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ATTORNEY GENERAL OF NEW JERSEY  
Richard J. Hughes Justice Complex  
25 Market Street  
P.O. Box 117  
Trenton, New Jersey 08625-0117  
Attorney for Plaintiff

By: Nicholas Kant  
Deputy Attorney General  
NJ Attorney ID No. 045942006  
(609) 376-2965  
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SUPERIOR COURT OF NEW JERSEY  
SPECIAL CIVIL PART - MONMOUTH COUNTY  
DOCKET NO. MON-DC-13474-18

_____	)	
	)	
MARLENE CARIDE, COMMISSIONER OF	)	<b><u>Civil Action</u></b>
THE NEW JERSEY DEPARTMENT OF	)	
BANKING AND INSURANCE,	)	<b>STIPULATION OF SETTLEMENT</b>
	)	
Plaintiff,	)	
	)	
v.	)	
	)	
KENNETH E. WARCHAL and KAREN	)	
BIANCHINO,	)	
	)	
Defendants.	)	
_____	)	

WHEREAS Plaintiff Marlene Caride, Commissioner of the New Jersey Department of Banking and Insurance ("Plaintiff" or "Commissioner"), and Defendant Kenneth E. Warchal ("Defendant") (collectively, "Parties") have reached an amicable agreement resolving the issues in controversy, and consented to the entry of the within Stipulation of Settlement ("Settlement").

WHEREAS this Settlement is for good cause shown.

NOW THEREFORE, the Parties agree fully and finally to settle this matter pursuant to the terms and conditions below.

1. Defendant admits that he violated the civil provisions of the New Jersey Insurance Fraud Prevention Act, N.J.S.A. 17:33A-1 to -30 ("Fraud Act"), specifically N.J.S.A. 17:33A-4(a)(4)(b), as alleged in Count One of the Complaint, by making a knowingly false material statement for the purpose of obtaining an insurance policy.

2. Defendant's aforementioned conduct constitutes one violation of the Fraud Act, and any future violation of the Fraud Act shall be considered a second violation pursuant to 17:33A-5(c).

3. Defendant agrees that he shall not engage in any future violations of the Fraud Act.

4. Defendant shall pay a total judgment of \$19,500.00 to the Commissioner ("Settlement Amount"). This Settlement Amount consists of \$2,000.00 in civil penalties pursuant to N.J.S.A. 17:33A-5(b); \$16,500.00 in attorneys' fees pursuant to N.J.S.A. 17:33A-5(b); and a \$1,000.00 statutory surcharge pursuant to N.J.S.A. 17:33A-5.1.

5. Defendant shall satisfy the judgment upon the following terms and conditions:

a. Immediately upon execution of this Stipulation of Settlement by Defendant, Defendant shall remit to the attorney for the Commissioner a payment in the amount of \$9,000.00 by certified check, official bank check, or money order made payable to the "Commissioner, New Jersey Department of Banking and Insurance" and sent to:

Nicholas Kant  
Deputy Attorney General  
Banking and Insurance Section  
R.J. Hughes Justice Complex  
25 Market Street  
P.O. Box 117  
Trenton, New Jersey 08625

b. Defendant shall remit the remaining balance of \$10,500.00 in twelve (12) monthly installment payments of \$875.00 each, to be paid on or by the first day of each month, beginning November 1, 2020, until the full Settlement Amount has been paid, by certified check, official bank check, or money order made payable to the "Commissioner, New Jersey Department of Banking and Insurance" and sent to:

Rose V. McGill  
Collections Department  
New Jersey Department of Banking and Insurance  
20 West State Street, 10th Floor  
P.O. Box 325  
Trenton, New Jersey 08625

6. No representation, inducement, promise, understanding, condition, or warranty not set forth in this

Settlement has been made to or relied upon by Defendant in agreeing to this Settlement. Defendant represents that this Settlement is freely and voluntarily entered into without any degree of duress or compulsion.

