DEPARTMENT OF LABOR
LICENSING AND REGULATION

v.

CASE NO. SPMG 10-0032

HOSSEIN KORD MAFI
dba Gem Boutique

Respondent

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

CONSENT ORDER

This matter comes before the Maryland Department of Labor, Licensing and Regulations ("Department") as a result of complaints filed by Detective Robert Gibson, of the Anne Arundel County Police Department. Upon a review of the complaint, the Department has determined that administrative charges against Hossein Kord Mafi, dba Gem Boutique (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 was issued a license (Reg. No. 2213) as a secondhand precious metal object dealer on May 23, 2008.

3. During the period September 13, 2009 and October 12, 2009, the Respondent acquired secondhand precious metal objects.

4. The Respondent completed daily transaction reports and filed them with the Anne Arundel County Police Department.

5. The Respondent acknowledges that the transaction reports were completed incorrectly and/or improperly, as follows:

A. The daily return forms for Transaction Nos. 491-9, 492-10, 493-11, 494-12, 495-13, 496-14 and 497-15 failed to note whether the sellers' telephone numbers; failed to note whether the sellers had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to not whether the sellers were known to the dealer. In addition, the form for Transaction No. 495-13 failed to provide separate record entries for the objects listed.

B. The daily return form for Transaction No. 498-16 failed to note whether the sellers had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the sellers were known to the dealer. In addition, the form failed to provide separate record entries for the third and fourth objects listed.

C. The daily return form for Transaction No. 499-17 failed to note whether the sellers had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to not whether the sellers were known to the dealer.

D The daily return forms for Transaction Nos. 500-18, 501-19 and 502-20 failed to note the sellers' telephone numbers; failed to note whether the sellers had a beard, mustache, glasses, tattoos, scars, and other distinguishing features note whether the sellers had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the sellers were known to the dealer. In addition, the Transaction No 502-20 failed to adequately describe the object acquired.

E. The daily return form for Transaction No. 503-21 failed to include the seller's full address; failed to note whether the sellers had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the sellers were known to the dealer.

F. The daily return form for Transaction No. 504-22 failed to note whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the seller were known to the dealer. In addition, the form failed to adequately describe the object listed.

G. The daily return form for Transaction No. 505-23 failed to note whether the sellers had other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the seller was known to the dealer.

H. The daily return form for Transaction Nos. 506-24, 507-25, and 508-26 failed to note the sellers' telephone numbers; failed to note whether the sellers had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the sellers were known to the dealer.

I. The daily return form for Transaction No. 509-27 failed to note the seller's telephone number; failed to indicate the race or ethnic identity of the seller; whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the seller were known to the dealer. In addition, the form failed to provide separate record entries for the second and third objects listed.

J. The daily return form for Transaction No. 509-28 failed to note whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the seller was known to the dealer.

K. The daily return form for Transaction No. 509-29 failed to note the seller's telephone number; whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the seller was known to the dealer.

L. The daily return form for Transaction No. 509-30 failed to include the seller's date of birth, failed to note whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the seller was known to the dealer; and included an incorrect dealer price.

M. The daily return form for Transaction No. 509-31 failed to include the seller's telephone number; failed to indicate the seller's race or ethnic identity; failed to note whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note the State of the seller's driver's license; failed to note whether photographic identification was used; and failed to note whether the seller was known to the dealer.

N. The daily return form for Transaction No. 514-32 and 515-33; failed to note the sellers' telephone number; failed to note whether the sellers' had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the sellers were known to the dealer. In addition, the form failed to provide separate record entries for the first and second objects listed.

O. The daily return form for Transaction No. 516-34 failed to note whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the seller was known to the dealer; and included an incorrect dealer price.

P. The daily return form for Transaction No. 517-35, 518-36 and 519-37 failed to note the sellers' telephone numbers; failed to note whether the sellers' had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the sellers were known to the dealer.

Q. The daily return form for Transaction No. 520-38 failed to note whether the seller had glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the sellers were known to the dealer.

R. The daily return form for Transaction No. 520-39 failed to note whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether the seller was known to the dealer; and failed to include separate record entries for the first, second, and sixth objects listed.

S. The daily return form for Transaction No. 524 failed to note whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; ; failed to note whether photographic identification was used; and failed to note whether the seller was known to the dealer.

T. The daily return forms for Transactions No. 525,526, 527, and 528 failed to note the sellers' telephone numbers; failed to note whether the sellers' had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the sellers were known to the dealer. In addition, the return form for Transaction failed to provide separate record entries for the first objects listed and failed to include the dealer price for each object acquired.

U. The daily return forms for Transaction Nos. 529 and 530, failed to indicate the seller's race or ethnic identity; failed to note the seller's telephone numbers; failed to note whether the sellers' had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the sellers were known to the dealer.

