

What if I think they violated the law?

FILING COMPLAINTS

One of the first things you should do if you think that your rights have been violated is to file complaints with the proper state agencies. The first place to go to file a complaint is the California Department of Corporations. The department's number and website to obtain and file a complaint are listed in this brochure. Other agencies that should be contacted include the State Attorney General's Office and the Department of Consumer Affairs.

Rights to Remember:

- All fees including maximum fee must be posted in the office.
- You must have a written contract that states the exact date when your loan ends.
- Off site item must be returned in 2 days.
- You cannot be charged fees not stated in the law or more than those stated in the law.
- At the end of 4 months you get a 10 day notice within 30 days.
- If no notice within 30 days, then no more interest is charged.

Penalties and Remedies

The law states that it is a misdemeanor if a Pawnbroker violates any of the requirements for notices, fees, redemption rights, etc. If there is a pattern of conduct a Pawnbroker could lose his license. If you have been cheated, then you can sue for up to three times your actual damages, your legal fees and costs and possibly punitive damages, depending on the facts and law.

Where can I go for Help?

Consult an attorney if you think that your rights have been violated. Also contact the state agencies mentioned above and listed on the back of this brochure. But remember that they can't give you legal advice about your particular situation.

If you qualify, you can get **free legal advice** about your case through Inland Counties Legal Services.

Resources

Legal Services Corporation (www.lsc.gov) Their mission is to promote equal access to justice in our nation and to provide high quality civil legal assistance to low-income persons. 3333 K Street, NW, 3rd Floor Washington, DC 20007-3522 (202) 295-1500

California Attorney General (www.ag.ca.gov) Assistance and guidance in filing consumer complaints. (800) 952-5225

California Department of Consumer Affairs (www.dca.ca.gov) The department takes consumer complaints. (800) 952-5210

California Department of Corporations (www.corp.ca.gov) This department is where you report Banks or retailers for violating the law. (866) 275-2677 or 866 ASK CORP

Inland Counties Legal Services

Riverside Office: (951) 368-2555
Indio Office: (760) 342-1591
San Bernardino Office: (909) 884-8615
Rancho Cucamonga Office: (909) 980-0982
Victorville Office: (760) 241-7073

About This Publication

This publication was created by Inland Counties Legal Services (ICLS) Consumer Unit and made possible by a grant from the State Bar of California Equal Access Fund.

This Publication is NOT Legal Advice

This publication is a general overview of your rights and remedies dealing with Pawnbrokers. This is not legal advice. If you need specific legal advice you should consult an attorney. Changes in the law could effect the information in this guide.

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PAWN SHOPS

IN CALIFORNIA

WHAT IS THE LAW?

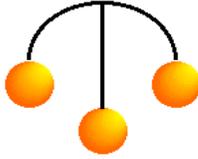


AND WHAT ARE YOUR RIGHTS?

Inland Counties Legal Services
Consumer Unit
Serving Riverside and San Bernardino Counties

What are Pawn Shops & Pawnbrokers?

Pawn shops are the stores run by state licensed Pawnbrokers. California defines a pawnbroker as any person engaged in the business of receiving goods, including motor vehicles, in pledge as security for a loan. If you pay the loan you will “redeem” get back the item.



Pawnbroker Symbol

What Laws Must Pawnbrokers Follow?

You can find the law that covers Pawnbrokers in the California Financial Code Sections 22000-22168.

They Have To Be Licensed By The State

Pawnbrokers must be licensed by the State. They must post a bond of \$20,000. They must also either file a financial statement verifying \$100,000 in liquid assets or post an additional bond of \$100,000. Violations of the law covering pawnbrokers are misdemeanor crimes and could result in loss of license if there is a pattern of conduct of violations.

Written Contract

All Pawnbroker loans must be in the form of a written contract. You must be given a copy. The loan must be for a four (4) month period. The contract must state the date on which the loan is due and payable. The contract must state that you can redeem the items you pledged during the loan period. The written contract must have this notice over your signature line:

You may redeem the property you have pledged at any time until the close of business on _____ (fill in date four months from date loan begins). To redeem, you must pay the amount of the loan and the applicable charges which have accrued through the date on which you redeem.

