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Regulated Industries Complaints Office
Department of Commerce and Consumer Affairs
State of Hawaii
Leiopapa A Kamehameha Building
235 South Beretania Street, Suite 900
Honolulu, Hawaii 96813
Telephone: 586-2660

Attorneys for Department of Commerce
and Consumer Affairs

BOARD OF PRIVATE DETECTIVES AND GUARDS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

In the Matter of the Guard Agency)	PDG 2014-31-L
License of)	
U. S. SECURITY ASSOCIATES, INC.,)	SETTLEMENT AGREEMENT PRIOR TO
)	FILING OF PETITION FOR DISCIPLINARY
Respondent.)	ACTION AND BOARD'S FINAL ORDER;
)	EXHIBIT "1"

241042211

SETTLEMENT AGREEMENT PRIOR TO FILING OF PETITION
FOR DISCIPLINARY ACTION AND BOARD'S FINAL ORDER

Petitioner, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS'

REGULATED INDUSTRIES COMPLAINTS OFFICE (hereinafter "RICO" or "Petitioner"),
through its undersigned attorney(s), and Respondent U. S. SECURITY ASSOCIATES, INC.
(hereinafter "Respondent"), enter into this Settlement Agreement on the terms and conditions set
forth below.

A. UNCONTESTED FACTS

1. At all relevant times herein, Respondent was licensed by the Board of Private
Detectives and Guards (hereinafter the "Board") as a guard agency under license number GDA

1035. The license was issued on or about February 3, 2014. The license will expire or forfeit on or about June 30, 2016.

2. Respondent's mailing address for purposes of this action is 98-030 Hekaha Street, No. 21, Aiea, Hawaii 96701. ^{206?}

3. RICO received a request for investigation from the Board about disciplinary action taken by the State of Vermont against U.S. Security Associates, Inc.

4. RICO alleges that Respondent failed to timely disclose a Stipulation and Consent Order with the State of Vermont's Board of Private Investigative and Security Services in IN RE: U.S. SECURITY ASSOCIATES, INC. (Docket Nos. 2011-825/2012-737) (hereinafter "Vermont Order"). ^{2 file but at 3 locations} The Vermont Order alleged on two occasions, Respondent employed unregistered guards. Pursuant to the terms of the Vermont Order, Respondent's Vermont license was conditioned, and Respondent ordered to pay a \$7,500.00 fine and to provide remedial training to supervisory and managerial employees. A true and correct copy of the Stipulation and Consent Order in IN RE: U.S. SECURITY ASSOCIATES, INC. (Docket Nos. 2011-825/2012-737) is attached as Exhibit "1"

5. The foregoing allegations, if proven at an administrative hearing before the Board, would constitute violations of the following statute(s) and/or rule(s): Hawaii Revised Statutes ("HRS") § 436B-19(13) (disciplinary action by another state) and § 436B-19(15) (failure to report disciplinary decision within thirty days).

6. The Board has jurisdiction over the subject matter herein and over the parties hereto.

B. REPRESENTATIONS BY RESPONDENT:

1. Respondent is fully aware that Respondent has the right to be represented by an attorney and voluntarily waives that right.

2. Respondent enters into this Settlement Agreement freely, knowingly, voluntarily, and under no coercion or duress.

3. Respondent is aware of the right to have a hearing to adjudicate the issues in the case. Pursuant to HRS § 91-9(d), Respondent freely, knowingly, and voluntarily waives the right to a hearing and agrees to dispose of this case in accordance with the terms and conditions of this Settlement Agreement.

4. Respondent being at all times relevant herein licensed as a guard agency by the Board acknowledges that Respondent is subject to penalties including but not limited to, revocation, suspension or limitation of the license and administrative fines, if the foregoing allegations are proven at hearing.

5. Respondent does not admit to violating any law or rule, but acknowledges that RICO has sufficient cause to file a Petition for Disciplinary Action against Respondent's license.

6. Respondent enters into this Settlement Agreement as a compromise of the claims and to conserve on the expenses of proceeding with an administrative hearing on this matter.

7. Respondent agrees that this Settlement Agreement is intended to resolve the issues raised in RICO's investigation in RICO No. PDG 2014-31-L.

