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Office of the City Clerk

**Ronald D. Leonhardt**  
City Clerk

**Jim Owczarski**  
Deputy City Clerk

January 25, 2010

Chon Sung Lee, Agent  
John's Jewelry, LLC  
1119 W. Historic Mitchell Street  
Milwaukee, WI 53215

Atty. Wansoo Park  
11601 W. North Ave.  
Wauwatosa, WI 53226

Dear Mr. Lee and Atty. Park:

You are hereby notified that the Milwaukee Common Council will hold a hearing on February 9, 2010, commencing at 9:00 a.m., or as soon thereafter as this matter may be heard, in the Common Council chambers on the third floor of City Hall, 200 East Wells Street, Milwaukee, Wisconsin to consider the suspension of the Precious Metal and Gem Dealer license for the premises at 1119 W. Mitchell St. ("John's Jewelry").

Attached you will find a copy of the Report of the Licenses Committee, which includes its Findings of Fact, Conclusions of Law and Recommendation, recommending renewal of the license with a 45 day suspension based on police testimony and the police report. The recommendation is the result of a public hearing before the Committee held on January 19, 2010.

You may file written objections to the report of the Licenses Committee. Your written objections must be filed with the City Clerk by 4:45 p.m. on February 4, 2010 in Room 205 of City Hall. If you file written objections, you or a legal representative may then also appear at the Common Council to make oral arguments supporting your written objections. You will be given approximately five minutes to present your oral argument.

Respectfully,

  
RONALD D. LEONHARDT  
City Clerk

Enclosure



**JAMES A. BOHL JR.**  
Alderman, 5th District

Date: January 25, 2010

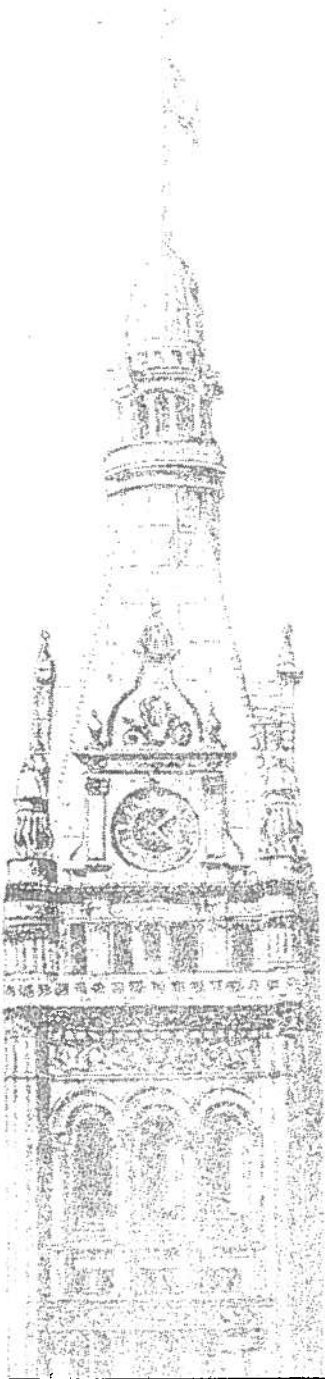
To: All Members of the Milwaukee Common Council

From: The Licenses Committee

Re: Report of the Licenses Committee on the complaint seeking revocation of the Precious Metals and Gem Dealer license of Chon Sung J. Lee, Agent for John's Jewelry, Inc., for the premises located at 1119 West Historic Mitchell Street, Milwaukee, Wisconsin ("John's Jewelry").

#### FINDINGS OF FACT

1. Chon Sung J. Lee (hereinafter the "Licensee") is the holder of a Precious Metals and Gem Dealer license for the premises at 1119 West Historic Mitchell Street, Milwaukee, Wisconsin ("John's Jewelry"). Said license was granted by the Milwaukee Common Council on December 22, 2009 and expires at midnight, December 31, 2010.
2. The Milwaukee Police Department filed a complaint for revocation of this license on December 22, 2009. The Complaint was premised on events leading to the undercover operation on November 11, 2009 and subsequent investigations and judicially authorized search warrants. The under cover operation by the Milwaukee Police Department was based upon a tip from burglars that had been apprehended by the Milwaukee Police Department regarding the stores where stolen merchandise could be easily sold for cash.
3. On January 12, 2010, the City Clerk's Office served a summons and the complaint of the Milwaukee Police Department upon the Licensee seeking revocation of the Precious Metal and Gem Dealer license held by the licensee and included a copy of the Complaint along with the police report and information provided by the Milwaukee Police Department. The matter was scheduled for hearing on January 19, 2010 at 8:30 a.m. The licensee did appear and admitted receipt of the notice of hearing and related materials. The Licensee was represented by Attorney Wansoo Park, 11601 West North Avenue, Wauwatosa, Wisconsin 53226-2129.



