

MARYLAND DEPARTMENT OF  
LABOR, LICENSING  
AND REGULATION

v.

MONICA KHAN,

Respondent

\* BEFORE THE  
\* MARYLAND DEPARTMENT  
\* OF LABOR, LICENSING & REGULATION  
\* COMPLAINT NOS.: SPMG-10-004~~5~~ & 005~~1~~  
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CONSENT ORDER

This matter comes before the Maryland Department of Labor, Licensing and Regulation ("Department") based on complaints filed by the Anne Arundel County Police Department against Monica Khan ("Respondent"). Based on those complaints, 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 This matter was scheduled for a hearing at the Office of Administrative Hearings on July 9, 2010, but the case was withdrawn by the Department to allow for settlement to occur.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 Nos. SPMG-01-0044 and 0051.

IT IS STIPULATED BY THE PARTIES that:

1. The Respondent is currently licensed as a secondhand precious metal object dealer ("dealer"), dba K Pearl Corporation, 7900 Ritchie Highway, C114, Glen Burnie, Maryland 21061 (License No. 2341).
2. That license was issued September 9, 2009.

3. The Respondent is currently licensed as a dealer, dba Monica Jewelers, 10300 Little Patuxent Parkway, 1710, Columbia, Maryland 21044 (License No. 2341-01).
4. That license was issued November 23, 2009.
5. The Respondent is currently licensed as a dealer, dba Monica Jewelers, 2002 Annapolis Mall, Suite 137, Annapolis, Maryland 21401 (License No. 2341-02).
6. That license was issued April 20, 2010.
7. On or about November 16, 2009, the Respondent and/or employees acquired secondhand precious metal objects ("object" or "objects") in Transaction Nos. 641266 and 641284.
8. The objects were acquired at the Respondent's shop at the Annapolis Mall, but the Respondent was not licensed to acquire the objects at that location at that time.
9. Sunny Schawani, the employee who acquired the objects, had not been registered with and approved by the Department to act as an "employee" (as defined in Maryland Annotated Code, Business Regulation Article, §12-101(c)) at the time those objects were acquired.
10. The Respondent and/or employees filed daily return, or transaction, forms with the Anne Arundel County Police Department for those transactions.
11. The forms were completed incorrectly and/or improperly, as follows:
  - A. The form for Transaction No. 641266 failed to adequately describe the objects acquired, including, but not limited to, the metallic composition, the color, the weight, and the prices.
  - B. The form for Transaction No. 641284 failed to adequately describe the object listed on the form, including, but not limited to, the weight and a name on an earring.

C. The bag in which the Respondent and/or employees kept the objects listed on those two transaction forms contained other objects which were either not part of those transactions or, alternatively, were part of the transactions but not included on the forms.

12. On or about November 7, 2009, the Respondent and/or employees had acquired objects in Transaction No. 633428 at the Annapolis Mall location at which, again, the Respondent was not licensed to acquire objects.

13. The Respondent and/or employees completed a daily return, or transaction, form but did not submit it to police until on or about November 23, 2009.

14. Mr. Schawani, who, again, was not registered with and approved by the Department to act as an "employee" (as defined in §12-101(c) of Maryland Annotated Code, Business Regulation Article), had acquired the objects on the Respondent's behalf.

15. The form failed to adequately describe objects acquired and failed to include all objects acquired in the transaction.

16. On or about November 18, 2009, a detective from the Anne Arundel County Police Department met with the Respondent's employee, Mr. Schawani, concerning Transaction Nos. 641266 and 641284.

17. During that visit, the detective asked Mr. Schawani whether any additional transactions had occurred at the Annapolis Mall location.

18. Mr. Schawani replied in the negative.

19. Mr. Schawani failed to inform the detective about Transaction No. 633428, which had taken place on or about November 7, 2009.

20. On or about November 20, 2009, the Respondent's Ritchie Highway shop acquired an object from members of the Anne Arundel County Police Department, who were acting in an undercover capacity. .

21. Malick Khan, the employee who acquired the object, was not registered with and approved by the Department to act as an "employee" (as defined in §12-101(c) of Maryland Annotated Code, Business Regulation Article) on the Respondent's behalf.

22. Mr. Khan failed to obtain required identifying information about the seller(s) in that transaction.

23. Later on November 20, 2009, members of the Anne Arundel County Police Department visited the Respondent's Ritchie Highway shop, identified themselves as police officers, and met with Mr. Khan.

24. Mr. Khan admitted that he had acquired objects from two minors and that daily return, or transaction, forms had not been completed in the transactions with those minors.

