



THEMIS PLLC

July 6, 2012

Via Email - Helder.Gil@dc.gov

Helder Gil
Legislative Affairs Specialist
Department of Consumer and Regulatory Affairs
1100 Fourth Street, SW
Room 5164
Washington, D.C. 20024

Re: Comments to Second Notice of Proposed Rulemaking
D.C. Municipal Regulations, Chapter 10, Title 16
Secondhand Dealer Licenses

Dear Mr. Gil:

The District of Columbia small businesses that sell used and vintage articles, including vinyl records, used books, architectural salvage, vintage furniture, and vintage clothing, particularly those businesses located in Adams Morgan and the 14th Street corridor who were the subject of the enforcement action that led up to this modification of the Department of Consumer and Regulatory Affairs' ("DCRA") position with respect to Secondhand Dealer license requirements, applaud the Department's recognition of the untenable staffing, reporting and financial burden that the licensing requirement placed on these small businesses. In fact, several businesses had indicated that without a change in the licensing regulations they would be forced to cease doing business in the District of Columbia.

Nevertheless, under the proposed rulemaking, businesses that sell certain types of used jewelry in addition to other used and vintage goods, will still have to obtain a secondhand dealer license, although only a small portion of their retail inventory would actually be subject to the secondhand dealer licensing requirements.

Specifically, we are referring to sellers of jewelry that do contain precious metals or stones, in addition to other types of "costume jewelry." In such case, these businesses would have to obtain a secondhand dealer license because of the sale of the jewelry that contains the precious metals or stones, although the balance of their inventory would have exempted them from having to obtain the secondhand dealer license.

Proposed Section 1000.6 of Chapter 16, Title 10 states in pertinent part that “nothing in this Chapter shall be construed as requiring a secondhand dealer license for a person, firm or corporation that sells the following kinds of secondhand personal property ... jewelry that does not contain: (1) precious metals, such as gold, silver, platinum, or palladium, or (2) precious stones, such as diamonds, rubies, sapphires, emeralds, or pearls.”

The business owners understand and appreciate the concern and purpose for not initially including jewelry that contains precious metals and stones within the category of exempted items, as that jewelry are the type most likely to be stolen. Nevertheless, the business owners offer the following options that will extend the secondhand dealer license exemption to businesses that sell jewelry containing precious metals and/or stones:

(1) Businesses that sell items of jewelry that contain precious metals and/or stones and have a fair market value of Two Hundred Fifty Dollars (\$250.00) or less, would be exempt pursuant to Subsection 1000.6; or,

(2) Businesses that sell jewelry containing precious metals and/or stones, that they have purchased from an estate sale or certified auction, will be exempt pursuant to Subsection 1000.6. Businesses in this category will be required to provide written verification upon demand that any item of jewelry offered for containing precious metals and/or stones was purchased from an estate sale or certified auction; or

(3) Businesses that sell jewelry containing precious metals and/or stones and have a fair market value of Five Hundred Dollars (\$500.00) or less, that they have purchased from an estate sale or certified auction, will be exempt pursuant to Subsection 1000.6. Businesses in this category will be required to provide written verification upon demand that any item of jewelry offered for containing precious metals and/or stones was purchased from an estate sale or certified auction.

With respect to Options (2) and (3), as verification of the source of purchase, the businesses would be required to maintain a written record including a description of the jewelry purchased, any catalog numbers or identifying information, the date it was purchased, the purchase price, from whom it was purchased (including the name, address, telephone number, and other relevant contact information), and an estimate of its the fair market value.

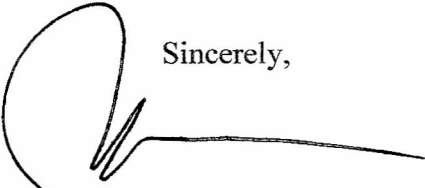
A survey of those businesses selling used jewelry containing precious metals and/or stones reveals that on average, the fair market value of the used jewelry being sold is less than \$200. Moreover, almost without exception, these businesses purchase their jewelry from estate sales, auctions, and to a limited extent, major thrift stores such as Goodwill and the Salvation Army. We believe that given the limits on the value of the jewelry at issue, the sources of origination of the jewelry, and the proposed reporting requirements, further expanding the types of jewelry exempt from the secondhand dealer license requirement would not impair the DCRA

Helder Gil
July 6, 2012
Page 3

or the Metropolitan Police Department in their ability to track stolen jewelry or curtail its resale to an unsuspecting public.

We therefore ask that the DCRA carefully consider each of the alternative proposals to be included in Title 16, Chapter 10, Subsection 1000.6 detailed herein. Adopting anyone of the options would be of benefit the used merchandise retailers and may result in these businesses remaining in business in the District of Columbia and possibly attracting additional businesses of this type into the City.

Please contact the undersigned at your convenience should there be any questions or if any additional information is needed.

Sincerely,

ROBERT B. CLAYTON
Of Counsel
On Behalf of "Save Our Shops"

(A Coalition of District of Columbia Small Businesses selling Used and Vintage Goods, including Vinyl Records, Books, Clothing, Furniture and Furnishings, Architectural Elements, and Jewelry)

RBC:jas

cc: Save Our Shops (Via Email)
Kristen Barden - Adams Morgan Partnership B.I.D. (Via Email)
Ed Grandis, Executive Director and Legal Counsel - DC MAP (Via Email)