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DEPARTMENT OF LABOR LICENSING AND REGULATION	*	
	*	
v.	*	
	*	CASE NO.: SPMG 10-0042
BRAD AUSTIN BERGERSEN dba 24 K Brokers.	*	
	*	
	*	
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 against Brad Austin Bergersen dba 24 K Brokers by Detective Robert J. Gibson, Anne Arundel County Police Department. Upon a review of the complaint, the Department has determined that administrative charges against Brad Austin Bergersen (the "Respondent") 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 holds a license (License No. 2234) at 2729 Solomon's Island Road, Edgewater, MD 212037, which was originally issued on August 14, 2009. The Respondent closed this location on or about January 19, 2010.

3. The Respondent holds a license (License No. 2334 -01) at another location, 2457 Twin Knolls Road, Suite 101, Columbia, Maryland 21045, which was issued on December 16, 2009.

4. On October 23, 2009, the Respondent held a secondhand precious metal object buying event at the 1040 Tudor Drive, Crownsville, MD 21042 during which the Mr. David Brice, and employee of the Respondent acquired items from the public on the Respondent's behalf.

5. On October 31, 2009, the Respondent held a secondhand precious metal object buying event at the 1040 Tudor Drive, Crownsville, MD 21042 during which the Mr. David Brice, and employee of the Respondent acquired items from the public on the Respondent's behalf.

6. On November 7, 2009, the Respondent held a secondhand precious metal object buying event at 3518 Sharonwood Rd, Laurel, MD 21042 during which Ms. Tammy Souder, an employee of the Respondent, acquired items from the public on the Respondent's behalf.

7. On November 8, 2009, the Respondent held a secondhand precious metal object buying event at 2342 Chapel Hill Blvd., Odenton MD 21113 during which Mr. David Brice, an employee of the Respondent, acquired items from the public on the Respondent's behalf.

8. The Respondent did not submit Mr. Brice's name in a Report of Employee Form to the Department for approval prior to Mr. Brice's acquiring secondhand precious metal objects from the public on behalf of the Respondent at the October 23 and November 8, 2009 events.

9. The Respondent submitted Mr. Brice's name for approval as an authorized employee on November 16, 2009, which was approved on December 4, 2009.

10. The Respondent did not submit Ms. Souder's name in a Report of Employee Form to the Department for approval prior to Ms. Souder's acquiring secondhand precious metal objects from the public on behalf of the Respondent at the November 7, 2009 event.

11. On November 12, 2009, The Respondent submitted Ms. Souder's name for approval as an authorized employee.

12. On November 11, 2009 Detective Robert J. Gibson and Laura Dahoney, Pawn and Precious Metal Squad Assistant conducted an inspection of the items and transaction reports that were completed and filed with the Anne Arundel County Police Department relating to the secondhand precious metal object buying events that were held by the Respondent that were conducted at 1040 Tudor Drive, Crownsville, MD 21042 on October 23, 2009; at 7970 Paddock Ct, Severn, MD, 0n October 31, 2009; at 3518 Sharonwood Road, Laurel, MD 20724 on November 7, 2009 and at 2342 Chapel Hill Blvd., Odenton MD. 21113 on November 8, 2009. The storage location was EZ Storage, 2727 Solomons Island Road, Edgewater, MD 21037, an authorized alternative storage facility. John Bergersen, the Respondent's father and an authorized employee, participated in the inspection until the Respondent's arrival.

13. The inspection of the Respondent's records revealed that the Respondent and/or his employees improperly and/or incorrectly completed the daily transaction reports from the October 23, 2009 event as follows:

A. In Transaction No. 24-db-1023309-5 items #1, #2 and #4 in transaction report did not indicate the length of the chains. In addition, item 7 listed a

"Ladies 10K Yellow Gold Ring", but omitted that the ring also contained an oval citrine stone with six small diamond chips.

B. In Transaction No. 24k-db-102309-04 – Item one listed as a "ladies 10K yellow Gold Ring Fashion" was found to have diamond chips that were not listed. Item two was listed as "Ladies 14K yellow scrap gold bar". The item was actually a flattened men's wedding band.

