

FILED

MARCH 31, 2026

HON. BRUCE J. KAPLAN, P.J.Cv.

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SUPERIOR COURT OF NEW JERSEY
LAW DIVISION - MIDDLESEX COUNTY
DOCKET NO. MID-L-004799-25

SUSAN OCHS, ACTING)
COMMISSIONER OF THE)
NEW JERSEY DEPARTMENT OF)
BANKING AND INSURANCE,¹)
)
Plaintiff,)
)
v.)
)
SHANNON A. CALLAHAM,)
)
Defendant.)

Civil Action

**ORDER OF FINAL JUDGMENT
BY DEFAULT**

THIS MATTER HAVING BEEN opened to the Court on the application of Jennifer Davenport, Attorney General of New Jersey, (by Brian R. Fitzgerald, Deputy Attorney General, appearing), attorney for Plaintiff, Susan Ochs, Acting Commissioner of the New Jersey Department of Banking and Insurance (“Plaintiff”) on a motion for final judgment by default, and the Court having considered the moving papers, and for good cause having been shown; and

¹ Pursuant to R. 4:34-4, the caption has been revised to reflect the current Acting Commissioner of the Department.

Defendant, Shannon A. Callaham (“Defendant”), having been duly served with a copy of the Summons and Complaint in the above-captioned action, and default having been entered for Defendant’s failure to appear, answer, or otherwise defend;

This Court now finds that Defendant violated the Fraud Act² by falsely representing to Drive New Jersey Insurance Company (“Progressive”) on a phone call held on February 21, 2020 (“February 21 Call”) wherein Defendant made a Statement of No Loss in order to reinstate her lapsed automobile insurance policy issued by Progressive (“Policy”), falsely represented to Progressive that she had not been in any accidents between the date and time her Policy lapsed (January 28, 2020 at 12:01 a.m.), and the date and time she called Progressive to reinstate her lapsed Policy (February 21, 2020 at 5:37 a.m.) when, in fact, she had been in an accident on February 21, 2020 at approximately 2:29 p.m. (“Accident”), approximately three hours before the February 21 Call to reinstate her Policy; and

This Court finds further that Defendant, in support of her claim for reimbursement of medical expenses she allegedly incurred for treatment for the injuries she purportedly received from the Accident, violated the Fraud Act³ when she submitted a health insurance claim form to Progressive (“Claim Form”), on which Claim Form Defendant falsely represented to Progressive that the injuries from the Accident occurred on February 21, 2020 when, in fact, the Accident occurred on February 21, 2020 at approximately 2:29 p.m., prior to Defendant submitting the SONL to reinstate her lapsed Policy, and prior to the Policy being reinstated; and

IT IS on this 31st day of March, 2026,

ORDERED that Plaintiff’s Motion for Default Judgment is hereby **GRANTED**; and it is further

² Specifically, N.J.S.A. 17:33A-4(a)(4)(b) and -4(a)(5).

³ Specifically, N.J.S.A. 17:33A-4(a)(1), -4(a)(3)(a), and -4(a)(3)(b).

ORDERED that Final Judgment is entered in the amount of \$15,985.00 against Defendant Shannon A. Callaham, and in favor of Plaintiff, consisting of \$10,000.00 in civil penalties for two (2) violations of the Fraud Act pursuant to N.J.S.A. 17:33A-5(b); attorneys' fees of \$4,830.00 pursuant to N.J.S.A. 17:33A-5(b); costs of service in the amount of \$155.00 pursuant to N.J.S.A. 17:33A-5(b); \$1,000.00 constituting the statutory fraud surcharge pursuant to N.J.S.A. 17:33A-5.1, which is imposed for violations of the Fraud Act in addition to any other penalty, fine or charge imposed pursuant to law; and it is further

ORDERED that a copy of this Order shall be served by Plaintiff by regular and certified mail, return receipt requested, AND recognized overnight delivery service (e.g., Fed Ex, UPS, etc.) upon Defendant Shannon A. Callaham, at her last known address within seven (7) days of the date hereof; and it is further

ORDERED that service of this Order shall be deemed effectuated upon all parties upon its upload to eCourts. Pursuant to Rule 1:5-1(a), movant shall serve a copy of this Order on all parties not served electronically within seven (7) days of the date of this order.

