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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION: GENERAL EQUITY
BERGEN COUNTY
DOCKET NO. BER-C-000315-21

MATTHEW J. PLATKIN¹
Attorney General of New Jersey,
on behalf of
AMY G. KOPLETON
Acting Chief of the New Jersey Bureau
of Securities,

Plaintiff,

v.

SALVATORE MAGARACI,
Individually;
A. KIRSTEN GALLARDO,
Individually and as Owner and
President of Nest Egg Retirement
Solutions Inc., and as Owner, Chief
Executive Officer, and President of
Estate Protection Planning Corp of
New Jersey;
NEST EGG RETIREMENT SOLUTIONS INC.,
a New Jersey corporation; and

Civil Action

**CONSENT ORDER AND FINAL
JUDGMENT AS TO ALL
DEFENDANTS**

¹ This action was commenced by then Acting Attorney General Andrew J. Bruck on behalf of then Chief of the New Jersey Bureau of Securities, Christopher Gerold. In accordance with Rule 4:34-4, the caption has been revised to reflect the present Attorney General, Matthew J. Platkin, and Acting Bureau Chief, Amy G. Kopleton.

ESTATE PROTECTION PLANNING CORP OF
NEW JERSEY,
a New York corporation,

Defendants.

THIS MATTER is brought before the Court by Matthew J. Platkin, Attorney General of New Jersey ("Attorney General"), on behalf of Amy G. Kopleton, Acting Chief of the New Jersey Bureau of Securities ("Bureau Chief") (collectively, "Plaintiff") pursuant to N.J.S.A. 49:3-69(a) for violations of the New Jersey Uniform Securities Law (1997), N.J.S.A. 49:3-47 to -89, ("Securities Law"). The Plaintiff through counsel (Michael Eleneski and Evan A. Showell, Deputy Attorneys General, appearing) and Defendants Salvatore Magaraci, A. Kirsten Gallardo, Nest Egg Retirement Solutions Inc. and Estate Protection Planning Corp of New Jersey, through counsel (A. Ross Pearlson, Esq. and Melissa F. Wernick, Esq. of Chiesa Shahinian & Giantomasi PC, appearing), have agreed to resolve the issues in controversy set forth in the Complaint filed in this action on the terms set forth in this Consent Order and Final Judgment ("Consent Order"). The Court, without making any independent findings or conclusions, has reviewed and approved the terms of this Consent Order, and found good and sufficient cause to enter this Consent Order.

The Bureau Chief makes the following findings of fact and conclusions of law which Defendants neither admit nor deny:

1. Between August 2016 and June 2017 ("Relevant Time Period"), Defendant Salvatore Magaraci ("Magaraci") and Defendant A. Kirsten Gallardo ("Gallardo"), offered and sold unregistered securities in the form of promissory notes to at least seven investors, three of whom were New Jersey residents. The promissory notes, combined with several other documents including a loan agreement, were called First Position Commercial Mortgages ("FPCM" or "FPCMs"), and were issued by funds sponsored by the Woodbridge Group of Companies, LLC ("Woodbridge"). Woodbridge held itself out as a commercial lender that made hard-money loans secured by mortgages on commercial property, but was ultimately revealed to be a \$1.2-billion Ponzi scheme. In total, Magaraci and Gallardo offered and sold New Jersey investors over \$1.075 million of FPCMs through Gallardo's wholly-owned companies, Defendants Nest Egg Retirement Solutions Inc. ("Nest Egg") and Estate Protection Planning Corp of New Jersey ("Estate Planning NJ").

2. Magaraci and Gallardo, who are not registered with the Bureau to sell securities, targeted elderly individuals in marketing the FPCMs as safe investments that purported to pay 4.75% or more of interest annually to investors, on a monthly basis. In reality, the securities were unregistered, unsecured, and part of a Ponzi scheme orchestrated by Woodbridge's former CEO Robert Shapiro ("Shapiro") and others for unlawful personal purposes.

3. Magaraci and Gallardo received commission payments from Woodbridge for their sales of FPCMs, which were deposited into the bank accounts of Nest Egg and Estate Planning NJ using a debit card in Gallardo's name. Both Gallardo and Magaraci had full access to, and shared in, these commission payments.