C. Transaction No. 24k-db-102309-03 contained five entries for "yellow gold Pendant/Charm". There were a total of six charms associated with the transaction. Three of the charms were described, "Sweet 16" charm, "cross" charm, "$" symbol charm. The other three charms, "E" charm, "#1 sis" charm and "oil" charm, located in the bag were not described and one of them was not listed at all. The transaction also lists two gold chains, items one and seven which do not include any lengths. Item seven also has a charm holder attached to it that is not described.

14. The inspection of the Respondent's records revealed that the Respondent and/or his employees improperly and/or incorrectly completed the four transaction reports from the October 31, 2009 event as follows:

A. In Transaction Nos. 24k-ADP-103109-01, 24k-ADP-103109-01, 24k-ADP-103109-01, and 24k-ADP-103109-01, the name of one individual was indicated as the only seller of the item. Upon inspection of the bags containing the items described in the transactions four separate names and addresses were noted.

B. In Transaction No. 24k-ADP-103109-01 item one was listed as "Bracelet ladies 7in linked" was a heart link bracelet. Items two, three, four, five and six are listed as "Earrings" , with no further description, were three pair of large etched hoop earrings and two mismatched large wire hoop earrings. Item seven was listed was "Necklace", with no length listed, was found to be a large rope necklace. Items eight, nine, and eleven were listed as "Necklace", no link were

listed, and item ten is listed as "Necklace thin spiral necklace"; none of the necklaces have a length listed. Item twelve listed as "Ring" was a ladies filigree ring.

C. In Transaction No. 24k-ADP-103109-02 – The bag contained a yellow gold dangle pierced earring with a ball that was not listed in the transaction.

D. In Transaction 24k-ADP-103109-03 – Item two listed as a "Bracelet heart design" did not include a length. Item three listed as "Earrings horse shoe earring" was a single etched hoop earring. Item four listed as a "Necklace thin linked" did not include a length. Item six listed as "Ring ladies with 2 stones" had two pearls. A small broken clasp not listed in the transaction was also found in the bag.

E. In Transaction 24k-ADP-103109-04 - Item six, listed as a "pendant/charm, cross with purple stone", was a pierced earring. Item seven, listed as a "pendant/charm, charm with stone" no color listed, was a purple stone. Item nine, listed as a Ring, ladies, grooved design" was a nugget ring.

15. The inspection of the Respondent's records revealed that the Respondent and/or his employees improperly and/or incorrectly completed the four transaction reports from the November 7, 2009 event as follows:

A. In Transaction 24k-ts-110709-01 – Item one listed as a "Ring men's stone pattern", was a men's large nugget ring. Item three, listed as a "ring men's band thin" was a woman's diamond cluster ring.

B. In Transaction 24k-ts-110709-02 – Item one, listed as "Ring multi stone ring" but no stone colors,g was an etched wedding band with no stones. Item two, listed as "Ring women's weaved necklace", no length was given, was a six strand, weaved herringbone necklace. Item three, listed as "Ring women's multi stone ring" no stone colors were given, was a ring which contained three red, ten green, and three blue stones set in a flower pattern with diamond chips.

16. Upon inspection of the transactions of items acquired at the November 8, 2009 event Detective Gibson and Ms. Dahoney reported the following:

A. There were 13 transactions. Each of the bagged and tagged items did not correspond with the transaction nos. reported to Anne Arundel County Police Department

B. The items described in the electronic filing reports did not match the items they visually observed in Transactions Nos.24k-db-110809-04, 24k-db-110809-07, 24k-db-110809-03, 24k-db-110809-01, and 24k-db-110809-12.

17. The Respondent knew, or should have known, of the requirements concerning the completion of the daily transaction report forms.

18. The Respondent knew, or should have known, of the requirements the file the names of employees who engage in the transaction of secondhand precious metal objects on behalf of the Respondent with the Department for approval.

