

DEPARTMENT OF LABOR
LICENSING AND REGULATION,

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v.

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CASE NO: SPMG 12-0051

CHRISTOPHER REDA
dba Old Glory Gold and Coin, LLC
also trading as The Goldfather

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Respondent

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CONSENT ORDER

This matter comes before the Maryland Department of Labor, Licensing and Regulations (“Department”) as a result of a complaint filed by the Anne Arundel County Police Department. Upon a review of the complaint, the Department has determined that administrative charges against Christopher Reda (the “Respondent”) dba Old Glory Gold and Coin, LLC, also trading as The Goldfather, 7800 Park West Drive, Severn, Maryland 21144 be filed and an administrative hearing should be held. In an effort to resolve this matter without a formal hearing, the Respondent and the Department have agreed to enter into this Consent Order as the final settlement of this matter.

THE PARTIES AGREE AND STIPULATE:

1. At all times relevant to the matters set forth this Consent Order, the Department had jurisdiction over the subject matter and the Respondent.
2. The Respondent (License No 01-2277-01), holds secondhand precious metal object dealers and pawnbrokers license (License No 01-2517) with the Department Old Glory Gold and Coin, LLC, also trading as The Goldfather, 7800 Park West Drive, Severn, Maryland 21144, which was initially issued on December 8, 2011.
3. On or about March 12, 2012, the Respondent acquired jewelry composed of secondhand precious metal objects, as defined in §12-101 Business Regulation Article, Annotated Code of Maryland. The Respondent’s employee paid the seller of the jewelry \$2,900.

4. Officers of the Anne Arundel County Police Pawn Unit during the course of a stolen property investigation had obtained information that stolen jewelry had been sold to the Respondent's business on March 12, 2012.

5. On March 12, 2012, Anne Arundel County Police Officers conducted an inspection of the Respondent's business to locate the jewelry.

6. During the inspection, the police officers interviewed Tyler Smearman, an employee authorized by the Department to acquire secondhand precious metal objects on behalf of the Respondent.

7. Mr. Smearman, acknowledged to the police officers that he conducted the transaction involving the jewelry and paid the seller \$2,900.00. He confirmed the identity of the seller and produced a photocopy of the seller's 'driver's license and an incomplete daily transaction report form.

8. Mr. Smearman could not produce the jewelry upon the request of the police officers, advising them that the jewelry was "accidentally" sent to the smelter on March 13, 2012

9. Upon a review of transactions contained in the Regional Automated Pawn Property Data System (RAPPDS), the transaction involving the stolen jewelry was not submitted by the Respondent or the Respondent's employees.

10. During the inspection, the police officers also determined the following:

- a) On March 12, 2012 a transaction was conducted in the amount of \$750.00, which was not electronically reported to the Anne Arundel County Police Department.
- b) On March 12, 2012, a transaction was conducted in the amount of \$10.00, which was not electronically reported to the Anne Arundel County Police Department.
- c) The jewelry involved in the transactions was stored at the Respondent's business location.

11. The Respondent acknowledges that the Respondent And his employees knew, or should have known of the requirement of the Secondhand Precious Metal Object Dealers and Pawnbrokers Act to electronically report items to law enforcement agencies and to hold items in authorized storage facilities for 18 days from the date the items were reported to local law enforcement agencies.

12. Based on the aforementioned facts, the Respondent acknowledges that the Respondent or the Respondent's employees have violated Business Regulation Articles §§12-304 and 12-305 (a) (1) (i) 1., Annotated Code of Maryland, which provide:

§ 12-304. Copies to primary law enforcement units

(a) *In general.* - (1) A dealer shall submit a copy of the required information from each record to the primary law enforcement unit in accordance with subsection (b) of this section.

(b) The dealer shall submit the records by transmitting the required information from the records electronically, in a format acceptable to the receiving law enforcement unit, by Noon of the next business day.

§12-305.