4. On December 4, 2017, Woodbridge and the funds it sponsored, along with other related entities, filed for Chapter 11 bankruptcy protection and the FPCM interest payments to investors ceased. Shortly thereafter, on December 20, 2017, the United States Securities and Exchange Commission ("SEC") filed a complaint in the United States District Court for the Southern District of Florida alleging that Woodbridge and Woodbridge-related companies, including the funds that issued the FPCMs, were part of a \$1.2 billion Ponzi scheme orchestrated by Shapiro. On December 27, 2018, the SEC and Woodbridge consented to the entry of an order for Woodbridge to pay \$1 billion in penalties and disgorgement. Shapiro was subsequently sentenced to 25 years in prison, in part for his role in the Woodbridge scheme.

5. Magaraci, Gallardo, Nest Egg, and Estate Planning NJ were paid approximately \$44,179.58 by Woodbridge for selling the unregistered FPCMs, while their elderly investors and their estates are now left to deal with the devastating loss of their investments.

6. Defendant Magaraci, residing with Gallardo in Huntington, New York, has never been registered with the Bureau in any capacity. Magaraci is licensed by the New Jersey Department of Banking and Insurance ("DOBI") as an insurance producer for Life Insurance, as well as Accident & Health or Sickness Insurance (License No. 84176). Magaraci has recently used also the name "Sal Maga" in connection with conducting his insurance business. Magaraci is currently operating as a "retirement planning specialist" and an "insurance professional" at Nest Egg, which has offices in New Jersey and Florida.

7. Defendant Gallardo, residing with Magaraci in Huntington, New York, has never been registered with the Bureau in any capacity. Gallardo is licensed by DOBI as an insurance producer for Life Insurance (License No. 89857).

8. Defendant Nest Egg is a New Jersey corporation formed on or about January 30, 2015. It has a principal address of 250 Pehle Avenue, Suite 200, Saddle Brook, New Jersey. Nest Egg has never been registered with the Bureau in any capacity. Nest Egg is licensed by DOBI as an insurance producer for life insurance (License No. 1575775). Gallardo is the sole owner, President, and registered agent of Nest Egg. She is also licensed by DOBI as the designated responsible licensed producer for the company. During the Relevant Time Period, Gallardo and Magaraci had signatory

authority over a bank account held in Nest Egg's name with JPMorgan Chase Bank ("Nest Egg Bank Account").

9. Defendant Estate Planning NJ was a New York corporation formed on or about March 19, 2014. The corporation was dissolved on or about April 20, 2020. It had a mailing address of P.O. Box 1089, Huntington, New York, and a principal executive office located at 19 Bay Road, Huntington, New York. Estate Planning NJ was never registered with the Bureau in any capacity, or with DOBI to do business in New Jersey. Gallardo was the owner, Chief Executive Officer, and President of Estate Planning NJ. During the Relevant Time Period, Gallardo and Magaraci had signatory authority over a bank account held in Estate Planning NJ's name with JP Morgan Chase Bank ("Estate Planning NJ Bank Account").

Related Non-Party

10. Estate Protection Planning Corp. ("Estate Protection") was a New York corporation formed on or about April 11, 2000. The corporation was dissolved on or about July 9, 2015. It had a mailing address of P.O. Box 1089, Huntington, New York, and a principal executive office located at 150 Broadhollow Road, Suite 102, Melville, New York.

FACTS

A. Magaraci and Gallardo's Regulatory History

11. Magaraci and Gallardo have had prior regulatory actions brought against them arising from violations of securities and insurance laws in other jurisdictions.

i. Magaraci and Estate Protection's Sale of Unregistered Retirement Value Securities

12. From approximately January 2009 to March 2010, Magaraci, and Estate Protection through Magaraci, offered and sold unregistered securities to at least eight investors. The securities were issued as part of a \$77 million fraudulent investment scheme orchestrated by the Texas company Retirement Value, LLC ("RV") (the "RV Fraud").

13. The RV Fraud was conducted via a network of unregistered agents called "licensees," including Estate Protection, who offered and sold fraudulent investments in the death benefits of life insurance policies.

14. During this time, Gallardo was the owner and Chief Executive Officer of Estate Protection. Magaraci marketed himself under the name of Estate Protection, and received compensation from the corporation.

15. On May 28, 2014, as part of a third-party Receiver action following a lawsuit brought by the state of Texas against RV, the 419th Civil District Court of Travis County, Texas, found Magaraci

and Estate Protection jointly and severally liable for \$271,658.55, plus interest and attorney's fees, attributable principally to a claw back of commissions they received from sales relating to the RV Fraud. Estate Protection was also individually liable for an additional \$116,930.56, plus interest and attorney's fees. Estate Protection was dissolved in July 2015, and, as of December 2019, the judgments arising from the RV Receiver's action were still unpaid.

