

MODERN PAWN AND CONSIGNMENT INC's FCI
FCI-27770
01/04/2023 10:26 AM
IO: (b)(6), Helena II (IO) Field Office

LICENSEE INFORMATION

Licensee Name	RDS Key	License/Permit Number	License Type
MODERN PAWN AND CONSIGNMENT INC	9-81-03181	9-81-049-02-4B-03181	02 - Pawnbroker License

Business Type
Corporation

Premises Ownership Type	Premises Address
Leased/Rented	1330 N MONTANA AVE, Unit N/A, HELENA, Montana 59601

Premises Location Type Required

Address
1330 N MONTANA AVE
Unit N/A
HELENA, Montana 59601
LEWIS AND CLARK
United States

Address
1330 N MONTANA AVE
Unit N/A
HELENA, Montana 59601
LEWIS AND CLARK
United States

Phone Type	Phone Number	Remarks
Business	+1 406-422-5188	

RECOMMENDATIONS

Final Decision Date
Revocation 08/27/2021

Details

The license issued to Modern Pawn and Consignment, Inc. (9-81-03181) is revoked, effective August 27, 2021. Please update the Federal Licensing System to reflect this revocation. Revocation of the Federal firearms license was pursued based on the owner of the business making false statements, knowingly aiding and abetting the transfer of a firearm by facilitating a "straw purchase" transaction, allowing prohibited persons to have access to firearms, the failure to conduct a background check, and the failure to complete a record of the transaction.

ATF did not receive a request for a hearing on the matter. Please revoke the license in the Federal Licensing System.

The Final Notice of Denial of Application, Revocation Suspension and/or Fine of Firearms License (ATF Form 5300.13) was mailed to the licensee on August 4, 2021. The ATF Form 5300.13, Division Counsel's write-up and the selling firearms after revocation notice was delivered on August 9, 2021.

Out of Business Records and Inventory Management

Licensee Records

Licensee Inventory

Deputy Assistant Director Megan Bennett's Recommendation
Revocation

Details

I concur with the recommendation of revocation. The licensee engaged in straw purchases, transferred firearms to prohibited persons and falsified records.

Special Agent in Charge David Booth's Recommendation

I concur with counsel and the DIO on revocation.

Division Counsel S (b)(6) is Review

Details

Due to the exigency of the search warrant of the FFL premises, the Notice of Revocation was already completed, served, and as no request for a hearing was received, the final notice has already been issued.

Details
NOTE:

Due to the expedited process and urgent need to deliver the notice of revocation when the search warrant was conducted, the case was not processed as usual. The Deputy Assistant Director for Industry Operations concurred with issuing the notice of revocation before a final 8C form was generated. Again, this was due to the timing of the search warrant. The lead IOI has returned to work, the Spartan case can be processed and a final 8C can be signed. Note, the Federal firearms records and inventory were confiscated during the execution of the July 14, 2021 warrant. The licensee did not request a hearing. A final notice of revocation was issued and Revocation is effective August 27, 2021. The original recommendation comments are as follows.

Revocation of the Federal firearms license is recommended.

This revocation is being conducted in conjunction with a criminal investigation of the licensee. An ATF compliance inspection was not conducted and is not, at this time, the basis for this revocation. Industry Operations could not initiate an inspection as this would have jeopardized the criminal investigation to include undercover (UC) operations being conducted. This case began as the result of an unrelated traffic stop. The individual involved advised law enforcement gun powder stolen from another Federal firearms licensee was a brokered deal to sell the gunpowder to an individual (JR), who was later identified as I (b)(7)(C).

This Federal firearms pawnbroker's license was recently issued in January 2021. Catherine Morsette, the responsible person (RP) on this license, is suspected of knowingly allowing a prohibited person, (b)(7)(C), to have access to firearms; (b)(7)(C). (b)(7)(C) Surveillance conducted indicated (b)(7)(C) was in possession of multiple firearms and ammunition, indicating hidden ownership of the firearms business. (b)(7)(C) told the ATF Special Agent (S/A) several more firearms would be available for sale in the future and even offered to order firearms for the ATF S/A.