8. Respondent understands this Settlement Agreement is public record pursuant to Hawaii Revised Statutes chapter 92F.

C. TERMS OF SETTLEMENT:

1. Administrative fine. Respondent agrees to pay a fine in the amount of FIVE HUNDRED AND NO/100 DOLLARS (\$500.00). Payment shall be made by **cashier's check or money order made payable to "DCCA - Compliance Resolution Fund"** and mailed to the Regulated Industries Complaints Office, Attn: Denise P. Balanay, Esq., 235 S. Beretania Street, 9th Floor, Honolulu, Hawaii 96813. Payment of the fine shall be due at the time this Settlement Agreement is returned to RICO.

2. Failure to Comply with Settlement Agreement. If Respondent fails to fully and timely comply with the terms of this Settlement Agreement as set forth in paragraph(s) C.1 above, Respondent's license shall be automatically revoked upon RICO's filing of an affidavit with the Board attesting to such failure. In case of such revocation, Respondent shall turn in all indicia of the license to the Executive Officer of the Board within ten (10) days after receipt of notice of the revocation. In case of such revocation, Respondent understands Respondent cannot apply for a new license until the expiration of at least five (5) years after the effective date of the revocation. Respondent understands that if Respondent desires to become licensed again, Respondent must apply to the Board for a new license pursuant to and subject to HRS §§ 92-17, 436B-21, and all other applicable laws and rules in effect at the time.

3. Possible further sanction. The Board, at its discretion, may pursue additional disciplinary action as provided by law to include further fines and other sanctions as the Board may deem appropriate if Respondent violates any provision of the statutes or rules governing the conduct of guard agencies in the State of Hawaii, or if Respondent fails to abide by the terms of this Settlement Agreement.

4. Approval of the Board. Respondent agrees that, except for the representations, agreements and covenants contained in Paragraphs C.5, C.6, C.7 and C.8 below, this Settlement Agreement shall not be binding on any of the parties unless and until it is approved by the Board.

5. No Objection if Board Fails to Approve. If the Board does not approve this Settlement Agreement, does not issue an order pursuant thereto, or does not approve a lesser remedy, but instead an administrative hearing is conducted against Respondent in the Board's usual and customary fashion pursuant to the Administrative Procedure Act, Respondent agrees that neither Respondent nor any attorney that Respondent may retain, will raise as an objection in any administrative proceeding or in any judicial action, to the Board's proceeding against Respondent on the basis that the Board has become disqualified to consider the case because of its review and consideration of this Settlement Agreement.

6. Any Ambiguities Shall be Construed to Protect the Consuming Public. It is agreed that any ambiguity in this Settlement Agreement is to be read in the manner that most completely protects the interests of the consuming public.

7. No Reliance on Representations by RICO. Other than the matters specifically stated in this Settlement Agreement, neither RICO nor anyone acting on its behalf has made any representation of fact, opinion or promise to Respondent to induce entry into this Settlement Agreement, and Respondent is not relying upon any statement, representation or opinion or promise made by RICO or any of its agents, employees, representatives or attorneys concerning the nature, extent or duration of exposure to legal liability arising from the subject matter of this Settlement Agreement or concerning any other matter.

8. Complete Agreement. This Settlement Agreement is a complete settlement of the rights, responsibilities and liabilities of the parties hereto with respect to the subject matter hereof; contains the entire agreement of the parties; and may only be modified, changed or amended by written instrument duly executed by all parties hereto.

IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date(s) set forth below.

DATED: Roswell, Georgia, 5/19/15.
(City) (State) (Date)

U. S. SECURITY ASSOCIATES, INC.
Respondent

By:

Its

[Signature]
Secretary

DATED: Honolulu, Hawaii, JUL - 1 2015.

[Signature]

DARIA A. LOY-GOTO

DENISE P. BALANAY

Attorneys for Department of Commerce and
Consumer Affairs

IN THE MATTER OF THE GUARD AGENCY LICENSE OF U. S. SECURITY
ASSOCIATES, INC.; SETTLEMENT AGREEMENT PRIOR TO FILING OF PETITION
FOR DISCIPLINARY ACTION AND BOARD'S FINAL ORDER; EXHIBIT "1";
CASE NO. PDG 2014-31-L