16. As of the date of this Complaint, the RV Receiver has not completed its distribution of payments to defrauded investors in that case.

ii. Revocation of Magaraci's New York Insurance License

17. Magaraci was previously licensed by the New York State Department of Financial Services ("NYDFS"), but in September 2008, the NYDFS revoked Magaraci's insurance license by stipulation for violating Section 2117(a) of the New York Insurance Law. That revocation was based on Magaraci having acted from 2000 to 2007 as an insurance agent in New York for unauthorized insurers in soliciting, negotiating, and effectuating hundreds of annuity contracts. Specifically, Magaraci submitted applications to unauthorized insurers falsely stating that the applications were signed by the insureds in New Jersey, when in fact they were signed by the insureds in New York.

18. On June 11, 2014, in a separate disciplinary action, the NYDFS assessed a \$20,000 fine against Estate Protection and Gallardo by stipulation for failure to supervise Magaraci.

19. During the Relevant Time Period, Nest Egg and Estate Planning NJ's primary business consisted of marketing and selling fixed insurance products.

20. Also during the Relevant Time Period, Nest Egg's promotional materials stated that Nest Egg specialized in assisting individuals who were retired or near retirement with wealth management, income planning, and asset protection strategies.

21. Magaraci regularly worked from Nest Egg's Saddle Brook office, where he met with clients, among other things.

22. Throughout the Relevant Time Period, Magaraci and Nest Egg falsely held Magaraci out as the President of Nest Egg to the public.

23. For example, Magaraci hosted The Safe Money and Income Radio Show, which aired weekly on two New Jersey radio stations: WMTR-AM, between May 2016 and April 2017, and WCTC-AM, between May 2016 and October 2016. On that show, Magaraci repeatedly identified himself as President of Gallardo's company, Nest Egg, in promoting his and Nest Egg's services.

24. Magaraci also represented on The Safe Money and Income Radio Show that his clients never lost money. Specifically, during

one episode, a recording of which was also posted to Nest Egg's website ("Nest Egg Website"), Magaraci declared: "over the years, I have worked with millions and millions of dollars for my clients. Guess what? Not one of them has lost a single penny. Let me say that again. Not a single client of mine has lost any of their money even during the worst market crashes since the Great Depression." In another episode he stated: "have I lost any of my clients' money? The answer is a hundred percent, positive, no." These statements were false because, at a minimum, clients of Magaraci had lost money in the RV Fraud.

25. As of September 2021, the Nest Egg Website contained a lone profile for Magaraci under the section of the site titled "About Us." The website omitted any reference to Gallardo whatsoever.

26. As the sole owner of Nest Egg, Gallardo allowed Magaraci to use her company's platform to offer and sell the FPCMs.

B. The Woodbridge Securities

27. Woodbridge purported to be a commercial lender that made hard-money loans secured by mortgages on commercial property. Woodbridge offered and sold securities in the form of FPCMs issued by the following Woodbridge-related entities: Woodbridge Mortgage Investment Fund 1, LLC, Woodbridge Mortgage Investment Fund 2, LLC, Woodbridge Mortgage Investment Fund 3, LLC, Woodbridge Mortgage Investment Fund 3A, LLC ("Woodbridge Fund 3A"), and

Woodbridge Mortgage Investment Fund 4, LLC ("Woodbridge Fund 4") (collectively, "Woodbridge Funds").

28. The Woodbridge Funds represented that investors would receive a pro-rata, first position lien interest in a specific underlying property, and that they would receive monthly returns generated by interest payments made by third-party borrowers.

29. The FPCMs issued by the Woodbridge Funds included a Promissory Note (defined above as the FPCMs), a Loan Agreement, Assignment of Promissory Note and Mortgage, Collateral Assignment of Note, Mortgage, and other Loan Documents, and an Intercreditor Agreement (collectively, "FPCM Documents").

30. The FPCM Documents contained a representation that the investment included collateral consisting of a secured, first lien interest in a specific property and its accompanying mortgage.

31. The FPCMs were for a term of approximately one-year and purported to pay around 5% interest annually to investors on a monthly basis, and included a representation that if the Woodbridge Funds failed to pay, then Woodbridge itself would pay the investors. At the conclusion of the term, investors could either receive a return of their principal investment or rollover their investment into a new FPCM.

