

## Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) DMG Arms LLC 1110 Delaware Ave Unit A Longmont, CO 80501, Boulder	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 788070-2018-0025-B1B		
	3. PERMIT/LICENSE NUMBER 584013078E06287	4a. TARGET DATE 12/29/2017	4b. TARGET HOURS 40
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

6. ATF OFFICER(S) ASSIGNED  
(b)(6) - Lead Investigator

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)  
(b)(6), Area Supervisor, 10/02/2017

8. PURPOSE/SPECIAL INSTRUCTIONS  
MFR DE: (07) DMG Arms, LLC.  
  
DE. Manufacturer Program. 100% inventory verification and 12 months ATF Forms 4473 review is required.  
  
Currently located within the business premise of Iron Ridge Arms.

9. INSPECTION RESULTS				<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC		10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	5	NO. OF REFERRALS				2111 - PER DIEM	
NO. OF TECS CHECKS	6	NO. OF TECS HITS				2112 - P.O.A.	
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES				2113 - COMM. AIR	
		\$ VALUE OF TAX DECREASES				2114 - RENTAL CAR	
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS				2115 - GPV EXPENSES	
NO. OF CLAIMS		\$ VALUE OF CLAIMS				2116 - MISC.	
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED				TOTAL \$ FOR INSP.	

11. ATF OFFICER'S RECOMMENDATION  
Submitted by (b)(6) - Industry Operations Investigator  
  
Submitted on: 03/08/2018  
  
Viols WL ONLY and No Recall Inspection

12. TIME ACCOUNTING DATA			
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)		
FEB 2018	42.00		
ATF OFFICER'S SUBTOTAL	42.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS	42.00		

13. REVIEW AND ROUTING	
REVIEW COMMENTS AND RECOMMENDATION <p>The licensee was cited for failing to properly mark manufactured firearms that were assembled with the FFL's name, city, state and caliber. This violation merits an AS warning conference as the minimum AA per ATF O 5370.1C. However, the receivers were properly marked with the original manufacturer's marks. The licensee was also missing (b)(6) firearm which merits a WL as the minimum AA. The other violations cited do not merit any form of AA. This is a very low volume FFL with no traces. A warning letter without recall is recommended.</p> <p>Viols WL ONLY and No Recall Inspection</p> <p><input type="checkbox"/> REVIEWED    <input type="checkbox"/> CONCUR    <input type="checkbox"/> SEE COMMENTS    <input type="checkbox"/> FINAL DISPOSITION</p>	
SIGNATURE AND TITLE (b)(6) Area Supervisor	REVIEW DATE 03/07/2018

## Assignment and Report

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### 13. REVIEW AND ROUTING

#### REVIEW COMMENTS AND RECOMMENDATION

Issuing a warning letter is lieu of holding a warning conference as an alternate recommendation is authorized. A recall inspection will not be conducted.

This is the licensee's first inspection since the license was issued in 2015.

For the current inspection, the licensee failed to properly mark (b)(3)-(4) firearms manufactured with the licensee's name, city, state of manufacture and the caliber. (Approximately (b)(4) firearms were acquired and approximately (b)(4) firearms were disposed of during the inspection period.) This violation rises to a warning conference level.

Further, other violations were cited. The licensee failed to record the acquisition and disposition of (b)(3) firearms into the acquisition and disposition record (A&D Record) for the (b)(3) receivers the licensee assembled into a rifle. In addition, (b)(3) firearm was missing after reconciliation and reported missing. This equaled a 2.9% error rate for acquisitions and a 5.0% error rate for dispositions.

A warning conference is not necessary to again explain how to properly mark firearms. The responsible person (RP) indicated he thought he was gunsmithing the firearms and not manufacturing. The marking requirements were explained during the closing conference and a warning conference is not necessary to again explain this violation, or the other violations cited. The importance of maintaining the A&D Record was discussed at the closing conference and was corrected.

The licensee is aware of the obligations. A warning letter will suffice to document the violations and reiterate what the RP must do in the future to comply.

