

DEPARTMENT OF LABOR,  
LICENSING AND REGULATION

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CASE NO. SPMG-12-0054

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v.

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MICHAEL J. KUK,

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Respondent

\* \* \* \* \*

CONSENT ORDER

This matter comes before the Maryland Department of Labor, Licensing and Regulation ("Department") based on a complaint filed by the Montgomery County Police Department against Michael J. Kuk ("Respondent"). Based on that complaint, the Department determined that administrative charges against the Respondent were appropriate and that a hearing on those charges should be held. This matter was scheduled for a hearing at the Office of Administrative Hearings on November 16, 2012, but the case was withdrawn by the Department to allow for settlement to occur. The Department and the Respondent consent to the entry of this Order as final resolution of this action as to the administrative charges in Complaint No. SPMG -12-0054.

IT IS STIPULATED BY THE PARTIES that:

1. The Respondent was licensed as a secondhand precious metal object dealer ("dealer") from May 28, 2008 through May 28, 2010 (License No. 2214).
2. After the expiration of his "dealer's" license, the Respondent did not renew that license until April 21, 2011.
3. The Respondent's license expired May 28, 2012 and has not been renewed.
4. The business name on the Respondent's license was Heritage Jewelers.

5. On April 7, 2011, while the Respondent was unlicensed, two members of the Montgomery County Police Department, acting in an undercover capacity, visited his business and presented one of his employees with several secondhand precious metal objects ("object" or "objects").

6. The employee was not registered with and approved by the Department of Labor, Licensing and Regulation to act as an "employee," as defined in Section 12-101(c) of the Business Regulation Article, Maryland Annotated Code.

7. The employee tested the objects and offered the police officers \$299.00 for them but then asked the Respondent to look at the objects.

8. The Respondent inspected and tested the objects but stated that he would need to melt one of the objects, a class ring, in order to determine its true value.

9. The Respondent removed a red stone from the ring and then melted the ring into a gold ball.

10. The Respondent paid \$257.19 to the officers for the objects.

11. The Respondent completed a daily return, or transaction, form for this transaction.

12. On that form, the Respondent failed to include the time of the transaction; failed to include all required identification information about the seller; failed to adequately describe the objects; and failed to include separate record entries and/or failed to show amounts paid for each object.

13. The two police officers, now acting in their official capacity, returned to the Respondent's business shortly after the above-referenced transaction had concluded to conduct

additional inspections and investigation.

14. The officers inspected the Respondent's scales; the inspection revealed that one scale was not registered with the Maryland Department of Agriculture.

15. The police inspection/investigation revealed that the Respondent, or his business, had conducted at least 90 transactions involving objects while he was unlicensed (in addition to the above-referenced transaction with the undercover police officers).

16. The Respondent completed daily return, or transaction, forms in those transactions.

17. The forms were completed improperly and/or incorrectly, as follows:

A. The form for a transaction with A. S. failed to include a date, time, or transaction number; failed to include the Respondent's name, business name, address, and license number; failed to note the location of the transaction; failed to include all required identification information about the seller; and failed to note whether the seller was known to the Respondent.

B. The form for Transaction No. 04021101 (seller: R.P.) failed to include all required identification information about the seller; failed to include the seller's signature; and failed to adequately describe the objects.

C. The form for Transaction No. 04021102 (seller: M. S.) failed to include all required identification information about the seller; failed to include the seller's telephone number; failed to note whether the seller was known to the Respondent; and failed to adequately describe the objects.

D. The form for Transaction No. 04011102 (seller: S.W.) failed to include all required identification information about the seller; failed to note whether the seller was known to the Respondent; and failed to adequately describe the object. In addition, the object was melted.

E. The form for Transaction No. 04011101 (seller: Y. G.) failed to include all required identification information about the seller and failed to adequately describe the objects.

F. The form for Transaction No. 03291101 (seller: K. F.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

G. The form for Transaction No. 03291102 (seller: B. S.) failed to include all required identification information about the seller. In addition, one of the objects was melted.

H. The form for Transaction No. 03261101 (seller: B.W.) failed to include the date and time of the transaction; failed to include all required identification information about the seller; and failed to note whether the seller was known to the Respondent.

