

## Connecticut Association of Pawnbrokers

Mailing Address: 503 Lakewood Road, Waterbury, CT 06704

### SUPPORT Raised House Bill #5342

03-04-10

Good Afternoon to all the members of the Public Safety and Security Committee. For the record my name is Chad LaPlante and I here today representing the CT Assoc. of Pawnbrokers in support of House Bill 5342. I am a business owner in CT and member of the board of directors of the CT Association of Pawnbrokers.

HB- 5342 is good for consumers, law enforcement and the industry it provides for; computerized record-keeping, the taking of digital photographs of all jewelry items along with a ten day holding period. We feel the revision of photographing jewelry items as well as the holding period should apply to Section 21-100 also. **ALL** purchasers of Precious metals and jewelry items including jewelry stores, hotel gold buyers, home gold parties and alike. There are now many more "gold buyers" in CT than there are pawnbrokers.

In 1997, Legislators worked together with our Association to bring about many comprehensive changes to the Pawnbroker Statutes. Legislators recognized the need for reasonable fees to be charged on "pawn transactions" and removed prohibitions on charging for the memorandum and record keeping. Today, clarification is needed to the interpretation of the intent of those revisions to enable our businesses to remain solvent and retain our employees. This bill addresses that clarification.

The language regarding the revocation of licenses is a very important issue. The current statute is deficient in allowing due process for the licensee as there is in other types of licensing. We believe the language should also include for possible suspension in addition to revocation and "cause" should be phrased as a **willful** violation of pawnbroker statutes, etc... Another point would be allowing a negative decision of an administrative hearing to be appealed in Superior Court.

Finally, we believe there should be a "good faith" clause for purchases added to the statute. No harm should come to a law abiding business that follow all regulations and after all reasonable and extraordinary efforts to the contrary, purchases an item that later turns out to have been stolen.

As always our Association is open to working together with Legislators and other interested parties in the best interest of the public's safety. Thank you for your time today and I welcome any questions from Committee members.

# TC's Pawn Company Jewelry & Electronics Exchange

503 Lakewood Road, Waterbury, CT 06704

Tel. 203-753-7591 Fax 203.757.1459

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## SUPPORT Raised House Bill #5342

March 01, 2010

Dear Members of the Public Safety and Security Committee,

My name is Jay Sargent, I am a partner of TC's Pawn Company of Waterbury. I am writing to you in support of raised House Bill 5342. We have been a tax paying business in CT for over 25 years. We currently employ a staff of 22 team members, 16 of which are offered medical coverage, paid vacation, paid personal days, paid sick time and a matching retirement plan. Most of our team members have supported their families from their employment with us for the last 5-12 years.

I believe Bill 5342 does add more regulations on our industry, some of which appeared in previous years among other proposed bills, including the photographing of jewelry items purchased. I was not in support of those bills due to *other* language they contained. In October 09', our company voluntarily initiated the taking of digital photos of all jewelry items and retaining the photos for 60 days. We understand jewelry does not generally contain serial numbers or model numbers as most all other items do. This has assisted law enforcement locally and as far away as New Jersey since its inception. I support this effort, but strongly believe this type of photographing and the ten day holding period should apply to **ALL** purchasers of precious metals and jewelry items, including jewelry stores, hotel gold buyers, home gold parties and alike were "ill gotten" goods have the possibility of being sold, to better serve the public's interest and assist law enforcement agencies.

The 1997 Legislative session brought many comprehensive changes to Pawnbroker Statutes. At that time, Legislators understood the need for our businesses to be allowed to charge fees for "pawn" transactions that take place in order to remain in business. Many years later, I believe the interpretation of the intent of the amended changes that we have all operated under since that time, is in need of more clarification. Therefore, I also support the proposed changes in this area which will help us continue to provide the much needed services we have provided in our community for the last 25 years.

In regards to the revoking of a license, I believe the current statute is deficient in allowing due process for the licensee as there is with other types of licensing. The language should also include possible suspension in addition to revoking and cause should be phrased as a **willful** violation of pawnbroker statutes and there should be an appeals process in place if a license is revoked or suspended.

In addition, a revision allowing for a "good faith" clause for purchases. That no harm would come to a law abiding business that abide by all regulations and after all reasonable and *extraordinary* efforts to the contrary, purchase an item that turns out to be stolen property.

Best regards,

Jay Sargent

# Yankee Peddler and Pawn

New London & Groton, CT

141 State Street, New London, CT 06320

Tel. 860-442-7296

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## **SUPPORT Raised House Bill 5342**

March 2, 2010

To Whom It May Concern;

My name is Chad LaPlante and I am co owner of Yankee Peddler and Pawn in Groton and New London, CT. We have been in business for over 16 years and employ six people.

