

**BEFORE THE  
MARYLAND DEPARTMENT OF LABOR, LICENSING, AND REGULATION**

MARYLAND DEPARTMENT OF LABOR,  
LICENSING, AND REGULATION

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**CASE NO. SPMG-2017-0001**

**v.**

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DAWN MICHELLE WALLINGFORD  
EASTERN EXCHANGE LLC  
1752-A EASTERN BOULEVARD  
ESSEX, MARYLAND 21221  
LIC. REG. NO. 01-2700

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**CONSENT ORDER AND SETTLEMENT AGREEMENT**

This matter comes before the Department of Labor, Licensing, and Regulation (“DLLR”) as the result of a complaint filed by PSO Laura Tapp of the Baltimore County Police Department Pawn Unit (“Complainant”). DLLR issued a Statement of Charges and Order for Hearing dated August 15, 2017 against Dawn Michelle Wallingford (the “Respondent”) trading as Eastern Exchange LLC, 1752 Eastern Boulevard, Suite A, Essex, Maryland 21221 (“Respondent’s business”), license registration 01-2700.

This matter was transmitted to the Office of Administrative Hearings (“OAH”) for a hearing on the regulatory charges. The OAH scheduled a hearing for October 24, 2017 at 10:00 a.m. Prior to the scheduled hearing date, DLLR and the Respondent agreed to enter into this Consent Order and Settlement Agreement to provide for the imposition of disciplinary measures which are fair and equitable in these circumstances and which are consistent with the best interest of the people of the State of Maryland.

DLLR and the Respondent agree and stipulate as follows:

1. At all times relevant to the matters set forth in this Consent Order and Settlement Agreement, DLLR has had jurisdiction over the subject matter and the Respondent and Respondent’s employee Stephen Wallingford.

2. The Respondent, Dawn Michelle Wallingford trading as Eastern Exchange LLC, located at 1752 Eastern Boulevard, Suite A, Essex, Maryland 21221, was first licensed as a dealer pursuant to the Maryland Secondhand Precious Metal Object Dealers and Pawnbrokers, Act (the “Act”), Md. Code Ann., Business Regulation Article (“BR”), §12-201 et. seq., effective June 7, 2015, license registration number 01-2700. The Respondent’s dealer’s license registration number 01-2700 expired on June 7, 2017 and has not been renewed since that date.

3. Respondent's husband, Stephen Wallingford ("Mr. Wallingford"), was an employee, as that term is defined in the Act, of the Respondent and Respondent's business.

4. During the week of November 16, 2015 Detective Brumfitt of the Baltimore County Police Department Burglary Unit was conducting an investigation of a first-degree burglary. The suspects were arrested and admitted to selling stolen secondhand precious metal objects, i.e. jewelry, among other items, to the Respondent's business. However, a search of the Regional Automated Property Database (RAPID) for the secondhand precious metal objects and the other items yielded a negative result.

5. On November 19, 2015 Detective Brumfitt went to Respondent's business location and spoke with Mr. Wallingford about the secondhand precious metal objects and other items, which were stolen property. Mr. Wallingford denied having purchased any of the stolen property including the secondhand precious metal objects. Only after Detective Brumfitt asked to view the video surveillance tape did Mr. Wallingford admit to buying the stolen property including the secondhand precious metal objects and present the transaction paperwork and the secondhand precious metal objects for Detective Brumfitt's inspection.

6. On the DLLR Daily Transaction Report form the Respondent and/or Mr. Wallingford reported only the date and time of the transaction, a phone number, and one of the suspect's signatures, and Mr. Wallingford's signature. None of the secondhand precious metal objects were listed or described on the DLLR Daily Transaction Report form by the Respondent and/or Mr. Wallingford. Respondent and/or Mr. Wallingford also failed to electronically submit the required information from the secondhand precious metal object transaction to the primary law enforcement unit by noon of the next business day or to properly request an extension of time to electronically submit the required information.

7. Detective Thomas had previously visited Respondent's business on numerous occasions starting when Respondent opened Respondent's business on July 3, 2015. Each time Detective Thomas visited Respondent's business he met with Mr. Wallingford and explained the required protocols for taking in merchandise, including secondhand precious metal objects, filling out DLLR's Daily Transaction Report form, and electronically reporting the transaction on RAPID. Detective Thomas also provided Mr. Wallingford with his business contact information and a copy of the Secondhand Precious Metal Object and Pawnbrokers Law.

8. When the Respondent originally applied for her dealer's license the Respondent certified under penalty of perjury that she was aware of the requirements of Maryland's secondhand precious metal object laws and would follow them.

9. The Respondent admits that DLLR has made available to both her and her employee, Mr. Wallingford, a copy of Maryland's secondhand precious metal object laws and has provided repeated explanations of those laws. The Respondent further admits

both she and Mr. Wallingford knew, or should have known, of the requirements concerning the contents of records including the description of secondhand precious metal objects.