32. The FPCMs issued by the Woodbridge Funds are securities as defined in N.J.S.A. 49:3-49(m) of the Securities Law and were

required by N.J.S.A. 49:3-60 to be registered with the Bureau, federally covered, or exempt from registration.

33. The FPCMs issued by the Woodbridge Funds were not registered with the Bureau, federally covered, or exempt from registration.

34. Between May 2015, and August 2018, state securities regulators in Arizona, Michigan, and Texas issued cease and desist orders to Woodbridge, and state securities regulators in Massachusetts and Pennsylvania entered into consent orders with Woodbridge, in which some or all of the Woodbridge Funds were ordered to, or agreed to, cease and desist from sales of unregistered or non-exempt FPCMs.

35. On December 4, 2017, Woodbridge, the Woodbridge Funds, and other Woodbridge-related entities filed for Chapter 11 bankruptcy protection.

36. Also, in December 2017, the SEC filed a Complaint against Woodbridge, and others, alleging that it was a \$1.2-billion Ponzi scheme. Woodbridge consented to the entry of an order for Woodbridge to pay \$1 billion in penalties and disgorgement. Shapiro was criminally charged, along with two former directors, and plead guilty to his role in the scheme. He was sentenced to the maximum term of twenty-five years in prison, in part for his role in the Woodbridge fraud.

D. Defendants' Sale of FPCMS to New Jersey Investors

37. Between August 2016 and June 2017, Magaraci and Gallardo, through Estate Planning NJ and Nest Egg, offered and sold at least four FPCMs (one of which was a renewal) issued by the Woodbridge Funds, totaling approximately \$1,075,500, to three New Jersey investors.

38. Throughout their dealings, Woodbridge communicated with Magaraci through Estate Planning NJ's email address, eppc@optonline, which was used primarily by Gallardo during the Relevant Time Period. Magaraci also had access to a user portal on Woodbridge's website, using Gallardo's ID "kgallardo."

39. The Woodbridge Funds gave Magaraci and Gallardo the discretion to adjust the interest rate that investors received from the FPCMs, and thus to adjust the commission that they, Estate Planning NJ, and Nest Egg would be paid for their role in selling the FPCMs.

40. In total, Woodbridge Funds issued four commission checks for the sales: two totaling \$21,350 made payable to Estate Planning NJ and two totaling \$22,829.58 made payable to Nest Egg.

41. Each commission check generated by the sales was deposited into either the Estate Planning NJ or Nest Egg Bank Account, as further described below.

Investor C.F.

42. Investor C.F., who was eighty-five years old in 2016 and is now deceased, learned of Magaraci from listening to him on The Safe Money and Income Radio Show.

43. Following the show, C.F. called the radio station and requested literature that he had heard Magaraci advertise during the program.

44. That evening, Magaraci visited C.F.'s home and offered him a contract to purchase a Woodbridge FCPM. Magaraci told C.F. that he needed to sign the promissory note "now," or Magaraci could not guarantee the sale.

45. On or about August 11, 2016, Magaraci, and Estate Planning NJ, through Magaraci, sold investor C.F. a \$300,000 FPCM issued by Woodbridge Fund 3A.

46. Pursuant to the terms of the FPCM, C.F. was to receive monthly interest on the note at a fixed annual rate of 5% until September 1, 2017.

47. On or about August 17, 2016, Woodbridge sent Estate Planning NJ a \$12,000 commission check for C.F.'s purchase of the FPCM.

48. On or about August 23, 2016, the \$12,000 Woodbridge commission check was deposited into the Estate Planning NJ Bank Account using a debit card in Gallardo's name.

49. By August 29, 2016, Gallardo withdrew \$15,000 – more than the entirety of the Woodbridge commission check from the C.F. sale – from the Estate Planning NJ Bank Account.

Investor M.B.

50. Investor M.B., who was seventy years old in 2016, contacted Magaraci after listening to The Safe Money and Income Radio Show.

51. On or about August 26, 2016, Magaraci and Estate Planning NJ, through Magaraci, offered and sold investor M.B. a \$220,000 FPCM issued by Woodbridge Fund 3A.

52. Magaraci persuaded M.B. to transfer the balance of an individual retirement annuity that M.B. held with Jackson National Life Insurance Company to Mainstar Trust, the custodian for Woodbridge.

53. M.B. used the funds that were transferred to Mainstar Trust in part to purchase the \$220,000 FPCM.

54. Magaraci further persuaded M.B. to apply for a \$700,000 life insurance policy with American General Life Insurance Company, with a \$41,250 annual premium.