There is also evidence the RP willfully transferred a firearm to an unlicensed person without conducting a background check and without completing an ATF Form 4473. The transfer involved a pistol.

In addition, the licensee knowingly aided and abetted the transfer of a firearm. The UC ATF S/A advised Catherine Morsette he was not a resident of Montana when the UC ATF S/A purchased a pistol. Regarding this, when the UC ATF S/A purchased the pistol, the UC ATF S/A showed Catherine Morsette his Oregon driver's license, and Catherine Morsette asked if the UC ATF S/A was a Montana resident. The UC S/A stated he was not. Catherine Morsette then asked another UC ATF S/A present if she was a Montana resident, and both UC ATF S/As confirmed she was a resident. Catherine Morsette asked the second UC ATF S/A if she could run the background check under the second UC ATF S/As name, and this UC S/A agreed.

Also, the licensee willfully made a false statement or representation with reference to a "straw purchase" transaction facilitated by the UC ATF S/As.

An UC ATF S/A observed (b)(7)(C) behind the store counter. The UC ATF S/A walked towards the counter where another UC ATF S/A was also standing. This UC ATF S/A introduced the other as a friend and (b)(7)(C) stated he knew the UC ATF S/A from a previous firearm purchase.

In front of (b)(7)(C) the UC ATF S/A asked the other UC ATF S/A present to purchase the firearm because the first UC ATF S/A was not a Montana resident. (b)(7)(C) then placed the ATF Form 4473 in front of the UC S/A as (b)(7)(C) stated it is because the UC ATF S/A didn't have a Montana address. The UC ATF S/A handed (b)(7)(C) his UC Montana driver's license.

The UC ATF S/A began filling out the ATF Form 4473 and stopped at question 21 which is about the actual buyer of the firearm. The UC ATF S/A asked (b)(7)(C) about answering question 21. The UC ATF S/A asked if he should answer yes, and (b)(7)(C) stated "yeah, it's your gun brother as far as I am concerned." The other UC ATF S/A then discussed payment and paid (b)(7)(C) for the firearm and ammunition.

On another date, the licensee transferred a revolver to an UC ATF S/A. Another UC ATF S/A ATF picked out the firearm and solicited the first UC ATF S/A to complete the 4473 for him stating "I got the money for it though." Catherine Morsette responded, "he has to pay (motioning towards the UC S/A), I don't care what you do after you leave the store, but he has to pay." The UC ATF S/A stated he doesn't have any money on him, and asked the other UC ATF S/A if he had any cash on him and this UC ATF S/A replied he did not. Catherine Morsette explained she can't sell a gun to the UC ATF S/A that the other UC ATF S/A is paying for, and then winked at the UC ATF S/A. At that point, the UC ATF S/A stated, "I can give you [indicating to the other UC ATF S/A] cash outside and then we can walk back inside."

The two UC ATF S/As then stepped outside of the licensee's premises and stood approximately 5' from the glass front door while the UC S/A handed the other UC S/A approximately \$700.00.

The two UC ATF S/As then reentered the licensee's premises. Catherine Morsette had an ATF Form 4473 ready on the display case. Catherine Morsette explained how to fill out the ATF Form 4473 to the UC ATF S/A. The UC ATF S/A handed Catherine Morsette his driver's license and began to fill out the ATF Form 4473.

The UC ATF S/A stated Catherine Morsette was a "stickler." Catherine Morsette explained, "it's called a straw purchase; if he's buying a gun for you ... you don't want to buy the gun (motioning to the UC ATF S/A) that's fine, but he wants to buy the gun (motioning to the other UC ATF S/A), and maybe he doesn't like it when he gets home...." Catherine Morsette continued "I'm doing my part; that is who I sold the gun to" (motioning to the other UC ATF S/A).

While filling out the ATF Form 4473, the UC ATF S/A continued to negotiate the price of the revolver, eventually settling on \$650.00 for the revolver.

