

VIRGINIA DEPARTMENT OF PROFESSIONAL  
AND OCCUPATIONAL REGULATION  
COMPLIANCE & INVESTIGATIONS DIVISION  
3600 WEST BROAD STREET  
RICHMOND, VIRGINIA 23230-4917

REPORT OF FINDINGS

BOARD: Auctioneers  
DATE: June 29, 2004  
  
FILE NUMBER: 2003-02434  
RESPONDENT: First Guarantee Credit Corp  
LICENSE NUMBER: 2906000399  
EXPIRATION: September 30, 2004  
  
SUBMITTED BY: Investigations Administrator Kevin E. Hoeft

COMMENTS:

Board Chairman Linkous reviewed this complaint file and recommended that an *Informal Fact-finding Conference* be scheduled.

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First Guarantee Credit Corp was at all times material to this matter a licensed auctioneer in Virginia (License Number 2906000399).

Based on the investigation of this matter, there is probable cause to believe the respondent has committed the following violation of the Board's regulation:

BACKGROUND:

On March 7, 2003, the Compliance & Investigations Division of the Department of Professional and Occupational Regulation received a certified copy of documents from the Wisconsin Department of Regulation and Licensing and from the Wisconsin Auctioneers Board (The Board) indicating that First Guarantee Credit Corp violated one provision of the Wisconsin Statutes and one provision of the Wisconsin Administrative Code. (Exh. C-1)

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1. Board Regulation (Effective February 1, 2002)

18 VAC 25-21-180. Discipline.

A. The board has the power to fine any individual or firm licensee, or to suspend or revoke any license issued under the provisions of Chapter 6 (§ 54.1-600 et seq.) or Title 54.1 of the Code of Virginia and the regulations of the board pursuant to the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia) if it finds that:

3. The licensed auctioneer or firm has been found by any regulatory board or agency to have violated any applicable regulations or laws in the course of performing auctioneer duties. A certified copy of a final order, decree or case decision by a court or regulatory agency with the lawful authority to issue such order shall be admissible as prima facie evidence of such conviction or discipline.

FACTS:

In a Stipulation Agreement signed February 19, 2002, (Exh. C-2) by its president, Azam M. Khan, First Guarantee Credit Corp consents to the entry of the Board's March 4, 2002, Final Decision and Order whereby First Guarantee Credit Corp agrees that it violated one provision of the Wisconsin Statutes and one provision of the Wisconsin Administrative Code. (Exh. C-3)

**IN THE  
COMMONWEALTH OF VIRGINIA  
VIRGINIA AUCTIONEERS BOARD**

Re: First Guarantee Credit Corp

File Number: 2003-02434  
License Number: 2906000399

**SUMMARY OF THE INFORMAL FACT-FINDING CONFERENCE**

On August 11, 2004, the Notice of Informal Fact-Finding Conference ("Notice") was mailed, via certified mail, to First Guarantee Credit Corp., c/o Mr. August Bequai, Attorney. The Notice included the Report of Findings, which contained the facts regarding the regulatory and/or statutory issues in this matter. The certified mail was signed for and received. On August 20, 2004, Attorney Bequai faxed a letter to the Department requesting the Informal Fact-Finding Conference be rescheduled due to the fact that his client had scheduling problems. The presiding Board Member approved this request.

On September 15, 2004, a rescheduling letter was mailed, via certified mail, to First Guarantee Credit Corp., c/o Mr. August Bequai. The certified mail was signed for and received.

On October 14, 2004, an Informal Fact-Finding Conference ("IFF") was convened at the Department of Professional and Occupational Regulation.

The following individuals participated at the IFF: Azam M. Khan, President, First Guarantee Credit Corp., Respondent; August Bequai, Respondent's Attorney; Jennifer Kazzie, Staff Member; and Samuel Updike, Presiding Board Member.

**RECOMMENDATION**

Based upon the evidence and the IFF, the following is recommended regarding the Count as outlined in the Report of Findings:

Count 1: Board Regulation (Effective February 1, 2002)

First Guarantee Credit Corp.'s action of having been found guilty of violating another regulatory board or agency regulation is a violation of Board Regulation 18 VAC 25-21-180.A.3. During the IFF Bequai stated the underlying acts in Wisconsin occurred in 1997, 2000 and 2001. Bequai acknowledged the Stipulation Agreement was entered into on February 19, 2002, and the Wisconsin Auctioneer Board entered a final order on

March 4, 2002, which placed First Guarantee on probation for the violations of the Wisconsin Statutes and Wisconsin Administrative Code. Therefore, I recommend First Guarantee Credit, Corp. be placed on probation for a period of five (5) years. During this probationary period, First Guarantee Credit Corp. agrees not to violate any of the regulations of the Virginia Auctioneers Board, or any other local, state or national auctioneer regulatory body. If a violation occurs, First Guarantee Credit Corp.'s Virginia license will be automatically revoked.

By: S. K. Updike  
Samuel Updike  
Presiding Board Member

VIRGINIA AUCTIONEERS BOARD

Date: Oct 14, 2004

**MONETARY PENALTY TERMS**

THE TOTAL MONETARY PENALTY RECOMMENDED HEREIN SHALL BE PAID WITHIN SIXTY (60) DAYS FROM THE DATE OF ENTRY OF THE FINAL ORDER IN THIS MATTER. FAILURE TO PAY THE TOTAL MONETARY PENALTY ASSESSED WITHIN SIXTY (60) DAYS OF THE DATE OF ENTRY OF SAID FINAL ORDER WILL RESULT IN THE AUTOMATIC SUSPENSION OF THE LICENSE, CERTIFICATE, OR REGISTRATION UNTIL SUCH TIME AS SAID AMOUNT IS PAID IN FULL.