(a) (1) (i) 1. Except as otherwise provided in this section, a dealer who acquires a precious metal object shall keep it in the county where the dealer holds a license from the time of acquisition until at least 18 days after submitting a copy of a record of its acquisition under § 12-304 of this subtitle.

2. Notwithstanding subparagraph (ii) of this paragraph, the 18-day holding period established under this subparagraph applies to a precious metal object that:

A. a dealer licensed in Prince George's County acquired in a pawn transaction; and

B. an individual seeks to redeem by presenting the original ticket issued as part of the pawn transaction.

(ii) A dealer who holds a license in Prince George's County and who acquires a precious metal object, other than a pawned precious metal object described in subparagraph (i)2 of this paragraph, shall keep it in Prince George's County from the time of acquisition until at least 30 days after submitting a copy of a record of its acquisition under § 12-304 of this subtitle.

(2) A dealer who acquires a precious metal object at an event which takes place at a location other than the dealer's fixed business address shall place the object and a record of its acquisition at a location in accordance with subsection (d)(1) or (2) of this section by the next business day after acquiring the object.

(3) In partial compliance with the 18-day holding requirement under this subsection, a dealer may maintain an object and the record of its acquisition at a location other than the dealer's fixed business address, if the local law enforcement unit in the jurisdiction where the item was acquired provides written approval.

(b) (1) A dealer may submit to the primary law enforcement unit a written request for a shorter holding period for a specific precious metal object.

(2) Within 48 hours after the primary law enforcement unit receives a request, the primary law enforcement unit shall approve or deny the request.

(3) After inspecting the precious metal object, the primary law enforcement unit may authorize in writing a shorter holding period.

(4) If the primary law enforcement unit denies the request, the primary law enforcement unit shall state the reasons in writing.

(c) (1) Except as provided in paragraph (2) of this subsection, a dealer may not alter a precious metal object before or during the holding period.

(2) During the holding period, a dealer may chemically test a precious metal object to determine its metal content or value if the dealer does not alter the precious metal object so as to affect its identification or value.

(d) During the holding period for a precious metal object, a dealer shall keep the precious metal object and the record of its acquisition in:

- (1) the place of business of the dealer; or
- (2) a storage facility specified in the license application of the dealer.

13. Based on the aforementioned violation, the Respondent agrees to pay to the Department a civil penalty of \$ 3,200.00 upon the Respondent's execution of this Consent Order.

14. The Respondent further agrees that he shall abide by the provisions of the Maryland Secondhand Precious Metal Object Dealers and Pawnbrokers Act, § 12-101 et. seq. and COMAR 09.25.01, et. seq.

15. The Respondent, by entering into this Consent Order, expressly waives the right to have the pending allegations by the Department reduced to written charges, the right to an administrative hearing on the charges and the making of Findings of Fact and Conclusions of Law, and any all further proceeding before the Department to which the Respondent may be entitled to in this matter, and any rights to appeal from this Order.

16. The Respondent enters into this Consent Order freely, knowingly and voluntarily.

BASED ON THESE STIPULATIONS, IT IS, THIS 9 DAY OF August, 2012, BY THE DEPARTMENT OF LABOR, LICENSING AND REGULATION:

ORDERED that the Respondent has violated Business Regulation Articles §§12-304 (a) and (b); and 12-305 (a) (1) (i) 1 and (d), Annotated Code of Maryland ;

ORDERED that the Respondent is, hereby, reprimanded;

ORDERED that the Respondent be assessed a civil penalty of \$3,200.00 for the violation, which amount is to be payable to the Department upon the Respondent's execution of this Consent Order and Settlement Agreement, and it is further

ORDERED that the Department's records and publications reflect the violation and the civil penalty of \$3,200.00 imposed on the Respondent.

RESPONDENT'S SIGNATURE
APPEARS ON ORIGINAL ORDER
Christopher Reda

INTERIM SECRETARY'S SIGNATURE
APPEARS ON ORIGINAL ORDER
Scott Jensen
Interim Secretary
MARYLAND DEPARTMENT OF LABOR,
LICENSING AND REGULATION

Aug. 6, 2012
Date