

JOHN DAVID LAIN Jr.'s FCI
 FCI-32731
 01/12/2023 06:19 PM
 IOI (b)(6), Greensboro II (IO) Field Office

GENERAL INFORMATION

IOI Hours Spent on Inspection
 60.0
 Due Date
 5/2/22 12:00 AM

LICENSEE INFORMATION

Applicant Name: JOHN DAVID LAIN Jr. (Sole Proprietor)
 Applicant Name: (b)(6)
 Applicant Name: CLIFTON JOSEPH JOHNSON

RDS Key: 1-56-10775
 License/Permit Number: 1-56-067-02-4J-10775
 License Type: 02 - Pawnbroker License

Business Type
 Sole Proprietorship

Premises Ownership Type: Leased/Rented
 Premises Address: 130 WEST MOUNTAIN ST, Unit N/A, KERNERSVILLE, North Carolina

Premises Location Type Required
 Store Front

Address
 130 WEST MOUNTAIN ST
 Unit N/A
 KERNERSVILLE, North Carolina 27284
 FORSYTH
 United States

Address
 130 WEST MOUNTAIN ST
 Unit N/A
 KERNERSVILLE, North Carolina 27284
 FORSYTH
 United States

Phone Type	Phone Number	Remarks
Business	+1 336-497-5145	
Fax	+1 336-497-5145	

Email Address	Email Remarks
(b)(6)	

Online Presence Type	Online Presence URL	Remarks
Facebook	https://www.facebook.com/groups/216176998490420/user/100022285909037	
Facebook	https://www.facebook.com/C-J-Coin-And-Pawn-286747158111890	
Website	http://www.candjcoinandpawn.com/	

RECOMMENDATIONS

Final Decision Date
 Revocation 10/29/2022

Details

FFL officially revoked as of 10/29/22

All records secured by this office and forwarded to NTC on 11/10/22 via FedEx.

Out of Business Records and Inventory Management

Licensee Records

Licensee Inventory

Details

Briefed to DAD(IO) on July 22, 2022. Proceed with issuance of a Notice of Revocation.

Special Agent in Charge Bennie Mims's Recommendation

I concur with decision for revocation.

Division Counsel (b)(6) Review

Details

Reviewed by DC. Pending ACC review.

Director of Industry Operations Stephen Albro's Recommendation
Revocation

Details

DIO concurs with the recommendation to revoke.

Area Supervisor (b)(6) Recommendation
Revocation

Details

Licensee has been in business since 2015 and this is the third compliance inspection.

An inspection in 2019, warranted 11 violations to be issued. As a result, the recommendation was WC ILO Revocation and Recall.

An inspection in 2021, warranted 8 violations to be issued, of which 7 violations were REPEAT of violations issued in 2019. As a result of the findings, a WC ILO Revocation and Recall was the final recommendation.

The 2022 inspection warranted 7 violations to be issued, of which 6 of the violations were REPEATS of those issued in 2019 and 2021. In addition to the inspection results warranting Revocation for REPEAT violations, the FFL also had a violation of 478.102(a)(1), which further supports the recommendation of Revocation.

Concur with IOI's recommendation on Revocation.

Industry Operations Investigator (b)(6) Recommendation
Revocation

Details

Violations and Revocation

The licensee failed to contact NICS in one instance (b)(6). The licensee also failed to record an alternative permit on an ATF Form 4473 in one instance. (b)(6) Investigator (b)(6) queried OpenFox (NCIC) and found neither (b)(6) were prohibited, and (b)(6) possesses a valid North Carolina Concealed Carry Permit. The licensee has previously been the subject of a Warning Conference ILO Revocation.

Inspection Findings

NICS

- 4. Failure to conduct a NICS check or obtain an alternate permit.

FFL History

- 3. The current inspection reveals repeated similar violation(s) for which the FFL has previously been the subject of a Warning Conference ILO Revocation within the previous 5 years and there has been NO significant improvement.

ELIGIBILITY VERIFICATION

Business Information Verification

Property Ownership Verification

Premises Ownership Type	Premises Location Type	Has the property ownership been verified?
Leased/Rented	Store Front	Yes

Address

130 WEST MOUNTAIN ST
Unit N/A
KERNERSVILLE, North Carolina 27284
FORSYTH
United States

Additional Findings

On 4/7/2022, Investigator (b)(6) queried the Forsyth County, NC Property Search Website (<http://tellus.co.forsyth.nc.us/lrepwa/searchProperty.aspx>) and discovered the property is owned by 1-40 Union Cross, LLC; Old North State Trust

Attachment(s):

Property Ownership Verification.pdf

Trade Name/DBA Verification

Trade Name/DBA
C&J TRADING COMPANY

Is the trade name/DBA registered?
Yes

Additional Findings

On 4/7/2022, Investigator (b)(6) queried the North Carolina Secretary of State Website (www.sosnc.gov) and found the Trade name is registered. (See attached Trade Name Registration)

Attachment(s):

Trade Name Registration.pdf

Rental/Lease Verification

Is the proposed business activity permitted by the property owner?

Yes

Additional Findings

On 2/7/2019, the Lease was created. The lease states under use of Premises, that the property is to be used as a retail pawnshop and for the sale of firearms. (See attached Lease Agreement).

Attachment(s):

Lease Agreement.pdf

Zoning Information Verification

Is the proposed business activity in compliance with zoning?

Yes

Additional Findings

On 7/20/2015, The Town of Kernersville, NC provided the licensee with a zoning approval letter. The letter explains that the premises is zoned retail and the sale of firearms and ammunition is permitted. (See attached Zoning Letter)

Attachment(s):

Zoning letter.pdf

APPOINTMENT DETAILS

Interview Date

05/16/2022

Address

130 WEST MOUNTAIN ST, Unit N/A, KERNERSVILLE, North Carolina 27284

Responsible Attendee(s)

Non-Responsible Person(s)

JOHN DAVID LAIN Jr.

