

ARKANSAS PAWN REVIEW



Volume 16, Issue 3

Summer 2022

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PANDEMIC END AND A RETURN TO NORMALCY

I can only hope we have seen the last of all the different Covid variants and the pandemic is a thing of the past. I do know as we continue to see cases rise among vaccinated individuals the symptoms are not nearly as severe as they were before the vaccinations were available. We are seeing folks begin to get back to some semblance of normalcy.

However, even though the effects of the disease are showing signs of improvement, there are many other lingering signs that may not allow us to return to normal. Supply chain issues are still a problem. Inflation at its basic definition is too much money chasing too few goods. Due to the federal government increasing the money supply through stimulus money and unemployment benefits has driven the cost of many resources up drastically including gas prices and groceries. This has in turn put the average consumer who lives pay check to pay check in a money crunch and needing assistance.

This is where we come in as pawnbrokers. Unbanked and underbanked individuals have no where to turn other than to pawn their valuables to make ends meet. I predict, as have many others before me, that we will see our pawn balances grow at a higher-than-normal rate due to these unpredictable times. This coupled with an election year make for a jam packed 2022. The House, Senate and Presidency could all be up for grabs which could make for even more uncertainty.

Now is the time for all pawnbrokers to support your state and National Association to ensure your voices will be heard at all levels. The Consumer Financial Protection Bureau (CFPB) has once again, under the control of the Democratic party turned their attention to their namesake, consumer protection, and pawn has a target on it. In the state of Virginia, the CFPB is filing suits against pawnbrokers who have violated state laws on fee charges. They are after the low hanging fruit but it will not stop there. Be pro-active and be aware of what's going on before it happens to you. Make sure you're compliant with all state and federal laws so you don't end up in the same situation as your brothers and sisters in Virginia. Make plans to attend Pawn Expo in Las Vegas in July and/or the Dixie Pawnbrokers Educational Conference in Orange Beach around Labor Day. You can see pages 7 and 10 in this issue of the Arkansas Pawn Review magazine for more details.

Get involved and stay involved so you are the ones making the decisions about your future and not some elected government official who does not know a thing about your business.

ALL-IN-ONE BUSINESS SOLUTIONS MADE EASY

Protect your business with comprehensive coverage.



Pawnbrokers Insurance

Wexler Insurance Agency's **all-in-one** Pawnbroker's Package Policy is designed specifically for pawnbrokers like you.

Pawnbrokers have exclusive access to **Workers Compensation** coverage to protect your business and employees.

Have the flexibility you need to build your policy and coverage around your business needs.

WexlerInsurance.com/Pawnbrokers

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FROM THE PRESIDENT...

The Dixie Pawnbrokers Educational Conference and Trade Show will once again be held around the Labor Day week in beautiful Orange Beach, Alabama. The exact dates are September 5-7, 2022, Labor Day Monday, Tuesday and Wednesday. As was the case last year, the hotel will honor the group room rate of \$145 per night for a regular room on Friday, Saturday and Sunday BEFORE the show and Wednesday, Thursday, and Friday AFTER the show so folks can come early or stay a few extra days and enjoy the beach while rooms are available.

The hotel fills up quickly so I would encourage you to make your reservations soon by calling 1-800-634-8001 and use booking #18355. For those wanting to fly in Pensacola, FL and Mobile, AL are about equal distance (1 hour) from the hotel. We have a tremendous list of educational seminars as always so make your plans to attend today. Check out pages 6 and 7 in this issue of the Arkansas Pawn Review magazine for agenda and registration information.

Tim Collier

APA President

PLEASE SEND IN ANY ARTICLES
OF INTEREST OR PICTURES FOR
THE MAGAZINE TO:
1123 S. University, #101
Little Rock, AR 72204

FOR ANY LEGAL QUESTIONS
PLEASE CONTACT OUR
ATTORNEY ON RETAINER
Paul Efurd
1-877-862-5214

WEIGHTS AND MEASURES FINES PAWNBROKERS

The Arkansas Bureau of Standards' division of Weights and Measures inspectors are now traveling across the state checking scales for all businesses for legal for trade scales. The scales have to be inspected by a state of Arkansas licensed scale company, which the Arkansas Pawnbrokers Association is. If scales are not inspected with an annual state sticker or are not legal for trade the fines run anywhere from \$100 up to \$600 for a first offense to \$1200 for a second offense and \$2000 for a third offense.