I. The form for Transaction No. 03261101 (seller: M. F.) failed to include the date and time of the transaction; failed to include all required identification information about the seller; and failed to note whether the seller was known to the Respondent.

J. The form for Transaction No. 03221011 (seller: M. B.) failed to include all required identification information about the seller.

K. The form for Transaction No. 03221011 (seller: T. B.) failed to include the date and time of the transaction; failed to include all required identification information about the seller; and failed to note whether the seller was known to the Respondent.

L. The form for Transaction No. 0341101 (seller: J. L.) failed to include all required identification information about the seller.

M. The form for Transaction No. 03191102 (seller: D. T.) failed to include all required identification information about the seller.

N. The form for Transaction No. 03191101 (seller: B. G.) failed to include all required identification information about the seller.

O. The form for Transaction No. 03131102 (seller: B. T.) failed to include the time of the transaction and failed to include all required identification information about the seller.

P. The form for Transaction No. 03421101 (seller: E. S.) failed to include the time of the transaction and failed to include all required identification information about the seller.

Q. The form for Transaction No. 03121101 (seller: M. S.) failed to include the time of the transaction and failed to include all required identification information about the seller. In addition, objects were melted.

R. The form for Transaction No. 03131101 (seller: E. T.) failed to include the time of the transaction and failed to include all required identification information about the seller.

S. The form for Transaction No. 03101101 (seller: L. G.) failed to include all required identification information about the seller.

T. The form for Transaction No. 03081101 (seller: J. C.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

U. The form for Transaction No. 03051101 (seller: J. K.) failed to include all required identification information about the seller.

V. The form for Transaction No. 03041102 (seller: A. R.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

W. The form for Transaction No. 02271101 (seller: M. T.) failed to include all required identification information about the seller.

X. The form for Transaction No. 02231101 (seller: M. A.) failed to include all required identification information about the seller.

Y. The form for transaction No. 02221101 (seller: T. B.) failed to include the time of the transaction and failed to include all required identification information about the seller.

Z. The form for Transaction No. 02191101 (seller: T. J.) failed to include the time of the transaction and failed to include all required identification information about the seller.

AA. The form for Transaction No. 02191102 (seller: K. L.) failed to include all required identification information about the seller.

BB. The form for Transaction No. 02151101 (seller: L. R.) failed to include all required identification information about the seller.

CC. The form for transaction No. 02141101 (seller: J. C.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

DD. The form for Transaction No. 02091101 (seller: L.M.A.) failed to include the time of the transaction and failed to include all required identification information about the seller.

EE. The form for Transaction No. 02071101 (seller: D. F.) failed to include all required identification information about the seller.

FF. The form for Transaction No. 02071102 (seller: R. P.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

GG. The form for Transaction No. 02041101 (seller: R. R.) failed to include all required identification information about the seller.

HH. The form for Transaction No. 02021101 (seller: M. M.) failed to include all required identification information about the seller.

II. The form for Transaction No. 01251101 (seller: R. T.) failed to include all required identification information about the seller

JJ. The form for Transaction No. 01251102 (seller: F. C.) failed to include the date and time of the transaction; failed to include all required identification information about the seller; and failed to note whether the seller was known to the Respondent.

KK. The form for Transaction No. 01241101 (seller: I. S.) failed to include the date and time of the transaction; failed to include all required identification information about the seller; and failed to note whether the seller was known to the Respondent.

LL. The form for Transaction No. 01221102 (seller: R. R.) failed to include the date and time of the transaction; failed to include all required identification information about the seller; failed to note whether the seller was known to the Respondent; and failed to include the seller's signature.

MM. The form for Transaction No. 01211101 (seller: P. L.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

NN. The form for Transaction No. 01211102 (seller: J. H.) failed to include the date and time of the transaction; failed to include all required identification information about the seller; and failed to note whether the seller was known to the Respondent.

OO. The form for Transaction No. 01211103 (seller: E. B.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

PP. The form for Transaction No. 01131101 (seller: S. M.) failed to include the date and time of the transaction; failed to include all required identification information about the seller; and failed to note whether the seller was known to the Respondent.

