VIRGINIA:

IN THE CIRCUIT COURT FOR THE COUNTY OF STAFFORD

COMMONWEALTH OF VIRGINIA, ***EX REL.* MARK R. HERRING,** **ATTORNEY GENERAL,** **Plaintiff,** **v.** **610 PAWN, INC.** **d/b/a 610 Pawn & Jewelry, and** **d/b/a 610 Pawn** **SERVE:** **Patrick L. Bailey,** **Registered Agent** **315 Garrisonville Road** **Suite 104B** **Stafford, Virginia 22554** **(Stafford County)** **Defendant.**	**CIVIL ACTION NO. _____**

COMPLAINT

The Plaintiff, Commonwealth of Virginia, by, through, and at the relation of the Attorney General of Virginia, Mark R. Herring (the "Plaintiff" or the "Commonwealth"), petitions this Court to declare that the activities in which the Defendant, 610 Pawn, Inc. ("610 Pawn") has engaged constitute violations of §§ 54.1-4008(A) and 54.1-4014(B) of the Virginia pawnbroker statutes, as well as § 59.1-200(A)(33) of the Virginia Consumer Protection Act ("VCPA"). The Plaintiff prays that this Court grant the relief requested in this Complaint and states the following in support thereof:

JURISDICTION AND VENUE

1. The Commonwealth brings this action pursuant to its authority in Virginia Code § 59.1-203, which provides, *inter alia*, that the Attorney General may bring an action to enjoin any violation of the VCPA, which includes, among others, any violation of the statutes applicable to pawnbrokers, in accordance with §§ 54.1-4014(B) and 59.1-200(A)(33).

2. The Circuit Court for the County of Stafford has authority to entertain this action and to grant the relief requested pursuant to Virginia Code §§ 8.01-620, 17.1-513 and 59.1-203.

3. Venue in this Court is preferred, pursuant to Virginia Code § 8.01-261(15)(c), because some or all of the acts to be enjoined are, or were, being done in the County of Stafford. Furthermore, venue is permissible in this Court pursuant to Virginia Code §§ 8.01-262 (3) and (4) because the Defendant 610 Pawn regularly conducts substantial business activity in the County of Stafford, and portions of the cause of action arose in the County of Stafford.

4. Prior to the commencement of this action, the Plaintiff gave the Defendant written notice that this cause of action was contemplated. In that written notice, the Defendant was afforded a reasonable opportunity to either appear before the Office of the Attorney General to demonstrate that it had not violated the VCPA or the pawnbroker statutes, or, to execute an Assurance of Voluntary Compliance ("Assurance"), pursuant to Virginia Code § 59.1-203(B). The Defendant failed to demonstrate that no violations of the above-referenced statutes occurred, and failed to enter into an Assurance of Voluntary Compliance that was acceptable to the Commonwealth.

PARTIES

5. The Plaintiff is the Commonwealth of Virginia, by, through, and at the relation of Mark R. Herring, Attorney General of Virginia.

6. Defendant 610 Pawn, Inc. is a Virginia corporation with its principal place of business in Stafford, Virginia. Its Articles of Incorporation were issued by the Virginia State Corporation Commission ("SCC") on February 10, 2012.

FACTS

7. The Defendant is a corporate entity that engaged in business as a "pawnbroker," as that term is defined in Virginia Code § 54.1-4000.

8. During the period from at least February 10, 2012 through the present, Defendant 610 Pawn has operated as a "pawnbroker" to consumer borrowers, as that term is defined in Virginia Code § 54.1-4000. At all relevant times, it has operated, and presently continues to operate, out of one location: 395 Garrisonville Road #105, Stafford, Virginia 22554, doing business as 610 Pawn and 610 Pawn & Jewelry. Through this location, Defendant 610 Pawn makes and has made closed-end pawn loans to individual consumers for personal, family, household or other non-business purposes, which loans are secured by the consumers' personal property (the "pawn loans").

9. On a $100 pawn loan Defendant 610 Pawn made on April 23, 2015 from its sole business location, it imposed a monthly finance charge of $20. The finance charge comprised of a single $20 interest charge. A copy of the pawn ticket Defendant 610 Pawn issued on this loan is attached as Exhibit A.

CAUSES OF ACTION

COUNT I – Virginia Code §§ 54.1-4008(A) and 54.1-4014(B)

10. The Commonwealth re-alleges and incorporates by reference the allegations of Paragraphs 1-9.

11. Virginia Code § 54.1-4000 defines "pawnbroker" as:

> "Pawnbroker" means any person who lends or advances money or other things for profit on the pledge and possession of tangible personal property, or other valuable things, other than securities or written or printed evidences of indebtedness or title, or who deals in the purchasing of personal property or other valuable things on condition of selling the same back to the seller at a stipulated price.