At the cash register, Catherine Morsette said "six fifty." The UC ATF S/A removed the cash he received from the other UC ATF S/A and gave Catherine Morsette \$660.00 and Catherine Morsette gave the UC S/A \$10.00 back.

Initially, Catherine Morsette set the firearm down in front of the UC ATF S/A, but then looked at this UC ATF S/A and said "sorry," slid the revolver in front of the other UC ATF S/A present and stated, "there's your gun." Catherine Morsette looked at the first UC ATF S/A and said, "Sorry dude, I know it's like Christmas, I just ruined your Christmas, but maybe you guys can go home and give him Christmas." The UC ATF S/A said, "early Christmas" and Catherine Morsette chuckled and said, "early Christmas." After further conversation and feeling the transaction was complete, the UC ATF S/A picked up the revolver from the counter, turned around, and handed the firearm to the other UC ATF S/A.

There is also evidence the licensee knowingly allowed prohibited persons, (b)(7)(C) and an individual named (b)(6) to have actual and constructive possession of firearms and ammunition. (b)(6) an employee of the firearms business has (b)(6) (b)(6) attempted to purchase a firearm from

Modern Pawn and Consignment, Inc. in February 2021, but was denied, and Catherine Morsette received the NICS denial. (b)(6) was found to be in possession of this very firearm.

The goal of this case is to issue a notice of revocation to the RP when the search warrant is conducted. In addition, an inspection may be conducted after the search warrant when it would no longer jeopardize the criminal investigation. The inspection results then may be considered for the revocation.

Again, this case is based on the UC operations conducted and the evidence presented. There is clear indication the licensee and the RP were willful in the events that transpired and have no interest or concern about their obligations as a Federal firearms licensee or have any interest in complying with the law. The Denver Field Division is recommending the license is revoked.

Area Supervisor: (b)(6) Recommendation
Revocation

Details

Concur. Revocation of firearms license based on CE Investigation.

Industry Operations Investigator: (b)(6) Recommendation
Revocation

Details

IO: (b)(6) recommends revocation of license based on information received through ATF criminal enforcement undercover operations conducted. Violations found during ATF CE operations:

Violation 1 - Failure to Conduct NICS Check/Execute Form 4473

Violation 2 - Straw Transaction

Violation 3 - Falsified Statement in Records

Violation 4 - Firearm Possession by Prohibited Person

A full inspection was not completed due to the undercover operations by ATF criminal enforcement. After reviewing ATF CE reports and operations IO: (b)(6) recommends administrative actions of revocation of the license.

Inspection Findings

Records and Forms

- 13. Falsify records required under the GCA or making a false or fictitious written statement in the FFL's required records or in applying for a firearms license.

Transfer of Firearm

- 4. Transfer of a firearm to a prohibited person while knowing or having reasonable cause to believe that the transferee is a prohibited person.

Miscellaneous

- 5. Allow an employee who is prohibited to have actual or constructive possession of a firearm while knowing or having reasonable cause to believe that the employee is a prohibited person.
- 6. Actively engage in a straw purchase transaction (i.e., the licensee knows or has reasonable cause to believe that the transferee of record is not the actual buyer).

ELIGIBILITY VERIFICATION

Business Information Verification

Licensee Name	Business Type	Is the business valid?
MODERN PAWN AND CONSIGNMENT INC	Corporation	Yes

Additional Findings

IO: (b)(6) verified the business name with the Montana Secretary of State.

Attachment(s):
business entity.pdf

Property Ownership Verification

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

Address
1330 N MONTANA AVE
Unit N/A
HELENA, Montana 59601
LEWIS AND CLARK
United States

Additional Findings
IC (b)(6) verified the property ownership through Montana Cadastral.

Attachment(s):
(b)(6)

Rental/Lease Verification

Is the proposed business activity permitted by the property owner?
Yes

Additional Findings
During the initial qualification inspection IOI (b)(6) verified the property ownership with property owner (b)(6)

Attachment(s):
Lease Approval.pdf

Zoning Information Verification

Is the proposed business activity in compliance with zoning?
Yes

Additional Findings
The business property is located in the city limits of Helena, MT. A business license is required. A copy of the business license is attached.

