

SCDCA v. A Bargain Center, LLC

(Docket No. 16-ALJ-30-0038-CC)

On September 10, 2015, the Department, accompanied by the Lexington County Sheriff's Office and the Bureau of Alcohol, Tobacco, Firearms, and Explosives, conducted an on-site investigation of A Bargain Center, LLC (ABC). As a result of the information obtained, the Department determined that ABC's personal property purchase and "buyback" program constituted illegal pawnbroker activity for which ABC did not hold proper certification under the South Carolina Pawnbrokers Act (Act).

On February 5, 2016, the Department filed a Request for a Contested Case Hearing with the Administrative Law Court (ALC). In its request, the Department sought an order to cease and desist ABC's operation as a pawnbroker, pay an administrative fine of up to \$75,750, and pay restitution for finance charges that affected customers based upon the Department's findings that ABC committed 101 violations under the Act.

The hearing was held on May 17, 2016. On July 21, 2016, the ALC issued a Final Decision and Order finding that ABC violated the Act by failing to obtain a Certificate of Authority from the Department prior to conducting business as a pawnbroker. The Order demanded ABC cease and desist operating as a pawnbroker until receiving a valid Certificate of Authority. ABC was also directed to pay an administrative fine in the amount of \$2,500 to the Department but no restitution was ordered.

On August 1, 2016, the Department filed a Motion for Reconsideration, requesting that the ALC reconsider, alter, or amend its Final Decision and Order arguing the ALC erred by failing to order ABC to pay restitution to its affected customers as required by the Act's incorporation of the Truth in Lending Act (TILA). The Department also argued that the ALC erred in assessing an administrative fine of \$2,500 and requested an amount not less than \$10,500. On September 1, 2016, the ALC denied the Department's motion to increase the administrative fines and order restitution noting the cooperation of ABC and the small value of the business.

On October 3, 2016, the Department appealed this case to the South Carolina Court of Appeals. Thereafter, the parties reached a settlement whereby ABC agreed to pay an administrative fine and provide partial consumer refunds. On April 23, 2018, the appeal was dismissed.