

DEPARTMENT OF LABOR,
LICENSING AND REGULATION

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v.

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CASE NOS: SPMG 11-0006
SPMG 11-0007

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JOSHUA C. CANADA
Gold Rush MD, LLC,

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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 complaints filed by the Anne Arundel County Police Department. Upon a review of the complaint, the Department has determined that administrative charges against Joshua C. Canada, dba Goldrush MD, Incorporated (the “Respondent”), 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 obtained a license as a secondhand precious metal object dealer (License No. 2278) dba GoldRush MD, LLC at 7000 Arundel Mills Circle, Hanover, Maryland 21076 on March 12, 2009.
- 3. The Respondent obtained a license as a secondhand precious metal object dealer (License No. 2278-01) dba GoldRush of MD, LLC at a second location, 173 Jennifer Road, 2002 Annapolis Mall, Annapolis, Maryland 21401 on September 3, 2009.
- 4. The Respondent obtained a license as a secondhand precious metal object dealer (License No. 2278-01) dba Goldrush of MD, LLC at a third location, 7101 Democracy Boulevard, Bethesda, Maryland 20817 on September 3, 2009.

5. On June 15, 2010 members of the Anne Arundel County Police Department conducted an inspection of the Respondent's place of business to determine the Respondent's compliance with the Maryland Secondhand Precious Metal Object Dealers and Pawnbrokers Act., Title 12, Business Regulation Article.

6. The inspection revealed that the Respondent or the Respondent's employees altered, by means of cutting, 22 secondhand precious metal objects that were acquired at the Respondent's Annapolis Mall and Arundel Mills Mall locations during the period June 9 through June 11, 2010.

7. The Respondent acknowledges that the Respondent's employee, Michael Thurston, on March 11, 2010 at the Respondent's Annapolis Mall location met with Tanya Minion, an investigator of the Department, and a member of the Anne Arundel County Police Department. Mr. Thurston was advised, during a routine inspection on that date, that cutting secondhand precious metal objects constituted "altering" or "damaging" the objects and was prohibited by the Secondhand Precious Metal Object Dealers and Pawnbrokers Act.

8. The Respondent acknowledges that the Respondent's employee, Michael Thurston, on March 31, 2010 at the Respondent's Arundel Mills Mall location met with members of the Anne Arundel County Police Department. Mr. Thurston was advised, during a routine inspection on that date, that cutting secondhand precious metal objects constituted "altering" or "damaging" the objects and was prohibited by the Secondhand Precious Metal Object Dealers and Pawnbrokers Act.

9. The inspection of the Respondent's business location at 7000 Arundel Mills, Road, Hanover, Maryland 21076 also determined that the Respondent's or the Respondent's employees failed to adequately describe items in the following transactions secondhand in which precious metal objects that were acquired :

- a) Transaction No. 1013553, dated June 2, 2010;
- b) Transaction No. 1013558, dated June 2, 2010;
- c) Transaction No. 1013604; dated June 7, 2010;
- d) Transaction No. 1013617, dated June 8, 2010;
- e) Transaction No. 1013644; dated June 10, 2010;
- f) Transaction No. 1013652; dated June 11, 2010;
- g) Transaction No. 1013663; dated June 12, 2010; and
- h) Transaction No. 1013685; dated June 13, 2010.

10. The inspection of the Respondent's business location at 173 Jennifer Road (2002 Annapolis Mall), Annapolis, Maryland 21401 also determined that the Respondent's or the Respondent's employees failed to adequately describe items in the following transactions secondhand in which precious metal objects that were acquired :

- a) Transaction No. 1112268, dated May 31, 2010;
- b) Transaction No. 1112368, dated June 9, 2010;

- c) Transaction No. 1112404; dated June 12, 2010; and
- d) Transaction No. 1112426, dated June 12, 2010.

11. The Respondent or the Respondent's employees knew or should have known of the prohibition of altering or damaging secondhand precious metal objects during the holding 18-day holding period from the date that the items were reported to local law enforcement agencies; and the requirements for the description of items that are acquired

12. The Respondent or the Respondent's employees knew or should have known of the requirements to adequately describe and report to local law enforcement agencies complete and accurate descriptions of items acquired in secondhand precious metal object transactions.

13. Based on the aforementioned facts, the Respondent acknowledges that he has violated Business Regulation Article §§12-301 (a), 12-302 (a) (3), 12-305 (a) and (c) Annotated Code of Maryland; which state:

§ 12-301. Required records.

(a) Records of dealers.- Each dealer shall make a written record, on a form provided by the Secretary, of each business transaction that involves the acquisition of a secondhand precious metal object when the transaction is made.

§12-302. Contents of Records

(a) In addition to any other information required by the Secretary, the records of a dealer shall include...

3) a description of the precious metal object, including:

(i) its approximate metallic composition;

(ii) any jewels, stones, or glass parts;

(iii) any mark, number, word, or other identification on the precious metal object;

(iv) its weight, if payment is based on weight;

(v) a statement whether it appears to have been altered by any means, including:

1. obscuring a serial number or identifying feature;

2. melting; or

3. recutting a gem; and

(vi) the amount paid or other consideration...

§ 12-305. Holding period for precious metal objects.

(a) Duration - In general.-

(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) 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.

(c) Alteration of object.-

(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.

11. Based on the aforementioned violations, the Respondent agrees to pay to the Department a civil penalty of \$5,000.00 upon the Respondent's execution of this Consent Order.

12. 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.

13. 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.

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

BASED ON THESE STIPULATIONS, IT IS, THIS 24th DAY OF September, 2010, BY THE DEPARTMENT OF LABOR, LICENSING AND REGULATION:

ORDERED that the Respondent violated Business Regulation Article §§12-301 (a), 12-302 (a) (3), 12-305 (a) and (c), Annotated Code of Maryland, Annotated Code of Maryland;

ORDERED that the Respondent is, hereby, reprimanded;

ORDERED that the Respondent be assessed a civil penalty of \$5,000.00 for the violations, which amount is 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 violations and the civil penalty of \$5,000.00 imposed on the Respondent.

(RESPONDENT'S SIGNATURE
APPEARS ON ORIGINAL ORDER)

Joshua C. Canada

Date

9/21/10

DEPUTY SECRETARY'S SIGNATURE
APPEARS ON ORIGINAL ORDER

LEONARD J. HOWIE, III
DEPUTY SECRETARY
MARYLAND DEPARTMENT OF LABOR,
LICENSING AND REGULATION