

Guidelines for Completing and Filing Daily Transaction Reports

*Pursuant to the Requirements of Title 12-304 Business Regulation Article,
Annotated Code of Maryland*



**DEPARTMENT OF LABOR, LICENSING AND REGULATION
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The guidelines contained in this publication are intended to be used by the Department of Labor, Licensing and Regulation to evaluate the sufficiency of daily transaction report forms in connection with administrative complaints involving secondhand precious metal object and/or pawn transactions.

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Introduction

The Secondhand Precious Metal Object Dealers and Pawnbrokers Act applies to all individuals who or organizations that trade in secondhand precious metal objects with the public. The Act specifies objects that are composed of five precious metals. These are:

- Gold
- Silver
- Platinum
- Iridium
- Palladium

Precious metal objects include gems that have been inlaid in any of the above listed precious metals. An item is considered to be a precious metal object if the item is composed of gold, silver, platinum, palladium, or iridium or any alloy of these metals if: the market value of the metal in the object lies principally in its precious metal component; or at least 25% of the weight of the object is precious metal.

For the purposes of the administration of this law there is a presumption that an object is a precious metal object if:

- (1) it reasonably appears to be a precious metal object; and
- (2) it was received by a dealer in the course of business or is found in the place of business or storage facility of a dealer.

Filing Daily Transaction Reports

Dealers are required to report every secondhand precious metal object that they acquire to the local law enforcement agency in the jurisdiction (one of the Maryland counties or Baltimore City). The daily transaction reports must be transmitted to the local police agency by 10:00 am the next business day through the electronic filing system in use by the jurisdiction.

Each of the 24 local law enforcement agencies has a designated county administrator who works with dealers to establish an electronic filing account, provide instruction to dealers and their employees about filing transaction reports

properly and answer questions. Upon establishment of an electronic account dealers have access to online step-by-step training on how to complete the report. A list containing the names of the county administrators appears on the DLLR website.

The Importance of Accurate and Detailed Transaction Reports

The primary reason for accurate and uniform descriptions of items acquired on a daily transaction sheet is to enhance law enforcement's capability to recover stolen items and to return them to their rightful owners. Not only does this bring relief to the initial victim, but it is a means to convict the criminal element, thus increasing the percentage of legitimate clientele served by the dealers.

Completing the Daily Transaction Report

The Department of Labor, Licensing and Regulation's Daily Transaction Report Form contains all of the information that is required to be documented by dealers for each secondhand precious metal object they acquire. The purpose of this form is for the dealer to collect important information about the seller of a precious metal object, the description of the precious metal object, and to obtain the signatures of the dealer and seller that document the transaction.

Information about the dealer

Once a dealer has established an electronic filing account, the relevant information about the dealer is automatically entered on the transaction report. This information includes: the dealer's name, the business name, the address of the business and the dealer's DLLR license number.

Information about the location of the transaction

The addresses of locations where a dealer acquires secondhand precious metal objects other than at the dealer's business address must be identified in the transaction reports. The sites of these locations often include hotel events, home gold parties, and estate or judicial sales.

Information about the seller

Complete, detailed and accurate information about the seller is a very important part of the transaction report. The information about the seller includes the following:

- First and last name, plus at least the middle initial
- Residence address
- Date of birth
- Gender
- Color of hair and eyes
- Height
- Weight
- Distinguishing features such as a beard, Mustache, scars or tattoos
- Race
- Whether the seller is known to the dealer

Positively identify the seller

The best way to confirm the identity of the seller is to compare the person's physical characteristics with an ID that contains a photograph of the individual. The best ID is a valid (unexpired) driver's license. The transaction report requires that each transaction includes the driver's license number (include the State of issuance) of the person selling an item to a dealer. If the person does not have a driver's license, other acceptable forms of identification include a government issued ID, age verification, or passport.

Information about the precious metal object

A complete, detailed and accurate description about each item is another very important part of the transaction report. The required information about a secondhand precious metal object includes:

- A complete, accurate description of the item
- Initials, monograms, or inscriptions
- Metallic composition of the object
- Alterations
- Weight
- The price paid to the seller by the dealer.
- Separate entries shall be made for each item acquired.

Conscientiously examine each object

Describe, in as great a detail as possible, anything that is unique or distinguishing about the object. Consult Pages 10-15 for guidelines in providing the description of the numerous types of precious metal objects.

Instruments used to weigh precious metal objects

Each set of scales used to determine the weight of an object are required to be registered and inspected by the Division of Weights and Measures of the Maryland Department of Agriculture. The current registration certificate issued by the Department of Agriculture is required to be conspicuously displayed.

Seller's and Dealer's Signatures are Required

The signatures of the dealer and the seller must be affixed to the paper daily transaction report forms. Although the dealer's and the seller's signatures cannot be digitally filed through the RAPIDS system, the transaction forms are required to have these signatures. The seller may not sign a blank transaction form that does not include required descriptions of the seller and the items to be acquired by the dealer

Transaction Reports by Pawnbrokers

Many Maryland counties along US interstate I-95 have passed laws that regulate pawnbrokers. "Pawnbroker" means a person who engages in pawn transactions. A "pawn transaction" means a loan of money by a dealer on deposit or pledge of personal property or other valuable thing other than securities or printed evidences of indebtedness, or a purchase by a dealer of personal property or other valuable thing on condition of selling the same back at a stipulated price.