APPROVED AND SO ORDERED:
BOARD OF PRIVATE DETECTIVES AND GUARDS
STATE OF HAWAII



DOUGLAS H. INOUE
Chairperson



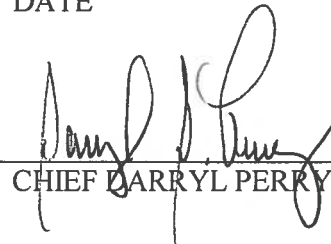
RAY GALAS
Vice Chairperson



CHIEF HARRY S. KUBOJIRI

September 11, 2015

DATE



CHIEF DARRYL PERRY

KENNETH CHANG

PVL 11/14

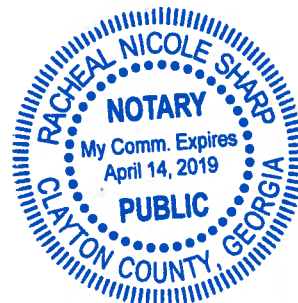
STATE OF Georgia)
)
COUNTY OF Fulton) SS.

On this 19th day of May, 20 15, before me personally appeared
L.J. Paul Lutz, to me known to be the person
described, and who executed the foregoing instrument on behalf of U.S. Security
Associates, Inc. as its Secretary, and
acknowledged that he/she executed the same as his/her free act and deed.

This 7 -page Settlement Agreement

_____ document dated
May 19, 20 15 was acknowledged before me by L.J. Paul Lutz
this 19th day of May, 20 15, in the City of Roswell,
in the County of Fulton, in the State of ~~Hawaii~~ Georgia

Racheal Nicole Sharp
Name: Racheal Nicole Sharp
Notary Public, State of ~~Hawaii~~ Georgia
My Commission expires: 4-14-19



STATE OF VERMONT
SECRETARY OF STATE
OFFICE OF PROFESSIONAL REGULATION
BOARD OF PRIVATE INVESTIGATIVE AND SECURITY SERVICES

IN RE:)
U.S. SECURITY ASSOCIATES, INC.) Docket Nos: 2011-825
License No. 044.0002135-SS) 2012-737

STIPULATION AND CONSENT ORDER

NOW COME the State of Vermont, by State Prosecuting Attorney Gabriel M. Gilman, and the Respondent, U.S. Security Associates, Inc., represented by Joshua Diamond, Esq., who stipulate and agree as follows:

Board Authority

1. The Vermont Board of Private Investigative and Security Services ("Board") has jurisdiction to investigate and adjudicate allegations of unprofessional conduct committed by private investigators and security guards, pursuant to 3 V.S.A. §§129, 129a; 26 V.S.A. Chapter 59; the Rules Relating to Private Investigative Services ("Board Rules"); and the Rules of the Office of Professional Regulation.

Facts

2. U.S. Security Associates, Inc. ("Respondent Agency") of Roswell, Georgia is licensed by the State of Vermont as a Security Services Agency under license number 044.0002135-SS. This license was originally issued on or about April 15, 2005 and expires on May 31, 2015.
3. In November 2011, Respondent Agency placed an online, classified help-wanted advertisement at URL <http://burlington.craigslist.org/sec/2713048971>. Respondent Agency placed the advertisement specifically in the "security jobs" subcategory. It read:

U.S. Security Associates is seeking to hire event staff for a one day only event on the night of Thanksgiving at several large retailers. Pay rate is \$15.00 per hour for an 8-10 hour shift. Please email if interested
4. Respondent Agency contracted with WalMart stores in Rutland, Vermont and Williston, Vermont to provide security services for a special event on or about November 24, 2011.
5. On or about November 24, 2011, Respondent Agency had nineteen employees working at the Williston WalMart store. Only ten of those employees were registered.

STATE OF VERMONT



Prosecuting Attorney
Office of
Professional Regulation
89 Main Street
3rd Floor
Montpelier, VT
05620-3402

EXHIBIT "1"

6. On or about November 24, 2011, Respondent Agency had seventeen employees working at the Rutland WalMart store. Only four of those employees were registered.
7. On or about the evening of November 22, 2012, Respondent Agency provided event staffing and security services at the Rutland, Vermont WalMart, which included employees who were not registered.

Violations

8. The facts, circumstances, acts, and omissions described above constitute unprofessional conduct pursuant to:
 - a 3 V.S.A. 129a(a)(3) (Failing to comply with provisions of federal or state statutes or rules governing the practice of the profession);
 - b 26 V.S.A. § 3176(c) (An agency shall register all agency investigative and security employees with the board. Employees shall carry identification in a form satisfactory to the board indicating the licensee by whom the person is employed);
 - c 26 V.S.A. § 3181(b)(9) (Failing to complete in a timely manner the registration of an employee);
 - d Board Rule 2.5A (Agencies shall register each employee who is to work in Vermont before that employee may perform private investigative and/or security services);
 - e Board Rule 2.6E (No person may practice as a security guard without some form of registration).