This is not something new to state law as the code is #4-18-322 dated 2016 in its current version. On July 21st of last year an inspector entered a pawn shop and asked to inspect their scale(s) and found they did not have a current inspection sticker and they were rejecting the scales. The inspector's notice said they were to correct the issue and notify the Board within 10 days that the issue had been corrected.

The Arkansas Pawnbrokers Association certified the scales on August 3rd, and the proper paperwork was sent to the Division of Weights and Measures. A hearing was held in January of this year and a \$350 fine was handed down against the pawnbroker. This is not the only violation or fine against a pawnbroker since the inspections have begun.

Make sure your scales are up to date and have a green Arkansas Department of Agriculture sticker on the bottom of the scale which is good until the end of 2023. If not, members in good standing of the Arkansas Pawnbrokers Association can get their scales certified as a member benefit for free by calling the office at 1-800-497-4548. We try and certify all scales by city when we are traveling around the state in order to avoid a second trip once your city has been done. You can email the association at tim@pacerltd.com to schedule your scales to be certified.

LACKING FINANCING SOURCES

(WHERE CAN YOU OBTAIN CASH TO GROW YOUR BUSINESS)

By Michael Eisner

You feel stuck. Some days you wonder why you made the decision of going into the pawn business to begin with. A lack of capital keeps you from or lending money and leads your customers to seek out one of your competitors. You have turned to banks for more capital only to be rejected time and again. Perhaps out of desperation you took out a Merchant Cash Advance only to learn afterwards that your APR is in excess of 100% and that daily deductions from your account are bleeding you dry.

Unfortunately, you are not alone. Despite dealing mostly in cash, pawn shops face an uphill battle when trying to get their hands on capital to grow their businesses. Conventional lenders understand little about the pawn business. Those that do are wary of getting involved in such a cash dependent business. *(Continued on Page 15)*



MEMBERSHIP APPLICATION

Arkansas Pawnbrokers Association
1123 S. University, St. 101
Little Rock, AR 72204

NAME OF BUSINESS _____ DATE ESTABLISHED _____

ADDRESS _____ CITY _____

COUNTY _____ STATE _____ ZIP CODE _____

PHONE _____ # OF LOCATIONS _____ # OF EMPLOYEES _____

PRINCIPAL OWNER (S) _____

MANAGER (S) _____ E-MAIL ADDRESS _____

OPTION 1)

REGULAR MEMBERSHIP

() ENCLOSED IS \$250.00 FOR MY ANNUAL DUES AND MEMBERSHIP FEES TO THE ARKANSAS PAWNBROKERS ASSOCIATION ONLY.* (GOOD FOR FIRST LOCATION ONLY)

ADDITIONAL STORE (S)

() ENCLOSED IS \$150.00 FOR EACH ADDITIONAL LOCATION FEES TO THE ARKANSAS PAWNBROKERS ASSOCIATION ONLY.* (\$150.00 FOR EVERY ADDITIONAL STORE)

OPTION 2)

DELUXE MEMBERSHIP

() ENCLOSED IS \$700.00 FOR MY ANNUAL DUES AND MEMBERSHIP FEES TO BOTH THE ARKANSAS AND NATIONAL PAWNBROKERS ASSOCIATION.* (GOOD FOR FIRST LOCATION ONLY)

ADDITIONAL STORE (S)

() ENCLOSED IS \$650.00 FOR EACH ADDITIONAL LOCATION FEES TO BOTH THE ARKANSAS AND NATIONAL PAWNBROKERS ASSOCIATION.* (\$650.00 FOR EACH ADDITIONAL STORE)

OPTION 3)

ASSOCIATE MEMBERSHIP

() ENCLOSED IS \$150.00 FOR ANNUAL DUES AND MEMBERSHIP FEES**

PLEASE MAKE CHECKS PAYABLE TO "ARKANSAS PAWNBROKERS ASSOCIATION" AND MAIL TO ADDRESS ABOVE.

DIXIE CONFERENCE 2022 AGENDA

(Schedule may be adjusted later.)

