

DEPARTMENT OF LABOR,
LICENSING AND REGULATION

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v.

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CASE NO.: SPMG-11-0043

MATTHEW K. ZVACEK
Gold Buyers of America, LLC,

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Respondent

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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. Based on that complaint, the Department determined that administrative charges against Matthew Zvacek (“Respondent”) were appropriate. However, rather than scheduling a hearing at the Office of Administrative Hearings, the Department and the Respondent agreed to resolve the matter by Consent Order in lieu of a hearing. The Department and the Respondent consent to the entry of this Order as final resolution of Case No. SPMG-11-0043.

IT IS STIPULATED BY THE PARTIES that:

1. The Respondent is currently licensed (Nos. 01-2418 and 01-2418-01) as a secondhand precious metal object dealer (“dealer”), as defined in Section 12-101(b) of the Business Regulation Article of the Maryland Annotated Code, and was licensed at all relevant times in this case.

2. The name of the company through which the Respondent acquires secondhand precious metal objects is Gold Buyer's of America, LLC.

3. On January 20, 2011, Detective M.B. Corsiatto of the Montgomery County Police Department conducted an inspection of the Respondent's store located in the Wheaton Plaza Shopping Center, 11160 Viers Mill Road, Wheaton, Maryland.

4. As she walked through the mall to the Respondent's store, Detective Corsiatto noticed three separate signs on the public walkways advertising that the Respondent's store was in the mall and that the store bought gold.

5. Those advertisements did not list the Respondent's name and license number.

6. The Respondent's store was located in Unit 120, although the Respondent's license was issued for Unit G-10C.

7. When she arrived at the Respondent's store, Detective Corsiatto advised Robert Lavelly and Eva Manahor, two of the Respondent's employees, that she was there to conduct an inspection of the daily return, or transaction, forms and the secondhand precious metal objects ("objects") that had been acquired in the past eighteen days.

8. The employees informed Detective Corsiatto that only the district managers, including a Jesse Stickley, had access to the in-store safe.

9. As she waited for Mr. Stickley to arrive, Detective Corsiatto inspected two scales.

10. Mr. Lavelly and Ms. Manaher informed the detective that both scales were used when the store acquired objects.

11. One of the scales had not been registered with the Maryland Department of Agriculture.

12. As she waited for Mr. Stickley to arrive, Detective Corsiatto was presented with postcards advertising home gold parties.

13. Those postcards did not include the Respondent's name and license number.

14. After the safe was opened, Detective Corsiatto inspected the daily return, or transaction, forms and compared them to the objects.

15. The (paper) daily return, or transaction, form for Transaction No. 1230103581 noted that the seller had a beard, while the electronic reporting form for that transaction failed to note the beard.

16. The forms (paper and electronic) for that transaction described the object acquired as a mesh necklace when, in fact, it was a Gucci link necklace.

17. The transaction forms (paper and electronic) for Transaction No. 1231103582 included an incorrect address for the seller; failed to note the heart design of the ring acquired; and failed to note that the bracelet acquired was an i.d. bracelet.

18. The transaction forms (paper and electronic) for Transaction No. 1231103583 included an incorrect address for the seller and failed to note the star design on the broken bracelet referenced on the forms.

19. The transaction forms (paper and electronic) for Transaction Nos. 1231103585 provided a description of one necklace when, in fact, there were two objects.

20. Those forms failed to describe the second object acquired, i.e., a 14k yellow gold square pendant with a diamond cut flower design engraved with the initials "F.J.C."

21. The transaction forms (paper and electronic) for Transaction No. 1231103586 provided a description of an 18k yellow gold 20" box chain, when, in fact, that item consisted of

two objects.

22. Those forms failed to describe a second object acquired, i.e., a 14k yellow gold circular pendant with a star design, and failed to adequately describe a 14k gold charm acquired, i.e., by failing to describe the circle shape, two-toned gold and palm tree design with swords crossing.

23. The transaction forms (paper and electronic) for Transaction No. 1231103589 included an incorrect address for the seller, and the electronic form failed to note five charms, i.e., an elephant, a flower, the number “7,” an owl, and a horseshoe with a tri-gold charm bracelet acquired.

24. The paper transaction form for Transaction No. 1231103590 failed to include the inscriptions of s.s. 6-7-03 and p.s. 6-7-03 on the objects acquired.

25. The transaction forms (paper and electronic) for Transaction No. 0102113596 failed to include the inscription “deodageos” on the pendant/charm with a cross in the middle; failed to note that stones were missing on a ring (weight 2.4) and on another ring (price 20.16); and failed to include a wedding band wrapped around an engagement ring.

26. The paper transaction form for that transaction failed to note the type of gold (yellow) for all the objects acquired.

27. The electronic reporting form for Transaction No.0104113601 reported a yellow gold bracelet when, in fact, the object was a yellow gold necklace with a pendant (lion’s head with diamond eyes and diamond mouth).

28. The paper transaction form for Transaction No. 0107113603 failed to note the type of gold for the objects acquired and failed to note the number of stones on three objects acquired.

29. The transaction forms (paper and electronic) for Transaction No. 010713604 failed to adequately describe the candle stands acquired.

30. Detective Corsiatto found several silver objects which had not been tagged and which, therefore, prevented her from determining from whom and when they had been acquired.

31. Mr. Stickley advised Detective Corsiatto that he was aware of the laws which required that the Respondent's name and license number be included in advertising, that he had communicated the requirements to "corporate," and that "corporate" had advised him to use the signage and advertisements anyway.

32. Prior to the January 20, 2011 inspection, Detective Corsiatto had met with employees of the Respondent, including Mr. Stickley, and reviewed the laws concerning the proper reporting of transactions to law enforcement and the laws concerning advertising.

33. The Respondent would testify at a hearing that he did not have actual knowledge of the violations until he traveled to Maryland and met with Detective Corsiatto.

34. The Respondent, as the licensee, knew or should have known of the requirements for the proper reporting of transactions to law enforcement, the requirements for the tagging of objects, the requirements for the registration of scales, and the requirements for advertising.

35. By entering this Consent Order, the Respondent expressly waives his 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.

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

37. The Respondent agrees to comply with the requirements of Section 12-101 *et seq.*, of the Business Regulation Article, Maryland Annotated Code, and the Code of Maryland Regulations 09.25.01.01 *et seq.* in future transactions.

BASED ON THESE STIPULATIONS, IT IS, THIS 9 day of JUNE 2011, BY THE DEPARTMENT OF LABOR, LICENSING AND REGULATION,

ORDERED that Respondent Matthew K. Zvacek violated Maryland Annotated Code, Business Regulation Article, §§12-208(b)(2), 12-301(e), 12-302(a), and 12-304(c)(3), as well as Code of Maryland Regulations 09.25.01.02A-C and 09.25.02.02, and it is further

ORDERED that the Respondent is assessed a total civil penalty of \$1,350.00 for those violations, which amount is payable to the Department within 30 days of the date this Consent Order is executed by the Department, and it is further

ORDERED that, if payment of the civil penalty is not made within that 30-day period, the Respondent's licenses as a "dealer" shall be automatically suspended until that payment is made, and it is further

ORDERED that the Department's records and publications shall reflect the discipline imposed on the Respondent.

RESPONDENT'S SIGNATURE
APPEARS ON ORIGINAL ORDER
Matthew K. Zvacek

DEPUTY SECRETARY'S SIGNATURE
APPEARS ON ORIGINAL ORDER
Leonard J. Howie III
Deputy Secretary

DEPARTMENT OF LABOR, LICENSING
& REGULATION

6-2-11
Date