

**DEPARTMENT OF LABOR,
LICENSING AND REGULATION**

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v.

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CASE NO. SPMG-12-0002

BENJAMIN FROMME,

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Respondent

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* * * * *

CONSENT ORDER

This matter comes before the Maryland Department of Labor, Licensing and Regulation ("Department") based on a complaint filed by the Anne Arundel County Police Department against Benjamin Fromme ("Respondent"). Based on that complaint, the Department determined that administrative charges against the Respondent were appropriate and that a hearing on those charges should be held. This matter was scheduled for a hearing at the Office of Administrative Hearings on November 7, 2011, but the case was withdrawn by the Department to allow for settlement to occur. The Department and the Respondent consent to the entry of this Order as final resolution of this action as to the administrative charges in Complaint No. SPMG-12-0002.

IT STIPULATED BY THE PARTIES that:

1. The Respondent is currently licensed as a secondhand precious metal object dealer ("dealer"), with the business name of Royal Jewelers (License Nos. 2304 and 2304-1).

2. On May 31, 2011, the Department, by its deputy secretary, entered the following Orders (through a Consent Order) in Case Nos. SPMG-11-0004, SPMG-11-0024, and SPMG-11-0039:

ORDERED that Respondent Benjamin Fromme has violated Business Regulation Article, Maryland Annotated Code, §§12-202(d), 12-203, 12-301(a)(1),(b)(1) and (2) and (e), 12-301(a),(b)(1) and (2) and (e) [effective 10/1/10], 12-302(a), 12-303, 12-304(a)-(c), and 12-305(a)(1),(c)(1) and (d), as well as Code of Maryland Regulations 09.25.01.05 and 09.25.02.02, and it is further

ORDERED that the Respondent dealer's licenses (License Nos. 2304 and 2304-1) are suspended for 30 days effective 30 days from the date this Consent Order is executed by the deputy secretary, and it is further

ORDERED that the Respondent is assessed a total civil penalty of \$5,000.00 for those violations, which amount is payable to the Department within 30 days of the date this Consent Order is executed by the deputy secretary, and it is further

ORDERED that, if payment of the total civil penalty is not made within that 30-day period, the Respondent dealer's license (License Nos. 2304 and 2304-1) shall be automatically suspended until payment of the total civil penalty is made, and it is further

ORDERED that, during the period of suspension, the Respondent may not acquire, in any manner, including purchase, pawn or consignment, any secondhand precious metal objects and may not sell or trade with members of the public any secondhand precious metal objects. However, the Respondent may, during the suspension period, allow

members of the public to redeem pawned secondhand precious metals objects where those items were taken in pawn prior to the suspension. The term "members of the public" as it is used herein shall not include a licensed dealer within the meanings of §12-101 *et seq.* of the Business Regulations Article, and it is further

ORDERED that the Department's records and publications shall reflect the terms of this Consent Order.

3. The Consent Order for those cases included stipulations that the Respondent agreed to abide by secondhand precious metal object statutes and regulations in future transactions.

4. Prior to the above-referenced license suspension, the Respondent had been licensed as a secondhand precious metal object dealer ("dealer"), with the business name of Royal Jewelers.

5. On or about July 3, 2011, while the Respondent's dealer's license was suspended, the Respondent, or an employee on his behalf, acquired a ladies yellow gold ring, which was missing a stone, from a William M. at the Respondent's kiosk in the Marley Station Mall in Glen Burnie, Maryland.

6. On or about July 7, 2011, at approximately 3:45 p.m., Detective Robert Gibson of the Anne Arundel County Police Department observed the Respondent acquiring a ring from a white female at that kiosk.

7. Detective Gibson also observed that the Respondent failed to require the female to provide identification and failed to complete a daily return, or transaction, reporting form.

8. The Respondent's dealer's license was suspended at the time of the above-referenced transactions.

9. Detective Gibson then questioned the Respondent about the July 7 transaction.

10. The Respondent produced the ring for the detective; the Respondent acknowledged that he had not completed a daily return, or transaction, reporting form; the Respondent explained that he failed to have the female produce identification because she was a "repeat customer;" the Respondent was aware that his dealer's license was suspended at the time of the transaction observed by Detective Gibson; and the Respondent was aware that the suspension had begun on July 1, 2011.

11. Detective Gibson also questioned the Respondent at that time about other secondhand precious metal object ("object" or "objects") transactions which had occurred during the license suspension period.

12. The Respondent admitted that he had engaged in other transactions during that period.

13. The Respondent had not held the objects acquired during the suspension period at his business location or at an approved storage facility and had instead taken the objects to his home.

