

WESTERN PAWN BROKERS INC's FCI

FCI-29991

07/15/2022 01:14 PM

IO# (b)(6) Billings II (IO) Satellite Office

LICENSEE INFORMATION

Licensee Name WESTERN PAWN BROKERS INC	RDS Key 9-81-35123	License/Permit Number 9-81-111-02-3B-35123	License Type 02 - Pawnbroker License
---	-----------------------	---	---

Business Type
Corporation

Premises Address

Premises Ownership Type
Owned

Premises Location Type
Store Front

Mailing Address

Same as Premises Address

Address
2817 MT AVE
Unit N/A
BILLINGS, Montana 59101-0000
YELLOWSTONE United States

Phone Type	Phone Number	Remarks
Business	+1 406-245-2334	
Fax	+1 406-245-0935	

RECOMMENDATIONS

Final Decision

Revocation

Date

06/10/2022

Details

A hearing was never held and the hearing request was withdrawn per an agreement reached. The Federal firearms license was revoked after the agreement was signed. A final notice of revocation was still issued. The revocation date listed in the final notice of revocation was June 20, 2022.

The records have been collected and shipped to the OOB Records Center.

Out of Business Records and Inventory Management

Licensee Records

✔ Submitted to the Federal Licensing Center

Licensee Inventory

✔ Inventory transferred to another licensee/permittee

Date of Inventory Transfer 07/08/2022	Business Premise Address 2817 MONTANA AVE BILLINGS, MT 59101
Transferee RDS Key 98103492	
Licensee / Permittee EMPIRE GUN & TRADE LLC	
Business Name	

Deputy Assistant Director - Industry Operations Megan Bennett's Recommendation

Revocation

Details

I concur with the recommendation of revocation as the licensee failed to run NICS checks and has repeat violations.

Special Agent in Charge David Booth's Recommendation

I concur with the recommendation of the DIO and Counsel on revocation.

Division Counsel (b)(6) Review

Details

I concur with the recommendation of the DIO based upon the facts established during the investigation showing multiple repeat violations. This includes violations where the FFL did not conduct required background checks when a purchaser shows an out-of-state concealed carry permit, even after the FFL had been advised in the previous inspection that background checks must be completed under these circumstance.

Details

Revocation is recommended.

This Federal firearms license was issued in 1996. For the current inspection, the licensee failed to conduct five required background checks prior to transferring firearms. The licensee accepted out-of-state concealed carry permits in lieu of conducting the background checks. The failure to conduct a background check is a repeat violation from a 2018 inspection where one instance was cited and the circumstances were the same by accepting an out-of-state concealed carry permit. (A warning conference was held as a result of the 2018 inspection.) For the current inspection, the license also failed to initiate a new background check after 30 days had lapsed from the initial check in one instance. No individuals were prohibited reference these transfers.

The licensee also failed to ensure the acquisition and disposition record was properly completed for [redacted] dispositions, where [redacted] firearms were missing after reconciliation. The trace results for the [redacted] missing were negative. For this inspection there were [redacted] acquisitions and [redacted] dispositions for the inspection period. This is a repeat violation from the 2018 inspection where there were [redacted] instances total with [redacted] disposition errors and [redacted] firearms were missing.

The license failed to complete [redacted] multiple sales transaction. This was also repeated in 2018 where there was [redacted] instance, and [redacted] instance cited during a 2009 inspection. (A DIO warning conference was held in lieu of revocation as a result of this inspection.)

For ATF Form 4473s, there were errors on [redacted] forms equaling [redacted] instances during the current inspection, to include using an obsolete form in one instance. A total of [redacted] ATF Form 4473s were reviewed for this inspection. These violations were also repeated during the 2018 inspection and the 2009 inspection. During the 2018 inspection, there were [redacted] instances and during the 2009 inspection there were [redacted] instances.

For the current inspection, the licensee also failed to retain an ATF Form 4473 in [redacted] instance. The form was missing. Note, this was a repeated violation from 2018 where there were [redacted] instances. The licensee was also cited for the failure to record NICS background check information on five of the ATF Form 4473s, a repeat from 2018 where there were 42 instances and from 2009 where there were 16 instances. The licensee also failed to verify or record identification information on [redacted] ATF Form 4473. This was also a repeat violation from the 2018 inspection where there were [redacted] instances.

Revocation is recommended based on the failure to conduct required background checks. This is a repeated violation and has occurred with an increase in frequency. Further, there is no indication of any extenuating circumstances or reasons why the background checks were not completed.

Many of the violations were repeated from previous inspections. The RP continued to make excused for the repeated violations. The responsible person (RP) indicated the business was confused about the background checks for long gun transactions and was confused about state reciprocity rules. The RP indicated the 30-day lapse for the background check was an oversight and not normal practice. For the ATF Form 4473 errors, the licensee said these issues were due to errors, oversights and a training issue. For the missing firearms, the licensee indicated he believed the loss of one of the firearms could have been the result of a theft. It appears willfulness has been established and revocation is recommended as the course of action.