Attachment(s):
Business License.jpg

APPOINTMENT DETAILS

Interview Date
07/07/2021
Address
1330 N MONTANA AVE, Unit N/A, HELENA, Montana 59601

Responsible Attendee(s)

CATHERINE SUZANNE MORSETTE

Non-Responsible Person(s)

No Items

RESPONSIBLE PERSON(S)

CATHERINE SUZANNE MORSETTE

Name	Gender	Race	Ethnicity
CATHERINE SUZANNE MORSETTE	Female	White	Not Hispanic or Not Latino

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

Physical Identifiers

Height	Weight	Hair Color	Eye Color
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Place of Birth

Country	State, Province, Region, or Territory	City
(b)(6)	unknown	(b)(6)

Home Address

(b)(6)

United States

Additional Names

Citizenship

United States

ID Type	Country	State	ID Number
Driver's License	United States	Montana	(b)(6)
Phone Type	Phone Number		Remarks
Mobile	(b)(6)		

Criminal History Check

Date Criminal History Check Conducted
04/15/2021

Criminal History Check Comments
No identifiable record in the NCIC interstate identification index.

INTERVIEW QUESTIONNAIRE

What is the proposed business activity?
 Modern Pawn and Consignment, Inc. conducts pawn shop activities along with buying, selling and consigning new and used hand guns, firearms and ammunition.

Do they need an additional license or permit?
 No

Who are their primary suppliers?
 Pawnbroker of firearms.

Business Activities

Pawnbroker

Selected Operational Security Measures

No items

SECURITY WALKTHROUGH

Inspection Area Description
The firearms and records are housed onsite.

Primary Activity
Retail

GPS Coordinates

Latitude
46.59762

Longitude
-111.02102

Selected Physical Security Measures

- Alarm Monitoring (with Cellular Back-Up)
- Deadbolts
- Motion Sensors
- Safe(s)/Vault(s)
- Security Cameras

ONSITE SUMMARY

Total Number of ATF Form 4473s for Inspection Review Period

Total Number of ATF F 4473 Reviewed
0

Total Number of Open Dispositions in A & D Record
0

Total Number of Firearms in Inventory
0

Actual Number of Firearms Verified

Number of Firearms Missing Before Reconciliation

Total Number of Firearms Missing After Reconciliation
0

Total Number of Acquisitions in the Last 12 Months
0

Total Number of Dispositions in the Last 12 Months
0

Onsite Start Date

Onsite End Date

Number of Reported Lost/Stolen Firearms During Inspection Period

Total Number of Traces During Inspection Review Period

Total Number of Those Traces That Were Unresolved

Attachment(s)

Report of Violations.pdf

Report of Violations.pdf

Report of Violations.pdf

Licensee Response to Violations Report.pdf

REPORT OF VIOLATIONS

Regulation	Corrective Actions	Instance Details
1 27 CFR 478.102(a): Failure to complete a NICS/POC background check ATF Forms 4473: 1 Number of Instances: 1	The license is being revoked.	NICS Violation, UC ATF S/A, 4/14/2021
2 27 CFR 478.124(a): Failure to execute an ATF F 4473 ATF Forms 4473: [redacted] Number of Instances: [redacted]	The license is being revoked.	(b)(3) (112 Public Law 55 125 Stat 552)
3 27 CFR 478.99(a): Unlawful sale or delivery of a handgun to an out of state resident and/or transfer of a long gun in violation of state law ATF Forms 4473: [redacted] Number of Instances: [redacted]	The license is being revoked.	(b)(3) (112 Public Law 55 125 Stat 552)
4 27 CFR 478.128(c): False statement made by a licensee on any ATF record Number of Instances: [redacted]	The license is being revoked.	On April 23 and April 29, 2021, Licensee willfully made a false statement or representation with respect to any information required by the GCA, in violation of 18 U.S.C. §§ 922(m) and 924(a)(1)(A) and 27 C.F.R. § 478.128(c).
5 27 C.F.R. § 478.32(a)(1): FFL knowingly and willfully allowed prohibited person actual and constructive possession of firearms and ammunition Number of Instances: [redacted]	The license is being revoked.	Violation 4 - Firearm Possession by Prohibited Person (b)(3) (112 Public Law 55 125 Stat 552), (b)(6)