Monday, September 5, 2022

7:00am - 4:00pm

Enjoy Orange Beach (*golf-fishing-beach-pool*)

11:00 am - 1:00 pm

Vendor Registration (*Convention Center Desk*)

1:00pm - 4:00pm

Attendee & Vendor Registration (*Convention Center Desk & Registration Tables*)

(Auction items may be turned in)

8:00am - 12:00pm

Booth Setup by Hotel Staff (*Hotel will set up drapes etc. for booths*)

12:00pm - 4:00pm

Vendor Setup

4:00pm - 7:00pm

Registration (*Inside of Exhibit Hall*)

4:00pm - 7:00pm

Exhibit Hall Open

7:00pm - 9:00pm

Reception & Live Music (*Outside area*)

Tuesday, September 6, 2022

7:30am - 9:00 am

Registration

(Auction items may be turned in)

7:45 am - 9:00 am

Seminar - TBD

Continental Breakfast Will Be Served During the Seminar

9:00am - 10:15am

Keynote Speaker - TBD

10:15am - 10:30am

Break

10:30am - 11:45am

Seminar - TBD

11:45 am - 12:45 pm

State Meetings

Alabama - TBD Arkansas - TBD Louisiana - TBD Mississippi - TBD

1:00 pm - 1:45 pm

Box Lunch - Exhibit Hall - Grand Reef

1:00pm - 5:00pm

Exhibits Open

3:00pm - 4:00pm

Refreshments (*Cash Bar*) - Exhibit Hall

5:00pm - 6:00pm

Young professionals' reception

6:00pm - 9:00pm

Dinner/Auction/Dixie Draw Down/Cash Bar - Salon ABCDE

Dinner Served at approximately 7:00pm

Wednesday, September 7, 2021

7:30am - 8:15am

Continental Breakfast - Ballroom Foyer

8:00am - 9:15am

Seminar - TBD

9:15am - 10:30am

Seminar - TBD

10:30am - 12:30pm

Exhibits Open

11:30am - 12:30pm

Lunch on your own

12:30pm - 1:00p

Exhibitors Pre-registration for Dixie 2023

12:30pm - 3:45pm

Exhibitors Booth Breakdown

ENJOY ORANGE BEACH!

DIXIE PAWNBROKERS EDUCATION CONFERENCE AND TRADE SHOW
SEPTEMBER 5 - 7, 2022
PERIDO BEACH RESORT, 27200 PERDIDO BEACH RESORT, ORANGE BEACH, AL 36561

CONFERENCE REGISTRATION

REGISTRATION FEE: INCLUDES LUNCH, RECEPTION, DINNER AND SEMINARS

MEMBER - \$195.00 EACH	\$ _____
(INCLUDES ALL STATE PAWNBROKER ASSOCIATIONS AND THE NPA)	
MEMBER STAFF/SPOUSE/GUEST/FAMILY MEMBERS - \$95.00 EACH	\$ _____
NON-MEMBER - \$250.00 EACH (PLEASE INCLUDE A COPY OF YOUR PAWNSHOP BUSINESS LICENSE.)	\$ _____
NON-MEMBER STAFF/SPOUSE/GUEST/FAMILY MEMBERS - \$150.00 EACH	\$ _____
TOTAL	\$ _____

PLEASE PRINT (INFORMATION WILL ALSO BE USED FOR NAME TAGS)

NAME _____ BUSINESS _____

ADDRESS _____ CITY/STATE/ZIP _____

PHONE _____ FAX _____ EMAIL _____

SPOUSE/GUEST _____

OTHERS ATTENDING FROM YOUR BUSINESS _____

INTERESTED IN GOING ON A FISHING TRIP OR PLAYING GOLF ON MONDAY, SEPTEMBER 5TH - CIRCLE THE ACTIVITY YOU ARE INTERESTED IN AND LIST YOU CELL PHONE NUMBER HERE: _____

MEMBERS: SEND REGISTRATION FORM AND REGISTRATION FEE TO YOUR STATE ASSOCIATION AS SOON AS POSSIBLE. MAKE CHECK PAYABLE TO YOUR STATE ASSOCIATION.

ALABAMA PAWNBROKERS

ROSEMARY HIPPS
122 WEST MOBILE STREET
FLORENCE, AL 35630
larrysjp@comcast.net

MISSISSIPPI PAWNBROKERS

NICK FULTON
4785 I-55 NORTH, SUITE 103
JACKSON, MS 39206
nickfulton@comcast.net

ARKANSAS PAWNBROKERS AND NON-MEMBERS

TIM COLLIER
1123 S. UNIVERSITY SUITE 101
LITTLE ROCK, AR 72204
tim@pacerltd.com

LOUISIANA PAWNBROKERS

KATHY PICKERELL
P. O. Box 1743
DENHAM SPRINGS, LA 70727
kpickerell@cox.net

***NON-MEMBERS: SEND REGISTRATION FORM AND REGISTRATION FEE TO THE ARKANSAS PAWNBROKERS ASSOCIATION**

NON-MEMBERS: MAKE CHECK PAYABLE TO: DIXIE PAWNBROKERS

**TO MAKE HOTEL RESERVATIONS, CALL PERDIDO BEACH RESORT AT 800-634-8001
BOOKING ID# 18355 THE SPECIAL RATE FOR "THE DIXIE" IS \$145 SINGLE/DOUBLE.**



EARL RAY EWY

September 1, 1940 – December 14, 2021

Earl Ray Ewy, 81, of Van Buren, passed away Tuesday, December 14, 2021 at his home. He was born September 1, 1940 in Moundridge, KS. He served in the Army and Air National Guard; and was the owner/operator of Pawn World founded in 1974.