151 Bruce J. Kaplan

Hon. Bruce J. Kaplan, P.J.Cv.

UNOPPOSED

STATEMENT OF REASONS

This matter comes before the Court by way of Plaintiff's Motion to Enter Default Judgment against Defendant Shannon A. Callaham, for the sum certain of \$15,985.00, which includes \$4830.00 in attorneys' fees. No Opposition to the instant motion was filed.

By way of relevant procedural history, a Complaint was filed on July 18, 2025. Thereafter, on July 26, 2025 the Summons and Complaint were personally served upon Shannon A. Callaham. In this matter, Plaintiff alleges that Defendant has committed two (2) violations of the New Jersey Insurance Fraud Prevention Act N.J.S.A. 17:33A-1 to -30 ("Fraud Act").

First, Plaintiff alleges Defendant falsely represented to Progressive on a phone call held on February 21, 2020 (“February 21 Call”) that she had not been in any accidents between the date and time her Policy lapsed (January 28, 2020 at 12:01 a.m.), and the date and time she called Progressive to reinstate her lapsed Policy (February 21, 2020 at 5:37 a.m.) when, in fact, she had been in an accident on February 21, 2020, in violation of N.J.S.A. 17:33A-4(a)(4)(b) and -4(a)(5). Second, Plaintiff alleges Defendant further violated N.J.S.A. 17:33A-4(a)(1), -4(a)(3)(a), and -4(a)(3)(b) when she submitted a health insurance claim form to Progressive (“Claim Form”), which falsely represented to Progressive that the injuries from the Accident occurred on February 21, 2020, when the Accident occurred on February 21, 2020 at approximately 2:29 p.m., prior to Defendant submitting the SONL to reinstate her lapsed Policy, and prior to the Policy being reinstated.

Accordingly, Plaintiff seeks to enforce penalties of the New Jersey Insurance Fraud Prevention Act. Plaintiff represents violations of the Fraud Act subject the violator to a civil penalty of of up to \$5,000.00 for the first offense, up to \$10,000.00 for the second offense, and up to \$15,000.00 for each subsequent offense. N.J.S.A. 17:33A-5(b). Plaintiff seeks an civil penalties here in an amount of \$10,000 for two (2) violations of the Fraud Act pursuant to N.J.S.A. 17:33A-5(b). Plaintiff additionally represents court cosets and reasonable attorneys’ fees are mandated by the Fraud Act for legal services rendered in enforcement of the statute. N.J.S.A. 17:33A-5(b). Accordingly, Plaintiff contends that it is entitled to compensation in the amount of \$4,830.00 for legal services and costs of service in the amount of \$155.00. Finally, Plaintiff represents pursuant to N.J.S.A. 17:33A-5.1, a person who is found in a legal proceeding to have committed insurance fraud shall be subject to a statutory fraud surcharge in the amount of \$1,000.00.

Plaintiff therefore moves pursuant to R. 4:43-2, to enter default judgment in the amount of \$15,985.00 against Defendant Shannon A. Callaham.

As to the present date, Defendant has failed to file an answer or other responsive pleading to the Summons or Complaint and has not requested an extension of time within which to respond. On October 14, 2025, Default was entered against Defendant by the Clerk of the Court. Thereafter, on February 27, 2026, Plaintiff filed the instant motion to enter Default Judgment. Subsequently, on March 20, 2026, the Court issued a clerk notice advising that Plaintiff must upload a supplemental certification as to service of the instant motion upon Defendant, stating

whether the certified and regular mail was received and served at the last known address. On March 24, 2026, Plaintiff uploaded said supplemental certification providing that notice of the certified mail was left twice for Defendant and Defendant has not claimed the certified mail, and the regular mail has not been returned.

