DEPARTMENT OF LABOR *
LICENSING AND REGULATION
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*
* CASE NO.: SPMG 10-0039

CHARLES LEDNUM. *
dba Lednum's Jewelers, Inc.
*
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 Trooper First Class Jean McGlynn, Maryland State Police Barrack "I" in Easton, Maryland. Upon a review of the complaint, the Department has determined that administrative charges against Charles Lednum (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 currently holds a secondhand precious metal object dealers and pawnbrokers license (License No. 153) with the Department.

3. On May 21, 2007 the Respondent's license expired.

4. On September 28, 2008 the Respondent reinstated his license.

5. The Responded admits that during the period May 9, 2005 to September 28, 2008 he acquired secondhand precious metal objects in 22 transactions.

6. The Respondent and/or the Respondent's employee completed the daily transaction for the objects that were acquired.

7. The Respondent provided those forms to law enforcement agencies.

8. The Respondent and/or the Respondent's employee completed the following transaction form incorrectly and/or improperly:

A. The daily transaction report form for Transaction Nos. 997-1018, dated between and July 28, 2008, failed to note whether the sellers had other distinguishing feature and failed to include the name of the licensee, i.e., Charles Lednum.

B. The daily transaction report form for Transaction Nos. 998, 1001-1006, 1010-1011, and 1013-1016 failed to include the dealer price for each object acquired.

C. The daily transaction report forms for Transaction No. 997 failed to include the licensee's license number.

9. The Respondent acknowledges that he knew or should have known of all of the requirements concerning holding a license, in good standing, with the Department as a condition of acquiring secondhand precious metal objects from the public.

10. The Respondent acknowledges that he knew or should have known of all of the requirements concerning the completion of daily transaction report forms for secondhand precious metal objects he acquired from the public.

11. Based on the aforementioned facts, the Respondent acknowledges that he has violated Business Regulation Article §§12–201, 301, and 302and Code of Maryland Regulations ("COMAR) 09.25.05.01A., which provide:

§12–201. License required.

(a) Except as otherwise provided in this title, an individual shall have a license before the individual does business as a dealer in the State.

§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;

(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.

COMAR 09.25.01.01 License Required

A. Individuals engaged in the business of buying, acquiring, or trading commercially with members of the public in secondhand precious metals are required to be licensed as dealers unless specially exempt under Business Regulation Article, § 12-102, Annotated Code of Maryland.

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

BASED ON THESE STIPULATIONS, IT IS, THIS 29th DAY OF December, 2009, BY THE DEPARTMENT OF LABOR, LICENSING AND REGULATION:

ORDERED that the Respondent has violated Business Regulation Article §§12–201, 301, and 302and Code of Maryland Regulations ("COMAR) 09.25.05.01A., and it is further

ORDERED that the Respondent be assessed a civil penalty of $150.00 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 $150.00 imposed on the Respondent.

Charles Lednum

Charles Lednum

12/21/09

Date

Maryland Department of Labor,
Licensing and Regulation

Leonard J. Howie, III
Deputy Secretary