LICENSEE RESPONSE REPORT

Regulation	Corrective Actions	Licensee Response	Status Details
1 27 CFR 478.102(a): Failure to complete a NICS/POC background check ATF Forms 4473: 1 Number of Instances: 1	The license is being revoked.	Revocation is being pursued based on undercover operations by criminal enforcement; no inspection was conducted. No response from licensee.	Status Licensee Notified Verified Method Mail Date Licensee Notified 08/04/2021

2	27 CFR 478.124(a): Failure to execute an ATF F 4473 ATF Forms 4473 Number of Instances	The license is being revoked.	Revocation is being pursued based on undercover operations by criminal enforcement; no inspection was conducted. No response from licensee.	Status Licensee Notified Verified Method Mail Date Licensee Notified 08/04/2021
3	27 CFR 478.99(a): Unlawful sale or delivery of a handgun to an out of state resident and/or transfer of a long gun in violation of state law ATF Forms 4473 Number of Instances	The license is being revoked.	Revocation is being pursued based on undercover operations by criminal enforcement; no inspection was conducted. No response from licensee.	Status Licensee Notified Verified Method Mail Date Licensee Notified 08/04/2021
4	27 CFR 478.128(c): False statement made by a licensee on any ATF record Number of Instances	The license is being revoked.	Revocation is being pursued based on undercover operations by criminal enforcement; no inspection was conducted. No response from licensee.	Status Licensee Notified Verified Method Mail Date Licensee Notified 08/04/2021
5	27 C.F.R. § 478.32(a)(1): FFL knowingly and willfully allowed prohibited person actual and constructive possession of firearms and ammunition Number of Instances	The license is being revoked.	Revocation is being pursued based on undercover operations by criminal enforcement; no inspection was conducted. No response from licensee.	Status Licensee Notified Verified Method Mail Date Licensee Notified 08/04/2021

CLOSING CONFERENCE

Review Regulations conducted offline

(8/9/2021)

08/09/2021

Closing Conference Additional Notes

Revocation is being pursued based on undercover operations by criminal enforcement; no inspection was conducted. No acknowledgement of regulations was completed.

Attachment(s)

Attendee(s)

CATHERINE SUZANNE MORSETTE

EXHIBITS

Inspection

Category	Attachment Name
PostInspection	E-mail from the Monitored Case Program POC to Suspend the Case from the Monitored Case Program.pdf
Correspondence	Spartan Notification RE: 9-81-03181 Inspection Results
Correspondence	Spartan Notification RE: 9-81-03181 Monitored Case
Correspondence	
Correspondence	DIO Paul Brown Returned Inspection FCI-27770
Correspondence	Spartan Notification RE: 9-81-03181 Monitored Case
ReturnedSignedROV	Report of Violations.pdf
ViolationsPDF	Report of Violations.pdf
ViolationsPDF	Report of Violations.pdf

ViolationsPDF	Report of Violations.pdf
LicenseeResponseToViolationsPDF	Licensee Response to Violations Report.pdf
Correspondence	Spartan Notification RE: 9-81-03181 Monitored Case
Correspondence	Spartan Notification RE: 9-81-03181 Monitored Case
Correspondence	Spartan Notification RE: 9-81-03181 Monitored Case
Correspondence	Spartan Notification RE: 9-81-03181 Monitored Case
ZoningVerification	Business License.jpg
RentalLeaseVerification	Lease Approval.pdf
PropertyOwnershipVerification	MT Cadastral.pdf
BusinessVerification	business entity.pdf
ApplicationPDF	FLS Modern Pawn and Consignment.pdf

License

	Category	Attachment Name
No attachments		

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

In the matter of License Number 9-81-049-02-4B-03181, as a/an

Pawnbroker in Firearms Other Than Destructive Devices issued to:

Name and Address of Licensee (Show number, street, city, State and ZIP Code)
Modern Pawn and Consignment, Inc.
1330 North Montana Avenue
Helena, Montana 59601

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 950 17th Street, Suite 1800, Denver, Colorado 80202, 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)
07/14/2021	Paul W. Brown Director, 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: _____ Or Delivering a copy of the notice to
the address shown below.