He was preceded in death by his father, Albert Ewy; and three siblings, Jerry Ewy, Shirley Wenger, and Arlen Ewy. He is survived by two sons, Shawn Ewy of Fort Smith, and Barry Ewy and wife Beverly of Jenks, OK; his mother, Marie Ewy of Moundridge, KS; and four grandchildren, Ryan Ewy, Chanda Ewy, Caroline Ewy, and Blake Ewy.

There are no services scheduled at this time.



MAURICE WAYNE “BUTCH” THOMAS

Fayetteville, AR, 1954 - 2021

Maurice Wayne ‘Butch’ Thomas, age 67, of Fayetteville, died Sunday, November 28, 2021. Butch was born January 3, 1954, in Albermarle, N.C., to Joyce Dean (Robertson) and Hulan Henry Thomas. Butch is preceded in death by his parents; brother, Glyn Thomas; and sister, Kay Thomas.

Butch is survived by his wife of 47 years, Robin (Steele) Thomas; their children, Casey Atwood (Kyle), Hulan Tyler Thomas (Kathleen McClelland); his siblings, Faye Fleming, Stan Thomas (Earlene), Mike Thomas (Julie), Dale Land (Pam); three grandchildren, Gunnar Atwood, Hazel Atwood, and Audrey Thomas.

A true American success story, Butch built and became the Mountain Man through years and years of hard work and integrity. Butch came from extremely humble beginnings and built a successful business and friendships that lasted a lifetime. Butch bought Mountain Man Supplies and Pawn in 1986. At that time, it was located where the Walton Arts Center currently stands. In 1991 he moved the business to the current S. School location. In 1998 he opened Instant Money Pawn located on 6th St., and then moved to the current location on N. College. He also had several other businesses through the years including Mountain Man Bail Bonding and Mountain Man Sporting Goods.

Throughout the years Butch employed over 100 people. He valued his employees greatly and genuinely cared about them and their lives. He was generous to a fault and no one could find a more loyal friend. He had a wonderful sense of humor and a sharp wit, and loved to play practical jokes. He was an avid outdoorsman and truly enjoyed God’s creation while out in his tree stand. He taught his son to hunt and fish from an early age and it was a bond they enjoyed until his final day. He was extremely knowledgeable about all kinds of wildlife.

He also loved to go to Hot Springs and bet the ponies and roll the dice in Vegas. He lived life to the fullest. He instilled a great work ethic to his children and in these last few years his favorite role was being a grandpa to his three grandchildren. Go rest high on that mountain. You were much loved.

THE NATIONAL PAWNBROKERS ASSOCIATION PRESENTS:

PAWN EXPO 22 BACK to the FUTURE

CAESARS PALACE, LAS VEGAS NV | JULY 11-14, 2022



EXPO HIGHLIGHTS:



- ▶ **Grow Your Pawn Business!**
Hear from industry leaders delivering impactful guidance and insight that will leave you working smarter - not harder!
- ▶ **Learn To Work Smarter!**
Discover best products/services for your pawn business from 130+ vendors on the Expo floor.
- ▶ **Network With the BEST!**
The NPA is the largest qualified network of trusted pawn professionals worldwide. Join us at Expo to do business with the very best.

GET ALL THE DETAILS AT

PAWNEXPO.COM



TAKE ME TO VEGAS FOR EXPO!