55. Pursuant to the terms of the FPCM, M.B. was to receive interest monthly on the note at a fixed annual rate of 4.75% until his note matured on October 1, 2017, at which point his principal investment would be returned.

56. Magaraci told M.B. that the interest and return of principal from M.B.'s Woodbridge investment was safe and guaranteed, and would be used to pay yearly premiums for M.B.'s life insurance policy.

57. On or about September 15, 2016, Woodbridge sent Estate Planning NJ a check for \$9,350 as the commission for M.B.'s investment.

58. On or about September 22, 2016, the \$9,350 Woodbridge commission check was deposited into the Estate Planning NJ Bank Account using a debit card held in Gallardo's name.

59. On June 5, 2017, Magaraci, Gallardo, and Nest Egg, through Magaraci and Gallardo, offered and sold investor M.B. a renewal of his \$220,000 FPCM issued by Woodbridge Fund 3A. The renewed note had the same interest rate as M.B.'s prior FPCM.

60. Following M.B.'s renewal of the FPCM, on September 22, 2017, Woodbridge sent a commission check for \$8,570.83, payable to Nest Egg. Woodbridge's internal records credited Gallardo for the sale.

61. On or about September 27, 2017, the \$8,570.83 Woodbridge commission check was deposited into the Nest Egg Bank Account using a debit card in Gallardo's name.

62. Despite Magaraci's representations, M.B. did not receive a return of principal on his FPCMs when the notes matured.

Investor E.V.

63. On or about June 13, 2017, Magaraci, Gallardo and Nest Egg, through Magaraci and Gallardo, offered and sold investor E.V. a \$335,500 FPCM in Woodbridge Fund 4. Investor E.V. was seventy-five years old at the time, and is now deceased.

64. Pursuant to the terms of the FPCM, E.V. was to receive interest monthly on the note at a fixed annual rate of 4.75% until it matured on July 1, 2018, at which point her principal investment would be returned.

65. On or about August 3, 2017, Woodbridge sent Nest Egg a check for \$14,258.75 as the commission for E.V.'s investment. Woodbridge's internal records credited Gallardo for the sale.

66. On or about August 14, 2017, the \$14,258.75 Woodbridge commission check was deposited into the Nest Egg Bank Account using a debit card held in Gallardo's name.

67. E.V. did not receive a return of principal on the FPCM when the note matured.

68. In total, investors M.B. and E.V. lost \$555,000 in their investments in Woodbridge FPCMs.

E. Defendants' Sale of FPCMs to Other Investors

69. Between June 2016 and August 2017, Magaraci and Gallardo, on behalf of Estate Planning NJ, offered and sold at

least four FPCMs issued by Woodbridge Fund 3A, to at least three New York investors.

70. Woodbridge sent Estate Planning NJ commission payments for the sale of these FPCMs in the following amounts:

- a. \$1,000 by check dated June 20, 2016, for the sale of a FPCM to investor N.L.;
- b. \$4,200 by check dated August 3, 2016, for the sale of a FPCM to investor W.J.;
- c. \$4,600 by check dated September 14, 2016, for the sale of a FPCM to investor A.G.; and
- d. \$2,000 by check dated August 16, 2017, for the sale of a FPCM to investor N.L.

71. Each of the aforementioned commission checks were deposited into the Estate Planning NJ Bank Account using a debit card held in Gallardo's name.

CONCLUSIONS OF LAW

OFFER AND SALE OF UNREGISTERED SECURITIES IN VIOLATION OF N.J.S.A. 49:3-60 (As to All Defendants)

72. The FPCMs are securities as defined in N.J.S.A. 49:3-49(m).

73. The FPCMs were required to be registered with the Bureau pursuant to N.J.S.A. 49:3-60.

74. The FPCMs were not registered with the Bureau, not exempt from registration, and not federally covered.

75. Every renewal of a FPCM constitutes a separate sale under the Securities Law.

76. Magaraci, Gallardo, Nest Egg, and Estate Planning NJ offered and sold unregistered securities in the form of FPCMs in violation of N.J.S.A. 49:3-60.

77. Each offer, sale, and renewal of the unregistered FPCMs by each Defendant constitutes a separate violation of N.J.S.A. 49:3-60 and is cause for imposition of civil monetary penalties for each violation pursuant to N.J.S.A. 49:3-70.1,

ACTING AS A BROKER-DEALER IN THIS STATE WITHOUT REGISTRATION
IN VIOLATION OF N.J.S.A. 49:3-56(a)

(As to Defendants Nest Egg and Estate Planning NJ)

78. Nest Egg and Estate Planning NJ effected or attempted to effect transactions in securities issued by Woodbridge - specifically, the FPCMs - from or in New Jersey, thus acting as a broker-dealer as defined in N.J.S.A. 49:3-49(c), without being registered with the Bureau.