4. Based upon the sworn testimony heard and the evidence received at the hearing, the Committee finds the following:
- A. On August 8, 2008, the applicant was cited by Milwaukee Police Department for:
- Charge: Precious Metal/Gems Dealer License Req'd
- Finding: Guilty — Suspended Sentence  
Milwaukee Municipal Court
- Sentence: Suspended Sentence
- Date: November 5, 2008
- B. On August 9, 2008, the applicant was cited by Milwaukee Police Department for:
- Charge: Precious Metal/Gems Dealer License Req'd
- Finding: Guilty— Milwaukee Municipal Court
- Sentence: \$250.00 Penalty
- Date: November 5, 2008
- C. On March 18, 2009 at 10:54 a.m., Milwaukee police were flagged down at 1119 West Historic Mitchell Street (John's Jewelry) regarding a robbery. The investigation revealed the store was robbed and a police report was filed.
- D. On November 11, 2009 at 3:07 p.m., a Milwaukee police officer in plain clothes went to 1119 West Historic Mitchell Street (John's Jewelry) and offered a ring for sale. The applicant agreed to buy the ring from the undercover officer, even though he had no identification. On November 25, 2009 at 10:12 a.m., Milwaukee police executed a search warrant at 1119 West Historic Mitchell Street (John's Jewelry). During this search warrant, the ring the officer sold to the applicant on November 11, 2009 was located. Also during this search warrant, additional violations of Milwaukee municipal ordinance relating to other transactions were discovered.

Regarding the transaction involving the Milwaukee Police officer on November 11, 2009 the applicant was issued the following citations:

Charge: Precious Metal/Gems Dealer Regulations  
(Dealer to Identify Seller)

Finding: Due for pre-trial 02/19/2010 8:30 a.m.  
Branch 2

Charge: Precious Metal/Gems Dealer Regulations  
(Reports Required)

Finding: Due for pre-trial February 19, 2010  
8:30 a.m., Branch 2

Charge: Precious Metal/Gems Dealer Regulations  
(Dealer to Maintain register)

Finding: Due for pre-trial February 19, 2010  
8:30 a.m., Branch 2

Violations regarding a transaction on November 12, 2009 were discovered during execution of the search warrant on November 25, 2009. The applicant was issued the following citations:

Charge: Precious Metal/Gems Dealer Regulations  
(Dealer to Identify Seller)

Finding: Due for pre-trial February 19, 2010  
8:30 a.m., Branch 2

Charge: Precious Metal/Gems Dealer Regulations  
(Reports Required)

Finding: Due for pre-trial February 19, 2010  
8:30 a.m., Branch 2

Charge: Precious Metal/Gems Dealer Regulations  
(Dealer to Maintain Register)

Finding: Due for pre-trial February 19, 2010  
8:30 a.m., Branch 2

Charge: Precious Metal/Gems Dealer Regulations  
(Dealer to Obtain a Written Declaration of  
Ownership)

Finding: Due for pre-trial February 19, 2010  
8:30 a.m., Branch 2

Violations regarding a transaction on November 14, 2009 were discovered during execution of the search warrant on November 25, 2009. The applicant was issued the following citations:

Charge: Precious Metal/Gems Dealer Regulations  
(Dealer to Identify Seller)

Finding: Due for pre-trial February 19, 2010  
8:30 a.m., Branch 2

Charge: Precious Metal/Gems Dealer Regulations  
(Reports Required)

Finding: Due for pre-trial February 19, 2010  
8:30 a.m., Branch 2

Charge: Precious Metal/Gems Dealer Regulations  
(Dealer to Maintain Register)

Finding: Due for pre-trial February 19, 2010  
8:30 a.m., Branch 2

Charge: Precious Metal/Gems Dealer Regulations  
(Dealer to Obtain Written Declaration of  
Ownership)

Finding: Due for pre-trial February 19, 2010  
8:30 a.m., Branch 2

Violations regarding an additional transaction on November 14, 2009 were discovered during execution of the search warrant on November 25, 2009.

The applicant was issued the following citations:

Charge: Precious Metal/Gems Dealer Regulations  
(Dealer to Identify Seller)

Finding: Due for pre-trial February 19, 2010  
8:30 a.m., Branch 2

Charge: Precious Metal Gems Dealer Regulations  
(Reports Required)

Finding: Due for pre-trial February 19, 2010  
8:30 a.m., Branch 2

Charge: Precious Metal/Gems Dealer Regulations  
(Dealer to Maintain Register)

Finding: Due for pre-trial February 19, 2009  
8:30 a.m., Branch 2

- E. At hearing, the licensee attempted to explain his conduct, at least on November 11, 2009, by testifying that the undercover police officer posing as a customer trying to sell jewelry told him that he was in great need of money and that he purchased the jewelry as an act of kindness. However, the Milwaukee Police Department made a simultaneous and surreptitious video of the transaction.

The video showed that a counter clerk employed by the licensee was in fact attempting to comply with the Milwaukee Code of Ordinances. However, the licensee intervened and concluded the transaction and allowed the undercover officer to sell the jewelry without providing actual proof of identity and legal ownership of the jewelry being sold to the licensee.

