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Attorney for Plaintiff  
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Trenton, New Jersey 08625

By: Anna M. Lascurain  
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SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION BERGEN COUNTY  
DOCKET NO. BER-L-5916-13

PLYMOUTH ROCK MANAGEMENT :	
COMPANY OF NEW JERSEY :	Civil Action
Plaintiff, :	
-and- :	STIPULATION OF SETTLEMENT
RICHARD J. BADOLATO, :	
ACTING COMMISSIONER, NEW :	
JERSEY :	
DEPARTMENT OF BANKING :	
AND INSURANCE, :	
Plaintiff-Intervenor :	
v. :	
MARK SCHWARTZ, D.O., MLS :	
MEDICAL GROUP, LLC and :	
FOREST HEALTHCARE :	
ASSOCIATES, P.C. :	
Defendants :	

WHEREAS, Richard J. Badolato, Acting Commissioner of the New Jersey Department of Banking & Insurance ("Plaintiff-Intervenor" or "Commissioner"), and Mark Schwartz, D.O. and MLS Medical Group, LLC ("Defendants") have reached an amicable

agreement resolving the issues in controversy and consent to the entry of the within Stipulation of Settlement; and

IT IS HEREBY STIPULATED AND AGREED that Mark Schwartz, D.O. and MLS Medical Group, LLC allegedly made material false or misleading statements in insurance claims to Plymouth Rock Insurance Company, Allstate Insurance Company, 21<sup>st</sup> Century Insurance Company and Progressive Insurance Company when they made claims for insurance benefits for medical services which were allegedly never rendered and/or for allegedly unnecessary medical treatment and services, in violation of the New Jersey Insurance Fraud Prevention Act, N.J.S.A. 17:33A-1 et seq. ("Fraud Act"), as alleged in the above-captioned matter; and

IT IS FURTHER STIPULATED AND AGREED that Defendant Schwartz has pending criminal charges related to this matter and Defendants neither admit nor deny the charges as alleged above, but consent to the payment of civil penalties, insurance surcharges, attorneys' fees and restitution; and

IT IS FURTHER STIPULATED AND AGREED that any future violation of the Fraud Act by Defendants will be considered a subsequent violation; and

IT IS FURTHER STIPULATED AND AGREED that Defendants shall pay a total sum of \$150,000.00 to the New Jersey Department of Banking and Insurance, 21<sup>st</sup> Century Insurance Company and Progressive Insurance Company, consisting of:

1. \$125,000.00 in civil penalties for Defendants Schwartz and MLS Medical Group, LLC, jointly and severally, pursuant to N.J.S.A. 17:33A-5b;
2. \$10,470.00 in attorneys' fees for Defendants Schwartz and MLS Medical Group, LLC, jointly and severally, pursuant to N.J.S.A. 17:33A-5b;
3. A \$6,250.00 insurance surcharge for Defendant Schwartz individually, pursuant to N.J.S.A. 17:33A-5.1;
4. A \$6,250.00 insurance surcharge for Defendant MLS Medical Group LLC, individually, pursuant to N.J.S.A. 17:33A-5.1;
5. Restitution in the amount of \$505.00 to 21<sup>st</sup> Century Insurance Company; and
6. Restitution in the amount of \$1,525.00 to Progressive Insurance Company;

IT IS FURTHER STIPULATED AND AGREED that defendants shall pay the total sum of \$150,000.00 upon the following terms and conditions:

1. Upon the execution of the Stipulation of Settlement, Defendants shall remit to the attorney for the Commissioner, 21st Century Insurance Company and Progressive Insurance Company total payments in the amount of \$25,000.00 by certified checks, bank checks or money orders made payable as follows:

- \$22,970.00 made payable to the "Commissioner, New Jersey Department of Banking and Insurance."

- \$505.00 made payable to the "21<sup>st</sup> Century Insurance Company."

- \$1,525.00 made payable to the "Progressive Insurance Company."

The payment shall be sent to:

Anna M. Lascurain, Deputy Attorney General  
Division of Law-R.J. Hughes Justice Complex  
P.O. Box 117  
25 Market Street  
Trenton, NJ 08625

Restitution payments shall be sent directly to the 21<sup>st</sup> Century Insurance Company and the Progressive Insurance Company, with a copy of the check and cover letter sent to DAG Lascurain at the above address.