Note, a recall inspection is not recommended as all violations were explained during the closing conference and the licensee is aware of the requirements.

Viols WL ONLY and No Recall Inspection

☐ REVIEWED

☐ CONCUR

☒ SEE COMMENTS

☒ FINAL DISPOSITION

SIGNATURE AND TITLE

PWBROWN - Director, Industry Operations

REVIEW DATE

03/07/2018

#### ROUTING SEQUENCE AND DATE

- ☐ 1. \_\_\_\_\_
- ☐ 2. \_\_\_\_\_
- ☐ 3. \_\_\_\_\_
- ☐ 4. \_\_\_\_\_

CONTROL FILE POSTED DATE \_\_\_\_\_

## Report of Violations

### Instructions

Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in triplicate. The original copy will be given to the proprietor or a responsible representative. The remaining copies will be submitted with the completed inspection report. Supervisors will detach one copy from the completed report for their files.

Name of Proprietor DMG Arms LLC	Street Address 1110 Delaware Ave Unit A	City Longmont	State CO	Zip Code 80501-	County Boulder	Page 1 of 3 Pages
License/Permit/Registry Number <i>(If any)</i> 584013078E06287		Expiration Date 5/1/2018		Date(s) or Period of Inspection		

### Inspection Results

An examination of your premises, records and operations has disclosed the following violations which have been explained to you:

<b>Number:</b> 1	<b>Date Corrections to be Made:</b> 02/07/2018 <i>(If not corrected immediately)</i>
<b>Nature of Violation:</b> Failure to record the acquisition of a firearm in the A&D record book in (b)(3) - 1 instances. Specifically, the licensee, upon assembling a receiver into a rifle, failed to reenter the firearm as an aquisition in the A&D record book.	<b>Corrective Action to be Taken:</b> Licensee is to record the acquisition of a firearm in the A&D record book for all future transactions. The violations were corrected on February 7, 2018 by disassembling the firearms. <i>(If not corrected immediately)</i>
<b>Citation:</b> 27 CFR 478.123(a)	
<b>Number:</b> 2	<b>Date Corrections to be Made:</b> 02/07/2018 <i>(If not corrected immediately)</i>
<b>Nature of Violation:</b> Failure to record the disposition of a firearm in the A&D record book in (b)(3) - 192 instances. Specifically, the licensee, upon assembling a receiver into a rifle, failed to document the disposition of the reciever in the A&D record book (b)(3) - 192 instances, and was also missing a firearm in (b)(3) instance.	<b>Corrective Action to be Taken:</b> Licensee is to record the disposition of a firearm in the A&D record book and maintain accountability of all firearms for all future transactions. The violations were corrected on February 7, 2018 by disassembling the firearms and a theft/loss report was filed on February 3, 2018. <i>(If not corrected immediately)</i>
<b>Citation:</b> 27 CFR 478.123(b)	

## Report of Violations

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Name of Proprietor DMG Arms LLC	Street Address 1110 Delaware Ave Unit A	City Longmont	State CO	Zip Code 80501-	County Boulder	Page 2 of 3 Pages
License/Permit/Registry Number <i>(If any)</i> 584013078E06287		Expiration Date 5/1/2018		Date(s) or Period of Inspection		

### Inspection Results

An examination of your premises, records and operations has disclosed the following violations which have been explained to you:

<b>Number:</b> 3	<b>Date Corrections to be Made:</b> 02/07/2018 <i>(If not corrected immediately)</i>
<b>Nature of Violation:</b> Failure to properly mark a firearm that was manufactured by the licensee in (b)(3) - 1 instances. Specifically, the licensee assembled a receiver into a rifle without marking it with the licensee's name.	<b>Corrective Action to be Taken:</b> Licensee is to mark each manufactured firearm with the licensee's name for all future transactions. The violations were corrected on February 7, 2018 by disassembling the firearms. <i>(If not corrected immediately)</i>
<b>Citation:</b> 27 CFR 478.92(a)(1)(ii)(C)	
<b>Number:</b> 4	<b>Date Corrections to be Made:</b> 02/07/2018 <i>(If not corrected immediately)</i>
<b>Nature of Violation:</b> Failure to properly mark a firearm that was manufactured by the licensee (b)(3) - 112 F instances. Specifically, the licensee assembled a receiver into a rifle without marking it with the licensee's city and state.	<b>Corrective Action to be Taken:</b> Licensee is to mark each manufactured firearm with the licensee's city and state for all future transactions. The violations were corrected on February 7, 2018 by disassembling the firearms. <i>(If not corrected immediately)</i>
<b>Citation:</b> 27 CFR 478.92(a)(1)(ii)(D)	
<b>Number:</b> 5	<b>Date Corrections to be Made:</b> 02/07/2018 <i>(If not corrected immediately)</i>
<b>Nature of Violation:</b> Failure to mark a firearm that was manufactured by the licensee in (b)(3) instances. Specifically, the licensee assembled a receiver into a rifle without marking it with the proper caliber.	<b>Corrective Action to be Taken:</b> Licensee is mark each manufactured firearm with the proper caliber for all future transactions. The violations were corrected on February 7, 2018 by disassembling the firearms. <i>(If not corrected immediately)</i>

U.S. Department of Justice

Bureau of Alcohol, Tobacco, Firearms and Explosives

Report of Violations

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License/Permit/Registry Number <i>(If any)</i> 584013078E06287		Expiration Date 5/1/2018		Date(s) or Period of Inspection		

Inspection Results

An examination of your premises, records and operations has disclosed the following violations which have been explained to you:

Citation: 27 CFR 478.92(a)(1)(ii)(B)

I Have Received a Copy of This Report of Violations <i>(Proprietor's signature and title)</i>	Date
Signature and Title of ATF Officer	Date

For Official Use Only

August 2020 Production

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ATF E-Form 5030.5  
Revised April 2005

# FIREARMS INSPECTION REPORT

**Name:** DMG Arms LLC  
**Trade Name:**

**UI#:** 788070-2018-0025 B1B  
**FFL#:** 5-84-013-07-8E-06287

**Address:** 1110 Delaware Ave Unit A  
Longmont, Colorado 80501 Boulder

## 1 - Introduction

### Inspection Profile:

On February 1, 2018, Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Investigator (b)(6) attempted to conduct an unannounced compliance inspection of DMG Arms LLC, but was unsuccessful. Investigator Bradley contacted the licensee to reschedule the inspection.

On February 2, 2018, Investigator (b)(6) conducted a manufacturer disposition emphasis inspection of DMG Arms LLC. The inspection was conducted at the licensed premises, which is located at 1110 Delaware Ave, Unit A, Longmont, Colorado. The inspection covered the period from February 2, 2017 through February 2, 2018. The purpose of the inspection was to examine the licensee's conduct of business and verify compliance with Federal laws and regulations. The responsible person interviewed during the inspection was Michael Saylor, managing member of the company. Mr. Saylor was identified by Colorado driver's license number (b)(6). The onsite portion of this inspection concluded on February 14, 2018.

### Business Profile:

DMG Arms LLC holds a Type 07 Federal Firearms License (Manufacturer of Firearms), which they use to engage in the retail sales of firearms. The licensee also intends to manufacture firearms from scratch, but is waiting to expand the business before they invest money into manufacturing.

DMG Arms LLC operates their business out of a store front located in a commercial area in Longmont, Colorado. Investigator (b)(6) verified via the Boulder County Assessor's website that HEREWEGO LLC is the owner of the premises. Investigator (b)(6) verified that DMG Arms LLC is subleasing the premises from (b)(6). All parties stipulates to the business activities conducted by the licensee.

During the inspection period, the licensee acquired approximately (b)(4) firearms and disposed of approximately (b)(4) firearms. The licensee had 68 firearms in inventory on the date of the inspection. Approximately, (b)(4) percent of the firearms acquired and sold were hand guns, (b)(4) percent were silencers and (b)(4) percent were long guns – (b)(4) percent of their inventory were secondary market firearms. Additionally, the licensee uses (b)(4) as their primary supplier.