We support Raised House Bill 5342. Requiring all pawnbrokers and precious metal dealers to keep detailed computerized records for all law enforcement to locate or view any merchandise purchased by anyone who carries these same licenses. This will streamline all buyers of precious metals and would improve the public's best interest. Working well with law enforcement is what we have built our reputation on.

Holding all purchases for 10 days from reporting will not be an issue for us because we already hold items for 5-10 days depending on when purchased. Also the digital photograph of all jewelry taken by any one who carries such license will better identify property. It is very important that anyone who has a precious metals license all follow these same laws, which is not currently the case.

We also support clarifying the reasonable fees for delivering memorandum or note, record keeping, storage, insurance, and appraisal.

Revoking of such license for "cause" in the current law is not defined. "Cause" should be a willful violation of the statutes. With the proposed registered or certified mail and hearing it will give a chance for the licensee to have the right to due process.

Yankee peddler and pawn has been helping and serving the community we live in, with a much needed service. Many of the local businesses such as: Electric Boat, the casinos, and small shops and restaurants have been affected by layoffs and closures. Many of their past and present employees have become the people we help every day.

By putting these revisions in place, it will let us better serve the law enforcement agencies and consumers who need us most.

Sincerely,

Chad LaPlante

# Express Pawn of West Haven, CT

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## SUPPORT Raised House Bill No. 5342

*Written Testimony of Stephen Lombardo*

February 25, 2010

To Committee on Public Safety and Security -

I would like to congratulate the members of the Committee on Public Safety for holding this public hearing regarding raised bill number 5342. I am submitting this testimony in favor of raised bill number 5342. I am the owner of Express Pawn located in West Haven Connecticut. We have been in business for over thirteen years paying taxes to the town. I employ three people who rely on the income they receive from our business. I also have a family of my own which relies on my business. We offer a vital service to the unbanked people of our community. The majority of these people are unbanked because they are forced to live paycheck to paycheck. We offer them an outlet to receive money to pay for unforeseen obstacles which may arise during that timeframe. Without this bill being passed the future of my business may be put in jeopardy.

I am in favor of the proposed bill for many reasons. The major reason is that this bill evens the playing field. It will require all purchasers of precious metals to obtain identification from the individuals they are purchasing from, log the transaction electronically, obtain and keep on file digital photos to aid in the identification of alleged stolen items, and report these transactions to the local police department. We are even willing to hold these items for a period of ten days prior to transferring or selling items. We are currently working closely with the police department in our town to implement these practices. Currently there are people that are operating without storefronts, that do not pay taxes to the towns they are conducting business in, that are not required to log the transactions they do, and do not report these transactions to the local authorities. Plus they are not required to hold the items for any length of time.

Another reason I am in favor of this bill is it clarifies what we are able to charge for pawns. It allows for certain charges that we need to have in place in order to survive as a business. Currently there is too much room for interpretation on this matter and having it clear cut is beneficial to us as small business owners.

The final reason I am in favor of this bill is it allows for some form of due process. I feel that as a business owner if I follow all the guidelines given to me by town or state I should not be held responsible if I unknowingly enter into a purchase or pawn of stolen items.

In conclusion I urge the fine members of the Committee to push this proposed bill forward I feel it is something that is greatly needed in order for us as a vital component in our community to survive.

Thank You, Stephen Lombardo

# **A Yankee Peddler & Pawn - New Britain, Inc.**

476 Main Street, New Britain CT, 06053

Tel. (860)826-7296

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## **SUPPORT Raised HB-5342**

To Whom It May Concern,

My name is Jason King. I am the owner of A Yankee Peddler & Pawn - New Britain, located at 476 Main Street in New Britain. I have been a New Britain tax payer for 14 years and I am in support of bill # 5342.

Over the past 14 years we have had a great working relationship with the detective bureau and Detective Betterini in particular. We have been filing electronic reports, at the request of the NBPD, for a year now and have had no problems. NBPD is now able to take the electronic reports and download to a statewide database. This database allows any department to check for items statewide using serial numbers, model numbers, names and dates of transaction.

I believe that by taking pictures of jewelry, as well as the detailed written descriptions that we have been doing since 1994, this will help confirm or refute the identity of an item that may have been reported stolen, considering we currently require a valid photo ID with an identifying number and date of birth. We also include address and physical description of the person in the transaction. By doing this, I feel it is a deterrent for people thinking of bringing stolen merchandise to us.