No Items

(b)(6) (Deactivated)

CLIFTON JOSEPH JOHNSON

RESPONSIBLE PERSON(S)

JOHN DAVID LAIN Jr.

Name	Gender	Race	Ethnicity
JOHN DAVID LAIN Jr.	Male	White	Not Hispanic or Not Latino

Date of Birth	SSN	Job Title
(b)(6)	(b)(6)	OWNER/MANAGER

Physical Identifiers

Height	Weight	Hair Color	Eye Color
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Place of Birth

Country	State	City
United States Of America	(b)(6)	(b)(6)

Home Address

(b)(6)

United States

Additional Names

Citizenship

United States

Phone Type	Phone Number	Remarks
Mobile	(b)(6)	

Email Address	Email Remarks
(b)(6)	

Criminal History Check

Date Criminal History Check Conducted
04/07/2022

Criminal History Check Comments
NO IDENTIFIABLE RECORD IN THE NCIC INTERSTATE IDENTIFICATION INDEX (III)
FOR NAM/LAIN,JOHN DAVID.PUR/C.SOC (b)(6).SEX/M.RAC/W.DOB (b)(6)

(b)(6)

(Deactivated)

Name	Gender	Race	Ethnicity
(b)(6)	(b)(6)	(b)(6)	(b)(6)
Date of Birth	SSN	Job Title	
(b)(6)	(b)(6)	RP	

Physical Identifiers

Height	Weight	Hair Color	Eye Color
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Place of Birth

Country	State	City
(b)(6)	(b)(6)	(b)(6)

Home Address

(b)(6)

United States

Additional Names

Citizenship

United States

ID Type	Country	State	ID Number
Driver's License	United States	North Carolina	(b)(6)

Phone Type	Phone Number	Remarks
Mobile	(b)(6)	

Criminal History Check

Date Criminal History Check Conducted
04/07/2022

Criminal History Check Comments
Hit, but it was not the same person. similar Date of Birth, but different Name, POB and SSN.
No prohibiting factors found.

CLIFTON JOSEPH JOHNSON

Name	Gender	Race	Ethnicity
CLIFTON JOSEPH JOHNSON	Male	White	Not Hispanic or Not Latino
Date of Birth	SSN	Job Title	
(b)(6)	(b)(6)	MANAGER	

Physical Identifiers

Height	Weight	Hair Color	Eye Color
		(b)(6)	(b)(6)

Place of Birth

Country
United States Of America

State
(b)(6)

City
(b)(6)

Home Address

(b)(6)

United States

Additional Names

Citizenship

United States

ID Type	Country	State	ID Number
Driver's License	United States	North Carolina	(b)(6)

Phone Type	Phone Number	Remarks
Mobile	(b)(6)	

Email Address	Email Remarks
(b)(6)	

Criminal History Check

Date Criminal History Check Conducted
04/07/2022

Criminal History Check Comments
NO IDENTIFIABLE RECORD IN THE NCIC INTERSTATE IDENTIFICATION INDEX (III)
FOR NAM/JOHNSON, CLIFTON JOSEPH. PUR/C. SOC. (b)(6) SEX/M. RAC/W.
DOB (b)(6)

INTERVIEW QUESTIONNAIRE

What is the proposed business activity?
NFORCE Query: On 4/8/2022, The Responsible Persons (RPs) Owner John David Lain Jr. and Manager Clifton Joseph Johnson were queried in NForce. No "Hits" or derogatory information was disclosed.

Business Activity: Sole Proprietor/Owner/RP John David Lain Jr. and Manager/RP Clifton Joseph Johnson DBA C&J Trading Company conduct pawn and sale of new and used handguns and long guns from the storefront pawnbroker firearms dealership. The business also buys, sells and pawns coins, video games, electronics and other items. The licensee does not provide gunsmithing services. The Scope of the inspection was from 5/15/2021 to 5/15/2022. No Advanced notice was given prior to commencing this inspection. The licensee does not utilize any off-site storage of firearms.

Corporate Structure/Officers: The business is a Sole Proprietorship in the State of North Carolina. Owner John David Lain Jr. is the sole owner. Owner John David Lain Jr. and Manager Clifton Joseph Johnson are the only Responsible Persons on the federal firearms licenses. No other Responsible Persons or hidden ownership was identified during this Inspection.

Variance: There are no current variances associated with this license, and none were applied for during this inspection. The licensee does utilize a computerized pawn record keeping program; however, the licensee maintains a handwritten A&D record for firearms.

Recommendation: Violations and Revocation
The licensee failed to contact NICS in one instance. The licensee also failed to record an alternative permit on an ATF Form 4473 in instance. Investigator (b)(6) queried OpenFox (NCIC) and found neither (b)(6) were prohibited, and (b)(6) possesses a valid North Carolina Concealed Carry Permit.

