

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

2016 MAY 19 AM 9:47
PA DEPARTMENT OF
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA	:	
DEPARTMENT OF BANKING AND	:	
SECURITIES, COMPLIANCE OFFICE	:	
	:	
v.	:	Docket No. 16 <u>0025</u> (BNK-ORD)
	:	
ART'S MONEY LOAN, INC. and	:	
PHYLLIS DANSKY, jointly and severally	:	

NOTICE TO ANSWER AND PETITION FOR HEARING

You, Art's Money Loan, Inc. and Phyllis Dansky, have the right to challenge the attached *Order to Revoke a License* ("Order") by filing an answer and petition for hearing, in writing, with the Docket Clerk **within 30 days** of the date of this Order in accordance with 1 Pa. Code § 35.20 and 1 Pa. Code § 35.37. **If you do not file an Answer and Petition for Hearing within 30 days, then you will waive your right to a hearing and the Order will be deemed final.**

Your Answer and Petition for Hearing must be in writing. You must specifically admit or deny the allegations in the Order, set forth the facts you rely upon and state concisely the law you rely upon and the relief you seek as required by 1 Pa. Code § 35.17. General denials of the allegations set forth in the Order are not sufficient; you must support your denials with specific facts. Failure to support your denials with specific facts may cause the Commission to deem the facts in the Order as admitted and to enter a final order against you, without a hearing.

Your Answer and Petition for Hearing and all other documents relating to this matter must be filed with the Docket Clerk:

Linnea Freeberg, Docket Clerk
Department of Banking and Securities
17 N. Second Street, Suite 1300
Harrisburg, PA 17101

Further, you must serve a copy of the Answer and Petition for Hearing and any other documents on the person who signed the Order by providing a copy to his or her counsel indicated below:

Sharon Williams
Assistant Counsel
Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, PA 17101

Once you file your Answer and Petition for Hearing, you will be notified of pertinent information such as the name of the presiding officer designated by the Banking and Securities Commission to hear this matter and, if a hearing is scheduled, the date, time and location of the hearing. You have the right to be represented by an attorney.

All procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa.C.S. §§ 501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§ 31.1-35.251.

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v. :

Docket No. 16 0025 (BNK-ORD)

ART'S MONEY LOAN, INC. and :
PHYLLIS DANSKY, jointly and severally :

ORDER TO REVOKE A LICENSE

The Commonwealth of Pennsylvania, Department of Banking and Securities ("Department"), Compliance Office, beginning thirty (30) days from the filing date of this Order hereby revokes the pawnbroker license of Art's Money Loan, Inc. ("Art's Money Loan"); prohibits Art's Money Loan and Phyllis Dansky from applying for a pawnbroker license for at least one year; and orders Art's Money Loan and Phyllis Dansky, jointly and severally, to cease and desist from engaging in the pawnbroker business. In support of its Order, the Compliance Office states the following:

AUTHORITY

1. The Department is the Pennsylvania state administrative agency authorized and empowered to administer and enforce the Pawnbrokers License Act, 63 P.S. § 281-1 *et. seq.* ("PLA").

2. The Department's Compliance Office is charged with the responsibility of administering and enforcing the PLA and the Department of Banking and Securities Code ("Code") for the Department.

3. Section 202.D of the Code authorizes the Department to issue orders as necessary and appropriate to administer any statute within the Department's jurisdiction. 71 P.S. § 733-202.D.

4. The Department may revoke any pawnbroker license, upon 30 days written notice, if, *inter alia*, the licensee violates any provision of the PLA, violates any rule or regulation made within the authority of the PLA, fails to pay the cost of examination, or if any fact or condition exists, which if had existed at the time of original application, would have warranted refusal to issue a license. 63 P.S. § 281-8.

5. When a pawnbroker license is revoked, the Department shall not issue another license to the said pawnbroker until the expiration of at least one year from the date of revocation, and not at all if such pawnbroker shall have been convicted for a deliberate violation of this act or for a second offense. 63 P.S. § 281-8(b).

6. The PLA requires that any person, partnership, association, business corporation, non-profit corporation, common law trust, joint-stock company or any group of individuals however organized is required to be licensed if engaged in the business as a pawnbroker. 63 P.S. § 281-3.

7. A pawnbroker license may not be transferred or assigned. 63 P.S. § 281-7.

8. A licensed pawnbroker who violates any provision of the PLA, or directs or consents to such violation, shall be guilty of a misdemeanor, and upon conviction shall be sentenced to pay a fine of not more than \$1,000 for the first offense and \$1,000 for each subsequent offense, and/or be imprisoned for not more than 1 year. 63 P.S. § 281-31.

BACKGROUND

9. The Compliance Office is located at 17 N. 2nd Street, Suite 1300, Harrisburg, Pennsylvania 17101.

10. Art's Money Loan's current street address in the Nationwide Multistate Licensing System ("NMLS")¹ is listed as 4723 Frankford Avenue, Philadelphia, Pennsylvania 19124.

11. Art's Money Loan's mailing address in NMLS is Redacted , Boynton Beach, FL Redacted .

12. Art's Money Loan's phone number listed in NMLS is a Florida phone number, Redacted .

13. Art's Money Loan has been a licensed pawnbroker in Pennsylvania since 1985, license no. 003 (effective 2/20/1985 -- 10/1/2012) and license no. 39334 (effective 11/15/2012 -- current).

14. Art's Money Loan is also licensed to do business as Art's Pawn Shop.

15. Phyllis Dansky is the owner, president and primary contact person for Art's Money Loan.

16. Ms. Dansky's lives in Florida at Redacted , Boynton Beach; the same address listed in NMLS as Art's Money Loan's mailing address.

