J67-10

DEPARTMENT OF LABOR
LICENSING AND REGULATION

v.

CASE NO.: SPMG 10-0067

JOSHUA C. CANADA
Gold Rush MD, LLC

Respondent

* * * * * * * * * * * * *

CONSENT ORDER

This matter comes before the Maryland Department of Labor, Licensing and Regulations ("Department") as a result of complaints filed by the Montgomery 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 dba 7101 Democracy Boulevard, Bethesda, Maryland 20817 on September 1, 2009.

3. On January 13, 2010 members of the Montgomery 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.

4. The inspection revealed that the Respondent failed to maintain secondhand precious metal objects obtained from the following transactions for 18 days: Transaction Nos.1210877, 1210879, 1210880, 1210883, 1210884, and 1210885.

5. The inspection revealed that the Respondent failed to display his license at the business location.

6. The inspection also determined that the Respondent's scale that was used to weight secondhand precious metal objects did not have the certification sticker of the Department of Agriculture.

7. An inspection conducted by members of the Montgomery County Police Department on January 18, 2010 revealed that the Respondent did not maintain transaction records at the Respondent's place of business nor in the State of Maryland.

8. The inspection conducted on January 14, 2010 revealed that the Respondent failed to completely and accurately describe precious metal objects contained in the following transactions:

(a) Transaction No. 1210894, dated December 28, 2009,
(b) Transaction No. 1210970, dated January 9, 2010,
(c) Transaction No. 1210973, dated January 9.2010,
(d) Transaction No. 121002, dated January 13, 2010,

9. The Respondent or the Respondent's employees knew or should have known of the requirements for the display of the secondhand precious metal object dealer and pawnbrokers license at the Respondent's place of business; the requirements for the scales used in precious metal object transactions to be registered by the Department of Agriculture, including the display of the Department of Agriculture's certification sticker; the responsibility to hold items acquired for 18 days from the date of acquisition; maintain transaction records at the Respondent's place of business; and for the accurate and complete description of items acquired on daily transaction reports.

10. Based on the aforementioned facts, the Respondent acknowledges that he has violated Business Regulation Article §§12-301 (a), 12-302 (a) (3), 12-303, 12-305 (a) (1) – (3) and 12-306 (a), Annotated Code of Maryland; and Code of Maryland Regulations COMAR 09.02.02 A.-C., 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...

§ 12-303. Retention of records.

Unless otherwise authorized by the Secretary, a dealer shall keep the records required by this subtitle, at a location within the State, for 3 years after the date of the transaction.

§ 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.

§ 12-306. Inspection of records and precious metal objects.

(a) *In general.* - A dealer shall allow an authorized law enforcement officer or agent, on request, to enter the place of business or storage premises of the dealer during business hours to inspect a record required to be maintained under this title or precious metal object as part of a stolen property investigation or an investigation of a violation of this title.

09.25.02.02 Registration Required.

A. A licensed dealer shall register with the Department of Agriculture any weights and measures which are used in buying from, selling to, or trading commercially with the public, any secondhand precious metal object.

B. Registration with the Department of Agriculture shall be in accordance with Agriculture Article, 11-204.1-----11-204.7, Annotated Code of Maryland.

C. A licensed dealer shall display the registration conspicuously in the place of business of the licensee.

11. 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.

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 13th DAY OF May, 2010, BY THE DEPARTMENT OF LABOR, LICENSING AND REGULATION:

ORDERED that the Respondent has violated Business Regulation Article §§12-301 (a), 12-302 (a) (3), 12-303, 12-305 (a) (1) – (3) and 12-306 (a), Annotate Code of Maryland; and Code of Maryland Regulations COMAR 09.02.02 A.-C., which state:

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 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.

Joshua C. Canada

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

May 12, 2010
Date