79. Nest Egg and Estate Planning NJ violated N.J.S.A. 49:3-56(a), which provides, among other things, that only persons registered with the Bureau may lawfully act as a broker-dealer.

80. Each sale of the FPCMs to investors constitutes a separate violation of N.J.S.A. 49:3-56(a), and is cause for the imposition of civil monetary penalties for each violation pursuant to N.J.S.A. 49:3-70.1.

ACTING AS AN AGENT IN THIS STATE WITHOUT REGISTRATION
IN VIOLATION OF N.J.S.A. 49:3-56(a)
(As to Defendants Magaraci and Gallardo)

81. Magaraci and Gallardo represented Nest Egg and Estate Planning NJ in effecting or attempting to effect securities transactions from or in New Jersey and, thus, each acted as an agent, as defined in N.J.S.A. 49:3-49(b), without being registered with the Bureau to sell the Woodbridge Securities.

82. Magaraci and Gallardo violated N.J.S.A. 49:3-56(a) which provides, among other things, that only individuals registered with the Bureau may lawfully act as an agent.

83. Each sale of the FPCMs to investors constitutes a separate violation of N.J.S.A. 49:3-56(a) and is cause for the imposition of civil monetary penalties for each separate violation pursuant to N.J.S.A. 49:3-70.1.

84. Nest Egg and Estate Planning NJ employed or engaged agents, Magaraci and Gallardo, in effecting or attempting to effect transactions in securities from or in New Jersey.

85. Magaraci and Gallardo acted as agents, as defined in N.J.S.A. 49:3-49(b), without being registered with the Bureau.

86. Nest Egg and Estate Planning NJ engaged agents who were not registered with the Bureau to sell the FPCMs in violation of N.J.S.A. 49:3-56(h).

87. Each sale of the FPCMs to investors is a separate violation of N.J.S.A. 49:3-56(h), and is cause for the imposition of civil monetary penalties pursuant to N.J.S.A. 49:3-70.1.

VIOLATION OF N.J.S.A. 49:3-52(b)
(As to All Defendants)

88. Defendants, acting in concert with each other, made materially false and misleading statements and/or omitted to disclose material facts to investors in connection with the offer and sale of the FPCMs, as more fully described above.

89. Among the false and misleading statements were:

- a. Magaraci's misrepresentations, which he made personally and on behalf of Gallardo's companies Estate Planning of NJ and Nest Egg, that the FPCMs were safe investments with guaranteed returns;
- b. Magaraci's misrepresentation, which he made personally and on behalf of Gallardo's company Nest Egg during The Safe Money and Income Radio Show, that his clients had never lost money, when in fact Magaraci sold RV Securities to at least eight investors, all of whom lost money; and
- c. Magaraci's misrepresentation to potential investors and investors that he was the President of Nest Egg, when in reality Gallardo was the President of the company.

90. Additionally, both Gallardo and Magaraci omitted to inform investors that:

- a. they were not registered as agents with the New Jersey Bureau of Securities; and
- b. the FPCMs were not registered with the New Jersey Bureau of Securities.

91. Each misrepresentation or omission in violation of N.J.S.A. 49:3-52(b) by each defendant to each investor is a separate violation of the Securities Law and is cause for imposition of civil monetary penalties pursuant to N.J.S.A. 49:3-70.1.

VIOLATION OF N.J.S.A. 49:3-52(c)
(As to All Defendants)

92. Defendants, acting in concert with each other, engaged in acts, practices, and courses of business in violation of N.J.S.A. 49:3-52(c) in connection with the offer and sale of unregistered securities, by:

- a. Gallardo allowing Magaraci to use her companies as a platform to sell unregistered securities in the form of the Woodbridge FPCMs while sharing in the commissions from these sales; and
- b. Gallardo allowing Magaraci to use Gallardo's companies as a platform to guarantee to one investor that the securities would generate

sufficient interest to pay for the investor's annual life insurance policy premium when the investment return was in fact not guaranteed.

93. Each violation of N.J.S.A. 49:3-52(c) by each defendant upon each investor is a separate violation of the Securities Law and cause for imposition of civil monetary penalties for each separate violation pursuant to N.J.S.A. 49:3-70.1.