12. Section 54.1-4008(A) of the Virginia pawnbroker statutes provides that pawnbrokers may not demand interest greater than ten-percent (10%) per month on a loan of $25 or less, seven-percent (7%) per month on a loan of more than $25 and less than $100, or five-percent (5%) per month on a loan of $100 or more.

13. Section 54.1-4009(C) of the Virginia pawnbroker statutes provides that pawnbrokers may charge service fees that "shall not exceed five-percent [5%] of the amount loaned on such item or paid by the pawnbroker for such item or $3, whichever is less" for each loan or transaction for making daily electronic reports to the appropriate law-enforcement officers in compliance with § 54.1-4010, for creating and maintaining the required electronic records, and for investigating legal title to property being pawned, pledged, or purchased.

14. Section 54.1-4013(B) of the Virginia pawnbroker statutes provides that pawnbrokers may charge a monthly storage fee for any items requiring storage, which fee shall not exceed five percent (5%) of the amount loaned on such item.

15. Virginia law does not authorize the imposition of any other fees by a pawnbroker.

16. On a one-month pawn loan of $100, the following interest and fees are permitted: (a) interest in the amount of $5; (b) a storage fee in the amount of $5; and (c) a service fee in the amount of $3; the total allowable fees, accordingly, is $13.

17. The finance charge assessed by the Defendant in the loans described in Paragraph 9 above exceeded the amounts permitted by the pawnbroker statutes. Accordingly, the finance charge described in Paragraph 9 and evidenced in Exhibit A is an excessive fee not specifically authorized by §§ 54.1-4008(A), 54.1-4009(C), 54.1-4013(B), or any other pawnbroker statute. Accordingly, these charges constitute disguised interest in violation of §§ 54.1-4008(A) and 54.1-4014(B).

18. On information and belief, the Defendant violated § 54.1-4008(A) on all or many of its loans at various times during the period from February 10, 2012 through the present (the "Relevant Period") because it charged excessive interest rates and illegal fees on all or many of its loans.

COUNT II – Virginia Consumer Protection Act

19. The Commonwealth re-alleges and incorporates by reference the allegations of Paragraphs 1-18.

20. The Defendant is now, and was at all relevant times, a "supplier" of "goods" or "services," and was engaged in "consumer transactions," as those terms are defined in § 59.1-198 of the VCPA, by advertising, offering, and providing pawn loans to consumers.

21. Pursuant to § 59.1-200(A)(33), the Defendant's previously-described violations of § 54.1-4008(A) and 54.1-4014(B) of the pawnbroker statutes also constitute violations of the VCPA.

22. The Defendant willfully committed the violations described of §§ 54.1-4008(A), 54.1-4014(B), and 59.1-200(A)(33) because, on information and belief, it knew of its obligations and limitations under the aforementioned pawnbroker statutes yet chose to impose illegal fees.

23. Individual consumers have suffered monetary damages as a result of the aforesaid violations by the Defendant.

24. The VCPA authorizes the Attorney General to seek, among other relief, restitution (§ 59.1-205) for any amounts that might have been acquired from persons by means of a violation of § 59.1-200, civil penalties of not more than $2,500 per willful violation (§ 59.1-206), investigative costs and reasonable expenses not to exceed $1,000 per violation, and attorneys' fees (§ 59.1-206).

PRAYER FOR RELIEF

WHEREFORE, the Plaintiff, Commonwealth of Virginia, prays that this Court:

A. Permanently enjoin the Defendant and its officers, directors, employees, agents, successors, and assigns from violating §§ 54.1-4008(A), 54.1-4014(B), and 59.1-200(A)(33) of the Code of Virginia;

B. Grant judgment against the Defendant, and award to the Commonwealth, as trustee, for the use and benefit of all aggrieved borrowers, all sums necessary to restore to any consumers the money or property acquired from them by the Defendant in connection with its violations of §§ 54.1-4008(A), 54.1-4014(B), and 59.1-200(A)(33) of the Code of Virginia, pursuant to Virginia Code § 59.1-205;

C. Grant judgment against the Defendant and award to the Commonwealth civil penalties of up to $2,500 per willful violation of § 59.1-200(A)(33), pursuant to Virginia Code § 59.1-206(A), with the exact number of violations to be proven at trial;

D. Grant judgment against the Defendant and award to the Commonwealth its costs, reasonable expenses incurred in investigating and preparing the case up to $1,000.00 per violation of § 59.1-200(A)(33) of the VCPA, and its attorneys' fees, pursuant to Virginia Code § 59.1-206(C); and

E. Order such other and further relief as may be deemed proper and just.

COMMONWEALTH OF VIRGINIA,
EX. REL. MARK R. HERRING,
ATTORNEY GENERAL

By: _____
Mark S. Kubiak

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610 pawn

315 Carrisonville Rd, Suite 104-B
Stafford VA 22554
(540)720-0045 Fax: (540)288-8926

EXHIBIT A
PENGAD-Bayonne, N. J.