Inspection History: A Query of FLS and Spartan revealed two compliance inspections conducted within the last five years

FCI-24944 Compliance Inspection IO (b)(6), Warning Conference ILO Revocation – Warning Conference Held 4/6/2021

Violations:

8 Violations

- 27 CFR 478.125(e) REPEAT: Failure to maintain an accurate/complete/timely acquisition and disposition record of firearms in instances
- 27 CFR 478.124(c)(1) REPEAT: Failure to obtain a completed ATF F 4473 in instances
- 27 CFR 478.21(a) REPEAT: Failure to complete forms as prescribed in instances
- 27 CFR 478.124(c)(4) REPEAT: Failure to record firearm information on an ATF F 4473 in instances
- 27 CFR 478.124(c)(3)(i) REPEAT: Failure to verify or record Identification document on ATF F 4473 in instance
- 27 CFR 478.124(c)(3)(iv) REPEAT: Failure to record NICS contact information on an ATF F 4473 in instance
- 27 CFR 478.124(c)(5) REPEAT: Failure by transferor to sign and/or date an ATF F 4473 in instances
- 27 CFR 478.34: Prohibited possession of a firearm with a removed, obliterated, or altered serial number in instance

Violations:

11 Violations

- 27 CFR 478.102(d)(1): Failure to obtain a valid alternative permit in lieu of a NICS check in () instance
- 27 CFR 478.102(e): Failure to record alternative permit information on (or affix a copy to) an ATF F 4473 in () instances
- 27 CFR 478.125(e): Failure to maintain an accurate/complete/timely acquisition and disposition record of firearms in () instance
- 27 CFR 478.124(c)(1): Failure to obtain a completed ATF F 4473 in () instances
- 27 CFR 478.21(a): Failure to complete forms as prescribed in () instances
- 27 CFR 478.99(c): Unlawful sale or delivery of a firearm to a prohibited person in () instance
- 27 CFR 478.124(c)(3)(i): Failure to verify or record Identification document on ATF F 4473 in () instances
- 27 CFR 478.124(c)(3)(iii): Failure to verify or record non alien immigrant exception on an ATF F 4473 in () instances
- 27 CFR 478.124(c)(3)(iv): Failure to record NICS contact information on an ATF F 4473 in () instances
- 27 CFR 478.124(c)(4): Failure to record firearm information on an ATF F 4473 in () instances
- 27 CFR 478.124(c)(5): Failure by transferor to sign and/or date an ATF F 4473 in () instances

Amended Application COA 3/15/2019 – 763050-2019-0059 – LA Issue License Update Licensing Center File
 New Qualification Inspection 7/21/2015 - 763050-2015-0348 IO# (b)(6) Recommended Application Approved with Amendments
 Original Issue Date 8/5/2015

Acquisition and Disposition (A&D) Record and Inventory: The licensee maintains a handwritten bound book A&D record for pawn and sales. The A&D record is in the proper format. One A&D Record violation was discovered during this inspection. () late acquisitions were discovered. The licensee failed to timely record the acquisition of () firearms in inventory. (See 27CFR 478.125(e), Report of Violations) No Firearms were reported lost or stolen during the inspection period.

ATF Forms 4473, NICS and Other Dispositions: There were (b)(3) (112 Public Law 55 125 Stat 552) ATF Forms 4473 on file for the review period 5/15/2021 through 5/15/2022. A 100 percent review of the ATF Forms 4473 was conducted. () ATF Form 4473 violations were cited during this inspection. In 1 instance, the Licensee failed to conduct a NICS background check. (See 27 CFR 478.102(a)(1), Report of Violations) In () instance the Licensee failed to obtain a completed ATF Form 4473. (See 27 CFR 478.124(c)(1), Report of Violations) In () instances the Licensee failed to complete the ATF Form 4473 as prescribed. (See 27 CFR 478.21(a), Report of Violations) In () instance the Licensee failed to record identification documentation on the ATF Form 4473. (See 27 CFR 478.124(c)(3)(i), Report of Violations) In () instances the licensee failed to sign or date an ATF Form 4473 (See 27 CFR 478.124(c)(5), Report of Violations) In () instance the licensee failed to record an alternative permit (North Carolina Concealed Handgun Permit) to the ATF Form 4473. (See 27 CFR 478.102(e), Report of Violations) The licensee maintains the ATF Forms 4473 chronologically by date of transfer and utilizes a Transferors Transaction Serial Number that corresponds to the running tally of form numbers since starting business in 2015. NC Statute forms and NC pistol purchase permits are attached to the ATF Forms 4473.

NICS: A NICS audit log was generated prior to the inspection. The licensee was associated with thirteen (13) Proceeds and one (1) denied transaction during the inspection period. No derogatory information was discovered during the audit log review.

Multiple Sales: The licensee reported () multiple handgun sales involving () handguns during the inspection period. No unreported multiple sales were discovered during the inspection.

Traces: The licensee had () traces during the inspection period. All of the traces were completed to individual purchasers. No Traces were completed during this inspection.

Trafficking, Straw Purchasers or Suspicious Purchasers: No trafficking indicators were discovered during the inspection. No straw purchasers were disclosed during the inspection. Two (2) suspicious purchasers were revealed during the inspection. The suspicious purchaser and the firearm purchased were queried in OpenFox (NCIC), eTrace and Analytics dashboards with no derogatory information disclosed.

NFA, Importers, Collectors or Manufacturers: A NFA Record Search was conducted (b)(3)(26 USC § 6103) (b)(3)(26 USC § 6103) The licensee is not an importer, collector or manufacturer.

Referrals: No Referrals were generated by this compliance inspection.

Other: The licensee is compliant with the Youth Handgun Safety Act regulations including the poster and pamphlets. The licensee is also compliant with North Carolina Statutes 14-315.1 Poster and 14-315.2 written copy.

Closing Actions: On 5/25/2022, Investigator (b)(6) conducted a closing conference with Manager Clifton Johnson. A full review of the violations cited during this inspection was conducted with Manager Johnson. Manager Johnson certified receipt by signing the Report of Violations via Spartan. A signed copy of the Report of Violations was emailed to Owner Lain and Manager Johnson. A full review of ATF laws and regulations was discussed with Manager Johnson per the Acknowledgement of Federal Firearms Regulations. Manager Johnson certified receipt by signing the Acknowledgement of Federal Firearms Regulations via Spartan. A signed copy of the Acknowledgement was emailed to Owner Lain and Manager Johnson. Investigator (b)(6) provided ATF contact information and urged Manager Johnson to contact ATF if he had any questions or concerns in the future.