Area Supervisor: [redacted] Recommendation
Revocation

Details

Concur: Revocation (Alternate Recommendation) as Spartan had not been updated to reflect the Administration's Comprehensive Strategy to Prevent and Respond to Gun Crime and Ensure Public Safety announced on June 23, 2021 by President Biden and Attorney General Garland. The recommendation is a result of the inspection findings where on five instances the licensee failed to complete a NICS/POC background check, and the licensee accepted an alternate permit from a state other than where the transfer takes place. On one instance the licensee failed to initiate a new NICS check after 30 days lapse of initial check. The licensee had a previous AS Warning Conference on June 13, 2018 and a DIO Warning Conference on July 15, 2009.

Industry Operations Investigator: [redacted] Recommendation
Revocation

Details

Recommendation: Revocation (Alternate Recommendation) as Spartan had not been updated to reflect the Administration's Comprehensive Strategy to Prevent and Respond to Gun Crime and Ensure Public Safety announced on June 23, 2021 by President Biden and Attorney General Garland. The recommendation is a result of the inspection findings where on five instances the licensee failed to complete a NICS/POC background check, and the licensee accepted an alternate permit from a state other than where the transfer takes place. On one instance the licensee failed to initiate a new NICS check after 30 days lapse of initial check. The licensee had a previous AS Warning Conference on June 13, 2018 and a DIO Warning Conference on July 15, 2009. The inspection results show increased violation of 27 CFR 478.102(a).

On September 13, 2021, Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATFE) Industry Operations Investigator (IOI) [redacted] conducted an in-person FFL Compliance RECALL inspection for Western Pawnbrokers Inc 2817 Montana Ave, Billings, Montana located in Yellowstone County.

IOI [redacted] met with Owner/Vice President Andrew Burton Nelson (identified by his Montana Driver's License [redacted]) as part of the inspection. Andrew Burton Nelson was present during the inspection and was interviewed concerning a Type 02-Pawnbroker in Firearms other than Destructive Devices FFL#9-81-35123. The licensee has held their license since 01/14/1996.

The inspection was a full scope Recall Inspection as a result of UI#788060-2018-0161-B1B. The purpose of the inspection was to examine the licensee's firearms inventory and records and verify compliance with Federal Firearms Laws and Regulations.

Western Pawnbrokers Inc and Andy Nelson will be referred to as the "licensee" throughout this report.

IOI [redacted] conducted a background check in JWIN and N-Force for the responsible persons Andy Nelson and Bert Nelson, prior to the inspection. There was no prohibiting criminal history located and no active records found in N-Force.

During the compliance inspection, Investigator [redacted] conducted a full 100 % inventory of licensee's firearms located at the business premise. The licensee had 375 firearms in inventory compared to [redacted] open entries in the A&D book. There were [redacted] A&D book discrepancies. As a result of the inventory reconciliation, [redacted] firearms were not located in inventory. The licensee completed and submitted an ATF Form 3310.11 [redacted] for the missing firearms and logged them out of the A & D record as missing. The licensee advised the firearm identified as [redacted] may have been left off the theft (burglary) report from March 26, 2020 [redacted] was not known to be missing prior to the compliance inspection. The Licensee completed an ATF Form 3310.11 Theft and Loss report for the missing firearms (see Attachments and ROV). IOI [redacted] requested Intelligence Research Specialist [redacted] conduct a search on Eirace for the missing firearms. There were no records found (see Attachments). IOI

(b)(6) conducted a check through (b)(7)(E) and found no additional information in furtherance of the original pawn. IOI (b)(6) requested IA (b)(6) conducted a property search for the missing firearms with the Billings Police Department. There were no records found.

Investigator (b)(6) conducted a secondary market analysis of 15 firearms in JWIN resulting in no records found.

During the compliance inspection the licensee was cited for the following violations:

27CFR 478.21(a): Repeat Violation from 2018 - Failure to complete forms as prescribed on (b)(6) instances.

27 CFR 478.102(a): Repeat Violation from 2018 - Failure to complete a NICS/POC background check the licensee accepted an alternate permit from a state other than where the transfer takes place on five instances. IOI (b)(6) conducted criminal history checks in JWIN for the five transferee's and they were not prohibited.

27CFR 478.102(c): Fail to initiate a new NICS check after 30 days lapse of initial check on one instance.

27CFR 478.124(c)(1): Repeat Violation from 2018 - Failure to obtain a completed ATF F 4473 on three ATF Forms 4473 in (b)(6) instances.

27 CFR 478.124(c)(3)(i): Repeat Violation from 2018 - Failure to verify or record

Identification document on ATF F 4473 on (b)(6) instance.

27 CFR 478.124(c)(3)(iv): Repeat Violation from 2018 - Failure to record NICS contact information on an ATF F 4473 (failed to check the box "no response was provided in 3 business days" on (b)(6) instances.

27CFR 478.124(c)(4): Repeat Violation from 2018 - Failure by transferor to sign and/date an ATF F4473 on (b)(6) instances involving (b)(6) ATF Forms 4473.