Concerning fees we charge on items that are dropped off to us with the intent to be repurchased. We have to pay rent, employees, taxes, utilities, advertising and insurance. I believe we should be able to charge for some of these things and include that in the price of the transaction. As a small business, every little fee is noticed and cannot be ignored. By allowing us to charge a reasonable fee for these things, I will be able to continue to pay my taxes to the city of New Britain, maintain my employees so they can provide for their families and not become part of the growing unemployment problem in the US. And more importantly, I will be able to continue providing the valuable service we do for the people who need money to pay for groceries, diapers, car insurance, utility bills, loans, mortgages and so on.

Our industry provides a service that is far reaching into other industries and it should not be overlooked. I feel that we are doing everything we can to make things easier for the police departments as well as being able to keep our heads above water and help others do the same.

Thank you for taking the time to read this letter.

-Jason King

Joseph C Spino

1605 Thomaston Ave  
Waterbury, CT 06704

## ***Spino's Pawn Shop***

*Testimony of  
Joseph C Spino  
To Public Safety and Security Committee*

*I am writing this testimony in support of Raised Bill No. 5342, an act concerning the licensing and record keeping of Pawnbrokers, Precious Metal and Stone Dealers, the retention of certain goods and certain fees charged by Pawnbrokers.*

*Spino's Pawn Shop has been in business serving the Greater Waterbury Area since 1991. We always abided by all State Laws and Local Ordinances. We have always worked and extended our services to all Local and State Police Departments.*

*We have an Electronic Reporting System with the Waterbury Police Dept. which is E-Mailed weekly.*

*Spino's Pawn Shop strongly supports the changes by the Connecticut Association of Pawnbrokers to the existing Laws that govern the Pawn Broker Industry in Connecticut.*

- 1. 10 day hold on jewelry being purchased with photos by all precious metal dealers*
- 2. Computerized record keeping and electronic transmittal of records*
- 3. Along with charges for issuing a Memorandum and Record keeping also include Storage, insurance and appraisal fees.*
- 4. Section 21-40 of the CGS states that a pawnbroker's license may be revoked for cause; we would like to clarify the term cause and allow for an administrative hearing.*
- 5. We would also like to include, for the purposes of addressing an area left unaddressed within law, a good faith clause for purchasers.*

*Pawnbrokers provide an alternative to people that can't go to banks to secure small cash loans for weekly expenses and have no place else to turn to. Pawnbrokers provide that service that no other industries will. Hundreds of people throughout the state utilize our service daily, especially in the harsh economical times we are all facing in today's economy.*

*Respectfully  
Joseph C Spino*

# Pawn King Inc.

2440 Barnum Ave, Stratford, Ct 06615

(203) 375-4228

## **SUPPORT Raised HB 5342**

To whom it may concern,

On behalf of Pawn King, Inc and our employees, I would like to thank all of the Public Safety and Security Committee members for their work on Bill No. 5432.

We appreciate people taking the time to understand how modern pawnshops actually operate and how they can be an asset to their local communities.

With today's economic challenges, household and business operating costs are on the rise while banks have tightened their lending criteria. Pawnshops are there to help the citizens of the State of Connecticut make it through trying times.

We also appreciate the clarification of charges a pawnshop may assess on a pawn transaction for appraisal, record keeping, insurance, handling, storage and other business operating expenses.

I personally believe holding purchased jewelry items for a few days and photographing all jewelry coming into pawn or being purchased is fair. We all need to work together to prevent the sale of stolen property.

Thank you again for your help and consideration with these issues.

Sincerely,

*William V. Mingione*

William Mingione

President, Pawn King Inc.

**Meriden Pawnshop LLC**  
273 West Main St Meriden CT 06451

SUPPORT Raised bill No. 5342

I would first like to begin by introducing myself my name is Michael Martorelli Managing Member of Meriden Pawnshop. I have been a part of Meriden Pawn for approximately 18 years. I currently employ 3 people not including myself or my partner. Meriden Pawn has afforded me my partner and our employees the opportunity support our families. We also support local charities, along with DARE, NEOA, Beat the Street Gym, Walk for Warmth and the Police Union Golf Tournament to name a few.

Our clientele ranges in ages between 18 and 85. We deal with those who cannot make it through the month without some help. Unfortunately conventional banks cannot or will not help these folks. I unfortunately saw these hard times personally and didn't know what a pawnshop was. There were many times I went without; when I didn't have to. Pawnbrokers help a lot of different people, those people rely on us whether to by diapers, food, pay the car loan, or simply to have a few extra dollars.