The contract must state whether your items will be stored on the premises or not. Next to this statement, the contract must have this notice:

We must return your property within two business days if your property is stored off premises.

If the pawnbroker stores items off premises he must post a sign that says he will return redeemed items

in 2 business days. The Pawnbroker must display a sign indicating whether pawned items are insured.

Loan Renewal

You may renew the loan (make a new loan) with the pawnbroker at the end of first loan. You must pay all of the charges from the first loan and then the balance of the first loan can become the basis for a new loan. The new loan contract must state the amount of the original loan.

Notice at End of Loan Period

If you don't redeem the items after 4 months, then the Pawnbroker must send you a notice within 30 days giving you 10 days to redeem the items. After 10 days, the items belong to the Pawnbroker. If he doesn't send you the notice within 30 days of then end of the loan, then he can't charge interest.

What Can Pawnbrokers Charge?

Pawnbrokers are allowed to charge the following fees:

1. A loan setup fee of up to \$3 for a loan up to \$50, and up to \$5 for a loan over \$50.
2. A charge based on the size of the loan for the first 90 days (see the **Schedule of Charges** in the next section).
3. Monthly interest on unpaid principal after the first 90 days as follows:
 - a. 2½% on unpaid principal up to \$225
 - b. 2% on amount between \$225 and \$900
 - c. 1½% on amount between \$900 and \$1650
 - d. 1% on amount over \$1650
 - e. \$1 on any amount where the balance is so low that the interest rate would be less than \$1
 - f. A month's interest can be charged for any part of a month in which property is redeemed
4. Handling and storage fee as follows:
 - a. No fee if storage needed is up to 1 cubic foot
 - b. \$5 if storage needed is more than 1 cubic foot
 - c. \$10 if storage needed is more than 3 cubic feet
 - d. \$20 if storage needed is more than 6 cubic feet
 - e. \$1 for each cubic foot more than 6 cubic feet
5. If guns, then a \$4 processing fee for EACH GUN.
6. A \$10 fee if you lose your ticket and the broker has to verify your ID.
7. A \$3 fee for the notice the broker must send if you don't redeem your property at the end of the loan period.

The following schedule must be posted in the Pawn Shop where the public can clearly see it:

Schedule of Charges
a) \$1 for up to 30 days on a loan up to \$14.99
b) \$3 for up to 90 days on a loan from \$15 to \$19.99
c) \$4 for up to 90 days on a loan from \$20 to \$24.99
d) \$5 for up to 90 days on a loan from \$25 to \$39.99
e) \$6 for up to 90 days on a loan from \$40 to \$49.99
f) \$7.5 for up to 90 days on a loan from 50 to 64.99
g) \$8.5 for up to 90 days on a loan from \$65 to \$74.99
h) \$10 for up to 90 days on a loan from \$75 to \$99.99
i) \$12.5 for up to 90 days on a loan from \$100 to \$124.99
j) \$13.5 for up to 90 days on a loan from \$125 to \$149.99
k) \$15 for up to 30 days on a loan from \$150 to \$224.99
l) \$20 for up to 90 days on a loan from \$225 to \$324.99
m) \$25 for up to 90 days on a loan from \$325 to \$449.99
n) \$35 for up to 90 days on a loan from \$450 to \$599.99
o) \$45 for up to 90 days on a loan from \$600 to \$799.99
p) \$55 for up to 90 days on a loan from \$800 to \$999.99
q) \$70 for up to 90 days on a loan from \$1000 to \$1199.99
r) \$85 for up to 90 days on a loan from \$1200 to \$1499.99
s) \$100 for up to 90 days on a loan from \$1500 to \$1799.99
t) \$120 for up to 90 days on a loan from \$1800 to \$2099.99
u) \$140 for up to 90 days on a loan from \$2100 to \$2499.99
v) The charge for an extension or renewal is based on the interest rate schedule stated in the last section #3.

The maximum charge of compensation charged by a Pawnbroker must be posted in the Pawn Shop where the public can clearly see it.