Date Notice Served	Title of Person Serving Notice	Signature of Person Serving Notice
07/14/2021		

Print Name and Title of Person Served	Signature of Person Served (if applicable)
Catherine Suzanne Morsette Owner/President	

Address Where Notice Served
1330 North Montana Avenue Helena, Montana 59601

Under the provisions of 18 U.S.C. § 923(e) and 27 C.F.R. § 478.73, notice is hereby given that the Bureau of Alcohol, Tobacco, Firearms and Explosives ("ATF") intends to revoke the Federal firearms license held by Modern Pawn and Consignment Inc. ("Licensee"). Specifically, the Director, Industry Operations, United States Department of Justice, ATF, Denver Field Division, has reason to believe that Licensee 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 (collectively "GCA") as described herein.

Compliance History:

ATF issued a Federal firearms license to Licensee following a qualification inspection that occurred on January 13, 2021. The laws and regulations issued under the GCA were reviewed with Licensee Responsible Person Catherine Morsette as part of that inspection.

Current Investigation:

Violation 1 - Failure to Conduct NICS Check/Execute Form 4473

On April 14, 2021, Licensee willfully transferred a firearm, specifically, a Smith and Wesson model M&P Shield .45 caliber pistol, serial number (b)(6) to an unlicensed person without first contacting the National Instant Criminal Background Check System ("NICS") before allowing the transfer, in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102.

(b)(3) (112 Public Law 55 125 Stat 552) Licensee willfully sold or otherwise disposed of (b)(3) (112 Public Law 55 125 Stat 552) (b)(3) (112 Public Law 55 125 Stat 552) to an unlicensed person without recording the transaction on a Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(a).

Violation 2 - Straw Transaction

Licensee willfully violated the GCA in that it knowingly and willfully aided and abetted the transfer of a firearm other than a rifle or a shotgun to a person not licensed under the GCA who Licensee knew or had reason to believe was not a resident of the State of Montana in violation of 18 U.S.C. § 922(b)(3) and 27 C.F.R. § 478.99(a).

(b)(6), (b)(7)(C)

Violation 3 - Falsified Statement in Records

On April 23 and April 29, 2021, Licensee willfully made a false statement or representation with respect to any information required by the GCA, in violation of 18 U.S.C. §§ 922(m) and 924(a)(1)(A) and 27 C.F.R. § 478.128(c).

(b)(6), (b)(7)(C)

In front of **(b)(6), (b)(7)(C)** to purchase the firearm because **(b)(6), (b)(7)(C)** wasn't a Montana resident. **(b)(6), (b)(7)(C)** then placed a Firearms Transaction Record, ATF Form 4473, in front of **(b)(6), (b)(7)(C)**. At the time, **(b)(6), (b)(7)(C)** stated he did this because **(b)(6), (b)(7)(C)** didn't have a Montana address.

(b)(6), (b)(7)(C) handed **(b)(6), (b)(7)(C)** a Montana driver's license and began filling out the Form 4473. **(b)(6), (b)(7)(C)** stopped at question 21.a. which asks "are you the actual transferee/buyer of the firearm(s) listed on this form" and asked **(b)(6), (b)(7)(C)** if he should answer yes to this question. **(b)(6)** replied to **(b)(6), (b)(7)(C)** "yeah, it's your gun brother as far as I am concerned." **(b)(6), (b)(7)(C)** then discussed payment and paid **(b)(6), (b)(7)(C)** for the firearm and ammunition. The firearm Licensee transferred to **(b)(6), (b)(7)(C)** was a Savage rifle, model 11, 6.5mm caliber, serial number **(b)(6), (b)(7)(C)**.