17. On September 15, 2015, the Department's Bureau of Non-Depository Examinations ("Bureau") conducted a routine exam at 4723 Frankford Avenue, Philadelphia, Pennsylvania 19124.

18. The examiner scheduled the examination with Ms. Dansky by calling her at the phone number listed in NMLS for Art's Money Loan.

¹ Formerly known as Nationwide Mortgage Licensing System.

19. When the examiner arrived, he determined that Golden Cousins Inc. (“Golden Cousins”), not Art’s Money Loan, was doing business at 4723 Frankford Avenue.
20. German Shefer is the owner and president of Golden Cousins.
21. Golden Cousins corporate address is 2614 Germantown Avenue, Philadelphia, Pennsylvania 19133.
22. Golden Cousins was formed in August of 2010.
23. Neither Golden Cousins nor Mr. Shefer is licensed, nor has ever been licensed as a pawnbroker under the PLA.
24. Robin Appiott and Mr. Shefer are/or have been listed as manager and assistant manager under Art’s Money Loan license.
25. Mr. Shefer verbally informed the examiner that he was not a W-2 employee of Art’s Money Loan.
26. The examiner and the Compliance Office both requested a management agreement and/or proof that Mr. Shefer and Ms. Appiott were employees of Art’s Money Loan.
27. As of the date of this Order, no documentation has been provided to the Compliance Office proving that there is a management contract between Art’s Money Loan and Mr. Shefer or Ms. Appiott, or that Mr. Shefer and Ms. Appiott are employees of Art’s Money Loan.
28. Mr. Shefer and/or Golden Cousins pays Ms. Dansky \$1,500 each month for renting the property at 4723 Frankford Avenue.
29. Mr. Shefer and/or Golden Cousins also pays all of the utilities associated with 4723 Frankford Avenue.
30. Mr. Shefer indicated to the examiner that Golden Cousins funds all of the pawns at the 4723 Frankford Avenue location.

31. At the time of the examination, Golden Cousins was servicing 137 active pawns.
32. Art's Money Loan filed a U.S. Income Tax Return for an S Corporation in 2014 listing Redacted as its address.
33. Golden Cousins filed a U.S. Income Tax Return for an S Corporation under its own name in 2014 and listed 4723 Frankford Avenue as its address.
34. On the tax return obtained by the examiner, Golden Cousin listed its business activity as pawn shop.
35. The pawn tickets issued for items pawned at 4723 Frankford Avenue do not list the name of the creditor who made the pawn loan; the tickets only list the address as 4723 Frankford Avenue and the phone number (215) 535-4723.
36. Copies of pawn tickets were not maintained for items pawned at 4723 Frankford Avenue.

VIOLATIONS

37. Art's Money Loan and Ms. Dansky assigned Golden Cousins and Mr. Shefer their license to operate a pawn shop at 4723 Frankford Avenue in violation of the PLA. 63 P.S. § 281-7.
38. By allowing pawn tickets to be distributed which do not include the name of the company, Art's Money Loan and Ms. Dansky violated the PLA. 63 P.S. § 281-14; *see also* 10 Pa. Code § 65.1.
39. By failing to retain a copy of the pawn ticket, Art's Money Loan and Ms. Dansky violated the PLA. 63 P.S. § 281-14; *see also* 10 Pa. Code § 65.3(c).
40. This Order shall not preclude the Department from commencing additional enforcement action against Art's Money Loan or Ms. Dansky or any other persons associated with

Art's Money Loan or Ms. Dansky as it deems necessary based on information unknown as of the date of this Order.

RELIEF

WHEREFORE, because Art's Money Loan and Ms. Dansky transferred or assigned its license to Golden Cousins and/or Mr. Shefer to operate a pawnbroker business, issued pawn tickets without a company name, and failed to retain copies of pawn tickets in violation of the PLA, the Compliance Office, under the authority cited above, hereby imposes the following revocation order.

1. Within 30 days of the effective date of this Order, Art's Money Loan and Ms. Dansky, jointly and severally, shall cease and desist from making pawn loans.

2. Within 30 days of the effective date of this Order, Art's Money Loan and Ms. Dansky, jointly and severally, shall cease and desist from advertising, soliciting, and arranging pawn loans including through building or store signage.

3. Art's Money Loan and Ms. Dansky, jointly and severally, shall be prohibited from applying for a pawnbroker license in Pennsylvania for at least one year. 63 P.S. § 281-5.1(b).

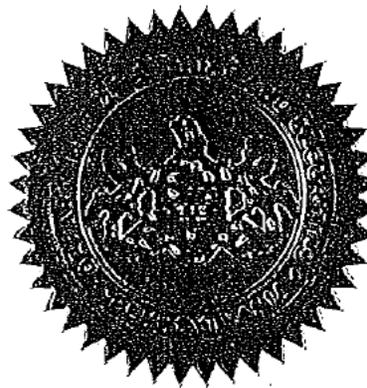
IT IS SO ORDERED.

Redacted

Ryan Walsh, Director
Department of Banking and Securities
Compliance Office

May 19, 2016

(Date)



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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **Order to Revoke a License** upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35 and 33.36:

BY CERTIFIED AND FIRST CLASS MAIL

Art's Money Loan, Inc.
Redacted
Boyton Beach, FL Redacted

Phyllis Dansky
Redacted
Boyton Beach, FL Redacted

Art's Money Loan, Inc.
4723 Frankford Ave.
Philadelphia, PA 19124

Dated this 19th day of May, 2016

Redacted

Sharon Williams
Assistant Counsel
Attorney I.D. #: 207545
FOR: Commonwealth of Pennsylvania
Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(717) 787-1471