- F. At hearing, it was disclosed that the licensee was not found to have any stolen merchandise, and that he did hold merchandise for at least fifteen days, and sometimes longer. However, other Precious Metal and Gem Dealer licenses investigated by the Milwaukee Police Department resulted in clearing 154 burglaries, 1200 pieces of jewelry and 59 pieces of gold being returned to 15 victims.
- G. Milwaukee Code of Ordinances, Section 92-10-6-1 through -c-5 provides as follows:

6. REGULATIONS. a. Dealer to Identify Seller. No precious metal and gem dealer shall purchase any secondhand jewelry, sterling silver or gold or silver coins or bullion without first securing adequate identification from the seller. At the time of the transaction, the dealer shall require the seller to present to him or her one of the following types of identification:

- a-1. A Milwaukee county identification card.
- a-2. A valid Wisconsin motor vehicle operator's license.
- a-3. A state identification card.
- a-4. A valid motor vehicle operator's license, containing a picture, issued by another state.
- a-5. A military identification card.
- a-6. A valid passport.
- a-7. An alien registration card.
- a-8. A nonpicture identification document issued by a state or the federal government, if the dealer also obtains a clear imprint of the seller's right index finger.
- a-9. A senior citizen's identification card containing a photograph.

b. Buying from Minors. No precious metal and gem dealer shall have any business dealings as a precious metal and gem dealer with any person less than 18 years of age, unless that person is with a parent or guardian or the parent or guardian appears with that person and files a signed consent form indicating permission for that person to transact business with the dealer. Such written consent may be retained by the dealer and used for subsequent transactions with the minor without the presence of the parent or guardian.

c. Dealer to Maintain Register and Obtain Declaration of Seller's Ownership. c-1. Every precious metal and gem dealer licensed under this section shall keep a register in a permanent well-bound book, in which the dealer shall record legibly in English the name, address and date of birth of the seller, driver's license number or the number of other identification allowed under par. a. The dealer shall also record the date, time and place of the purchase and an accurate and detailed account and description of each article being purchased, including but not limited to, any trademark, identification number, serial number, model number, brand name, description by weight and design of such article, and other identifying marks, identifying descriptions of a personal nature and, when applicable, whether the article is a male or female item. The book shall be written in ink, and no entry in such book shall be erased, mutilated or changed.

c-2. The dealer shall also obtain a written declaration of the seller's ownership which shall state whether the article of secondhand jewelry, sterling silverware or gold or silver coins or bullion is totally owned by the seller, how long the seller has owned the article, whether the seller or someone else found the article, and if the article was found, the details of its finding.

c-3. The seller shall sign his or her name in such register and on the declaration of the ownership.

c-4. Such register shall be made available to any police officer for inspection at any reasonable time.

c-5. In lieu of the permanent well-bound book described in subd. 1, the dealer may keep sequentially numbered invoices containing the same information as required in subd. 1. Blank or voided invoices shall be kept in sequence.

The purpose of these regulations is to ensure that stolen merchandise can be more readily identified and recovered.

#### CONCLUSIONS OF LAW

1. The Committee has jurisdiction to hold hearings and provided Findings of Fact and Conclusions of Law and a Recommendation to the full Common Council pursuant to Section 92-10 of the Milwaukee Code of Ordinances.
2. Based upon the above facts found, the Committee concludes that the licensee, Chon Sung J. Lee, as agent for John's Jewelry, LLC, has not met the criteria of Chapter 92-10 of the Milwaukee Code of Ordinances to allow the continued operation of the premises

located at 1119 West Historic Mitchell Street (“John’s Jewelry”) without undergoing a forty-five (45) day suspension of said license.

3. In order to protect the health, safety and welfare of the citizens of the City of Milwaukee, it is the recommendation of the Licenses Committee that the full Common Council of the City of Milwaukee should exercise its discretion and judgment to suspend the Precious Metal and Gem Dealer license held by the licensee for the premise located at 1119 West Historic Mitchell Street (“John’s Jewelry”) for forty-five (45) days based upon the conduct of the licensee in not following the regulations of the Milwaukee Code Ordinances as authorized by Wis. Stat. § 134.71 and upon the investigation and complaint of the Milwaukee Police Department.

#### RECOMMENDATION

Based upon the Findings of Fact and Conclusions of Law stated above, the Committee, by a vote of five ayes and zero noes recommends that the Precious Metal and Gem Dealer license held by Chon Sung Lee, agent for John’s Jewelry, LLC, be suspended for forty-five (45) days based upon the police report and police department testimony.

Said suspension is to be in effect between the date of Common Council action on February 9, 2010, through midnight, March 25, 2010.

Dated and signed at Milwaukee, Wisconsin this 25th day of January, 2010.



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JAMES A. BOHL, Jr., Chair  
Licenses Committee