**BEFORE THE ADMINISTRATOR OF CONSUMER CREDIT**
**STATE OF OKLAHOMA**

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| STATE OF OKLAHOMA, ex rel., DEPARTMENT OF CONSUMER CREDIT, | ) | |
| Petitioner | ) | |
| v. | ) | Case No. 13-0210-DIS |
| CRW FINANCIAL SERVICES, LLC., d/b/a MIDWEST PAWN & AUDIO, | ) | |
| Respondent | ) | |

## FINAL AGENCY ORDER

**ON THE** 13th day of January, 2014, at 1:38 p.m. (after providing additional time, to the Respondent or his legal counsel, if any, to appear beginning at 1:30 p.m.), the above numbered and entitled cause (scheduled for 1:30 p.m.) came on for hearing at the Office of the Oklahoma Department of Consumer Credit, 3613 N.W. 56th Street, Suite 240, Oklahoma City, Oklahoma 73112. The State of Oklahoma, ex rel. Oklahoma Department of Consumer Credit (the "Department"), was represented by the Department's General Counsel Roy John Martin and the Respondent CRW Financial Services, LLC., d/b/a Midwest Pawn & Audio, located at 3424 Southeast 15th, Del City, Oklahoma 73115 (the "Respondent"), did not appear in person through a representative or through an attorney.

The hearing in this matter was set for January 13, 2014, through an original Emergency Order and Notice of Hearing filed in this matter on December 26, 2013, with a sworn Affidavit of Service by Fred Britt signed on January 6, 2014, attached thereto that certified that the Respondent had been served notice of the January 13, 2014, hearing through delivery of an

Emergency Order and Notice of Hearing (the "Emergency Order and Notice") by personal service by the Departments' Examiner Fred Britt to an employee and Store Manager of the Respondent named, and known only as, "Noel", on December 26, 2013 at its business location at 3424 Southeast 15th, Del City, Oklahoma 73115 through a sworn Affidavit of Service by Fred Britt attesting to personal service delivery thereof on December 26, 2013.

Pursuant to the requirements of Article II of the Administrative Procedures Act, 75 O.S. §§ 308a-323, a copy of the original Emergency Order and Notice of Hearing filed in this matter on December 26, 2013, was served upon the Respondent at its business location at 3424 Southeast 15th, Del City, Oklahoma 73115 through a sworn Affidavit of Service by Fred Britt attesting to personal service delivery thereof on December 26, 2013.

The Department's General Counsel Roy John Martin, announced that he had not heard from or spoken to the Respondent about its appearance at the hearing in person through a representative or through an Attorney. Continuing, Mr. Martin further announced that he wished to proceed with the hearing in the absence of the Respondent and was prepared for hearing. Accordingly, Mr. Martin made an opening statement and called his first witness, Fred Britt.

Upon being duly sworn, Mr. Britt testified that he was employed by the Department as a Consumer Credit Department Examiner, that as such he conducts investigations and looks into complaints against unlicensed activities of pawn brokers and precious metal and gem dealers, and that the Department's Deputy Administrator asked him to investigate to see if this location, 3424 Southeast 15th, Del City, Oklahoma 73115, was licensed as a pawn broker or a precious metal and gem dealer. Mr. Britt stated that the business of the Respondent at 3424 Southeast 15th, Del City, Oklahoma 73115, was not licensed as a pawn broker or a precious metal and gem

dealer.

Mr. Britt testified that he personally visited the business of the Respondent located at 3424 Southeast 15th, Del City, Oklahoma 73115, at approximately 3:30 p.m. the afternoon of December 20, 2013, that he found the Respondent's business to be open for business, that cars were parked out front, that there was a large sign posted outside the business across the front advertising the name of the business as being "Midwest Pawn & Audio" placed above the entrance, that he witnessed several people enter the Respondent's business and several people exit the Respondent's business, that upon his entering the Respondent's business he noticed that the business hours were not posted in writing at the entrance, that the business appeared to be operating as a pawn shop with various items of merchandise being displayed including, but not limited to, items of jewelry, tools, tires and stereos, that two employees were present and they were engaged in a pawn transaction with a woman customer they were waiting on, that upon completion of their pawn transaction with her, the two employees identified themselves as such, that one was named Zack Nheri and the other employee identified himself only as "Noel", who was also the Store Manager.

While at the business of the Respondent at 3424 Southeast 15th, Del City, Oklahoma 73115, on Friday December 20, 2013, Mr. Britt testified that he took a photograph of the sign advertising the name of the business as being "Midwest Pawn & Audio" placed above the entrance, that the photograph identified as Exhibit 1 was a copy of the very same photograph that he took and that the photograph depicted in Exhibit 1 was an accurate depiction of the sign advertising the name of the business. Mr. Martin moved for admission of Exhibit 1 into evidence. There being no objection, Exhibit 1 was so admitted.

Continuing Mr. Britt indicated that he learned from the store's employees that its business hours were from 3:00 p.m. to 9:00 p.m., Monday through Friday, and on Saturday from 9:00 a.m. to 6:00 p.m., and that the owner of the business was a Mr. Charles R. White of CRW Financial Services, LLC.