**IN THE  
COMMONWEALTH OF VIRGINIA  
VIRGINIA AUCTIONEERS BOARD**

Re: First Guarantee Credit Corp

File Number: 2003-02434  
License Number: 2906000399

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The following individuals participated at the IFF: Azam M. Khan, President, First Guarantee Credit Corp., Respondent; August Bequai, Respondent's Attorney; Jennifer Kazzie, Staff Member; and Samuel Updike, Presiding Board Member.

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By: S.K. Updike  
Samuel Updike  
Presiding Board Member

VIRGINIA AUCTIONEERS BOARD

Date: Oct 14, 2004

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**IN THE  
COMMONWEALTH OF VIRGINIA  
AUCTIONEERS BOARD**

Re: First Guarantee Credit Corp  
McLean, VA

File Number           2003-02434  
License Number       2906000399

**FINAL OPINION AND ORDER**

On November 2, 2004, the Summary of the Informal Fact-Finding Conference ("the Summary") and notification of the Auctioneers Board ("the Board") January 20, 2005 meeting was mailed, via certified mail, to First Guarantee Credit Corp ("First Guarantee Credit Corp") at the address of record. The certified mail was received.

On January 20, 2005, the Board met and reviewed the record, which consisted of the investigative file, the transcript, and exhibits from the Informal Fact-Finding Conference ("IFF"), and the Summary. First Guarantee Credit Corp did not appear at the Board meeting in person. First Guarantee Credit Corp did submit, through its attorney, August Bequai, a written response to the Summary of the Informal Fact Finding Conference.

The Board adopts the Report of Findings, which contains the facts regarding the regulatory and/or statutory issues in this matter, and adopts the Summary, in part. The Report of Findings and Summary are incorporated as part of this Order.

The Board finds clear and convincing evidence that First Guarantee Credit Corp violated the following sections of its Regulations:

(Effective February 1, 2002)  
Count 1: 18 VAC 25-21-180.A.3

The Board imposes the following sanction:

Suspension of its license for a period of two (2) years. The Board voted to impose the suspension to be consistent with the action taken by the Wisconsin Board.

The imposition of the suspension will be stayed provided that First Guarantee Credit Corp does not violate any of the regulations of the Virginia Auctioneers Board, or any other local, state or national auctioneer regulatory body.

If a violation occurs, First Guarantee Credit Corp's license may be fined, suspended or revoked, subsequent to board review.

THE TOTAL MONETARY PENALTY ASSESSED HEREIN SHALL BE PAID WITHIN SIXTY (60) DAYS FROM THE DATE OF ENTRY OF THIS FINAL ORDER. FAILURE TO PAY THE TOTAL MONETARY PENALTY ASSESSED WITHIN SIXTY (60) DAYS OF THE DATE OF ENTRY OF THIS FINAL ORDER WILL RESULT IN THE AUTOMATIC SUSPENSION OF YOUR LICENSE (LICENSE NO. 2906000399) UNTIL SUCH TIME AS SAID AMOUNT IS PAID IN FULL.

AS PROVIDED BY RULE 2A:2 OF THE SUPREME COURT OF VIRGINIA, YOU HAVE THIRTY (30) DAYS FROM THE DATE OF SERVICE (I.E. THE DATE YOU ACTUALLY RECEIVED THIS DECISION OR THE DATE THE DECISION WAS MAILED TO YOU, WHICHEVER OCCURRED FIRST) WITHIN WHICH TO APPEAL THIS DECISION BY FILING A NOTICE OF APPEAL, SIGNED BY EITHER YOU OR YOUR COUNSEL, WITH LOUISE FONTAINE WARE, SECRETARY OF THE AUCTIONEERS BOARD. IN THE EVENT THAT THE DECISION WAS SERVED ON YOU BY MAIL, THREE (3) DAYS SHALL BE ADDED TO THE THIRTY (30) DAY PERIOD.

IF A PETITION FOR APPEAL IS FILED WITH THE CLERK OF THE CIRCUIT COURT, AS PROVIDED BY RULE 2A:4 OF THE SUPREME COURT OF VIRGINIA, THEN THE AUTOMATIC SUSPENSION OF YOUR LICENSE FOR FAILURE TO PAY THE TOTAL ASSESSED MONETARY PENALTY WILL BE STAYED PROVIDED THE FOLLOWING INFORMATION IS RECEIVED BY LOUISE FONTAINE WARE, SECRETARY OF THE AUCTIONEERS BOARD:

1. A SIGNED COPY OF THE NOTICE OF APPEAL; AND
2. A COPY OF THE SURETY AGREEMENT OR A COPY OF THE RECEIPT FROM THE CLERK OF THE CIRCUIT COURT WHERE THE APPEAL HAS BEEN FILED INDICATING THAT A BOND HAS BEEN



POSTED OR CASH PAID INTO THE COURT IN THE AMOUNT OF THE  
TOTAL MONETARY PENALTY ASSESSED IN THE FINAL ORDER.

**SO ORDERED:**

Entered this 20<sup>th</sup> day of January, 2005.

Auctioneers Board

BY:

  
Louise Fontaine Ware, Secretary