27 CFR 478.124(c)(5): Repeat Violation from 2018 - Failure by transferor to sign and/or date an ATF F 4473.

27CFR 478.125(e): Repeat Violation from 2018 - Failure to maintain an accurate/complete/timely acquisition and disposition record of firearm on (b)(6) instances.

27CFR 478.126(a): Repeat Violation from 2018 - Failure report multiple sales or other dispositions of pistole and revolvers on (b)(6) instance.

27CFR 478.129(b): Repeat Violation from 2018 - Failure to retain ATF F 4473 on (b)(6) instance.

Investigator (b)(6) requested an FFL History report from the Violent Crime Analysis Branch (VCAB) to verify the licensee's past trace history. In the last twelve months Western Pawn Brokers Inc. (FFL # 9-81-35123) had (b)(6) trace requests that were successful for the time period August 1, 2020 – August 23, 2021. There were no unsuccessful traces for the licensee during the inspection period and no traces that needed to be resolved at the time of the inspection. (Refer to Attachments Tab) for the FFL History Report.

Investigator (b)(6) requested an FFL History report from the Violent Crime Analysis Branch (VCAB) to verify the licensee's past trace history. The licensee was associated with (b)(6) firearm perfected firearm traces (See Attachments Tab). The examination of the (b)(6) ATF Forms 4473 resulted in (b)(6) un-reported multiple sale. (b)(3) (112 Public Law 55 125 Stat 552), (b)(6) the licensee had completed the ATF Form 3310.04 Report of Multiple Sale or other disposition of Pistols and Handguns and faxed the form to the local CLEO but failed to fax the form to the ATF National Tracing Center. IOI (b)(6) had the licensee fax the form to the ATF National Tracing Center on 09/14/2021. The licensee was cited for (b)(6) instance of violating **27 CFR 478.126(a)**. (see Attachments and ROV).

Prior to the inspection, a NICS Audit Log was obtained from FBI NICS for the inspection period 07/14/2021 to 09/13/2021 (See Attachments Tab). Investigator (b)(6) compared the completed ATF Forms 4473's to the list of 91 NTN numbers 67 NTN's included proceed, open, under appeal, and delay transactions, and 24 NTN's for denied transaction numbers for the past 5 years) for verification that a background check having been completed before the firearm was transferred. The verification resulted in no NTN number discrepancies being noted. During the review, the licensee could not produce an ATF Form 4473 for NICS transaction number (b)(6) dated on 07/17/2021. The licensee was cited for violating **27 CFR 478.129(b)** Failure to retain ATF Forms 4473 on (b)(6) occasion (see Attachments and ROV).

Investigator (b)(6) examined the licensee's A&D record and completed ATF Forms 4473 for possible traffickers, prohibited persons or any other suspicious purchasers.

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

Investigator (b)(6) conducted a background check for (b)(6) which revealed no prohibitive criminal history. The licensee was cited for violating **27 CFR 478.124(c)(1)**. (See Attachments and ROV).

In one instance the licensee failed to conduct a new NICS background check prior to the transfer of a firearm to a non-licensee (b)(6) after the 30 days lapse of initial check and the firearms had not been transferred. Investigator (b)(6) conducted a background check for (b)(6) which revealed no prohibitive criminal history. The licensee was cited for violating **27 CFR 478.102(c)**. (See Attachments and ROV).

In five instances, the licensee failed to conduct a NICS background check and accepted an alternate permit from a state other than where the transfer takes place. The licensee accepted an alternate permit on five instances (b)(6) (b)(6) conducted criminal history checks in JWIN for the transferee's where an alternate permit was accepted which revealed no prohibitive criminal history. The licensee was cited for violating **27 CFR 478.102(a)**. (See Attachments and ROV).

27 CFR 478.102(a): Repeat Violation from 2018 - Failure to complete a NICS/POC background check the licensee accepted an alternate permit from a state other than where the transfer takes place on five instances. IOI (b)(6) conducted criminal history checks in JWIN for the five transferee's and they were not prohibited.

On September 22, 2021, Investigator (b)(6) reviewed operational sections of the GCA with Andrew Nelson and obtained his electronic signature acknowledging his responsibilities on the Acknowledgment of Federal Firearms Regulation form located in Spartan. The signed copy was emailed to the licensee for his records.

Investigator [redacted] provided the licensee with a sample copy of a Firearms Acquisition & Disposition Record Book (A & D Record Book) showing sample entries of an A & D Record Book. The licensee was provided information on the regulatory requirements for the following forms: ATF Form 4473 - Firearms Transaction Record Part I – Over-the-Counter, ATF Form 3310.4 - Report of Multiple Sale or Other Disposition of Pistols and Revolvers, ATF Form 3310.11 - Federal Firearms Licensee Firearms Theft/Loss Report, ATF E-Form 5300.38 – Application for an Amended Federal Firearms License. The licensee was advised of the Child Safety Lock Act of 2005 for handgun transfers and making trigger locks available for both handguns and long guns. The licensee was provided with the following information: FFL Newsletter 2017, Open Letter – Selling or delivering firearm frames or receivers, Can and Cant’s of the Gun Control Act for Licensed Dealers, Important Notice to Dealers and Other Participants at this Gun Show and ATF Publication 5300.15 – FFL Quick Reference and Best Practices Guide

Inspection Findings

Records and Forms

- 11. Failure to retain required GCA records for transferred firearms for period of time specified by regulation.

