

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking and Insurance, State of New Jersey, to fine, suspend and/or revoke pawnbroking licenses of Century Jewelers & Loan LLC, Reference No. 9913648-C06.))))))))))	ORDER TO SHOW CAUSE
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TO: Century Jewelers & Loan LLC
1700 Madison Avenue
Lakewood, New Jersey 08701

THIS MATTER having been opened by the Commissioner of the New Jersey Department of Banking and Insurance (“Commissioner”), upon information that Century Jewelers & Loan LLC (“Century Jewelers” or “Respondent”), may have violated various provisions of the Pawnbroking Law, N.J.S.A. 45:22-1 to -34 (“Act”), and pawnbroking regulations, N.J.A.C. 3:16–1.1 to -4.1; and

WHEREAS, Respondent is a New Jersey corporation with a principal place of business at 1700 Madison Avenue, Lakewood, New Jersey 08701; and

WHEREAS, Respondent is licensed by the Department of Banking and Insurance (“Department”) as a pawnbroker, license reference No. 9913648-C06; and

WHEREAS, Respondent is subject to the provisions of the Act and the pawnbroking regulations; and

WHEREAS, pursuant to N.J.S.A. 45:22-8, the Commissioner may, upon notice to the licensee of five days, and after hearing, revoke any license issued for any violation of the provisions the Act or any of the regulations adopted pursuant thereto; and

WHEREAS, pursuant to N.J.S.A. 45:22-24, a pawnbroker shall be liable for the loss of a pledge or part thereof, or for injury thereto, whether caused by fire, theft, burglary or otherwise, resulting from his failure to exercise reasonable care in regard to it, but he shall not be liable, in the absence of an express agreement to the contrary, for the loss of a pledge or part thereof, or for injury thereto, which could not have been avoided by the exercise of such care. The burden of proof to establish reasonable care shall be upon the pawnbroker; and

WHEREAS, pursuant to N.J.A.C. 3:16-2.2(b), a licensee shall conduct its business in a commercially reasonable manner; and

WHEREAS, pursuant to N.J.A.C. 3:16-3.1(a), a licensee shall provide the Commissioner with a copy of every legal process bringing a lawsuit, claim or suit upon a surety bond, which involves the licensee's pawnbroker business, not later than 10 days from the time of service upon the licensee; and

WHEREAS, pursuant to N.J.A.C. 3:16-3.1(b), a licensee shall report to the Commissioner in writing within three days the disposition of a lawsuit, claim or suit upon a bond, whether by settlement, judgment or court order, involving the licensee's pawnbroker business. The licensee shall provide the Commissioner with a copy of the settlement agreement, judgment or court order; and

WHEREAS, pursuant to N.J.A.C. 3:16-4.1(a)(1), the Commissioner may revoke or suspend a license if, after notice and hearing, the Commissioner determines that the licensee has violated any provision of the Act, or any order, rule or regulation made or issued pursuant thereto, or has violated any other law in connection with the operation of the pawnbroker business; and

WHEREAS, pursuant to N.J.A.C. 3:16-4.1(a)(3), the Commissioner may revoke or suspend a license if, after notice and hearing, the Commissioner determines that the licensee has

withheld information from the police or from the Department, or has made a material misstatement in the application for the license, or any other submission to the Department; and

WHEREAS, pursuant to N.J.A.C. 3:16-4.1(a)(4), the Commissioner may revoke or suspend a license if, after notice and hearing, the Commissioner determines that the licensee has been convicted of an offense involving breach of trust, moral turpitude or fraudulent or dishonest dealing, or has had a final judgment entered against him in a civil action upon grounds of fraud, misrepresentation or deceit; and

WHEREAS, pursuant to N.J.A.C. 3:16-4.1(a)(5), the Commissioner may revoke or suspend a license if, after notice and hearing, the Commissioner determines that the licensee has become insolvent or has acted in a way that indicates the licensee's business is not being operated in a financially responsible manner; and