After further review, the Court will be granting this motion. In so granting, the Court notes no opposition was filed despite service of this motion on the Defendant. Moreover, based on the representations as to Defendant's false or misleading statements, the Court finds Defendant violated N.J.S.A. 17:33A-4(a)(4)(b) and -4(a)(5) of the the New Jersey Insurance Fraud Prevention Act.

SUM CERTAIN

If the Plaintiff's claim against a defendant is for a sum certain or for a sum that can by computation be made certain, the Court requires an affidavit setting forth a particular statement of the items of the claim, the amounts and dates, the calculated amount of interest, the payments or credits, if any, the net amount due, and the name of the original creditor if the claim was acquired by assignment. R. 6:6-3. The affidavit certifying as to the sum certain must be made by a personal representative with firsthand knowledge of the amount due and owing. R. 1:6-6. If the Court is satisfied with the proofs provided as to the sum certain, the Court may elect not to hold a proof hearing. R. 4:43-2.

Within the present motion, Plaintiff provided a Certification issued on February 27, 2026 by James Connor, a civil investigator employed by the New Jersey Department of Banking and Insurance, Bureau of Fraud Deterrence, and a personal representative with firsthand knowledge. See LCV2026484304. In the certification, it is represented that Defendant made false or misleading statements in violation of the New Jersey Insurance Fraud Prevention Act N.J.S.A. 17:33A-1 to -30. Plaintiff additionally provided a Certification issued on February 27, 2026 by Brian R. Fitzgerald, Deputy Attorney General, assigned to represent Plaintiff, Susan Ochs, Acting Commissioner of the New Jersey Department of Banking and Insurance. See LCV2026484304. Within the certification, it is represented Defendant is liable for \$15,985.00, consisting of \$10,000.00 in civil penalties for two (2) violations of the Fraud Act pursuant to N.J.S.A. 17:33A-5(b); attorneys' fees of \$4,830.00 pursuant to N.J.S.A. 17:33A-5(b); costs of service in the amount of \$155.00 pursuant to N.J.S.A. 17:33A-5(b); and \$1,000.00 per the statutory fraud surcharge pursuant to N.J.S.A. 17:33A-5.1.

Plaintiff alleges Defendant violated N.J.S.A. 17:33A-4(a)(4)(b) and -4(a)(5) when she falsely represented to Progressive on the February 21 Call that she had not been in any accidents between the date and time her Policy lapsed and the date and time she called Progressive to reinstate her lapsed Policy. Second, Plaintiff alleges Defendant further violated N.J.S.A. 17:33A-4(a)(1), -4(a)(3)(a), and -4(a)(3)(b) when she submitted the Claim Form to Progressive, which falsely represented that date upon which her injuries had occurred.

In furtherance of these allegations, Plaintiff provided a transcript of Defendant's February 21, 2020 telephonic sworn statement with a Progressive Insurance Representative. See Exhibit F. During the recorded conversation, Defendant stated that neither she nor anyone else operating a vehicle listed on her policy was involved in an accident at the time of the lapse in her Policy. See Exhibit F (42). Additionally, Plaintiff provided a transcript of the telephonic sworn statement of the third party driver with a Progressive Insurance Representative that was involved in the accident that occurred on February 21, 2020. See Exhibit D. Within that conversation, the third party driver gives the make, color, and license plate of the Chevy Malibu owned by Defendant, as well as the name and phone number of Defendant. See Exhibit D (23-27). In a letter dated March 5, 2020, Progressive denied Defendant's damages claim due to the results of an their investigation, which revealed that the accident occurred during the dates where Defendant had a lapse her in coverage, contrary to her Statement of No Loss. See Exhibit I. Based on the proofs and the certifications provided, the Court finds that Defendant committed two (2) violations of The New Jersey Insurance Fraud Prevention Act, when she falsely represented to Progressive on the February 21 Call that she had not been in any accidents between the date and time her Policy lapsed and the date and time she called Progressive to reinstate her lapsed Policy, and when Defendant submitted a Claim Form which falsely represented to Progressive that her injuries were the result of an accident that occurred after she reinstated her Policy. Accordingly, Defendant is liable for the minimum statutory penalty for each violation.