Firearms

- 1. Missing firearms after inventory reconciliation (e.g., no records of disposition, required or otherwise).

NICS

- 4. Failure to conduct a NICS check or obtain an alternate permit (Exception: Select findings 1, 2, and 3 above for consignment sales, transfers to law enforcement officers for personal use, and FFL responsible persons if the transferee is NOT prohibited).
- 6. Failure to initiate a new NICS check when a transaction is not completed within the 30-day period from the date NICS was initially contacted provided that the person is NOT prohibited.

FFL History

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

ELIGIBILITY VERIFICATION

Business Information Verification

Licensee Name	Business Type	Is the business valid?
WESTERN PAWN BROKERS INC	Corporation	Yes

Additional Findings

IO [redacted] conducted a business verification on the Montana Secretary of State web site. The business is valid and in good standing.

Attachment(s):

Montana Secretary of State Business Verification.pdf

Property Ownership Verification

Premises Ownership Type	Premises Location Type	Has the property ownership been verified?
Owned	Store Front	Yes

Address

2817 MT AVE
Unit N/A
BILLINGS, Montana 59101-0000
YELLOWSTONE United States

Additional Findings

IO [redacted] conducted a property verification for the business premise on the Montana Cadastral web site. The property is owned buy the Licensee and is valid.

Attachment(s):

Property Verification.pdf

Zoning Information Verification

Is the proposed business activity in compliance with zoning?

Yes

Additional Findings

IO [redacted] contacted the City of Billings/Yellowstone County Planning and verified the business is in compliance with the local zoning regulation.

Attachment(s):

ATF Zoning verification.pdf

APPOINTMENT DETAILS

Interview Date

09/13/2021

Responsible Attendee(s)

Non-Responsible Person(s)

ANDY Burton NELSON

No Items

BERT A NELSON

RESPONSIBLE PERSON(S)

ANDY Burton NELSON

Name ANDY Burton NELSON	Gender Male	Race White	Ethnicity Not Hispanic or Not Latino
Date of Birth (b)(6)	SSN (b)(6)	Job Title VICE PRESIDENT	

Physical Identifiers

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

Place of Birth

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

Home Address

(b)(6)

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)	

Email Address	Email Remarks
(b)(6)	
(b)(6)	

Criminal History Check

Date Criminal History Check Conducted
09/08/2021

Criminal History Check Comments
IO: (b)(6) conducted a criminal history check for the RP on JWIN there were no records found. There were no records found in N force.

BERT A NELSON

Name BERT A NELSON	Gender Male	Race	Ethnicity
Date of Birth (b)(6)	SSN (b)(6)	Job Title PRESIDENT	

Physical Identifiers

Height	Weight	Hair Color	Eye Color
--------	--------	------------	-----------

Place of Birth

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

Home Address

(b)(6)

Additional Names

Citizenship

United States

Phone Type	Phone Number	Remarks
Business	+1 406-245-2334	

Criminal History Check

Date Criminal History Check Conducted
09/08/2021

Criminal History Check Comments
IOI (b)(6) conducted a criminal history check for the RP on JWIN, there were no records found. There were no records found in N force.

INTERVIEW QUESTIONNAIRE

What is the proposed business activity?
The licensee is in the business of being a full time Pawn Shop that buys and sells both new and used long guns and hand guns.

Do they need an additional license or permit?
No

Who are their primary suppliers?
The primary suppliers are walk in customers that pawn or sell the firearms to the licensee.

Business Activities

Pawnbroker
Retail

Selected Operational Security Measures

Controlled Access to ATF Recordkeeping
Controlled Access to Keys

SUPPLEMENTAL QUESTIONNAIRE

General Business Operations

If there is a security system, who has access to the security codes?
The licensee has a security system. The licensee has four qualified employees that have access to the alarm codes.

Who has keys to the premises?
The RP's and the store manager have keys to the business.

Who has keys to locked inventory?
The employees have access to the locked inventory as the locked inventory is on the sales floor or in the pawn room.

Who is operating the business on a day-to-day basis?
The RP's operate the business on a day to day basis.

Is financial backing provided by anyone that is not a responsible person on the license/permit?
There is no financial backing provided by anyone that is not a RP

Are any employees known to be prohibited?
There are no employees known to be prohibited.

Are any employees associated with a previously denied/revoked/surrendered license/permit?
None of the employees are associated with a denied or revoked/ surrendered license.

PREMISES INFORMATION

Inspection Area Description
The inspection occurred in the firearms area of the storefront.