BENEFITS OF JOINING THE ARKANSAS PAWNBROKERS ASSOCIATION

- **NEWSLETTER AND UPDATES** - The *Arkansas Pawn Review* is published semi-annually to keep members up to date on what's happening in the pawn industry in Arkansas. In between publications, any important issues concerning the pawn industry will be relayed through e-mails, phone, fax, or mail updates.
- **SUPPORT DOCUMENTS** - The Arkansas Pawnbrokers Association has access to legal cases, which have set precedence on pawn laws, police pick-up procedures, and much more to help you support pawnbrokers' rights.
- **LEGISLATIVE MONITORING** - The Arkansas Pawnbrokers Association monitors the state legislature to protect pawnbrokers from damaging legislation and to promote legislation that would benefit our industry. We also have lobbyists that work for the association to protect the industry from future threats.
- **LEGAL COUNSEL** - The Arkansas Pawnbrokers Association has an attorney on retainer for your benefit to advise members to the effects and meaning of various laws. Also provides discounted rates for any legal services you may need. Paul Efurud can be contacted at 1-877-862-5214 or written at P.O. Box 129, Charleston, AR 72933.
- **UPDATES ON PROPOSED LAW CHANGES** - The Arkansas Pawnbrokers Association will keep its members updated on any potential laws proposed that would affect the operation of your pawnshop. Also help propose any new laws that would benefit our industry.
- **WEB SITE** – The Arkansas Pawnbrokers Association has a web site where you can access important data. The address is www.arkansaspawnbrokers.org and is being updated on a regular basis. The member's only section allows for access to forms and data, which will help you in your stores.
- **ARKANSAS ASSOCIATION ANNUAL MEETING** - The Arkansas Pawnbrokers Association holds an annual meeting in conjunction with the Dixie Conference for updates on issues. Members get a discounted registration fee over non-members.
- **DIXIE ASSOCIATION CONVENTION** – The Arkansas Pawnbrokers Association is affiliated with the Dixie Pawnbrokers Association for the purpose of helping run a convention that includes the states of Alabama, Louisiana and Mississippi as well as Arkansas. Members get a discounted registration fee over non-members.
- **TELEVISION COMMERCIALS** – The Arkansas Pawnbrokers Association has a promotional television commercial that sheds a positive light on the pawn industry in general and member stores in particular. Member store are listed on the commercial and additional spots can be purchased to run.
- **SCALE CERTIFICATION** – The Arkansas Pawnbrokers Association is a registered agent of the Division of Weights and Measures registered to certify Legal for Trade scales at no cost to member stores. Certification is also available to non-member stores at a minimal cost.

Arkansas Pawnbrokers Association Members

Is Your Name On This List? It Should Be . . .