30 Day Pawn Ticket
86987

Date Made: 4/23/2015
Time Made: 10:55 AM

Pledgor:	VANSKIKE, PHILIP MICHAEL
ID:	VA DL T61258400
Address:	41 IACOBY RD LOUISA VA 23093

SEX:	M	WEIGHT:	185	BEARD:	
RACE:	WHITE	EYES:	BLU	MUSTACHE:	
DOB:	9/11/1979	HEIGHT:	6-04	GLASSES:	
EMPLOYER:					
EMPLOYER PHONE:	(540) 872-1442				

Description of all items pawned

1/. 1 - Ladie'S Ring 10kt ladies ring pincess cut shape w/ 4 round stn Yellow 10k 1.3dwt

2/. 1 - Ladie'S Ring 10kt ladies solitary missing stn Yellow 10k 0.9dwt

3/. 1 - Ladie'S Ring 10kt ladies hear green stn ring Yellow 10k 1.1dwt

4/. 1 - Ladie'S Ring 14kt 2 pearl ladies ring Yellow 14k 2.1dwt

5/. 2 - Scrap Gold 14kt boy shape pendent & 14kt broken ladies ring Yellow 14k 2.8dwt

You are giving us a security interest in the above-described goods

TRUTH IN LENDING

MATURITY DATE	23-May-15
AMOUNT FINANCED The amount of credit provided to you	$100.00
FINANCE CHARGE The dollar amount the credit will cost you	$20.00
TOTAL OF PAYMENTS Amount to redeem pawn on maturity date	$120.00
ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate	240.00%
PAYMENT SCHEDULE 1 @	$120.00

If you pay off your loan early you will not be entitled to a refund of part of the finance charge

Amount To Extend Pawn For 30 Days	$20.00

Breakdown/Explanation of Finance Charges

setup1	interest1	Service1	misc1	=finance1charge
	20.00			$20.00

Privacy Statement

We the lender respect your privacy by keeping the information you share with us secure. At no time do we disclose any non-public personal information about you, the customer, to any third party, except as mandated by law.

TERMS AND CONDITIONS. Your signature below constitutes acceptance.

consideration of and to secure the amount identified as the Amount financed, Pledgor hereby deposits with the issuer of this pawnticket the Pledged items described above. The pledgor of ds(these) item(s) attests that it(they) is(are) not stolen, has no liens or encumbrances, and I(the pledgor) have the right to sell or pawn the(these) item(s). Pledgor also attests that the pledged item(s) e not rented or leased and that Pledgor is not in voluntary bankruptcy of any type. Any personal property pledged to a pawnbroker within this state is subject to sale or disposal when there has een no payment made on the account for a period of not less than 15 days past the original due date of the pawn transaction or 10 days past the due date of a renewal or extension, no further notice necessary. There is no obligation for the pledgor to redeem pledged goods. The pawnshop charge shall be deemed earned due and owing as of the date of the pawn transaction and a like sum hall be deemed earned, due, and owning on the same day of the next succeeding month. This item is redeemable only by the pledgor to whom the receipt was issued, or any person with the copy of e original recipt or identified in a written AND notarized authorization to redeem the property identified on the receipt. If this pawn ticket is lost, destroyed or stolen, you should immediately so-dvise 610 Pawn, in writing.

Pawns 5 days past due will incure late charges**
NO checks accepted as payment**
NO goods sent C.O.D.**
NO goods will be shown unless paid in full**

ATE	PAYMENT	MATURITY	INTL

ONLY CASH WILL BE ACCEPTED FOR PAYMENTS OR PICK-UPS!!!

agree to all the terms and conditions of this contract

I hereby Pawn/Loan/Sell the items listed herein for the sum of $100.00

X _____ 4/23/2015
Customer Signature

Dealer: ADRI
Permit: N/A

X _____
BUYER/DEALER/EMPLOYEE SIGNATURE

* 8 6 9 8 7 *

Buy - Sell - Pawn - Trade
Hours 10:00 - 7:00, Mon-Friday
VISA/MASTER Cards Accepted for Sales Only.