Examiner Britt further testified that the next day, Saturday December 21, 2013, he called the telephone number listed on the sign advertising the name of the business at approximately 11:00 a.m. and, without revealing his identity, he spoke with both of the store's employees he had met in person the previous day, Zack Nheri and Store Manager "Noel", asking if the Respondent purchased used gold and silver as he had some gold rings he wished to sell, to which they responded that yes, they bought gold and silver. Mr. Britt identified the documents collectively marked as Exhibit 2 as being a printout of the materials from the Respondent's website consisting of four pages noting that page 3 thereof was an ad by the Respondent to make pawn loans that provided that you can renew your pawn loan as many times as you need to and page 4 thereof that lists the hours of operation for "Midwest Pawn & Audio". Mr. Britt further stated that the Respondent's website was still active as of the date of the hearing. Mr. Martin moved for the admission of Exhibit 2 into evidence. There being no objection, Exhibit 2 was admitted.

Examiner Britt stated that he personally visited the business of the Respondent located at 3424 Southeast 15th, Del City, Oklahoma 73115, again on December 26, 2013, and that he served the Emergency Order and Notice on Store Manager "Noel" on December 26, 2013. According to Mr. Britt, at that point after he was served the Emergency Order and Notice, Store Manager "Noel" changed his story, stating that he was really only a nephew of the owner Charles

R. White, that he would not give his last name, that he claimed his 5th Amendment right against self-incrimination as Mr. Britt was a police officer, that he locked the front door to the business and left the business premises. Mr. Britt telephoned the next day December 27, 2013, after service of the Emergency Order and Notice, spoke again with Store Manager "Noel" who stated that Midwest Pawn & Audio was still open for business. When asked, Mr. Britt stated that he had no knowledge of the Respondent having been issued a license to be a precious metal and gem dealer.

The Department's second witness was Lindsie Lundy. Upon being duly sworn, Ms. Lundy testified that she was employed by the Department as Administrative Programs Officer, in which capacity she reviews license applications for pawnbrokers as well as for precious metal and gem dealers, that the Respondent was not licensed as a pawnbroker or a precious metal and gem dealer in December of 2013 including but not limited to the date of delivery of the Emergency Order and Notice, that the Respondent is not so licensed as of the day of the hearing (January 13, 2014) and that upon a review of the Department's data base, the Respondent was previously licensed by the Department as a pawnbroker initially on July 14, 2000, that the previous pawnbroker license expired on December 31, 2009, that the Respondent as of the date of the hearing had not submitted any application for licensure to be a licensed pawnbroker, that the Respondent let the pawnbroker license expire and that she has had no contact with the Respondent.

Administrative Programs Officer Lundy identified Exhibit 3 as the Department's Official Licensing Record, which as such it provides a licensing history, and it provides that at one time the Respondent had a bond. Mr. Martin moved for the admission of Exhibit 3 into evidence, to

which there was no objection. There being no objection, Exhibit 3 was admitted. Ms. Lundy noted that a licensed pawnbroker does not need to also be licensed as a precious metal and gem dealer.

At this point the Department rested. The Independent Hearing Examiner announced from the bench that he was taking this matter under advisement.

After reviewing the administrative record of this individual proceeding, reviewing the arguments, testimony and evidence presented at the January 13, 2014 hearing, and reviewing the proposed order filed by Independent Hearing Examiner, Bryan Neal, the Administrator of Consumer Credit issues the following findings, conclusions and orders:

## JURISDICTION AND AUTHORITY

1. The Administrator of Consumer Credit is charged with the administration and enforcement of the Oklahoma Pawnshop Act, 59 O.S. §§ 1501 et seq. 59 O.S. § 1512(A).

2. No person shall engage in business as a pawnbroker without a license from the Administrator specifically authorizing engagement in such business. 59 O.S. §1503.

3. No entity or individual shall offer to engage or be engaged as a pawn broker in this state without a license shall be subject to a civil penalty not to exceed Five Thousand Dollars ($5,000.00). 59 O.S., §1512(I)

## FINDINGS OF FACT

The Administrator of Consumer Credit finds that the following facts were proven by clear and convincing evidence:

1. The proceedings in this matter were conducted in accordance with the provisions

of the Oklahoma Pawnshop Act, 59 O.S. § 1501 et seq., the Precious Metal and Gem Dealer Licensing Act, 59 O.S. § 1521 et seq. and Article II of the Administrative Procedures Act, 75 O.S. §§ 308a-323.

2. The Respondent received notice of the hearing in this matter set for January 13, 2014, at 1:30 p.m., by personal service through hand-delivery of a copy of the original Emergency Order and Notice of Hearing filed in this matter on December 26, 2013, personally served upon the Respondent's Store Manager "Noel" at the Respondent's business location at 3424 Southeast 15th, Del City, Oklahoma 73115, through a sworn Affidavit of Service by Department Examiner Fred Britt attesting to personal service delivery thereof on December 26, 2013.

