434-10

DEPARTMENT OF LABOR LICENSING AND REGULATION	*	
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	*	CASE NO.: SPMG 10-0017
LAWRENCE H. WEINBERG t/a Chain Reaction Inc.	*	
	*	
Respondents	*	

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CONSENT ORDER

This matter comes before the Maryland Department of Labor, Licensing and Regulation ("Department") as a result of a complaint filed by Detective Robert J. Gibson, Anne Arundel County Police Pawn Unit, against Lawrence H. Weinberg dba Chain Reaction, Inc, 7000 Arundel Mills Mall, Arundel Mills Circle #442, Hanover, MD 21076 (the Respondent). Upon a review of the complaint, the Department has determined that administrative charges against the Respondent should be held. In an effort to resolve this matter without a formal hearing, the Respondents 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 Respondents.

2. The Respondent obtained a license (License No. 2301) as a Secondhand Precious Metal Object Dealer, dba Chain Reaction, Inc., 7000 Arundel Mills Mall, Arundel Mills Circle #442, Hanover, MD 21076

3. The Respondent failed to timely file a transaction report (Transaction No. 918) for secondhand precious metal objects obtained by the Respondent on August 12, 2009. The transaction report was received by the Anne Arundel County Police Department on August 24, 2009.

4. On August 31, 2009, Laura Dahoney, Pawn and Precious Metal Squad Assistant inspected transaction reports filed with the Anne Arundel County by the Respondent and found that the following transaction reports were filed incorrectly and/or inadequately:

A. The daily transaction report form for Transaction No. 944 lists one bag of mixed flakes, bars and findings of 14k yellow gold. The items were found to be 26 ring mountings with stones removed, eight (8) fan shaped charms, one (1) leaf earring, two (2) gold bars, two (2) heart charms, one (1) leaf charms and a few scrap backings, gold flakes and jumpers. The transaction report form erroneously

B. The daily transaction report form for Transaction No. 945 did not identify the race of the seller.

C. The daily transaction report forms for Transaction Nos. 947, 952, and 954 did not have the seller's signature.

D. The daily transaction report form for Transaction Nos. 948, and 954 did not have the signature of the Respondent or one of the Respondent's employees.

E. The daily transaction report form for Transaction No. 955 did not indicate the weight of the 14K gold solitaire setting with no center item.

F. The daily transaction report form for Transaction No. 956 listed "pile of scrap broken pieces of 10k all yellow gold" was found to be five rings (1 with ruby, 1 heart pendant with diamonds, 1 herringbone bracelet, 1 herringbone necklace tangled with a broken heart charm holder, and broken heart bracelet.

G. The daily transaction report form for Transaction No. 958 listed Item 1 as a "pile of mix scrap broken gold piece all in bag yellow gold all 14k". Item 1 was found to be:

(1) one oval green stone ring;
(2) one anniversary band with stones removed;
(3) one sapphire/diamond ring
(4) one large oblong opal ring;
(5) one ring guard with stone removed;
(6) one omega chain necklace;
(7) three male head charms with engravings, one engraved "Jason 6-18-73", one engraved "Scott 8-20-71, and one engraved "3-22-64"
(8) two wedding pendants, a Florida pendant that included a palm tree with a pearl and a red stone and one engraved "9-7-68";
(9) and pendant shaped as praying hands, with a prayer inscribed on its obverse side;
(10) a tennis bracelet with green and white stones;
(11) a bracelet with sapphires and diamonds;
(12) a bike pendant;
(13) a dog pendant:
(14) five pairs of hoop earrings;
(15) one pair of earrings shaped as a rams head;

(16) one pair of jade teardrop earrings;
(17) one pair of ball stud earrings;
(18) one pair of sapphire and diamond stud earrings;
(19) one pair of blue stone earrings;
(20) one pair of earrings with stones missing;
(21) three single earrings; and
(22) six scrap jump links.

H. The daily transaction report form for Transaction No. 960 listed the driver's license number as Maryland Drivers license number. The search of the Maryland Motor Vehicle Administration's database did not reveal a match for the name of the seller listed on the transaction report form nor was a match for a Maryland issued driver's license.

I. The daily transaction report form for Transaction No. 969 did not list the weight of the seller.

8. The Respondent knew, or should have known, of the requirements concerning the proper completion of the daily transaction report forms and the filing of these forms to local law enforcement agencies.

9. Based on the aforementioned facts, the Respondents acknowledges that she has violated Business Regulation Article §§12–301 and 302 (a) (1), (3), (4)(i) and (ii) 2, (6), and 304 (b)(1)(a):

§12–301. Required Records.

(a) 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:

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

(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;

(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;

(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 local law enforcement units.

(a) (1) A dealer shall submit a copy of each record to the primary law enforcement unit in accordance with subsection (b) of this section...

(b) (1) Except as provided in paragraph (2) of this subsection, the dealer shall submit the records by one of the following methods:

(i) by delivering or mailing a copy of the records by the end of the next business day after the day on which the item was acquired; or

(ii) by transmitting a copy of the records electronically, in a format acceptable to the receiving law enforcement unit, by the end of each business day.

10. Based on the aforementioned violations, the Respondents agrees to pay to the Department a civil penalty of $2,500.00 upon the Respondent's execution of this Consent Order.

11. The Respondents 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.

12. The Respondents, 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 Respondents may be entitled to in this matter, and any rights to appeal from this Order.

13. The Respondents enters into this Consent Order freely, knowingly and voluntarily.

BASED ON THESE STIPULATIONS, IT IS, THIS 19th 26th DAY OF May, 2010, BY THE DEPARTMENT OF LABOR, LICENSING AND REGULATION:

ORDERED that the Respondents has violated Business Regulation Article §§12–301 and 302 (a) (1), (3), (4)(i) and (ii) 2, (6), and 304 (b)(1)(a); and it is further

ORDERED that the Respondents is, hereby, reprimanded;

ORDERED that the Respondents be assessed a civil penalty of $2,500.00 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 $2,500.00 imposed on the Respondents.

Lawrence H. Weinberg

5.19.10
Date

Leonard J. Howie, III
Deputy Secretary
MARYLAND DEPARTMENT OF LABOR, LICENSING AND REGULATION