



To: Jennifer E. Fine, Esq.

From: Miriam Soler Ramos, City Attorney for the City of Coral Gables *MSR*

RE: Legal Opinion Regarding Diamond Banc

Date: September 10, 2019

We have reviewed your request for opinion below and conclude that the most appropriate use for Diamond Banc, under the Zoning Code, is that of “office.” Article 8 defines “office” as, “a use involving a business, profession, service or government including laboratories which do not involve retail activity on site not including veterinary offices and problematic uses.” While Diamond Bank holds a pawnbroker license, as required by Ch. 539, F.S., the description you provide below is much more akin to an office use than a pawnbroker (or pawn shop) use. Pawn shops are typically store fronts that engage in on-promise retail sales, they have display cases, and take a wide array of items that may vary greatly in value. In contrast, you state that Diamond Banc provides loans based on the acceptance of diamonds, fine jewelry, luxury watches, precious metals, and designer handbags. You describe the process explaining that the request is made online, the item is evaluated and an initial quote is provided. Assuming the quote is acceptable to the potential customer, the item is then taken to the office space where it is tendered in exchange for the loaned funds. Importantly, you explain that Diamond Banc does not accept walk-ins, does not sell the collateral products to the general public, and does not have a jewelry or display case on premise. Your description of a Diamond Banc location is that it simply consists of a desk, computer, and a safe. Based on the specific characteristics of Diamond Banc’s business model and on its varied differences from those of a traditional pawnshop, Diamond Banc’s use is most consistent with that of an “office” as described in the Zoning Code.

I have discussed this opinion with the Zoning Official who is in agreement with its conclusion. This opinion is issued in accordance with Section 2-252(e)(1) and (8) of the City Code and Section 2-702 of the City’s Zoning Code.

Paulk, Enga

From: Ramos, Miriam
Sent: Tuesday, September 10, 2019 11:54 AM
To: Paulk, Enga
Cc: Suarez, Cristina
Subject: FW: Diamond Banc [IWOV-MIAMI.FID1347059]

Enga, please publish.

Miriam Soler Ramos, Esq., B.C.S.

City Attorney

*Board Certified by the Florida Bar in
City, County, and Local Government Law*

City of Coral Gables
405 Biltmore Way, 2nd Floor
Coral Gables, FL 33134
(305) 460-5218
(305) 460-5084 direct dial



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From: Ramos, Miriam
Sent: Tuesday, September 10, 2019 11:53 AM
To: Jennifer E. Fine <jfine@bilzin.com>
Cc: Anthony De Yurre <adeyurre@bilzin.com>
Subject: Diamond Banc [IWOV-MIAMI.FID1347059]

Ms. Fine,

We have reviewed your request for opinion below and conclude that the most appropriate use for Diamond Banc, under the Zoning Code, is that of “office.” Article 8 defines “office” as, “a use involving a business, profession, service or government including laboratories which do not involve retail activity on site not including veterinary offices and problematic uses.” While Diamond Bank holds a pawnbroker license, as required by Ch. 539, F.S., the description you

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Sincerely,

Miriam Soler Ramos, Esq., B.C.S.

City Attorney

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City, County, and Local Government Law*

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From: Jennifer E. Fine <jfine@bilzin.com>
Sent: Wednesday, August 21, 2019 1:16 PM
To: Ramos, Miriam <mramos@coralgables.com>
Cc: Anthony De Yurre <adeyurre@bilzin.com>
Subject: Diamond Banc [IWOV-MIAMI.FID1347059]

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Good afternoon Miriam,

Thank you for meeting with us last week to discuss the proposed Diamond Banc location in Coral Gables. In connection with our meeting, I am providing additional information regarding Diamond Banc's business model along with our analysis as to why the use qualifies as "retail sales and services" according to the definition in the Coral Gables Zoning Code (the "Zoning Code") and is permitted by right in the Commercial district.

Diamond Banc's mission is to provide clients the same professionalism and confidentiality as a traditional financial institution by allowing clients to utilize their jewelry for their liquidity needs. It provides loans using luxury assets, such as fine jewelry and watches, much in the same way as vehicles, real estate, investments, future payments, and insurance policies are used as collateral. While the company is technically required to be classified as a pawnbroker under Chapter 539 of the Florida Statutes, it functions as a financial company that offers jewelry equity lending. If anything of substance can be taken from this classification, it is only that Diamond Banc is subject to a higher level of scrutiny and regulation which favors their customers. For zoning purposes, Diamond Banc should be classified as a type of financial institution that has created a new capital market for investors and entrepreneurs to access short term capital by borrowing against the equity in their jewelry. Further, unlike traditional pawn shops, Diamond Banc generally only accepts diamonds, fine jewelry, luxury watches, and precious metals, as well as designer handbags. Importantly, Diamond Banc's loan structure offers 30 day terms that can be extended for as many 30 day periods as the client needs, and there is no minimum loan period since the loan can be paid off in full at any time without penalty.

The Diamond Banc process starts by clients completing an online form describing the item they wish to sell or use as collateral for a loan. After reviewing the submission, Diamond Banc's team of expert jewelers will contact the client with an initial quote and provide a work with the client to set up an in person meeting at their closest Florida location. Once the item has been evaluated, the client and Diamond Banc will complete the transaction in person, and the funds will be issued immediately. Diamond Banc's proposed Coral Gables location would thus offer lending, buying, and appraisal services a private office setting to Gables' residents.

Diamond Banc is not generally located on the ground floor but within office buildings, it does not accept walk-ins, nor does it sell or offer to sell the collateral or purchased jewelry items to the general public. There is pedestrian traffic by appointment only, and no sales are conducted at the office location. Furthermore, Diamond Banc offices primarily consist of only a desk, computer, and safe. There are no retail jewelry cases or displays of any type.

Pursuant to Article 8 of the Zoning Code, "retail sales and services" mean a use, the principle use or purpose of which is the sale of goods, products, materials, or services directly to the consumer, including financial institutions, grocery stores, personal services, art galleries, and farmer markets. Although there is no definition of "financial institution" in the Zoning Code or in the Coral Gables Code of Ordinances, a financial institution is generally defined as a company engaged in the business of dealing with financial and monetary transactions such as deposits, loans, investments, and currency exchange.

Diamond Banc is a company engaged in the business of dealing with deposits and loans, specifically jewelry equity loans. Accordingly, it is a type of financial institution and is considered a "retail sales and services" use pursuant to the definition thereof in the Zoning Code. As such, it is permitted in the Commercial district by right.

We would appreciate your confirmation with our analysis and conclusion. We are available to discuss further if you have any questions or would like any additional information. Thank you for your attention to this matter.

Best,
Jennie



Jennifer E. Fine

Attorney

Bilzin Sumberg Baena Price & Axelrod LLP

1450 Brickell Avenue, 23rd Floor

Miami, Florida 33131

www.bilzin.com

Tel 305.350.2376

Direct Fax 305.351.2197

jfine@bilzin.com

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