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DMG Arms LLC does not conduct business at gun shows nor engage in Internet sales – their company website (dmgarms.com) is for promotional purposes only. DMG Arms LLC does not conduct any other business at the licensed premises, nor do they have any other ATF licenses. The licensee is, however, sharing the business premises with Iron Ridge Engineering LLC.

Investigator (b)(6) verified that the company possesses a valid state sales tax license, does not utilize any offsite storage and is in compliance with all zoning regulations.

The licensee has held their current FFL since April of 2015. The Type 07 FFL is appropriate for the type of activities conducted by the licensee.

## **Ownership and Control:**

According to Mr. Saylor, there has been no change in ownership and/or control since obtaining a license – Mr. Saylor owns 100 percent of the company. Investigator (b)(6) did not find any evidence of hidden ownership.

## **Variance:**

No variances are held by the licensee and no request for a variance was made at the time of the inspection.

## **2 - Recommendation**

Violations Warning Letter Only and No Recall Inspection.

According to the Federal Firearms Administrative Action Policy, the discovered violations warrants a warning conference. However, because the licensee was uninformed about the marking requirement for assembled firearms, and because the licensee infrequently engaged in such activity, Investigator (b)(6) recommends that the administrative action be amended to a warning letter only.

## **3 - Inspection History**

<b>Date of Inspection:</b>	April 1, 2015
<b>Type of Inspection:</b>	Qualification Inspection
<b>UI#:</b>	788070-2015-0188
<b>Inspection Results:</b>	Application Approved
<b>Cited Violations:</b>	None

# FIREARMS INSPECTION REPORT

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## **4 - Acquisition & Disposition (A&D) Record - Inventory**

Investigator (b)(6) reviewed the licensee's A&D record book and verified that it was in the proper format. A full inventory was also conducted – there were 68 firearms compared to (b)(3) open dispositions and two of the rifles were entered in the A&D record book as receivers. Investigator (b)(6) examined the discrepancies and discovered that in (b)(3)-112 instances, the licensee failed to record the acquisition of a firearm in the A&D record book. Specifically, the licensee, upon assembling a receiver into a rifle, failed to reenter the firearm as an acquisition in the A&D record book. The licensee was cited for 27 CFR 478.123(a) – **See Violation 1, Report of Violations, Worksheet 1 and Exhibit 1.** Additionally, in (b)(3)-112 instances, the licensee failed to record the disposition of a firearm in the A&D record book. Specifically, the licensee, upon assembling a receiver into a rifle, failed to document the disposition of the receiver in the A&D record book in (b)(3)-112 instances, and was also missing a firearm in (b)(3)-112 instance. The licensee was cited for 27 CFR 478.123(b) – **See Violation 2, Report of Violations, Worksheet 1 and Exhibit 2.**

On February 2, 2018, Mr. Saylor informed Investigator (b)(6) that while conducting a full inventory the night before the ATF inspection, he discovered that he was missing (b)(6) firearm. Mr. Saylor further stated that he has no idea how he lost the firearm. On February 3, 2018, Mr. Saylor submitted a Federal Firearms Licensee Firearms Inventory Theft/Loss Report to ATF – **See Exhibit 3.**

Investigator (b)(6) traced five firearms in NCIC from the licensee's A&D records, which resulted in no hits. No evidence was discovered indicating any signs of trafficking. No illegal firearms or firearms with obliterated serial numbers were discovered during the inspection.

Investigator (b)(6) discussed internal control options with the licensee. The licensee stated that upon acquiring and/or disposing a firearm, they will immediately enter the required information in their A&D record book. The licensee further stated that they will conduct a full inventory more frequently.

## **5 - ATF Forms 4473 – NICS & Other Dispositions**

DMG Arms LLC had a total of (b)(3) ATF Forms 4473 on file for the last 12 months. The forms were filed in chronological order and two denials occurred during the inspection period. Investigator (b)(6) reviewed the ATF Forms 4473 executed during the inspection period and found no discrepancies.