Violations: 7 Violations were cited during this inspection.

27 CFR:

- 478.102(a)(1): Failure to contact NICS in 1 instance
- REPEAT – 478.102(e): Failure to record alternative permit information on ATF Form 4473 in () instance
- REPEAT – 478.124(c)(1): Failure to obtain completed ATF 4473 in () instance
- REPEAT – 478.21(a): Failure to complete forms as prescribed in () instances
- REPEAT – 478.124(c)(3)(i): Failure to record identification document on ATF Form 4473 in () instance
- REPEAT – 478.124(c)(5): Failure by transferor to sign or date an ATF Form 4473 in () instances
- REPEAT – 478.125(e): Failure to maintain an accurate/complete/timely acquisition and disposition record of firearms in () instances

Do they need an additional license or permit?

Yes

Who are their primary suppliers?

(b)(4)

Business Activities

- Pawnbroker
- Internet Sales/Transfers
- Retail

Selected Operational Security Measures

- Controlled Access to ATF Recordkeeping
- Controlled Access to Keys

SECURITY WALKTHROUGH

Inspection Area Description

The premises is a storefront pawnbroker. When you first enter there are glass display cases and firearms racks on the back wall of the front room. Required records are kept in the front office space and firearms are stored in two large safes in a smaller room between the front office space and the back storage room.

Primary Activity

Retail

GPS Coordinates

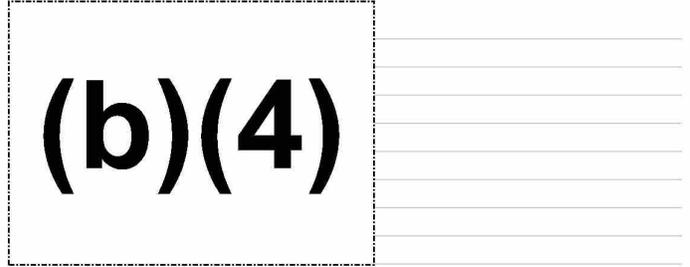
Latitude

36.12028

Longitude

-80.07406

Selected Physical Security Measures



ONSITE SUMMARY

Total Number of ATF Form 4473s for Inspection Review Period

(b)(4)

Total Number of ATF F 4473 Reviewed

(b)(4)

Total Number of Open Dispositions in A & D Record

(b)(4)

Total Number of Firearms in Inventory

75

Actual Number of Firearms Verified

(b)(4)

Number of Firearms Missing Before Reconciliation

0

Total Number of Firearms Missing After Reconciliation

0

Total Number of Acquisitions in the Last 12 Months

(b)(4)

Total Number of Dispositions in the Last 12 Months

(b)(4)

Onsite Start Date

05/16/2022

Onsite End Date

05/25/2022

Number of Reported Lost/Stolen Firearms During Inspection Period

0

Total Number of Traces During Inspection Review Period

(b)(4)

Total Number of Those Traces That Were Unresolved

0

Inspection Period Start Date

05/15/2021

Inspection Period End Date

05/15/2022

Number Of Traces Resolved By IOI

0

[Click Here to See List of Perfected Traces](#)

Compliance History

A search of FLS, NSpect and Spartan Revealed:

FCI-24944 Compliance Inspection IOI (b)(6) Warning Conference ILO Revocation – Warning Conference Held 4/6/2021

Violations:

8 Violations

27 CFR 478.125(e) REPEAT: Failure to maintain an accurate/complete/timely acquisition and disposition record of firearms in instances

27 CFR 478.124(c)(1) REPEAT: Failure to obtain a completed ATF F 4473 in instances

27 CFR 478.21(a) REPEAT: Failure to complete forms as prescribed in instances

27 CFR 478.124(c)(4) REPEAT: Failure to record firearm information on an ATF F 4473 in instances

27 CFR 478.124(c)(3)(i) REPEAT: Failure to verify or record Identification document on ATF F 4473 in instance

27 CFR 478.124(c)(3)(iv) REPEAT: Failure to record NICS contact information on an ATF F 4473 in instance

27 CFR 478.124(c)(5) REPEAT: Failure by transferor to sign and/or date an ATF F 4473 in instances

27 CFR 478.34: Prohibited possession of a firearm with a removed, obliterated, or altered serial number in instance

FCI-7773 Compliance Inspection IOI (b)(6) Warning Conference ILO Revocation – Warning Conference Held 7/25/2019

Violations:

11 Violations

27 CFR 478.102(d)(1): Failure to obtain a valid alternative permit in lieu of a NICS check in instance

27 CFR 478.102(e): Failure to record alternative permit information on (or affix a copy to) an ATF F 4473 in instances

27 CFR 478.125(e): Failure to maintain an accurate/complete/timely acquisition and disposition record of firearms in instance

27 CFR 478.124(c)(1): Failure to obtain a completed ATF F 4473 in instances

27 CFR 478.21(a): Failure to complete forms as prescribed in instances

27 CFR 478.99(c): Unlawful sale or delivery of a firearm to a prohibited person in [redacted] instance
 27 CFR 478.124(c)(3)(i): Failure to verify or record Identification document on ATF F 4473 in [redacted] instances
 27 CFR 478.124(c)(3)(iii): Failure to verify or record non alien immigrant exception on an ATF F 4473 in [redacted] instances
 27 CFR 478.124(c)(3)(iv): Failure to record NICS contact information on an ATF F 4473 in [redacted] instances
 27 CFR 478.124(c)(4): Failure to record firearm information on an ATF F 4473 in [redacted] instances
 27 CFR 478.124(c)(5): Failure by transferor to sign and/or date an ATF F 4473 in [redacted] instances