Subsequently, on April 29, 2021, the Licensee transferred **(b)(6), (b)(7)(C)**

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) picked out the firearm and, in the presence of Licensee Responsible Person Catherine Morsette, solicited **(b)(6), (b)(7)(C)** to complete the 4473 for him stating "I got the money for it though." Catherine Morsette responded "he has to pay (motioning towards **(b)(6), (b)(7)(C)**) I don't care what you do after you leave the store, but he has to pay. **(b)(6), (b)(7)(C)** asked if he had any cash on him and **(b)(6), (b)(7)(C)** replied he did not. Catherine Morsette explained she can't sell a gun to **(b)(6), (b)(7)(C)** that **(b)(6), (b)(7)(C)** is paying for, and then winked at **(b)(6), (b)(7)(C)**. At that point **(b)(6), (b)(7)(C)** stated "I can give you [indicating **(b)(6), (b)(7)(C)**] cash outside and then we can walk back inside."

(b)(6), (b)(7)(C) and **(b)(6), (b)(7)(C)** then stepped outside of Licensee's premises and stood approximately 5 feet from Licensee's all glass front door while **(b)(6), (b)(7)(C)** handed **(b)(6), (b)(7)(C)** approximately \$700 in U.S. Currency.

(b)(6), (b)(7)(C) and **(b)(6), (b)(7)(C)** then reentered Licensee's premises. Catherine Morsette had a Firearms Transaction Record, ATF Form 4473, ready on the display case. Catherine Morsette explained how to fill out the ATF Form 4473 to **(b)(6), (b)(7)(C)** handed Catherine Morsette a driver's license and began to fill out the ATF Form 4473.

When (b)(6),(b)(7)(C) stated Catherine Morsette was a “stickler,” she explained, “it’s called a straw purchase; if he’s buying a gun for you you don’t want to buy the gun (motioning to (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) that’s fine, but he wants to buy the gun (motioning to (b)(6),(b)(7)(C) and maybe he doesn’t like it when he gets home....” Catherine Morsette continued “I’m doing my part; that is who I sold the gun to” (motioning to (b)(6),(b)(7)(C)).

While filling out the ATF Form 4473, (b)(6),(b)(7)(C) continued to negotiate the price of the revolver, eventually settling on \$650.00 for the revolver.

At the cash register, Catherine Morsette said “six fifty.” (b)(6),(b)(7)(C) removed the cash he received from (b)(6),(b)(7)(C) and gave Catherine Morsette \$660 and Catherine Morsette gave (b)(6),(b)(7)(C) \$10 back.

Initially, Catherine Morsette set the firearm down in front of (b)(6),(b)(7)(C) but then looked at (b)(6),(b)(7)(C) and said “sorry,” slid the revolver in front of (b)(6),(b)(7)(C) and stated, “there’s your gun.” Catherine Morsette looked at (b)(6),(b)(7)(C) and said “Sorry dude, I know it’s like Christmas, I just ruined your Christmas, but maybe you guys can go home and give him Christmas.” (b)(6),(b)(7)(C) said “early Christmas” and Catherine Morsette chuckled and said “early Christmas.” After further conversation and feeling the transaction was complete, (b)(6),(b)(7)(C) picked up the revolver from the counter, turned around, handed the firearm to (b)(6),(b)(7)(C)

Violation 4 - Firearm Possession by Prohibited Person

From on or about February 16, 2021 to March 17, 2021, Licensee knowingly and willfully allowed prohibited persons (b)(6),(b)(7)(C) to have actual and constructive possession of firearms and ammunition in violation of 18 U.S.C. § 922(g)(1) and 27 C.F.R. § 478.32(a)(1).

In this regard (b)(6), (b)(7)(C) punishable by imprisonment for a term exceeding one year. The facts of this matter reveal that Licensee Responsible Person Catherine Morsette is (b)(6),(b)(7)(C). In addition, Catherine Morsette received a NICS denial when (b)(6),(b)(7)(C) attempted to purchase a firearm from Licensee on February 8, 2021. Both (b)(6),(b)(7)(C) are employees and/or agents of Licensee, and had actual and constructive possession of the firearms and ammunition in Licensee’s inventory.