Primary Activity
Retail

GPS Coordinates

Latitude
45.78111
Longitude
-108.50565

Selected Physical Security Measures

(b)(4)

ONSITE SUMMARY

Total Number of ATF Form 4473s for Inspection Review Period

Total Number of ATF F 4473 Reviewed

Total Number of Open Dispositions in A & D Record

Total Number of Firearms in Inventory
375

Actual Number of Firearms Verified

Number of Firearms Missing Before Reconciliation

Total Number of Firearms Missing After Reconciliation

Total Number of Acquisitions in the Last 12 Months

Total Number of Dispositions in the Last 12 Months

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

Inspection Period Start Date

Inspection Period End Date

Number Of Traces Resolved By IOI

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

Attachment(s)

Report of Violations.pdf

Licensee Response to Violations Report.pdf

Licensee Response to Violations Report.pdf

Licensee Response to Violations Report.pdf

Firearm Theft Loss List.pdf

REPORT OF VIOLATIONS

Regulation	Corrective Actions	Instance Details
1 27 CFR 478.126a: Failure to report multiple sales or other dispositions of pistols and revolvers ATF Forms 4473 Number of Instances:	Ensure the ATF Form 3310.4 is submitted to ATF and CLEO by the end of the business day Complete and submit ATF Form 3310.4 (Report of Multiple Sale or Other Disposition of Pistols and Revolvers) by close of the same business day, for all applicable future multiple sales.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)
2 27 CFR 478.21(a): Failure to complete forms as prescribed ATF Forms 4473 Number of Instances:	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. Ensure that the most up-to-date version of the ATF Form 4473 is used for all future over-the-counter transactions.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

3	<p>27 CFR 478.102(c): Failure to initiate a new NICS check after 30-day lapse of initial check</p> <p>ATF Forms 4473: 1 Number of Instances: 1</p>	<p>Execute and accurately record (on an ATF Form 4473) a new NICS/POC background check, after any 30-day expiration of a previously conducted NICS/POC check, on all future over-the-counter firearm transactions.</p>	<p>NICS Violation: (b)(6)</p>
4	<p>27 CFR 478.129(b): Failure to retain ATF F 4473</p> <p>ATF Forms 4473: [] Number of Instances: []</p>	<p>Retain ATF Forms 4473 for a period of not less than 20 years after the date of sale or disposition.</p>	<p>(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)</p>
5	<p>27 CFR 478.125(e): Failure to maintain an accurate/complete/timely acquisition and disposition record of firearms</p> <p>Number of Instances: []</p>	<p>Amend/Update A&D Record to accurately record all required firearm disposition information. Complete and submit ATF Form 3310.11 - Firearms Inventory Theft/Loss Report.</p>	<p>(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)</p>
6	<p>27 CFR 478.124(c)(1): Failure to obtain a completed ATF F 4473</p> <p>ATF Forms 4473: [] Number of Instances: []</p>	<p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p>	<p>(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)</p>
7	<p>27 CFR 478.124(c)(3)(iv): Failure to record NICS contact information on an ATF F 4473</p> <p>ATF Forms 4473: [] Number of Instances: []</p>	<p>Ensure that all required NICS/POC background check information is obtained and accurately recorded on all future ATF Forms 4473 section C Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p>	<p>(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)</p>
8	<p>27 CFR 478.124(c)(4): Failure to record firearm information on an ATF F 4473</p> <p>ATF Forms 4473: [] Number of Instances: []</p>	<p>Ensure that the required transferor/Seller signature and date of transfer is obtained and accurately recorded on all future ATF Forms 4473 Section E Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p>	<p>(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)</p>
9	<p>27 CFR 478.124(c)(3)(i): Failure to verify or record Identification document on ATF F 4473</p> <p>ATF Forms 4473: [] Number of Instances: []</p>	<p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p>	<p>(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)</p>
	<p>27 CFR 478.102(a): Failure to complete a NICS/POC</p>	<p>Ensure that only valid permits from the STATE</p>	<p>ATF F 4473 Error/Omission, 29 (b)(6)</p>

10	background check ATF Forms 4473 Number of Instances:	where the transfers are to take place are accepted. Execute a required NICS/POC background check for all future over-the-counter firearm transactions.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)
11	27 CFR 478.124(c)(5): Failure by transferor to sign and/or date an ATF F 4473 ATF Forms 4473 Number of Instances:	Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.	(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)

THEFT/LOSS REPORT

Acquisition Date	Type	Manufacturer	Importer	Model	Caliber/Gauge	Serial Number
(b)(3) (112 Public Law 55 125 Stat 552),(b)(6)						