QQ. The form for Transaction No. 01101102 (seller: O. O.) failed to include the time of the transaction; failed to include all required identification information about the seller; and failed to note whether the seller was known to the Respondent.

RR. The form for Transaction No. 01101103 (seller: D. C.) failed to include all required identification information about the seller.

SS. The form for transaction No. 01061101 (seller: M. Y.) failed to include all required identification information about the seller.

TT. The form the Transaction No. 01051101 (seller: G. L.) failed to include all required identification information about the seller.

UU. The form for Transaction No. 01041101 (seller: R. J.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

VV. The form for Transaction No. 01031101 (seller: E. C.) failed to include all required identification information about the seller and failed to adequately describe the objects.

WW. The form for Transaction No. 12301001 (seller: J. P.) failed to include all required identification information about the seller.

XX. The form for Transaction No. 12301002 (seller: P. H.) failed to include all required identification information about the seller.

YY. The form for Transaction No. 12281001 (seller: T. L.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

ZZ. The form for Transaction No. 12281002 (seller: D. S.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

AAA. The form for Transaction No. 12231001 (seller: S. L.) failed to include all required identification information about the seller.

BBB. The form for Transaction No. 12231002 (seller: K. R.P.) failed to include all required identification information about the seller.

CCC. The form for transaction No. 12201001 (seller: K. F.) failed to include the time of the transaction; failed to include all required information about the seller; and failed to note whether the seller was known to the Respondent. In addition, objects were altered.

DDD. The form for Transaction No. 12151002 (seller: D. T.) failed to include all required identification information about the seller.

EEE. The form for Transaction No. 12071001 (seller: R. H.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

FFF. The form for Transaction No. 12071002 (seller: A. B.) failed to include all required identification information about the seller.

GGG. The form for Transaction No. 12041001 (seller: V. G.) failed to include all required identification information about the seller.

HHH. The form for Transaction No. 12041002 (seller: L. J.) failed to include all required identification information about the seller. In addition, the object was altered.



III. The form for Transaction No. 12041003 (seller: G.D.A.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

JJJ. The form for Transaction No. 12031002 (seller: S. M.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

KKK. The form for Transaction No. 12031003 (seller: R. M.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

LLL. The form for Transaction No. 12021001 (seller: J. R.) failed to include all required identification information about the seller.

MMM. The form for Transaction No. 11301002 (seller: M.C.) failed to include all required identification information about the seller. In addition, the object was altered.

NNN. The form for Transaction No. 11291001 (seller: K. F.) failed to include the time of the transaction and failed to include all required identification information about the seller.

OOO. The form for Transaction No. 11291002 (seller: J. H.) failed to include all required identification information about the seller.

PPP. The form for Transaction No. 11281001 (seller: M. G.) failed to include all required identification information about the seller.

QQQ. The form for Transaction No. 11241001 (seller: J. G.) failed to include all required identification information about the seller.

RRR. The form for Transaction No. 11231001 (seller: C. R.) failed to include all required identification information about the seller.

SSS. The form for Transaction No. 11231002 (seller: M. W.) failed to include all required identification information about the seller.

TTT. The form for Transaction No. 11211001 (seller: S. M.) failed to include all required identification information about the seller.

UUU. The form for Transaction No. 11191001 (seller: I. A.) failed to include all required identification information about the seller.

VVV. The form for Transaction No. 11181001 (seller: K. N.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

WWW. The form for Transaction No. 11181001 (seller: D. B.) failed to include all required identification information about the seller.

XXX. The form for Transaction No. 11181001 (seller: N. V.) failed to include all required identification information about the seller.

YYY. The form for Transaction No. 11171001 (seller: J. P.) failed to include all required identification information about the seller.

ZZZ. The form for Transaction No. 11121001 (seller: D. W.) failed to include all required identification information about the seller.

AAAA. The form for Transaction No. 11111001 (seller: J. M.) failed to include all required identification information about the seller.

BBBB. The form for Transaction No. 11111001 (seller: L. S.) failed to include all required identification information about the seller.

CCCC. The form for Transaction No. 11091001 (seller: A. P.) failed to include all required identification information about the seller.

DDDD. The form for Transaction No. 11091003 (seller: H. D.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

EEEE. The form for Transaction No. 11091002 (seller: S. G.) failed to include all required identification information about the seller.