In supporting this bill I am also strongly in favor of electronic filing. I have worked with now retired Meriden Det. Dennis Sullivan along with The Criminologist from Waterbury to set up electronic filing in Meriden. We have been doing so for approximately the last two years.

The taking of digital photos of jewelry is also a great tool. I feel we as a society have come so far in technology that anyone in the business of purchasing precious metals can afford this.

With the growing number of precious metal dealers in the state I feel it to be unfair to law enforcement not to have a holding period. I feel a 10 day hold from date of purchase is fair for everyone. Also the state should not allow transient licensing or temporary licensing. There is no benefit to the taxpayers of CT for these people are not contributing any revenue to the state. All of this should apply to all who possesses a precious metal license within the State of CT.

I would also like to see clarification of the fees we as pawnbrokers are allowed to charge. Currently the statute is very vague and leaves too much room for interpretation. We need clarity in order to survive as a small business.

Currently there is no due process involved if a pawnbroker follows guidelines set forth by the governing bodies. If we unknowingly purchase or pawn a stolen item we should not be subject to losing our livelihood without due process.

We need to be treated fairly and we feel all involved in the purchasing of precious metals should be held accountable.

Please consider the impact this bill holds. It is important to us as small business owners and it is important to our clientele.

Thank you for your time and consideration on this matter.

Respectfully,

Michael Martorelli



# SALLY GOODMAN LTD.

ANTIQUE JEWELRY  
901 WHALLEY AVENUE, NEW HAVEN, CT 06515  
PH: (203) 387-5072

Dear Representatives and Senators:

Please be known that I am in favor of the Bill No. 5342 and wish to see this bill move forward. As a precious metals dealer and NOT a pawnbroker this bill will allow my company to operate in a manner that is acceptable to me and to the authorities.

The most important item in Bill # 5342 is the holding period. A ten day hold will eliminate all of the "boiler room" hotel operators that come into my city on any given Friday and are gone on Monday with their purchases. They have no hold period on their purchases. How can the law enforcement authorities allow this to go on is a mystery to me. My complaints go un-answered. How can the local officials even allow them to operate? This bill will put an end to their free-wheeling manner of operations.

Thank You;

Steven Goodman  
G.I.A. Graduate Gemologist

# **C&S Pawn**

205 Main Street, Norwich, CT 06360  
860-889-7296

## **SUPPORT Raised House Bill 5342**

March 1, 2010

Members of the Committee,

My name is Isaak Lazarou, co-owner of C&S Pawn in Norwich, CT. I have been in business for the past 5 years and I am sending this letter in support of bill 5342.

I believe this bill will help streamline the process of not only opening a business but also maintaining it. There should be guidelines to follow when buying merchandise and these guidelines should apply to all businesses who are not buying from wholesalers.

At times it is very disheartening to see a different set of rules applied to pawn shops and not to other second hand buyers. I think better reporting will also help law enforcement. At my store, we use a computerized database to record all transactions. Hard copies and an electronic file of these transactions are sent to our local police department weekly.

I strongly believe we provide a needed service to our community and in order to maintain our ability to lend, we need to be able to charge for the memorandum or note, the storage of property, any insurance for the property, and any appraisal of the property.

I urge you to pass bill 5342 and help us better regulate our industry and alike as a whole.

Thank you,

Isaak Lazarou

**Brass City Pawn LLC**  
**1274 Thomaston Ave**  
**Waterbury Ct 06704**  
**203-573-8650**

## **Support Raised House Bill 5342**

.Date: March 2, 2010

To Whom It May Concern

My name is Chris Vescera. I have been the owner of Brass City Pawn for over 6 years. I have 5 employees working at my store. They depend on the income that they earn to support their families.

We are very much in support of House bill 5342

1. digital photos of Jewelry items, computerized record keeping, 10 day holding period and how these should apply to all dealers in precious metals (jewelry stores, hotel buyers, etc...Not just pawnbrokers)
2. Clarifying fees that can be charged - very important so there is no misinterpretations
3. The revoking of license should be for willful violations and we should have due process like all other types of license holders.
4. a "good faith" clause for purchases should be added. That no harm would come to a law abiding business that abide by all regulations and after all reasonable and *extraordinary* efforts to the contrary, purchase an item that turns out to be stolen property.

Many in the community of Waterbury depend on our business. We are in many ways the only option they have to provide needed cash and help to support their families. Many of our customers cannot establish credit on their own and do not have bank accounts.

By passing this bill it will aid our customers and law enforcement officials thru the state with their investigations for victims of theft and clarify the current statutes.

Respectfully,

*Chris Vescera*