

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking )  
and Insurance, State of New Jersey, to fine, )  
suspend, and/or revoke the public adjuster )  
license of Kenneth M. Choseed, Reference )  
No. 9469187 )

**CONSENT ORDER**

TO: Kenneth M. Choseed  
c/o Ronald DeSimone, Esq.  
900 North Kings Highway  
Suite 307  
Cherry Hill, NJ 080834

THIS MATTER having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon issuance of Order to Show Cause No. E18-88 ("OTSC") alleging that Kenneth M. Choseed ("Respondent"), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Respondent at all relevant times was and is licensed as a public adjuster pursuant to N.J.S.A. 17:22B-5; and

WHEREAS, Respondent is subject to the New Jersey Public Adjusters' Licensing Act, N.J.S.A. 17:22B-1 to -20 ("Public Adjusters' Act") and the regulations promulgated thereunder, N.J.A.C. 11:1-37.1 to -37.19; and

WHEREAS, pursuant to N.J.S.A. 17:22B-14a(1) and N.J.A.C. 11:1-37.14(a)1, the Commissioner may suspend or revoke a public adjuster's license if, after notice and opportunity for a hearing, the Commissioner determines that a licensee has violated any provision of the

insurance laws, including any rules promulgated by the Commissioner, or violate any law in the course of his dealing as an adjuster; and;

WHEREAS, pursuant to N.J.A.C. 11:1-37.13(a), no individual, firm, partnership, association or corporation licensed under the Public Adjusters' Act have have any right to compensation from any insured for or on account of services rendered to an insured as a public adjuster unless the right to compensation is based upon a written contract or memorandum between the adjuster and the insured that specifies or clearly defines the services to be rendered and the amount or extent of the compensation; and

WHEREAS, pursuant to N.J.A.C. 11:1-37.13(b)5, the written memorandum or contract between a licensed public adjuster and an insured shall prominently include a section which specifies: (i) the procedures to be followed by the insured if he seeks to cancel the contract, including any requirement of written notice; (ii) the rights and obligations of the parties if the contract is cancelled at any time; and (iii) the costs to the insured or the formula for the calculation of costs to the insured for services rendered in whole or in part; and

WHEREAS, pursuant to N.J.S.A. 17:22B-17 and N.J.A.C. 11:1-37.14(b), any person violating any provision of the Public Adjusters' Act or the regulations promulgated thereunder shall, in addition to any other sanctions provided by law, be liable for a civil penalty of not more than \$2,500.00 for the first offense and not more than \$5,000.00 for the second and each subsequent offense; and

WHEREAS, on August 20, 2018, the Commissioner issued the OTSC alleging violations of the Public Adjusters' Act as set forth below:

IT APPEARING, that on April 25, 2016, MV entered into a public adjuster contract with Respondent for a water loss claim in Mays Landing, N.J.; and

IT FURTHER APPEARING, that the claim was adjusted by Farmers Mutual Fire Insurance; and

IT FURTHER APPEARING, that the contract failed to include: (i) the procedures to be followed by the insured if he or she seeks to cancel the contract, including any requirement for a written notice; (ii) the rights and obligations of the parties if the contract is cancelled at any time; and (iii) the costs to the insured or the formula for the calculation of costs to the insured for services rendered in whole or in part, as required by N.J.A.C. 11:1-37.13(b)(5)i-iii; and

IT FURTHER APPEARING, that, by failing to include the aforementioned provisions in the contract, Respondent violated N.J.S.A 17:22B-14a(1) . . . ; 11:1-37.13(b)5i-iii, 11:1-37.14(a)1; and N.J.A.C. 11:1-37.14(a)(1) . . . ; and

WHEREAS, Respondent admits and agrees to take responsibility for the violations described in the OTSC; and

WHEREAS, Respondent waives the right to a hearing on the above violations and agrees to the payment of a \$2,500.00 civil penalty for the violations described in the OTSC; and

WHEREAS, it appearing that this matter should be resolved upon the consent of the parties without resort to a formal hearing; and

NOW, THEREFORE, IT IS on this 2<sup>nd</sup> day of April 2019,

ORDERED AND AGREED, that Respondent shall pay a fine in the amount of \$2,500.00 to the Department; and

IT IS FURTHER ORDERED AND AGREED that the fine shall be paid by certified check, cashier's check, or money order made payable to the "State of New Jersey, General Treasury," and shall be paid upon the execution of this Consent Order by Respondent; and

IT IS FURTHER ORDERED AND AGREED that the signed Consent Order together with the payment of \$2,500.00 shall be remitted to:

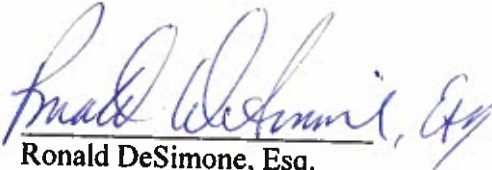
Brian R. Fitzgerald, Deputy Attorney General  
State of New Jersey, Division of Law  
R.J. Hughes Justice Complex  
25 Market Street, Second Floor West Wing  
P.O. Box 117  
Trenton, New Jersey 08625

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute final resolution of the violations contained in the OTSC.

  
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Marlene Caride  
Commissioner


**Consented to as to Form, Content and Entry:**

Date: 3/16/19

  
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Ronald DeSimone, Esq.  
Counsel for Respondent

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the New Jersey  
Department of Banking and Insurance

Date: 3/11/19

  
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By: Brian R. Fitzgerald  
Deputy Attorney General