3. The Respondent, based upon the information supplied by the Department's Deputy Administrator Ruben Tornini through the Emergency Order and Notice made a part hereof, is a domestic limited liability company with an inactive registration with the Oklahoma Secretary of State as of December 26, 2013, number 3500645831.

4. The Respondent's pawnbroker license, license number PB001512, was issued by the Petitioner on July 14, 2000 and expired December 31, 2009.

5. On December 20, 2013, Senior Consumer Credit Examiner, Fred Britt, visited the business location of the Respondent at 3424 Southeast 15th, Del City, Oklahoma 73115.

6. The Respondent's business location at 3424 Southeast 15th, Del City, Oklahoma 73115 was open to the public for business on December 20, 2013.

7. On December 20, 2013, Senior Consumer Credit Examiner, Fred Britt, observed the following activity at the Respondent's business location at 3424 Southeast 15th, Del City,

Oklahoma 73115:

(a) Employees were assisting customers;
(b) A sign on the exterior of the Respondent's business stated that the Respondent's business was open;
(c) A sign on the exterior of the Respondent's business contained the following information:
"Midwest Pawn & Audio, 405-670-9952";
(d) Employees stated that the Respondent was open for business during the hours of 3:00 p.m. through 9:00 p.m. Monday through Friday and from 9:00 a.m. through 5:00 p.m. on Saturday.
(e) Employees stated that the Respondent purchased gold items.

8. As of December 26, 2013, the Respondent was not licensed as a pawnbroker in the State of Oklahoma and has not been licensed as a pawnbroker in the State of Oklahoma since December 31, 2009.

9. As of December 26, 2013, the Respondent is not licensed as a precious metal and gem dealer in the State of Oklahoma.

10. Since the Respondent is not authorized to engage or offer to engage and/or operate as pawnbroker and/or as a precious metal and gem dealer at 3424 Southeast 15th, Del City, Oklahoma 73115, the public health, safety, and welfare imperatively required emergency action ordering the Respondent to cease and desist from engaging or offering to engage and/or operating as a pawnbroker and/or as a precious metal and gem dealer at 3424 Southeast 15th, Del City, Oklahoma 73115, pending the final outcome of this individual proceeding.

## CONCLUSIONS OF LAW

The Administrator of Consumer Credit concludes that based on the evidence and testimony in this individual proceeding that:

1. The Respondent has violated 59 O.S., § 1503 by being a person engaged in

business as a pawnbroker without first obtaining a license as required.

2. The Respondent has violated 59 O.S. § 1507(I) by offering to engage or engaging in making pawn transactions in the State of Oklahoma without a pawnbroker license.

3. The Respondent has violated 59 O.S. § 1507(B)(1) by failing to pay any fee or charge properly imposed by the Administrator under the authority of the Oklahoma Pawnshop Act.

4. The Respondent has violated 59 O.S. § 1528 (F) by engaging and/or offering to engage as a precious metal and gem dealer in the State of Oklahoma without a precious metal and gem dealer license.

**ORDER**

Based upon the findings of fact and conclusions of law in this individual proceeding and based upon the recommendation of the Independent Hearing Examiner, the Administrator of Consumer Credit issues the following orders:

1. The Respondent is hereby found to be a person engaged as a pawnbroker without first obtaining a license as required under 59 O.S., § 1503, as well as being hereby found to be an entity or individual offering to engage or engaged in making pawn transactions without a license as required under 59 O.S., § 1507(I), the Respondent shall be fined in the amount of Five Thousand Dollars ($5,000.00) as authorized in 59 O.S., § 1507(I), and that, as the Respondent is not the prevailing party, the Respondent shall be assessed the costs of the Independent Hearing Examiner in the amount of six hundred and seven dollars and fifty cents ($607.50), incurred in this matter as authorized in 59 O.S., § 1507(A).

2. The Respondent, having been found to be in violation of 59 O.S., § 1507(I), by

offering to engage or engaging in making pawn transactions in the State of Oklahoma without a pawnbroker license and an entity or individual offering to engage and/or that operated as a p without a license as required under 59 O.S., §1523 and 59 O.S., § 1528(F), the Respondent shall be issued a permanent Cease and Desist Order to immediately cease and desist from offering to engage or engaging in making pawn transactions in the State of Oklahoma without a pawnbroker license and offering to engage and/or operate as a precious metal and gem dealer without a license as required under 59 O.S., § 1528(F) and to permanently continue to so cease and desist until such time, if ever, as the Respondent pays all fines, fees, taxes, interest and penalties owed to the State of Oklahoma and until such time, if ever, the Respondent obtains a pawnbroker license as required under 59 O.S., §1503 and/or a precious metal and gem dealer license as required under 59 O.S., §1523 and 59 O.S., §1528 (F) and/or any other license from the Department.

So ordered this 21st day of February, 2014.

[redacted]

Scott Lesher
Administrator of Consumer Credit
State of Oklahoma