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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

PA DEPARTMENT OF  
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND  
SECURITIES, COMPLIANCE OFFICE

v.

DOCKET No. 15 0008 (BNK-CAO)

TRI STATE PAWN BROKERS

**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Compliance Office ("Office") evaluated certain business practices of Tri State Pawn Brokers ("Tri State") and its officers, employees and directors. Based on the results of its evaluation, it is the Office's position that Tri State violated the act known as the Pawnbrokers License Act ("PLA"), 63 P.S. § 281-1 *et seq.* Tri State agrees to enter into this Consent Agreement and Order ("Order") without admitting to any wrongdoing. The parties seek to resolve this matter amicably to save the time and resources that ongoing litigation would require and, to this end, hereby stipulate that the following statements are true and correct in the settlement of the above-captioned matter and, intending to be legally bound, hereby agrees to the terms of this Order.

**BACKGROUND**

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the PLA.
2. The Office is primarily responsible for administering and enforcing the PLA for the Department.
3. Tri State is a corporation that engages in the business of buying and selling guns, jewelry, coins, gold, silver and collectibles.

4. Tri State is incorporated in Pennsylvania with its principal place of business located at 7750 State Route 30, North Huntingdon, Pennsylvania 15642.
5. Tri State is not licensed as a pawnbroker by the Department.
6. Tri State was once licensed as a pawnbroker, but is no longer engaged in the business however it continues to use the words "pawn broker" in its name and advertisements.

#### VIOLATION

7. A pawnbroker is defined as "any person, who -- (1) engages in the business of lending money on the deposit or pledge of personal property, other than choses in action, securities, or written evidences of indebtedness; or (2) purchases personal property with an expressed or implied agreement or understanding to sell it back at a subsequent time at a stipulated price; or (3) lends money upon goods, wares or merchandise pledged, stored or deposited as collateral security." 63 P.S. § 281-2.

8. "No person, partnership, association, business corporation, nonprofit corporation, common law trust, joint-stock company or any group of individuals however organized shall, on and after the effective date of this act, engage or continue to engage in business as a pawnbroker in this Commonwealth except as authorized by this act and without first obtaining a license from the Secretary of Banking." 63 P.S. § 281-3.

9. "A person or entity which is not a licensee under the act is prohibited from using in its name or fictitious name the words "pawn" or "pawnbroker" or any similar terms. Notwithstanding regulation under the act to the contrary, a person or entity may use its name or fictitious name legally in use on December 27, 1997." 10 Pa. Code § 61.5(c).

10. "A person or entity which is not a licensee under the act is prohibited from advertising in any manner as a pawnbroker, and from using the words "pawn" or "pawnbroker" in a heading to or otherwise in any advertisement. Notwithstanding any regulation under the act to the contrary, advertisements in use on December 27, 1997 may be used but may not be renewed." 10 Pa. Code § 61.5(d).

11. "Any person, partnership, association or corporation, or any partner, director, officer, agent or member thereof who shall engage in the business of pawnbrokering in this Commonwealth without first

obtaining a license under this act, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine of not less than five hundred (\$500.00) dollars nor more than five thousand (\$5,000.00) dollars, and/or suffer imprisonment not less than six months nor more than three years, in the discretion of the court....” 63 P.S. § 281-31.

12. Tri State is in violation of the PLA by having the words “pawn” or “pawnbroker” or a similar term in its name, fictitious name(s) or any advertisement(s), while not licensed as a pawnbroker in the Commonwealth of Pennsylvania.

13. Tri State was once licensed as a pawnbroker, but is no longer engaged in the business however it continues to use the words “pawn brokers” in its name.

14. Tri State’s advertisements contain the words “pawn broker.”

15. By entering into this Order, Tri State is agreeing to execute corrective action(s) to become compliant with the PLA, and therefore, should not be found guilty of a misdemeanor unless it fails to comply, in full or in part, with this Order.

#### **RELIEF**

16. Engaging in the Pawn Broker Business. Tri State ensures the Department that it is no longer engaged in the business of pawnbrokering and will obtain a license prior to engaging in the business of pawnbrokering in the future.

17. Use of Words “Pawn” or “Pawnbroker,” or Other Similar Terms. Upon the Effective Date of this Order and where economically feasible, Tri State shall immediately cease and desist from using the words “pawn” or “pawnbroker” or other similar terms in any business name or fictitious name and all advertisements (social media, electronic, paper, television, radio, or otherwise), including filing appropriate changes with all government agencies.

18. Removal of Words “Pawn” or “Pawnbroker,” or Other Similar Terms. Where not economically feasible, all references to the words “pawn” or “pawnbroker” or other similar terms must be removed from the business name, fictitious name(s), business premises, and all forms of advertisement within 180 days from the Effective Date of this Order.

### FURTHER PROVISIONS

19. Consent. Tri State hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Office's order authority under the Department of Banking and Securities Code, 71 P.S. § 733-202.D, and agrees that it understands all of the terms and conditions contained herein. Tri State, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

20. Publication. The Department will publish this Order pursuant to its authority in Section 302.A(5) of the Department of Banking and Securities Code. 71 P.S. § 733-302.A(5).

21. Entire Agreement. This Order contains the entire agreement between the Department and Tri State. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department and Tri State.

22. Binding Nature. The Department, Tri State, and all officers, owners, directors, employees, heirs and assigns of Tri State intend to be and are legally bound by the terms of this Order.

23. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

24. Effectiveness. Tri State hereby stipulates and agrees that the Order shall become effective on the date that the Office executes the Order ("Effective Date").

25. Other Enforcement Action.

a. The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against Tri State in the future regarding all matters not resolved by this Order.

b. Tri State acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

26. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

27. Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

28. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Compliance Office and Tri State, intending to be legally bound, do hereby execute this Consent Agreement and Order.

FOR THE COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF BANKING AND SECURITIES, COMPLIANCE OFFICE

FOR TRI STATE PAWN BROKERS

Redacted

Redacted

Ryan M. Walsh, Chief Compliance Office

(Officer Signature)

Date: March 25, 2015

GEORGE E KLIRA  
(Print Officer Name)

OWNER  
(Title)

Date: 3-25-2015