IT IS ORDERED AND AGREED on this ___ day of _____, 2023 as follows:

94. Salvatore Magaraci also known as "Sal Maga", A. Kirsten Gallardo, Nest Egg Retirement Solutions Inc. and Estate Protection Planning Corp of New Jersey individually, and by or through any person, corporation, business entity, agent, employee, broker, partner, officer, director, attorney-in-fact, successor, subsidiary, affiliate, stockholder and/or any other person who is directly or indirectly under their control or direction, are permanently restrained and enjoined from:

- a. directly or indirectly violating the Securities Law in any manner;
- b. directly or indirectly issuing, selling, offering for sale, purchasing, offering to purchase, promoting, negotiating, soliciting, advertising, or distributing any securities to, from or within New Jersey;

- c. being a partner, officer or director of an issuer, broker-dealer, investment adviser or from occupying a similar status or performing a similar function or from directly or indirectly controlling or being controlled by an issuer, broker-dealer or investment adviser in New Jersey;
- d. engaging in the securities business in New Jersey in any capacity including, but not limited to, acting as a broker-dealer, agent, investment adviser, investment adviser representative or otherwise;
- e. applying to the Bureau for registration in any capacity; and
- f. engaging in the conduct described in the Complaint filed in this matter.

95. Salvatore Magaraci, A. Kirsten Gallardo, Nest Egg Retirement Solutions Inc. and Estate Protection Planning Corp of New Jersey are jointly and severally assessed and are jointly and severally liable to pay civil monetary penalties in the amount of Fifty Thousand (\$50,000) Dollars, pursuant to N.J.S.A. 49:3-70.1, for violations of N.J.S.A. 49:3-60, N.J.S.A. 49:3-56(a), N.J.S.A. 49:3-56(h), and N.J.S.A. 49:3-52(b) and (c).

96. Salvatore Magaraci, A. Kirsten Gallardo, Nest Egg Retirement Solutions Inc. and Estate Protection Planning Corp of New Jersey are jointly and severally liable to pay restitution in

the amount of One Hundred Thousand (\$100,000) Dollars. In the event that any restitution funds cannot be paid to an investor-victim or his estate, such funds shall revert to the Bureau and be treated as additional civil monetary penalties.

97. Final judgment is entered against Defendants Salvatore Magaraci, A. Kirsten Gallardo, Nest Egg Retirement Solutions Inc. and Estate Protection Planning Corp of New Jersey, jointly and severally, each in the amount of One Hundred Fifty Thousand (\$150,000) Dollars ("Final Judgment").

98. The Final Judgment is immediately due and owing and shall be paid as follows: (a) Thirty Thousand (\$30,000) Dollars shall be paid upon Defendants' execution of this Consent Order; (b) Thirty Thousand (\$30,000) Dollars on or before October 15, 2023; (c) Twenty-Five Thousand (\$25,000) Dollars on or before January 15, 2024; (d) \$30,000 on or before April 15, 2024; and (e) \$35,000 on or before July 15, 2024.

99. All payments shall be made by certified check, bank check, attorney trust account check or other guaranteed funds, payable to the "New Jersey Bureau of Securities," and delivered to the Bureau of Securities, 153 Halsey Street, 6th Floor, Newark, New Jersey 07102. The payments for the civil monetary penalties shall be deposited in the Securities Enforcement Fund, pursuant to N.J.S.A. 49:3-66.1.

100. If the Bureau fails to receive any of the periodic payments in the preceding paragraphs on the specified payment dates, then the unpaid balance of the \$150,000 Final Judgment, less a credit for any payments previously made, shall be accelerated and immediately due and payable to the Bureau, without further application to this or any other Court by the Bureau.

101. Salvatore Magaraci, A. Kirsten Gallardo, Nest Egg Retirement Solutions Inc. and Estate Protection Planning Corp of New Jersey waive any rights they may have to appeal this Consent Order.

102. This Consent Order constitutes the entire agreement between Salvatore Magaraci, A. Kirsten Gallardo, Nest Egg Retirement Solutions Inc. and Estate Protection Planning Corp of New Jersey and Plaintiff.

103. No employee, attorney, official or representative of Plaintiff or the State of New Jersey has made any additional promise or representation to Salvatore Magaraci, A. Kirsten Gallardo, Nest Egg Retirement Solutions Inc. and Estate Protection Planning Corp of New Jersey regarding this Consent Order.