Amended Application COA 3/15/2019 – 763050-2019-0059 – LA Issue License Update Licensing Center File
 New Qualification Inspection 7/21/2015 - 763050-2015-0348 IO [redacted] (b)(6) Recommended Application Approved with Amendments
 Original Issue Date 8/5/2015

Attachment(s)

Report of Violations.pdf

Licensee Response to Violations Report.pdf

Licensee Response to Violations Report.pdf

REPORT OF VIOLATIONS

Regulation	Corrective Actions	Instance Details
1 27 CFR 478.102(a)(1): Failure to contact NICS or POC ATF Forms 4473: 1 Number of Instances: 1	Execute a required NICS/POC background check for all future over-the-counter firearm transactions.	NICS Violation: (b)(6)
2 27 CFR 478.124(c)(1): Failure to obtain a completed ATF F 4473 ATF Forms 4473: [redacted] Number of Instances: [redacted]	Ensure that all required ATF Form 4473 Section A items are completed/provided by the transferee/buyer on all future transactions.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)
3 27 CFR 478.21(a): Failure to complete forms as prescribed ATF Forms 4473: [redacted] Number of Instances: [redacted]	Complete all forms as prescribed. Ensure that all ATF Form 4473 items, as required by form headings and instructions, are accurately completed on all future transactions.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)
4 27 CFR 478.124(c)(3)(i): Failure to verify or record Identification document on ATF F 4473 ATF Forms 4473: [redacted] Number of Instances: [redacted]	Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions. Ensure that all required transferee/buyer identification information is obtained and accurately recorded on all future ATF Forms 4473, Section B.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)
5 27 CFR 478.102(e): Failure to record alternative permit information on (or affix a copy to) an ATF F 4473 ATF Forms 4473: [redacted] Number of Instances: [redacted]	Ensure that a qualifying NICS alternative permit is properly obtained, validated, verified, and documented for all applicable future over-the-counter firearm transactions.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)
6 27 CFR 478.124(c)(5): Failure by transferor to sign and/or date an ATF F 4473 ATF Forms 4473: [redacted] Number of Instances: [redacted]	Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions. Ensure that the required transferor/seller signature and date of transfer is obtained, validated and accurately recorded on all future ATF Forms 4473, Section D.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)
7 27 CFR 478.125(e): Failure to maintain an accurate/complete/timely acquisition and disposition record of firearms Number of Instances: [redacted]	Accurately, completely & timely record all required future firearm acquisition information. Amend/Update A&D Record to accurately record all required firearm acquisition information. Resume proper maintenance of required acquisition and disposition record.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

LICENSEE RESPONSE REPORT

Regulation	Corrective Actions	Licensee Response	Status Details
<p>27 CFR 478.102(a)(1): Failure to contact NICS or POC</p> <p>ATF Forms 4473: 1 Number of Instances: 1</p>	<p>Execute a required NICS/POC background check for all future over-the-counter firearm transactions.</p>	<p>The Responsible Person Clifton Johnson explained that he has put into place a second and third ATF Form 4473 filing system that allowed him to find the omissions and correct them on a copy of the original. The RP explained that when he is alone in the shop he can be overwhelmed by filling out paperwork, talking to customers and watching the store.</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 05/20/2022</p>
<p>27 CFR 478.124(c)(1): Failure to obtain a completed ATF F 4473</p> <p>ATF Forms 4473: [redacted] Number of Instances: [redacted]</p>	<p>Ensure that all required ATF Form 4473 Section A items are completed/provided by the transferee/buyer on all future transactions.</p>	<p>The RP explained that he should have caught it in his second check filing system, but he didn't.</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 05/20/2022</p>
<p>27 CFR 478.21(a): Failure to complete forms as prescribed</p> <p>ATF Forms 4473: [redacted] Number of Instances: [redacted]</p>	<p>Complete all forms as prescribed. Ensure that all ATF Form 4473 items, as required by form headings and instructions, are accurately completed on all future transactions.</p>	<p>The RP explained that the error was an oversight. He has no Idea how he missed the form, only that he caught the omissions a little under two months later in his second check filing system.</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 05/20/2022</p>
<p>27 CFR 478.124(c)(3)(i): Failure to verify or record Identification document on ATF F 4473</p> <p>ATF Forms 4473: [redacted] Number of Instances: [redacted]</p>	<p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions. Ensure that all required transferee/buyer identification information is obtained and accurately recorded on all future ATF Forms 4473, Section B.</p>	<p>The RP explained that he should have caught it in his second check filing system, but he didn't.</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 05/20/2022</p>
<p>27 CFR 478.102(e): Failure to record alternative permit information on (or affix a copy to) an ATF F 4473</p> <p>ATF Forms 4473: [redacted] Number of Instances: [redacted]</p>	<p>Ensure that a qualifying NICS alternative permit is properly obtained, validated, verified, and documented for all applicable future over-the-counter firearm transactions.</p>	<p>The RP stated, " I missed another one!!!! I have no idea how I missed another one!! Well I do know, I get busy and people come in an ask questions, and I am all alone."</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 05/20/2022</p>
<p>27 CFR 478.124(c)(5): Failure by transferor to sign and/or date an ATF F 4473</p> <p>ATF Forms 4473: [redacted] Number of Instances: [redacted]</p>	<p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions. Ensure that the required transferor/seller signature and date of transfer is obtained, validated and accurately recorded on all future ATF Forms 4473, Section D.</p>	<p>The RP explained that he should have caught it in his second check filing system, but he didn't.</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 05/20/2022</p>
<p>27 CFR 478.125(e): Failure to maintain an accurate/complete/timely acquisition and disposition record of</p>	<p>Accurately, completely & timely record all required future firearm acquisition information. Amend/Update A&D Record to accurately record all required</p>	<p>The RP stated, "I get pawn guns and I set them back here and forget to put them in the book." The RP explained</p>	<p>Status Licensee Notified</p> <p>Verified Method</p>