10. Based upon the above, Respondent admits that she and her employee, Mr. Wallingford, have violated and/or are subject to Maryland Code Annotated, Business Regulation Article, §§12-209(a)(2)(vii) and (viii) and (3), 12-301(a)(1), 12-302(a), 12-304(a) and (b), and 12-306(a) and (d), which provide:

**§12-209. Denials, reprimands, suspensions, and revocations—  
Grounds: restraining order.**

(a) *Grounds.*—

(2) Subject to the hearing provisions of §12-210 of this subtitle, the Secretary may deny a license to an applicant, reprimand a licensee, or suspend or revoke a license if the applicant or licensee or an agent, employee, manager, or partner of the applicant or licensee:

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(vii) willfully fails to provide or willfully misrepresents any information required to be provide under this title; or

(viii) violates this title;

(3) (i) Instead of or in addition to reprimanding a licensee or suspending or revoking a license under this subsection, the Secretary may impose a penalty not exceeding \$5000 for each violation.

(ii) To determine the amount of the penalty imposed under this subsection, the Secretary shall consider:

1. the seriousness of the violation;
2. the harm caused by the violation
3. the good faith of the licensee; and
4. any history of previous violations by the licensee.

**§12-301. Records of Transactions.**

(a)(1) 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.

**§12-302. Contents of records.**

(a) *Records of dealers.*--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 previous 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 of 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 of 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.**

(a) *In general.*—(1) A dealer shall submit the required information from each record to the primary law enforcement unit in accordance with subsection (b) of this section.

(2) If the dealer transacts business in accordance with §12-206(b) of this title, the dealer also shall submit the required information from the records to the local law enforcement unit in accordance with subsection (b) of this section.

(3) On the request of a dealer, the Secretary shall provide to the dealer a list of local law enforcement units.

(b) *Delivering copies in general; Howard County provision.*—(1) Subject to paragraph (2) of this subsection, the dealer shall submit the records by transmitting the required information from the records electronically, in a format acceptable to the receiving law enforcement unit, by noon of the next business day.

(2) A dealer may request an extension of up to 48 hours to submit the records required under paragraph (1) of this subsection.

(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.

**§12-306. Record Inspection**

(a) A dealer shall allow an authorized law enforcement officer or agent, on request, to enter the place of business or storage premises of the dealer during business hours to inspect a record required to be maintained under this title or precious metal object as part of a stolen property investigation or an investigation of a violation of this title.

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(d)(1) The Secretary may impose on a licensee who violates this section a civil penalty not exceeding \$500 for each violation.

(2) In setting the amount of the civil penalty under this subsection, the Secretary shall consider:

- (i) the seriousness of the violation;
- (ii) the good faith of the violator;
- (iii) any previous violations;
- (iv) the harmful effect of the violation on the complainant, the public, and the business or the dealer or pawnbroker;
- (v) any other relevant factors.

11. The Respondent consents to the entry of an Order that she has violated and/or is subject to BR §§12-209(a)(2)(vii) and (viii) and (3), 12-301(a)(1), 12-302(a), 12-304(a) and (b), and 12-306(a) and (d).

12. As penalty, the Respondent and Mr. Wallingford each agree that neither the Respondent nor Mr. Wallingford shall be eligible for a dealer's license for a period of five years from the date of this Consent Order and Settlement Agreement and further agree that any license application filed by the Respondent and/or Mr. Wallingford within the five year non-eligibility period shall be automatically denied and the license denial shall not be subject to judicial review.

13. The Respondent, by entering into the Consent Order and Settlement Agreement, expressly waives the right to an administrative hearing before the OAH on the charges, the making of Findings of Fact and Conclusions of Law by an administrative law judge, any and all further proceedings before DLLR, and any and all rights to appeal from this Consent Order and Settlement Agreement.

14. DLLR agrees to accept this Consent Order and Settlement Agreement as the full and final resolution of Case No. SPMG-17-0001.

**1st** **BASED ON THESE STIPULATIONS AND AGREEMENTS, IT IS THIS DAY OF December, 2017 BY DEPARTMENT OF LABOR, LICENSING, AND REGULATION:**

**ORDERED** that the Respondent has violated and/or is subject to BR §§12-209(a)(2)(vii) and (viii) and (3), 12-301(a)(1), 12-302(a), 12-304(a) and (b), and 12-306(a) and (d); and it is further,

**ORDERED** that neither the Respondent nor Mr. Wallingford shall be eligible for a dealer's license for a period of five years from the date of this Consent Order and Settlement Agreement; and it is further

**ORDERED** that DLLR's records and publications reflect the violation and penalty imposed on the Respondent.

MARYLAND DEPARTMENT OF LABOR,  
LICENSING AND REGULATION:

By. Signature on File  
Kelly M. Schulz, Secretary

**Signature on File**

**Signature on File**

Stephen Wallingford 

12/1/17  
Date  
12/1/19  
Date