104. Nothing in this Consent Order shall in any manner be construed to limit or affect the rights of any persons who are not a party to this Consent Order.

105. The terms and conditions of this Consent Order may only be modified by order of this Court.

106. The Court retains jurisdiction to enforce, modify, or otherwise hear any application arising from the terms of this Consent Order.

107. New Jersey law shall govern the terms and provisions herein.

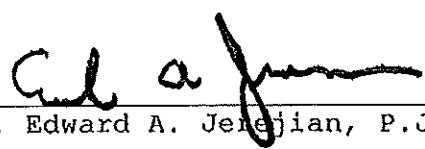
108. If any portion of this Consent Order is held invalid or unenforceable by operation of law or court order, the remaining terms of this Consent Order shall remain in full force and effect.

109. Salvatore Magaraci, A. Kirsten Gallardo, Nest Egg Retirement Solutions Inc. and Estate Protection Planning Corp of New Jersey, represent that they have each fully read this Consent Order, understand it, and agree to be bound by its terms.

110. Salvatore Magaraci, A. Kirsten Gallardo, Nest Egg Retirement Solutions Inc. and Estate Protection Planning Corp of New Jersey each represent that they have had a full and complete opportunity to consult with counsel of their choice before signing this Consent Order, and that they voluntarily, of their own free will, and without any undue influence, coercion or duress have agreed to the terms of and signed this Consent Order.


111. This Consent Order may be signed in counterparts, each of which shall be deemed an original.

Dated: August 15, 2023



Hon. Edward A. Jerejian, P.J.Ch.

CONSENT TO FORM, CONTENT AND
ENTRY OF THIS CONSENT ORDER:


SALVATORE MAGARACI A/K/A
SAL MAGA,
Defendant

Dated: August 1, 2023

CONSENT TO FORM, CONTENT AND
ENTRY OF THIS CONSENT ORDER:


A. KIRSTEN GALLARDO, Defendant

Dated: August 1, 2023

CONSENT TO FORM, CONTENT AND
ENTRY OF THIS CONSENT ORDER:

NEST EGG RETIREMENT SOLUTIONS, INC.,
Defendant

By: 
A. KIRSTEN GALLARDO, President

Dated: August 1, 2023

CONSENT TO FORM, CONTENT AND
ENTRY OF THIS CONSENT ORDER:

ESTATE PROTECTION PLANNING CORP
OF NEW JERSEY (Dissolved)

By: 
A. KIRSTEN GALLARDO, Former President

Dated: August 1, 2023

CONSENT TO FORM, CONTENT AND
ENTRY OF THIS CONSENT ORDER:

CHIESA SHAHINIAN & GIANTOMASI PC
105 Eisenhower Parkway
Roseland, NJ 07068
Counsel for Defendants

By: *A. Ross Pearlson*
A. ROSS PEARLSON, ESQ.

Dated: August 1, 2023

CONSENT TO FORM, CONTENT AND
ENTRY OF THIS CONSENT ORDER:

CHIESA SHAHINIAN & GIANTOMASI PC
105 Eisenhower Parkway
Roseland, NJ 07068
Counsel for Defendants

By: *Melissa Wernick*
MELISSA F. WERNICK, ESQ.

Dated: August 1, 2023

CONSENT TO FORM, CONTENT AND
ENTRY OF THIS CONSENT ORDER:

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07102
Counsel for Plaintiff

By: _____
MICHAEL ELENESKI
DEPUTY ATTORNEY GENERAL

Dated: July _____, 2023

CONSENT TO FORM, CONTENT AND
ENTRY OF THIS CONSENT ORDER:

CHIESA SHAHINIAN & GIANTOMASI PC
105 Eisenhower Parkway
Roseland, NJ 07068
Counsel for Defendants

By: _____
A. ROSS PEARLSON, ESQ.

Dated: July _____, 2023

CONSENT TO FORM, CONTENT AND
ENTRY OF THIS CONSENT ORDER:

CHIESA SHAHINIAN & GIANTOMASI PC
105 Eisenhower Parkway
Roseland, NJ 07068
Counsel for Defendants

By: _____
MELISSA F. WERNICK, ESQ.

Dated: July _____, 2023

CONSENT TO FORM, CONTENT AND
ENTRY OF THIS CONSENT ORDER:

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07102
Counsel for Plaintiff

By: *Michael Eleneski*
MICHAEL ELENESKI
DEPUTY ATTORNEY GENERAL

Dated: August 8, 2023