<i>1 Stop Pawn West Memphis</i>	<i>Boll Weevil Pawn Little Rock</i>	<i>El Dorado Pawn El Dorado</i>	<i>Leprechaun's Pawn Monticello</i>	<i>Pawn World Van Buren</i>	<i>Watson's Pawn Sherwood</i>
<i>A & B Pawn & Jewelry Van Buren</i>	<i>Boll Weevil Pawn Little Rock 2</i>	<i>EZ Cash Pawn & Retail Forrest City</i>	<i>Lindsey Pawn & Storage Searcy</i>	<i>Pawnderosa Pawn Little Rock</i>	<i>Wilson's Pawn Searcy</i>
<i>A & J Pawn Pine Bluff</i>	<i>Boll Weevil Pawn Little Rock 3</i>	<i>Express Pawn Jonesboro</i>	<i>Lucky's Pawn Shop North Little Rock</i>	<i>Pistole Pawn Clinton</i>	
<i>A-1 Gun & Pawn North Little Rock</i>	<i>Braswell & Son Little Rock</i>	<i>Express Pawn Paragould</i>	<i>Mason's Coin & Pawn Hot Springs</i>	<i>Porter's Pawn & Bargain Harrison</i>	
<i>Arch Street Pawn Little Rock</i>	<i>Braswell & Son 2 Little Rock</i>	<i>Gold--n--Guns Pawn Hope</i>	<i>McCain Trading North Little Rock</i>	<i>Porter's Pawn & Bargain Mt. Home</i>	
<i>American Pawn Magnolia</i>	<i>Braswell & Son Conway</i>	<i>Golden's Pawn Harrison</i>	<i>Mena Pawn & Gun Mena</i>	<i>Quality Pawn Hot Springs</i>	
<i>Arkansas Trading & Loan Russellville</i>	<i>Braswell & Son North Little Rock</i>	<i>Greer's Coin & Pawn Ft. Smith</i>	<i>Mitchell Pawn Benton</i>	<i>R & J Pawn & Loan Benton</i>	
<i>Baldy's Pawn Vanndale</i>	<i>Bryant Car Stereo & Pawn Bryant</i>	<i>Greer's Pawn #2 Fort Smith</i>	<i>Money Mart Pawn Pine Bluff</i>	<i>R-N-D Gun & Pawn Green Forest</i>	
<i>Beebe Pawn Shop Beebe</i>	<i>C & S Pawn & Silver Springdale</i>	<i>Gun Smoke Pawn Lake Village</i>	<i>Mountain Man Pawn Fayetteville</i>	<i>Rick's Pawn & Swap Shop Higden</i>	
<i>Big Brother's Pawn Siloam Springs</i>	<i>Cabot Pawn Shop Cabot</i>	<i>Hampton Gun & Pawn Russellville</i>	<i>National Pawn North Little Rock</i>	<i>River Town Pawn Conway</i>	
<i>Big Brother's Pawn Springdale</i>	<i>Castle Rental & Pawn Rogers</i>	<i>Hog Pawn Mena</i>	<i>Pacer, LTD Little Rock</i>	<i>Roy's Pawn Shop Texarkana</i>	
<i>Big Brother's Pawn Bentonville</i>	<i>Castle Rental & Pawn Harrison</i>	<i>Honest Abe's Pawn Jacksonville</i>	<i>Pak Plaza Pawn Hot Springs</i>	<i>Silver Dollar Trading Post Eudora</i>	
<i>Big Brother's Pawn #2 Rogers</i>	<i>Castle Rental & Pawn Berryville</i>	<i>Instant Money Fayetteville</i>	<i>Pawn City Pine Bluff</i>	<i>Sue's Pawn Shop Benton</i>	
<i>Big Buck's Pawn & Gun El Dorado</i>	<i>Castle Rental & Pawn Centerton</i>	<i>iPawn Bryant</i>	<i>Pawn Express Texarkana</i>	<i>Superior Pawn Fort Smith</i>	
<i>Big Daddy's Pawn Little Rock</i>	<i>Castle Rental & Pawn Springdale</i>	<i>iPawn Little Rock</i>	<i>Pawn Gallery Clarksville</i>	<i>The Money Corner Pine Bluff</i>	
<i>Big Steve's Gold & Pawn Mtn. Home</i>	<i>Cashtro Pawn, LLC Springdale</i>	<i>J B Gold & Silver Fayetteville</i>	<i>Pawn Kings Lewisville</i>	<i>Twin City Auto Pawn Fort Smith</i>	
<i>Bill's Pawn Shop El Dorado</i>	<i>Cooper's Coin & Pawn Fort Smith</i>	<i>Jewelry Exchange Jacksonville</i>	<i>Pawn Kings Murfreesboro</i>	<i>Twisted Tines Outfitters DeQueen</i>	
<i>Boll Weevil Pawn Benton</i>	<i>County Line Pawn Cabot</i>	<i>Jim's Pawn Jonesboro</i>	<i>Pawn Kings Nashville</i>		
<i>Boll Weevil Pawn Hope</i>	<i>Crazy Abe's Pawn Marion</i>	<i>Jump's Pawn Springdale</i>	<i>Pawn USA Rogers</i>	<i>United Pawnbrokers Jonesboro</i>	
<i>Boll Weevil Pawn Hot Springs</i>	<i>Doc's Pawn Shop Pine Bluff</i>	<i>Kalb Pawn West Helena</i>	<i>Pawn USA & Audio Bentonville</i>	<i>USA Loans Little Rock</i>	
	<i>Dollarway Pawn Pine Bluff</i>				