2. Thereafter, Defendants shall pay five (5) installments of \$25,000.00 each, annually, by certified check, bank check, or money order made payable to the "Commissioner, New Jersey Department of Banking and Insurance" on or before the following dates:

-May 1, 2017

-May 1, 2018

-May 1, 2019

-May 1, 2020

-May 1, 2021

and sent to:

Commissioner, NJ Department of Banking and Insurance  
Attn: Rose McGill, Collections  
20 West State Street  
P.O. Box 325  
Trenton, NJ 08625

3. Defendants further consent to the entry and docketing of a Consent Judgment against Defendants in favor of the Commissioner in the amount of \$125,000.00 in conjunction with this Stipulation of Settlement; and
4. If Defendants fail to make any scheduled payments within ten (10) days of its due date, Plaintiff may, upon notice to Defendants, declare the entire balance outstanding to

be immediately due and payable. Thereafter, Plaintiff may take any action available under the laws of this State to collect the amount outstanding at that time, plus post-judgment interest from the date of the judgment, attorneys' fees and any other remedies available under the law.

IT IS FURTHER STIPULATED AND AGREED that this Stipulation of Settlement resolves all issues in controversy between Plaintiff-Intervener, the New Jersey Department of Banking and Insurance, and Defendants related only to civil penalties for alleged violations of the Fraud Act for all of the claims alleged in the complaint by Plaintiff Plymouth Rock Insurance Company, docketed as BER-L-5916-13, including but not limited to the claims listed in the Claim Chart marked as Exhibit B, and for any other alleged violations of the Fraud Act related to the claims made by Defendants to 21<sup>st</sup> Century Insurance Company and Progressive Insurance Company, listed in the attached Claim Charts, marked as Exhibits C and D; and

IT IS FURTHER STIPULATED AND AGREED that this Stipulation of Settlement resolves all issues in controversy between Plaintiff-Intervenor, the New Jersey Department of Banking and

Insurance, and Defendants related only to civil penalties for any and all claims including alleged violations of the Fraud Act that the Commissioner brought or could have brought related to the claims made by Defendants to Allstate Insurance Company, including but not limited to the claims listed in the attached Claim Chart marked as Exhibit A; and

IT IS FURTHER STIPULATED AND AGREED that this Stipulation of Settlement resolves all issues and claims between Plaintiff-Intervener, the New Jersey Department of Banking and Insurance, Defendants, 21<sup>st</sup> Century Insurance Company and Progressive Insurance Company, regarding restitution allegedly owed by Defendants to 21<sup>st</sup> Century Insurance Company and Progressive Insurance Company, related to the claims listed on the attached Claim Charts marked as Exhibits C and D; and

IT IS FURTHER STIPULATED AND AGREED that this Stipulation of Settlement does not resolve any outstanding issues and claims between Defendants and Plaintiff Plymouth Rock Insurance Company and Allstate Insurance Company, related to the claims listed on the attached Claim Charts marked as Exhibits A and B; and

IT IS FURTHER STIPULATED AND AGREED that Plaintiff-Intervenor represents that it will not bring any additional

allegations of Fraud Act violations based upon insurance claims submitted by Defendants as to which it is currently aware; however, this Stipulation of Settlement in no way bars Plaintiff-Intervenor from bringing any future claims of Fraud Act violations which may become known by Plaintiff-Intervenor after the date of this agreement.

IT IS FURTHER STIPULATED AND AGREED that pursuant to N.J.S.A. 17:33A-10c, a copy of this Stipulation of Settlement shall be provided to any appropriate licensing authority and this settlement shall not in any way otherwise bind any state or federal agency;

IT IS FURTHER HEREBY STIPULATED AND AGREED that the penalties of this Stipulation of Settlement and Consent Judgment 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..

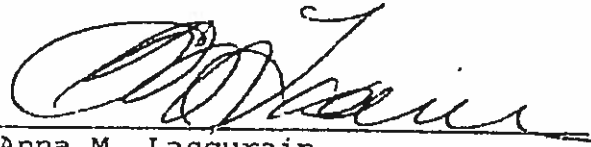
CONSENTED AS TO FORM, CONTENT AND ENTRY:

ROBERT LOUGY  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiff-Intervener

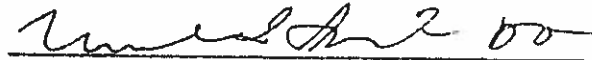


Dated: 5-18-16

By:

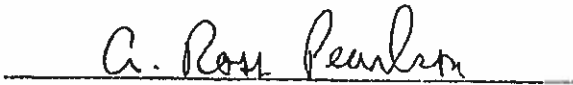


Anna M. Lascurain  
Deputy Attorney General



Mark Schwartz, D.O. individually  
And on Behalf of MLS Medical Group  
Defendant

Dated: 5/17/16



A. Ross Pearlson, Esq.  
Chiesa, Shahinian and Giantomasi  
Attorney for Defendants

Dated: 5/17/16