7. In conjunction with the execution of this Stipulation of Settlement, the parties shall also enter into an Order of Entry of Judgment by Consent for the entire Settlement Amount, which will be docketed with the Superior Court of New Jersey as a statewide lien. A warrant of satisfaction shall be issued when the Settlement Amount is paid in full.

8. In the event of the failure by Defendant to pay any Settlement Amount installment payment when due, the entire Settlement Amount shall be immediately due and payable, upon written notice by the Commissioner. Such notice shall be given to the person and address designated in the Paragraph 12 by: (a) delivery in person; (b) a nationally recognized next-day courier service; or (c) first class regular or certified mail. Notice so given shall be effective upon: (a) receipt; or (b) on the fifth (5<sup>th</sup>) day following mailing, whichever occurs first. Defendant shall have an opportunity to pay the unpaid balance within fifteen (15) calendar days from the date of notice. If Defendant fails to pay the overdue unpaid balance of the payment obligations under this Settlement within fifteen (15) calendar days from the date of

notice of non-payment, then the Commissioner may take any action available under the law of this State to collect the amount outstanding at that time, including post-judgment interest from the date of the judgment, attorneys' fees expended to date and to collect this debt, and any other remedies available under the law.

9. Defendant agrees to pay all reasonable costs of collection and enforcement of this Settlement, including attorneys' fees and expenses.

10. For purposes of construction, this Settlement shall be deemed drafted by all Parties to this Settlement and therefore shall not be construed against any Party for that reason in any subsequent dispute.

11. The undersigned counsel and any other signatories represent and warrant that they are fully authorized to execute this Settlement on behalf of the persons indicated below.

12. All communications from any party concerning the subject matter of this Settlement shall be addressed as follows:

If to the Commissioner: Nicholas Kant  
Deputy Attorney General  
Banking and Insurance Section  
R.J. Hughes Justice Complex  
25 Market Street  
P.O. Box 117  
Trenton, New Jersey 08625

If to Defendant: Darren M. Gelber, Esq.  
Wilentz, Goldman & Spitzer, P.A.  
90 Woodbridge Center Drive, Suite 900  
Woodbridge, New Jersey 07095

13. This Settlement may be executed in counterparts, each of which constitutes an original and all of which constitutes one and the same agreement.

14. Pursuant to N.J.S.A. 17:33A-10(c), a copy of this Stipulation of Settlement shall be provided to any appropriate licensing authority.

15. This Stipulation of Settlement may be used in any subsequent civil or criminal proceedings.

16. The penalties of this Settlement are imposed pursuant to the police powers of the State of New Jersey for the enforcement of the law and protection of the public health, safety, and welfare, and are not intended to constitute debts which may be limited or discharged in a bankruptcy proceeding.

17. On September 16, 2020, the court entered a Trial Verdict and Final Judgment Following Trial. In connection with this Settlement, the Parties intend that the Trial Verdict and Final Judgment Following Trial will be vacated, Plaintiff will not seek a driver's license suspension against Warchal, and Warchal will not seek an appeal in this action. The Parties will sign and submit to the court an Order of Entry of Judgment By Consent in conformance with this Settlement.

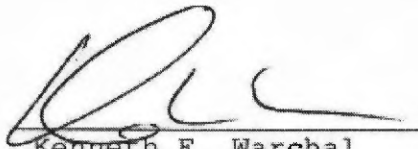
**CONSENTED AS TO FORM, CONTENT, AND ENTRY:**

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiff


Dated: Oct. 8, 2020

By: /s/ Nicholas Kant  
Nicholas Kant  
Deputy Attorney General

Dated: 10/7/2020

By:   
Kenneth E. Warchal  
Defendant

Dated: October 7, 2020

By:   
Darren M. Gelber, Esq.  
Wilentz, Goldman & Spitzer, P.A.  
90 Woodbridge Center Drive  
Suite 900  
Woodbridge, New Jersey 07095  
Counsel for Defendant