LICENSEE RESPONSE REPORT

Regulation	Corrective Actions	Licensee Response	Status Details
1 27 CFR 478.126a: Failure to report multiple sales or other dispositions of pistols and revolvers ATF Forms 4473 Number of Instances:	Ensure the ATF Form 3310.4 is submitted to ATF and CLEO by the end of the business day Complete and submit ATF Form 3310.4 (Report of Multiple Sale or Other Disposition of Pistols and Revolvers) by close of the same business day, for all applicable future multiple sales.	This was an over site as employee faxed it to the CLEO and forgot to fax to ATF. Will make sure it gets faxed to ATF.	Status Correction Verified Verified Method In Person Date Correction Verified 09/21/2021
2 27 CFR 478.21(a): Failure to complete forms as prescribed ATF Forms 4473 Number of Instances:	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. Ensure that the most up-to-date version of the ATF Form 4473 is used for all future over-the-counter transactions.	The licensee did not realize an obsolete form was used. The licensee will make sure the forms are completed correctly in the future.	Status Licensee Notified Verified Method In Person Date Licensee Notified 09/21/2021
3 27 CFR 478.102(c): Failure to initiate a new NICS check after 30-day lapse of initial check ATF Forms 4473: 1 Number of Instances: 1	Execute and accurately record (on an ATF Form 4473) a new NICS/POC background check, after any 30-day expiration of a previously conducted NICS/POC check, on all future over-the-counter firearm transactions.	This was an over site and is not normal practice. Future paperwork will be double checked and in order before firearm is transferred.	Status Licensee Notified Verified Method In Person Date Licensee Notified 09/21/2021
4 27 CFR 478.129(b): Failure to retain ATF F 4473 ATF Forms 4473 Number of Instances:	Retain ATF Forms 4473 for a period of not less than 20 years after the date of sale or disposition.	The NICS number is normally entered into our pawn system. We cannot find the form in our system to verify the transfer.	Status Licensee Notified Verified Method In Person Date Licensee Notified 09/21/2021

5	<p>27 CFR 478.125(e): Failure to maintain an accurate/complete/timely acquisition and disposition record of firearms</p> <p>Number of Instances: <input type="text"/></p>	<p>Amend/Update A&D Record to accurately record all required firearm disposition information.</p> <p>Complete and submit ATF Form 3310.11 - Firearms Inventory Theft/Loss Report.</p>	<p>The licensee had a theft on 03/26/20 and believed the <input type="text"/> could have been a result of that theft.</p>	<p>Status Correction Verified</p> <p>Verified Method In Person</p> <p>Date Correction Verified 09/21/2021</p>
6	<p>27 CFR 478.124(c)(1): Failure to obtain a completed ATF F 4473</p> <p>ATF Forms 4473: <input type="text"/> Number of Instances: <input type="text"/></p>	<p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p>	<p>This was an error as the employee should have noticed the transferee did not complete the form. The licensee will have the ATF Forms 4473 double checked before the firearm is transferred in the future.</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 09/21/2021</p>
7	<p>27 CFR 478.124(c)(3)(iv): Failure to record NICS contact information on an ATF F 4473</p> <p>ATF Forms 4473: <input type="text"/> Number of Instances: <input type="text"/></p>	<p>Ensure that all required NICS/POC background check information is obtained and accurately recorded on all future ATF Forms 4473 section C</p> <p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p>	<p>The licensee advised this was an over site and will make sure on future transactions the form will be complete</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 09/21/2021</p>
8	<p>27 CFR 478.124(c)(4): Failure to record firearm information on an ATF F 4473</p> <p>ATF Forms 4473: <input type="text"/> Number of Instances: <input type="text"/></p>	<p>Ensure that the required transferor/Seller signature and date of transfer is obtained and accurately recorded on all future ATF Forms 4473 Section E</p> <p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p>	<p>With further training to employees, the forms will be complete with all information</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 09/21/2021</p>
9	<p>27 CFR 478.124(c)(3)(i): Failure to verify or record Identification document on ATF F 4473</p> <p>ATF Forms 4473: <input type="text"/> Number of Instances: <input type="text"/></p>	<p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p>	<p>This was an over site by employee and will train employee to record the alternate documentation</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 09/21/2021</p>
10	<p>27 CFR 478.102(a): Failure to complete a NICS/POC background check</p> <p>ATF Forms 4473: 5 Number of Instances: 5</p>	<p>Ensure that only valid permits from the STATE where the transfers are to take place are accepted.</p> <p>Execute a required NICS/POC background check for all future over-the-counter firearm transactions.</p>	<p>We will not accept an out of state permit in the future. We were confused with them being long guns and with state reciprocity rules.</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified 09/21/2021</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: <input type="text"/> Number of Instances: <input type="text"/></p>	<p>Execute and retain a complete and accurate ATF Form 4473 on all future firearm transactions.</p>	<p>This was an over site and will make sure the forms are complete</p>	<p>Status Licensee Notified</p> <p>Verified Method In Person</p> <p>Date Licensee Notified</p>