Investigator (b)(6) compared 10 CBI transaction numbers with the ATF Forms 4473 and found no discrepancies. The licensee transferred several firearms to other licensees



# FIREARMS INSPECTION REPORT

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during the inspection period and properly entered the information in the A&D records. No firearms were transferred to law enforcement officers during the inspection period; however, the licensee exhibited understanding of how to handle such procedures. No trafficking issues were identified from reviewing the ATF Forms 4473.

The licensee's standard operating procedures appears to be adequate. The licensee stated that they review each ATF Form 4473 prior to transferring the firearm to ensure accuracy.

## **6 - Multiple Sales**

The Violent Crime Analysis Branch firearm trace history reported the licensee was associated with <sup>(b)(3)-(12)</sup> multiple sale transactions in the past 12 months. Investigator **(b)(6)**'s review of the completed ATF Forms 4473 did not disclose any unreported multiple handgun sales.

## **7 - Suspicious/Prohibited Purchasers**

Investigator **(b)(6)** reviewed the licensee's A&D records and ATF Forms 4473 for possible firearm trafficking patterns. The records revealed no suspicious/prohibited purchasers.

Investigator **(b)(6)** conducted a criminal history check on Mr. Saylor, which resulted in no hits. An NFORCE query was also conducted on Mr. Saylor to ensure he was not the subject of a criminal investigation. No additional criminal history checks were conducted for this inspection.

## **8 - Trace Activity**

The Violent Crime Analysis Branch firearm trace history reported zero successful and zero unsuccessful trace requests for the licensee in the past 12 months. Investigator **(b)(6)** conducted a computerized criminal history check on five secondary market firearms from the licensee's A&D records, which resulted in no hits.

## **9 - NFA/Importer/Collector/Manufacturer**

The licensee is not a collector or an importer – the licensee is a manufacturer of firearms and a special occupational taxpayer. All NFA firearms registered to DMG Arms LLC were accounted for.

Investigator **(b)(6)** inspected the manufactured firearms – i.e., Shadow Ops Weaponry receivers that were assembled into a complete rifle – and discovered that the firearms did not include the proper markings. Investigator **(b)(6)** inquired about the

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discrepancies. Mr. Saylor stated that he thought he was performing gunsmithing activities; therefore, was not required to mark the firearms. Thus, for failing to mark the firearms with the proper caliber, the manufacturer's name and the manufacturer's city/state (b)(3)-(1)(2) Pub. instances, the licensee was cited for 27 CFR 478.92(a)(1)(ii)(B), 27 CFR 478.92(a)(1)(ii)(C) and 27 CFR 478.92(a)(1)(ii)(D) – **See Violations 3, 4 and 5; Report of Violations; Worksheet 2; and Exhibit 1.** On February 7, 2018, Mr. Saylor disassembled the rifles back into a receiver.


Mr. Saylor has yet to submit the 2017 Annual Firearms Manufacturing and Exportation Report. Mr. Saylor stated that he will submit the report prior to April 1, 2018.

### 10 - Referrals

No referrals were made as a result of this inspection.

### 11 - Other

DMG Arms LLC shares the business premises with Iron Ridge Engineering LLC; a local company that specializes in manufacturing unmanned aerial vehicles. The owner of Iron Ridge Engineering LLC, (b)(6), (b)(7)(C)



Given the above information, Investigator (b)(6) inquired about the business arrangement between Mr. Saylor and (b)(6). According to Mr. Saylor, with the exception of subleasing the business premises for (b)(4) month, there are no arrangements, monetary or otherwise, between him and (b)(6). Investigator (b)(6) inquired as to why DMG Arms LLC relocated to the current address. Mr. Saylor stated that he knew about (b)(6) losing his license prior to the move, but decided to continue with the relocation given the low monthly rent. Investigator (b)(6) Mr. Saylor if he ever witnessed (b)(6) manufacture any firearms, sell any firearms to the public, or transfer any manufactured firearms to DMG Arms LLC for consignment purposes. Mr. Saylor stated that he never witnessed Mr. (b)(6) manufacture nor sell any firearms to the public. Investigator (b)(6)

# FIREARMS INSPECTION REPORT

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inquired about the Iron Ridge Arms receivers that were in DMG Arms LLC's A&D record book. Mr. Saylor stated that he purchased a small number of Iron Ridge Arms receivers from (b)(6) in the past, but believes the receivers were manufactured when (b)(6) still had a license.