FFFF. The form for Transaction No. 11061003 (seller: R. K.) failed to include all required identification information about the seller.

GGGG. The form for Transaction No. 12031002 (seller: M. V.) failed to include all required identification information about the seller.

HHHH. The form for Transaction No. 11161001 (seller: M. V.) failed to include all required identification information about the seller.

III. The form for Transaction No. 12161002 (seller: C. O.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

JJJ. The form for Transaction No. 03211102 (seller: E. R.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

KKKK. The form for Transaction No. 02131101 (seller: E.R.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

LLLL. The form for Transaction No. 01221101 (seller: M. V.) failed to include all required identification information about the seller and failed to note whether the seller was known to the Respondent.

MMMM. The forms for Transaction Nos. 11040711, 03191101, 03131102, 03121101, 03131101, 02231101, 02191101, 02191102, 02151101, 02141101, 02091101, 02071101, 02041101, 02021101, 01251101, 01251102, 01241101, 01221102, 01211101, 01211102, 01131101, 01101102, 01061101, 01051101, 01031101, 12301001, 12281001, 12231001, 12231002, 12201001, 12071002, 12041001, 12041003, 12031002, 11291001, 11231001, 11231002, 11191001, 11181001 (Dolores B.), 11171001, 11091001, 11091002, 12031002, 11161001, 3211102, 02131101, 11161001, 3211102, 02131101, and 01221101 failed to include separate record entries and/or failed to show amounts paid for each object.

18. The Respondent did not report the transactions referenced in Stipulations 17

A-MMMM to law enforcement.

19. The Respondent did not display a (valid) "dealer's" license number in his business.

20. In the Respondent's shop, he advertised that his business acquired objects; however, that advertising did not contain his name and a (valid) "dealer's" license number.

21. The Respondent knew, or should have known, about licensing requirements, completing daily return, or transaction, forms in a proper manner, reporting transactions to law enforcement, and other requirements set forth in Section 12-101 *et seq.* of the Business Regulation Article and applicable regulations.

22. The Respondent enters the Consent Order freely, knowingly, voluntarily, and with the advice of counsel.

23. By entering into this Consent Order, the Respondent expressly waives the right to any hearing or further proceedings to which he may be entitled in this matter and any rights to appeal from the Consent Order.

24. The Respondent agrees to comply with the Maryland Secondhand Precious Metal Object Dealers and Pawnbrokers Act, §12-101 *et seq.*, and regulations of the Department in future transactions if he becomes licensed as a "dealer" or acts as an "employee" of a "dealer" in the future.

BASED ON THESE STIPULATIONS, IT IS, THIS 13<sup>th</sup> DAY OF November, 2012, BY THE MARYLAND DEPARTMENT OF LABOR, LICENSING AND REGULATION,

ORDERED that Respondent Michael J. Kuk has violated Business Regulation Article, Maryland Annotated Code, §§12-201, 12-203, 12-208, 12-301(a), (d), and (e), 12-302, 12-304(a)-(c) and 12-305(c), as well as Code of Maryland Regulations 09.25.01.01A, 09.25.01.05, and 09.25.02.02, and it is further

ORDERED that the Respondent is assessed a total civil penalty of \$10,000.00 for those violations, which amount is payable to the Department within 30 days of the date on which this Consent Order is executed by the Department, and it is further

ORDERED that, if payment of the total civil penalty is not made within that 30-day period, the Department may refer this matter to the State Central Collection Unit for appropriate collection action, and it is further

ORDERED that, if payment of the total civil penalty is not made within the 30-day period, the Respondent shall not be entitled to apply for a "dealer's" license in Maryland in the future and may not act as an "employee" in the future until that payment is made, and it is further

ORDERED that the Department's records and publications shall reflect the terms of this Consent Order.

**RESPONDENT'S SIGNATURE  
APPEARS ON ORIGINAL ORDER**  
Michael J. Kuk

**DEPUTY SECRETARY'S SIGNATURE  
APPEARS ON ORIGINAL ORDER**  
Scott Jensen, Deputy Secretary  
Maryland Department of Labor,  
Licensing and Regulation

11/5/12  
DATE