14. On or about July 8, 2011, Detective Gibson, with Detective Jennifer Long and Laura Dohoney of the Anne Arundel County Police Department, returned to the Respondent's kiosk at the Marley Station Mall.

15. The Respondent was observed inspecting objects offered by a Nicole D.

16. Detective Gibson *et al.* asked to see the objects which the Respondent had acquired since the beginning of his license suspension.

17. The Respondent provided Detective Gibson with a bag of objects and acknowledged that he had acquired at least some of those objects during his license suspension.

18. These objects had been kept at the Respondent's home and were not tagged.

19. The ladies yellow gold ring acquired on July 3, 2011 was not in this bag.

20. During this inspection, the Respondent was unable to provide the police with any daily return, or transaction, reporting forms for objects acquired since the beginning of his license suspension.

21. The Respondent acknowledged to the police that he had not completed reporting forms for the transactions.

22. The Respondent also failed to electronically report transactions to law enforcement between July 1 and July 8, 2011.

23. During this inspection, the Respondent again acknowledged to the police that he knew his license was suspended effective July 1, 2011 and that it was suspended at the time Detective Gibson observed his acquisition of a ring from a female on July 7.

24. During the July 8, 2011 inspection, the Respondent admitted to the police that his employees were aware that his dealer's license had been suspended; that he (the Respondent) had advised employees to acquire objects if the employees knew the seller and the seller appeared to be "desperate" for money; and that at least one employee had acquired objects during the license suspension period.

25. On or about July 14, 2011, Detective Gibson, with Detective Long and Ms. Dohoney, met with one of the Respondent's employees, Byoung Choi (a/k/a Mark), at the Respondent's business location.

26. The Respondent's employee acknowledged that he had acquired objects during the license suspension period.

27. The Respondent's employee also acknowledged the following: that the Respondent had advised him of the license suspension; that the Respondent had advised him that he could

acquire objects from persons he knew; that the employee asked sellers to provide identification; that the employee completed reporting forms and gave them and the objects to the Respondent; and that some objects which he had acquired during the license suspension period were not in the bag of objects which the Respondent had produced on July 8.

28. On or about July 15, 2011, the Respondent acknowledged the following to Detective Gibson: that the Respondent did not know where all objects acquired were; that the Respondent did not have any reporting forms; that the Respondent had thrown in the trash reporting forms which his employee had given him; and that it was the Respondent's decision not to file electronic reports for transactions occurring during his license suspension period.

29. The Respondent failed to hold objects for the mandatory 18-day holding period.

30. Because of the Respondent's actions, the police were unable to inspect reporting forms and objects.

31. The Respondent agrees that, effective with his execution of this Consent Order, he will never apply for, or seek renewal or reinstatement of, a secondhand precious metal object dealer's license in Maryland in the future.

32. The Respondent agrees that he will not act as an "employee," as defined in Section 12-101(c) of the Business Regulation Article of the Maryland Annotated Code, in the future.


33. The Respondent enters the Consent Order freely, knowingly, voluntarily, and with the advice of counsel.

34. By entering into this Consent Order, the Respondent expressly waives the right to any hearing or further proceedings to which he may be entitled in this matter and any rights to appeal from the Consent Order.

BASED ON THESE STIPULATIONS, IT IS, THIS 14th DAY OF November 2011, BY
THE MARYLAND DEPARTMENT OF LABOR, LICENSING AND REGULATION,

ORDERED that Respondent Benjamin Fromme has violated Business Regulation Article,
Maryland Annotated Code, §§12-201, 12-301(a) and (c), 12-303, 12-304(a)(1),(b), and (c), 12-
305(a)(1) and (d), 12-306(a), and 12-501, and it is further

ORDERED that, because of those violations, the Respondent dealer's licenses (License Nos:
2304 and 2304-1) are revoked effective 5 days from the date this Consent Order is executed by the
Secretary, and it is further

ORDERED that the Respondent is assessed a total civil penalty of ~~\$7,500.00~~ for those
violations, which amount is payable to the Department in one payment within ~~60~~ ^{90 AMS} days of the date this 
Consent Order is executed by the Secretary, and it is further

ORDERED that the Department's records and publications shall reflect the terms of this
Consent Order.

:
RESPONDENT'S SIGNATURE
APPEARS ON ORIGINAL ORDER
Benjamin Fromme

SECRETARY'S SIGNATURE
APPEARS ON ORIGINAL ORDER
Alexander M. Sanchez, Secretary
Maryland Dept. of Labor, Licensing
and Regulation

11/4/11
Date