Investigator (b)(6) not find any material evidence that proves hidden-ownership. None of the firearms in inventory were manufactured from scratch by DMG Arms LLC and the Iron Ridge Arms firearms that were at the business premises were tagged as (b)(6) Personal Firearm." Although it is evident (b)(6), an avid firearms collector, benefits from having an FFL at his workplace – the ATF Forms 4473 revealed that (b)(6) purchased several firearms during the inspection period – Investigator (b)(6) is unable to determine whether or not (b)(6) is actively engaged in the firearms business at this time.

No other notable findings were identified as a result of this inspection.

## 12 - Closing Actions

On February 14, 2018, Investigator (b)(6) conducted a closing conference with Mr. Saylor. Mr. Saylor was informed of the assessed violations and was counseled on the corrective actions. Mr. Saylor signed the Report of Violations and received a copy for his records – **See Report of Violations**. Investigator (b)(6) also reviewed and discussed the Acknowledgement of Federal Firearms Regulations. Mr. Saylor signed the acknowledgement and received a copy for his records – **See Exhibit 4**.

At the time of the closing, Mr. Saylor was provided a copy of the Open Letter to FFLs in reference to disposition of firearms inventory following surrender, revocation or expiration of license.

## 13 - Violations

### 1. 27 CFR 478.123(a)

**Nature of Violation:** Failure to record the acquisition of a firearm in the A&D record book in (b)(3) - 12 instances. Specifically, the licensee, upon assembling a receiver into a rifle, failed to reenter the firearm as an acquisition in the A&D record book.

**Response of Licensee:** Licensee stated that he was not aware that assembling a receiver into a rifle was considered manufacturing.

**Corrective Action:** Licensee is to record the acquisition of a firearm in the A&D record book for all future transactions. The violations were corrected on February 7, 2018 by disassembling the firearms.

## FIREARMS INSPECTION REPORT

Name: DMG Arms LLC  
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FFL#: 5-84-013-07-8E-06287

See Violation 1, Report of Violations, Worksheet 1 and Exhibit 1.

2. 27 CFR 478.123(b)

**Nature of Violation:** Failure to record the disposition of a firearm in the A&D record book in (b)(3)-112 F01 instances. Specifically, the licensee, upon assembling a receiver into a rifle, failed to document the disposition of the receiver in the A&D record book (b)(3)-112 F02 instances, and was also missing a firearm (b)(3)-112 F02 instance.

**Response of Licensee:** Licensee stated that he was not aware that assembling a receiver into a rifle was considered manufacturing. The licensee further stated that he does not know the status of the missing firearm.

**Corrective Action:** Licensee is to record the disposition of a firearm in the A&D record book and maintain accountability of all firearms for all future transactions. The violations were corrected on February 7, 2018 by disassembling the firearms and a theft/loss report was filed on February 3, 2018.

See Violation 2, Report of Violations, Worksheet 1 and Exhibit 2.

3. 27 CFR 478.92(a)(1)(ii)(C)

**Nature of Violation:** Failure to properly mark a firearm that was manufactured by the licensee in (b)(3)-112 instances. Specifically, the licensee assembled a receiver into a rifle without marking it with the licensee's name.

**Response of Licensee:** Licensee stated that he was not aware that assembling a receiver into a rifle was considered manufacturing.

**Corrective Action:** Licensee is to mark each firearm with the licensee's name for all future transactions. The violations were corrected on February 7, 2018 by disassembling the firearms.

