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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

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COMMONWEALTH OF PENNSYLVANIA :  
DEPARTMENT OF BANKING AND :  
SECURITIES, COMPLIANCE OFFICE :

PA DEPARTMENT OF  
BANKING AND SECURITIES

v. :

Docket No. 160026 (BNK-C&D)

GOLDEN COUSINS INC. :

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, Department of Banking and Securities ("Department"), Compliance Office, reviewed the business practices of Golden Cousins Inc. ("Golden Cousins"). It is the Department's position that Golden Cousins violated the Pawnbrokers License Act, 63 P.S. § 281-1 *et. seq.* ("PLA"). Golden Cousins disagrees with the Department's position. The Department issued a Cease and Desist Order on May 19, 2016. This Consent Agreement and Order ("Order") replaces the May 19, 2016 Cease and Desist Order. 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 agree to the terms of this Order.

**AUTHORITY**

1. The Department is the Pennsylvania state administrative agency authorized and empowered to administer and enforce the 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. A license is required in order to engage in the business of pawnbroking in Pennsylvania. 63 P.S. § 281-3.

5. An entity not licensed under the PLA is prohibited from advertising in any manner as a pawnbroker, and from using the words "pawn" or "pawnbroker" in a heading or otherwise in any advertisement. 10 Pa. Code § 61.5(d).

6. The Loan Interest Protection Law ("LIPL") sets the maximum lawful rate of interest for loans of \$50,000 or less at six per cent per annum without a license under the PLA, or otherwise authorized by any other provision of law. 63 P.S. § 281-12; 41 P.S. § 201(a).

7. Anyone who violates the LIPL is subject to a fine of \$10,000 per offense. 41 P.S. § 505.

#### **BACKGROUND**

8. The Compliance Office is located at 17 N. 2<sup>nd</sup> Street, Harrisburg, Pennsylvania 17101-2290.

9. Golden Cousins is doing business at 4723 Frankford Avenue, Philadelphia, Pennsylvania 19124.

10. Golden Cousins' corporate address is listed 2614 Germantown Avenue, Philadelphia, Pennsylvania 19133.

11. Golden Cousins was formed in August of 2010.

12. German Shefer is the owner and president of Golden Cousins.

13. Neither Golden Cousins nor Mr. Shefer are licensed, nor have they ever been licensed as pawnbrokers under the PLA.

14. On September 15, 2015, the Department's Bureau of Non-Depository Examinations ("Bureau") conducted a routine examination of Art's Money Loan, Inc., a licensed pawnbroker, at 4723 Frankford Avenue, Philadelphia, Pennsylvania 19124.

15. When the examiner arrived, he concluded that Golden Cousins Inc. ("Golden Cousins") was offering pawn loans at 4723 Frankford Avenue.

16. Golden Cousins disagrees with the examiner's conclusion.

17. Mr. Shefer verbally informed the examiner that he was not a W-2 employee of Art's Money Loan.

18. The examiner and the Compliance Office both requested a management agreement or proof that Mr. Shefer was an employee of Art's Money Loan.

19. Art's Money Loan informed the Department in writing that Mr. Shefer performed pawnbroking and management services for Art's Money Loan as an independent contractor pursuant to a verbal agreement.

20. Golden Cousins informed the Department that it has ceased making new pawn loans as of the end of September of 2015, and shall not make pawn loans henceforth.

21. By engaging in the business as a pawnbroker without being licensed under the PLA, the Department alleges that Golden Cousins is in violation of the PLA, 63 P.S. § 281-3.

22. Golden Cousins disagrees with the Compliance Office's allegations, but enters into this Order, without admitting to any wrongdoing, to save the time and resources that ongoing litigation would require.

#### **RELIEF**

23. Upon the effective date as provided below, this Order will replace the May 19, 2016 Cease and Desist Order; and the Department shall take all steps necessary to remove all records from the Department's website of said previous Cease and Desist Order.

24. Golden Cousins and Mr. Shefer or any other officer, director or owner shall not apply for a pawnbroker license in Pennsylvania for at least 5 years from the date of this Order. 63 P.S. § 281-5.1(b).

25. Immediately upon the effective date of this Order, Golden Cousins shall cease and desist from advertising, soliciting, and arranging pawn loans including through building or store signage.

26. Within 5 days of the effective date of this order, Golden Cousins shall provide the Department with a notarized statement attesting that, as of the effective date of this Order, Golden Cousins has no open pawn loans and will not enter into any pawn loans unless it is properly licensed by the Department.

27. Golden Cousins shall maintain records currently in its possession for pawn loans entered into since September 1, 2013 for two years following the effective date of this Order.

28. Golden Cousins agrees to pay a fine of \$2,500, payable in 5 monthly installments of \$500 each with the first payment due within 30 days of the effective date of this Order, as defined below. The fine payment shall be remitted by certified check or money order made payable to the "Department of Banking and Securities" and sent to the attention of: Department of Banking and Securities, Compliance Office, 17 N. 2nd Street, Suite 1300, Harrisburg, PA 17101-2290.

#### FURTHER PROVISIONS

29. Consent. Golden Cousins hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Compliance Office's order authority made under the MTA and agrees that it understands all of the terms and conditions contained herein. Golden Cousins, 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.

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

31. Entire Agreement. This Order contains the entire agreement between the Department and Golden Cousins. 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 Golden Cousins.

32. Binding Nature. The Department, Golden Cousins., and all affiliates, subsidiaries, officers, owners, directors, employees, heirs and assigns of Golden Cousins., intend to be and are legally bound by the terms of this Order.

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

34. Effectiveness. Golden Cousins hereby stipulates and agrees that the Order shall become effective on the date that the Compliance Office executes the Order.

35. 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 Golden Cousins, its affiliates and subsidiaries, in the future regarding all matters not resolved by this Order.

b. Golden Cousins 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.

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

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

38. 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 Department of Banking and Securities' Compliance Office, Golden Cousins Inc. and German Shefer 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 GOLDEN COUSINS INC.

Redacted

Redacted

Ryan Walsh  
Director, Compliance Office

German Shefer  
President

Date: JULY 18, 2016

Date: 7/15/16