7 firearms Number of Instances: <input type="text"/>	firearm acquisition information. Resume proper maintenance of required acquisition and disposition record.	that he takes in pawn guns and sets them in the safe room for storage and then he forgets to put them in the A&D record.	In Person Date Licensee Notified 05/20/2022
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CLOSING CONFERENCE

(5/25/2022)
 05/25/2022

Attachment(s)

Attendee(s)

CLIFTON JOSEPH JOHNSON

EXHIBITS

Inspection

Category		Attachment Name
Correspondence		Spartan Notification RE: 1-56-10775 Inspection Results
Correspondence		Spartan Notification RE: 1-56-10775 Monitored Case
Correspondence		Spartan Notification RE: 1-56-10775 Monitored Case
Correspondence		Spartan Notification RE: 1-56-10775 Monitored Case
Correspondence		Spartan Notification RE: 1-56-10775 Monitored Case
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Correspondence		Spartan Notification RE: 1-56-10775 Monitored Case
Correspondence		Spartan Notification RE: 1-56-10775 Monitored Case
Correspondence		Spartan Notification RE: 1-56-10775 Monitored Case
UpdateLicensingCenter		Finall 86 (b)(6) 5.22.NewVersion R1.pdf
Correspondence		Spartan Notification RE: 1-56-10775 Monitored Case
Correspondence		Spartan Notification RE: 1-56-10775 Monitored Case
Correspondence		Information Concerning Your Federal License/Permit
Correspondence		Information Concerning Your Federal License/Permit
LicenseeResponseToViolationsPDF		Licensee Response to Violations Report.pdf
ClosingConferenceSummary		Acknowledgment of Regulations.pdf
Correspondence		
Correspondence		Information Concerning Your Federal License/Permit
Correspondence		
Correspondence		Information Concerning Your Federal License/Permit
ViolationsPDF		Report of Violations.pdf
ComplianceActionItemsPDF		Compliance Action Items.pdf
LicenseeResponseToViolationsPDF		Licensee Response to Violations Report.pdf
ZoningVerification		Zoning letter.pdf
RentalLeaseVerification		Lease Agreement.pdf
PropertyOwnershipVerification		Property Ownership Verification.pdf
TradeNameVerification		Trade Name Registration.pdf

License

Category	Attachment Name
Correspondence	Spartan Notification RE: 1-56-10775 Reported Changes to Business

Notice to Revoke or Suspend License and/or Impose a Civil Fine

In the matter of License Number 1-56-10775, as a/an

Pawnbroker of Firearms, Other than Destructive Devices issued to:

Name and Address of Licensee (*Show number, street, city, State and ZIP Code*)

John David Lain Jr.
C&J Trading Company
130 West Mountain Street
Kemersville, NC 27284

Notice Is Hereby Given That:

Pursuant to the statutory provisions and reasons stated in the attached page(s), the Director or his/her designee, Bureau of Alcohol, Tobacco, Firearms and Explosives, intends to take action on the license described above.

- The above identified license may be revoked pursuant to 18 U.S.C. 923(e), 922(t)(5) or 924(p).
- The above identified license may be suspended pursuant to 18 U.S.C. 922(t)(5) or 924(p).
- The above identified licensee may be fined pursuant to 18 U.S.C. 922(t)(5) or 924(p).

Pursuant to U.S.C. 923(f)(2) and/or 922(t)(5), you may file a request with the Director of Industry Operations, Bureau of Alcohol, Tobacco, Firearms and Explosives, at 3600 Arco Corporate Drive, Suite 500, Attention - DIO Albro, Charlotte, NC 28273, in duplicate, for a hearing to review the revocation, suspension and/or fine of your license. The request must be received at the above address within 15 days of your receipt of this notice. Where a timely request for a hearing is made, the license shall remain in effect pending the outcome of the hearing; and if the license is due to expire, the license will remain in effect provided a timely application for renewal is also filed. The hearing will be held as provided in 27 CFR Part 478.

If you do not request a hearing, or your request for a hearing is not received by ATF on time, a final notice of revocation, suspension, and/or imposition of civil fine (ATF Form 5300.13) shall be issued.

- Please see included brochure

Date	Name and Title of Bureau of Alcohol, Tobacco, Firearms and Explosives Official	(b)(6)
08/01/2022	Stephen B. Albro, Director of Industry Operations	

I certify that on the date shown below I served the above notice on the person identified below by:

- Certified mail to the address shown below.
Tracking Number: 70192280000103803572
- Or Delivering a copy of the notice to the address shown below.

Date Notice Served	Title of Person Serving Notice	(b)(6)
08/01/2022	IA	

Print Name and Title of Person Served	Signature of Person Served (if applicable)
John David Lain Jr.	

Address Where Notice Served
130 West Mountain Street, Kemersville, NC 27284

Under the provisions of 18 U.S.C. § 923(e) and 27 C.F.R. § 478.73, notice is hereby given of the revocation of the Federal firearms license specified above, in that the Director, Industry Operations, United States Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosives (“ATF”), Charlotte Field Division, has reason to believe that John David Lain, Jr., doing business as, C&J Trading Company (C&J Trading), 130 West Mountain Street, Kernersville, NC 27284, willfully violated the provisions of the Gun Control Act of 1968, as amended, 18 U.S.C. Chapter 44, and the regulations issued thereunder, 27 C.F.R. Part 478.