Dixie Educational Conference & Trade Show



Dixie Pawnbrokers' Education Conference and Trade Show

September 5-7, 2022

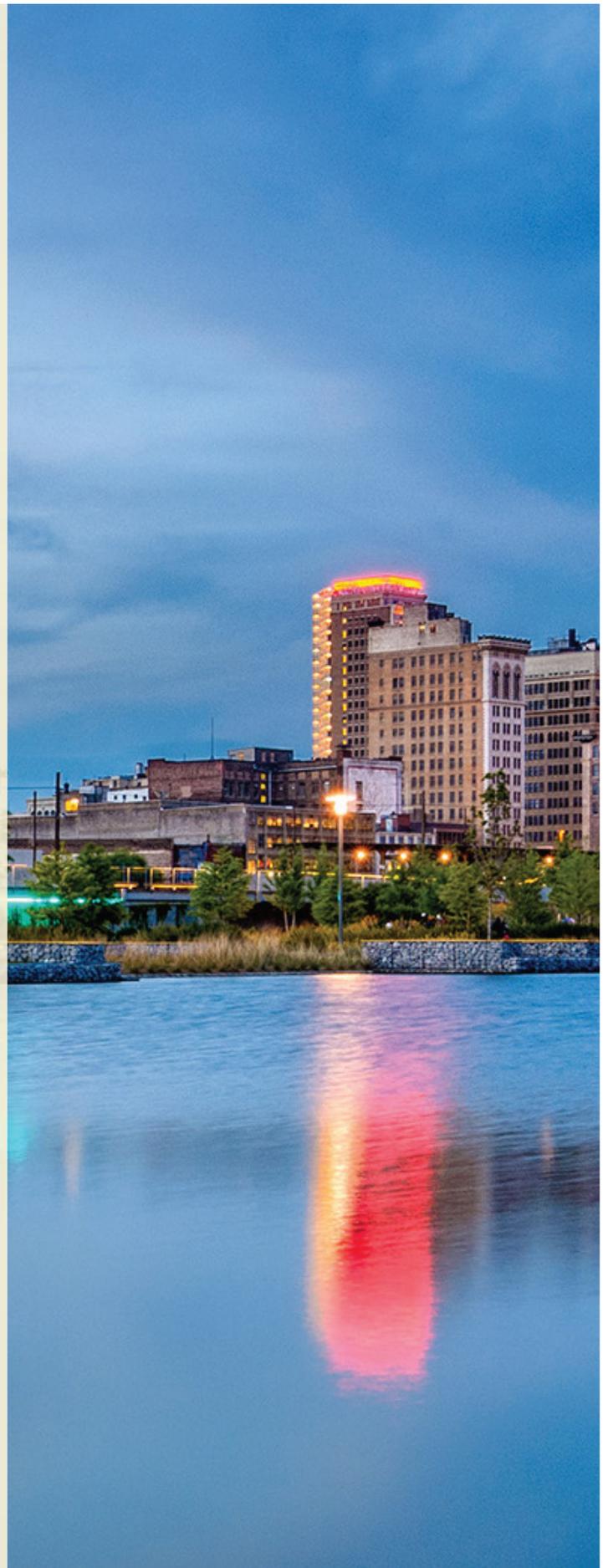
**PERDIDO BEACH RESORT
27200, Orange Beach, AL 36561**

The Dixie Educational Conference & Trade Show is an annual gathering of pawnbrokers and is designed to hone their expertise, expand their knowledge, adapt to a changing industry, and grow their businesses. The event is hosted jointly by the Pawnbrokers Associations of Mississippi, Arkansas, Alabama, and Louisiana.

**To make hotel reservations,
call Perdido Beach Resort at:**

1-800-634-8001
Booking ID#18355

For internet reservations:
perdidobeachresort.com



NEW LAW CAUSES CONFUSION ON STOLEN PROPERTY

For those of you old timers who remember when Gil Landers took it upon himself to challenge the Arkansas state code concerning the return of stolen property, indulge me while I educate everyone else on the history so we can get a better understanding as to why there's so much confusion among prosecutors and law enforcement currently. Simply put, a person who said a pawnbroker had their stuff could file an affidavit and give it to the pawnbroker and the pawnbroker had to return the item(s) or open themselves up to prosecution. Gil Landers, owner of Big Daddy's Pawn in Little Rock, God rest his soul, was put in that situation and said no and hired attorneys to fight the law all the way to the Arkansas Court of Appeals.

The Arkansas Supreme Court, in *Landers v. Jameson*, (Ark. 12-4-2003), struck down as unconstitutional the statutes (A.C.A. § 18-27-202 and 203) which stated "When any pawnbroker in this state shall, in good faith or otherwise, acquire, by purchase, pawn, gift, or otherwise, any article of personal property which has been stolen from the owner thereof, the pawnbroker shall return the personal property to the true owner thereof upon his or her request and the execution of his or her affidavit of possession."

A number of years later the Arkansas Pawnbrokers Association with the help of our contacts in the state legislature had 18-27-202 and 203 removed from the books since the Supreme Court ruled them unconstitutional. Fast forward to 2018 and Representative Dan Sullivan (now Senator Sullivan) sponsored a bill to basically do the same thing called the Dealer in Secondhand Goods Reform and Disclosure Act.

Several Arkansas Pawnbrokers Association representatives met with Mr. Sullivan and voiced our constitutional concerns over the wording and intent of the bill. He eventually agreed to allow us to work with the Attorney General's office to re-write the bill to our satisfaction as long as a true victim of a property crime did not have to pay a pawnbroker to get stolen items back that were their property to start with. The result was what is now Title 18 chapter 27 sections 301-306 (18-27-301), same title and section but a different subsection.