19. Based on the aforementioned facts, the Respondent acknowledges that he has violated Business Regulation Article §§12–203 (1) and (2), 12-301 (a), (d) and (e), 12-302 (a) (1) – (4), 12-304 (a) – (c), Annotated Code of Maryland and Code of Maryland Regulations ACOMAR 09.25.01.05 A. - C., which provide:

§ 12-203. Fees for employees.

Before an individual may begin work for a dealer as an employee:

(1) the dealer shall submit to the Secretary, on the form that the Secretary provides, the name of the individual; and

(2) the individual shall apply for a national and State criminal history records check required under § 12-204(b) of this subtitle.

§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.

(d) *Separate entries.*- A separate record entry shall be made for each item involved in a transaction. However,

items in a matching set may be recorded as a set if acquired in a single transaction.

(e) *Tagging and numbering of items*.- The dealer shall tag each item individually with a number that corresponds to the transaction under which it was acquired. However, items acquired in a matching set may be tagged as a set.

§12–302. Contents of Records

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

(1) the date, place, and time of each transaction that involves the acquisition of a precious metal object;

(2) the name and address of the principal, if the transaction is by an agent;

(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;

(4) for each individual from whom the dealer acquires a precious metal object:

(i) the name, date of birth, and driver's license number of the individual; or

(ii) identification information about the individual that:
1. positively identifies the individual from at least 2 forms of identification, which may include an age of majority card, military identification, or passport; and

2. provides a physical description of the individual, including the sex, race, any distinguishing features, and approximate age, height, and weight of the individual;

(5) a statement indicating whether or not the person making the transaction is personally known to the dealer; and

(6) the signature of the person from whom the precious metal object or personal property is acquired and the dealer or employee who accepted the precious metal object.

§ 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) *Delivering copies* 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.

(c) *Contents.*- Each record, submitted to the primary law enforcement unit and, if applicable, local law enforcement unit, shall include: (1) the license number of the dealer; 2) the location of each item listed in the record; and (3) the information required under § 12-302 of this subtitle.

COMAR 09.25.01.05 Employees of the Licensee.

A. At the time an individual applies for a license, the individual shall:

(1) On a form provided by the Secretary, submit the name of each employee who, on behalf of the applicant, will engage in a precious metal object transaction or pawn transaction;

(2) Submit documents, as required by the Secretary, necessary to conduct a criminal background investigation for each employee who will engage in a precious metal object or pawn transaction; and

(3) Pay the fee for each employee pursuant to Business Regulation Article, §12-203, Annotated Code of Maryland.

B. A current licensee shall notify the Secretary, under the requirements of §A of this regulation, of the identity of an employee whom the licensee intends to hire to engage in a precious metal object or pawn transaction.

C. The licensee may not permit an employee to engage in a precious metal object or pawn transaction until the Secretary notifies the licensee of the licensee's compliance with §A or B of this regulation.

20. Based on the aforementioned violations, the Respondent agrees to pay to the Department a civil penalty of $1,250.00 upon the Respondent's execution of this Consent Order.

21. 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.

22. The Respondent agrees to submit to the Department a plan of training for the Respondent's employees concerning the proper completion of daily transaction report forms and implement a regular training program for this purpose.

23. 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.

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

BASED ON THESE STIPULATIONS, IT IS, THIS 20th DAY OF May, 2010, BY THE DEPARTMENT OF LABOR, LICENSING AND REGULATION:

ORDERED that the Respondent has violated Business Regulation Article §§12–203 (1) and (2), 12-301 (a), (d) and (e), 12-302 (a) (1) – (4), 12-304 (a) – (c), Annotated Code of Maryland and Code of Maryland Regulations COMAR 09.25.01.05 A. – C. and, it is further

ORDERED that the Respondent is, hereby, reprimanded;

ORDERED that the Respondent be assessed a civil penalty of $1,250.00 for the violations, which amount is to 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 $1,250.00 imposed on the Respondent.

Brad Austin Bergersen

Leonard J. Howie, III
Deputy Secretary
Maryland Department of Labor,
Licensing and Regulation

5/14/10
Date