The New Jersey Insurance Fraud Prevention Act mandates that penalties shall be deposited to The New Jersey Automobile Full Insurance Underwriting Association and Market Transition Facility Auxiliary Fund, which is administered by the Commissioner. N.J.S.A. 17:33A-5e. The Fraud Act provides that if a "person violates section 4 of P.L.1983, c.320 (C.17:33A-4) the penalty shall be \$5,000 for the first violation, \$10,000 for the second violation

and \$15,000 for each subsequent violation.” N.J.S.A. 17:33A-5b. Based on the certifications provided, Defendant has committed two (2) separate violations of N.J.S.A. 17:33A-4, and Defendant is therefore liable for the minimum penalty of \$5,000 for each violation. Accordingly, Defendant is liable for \$10,000.00 in civil penalties for two (2) violations of the Fraud Act pursuant to N.J.S.A. 17:33A-5(b), and \$1,000.00 in surcharges, resulting in an amount of \$11,000.00 due and owing to Plaintiff. Defendant’s driving privileges will additionally be suspended for a period of one (1) year due to violating a provision of the Fraud Prevention Act, pursuant to N.J.S.A. 39:6A-15.

The February 27, 2026 Certification additionally calculates attorneys’ fees in the amount of \$4,830.00 pursuant to R. 4:42-9. See LCV2026484304. The Certification represents that pursuant to the New Jersey Insurance Fraud Prevention Act, reasonable attorneys’ fees and Court costs shall be awarded to the commissioner for litigation resulting from violations of the statute. N.J.S.A. 17:33A-5(b). Additionally, the Certification provides a Schedule of Attorneys’ Fees established by the New Jersey Department of Law and Public Safety, Division of Law that provides a uniform hourly rate of compensation for legal staff. After review of the certification provided by Plaintiff’s counsel and in applying same to the factors in RPC 1.5, the Court is satisfied that the attorneys’ fees sought are reasonable under the circumstances.

Accordingly, the total amount due and owing is \$15,985.00, which includes attorneys’ fees of \$4,830.00 and costs of service in the amount of \$155.00 pursuant to N.J.S.A. 17:33A-5(b).

PROOF OF SERVICE

Per R. 4:43-2, the party moving for default judgment is required to serve the defendant with notice of motion. Service upon a party of such papers notifying a defendant of entry of default judgment shall be made by personal service or by registered or certified mail, return receipt requested, and simultaneously by ordinary mail to the party's last known address. R. 1:5-2 see also R. 4:4-4. If the defendant fails to respond, New Jersey requires that the moving party file a certification of service that the notice was sent to the last known address of the defendant. R. 1:5-3.

In the present matter, on March 24, 2026, Plaintiff uploaded a supplemental certification providing proof of service of the instant motion, via regular and certified mail with return receipt requested, upon Defendant Shannon A. Callaham. See LCV2026753623. In same certification,

Plaintiff states that a notice of the certified mail was left for Defendant, and Defendant has not claimed the certified mail, and the regular mail has not been returned. The Court is persuaded that 568 Saltbox Lane, McDonough, GA 30252 is Defendant Shannon A. Callaham's last known address as the Summons and Complaint were personally served upon Defendant at same address. Moreover, Plaintiff represents that a USPS Tracking Search was conducted which confirmed further that at all relevant times Defendant resided and currently resides at the same address. See LCV2026753623.

AFFIDAVIT OF NON-MILITARY SERVICE

Before entry of judgment by default, New Jersey Court Rules require an affidavit setting forth facts showing that the defendant is not in military service. Unless based on facts admissible in evidence, the affidavit shall have attached to it a statement from the Department of Defense or from each branch of the armed forces that the defendant is not in the military service. R. 1:5-7.

Attached to Plaintiff's motion papers is a certification of Defendant Shannon A. Callaham's non-military service and the statement from the Department of Defense as required by R. 1:5-7. See I.CV2026484304.

For the reasons stated, Plaintiff's motion to enter Default Judgment is granted in the amount of \$15,985.00, which includes attorneys' fees of \$4,830.00.