITAL MANAGEMENT

This Addendum is dated as of April 16, 2012 and is conditioned upon judicial approval and entry of the related Final Judgment And Consent Order As To Jacob Eisenstark a/k/a Jay Eisenstark, Blanche Eisenstark, J.N.J. Capital Management, Inc. ("JNJ") and Eisenstark Advisory Inc. a/k/a Eisenstark Advisory Inc. Capital Management ("Eisenstark Advisory") (collectively all the foregoing being referred to as "Defendants").

1. Defendants acknowledge that all their property is subject to the ownership and control of the Receiver named as the Receiver for the Defendants under the Final Judgment and Consent Order and to be administered in accordance with the Final Judgment and Consent Order.


2. The Receiver, subject to the approval of the Superior Court, authorizes Defendants Jacob Eisenstark and Blanche Eisenstark to sell for their own account and receive and retain the proceeds of the items of personal property listed in the May 19, 2010 Inventory and Appraisal of A. Atkins Appraisal Corporation, copy hereto annexed. Defendants shall advise the Receiver of the amounts received for the items and any application of the proceeds. The Defendants have requested that the Receiver release to Blanche Eisenstark the 401(k) account described in Paragraph 97(d) of the Settlement Agreement in consideration of a payment in the sum of \$11,623.59, representing the current balance of the 401(k) account as reflected in the statement dated December 31, 2011, to be made by Jonah Eisenstark, one of the Children of defendants Jacob Eisenstark and Blanche Eisenstark.

3. Jonah Eisenstark represents that he directly inherited the funds to be used to pay for the 401(k) from his grandmother, Gizi Eisenstark's, estate, and it has never formed a part of any defendant's properties.

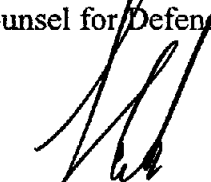
4. Subject to and in reliance upon the foregoing representations, the Receiver shall release the 401(k) plan to Blanche Eisenstark upon receipt of the sum of \$11,623.59 in certified funds from Jonah Eisenstark.

[signatures follow on pages 2 and 3]


FOR THE DEFENDANTS:




John H. Norton, Esq.,
Counsel for Defendants



Jacob (a/k/a Jay) Eisenstark



Eisenstark Advisory Inc.
a/k/a Eisenstark Advisory Inc.
Capital Management

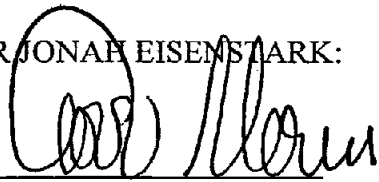


J.N.J. Capital Management



Blanche Eisenstark

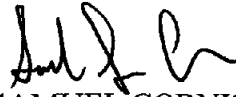
FOR JONAH EISENSTARK:



Todd Conn, Esq.

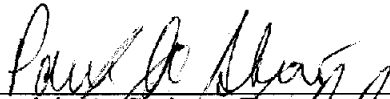
FOR THE PLAINTIFF:

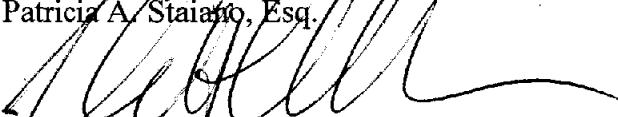
JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Counsel for Plaintiff

By:  5/2/12
SAMUEL CORNISH
Chief, Deputy Attorney General,
Securities Fraud Prosecutions
VICTORIA MANNING
Assistant Chief, Deputy Attorney General,
Securities Fraud Prosecutions

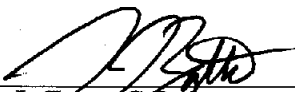
FOR THE RECEIVER:

Helling Lindeman Goldstein & Siegal LLP

By: 
Patricia A. Staiano, Esq.

By: 
Matthew E. Moloshok, Esq.

Counsel for Receiver Leo J. Zatta, C.P.A.


Leo J. Zatta, C.P.A.,
As Receiver for the Defendants

**ADDENDUM NO. 3 TO FINAL JUDGMENT AND CONSENT ORDER AS TO
JACOB EISENSTARK A/K/A JAY EISENSTARK, BLANCHE EISENSTARK,
J.N.J. CAPITAL MANAGEMENT, INC. AND EISENSTARK ADVISORY, INC.
A/K/A/ EISENSTARK ADVISORY INC. CAPITAL MANAGEMENT**

This Addendum is dated as of April 16, 2012 and is conditioned upon judicial approval and entry of the related Final Judgment And Consent Order As To Jacob Eisenstark a/k/a Jay Eisenstark, Blanche Eisenstark, J.N.J. Capital Management, Inc. ("JNJ") and Eisenstark Advisory Inc. a/k/a Eisenstark Advisory Inc. Capital Management ("Eisenstark Advisory") (collectively all the foregoing being referred to as "Defendants"). All terms used herein shall have the same meaning as in the Final Judgment and Consent Order.