WHEREAS, pursuant to N.J.A.C. 3:16-4.1(a)(6), the Commissioner may revoke or suspend a license if, after notice and hearing, the Commissioner determines that the licensee has demonstrated unworthiness, incompetence, bad faith or dishonesty in transacting business or otherwise; and

WHEREAS, pursuant to N.J.A.C. 3:16-4.1(a)(7), the Commissioner may revoke or suspend a license if, after notice and hearing, the Commissioner determines that the licensee has engaged in any other conduct which would be deemed by the Commissioner to be grounds to deny, revoke or suspend a license; and

FACTUAL ALLEGATIONS

IT APPEARING that, at all relevant times, Carin Greenspan and her son Hal Greenspan were the sole owners of these two pawnbroking businesses: Century Pawnbroker Inc. (“Century Pawnbroker”) and Respondent Century Jewelers & Loan LLC (“Century Jewelers”); and

IT FURTHER APPEARING that Century Pawnbroker is now a defunct company, but was previously licensed by the Department as a pawnbroker, license reference No. 9001193-C08; and

IT FURTHER APPEARING that Century Pawnbroker was first licensed by the Department as a pawnbroker in November 1990, Reference No. 9001193-C08; and

IT FURTHER APPEARING that Century Jewelers is currently licensed by the Department as a pawnbroker, license reference No. 9914191-C08; and

IT FURTHER APPEARING that Century Jewelers was first licensed by the Department as a pawnbroker on August 28, 2000; and

IT FURTHER APPEARING that on June 30, 2015, both Century Pawnbroker's and Century Jewelers' pawnbroking licenses expired because they were not renewed; and

IT FURTHER APPEARING that despite the license expiration, both Century Pawnbroker and Century Jewelers continued to engage in the pawnbroking business; and

IT FURTHER APPEARING that from 2008 to 2016, the Department received four separate consumer complaints against Century Pawnbroker alleging that the consumers were unable to redeem their pawned items because Century Pawnbroker lost them; and

IT FURTHER APPEARING that on September 27, 2016, a criminal complaint was filed against Hal Greenspan for theft by unlawful taking or disposition, in violation of N.J.S.A. 2C:20-3(a), for stealing a customer's pawned jewelry items in the total amount of \$3,340.00; and

IT FURTHER APPEARING that on October 4, 2016, a second criminal complaint was filed against Hal Greenspan for theft by unlawful taking or disposition, in violation of N.J.S.A. 2C:20-3(a), for stealing a customer's pawned jewelry items in the total amount of \$5,000.00; and

IT FURTHER APPEARING that on November 9, 2016, Century Jewelers applied for a new pawnbroking license; and

IT FURTHER APPEARING that the background checks submitted with the license application revealed Hal Greenspan's arrest on the two charges referenced above; and

IT FURTHER APPEARING that on December 14, 2016, the Department entered into a Consent Order with Century Jewelers for \$2,500.00 for a violation of continuing to operate after the license expiration; and

IT FURTHER APPEARING that on December 16, 2016, the Department issued a new pawnbroking license to Century Jewelers; and

IT FURTHER APPEARING that on December 27, 2016, the Department entered into a Consent Order with Century Pawnbroker for \$1,500.00 for a violation of continuing to operate after the license expiration; and

IT FURTHER APPEARING that Century Pawnbroker did not apply for a new pawnbroking license; and

COUNT 1

IT FURTHER APPEARING that on June 8, 2017, a judgment of conviction was issued against Hal Greenspan for two counts of theft by unlawful taking or disposition, in violation of N.J.S.A. 2C:20-3(a); and

IT FURTHER APPEARING that as part of the judgment of conviction, Hal Greenspan was ordered to make a restitution of \$40,500.00 to one affected customer, and a restitution of \$3,340.00 to the second affected customer; and

IT FURTHER APPEARING that by having its owner with a criminal conviction on an offense involving breach of trust, moral turpitude or fraudulent or dishonest dealing, Respondent violated N.J.A.C. 3:16-4.1(a)(4); and

COUNT 2

IT FURTHER APPEARING that at no time did Respondent report Hal Greenspan's June 8, 2017 judgment of conviction to the Department; and