Correspondence	Information Concerning Your Federal License/Permit
LicenseeResponseToViolationsPDF	Licensee Response to Violations Report.pdf
ReturnedSignedROV	Signed Updated ROV.pdf
Correspondence	Information Concerning Your Federal License/Permit
Correspondence	
ViolationsPDF	Report of Violations.pdf
ViolationsPDF	Report of Violations.pdf
Correspondence	Information Concerning Your Federal License/Permit
ClosingConferenceSummary	Acknowledgment of Regulations.pdf
LicenseeResponseToViolationsPDF	Licensee Response to Violations Report.pdf
Correspondence	Information Concerning Your Federal License/Permit
Correspondence	
ViolationsPDF	Report of Violations.pdf
ViolationsPDF	Report of Violations.pdf
Correspondence	Action Required Concerning Your Federal Firearms Compliance Inspection
Correspondence	
FirearmTheftLossList	Firearm Theft Loss List.pdf
Correspondence	
Correspondence	Action Required Concerning Your Federal Firearms Compliance Inspection
ComplianceActionItemsPDF	Compliance Action Items.pdf
ZoningVerification	ATF Zoning verification.pdf
PropertyOwnershipVerification	Property Verification.pdf
BusinessVerification	Montana Secretary of State Business Verification.pdf

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

In the matter of License Number 9-81-111-02-3B-35123, 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*)
Western Pawn Brokers, Inc.
2817 Montana Avenue
Billings, Montana 59101

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)
12/02/2021	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: 7017107000089870988 Or Delivering a copy of the notice to the address shown below.

Date Notice Served	Title of Person Serving Notice	(b)(6)
12/02/2021	Director, Industry Operations	

Print Name and Title of Person Served	Signature of Person Served (<i>if applicable</i>)

Address Where Notice Served
2817 Montana Avenue Billings, Montana 59101

Western Pawn Brokers, Inc.
9-81-111-02-3B-35123

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 Western Pawn Brokers Inc. (“Licensee”), as a Dealer in Firearms Other Than Destructive Devices. 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 originally issued a Federal firearms license to Licensee in 1996. ATF subsequently conducted compliance inspections of Licensee in 2006, 2007, 2009 and 2018. As a result of the 2009 and 2018 inspections the Licensee (specifically, owner and responsible person Andy Nelson) attended warning conferences with ATF in which violations and proposed corrective actions were reviewed.

Current Inspection

On September 13, 2021, ATF Industry Operations Investigator (b)(6) conducted a compliance inspection at Licensee’s premises that revealed the following:

1. On ATF Forms 4473, Licensee willfully failed to obtain/execute the Firearms Transaction Record, ATF Form 4473 as indicated by the headings on the Form and the instructions on or pertaining to the Form, in violation of 18 U.S.C. § 922(m) and 27 C.F.R. § 478.21(a). See Appendix ¶ 1.
2. On ATF Forms 4473, Licensee willfully failed to obtain a complete and/or accurate Firearms Transaction Record, ATF Form 4473, from the transferee prior to making an over-the-counter transfer of a firearm to a non-licensee, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(1). See Appendix ¶ 2.
3. On ATF Forms 4473, Licensee willfully transferred a firearm to a non-licensee without recording the National Instant Criminal Background Check System (“NICS”) contact information on an ATF F 4473, by failing to check the box “no response was provided in 3 business days”, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(3)(iv). See Appendix ¶ 3.
4. On ATF Forms 4473, Licensee willfully failed to sign and/date an ATF Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(4). See Appendix ¶ 4.
5. On 5 occasions, Licensee willfully transferred a firearm to an unlicensed person without first contacting the NICS and obtaining a unique identification number before allowing the transfers, in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102(a). The licensee

accepted an alternate permit from a state other than where the transfer took place. See Appendix ¶ 5.

6. On 1 occasion, Licensee willfully transferred a firearm to an unlicensed person without first contacting the NICS and obtaining a unique identification number before allowing the transfer, in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102(c). Fail to initiate a new NICS check after 30 days lapse of initial check on one instance. See Appendix ¶ 6.

Appendix

Paragraph 1

Licensee willfully failed to obtain/execute the Firearms Transaction Record, ATF Form 4473 as indicated by the headings on the Form and the instructions on or pertaining to the Form, in violation of 18 U.S.C. § 922(m) and 27 C.F.R. § 478.21(a).

#	Date	Transferee	Discrepancy
---	------	------------	-------------

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

Paragraph 2

Licensee willfully failed to obtain a complete and/or accurate Firearms Transaction Record, ATF Form 4473, from the transferee prior to making an over-the-counter transfer of a firearm to a non-licensee, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(1).

#	Date	Transferee	Discrepancy
---	------	------------	-------------

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

Paragraph 3

Licensee willfully transferred a firearm to a non-licensee without recording the National Instant Criminal Background Check System (“NICS”) contact information on an ATF F 4473, by failing to check the box “no response was provided in 3 business days”, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(3)(iv).