Compliance History

John David Lain, Jr. first received a Type 02 Federal firearms license in 2015 following a qualification inspection. In 2019, ATF conducted a compliance inspection; and Licensee was cited for eleven (11) violations. In 2021, a second compliance inspection resulted in eight (8) violations cited. Both inspections resulted in Licensee attending warning conferences in lieu of revocation.

Current Inspection

On or about May 15, 2022, ATF Industry Operations Investigator (b)(6) conducted a compliance inspection of the licensee’s premises. The inspection revealed the following:

1. Licensee willfully failed in one (1) instance to conduct a NICS background check or obtain a valid NICS alternative permit in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102(a)(1).

<u>Date</u>	<u>Transferee</u>	<u>Error</u>
1. 09/01/21	(b)(6)	Failed to perform NICS check

THIS IS A REPEAT OF VIOLATION CITED IN 2019.

2. Licensee willfully failed in (b)(3) (112 Public Law 105 284) instance to record alternative permit information or affix a copy to the ATF Form 4473 in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102(e).

<u>Date</u>	<u>Transferee</u>	<u>Error</u>
(b)(3) (112 Public Law 55 125 Stat 552), (b)(6)		

THIS IS A REPEAT OF VIOLATION CITED IN 2019.

3. Licensee willfully failed in (b)(3) (112 Public Law 105 284) instance to ensure that the transferee correctly recorded the required information on the ATF Form 4473 in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(1).

Date Transferee Error

(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

THIS IS A REPEAT OF VIOLATION CITED IN 2019 AND 2021.

4. Licensee willfully failed in [REDACTED] instances to ensure that the ATF Form 4473 was complete and accurate as required prior to transferring a firearm in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.21a.

Date Transferee Error

(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

THIS IS A REPEAT OF VIOLATION CITED IN 2019 AND 2021.

5. Licensee willfully failed in [REDACTED] instance to verify and record identification documents on the ATF Form 4473 in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(3)(i).

Date Transferee Error

(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

THIS IS A REPEAT OF VIOLATION CITED IN 2019 AND 2021.

6. Licensee willfully failed in [REDACTED] instances to failed to timely and/or accurately record the acquisition or disposition of firearms in its Acquisition and Disposition Record in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.125(e).

Firearm Serial No. Type Error

(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

THIS IS A REPEAT OF VIOLATION CITED IN 2019 AND 2021.

7. Licensee willfully failed in [REDACTED] instances to sign and/or date the ATF Form 4473 in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(5).

Date Transferee Error

(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

THIS IS A REPEAT OF VIOLATION CITED IN 2019 AND 2021.

**Final Notice of Denial of Application, Revocation
Suspension and/or Fine of Firearms License**

In the matter of:

- The application for license as a/an _____, filed by:
or
 License Number 1-56-10775 as a/an
Pawnbroker of Firearms, Other than Destructive Devices, issued to:

Name and Address of Applicant or Licensee (Show number, street, city, state and Zip Code)

John David Lain Jr.
C&J Trading Company
130 West Mountain Street
Kernersville, NC 27284

Notice is Hereby Given That:

- A request for hearing pursuant to 18 U.S.C. § 923(f)(2) and/or 922(t)(5) was not timely filed. Based on the findings set forth in the attached document, your
 license described above is revoked pursuant to 18 U.S.C., 923(e), 922(t)(5) or 924(p), effective:
 15 calendar days after receipt of this notice, or October 29, 2022,
 license is suspended for _____ calendar days, effective _____, pursuant to 18 U.S.C. § 922(t)(5) or 924(p).
 licensee is fined \$ _____, payment due: _____, pursuant to 18 U.S.C. § 922(t)(5) or 924(p).
- After due consideration following a hearing held pursuant to 18 U.S.C. § 923(f)(2) and/or 922(t)(5), and on the basis of findings set out in the attached copy of the findings and conclusions, the Director or his/her designee concludes that your
 application for license described above is denied, pursuant to 18 U.S.C., 923(d).
 application for renewal of license described above is denied pursuant to 18 U.S.C. 923(d), effective:
 15 calendar days after receipt of this notice, or _____
 license described above is revoked pursuant to 18 U.S.C., 923(e), 922(t)(5) or 924(p), effective:
 15 calendar days after receipt of this notice, or _____
 license is suspended for _____ calendar days, effective _____, pursuant to 18 U.S.C. § 922(t)(5) or 924(p)
 licensee is fined \$ _____, payment due: _____, pursuant to 18 U.S.C. § 922(t)(5) or 924(p).

If, after the hearing and receipt of these findings, you are dissatisfied with this action you may, within 60 days after receipt of this notice, file a petition pursuant 18 U.S.C. § 923(f)(3), for judicial review with the U.S. District Court for the district in which you reside or have your principal place of business. If you intend to continue operations after the effective date of this action while you pursue filing for judicial review or otherwise, you must request a stay of the action from the Director of Industry Operations (DIO), Bureau of Alcohol, Tobacco, Firearms and Explosives, at NA

prior to the effective date of the action set forth above. You may not continue licensed operations unless and until a stay is granted by the DIO.

Records prescribed under 27 CFR Part 478 for the license described above shall either be delivered to ATF within 30 days of the date the business is required to be discontinued or shall be documented to reflect delivery to a successor. See 18 U.S.C. 923(g)(4) and 27 CFR § 478.127.

After the effective date of a license denial of renewal, revocation, or suspension, you may not lawfully engage in the business of dealing in firearms. Any disposition of your firearms business inventory must comply with all applicable laws and regulations. Your local ATF office is able to assist you in understanding and implementing the options available to lawfully dispose of your firearms business inventory.