Individuals who engage in pawn transactions should contact the licensing or permit offices in their jurisdiction to determine whether local laws apply to their business. In jurisdictions that have local "pawn" laws, pawnbrokers must meet the reporting requirements of the local pawn and secondhand property laws. In jurisdictions that do not have local laws regulating pawnbrokers, pawnbrokers must comply with the requirements of Maryland state law for reporting pawn transactions to local law enforcement agencies.

The transaction reporting requirements for pawnbrokers are the same as for secondhand precious metal object dealers. Transaction reports filed with local police agencies must include the same description requirements of the seller and the detail describing the items acquired.

In addition to the information required to be documented by secondhand precious metal objects dealers, a pawnbroker must provide the following information about the items obtained through a pawn transaction or bought outright:

- The type of item
- The manufacturer, model number, year of manufacture (if known), and serial number (if known) of the item
- The item's color and size

Objects bought for the purpose of resale

The following items purchased by a pawnbroker for the purpose of resale shall be reported :

- binoculars;
- cameras;
- firearms;
- furs;
- household appliances;
- musical instruments;
- office machines or equipment;
- radios, televisions, videodisc machines, videocassette recorders, and stereo equipment;
- personal computers, tapes, and disc recorders;
- watches;
- bicycles; and
- tangible personal property pledged as collateral.

Avoid these common reporting violations of the Secondhand Precious Metal Object Dealers and Pawnbrokers Act

Dealers often are cited by local police departments for the following violations of the law and DLLR regulations:

- **Lack of complete description of seller**
- **Incomplete/improper descriptions of items**
- **Failure to include all items acquired on daily transaction reports**
- **Failure to properly tag items acquired**
- **Failure to file transaction reports in a timely manner**
- **Failure to notify local law enforcement agencies of off-fixed business address location events**
- **Failure to have the dealer or the representative of the dealer and the seller of an item sign the transaction report form**
- **Permitting sellers to sign blank or incomplete transaction report forms.**
- **Failure of the dealer to sign the transaction report form.**

A licensee who violates these and other provisions of the Secondhand Precious Metal Object Dealers and Pawnbrokers Act is subject to the suspension or revocation of his or her license and may also be subject to a civil penalty of up to \$5,000 for each violation.

DESCRIBING SECONDHAND PRECIOUS METAL OBJECTS AND GEMS

NONE OF THESE ARE ALL- INCLUSIVE. INCLUDE ADDITIONAL DETAIL IN THE DESCRIPTION BOX.

NECKLACE:

1. Type of chain
2. Length of the chain (in inches)
3. Metallic composition
4. Color of the chain
5. Color, Shape, and number of stones or jewels
6. Any unique markings on the chain
7. Any charms or other items attached to the chain
8. Weight of the metallic object
9. Any obvious alterations (missing items)

BRACELET:

1. Type (bangle, chain, mesh, etc.)
2. Length of the chain (in inches)
3. Metallic composition
4. Color of the chain
5. Color, shape, and number of stones or jewels
6. Any unique markings on the chain
7. Any charms or other items attached to the chain
8. Weight of the metallic object
9. Any obvious alterations (missing items)

EARRINGS:

1. Type of earring (stud, hoop, dangle, clip-on, etc.)
2. Size of the earring
3. Metallic composition
4. Color of the chain
5. Color, shape, and number of stones or jewels
6. Any unique markings

7. The weight of the metallic object
8. Any obvious alterations (missing items)

RINGS:

1. Type of the ring (a band, solitaire, cocktail ring, mother's ring, multi-stoned ring, man's ring or a woman's ring)
2. Size of the ring
3. Metallic composition
4. Color, shape, and number of stones or jewels
5. Any unique markings to include engravings or designs
6. color of the metallic portion of the ring
7. Weight of the metallic object
8. Any obvious alterations (missing items)

SCHOOL/ASSOCIATION RINGS:

1. Name of the school and the graduation year
2. Any names or initials engraved on the ring
3. Size of the ring
4. Metallic composition
5. Color, shape, and number of stones or jewels
6. Color of the metallic portion of the ring
7. Weight of the metallic object
8. Any obvious alterations (missing items)

PINS:

1. Type of pin (cameo, flower, design, animal, stone, initials, etc.)
2. Dimension of the pin
3. Metallic composition

4. Color of the metallic portion of the pin
5. Color, shape, and number of stones or jewels
6. Any unique markings on the pin
7. Weight of the metallic object
8. Any obvious alterations (missing items)

CUFF LINKS:

1. Dimension of the cuff link
2. Metallic composition
3. Weight and color of the metallic object
4. Color, shape, and number of stones or jewels
5. Any unique markings
6. Any obvious alterations (missing items)

TYPES OF NECKLACES AND BRACELETS

Please use the following descriptions for the chain types and the stone types and cuts, if applicable. When you receive multiple similar items that are not from a set, all items MUST be specifically described.



Anchor



Bead



Cable



Antonio



Bizmark



Curb



Basket Chain



Box



Figaro



Basketweave



Byzantine



Herringbone



Hugs & Kisses



Panther Link



Rope



Infinity Link



Popcorn



San Marco



Marine



Puff Mariner



Serpentine



Omega



Rolo



Singapore Link



Snake



Turkish Marquis



Venetian Link



Square Link



Twist Rope



Wheat Chain

BASIC STONE CUTS



COLOR OF STONES AND BIRTH STONES



January
Garnet



February
Amethyst



March
Aquamarine/Bloodstone



April
Diamond



May
Emerald



June
Pearl /Moonstone / Alexandrite



July
Ruby



August
Peridot



September
Sapphire



October
Opal / Tourmaline



November
Citrine/ Topaz



December
Turquoise / Zircon / Tanza

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