See Violation 3, Report of Violations, Worksheet 2 and Exhibit 1.

4. 27 CFR 478.92(a)(1)(ii)(D)

**Nature of Violation:** Failure to properly mark a firearm that was manufactured by the licensee in (b)(3)-112 instances. Specifically, the licensee assembled a receiver into a rifle without marking it with the licensee's city and state.

**Response of Licensee:** Licensee stated that he was not aware that assembling a receiver into a rifle was considered manufacturing.

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**Corrective Action:** Licensee is to mark each firearm with the licensee's city and state for all future transactions. The violations were corrected on February 7, 2018 by disassembling the firearms.

**See Violation 4, Report of Violations, Worksheet 2 and Exhibit 1.**

**5. 27 CFR 478.92(a)(1)(ii)(B)**

**Nature of Violation:** Failure to properly mark a firearm that was manufactured by the licensee [REDACTED] instances. Specifically, the licensee assembled a receiver into a rifle without marking it with the proper caliber.

**Response of Licensee:** Licensee stated that he was not aware that assembling a receiver into a rifle was considered manufacturing.

**Corrective Action:** Licensee is to mark each firearm with the proper caliber for all future transactions. The violations were corrected on February 7, 2018 by disassembling the firearms.

**See Violation 5, Report of Violations, Worksheet 2 and Exhibit 1.**

X

(b)(6)

Industry Operations Investigator

### **Index of Worksheets and Exhibits**

#### **Firearms Worksheet**

**Exhibit 1** – Photograph of Manufactured Firearms and A&D record book in support of CFR 478.123(a), 478.92(a)(1)(ii)(C), 478.92(a)(1)(ii)(D), and 478.92(a)(1)(ii)(B).

**Exhibit 2** – Photograph of Manufactured Firearms and A&D record book in support of CFR 478.123(b).

**Exhibit 3** – Federal Firearms Licensee Firearms Inventory Theft/Loss Report.

**Exhibit 4** – Acknowledgement of Federal Firearms Regulations Form.



**U.S. Department of Justice**

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

*Denver Field Division*

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March 12, 2018

[www.atf.gov](http://www.atf.gov)

788070(b)(6)  
5370

**WARNING LETTER**

Mr. Michael Saylor  
DMG Arms LLC  
1110 Delaware Ave Unit A  
Longmont, CO 80501

Re: Federal Firearms License Number: 5-84-013-07-8E-06287

Dear Mr. Saylor:

As a result of a recent compliance inspection conducted by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) at your firearms business located at 1110 Delaware Ave Unit A Longmont CO 80501 on February 2, 2018 through February 14, 2018, you were cited for violations of 27 Code of Federal Regulations, Part 478. The violations were discussed with you during the inspection. A copy of the Report of Violations, ATF Form 5030.5, issued at the time of the inspection is enclosed.

All violations were fully explained to you by ATF Industry Operations Investigator (b)(6) (b)(6). You indicated that you understood the requirements of the firearms laws and regulations as a licensee. You further indicated that corrective actions would be taken to eliminate future violations.

The records you are required to maintain and the business operations you conduct are important to law enforcement in our continuing efforts to reduce violent crime and protect the public. It is essential that you comply with all Federal laws and regulations that govern your firearms

Mr. Michael Saylor  
Federal Firearms License Number: 5-84-013-07-8E-06287

business. ATF appreciates the efforts you and other industry members make in this area, and we look forward to continuing to work with you in that regard.

You are reminded that retention of your Federal firearms license is conditional upon compliance with Federal laws and regulations. Because the violations cited in this most recent inspection were fully explained to you and you stated you understood your compliance responsibilities as a licensee, any future violations, either repeat or otherwise, could be viewed as willful and may result in the revocation of your license. Please ensure that future compliance is achieved.

Should you have any questions regarding this matter, please contact Industry Operations Investigator (b)(6) at ((b)(6)).

Sincerely,

(b)(6)

Area Supervisor

cc: Federal Firearms Licensing Center  
Denver VI Area Office

Attachment