1. Jacob Eisenstark is the named insured under a renewable and convertible term life insurance policy, policy number 17B508431, issued by Banner Life Insurance Company on February 20, 2002 ("the Banner Policy").

2. The Fairfield Trust, u/t dated 11/14/97 owns the Banner Policy.

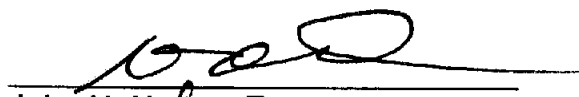
3. In consideration of and to induce the entry of the Final Judgment and Consent Order:

(A) Fairfield Trust hereby conveys to Jacob Eisenstark all rights, title and interest in the Banner Policy;

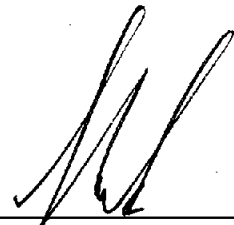
(B) Jacob Eisenstark grants to the Receiver a security interest in the Banner Life Policy, which is scheduled as an insurance policy to be maintained in force under Exhibit A to the Final Judgment and Consent Decree and is made subject to the provisions of Section 100(b) of the Final Judgment and Consent Decree.

[signatures follow on pages 2 and 3]

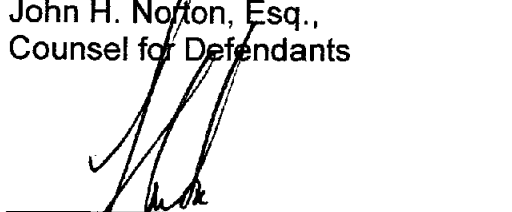
FOR THE DEFENDANTS:



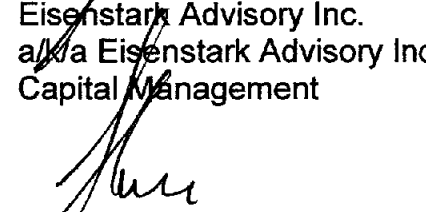
John H. Norton, Esq.,
Counsel for Defendants



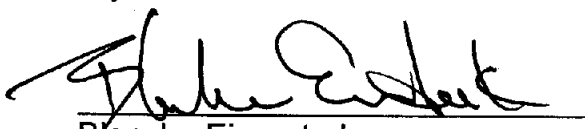
Eisenstark Advisory Inc.
a/k/a Eisenstark Advisory Inc.
Capital Management



Jacob (a/k/a Jay) Eisenstark
Management



J.N.J. Capital



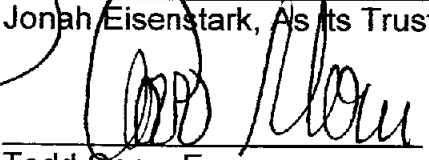
Blanche Eisenstark

FOR THE FAIRFIELD TRUST



4/24/2012

Jonah Eisenstark, As its Trustee



Todd Conn, Esq.

[Signatures continue on page 2]

FOR THE PLAINTIFF:

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Counsel for Plaintiff


By: 

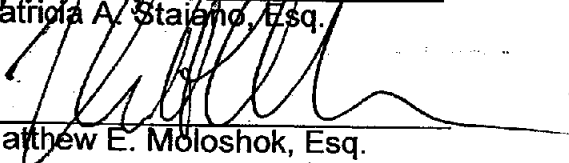
5/2/12

SAMUEL CORNISH
Chief, Deputy Attorney General,
Securities Fraud Prosecutions
VICTORIA MANNING
Assistant Chief, Deputy Attorney General,
Securities Fraud Prosecutions


FOR THE RECEIVER:

Helling Lindeman Goldstein & Siegal LLP

By: 
Patricia A. Stajano, Esq.

By: 
Matthew E. Moloshok, Esq.

Counsel for Receiver Leo J. Zatta, C.P.A.