25. Mr. Khan acknowledged that acquired objects had not been stored at the Respondent's shop and/or that they had not been held at her shop for the requisite period.

26. Mr. Khan provided (to the police on November 20, 2009) daily return, or transaction, forms for three transactions in which he had acquired objects.

27. The forms were completed incorrectly and/or improperly, as follows:

A. As to Transaction No. 640235 (seller's initials: L.H), the form failed to adequately describe the sixth, eighth, tenth, eleventh, twelfth, and fifteenth objects listed; the form failed to include the weights for the first, ninth, tenth, and eleventh objects listed; and the form failed to include the amounts paid for each object (except the last object).

B. As to the transaction involving a seller with the initials "A.G.," the form failed to include a date, time, or transaction number for the transaction; failed to include all required identifying information about the seller; failed to include the buyer's signature; failed to include the dealer price of each object acquired; and failed to adequately describe the objects acquired. In addition, the transaction was not reported electronically to the police.

C. As to the transaction involving a seller with the initials "C.R." [name used by the undercover police officer on November 20, 2009], the form failed to include a date, time, or transaction number for the transaction; failed to include all required identifying information about the seller; and failed to adequately describe the object.

28. On or about November 25, 2009, the Respondent admitted to a member of the Anne Arundel County Police Department that her shop had acquired a class ring and two mother's ring from a minor.

29. The Respondent also admitted that her shop had melted the rings down (after altering the objects) before the requisite holding period had passed.

30. On or about December 3, 2009, members of the Anne Arundel County Police Department met with the Respondent and employees at her Ritchie Highway shop.

31. Mr. Malick Khan admitted that he had actually acquired objects from more than two minors and that objects had been altered.

32. Such transactions were not reported to the police.

33. When the Respondent applied for a dealer's license, she affirmed under penalty of perjury that she had read Sections 12-101 through 12-601 of the Maryland Annotated Code, Business Regulation Article, and the Department's regulations, Code of Maryland Regulations 09.25.01 through 09.25.04, and that she understood her responsibilities under the laws.

34. The Respondent knew, or should have known, of requirements concerning the acquisition of objects at licensed locations, the use of registered and approved employees, the prohibition against transactions with minors, the requirements for the proper and timely reporting of the acquisition of objects, the holding period for and the location of holding objects, and the prohibition against alteration of objects.

35. The Respondent will not permit individuals to buy, sell, or supervise directly the buying or selling of secondhand precious metal objects unless the individuals are first registered with and approved by the Department as employees (as defined in §12-101(c), Maryland Annotated Code, Business Regulation Article).

36. The Respondent enters this Consent Order freely, knowingly, and voluntarily, and having had the opportunity to seek the advice of counsel.

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

38. The Respondent agrees to abide by the Maryland Secondhand Precious Metal Object Dealers and Pawnbrokers Act, Maryland Annotated Code, Business Regulation Article, §12-101 *et seq.*, and regulations of the Department in future transactions.

BASED ON THESE STIPULATIONS, IT IS, THIS 27<sup>th</sup> day of July, 2010, BY THE MARYLAND DEPARTMENT OF LABOR, LICENSING AND REGULATION,

ORDERED that Respondent Monica Khan has violated Business Regulation Article, Maryland Annotated Code, §§12-203, 12-213, 12-301(a) & (e), 12-302(a), 12-304(a)-(c), and 12-

305(a)(1), (c) & (d), as well as Code of Maryland Regulations 09.25.01.02 and 09.25.01.05C and it is further

ORDERED that the Respondent dealer's licenses (License Nos. 2341, 2341-01, & 2341-02) are suspended for 60 days effective August 1, 2010, and it is further

ORDERED that the Respondent is assessed a total civil penalty of \$4,000.00 for those violations, which amount is payable to the Department in two equal monthly installments, due on the first of each month, beginning on August 1, 2010 and continuing through and including September 1, 2010, and it is further

ORDERED that, if payment of the total civil penalty is not made by September 1, 2010, the Respondent's dealer's licenses (License Nos. 2341, 2341-01, and 2341-02) 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 redeemed 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 Regulation Article, 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)  
MONICA KHAN

07-20-10  
Date

DEPUTY SECRETARY'S SIGNATURE  
APPEARS ON ORIGINAL ORDER  
LEONARD J. HOWIE, III  
DEPUTY SECRETARY

MARYLAND DEPARTMENT OF  
LABOR, LICENSING, & REGULATION