

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE
BUREAU OF FRAUD DETERRENCE



CONSENT ORDER NO. 0922752-16

In the Matter of)	CONSENT ORDER
Quantex Laboratories, Inc.)	
and James Menoutis)	
)	
Respondents.)	

This matter having been opened by the Department of Banking and Insurance, Bureau of Fraud Deterrence of the State of New Jersey, upon information indicating that Respondents, Quantex Laboratories, Inc. and James Menoutis (collectively "Respondents") currently located at 3000 Eastpark Boulevard, Suite 100, Cranbury, 08512 have violated the provisions of The New Jersey Insurance Fraud Prevention Act, to wit, N.J.S.A 17:33A-4; and

WHEREAS, the Respondents admit to knowingly presenting false and misleading information to the Hartford Steam Boiler Inspection and Insurance Company ("Hartford Steam Boiler") and Harleysville Insurance Company, specifically, by submitting nineteen falsely created and/or altered repair quotations, repair invoices, emails and letters, in support of claims submitted by Quantex Laboratories, Inc. for damages to laboratory equipment with dates of loss of May 31, 2005, July 5, 2006, May 25, 2007,

September 17, 2007, December 18, 2008, and February 17, 2009 in violation of N.J.S.A. 17:33A-4; and

WHEREAS, the above conduct constitutes violations of N.J.S.A. 17:33A-1 et seq., and any future violation of N.J.S.A. 17:33A-1, et seq. shall be considered to be a subsequent offense; and

WHEREAS, Respondents has been informed that they have a right to notice and to request a hearing, in accordance with the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., on the violations found herein before a civil administrative penalty is imposed; and

WHEREAS, Respondents understands these rights and has voluntarily waived the right to notice and to a formal legal proceeding in this matter; and

WHEREAS, Respondents have agreed to pay a civil administrative penalty pursuant N.J.S.A. 17:33A- 5 in the amount of \$300,000.00 (Three Hundred Thousand Dollars), and surcharge in the amount of \$15,000.00 (Fifteen Thousand Dollars) pursuant to N.J.S.A. 17:33A-5.1, jointly and severally, which payment shall be on the following terms:

- a) Upon the immediate signing of this Consent Order by the Respondents, the total amount of \$115,000.00 (One Hundred Fifteen Thousand Dollars) being due immediately by certified check, bank check, or money order made payable to the "Commissioner, Department of Banking and Insurance". This signed order and the payment of the civil administrative penalty shall be returned to Anna M.

Lascurain, Deputy Attorney General, Richard J. Hughes Justice Complex, 25 Market Street, P.O. Box 117, Trenton, NJ 08625-0117.

- b) Commencing February 1, 2015 Respondents shall tender the monthly sum of \$1,667.00 (Sixteen Hundred and Sixty-seven Dollars) for a period of ten (10) years with each payment of \$1,667.00 being due by the 1st of each month until paid in full;
- c) All payments are to be made via cashier's check, money order or other certified funds, made payable to "Commissioner, New Jersey Department of Banking & Insurance." After the initial payment is submitted as directed in Paragraph One (1) above, all subsequent payments shall be addressed to:

New Jersey Department of Banking and Insurance
Bureau of Fraud Deterrence
20 West State Street
P.O. Box 325
Trenton, New Jersey 08625

- d) Should Respondents fail to make any scheduled payment within ten (10) days of its due date, Petitioner may, upon notice to the Respondents, declare the entire balance outstanding to be due and payable. Thereafter, Petitioner may take any action available under the laws of this State to collect the amount outstanding at that time, including post-judgment interest from the date of the judgment, attorneys' fees and other remedies available under the law.

WHEREAS, Respondents agree to pay restitution to Hartford Steam and Boiler in the amount of \$45,644.00 (Forty-five Thousand Six Hundred Forty-Four Dollars);

WHEREAS, the penalties of this Consent Order are imposed pursuant to the

police powers of the State of New Jersey for the enforcement of the law and the 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; and

WHEREAS, pursuant to N.J.S.A. 17:33A-5(d) this Consent Order may not be used in a subsequent criminal or civil proceeding relating to any violation of the act; and

IT FURTHER APPEARING that the matter is suitable for resolution upon the consent of the parties and that Respondents and the Bureau of Fraud Deterrence desire to terminate this matter without further hearing or litigation, and for further good cause appearing;


NOW, THEREFORE, IT IS ON THIS 31ST day of December

2014.

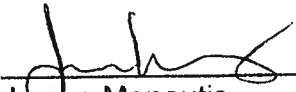
ORDERED AND AGREED as follows:

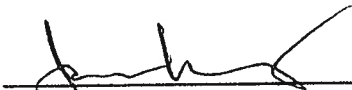
1. A civil administrative penalty of \$300,000.00 pursuant to N.J.S.A. 17:33A-5(c), and an insurance fraud surcharge in the amount of \$15,000.00 pursuant to N.J.S.A. 17:33A-5.1, is imposed on Respondents, James Menoutis and Quantex Laboratories, Inc., jointly and severally.
2. Respondents shall pay restitution in the amount of \$45,644.00 as set forth above.
3. Respondents understand that this final administrative order may be docketed with the Clerk of the Superior Court as provided in the Penalty Enforcement Law (N.J.S.A. 2A:58-10 et seq.).
4. Pursuant to N.J.S.A. 17:33A-10(c), a copy of this Consent Order shall be provided to the appropriate licensing authority.

KENNETH E. KOBYSLOWSKI
COMMISSIONER
DEPARTMENT OF BANKING AND INSURANCE

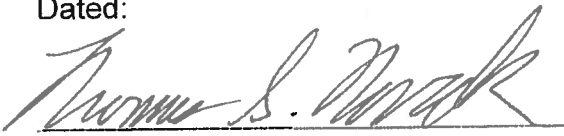
By: 
GARY HEUER
ASSISTANT COMMISSIONER
BUREAU OF FRAUD DETERRENCE

CONSENTED TO AS TO FORM, CONTENT
AND ENTRY OF ORDER:


James Menoutis
Respondent



James Menoutis, President
On behalf of Quantex Laboratories, Inc.

Dated:


Thomas S. Novak
Sills Cummis & Gross PC
Attorneys for the Respondents

Dated:

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY

By: 
Anna M. Lascorain
Deputy Attorney General
Attorney for Petitioner

Dated: December 19, 2014