Date 08/23/2022	Name and Title of Bureau of Alcohol, Tobacco, Firearms and Explosives Official Stephen B. Albro	(b)(6)
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I certify that, on the date below, I served the above notice on the person identified below by:

- Certified mail to the address shown below.
 Tracking Number: 7019 2280 0001 3589
Or
 Delivering a copy of the notice to
 the address shown below.

Date Notice Served 08/24/2022	Title of Person Serving Notice IA	Signature of Person Serving Notice
Print Name and Title of Person Served John David Lain Jr		Signature of Person Served
Address Where Notice Served 130 West Mountain Street Kernersville, NC 27284		

Note: Previous Edition is Obsolete

Under the provisions of 18 U.S.C. § 923(e) and 27 C.F.R. § 478.73, notice is hereby given of the revocation of the Federal firearms license specified above, in that the Director, Industry Operations, United States Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosives (“ATF”), Charlotte Field Division, has reason to believe that John David Lain, Jr., doing business as, C&J Trading Company (C&J Trading), 130 West Mountain Street, Kernersville, NC 27284, willfully violated the provisions of the Gun Control Act of 1968, as amended, 18 U.S.C. Chapter 44, and the regulations issued thereunder, 27 C.F.R. Part 478.

Compliance History

John David Lain, Jr. first received a Type 02 Federal firearms license in 2015 following a qualification inspection. In 2019, ATF conducted a compliance inspection; and Licensee was cited for eleven (11) violations. In 2021, a second compliance inspection resulted in eight (8) violations cited. Both inspections resulted in Licensee attending warning conferences in lieu of revocation.

Current Inspection

On or about May 15, 2022, ATF Industry Operations Investigator (b)(6) conducted a compliance inspection of the licensee’s premises. The inspection revealed the following:

1. Licensee willfully failed in one (1) instance to conduct a NICS background check or obtain a valid NICS alternative permit in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102(a)(1).

	<u>Date</u>	<u>Transferee</u>	<u>Error</u>
1.	09/01/21	(b)(6)	Failed to perform NICS check

THIS IS A REPEAT OF VIOLATION CITED IN 2019.

2. Licensee willfully failed in (b)(6) instance to record alternative permit information or affix a copy to the ATF Form 4473 in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102(e).

	<u>Date</u>	<u>Transferee</u>	<u>Error</u>
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(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

THIS IS A REPEAT OF VIOLATION CITED IN 2019.

3. Licensee willfully failed in (b)(6) instance to ensure that the transferee correctly recorded the required information on the ATF Form 4473 in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(1).

Date Transferee Error

(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

THIS IS A REPEAT OF VIOLATION CITED IN 2019 AND 2021.

4. Licensee willfully failed in [REDACTED] instances to ensure that the ATF Form 4473 was complete and accurate as required prior to transferring a firearm in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.21a.

Date Transferee Error

(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

THIS IS A REPEAT OF VIOLATION CITED IN 2019 AND 2021.

5. Licensee willfully failed in [REDACTED] instance to verify and record identification documents on the ATF Form 4473 in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(3)(i).

Date Transferee Error

(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

THIS IS A REPEAT OF VIOLATION CITED IN 2019 AND 2021.

6. Licensee willfully failed in [REDACTED] instances to failed to timely and/or accurately record the acquisition or disposition of firearms in its Acquisition and Disposition Record in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.125(c).

Firearm Serial No. Type Error

(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

THIS IS A REPEAT OF VIOLATION CITED IN 2019 AND 2021.

7. Licensee willfully failed in [REDACTED] instances to sign and/or date the ATF Form 4473 in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(5).

Date Transferee Error

(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

THIS IS A REPEAT OF VIOLATION CITED IN 2019 AND 2021.



U.S. Department of Justice

**Bureau of Alcohol, Tobacco,
Firearms and Explosives**

Washington DC

www.atf.gov

IMPORTANT NOTICE

Selling Firearms AFTER Revocation, Expiration, or Surrender of an FFL

Former Federal Firearms licensees (FFLs) who continue to sell firearms after the revocation, expiration, or surrender of their license are subject to the same rules as persons who have never been licensed in determining whether they are "engaged in the business" of selling firearms without a license in violation of 18 U.S.C. § 922(a)(1)(A). Accordingly, former licensees who wish to dispose of any remaining business inventory must adhere to the following guidance:

Business inventory must be disposed of by the former FFL in a manner that, objectively, does not constitute being engaged in the business of dealing in firearms using the same facts and circumstances test that would apply to persons who have never been licensed.

The preferred manner of disposition is for the former licensee to:

- Arrange for another FFL to purchase the business inventory (and other assets) of the business; or
- Consign the inventory to another FFL to sell on consignment, or at auction.

Should a former FFL decide against those options, he/she should be aware that future sales - whether from his/her personal firearms collection or otherwise - will be evaluated for a potential violation of 18 U.S.C. § 922(a)(1)(A), just as would occur with a person who had never been licensed.

If a former FFL is disposing of business inventory, the fact that no purchases are made after the date of license revocation, expiration, or surrender does not immunize him/her from potential violations of 18 U.S.C. § 922(a)(1)(A). Instead, business inventory acquired through repetitive purchases while licensed are attributed to the former FFL when evaluating whether subsequent sales constitute engaging in the business of dealing in firearms without a license.

ATF remains committed to assisting former licensees in complying with Federal firearms laws. If you have questions, please contact your local ATF office.

CURTIS
GILBERT

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Curtis Gilbert
Deputy Assistant Director (Industry Operations)
Field Operations