Understandings

9. To prevent the appearance of a conflict of interest, the parties agree that this Stipulation shall be presented to an *ad hoc* Board, whose constituent members shall not have personal or professional ties to the Board member involved in the investigation and shall not be market competitors of Respondent.
10. If this Stipulation is approved by the Board, the State shall dismiss with prejudice docket nos. 2012-738 and 2011-826.
11. Respondent Agency understands that the Board of Private Investigative and Security Services must review and accept the terms of the Consent Order. If the Board rejects any portion, the entire Stipulation and Consent Order shall be null and void.

STATE OF VERMONT



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12. Respondent Agency, by the authorized agent below, has read and reviewed this entire document and agrees that it contains the entire agreement between the parties.
13. Respondent Agency voluntarily enters into this agreement after the opportunity to consult with legal counsel and is not being coerced by anyone into entering this Stipulation and Consent Order.
14. Respondent Agency voluntarily waives its right to a contested hearing before the Board of Private Investigative and Security Services and waives any right to appeal from this Stipulation and Consent Order.
15. Respondent agrees that the Order set forth below may be entered by the Board.

ORDER

Based on the Stipulation above, it is **ORDERED AND ADJUDGED** as follows:

- A. Respondent is assessed a civil penalty in the amount of **SEVEN-THOUSAND-FIVE-HUNDRED DOLLARS (\$7,500)**, to be paid within ninety days of the entry of this Order.
- B. Respondent's license is hereby **CONDITIONED** as follows:
 - a. Each quarter for four quarters, Respondent Agency shall provide to the Board a tabular list identifying by full name all persons not registered with the Board who have been employed by Respondent Agency within the borders of Vermont in any capacity, to include temporary contractors, event staff, and persons employed through third-party staffing services, during the preceding quarter. The list shall include a brief explanation of how each listed individual's job duties are unrelated to private investigative and/or security services. Notwithstanding any provision above, providers of legal services, accounting services, and physical plant maintenance need not be listed.
 - b. Within six months of the entry of this Order, Respondent Agency shall demonstrate that it has provided remedial training to its supervisory and managerial employees in Vermont sufficient to ensure that each is familiar with the registration, training, and identification requirements of 26 V.S.A. §§ 3176(c), 3176(e), 3181(b)(11), and Board Rules 2.5A and 2.6E, and that each has been reminded by Respondent, in a written statement of policy distributed to each, that persons employed in a temporary and contract status are not excepted from statutes and rules governing the practice of investigative and security services.
 - c. If Respondent Agency has complied fully with the above conditions, the Respondent Agency's license shall automatically be restored to unencumbered status upon receipt of the fourth of the four quarterly reports required by Condition (a.) above.

STATE OF VERMONT



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- C. Notwithstanding any provision above, the Respondent Agency must continue to meet all Board of Private Investigative and Security Services requirements for maintaining a license, license renewal and license reinstatement.
- D. This Stipulation and Consent Order is a matter of public record and may be reported to other licensing authorities as provided in 3 V.S.A. § 129(a).
- E. This Stipulation and Consent Order will remain part of Respondent Agency's licensing file and may be used for purposes of determining sanctions in any future disciplinary matter.

AGREED TO:

STATE OF VERMONT
SECRETARY OF STATE

Dated: 3/17/14

By: [Signature]
Gabriel M. Gilman
State Prosecuting Attorney

U.S. SECURITY
ASSOCIATES, INC.,
RESPONDENT

Dated: 3/14/14

By: [Signature]
Authorized Agent

APPROVED AS TO FORM:

ATTORNEY FOR RESPONDENT

Dated: 3/17/14

By: [Signature]
Joshua Diamond, Esq.
Diamond & Robinson,
Montpelier

STATE OF VERMONT



Prosecuting Attorney
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89 Main Street
3rd Floor
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05620-3402

APPROVED AND SO ORDERED:

Dated: 3/21/14

Date of Entry: 3/24/14

VERMONT BOARD OF PRIVATE
INVESTIGATIVE AND
SECURITY SERVICES

By: [Signature]
Chairperson Member

STATE OF VERMONT



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