Leo J. Zatta, C.P.A.,
As Receiver for the Defendants

**Schedules to Final Judgment and Consent Decree
(signed by the parties as of April 16, 2012)**

Exhibit A

INSURANCE POLICIES TO BE MAINTAINED IN FORCE

Life Insurance¹

Issuer	Policy No.	Insured life:	Death Benefit (excluding riders)	Estimated Cash Value (approx)
Continental Assurance	85001849	Blanche Eisenstark	\$ 50,000	\$9,927.37 (as of 1/5/12)
Investors Life Insurance	3031320242	Jacob Eisenstark	\$ 200,000	\$6,069.92 ² (as of 12/21/11)
NY Life Insurance Company of Arizona	76 220 030	Jacob Eisenstark	\$1,000,000	N/A
Banner Life Insurance Co	17B508431	Jacob Eisenstark	\$ 250,000	N/A
NY Life Insurance Company of Arizona	76 220 007	Blanche Eisenstark	\$ 250,000	N/A

Exhibit A continues on next page

¹ The Eisenstarks shall not open any other life insurance policies, or permit any other life insurance policies on either of their lives, to be opened without the express written consent of the Receiver. Proceeds of any policy not listed shall be payable to the Receiver immediately upon receipt.

² Cash values are reducing to pay monthly premiums; amounts to approx. \$1700 p/yr.

.... Exhibit A continued from preceding page.

Casualty Insurance

Insurance Company	Policy No. /Expiry	Insured asset(s)	Type of Insurance (Auto, Home)	Amt of Coverage	Deductible
State Farm	30-CJ-7047-1 Expiry: 11-17-2012	389 Walnut St Livingston, NJ - building & contents ³	Homeowners	\$691,400 home & contents \$500,000 liability	\$1,000
State Farm	30-ET-1346-5 Expiry: 11-29-2012 ⁴	27 Schindler Terrace West Orange - Rental Condo Unit policy ⁵	Condo	--	--

Liability Insurance

NONE, except as provided in Homeowners policies.

- ³ Insured is Blanche Eisenstark.
- ⁴ Condo is in foreclosure, and there is some indication that the premium was not paid past 12/31/11.
- ⁵ Insured is Jacob Eisenstark

Exhibit B

PERSONS TO WHOM DEFENDANTS MUST MAKE RESTITUTION

Name, Address	Soc.Sec./Tax payer ID No.	Amount to be repaid before interest	Basis of claimed amount	% of total restitution funds available for payment
Paul S. Smith 14 Normandy Parkway, Morristown NJ 07960		\$ 171,790.71	Securities fraud as determined in this Consent Decree	20.41%
Celia Tambor 903 State Rte 10 East, Apt. 41 Whippany NJ 07981		\$ 210,480.29	Securities fraud as determined in this Consent Decree	25.00%
Donald Mundy 7A Brandy Wyne Brelle, NJ 08730		\$ 84,500.00	Securities fraud as determined in this Consent Decree	10.04%
Ralph Joel 5 Cain Circle Watchung NJ 07060		\$ 375,000.00	Breach of contract, negligence, breach of fiduciary duty and violation of NYSE Rule 405 (failure to use due diligence to learn the essential facts relative to customer and failure to diligently handle customer account) as determined through judicially confirmed, contested FINRA arbitration (Award June 2, 2010; confirmation order entered by NJ Superior Ct. October 16, 2010)	44.55%
Total		\$ 841,771.00		100.00%

Exhibit C

MONTHLY BUDGET (attached)

The monthly budget attached is illustrative, based on currently available information. The actual amounts for items designated by an "*" shall be determined in accordance with the provisions of this Final Judgment and Consent Order .

Budget through 12/31/2012

Anticipated Income		Anticipated Expenses	
Blanche Eisenstark monthly income from GoGo travel after tax withholdings	2,300	Rent/housing	0 ⁶
Jacob Eisenstark monthly income from Royal Coachman limousine after tax withholdings	2,300	Electric & Gas	350
Rent from Children (per ¶ 101 i) *	500	Phone/cable/internet	120
		Cell phones	100
		Food, toiletries, cleaning supplies	1,000
		Genworth Long Term Care Insurance (Jacob)	175
		Genworth Long Term Care Insurance (Blanche)	175
		NY Life (Jacob) *	295
		NY Life (Blanche) *	109

⁶ Currently the Eisenstarks still live in their home and have not be paying their mortgage. If they make a short sale or foreclosure & relocate, the parties will immediately address the issue of rent.

	Banner Life (Jacob) *	76 ⁷
	Investor's Life (Jacob) *	121 ⁸
	Continental Life (Blanche) *	0 ⁹
	Car payments (Jacob)	350
	Gas Expense	300
	Repairs & maintenance	100
	Car insurance	250
	Health Care out of pocket	250
	Monthly Payment due to Receiver (¶ 101) *	1,275
Total	Total	5,058

Comment: all life insurance premiums are required to be paid by the Eisenstarks from within their budget, and not by reduction of cash values.

⁷ Owned by Fairfield Trust, to be transferred to the Receiver.

⁸ Annual premium currently \$1,753, last year's interest credit \$296, net cost \$1,457 p/yr.

⁹ Annual premium \$243; last year's interest credit = \$478, no premium due.