IT FURTHER APPEARING that by failing to report the judgment of conviction to the Department within three days of the disposition of the criminal prosecution, Respondent violated N.J.A.C. 3:16-3.1(b); and

COUNT 3

IT FURTHER APPEARING that on June 4, 2019, Respondent applied to renew its pawnbroking license; and

IT FURTHER APPEARING that one of the questions on the renewal questionnaire asked Respondent to disclose whether Respondent or any of its officers, directors, partners, owners, or substantial stockholder been fined, penalized or disciplined by any agency of this State, or any other state or by any federal jurisdiction; and

IT FURTHER APPEARING that in response to that question, Respondent falsely answered in the negative and failed to disclose Hal Greenspan's conviction on the theft charges related to his pawnbroking activities; and

IT FURTHER APPEARING that by withholding information from the Department and by making a material misstatement to the Department in the application for license renewal, Respondent violated N.J.A.C. 3:16-4.1(a)(3); and

COUNT 4

IT FURTHER APPEARING that on November 29, 2017, consumer "B.B." filed a Complaint against Respondent in the Ocean County Superior Court, Special Civil Part, alleging that Respondent lost the consumer's pawned jewelry items valued at \$2,000.00; and

IT FURTHER APPEARING that Respondent failed to provide the Department with a copy of the Complaint and failed to disclose the lawsuit; and

IT FURTHER APPEARING that by failing to provide the Department with a copy of the Complaint and by failing to disclose the lawsuit, Respondent violated N.J.A.C. 3:16-3.1(a) and N.J.A.C. 3:16-4.1(a)(3); and

COUNT 5

IT FURTHER APPEARING that in June 2020, consumer “W.M.” attempted to redeem her pawned jewelry item from Respondent; and

IT FURTHER APPEARING that in response to the redemption request, Respondent advised the consumer that it lost the item; and

IT FURTHER APPEARING that in October 2020, Respondent paid W.M. \$2,600.00 for the lost pawned item; and

IT FURTHER APPEARING that by losing a consumer’s pawned item, Respondent violated N.J.S.A. 45:22-24, N.J.A.C. 3:16-4.1(a)(6), and N.J.A.C. 3:16-4.1(a)(7); and

NOW, THEREFORE, IT IS on this 14 day of March 2022,

ORDERED that Respondent appear and show cause why its pawnbroking licenses should not be revoked, pursuant to N.J.S.A. 45:22-8 and N.J.A.C. 3:16-4.1(a); and

IT IS FURTHER ORDERED that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at its own expense, to take testimony, to call or cross-examine witnesses, to have subpoenas issued, and to present evidence or argument if a hearing is requested; and

IT IS FURTHER ORDERED that unless a request for a hearing is received within twenty (20) days of the service of this Order to Show Cause, the right to a hearing in this matter shall be deemed to have been waived by Respondent and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by emailing the request to Paulette Sibblies-Flagg, Chief of Consumer Services & Enforcement, at paulette.sibblies-

flagg@dobi.nj.gov and mailing a copy to Department of Banking and Insurance, OCF Investigations Unit, P.O. Box 040, Trenton, New Jersey 08625. A copy of the request for a hearing shall also be emailed to Deputy Attorney General Garen Gazaryan at garen.gazaryan@law.njoag.gov and a copy mailed to P.O. Box 117, Trenton, New Jersey 08625.

The request shall contain the following:

- A. Respondent's full name, address, and daytime telephone number;
- B. A statement referring to each charge alleged in this Order to Show Cause and identifying any defense intended to be asserted in response to each charge. Where the defense relies on facts not contained in the Order to Show Cause, those specific facts must be stated;
- C. A specific admission or denial of each fact alleged in this Order to Show Cause. Where Respondent has no specific knowledge regarding a fact alleged in the Order to Show Cause, a statement to that effect must be contained in the hearing request. Allegations of this Order to Show Cause not answered in the manner set forth above shall be deemed to have been admitted; and
- D. A statement requesting a hearing.



Marlene Caride
Commissioner