V. The daily return forms for Transaction No. A531-48 failed to indicate the whether the sellers' had tattoos, scars, and other distinguishing features; failed

to note whether photographic identification was used; and failed to note whether the sellers were known to the dealer.

W. The daily return form for Transaction Nos. 531 failed to indicate the whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the sellers were known to the dealer.

X. The daily return form for Transaction No. 532 failed to indicate the seller's telephone number; failed to note whether the seller' had tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the sellers were known to the dealer.

Z. The daily return form for Transaction Nos. 532-49 failed to indicate the whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; failed to note whether photographic identification was used; and failed to note whether the sellers were known to the dealer.

AA. The daily return form for Transaction No. 563-856 failed to indicate whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; and failed to adequately describe three objects acquired.

BB. The daily return form for Transaction No. 564-86 failed to indicate whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; and failed to adequately describe the object acquired.

CC. The daily return form for Transaction No. 568-90 failed to indicate the whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; In addition, the form failed to adequately describe the first, second, fourth, and fifth objects listed. Further, the form failed to include a pair of ½ shell earrings and a rope bracelet that were part of this transaction.

DD. The daily return form for Transaction No. 572-94 failed to indicate whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; and failed to adequately describe the objects; and failed to provide separate record entries for the first object(s) listed.

EE. The daily return form for Transaction No. 573-95 failed to indicate whether the seller had a beard, mustache, glasses, tattoos, scars, and other distinguishing features; and failed to adequately describe the objects; and failed to properly tag the objects with a number that corresponded to the transaction.

FF. The daily return for Transaction No. 575-97 (Seller's initials G.M.) failed to note whether the seller had other distinguishing features. In addition the

form failed to adequately describe the first, fourth, and fifth objects listed; failed to provide separate record entries for all the objects; and failed to include all objects acquired. Further as to the fourth object(s) listed, one of the rings was not maintained in the place of business when the inspection was made by police on or about October 21, 2009. Finally, as to the sixth object(s) listed, those objects were kept separately from the other objects acquired and were not properly tagged with a number that corresponded to the transaction.

GG. The daily return form for Transaction No. 575-97 (Seller's initials J.L.) included a duplicate and, therefore, improper transaction number and failed to indicate whether the seller had other distinguishing features. In addition, the form failed to adequately describe the objects acquired; and failed to list all objects acquired.

HH. The daily return form for Transaction No. 576-98 failed to note to indicate whether the seller had a beard, mustache, or other distinguishing features; In addition, the form failed to adequately describe the objects acquired; failed to provide separate entries for the objects; and failed to list all objects acquired..

II. The daily return form for Transaction No. 578-100 failed to indicate whether the seller had a beard, mustache, or other distinguishing features; In addition, the second object listed was not maintained in the place of business when the police inspected on or about October 21, 2009.

6. The Respondent acknowledges that he has violated Business Article, §§12-302 (a), (d), and (e), 12-302 (a) (1)-(6), 12-304 (c) (1)-(3), and 12-305 (a) (1) and (d), Annotated Code of Maryland, which provide:

> **§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

(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.

§12–305. Holding period for secondhand 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.

(d) *Place for keeping object or record.* - During the holding period for a precious metal object, a dealer shall keep the precious metal object and the record of its acquisition in:

(1) the place of business of the dealer; or

(2) a storage facility specified in the license application of the dealer.

7. Based on the aforementioned violations, the Respondent agrees to pay to the Department a civil penalty of $1,500.00 upon the Respondent's execution of this Consent Order.

8. 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.

9. 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.

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

BASED ON THESE STIPULATIONS, IT IS, THIS 2nd ~~26~~ DAY OF June May, 2010, BY THE DEPARTMENT OF LABOR, LICENSING AND REGULATION:

ORDERED that the Respondent has violated Business Article, §§12-302 (a), (d), and (e), 12-302 (a) (1)-(6), 12-304 (c) (1)-(3), and 12-305 (a) (1) and (d), Annotated Code of Maryland and it is further

ORDERED that the Respondent is, hereby, reprimanded.

ORDERED that the Respondent be assessed a civil penalty of $1,500.00 for the violations, which amount is to payable to the Department in twelve monthly payments of $125.00, payable by the 1st day of each month beginning June 1, 2010 and ending with the final payment due on May 1, 2011;

ORDERED that in the event the Respondent fails to remit payment to the Department the amount due on the first day of the month as agreed to in this Consent Order, the Respondent's license shall be suspended until full payment of the remaining balance is received by the Department; and it is further

ORDERED that the Department's records and publications reflect the violations and the civil penalty of $1,500 imposed on the Respondent.

Hossein KordMafi

5/26/2010
Date

Maryland Department of Labor,
Licensing and Regulation

Leonard J. Howie, III
Deputy Secretary