#	Date	Transferee	Firearms
1	01/27/2021	(b)(6)	Transfer Transaction Serial Number (b)(6) The licensee failed to mark the box "no response was provided within 3 business days" prior to transferring a firearm. Box 19d (obsolete form) blank
2	08/26/2021	(b)(6)	Transfer Transaction Serial Number (b)(6) (b)(6)

			The licensee failed to mark "no response was provided within three business days" when the firearm was transferred. Box 27d blank
3	01/27/2021	(b)(6)	Transfer Transaction Serial Number (b)(6) The licensee failed to mark "no response was provided within three business days" when the firearm was transferred. Box 27d blank
4	9/11/2020	Leslie Seymour	Transfer Transaction Serial Number (b)(6) (b)(6) The licensee failed to mark "no response was provided within three business days" when the firearm was transferred. Box 27d blank
5	05/27/2021	(b)(6)	Transfer Transaction Serial Number (b)(6) The licensee failed to mark "no response was provided within three business days" when the firearm was transferred. Box 27d blank

Paragraph 4

Licensee willfully failed to sign and/date an ATF Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(4).

#	Date	Transferee	Discrepancy
---	------	------------	-------------

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

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

Paragraph 5

Licensee willfully transferred a firearm to an unlicensed person without first contacting the NICS and obtaining a unique identification number before allowing the transfers, in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102(a). The licensee accepted an alternate permit from a state other than where the transfer took place.

#	Date	Transferee	Firearms
1	07/16/2021	(b)(6)	Transfer Transaction Serial Number (b)(6) (b)(6) The licensee failed to complete a NICS background check and accepted a Wyoming Concealed Weapons permit in lieu of a NICS check. Box 29 Incorrect

2	07/16/25021	(b)(6)	Transfer Transaction Serial Number (b)(6) (b)(6) The licensee failed to complete a NICS background check and accepted a Wyoming Concealed Weapons permit in lieu of a NICS check. Box 29 Incorrect
3	03/02/2021	(b)(6)	Transfer Transaction Serial Number (b)(6) The licensee failed to complete a NICS background check and accepted a Wyoming Concealed Weapons permit in lieu of a NICS check. Box 29 Incorrect
4	01/06/2021	(b)(6)	Transfer Transaction Serial Number (b)(6) (b)(6) The licensee failed to complete a NICS background check and accepted a Wyoming Concealed Weapons permit in lieu of a NICS check. Box 29 Incorrect
5	04/11/2021	(b)(6)	Transfer Transaction Serial Number (b)(6) (b)(6) The licensee failed to complete a NICS background check and accepted a Oklahoma Concealed Weapons permit in lieu of a NICS check. Box 29 Incorrect

Paragraph 6

Licensee willfully transferred a firearm to an unlicensed person without first contacting the NICS and obtaining a unique identification number before allowing the transfer, in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102(c). Fail to initiate a new NICS check after 30 days lapse of initial check on one instance.

#	Date	Transferee	Firearms
1	11/21/2020	(b)(6)	Transfer Transaction Serial Number (b)(6) The licensee failed to initiate a new NICS check when the original check was conducted on 09/29/2020 and the transferred occurred on 11/21/20 lapse of the 30-day initial check.

Signed this 10 day of June, 2022.

(b)(6)

~~Andrew~~ Burton Nelson or Bert A. Nelson
Owner, and Responsible Person
Western Pawnbrokers

Signed this 10 day of June, 2022.

(b)(6)

Signed this 16 day of June, 2022.


Bert A. Nelson

Signed this 10 day of June, 2022

(b)(6)

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

**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 9-81-111-02-3B-35123 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*)

Western Pawn Brokers, Inc.
2817 Montana Avenue
Billings, Montana 59101

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 June 20, 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 _____

_____ ,
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 06/15/2022	Name and Title of Bureau of Alcohol, Tobacco, Firearms and Explosives Official 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: 7017107000089871114

Or

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

Date Notice Served 06/15/2022	Title of Person Serving Notice Director, Industry Operations	(b)(6)
----------------------------------	---	--------

Print Name and Title of Person Served	Signature of Person Served
---------------------------------------	----------------------------

Address Where Notice Served (b)(6)	Moulton Bellingham PC, 27 North 27th Street, Suite 1900, P.O. Box 2559, Billings, MT 59103-2559
---------------------------------------	---

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

Western Pawnbrokers Inc., 2817 Montana Ave., Billings, Montana, 59101 (Licensee), holds Federal Firearms License 9-81-111-02-3B-35123 as a dealer (pawnbroker) of 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 December 2, 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 the Licensee that ATF intended to revoke its License. The Notice to Revoke was served upon the Licensee, via certified mail.

The Notice to Revoke alleged that the Licensee willfully violated the provisions of the GCA and the regulations issued thereunder. After receipt of the Notice to Revoke, the Licensee through counsel negotiated a settlement with ATF, whereby it agreed to surrender the License and acknowledged that ATF would issue a Final Notice of Revocation of the License.

For the reasons set forth in the Notice to Revoke or Suspend License and/or Impose a Civil Fine issued on December 2, 2021, the Federal Firearms License held by Western Pawnbrokers Inc, is hereby revoked.

Dated this 15th day of June, 2022.

(b)(6)

Paul W. Brown
Director of 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 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** Digitally signed by
CURTIS GILBERT
Date: 2022.04.04
16:12:22 -04'00'

Curtis Gilbert
Deputy Assistant Director (Industry Operations)
Field Operations