

March 13, 2010

Written Testimony of Stephen Lombardo

To Judiciary Committee

Opposition to Raised Bill No. 5472

I would like to congratulate the members of the Judiciary Committee for holding this public hearing regarding raised bill number 5472. I am submitting this testimony in opposition of raised bill number 5472. As I stated in my testimony in favor of raised House Bill 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. If this bill is passed the future of my business may be put in jeopardy.

I am in opposition of the proposed bill for a many reasons. Among them, a concern lies in the hold period. We as an association are in favor of a hold period. A twenty one day hold period is an extremely long time for a small business to have to wait to sell or transfer merchandise that is purchased. Especially, with the way in which gold prices swing day to day, and the small margins we are forced to operate at to be competitive with all the gold buyers that have cropped up recently. I am in favor of the ten day hold that was proposed in bill 5342.

Another reason I am not in favor of this bill is although it does clarify what we are able to charge for pawns. It does not allow for certain charges that we need to have in place in order to survive as a business. As with any business we have overhead, utility bills, payroll, training employees, insurance along with many other expenses that go into operating a small business. These expenses are far greater than the interest we can charge. We need to be able to charge a memorandum fee and other fees in order to stay in business. At my store we currently clearly state what the annual percentage rate is for a pawn and have never received a complaint from any of our customers.

Thank You,

Stephen Lombardo