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 9-81-049-02-4B-03181 as a/an
Pawnbroker in Firearms Other Than Destructive Devices, issued to:

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

Modern Pawn and Consignment, Inc.
1330 North Montana Avenue
Helena, Montana 59601

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 August 27, 2021.
- 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 _____, 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	Name and Title of Bureau of Alcohol, Tobacco, Firearms and Explosives Official
08/04/2021	Paul W. Brown Director, Industry Operations

(b)(6)

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: 7017107000089871077

Or

Delivering a copy of the notice to the address shown below.

Date Notice Served	Title of Person Serving Notice
08/04/2021	Director, Industry Operations

(b)(6)

Print Name and Title of Person Served

Address Where Notice Served
1330 North Montana Avenue
Helena, Montana 59601

Note: Previous Edition is Obsolete

Page 3 – ATF Form 5300.13, Final Notice of Denial of Application, Revocation,
Suspension and/or Fine of Firearms License

Modern Pawn and Consignment Inc., 1330 N. Montana Avenue, Helena, Montana (Licensee), holds Federal Firearms License 9-81-049-02-4B-03181 as a dealer in firearms other than destructive devices issued by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) pursuant to the Gun Control Act of 1968 (GCA), as amended, 18 U.S.C. Chapter 44, and the regulations issued thereunder, 27 C.F.R. Part 478.

On July 14, 2021, ATF issued a Notice to Revoke or Suspend License and/or Impose a Civil Fine, ATF Form 4500 (5300.4) (Notice to Revoke) advising Licensee that ATF intended to revoke its License. The Notice to Revoke was mailed to Licensee, via certified mail. The mailing to the licensed address was signed for by Licensee on July 17, 2021.

The Notice to Revoke alleged that Licensee willfully violated the provisions of the GCA and the regulations issued thereunder. Specifically, Licensee willfully sold or otherwise disposed of a firearm to an unlicensed person without recording the transaction on a Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(a); willfully aided and abetted the transfer of a firearm other than a rifle or a shotgun to a person not licensed under the GCA who Licensee knew or had reason to believe was not a resident of the State of Montana in violation of 18 U.S.C. § 922(b)(3) and 27 C.F.R. § 478.99(a); willfully made a false statement or representation with respect to any information required by the GCA, in violation of 18 U.S.C. §§ 922(m) and 924(a)(1)(A) and 27 C.F.R. § 478.128(c); and willfully allowed prohibited persons to have actual and constructive possession of firearms and ammunition in violation of 18 U.S.C. § 922(g)(1) and 27 C.F.R. § 478.32(a)(1).

The Notice to Revoke further specified that if Licensee wished to challenge the revocation, they may file a request with ATF for a hearing “within 15 days after receipt of this notice.” See 18 U.S.C. § 923(f)(2); 27 C.F.R. § 478.73(b). Although the Notice to Revoke was properly mailed by certified mail, and was received by Licensee, no request for hearing was filed with ATF within 15 days after receipt of the notice by Licensee.

For the reasons set forth in the Notice to Revoke or Suspend License and/or Impose a Civil Fine issued on July 14, 2021, the Federal Firearms License held by Modern Pawn and Consignment Inc. is hereby revoked.

Dated this 4th day of August, 2021.

(b)(6)

Paul W. Brown
Director, Industry Operations
Denver Field Division
Bureau of Alcohol, Tobacco, Firearms and Explosives



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 a Federal Firearms License

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), and 27 CFR 478.11 and 478.41. Accordingly, former licensees who wish to dispose of any remaining business inventory must adhere to the statutory and regulatory restrictions that are applicable to all unlicensed persons selling firearms.

All firearms formerly in the 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 of firearms is for the former licensee to:

- Arrange for another FFL to purchase the business inventory; or
- Consign the inventory of firearms 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 firearms 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 firearms 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 firearms 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.

(b)(6) Digitally signed by
MEGAN BENNETT
Date: 2021.06.02
21:00:37 -04'00'

Megan A. Bennett
Deputy Assistant Director (Industry Operations)
Field Operations