A victim of a property crime who has had merchandise stolen that ends up in a pawnshop can request the return of said merchandise after they file an affidavit and meet 8 different criteria. You can search the state code to get a copy of the affidavit along with the criteria or, if you are member of the Arkansas Pawnbrokers Association, we can provide you with a link to access it. The main criteria to point out that must be met are proof of ownership, copy of police report, acknowledgement that the person who stole the property is not a family member or friend of the victim and they agree to prosecute the person to the full extent of the law. If these along with other criteria cannot be met then the law does not apply. Even if they do meet all the criteria the decision to return the property still lies with the pawnbroker if they want a court to determine rightful ownership, so we are not forced to give up the merchandise.

The Arkansas Pawnbrokers Association is working with law enforcement and prosecutors across the state to educate them about the differences in the newer version of the code but it is going to be a timeconsuming process. If you have a contact within your local law enforcement jurisdiction or with your local prosecutor please let the association know so we can reach out to them and continue our educating process

(Continued from Page 4)

There are several additional reasons why pawn shops are placed at a unique disadvantage when attempting to raise capital. Unlike other industries that are often dominated by large corporations, nearly 85% of all pawn shops are independently owned small businesses. Small businesses generally have a harder time obtaining financing than larger entities. The pawn industry is one of the most heavily regulated non-depository providers of consumer financial services in the United States. Despite providing an immeasurable benefit for American families needing quick access to cash, the pawn business is often cast in a negative light by the public. This is especially true following the Department of Justice's recent initiative known as Operation Choke Point. The initiative led to the investigation of banks in the U.S. and some of their clients including pawnbrokers, firearm dealers, payday lenders, and others.

Following Operation Choke Point, many pawn shops that were able to overcome industry challenges to establish relationships with conventional banks were sent discontinuance letters. Banks simply sought to manage risk by cutting ties with businesses that deal heavily in cash. For pawn shops, cash is king. In fact, cash is by far the most important part of any pawnbroker's operations. Pawn or collateral loans are the core of a pawnbroker's business. Lacking cash and access to conventional sources of financing, Americans frequently turn to pawn shops for short term loans. While it is true that the national average for redemptions is some 85 percent, pawn shops need to have the capital to float collateral loans until they are repaid.

In addition, without the continued access to cash, pawn brokers will be unable to take on new customers and successfully scale their businesses. Pawn shops are heavily impacted by the seasonal and cyclical nature of the business. During peak times, pawnbrokers need to satisfy the increased demand of their clients. They need cash on hand to buy goods and offer loans. Pawn shops lacking capital are placed at a significant competitive disadvantage to more heavily funded operations. As a pawn shop's available capital decreases, its ability to make competitive offers also decreases. As a result, customers are left to shop around for the best offer, taking the possibility of a nice profit with them.

A lack of conventional lending sources has led pawnbrokers to turn to Merchant Cash Advance ("MCA") companies for working capital. In its most primitive form, MCAs work by providing borrowers with a lump sum loan in exchange for a portion of future credit card sales or bank deposits. The loan is typically for a short period, like 3 to 6 months. Payments are usually taken by the MCA lender daily by directly deducting the funds from the pawnbroker's account. By the time you are able to pay off the loan, your APR will likely be in excess of 100%. To add insult to injury, the higher the amount of your account deposits the higher your APR will be. The reason for this is that you are agreeing to repay a fixed amount. For instance, suppose you are borrowing \$100,000 and will have to repay \$130,000 within 6 months. If you repay the loan in 3 months, your APR would be at least 120%, a huge short-term profit for a MCA lender. However, if you repay the loan over 6 months, your APR would be at least 60%. Not only is your effective interest rate higher when you pay the loan off early, but there is absolutely no benefit to doing so. You are on the hook for the amount that you have agreed to repay, and you might even be hit with an early repayment penalty.

Pawnbrokers that resort to Merchant Cash Advances often find themselves in a vicious debt cycle that can cripple their business. Daily deductions from sales can bleed a shop dry. Once the loan is repaid the broker is again in need of capital and often reups for another round of financing. And on the cycle goes with the pawnbroker unaware that whatever return on investment he or she is experiencing from a greater access to capital, it is likely being dwarfed by interest and fees on the MCA. Many successful pawnbrokers have been in the business for decades, learning the trade from family members. The generational nature of the industry leads many pawnbrokers to turn to family and friends for funds. While family may provide favorable terms, it is not uncommon for them to request repayment at the most inopportune of times. Even if you have the funds to repay them, you are left in the same position as you started.

Continued in our next issue, where we will discuss solutions.

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