

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) iPawn Arkansas Inc. iPawn Little Rock 11108 N. Rodney Parham Rd. Little Rock, AR 72212, Pulaski	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 777060-2015-0277-B1B																
	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 33%;">3. PERMIT/LICENSE NUMBER 571119027G03285</td><td style="width: 33%;">4a. TARGET DATE 8/31/2015</td><td style="width: 33%;">4b. TARGET HOURS 40</td></tr></table>	3. PERMIT/LICENSE NUMBER 571119027G03285	4a. TARGET DATE 8/31/2015	4b. TARGET HOURS 40													
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	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)																
6. ATF OFFICER(S) ASSIGNED (b) (6) - Assigned Investigator (b) (6) - Lead Investigator																	
7. ASSIGNED BY (SIGNATURE, TITLE AND DATE) (b) (6), Area Supervisor, 04/22/2015																	
8. PURPOSE/SPECIAL INSTRUCTIONS Inspection in FY14 resulted in a Warning Conference. Conduct a full recall inspection.																	
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 60%;">9. INSPECTION RESULTS <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC</td><td style="width: 40%;">10. TRAVEL EXPENSES (OPTIONAL)</td></tr><tr><td>NO. OF VIOLATIONS 9 NO. OF REFERRALS</td><td>2111 - PER DIEM</td></tr><tr><td>NO. OF TECS CHECKS 12 NO. OF TECS HITS</td><td>2112 - P.O.A.</td></tr><tr><td>NO. OF TAX ADJUSTMENTS \$ VALUE OF TAX INCREASES</td><td>2113 - COMM. AIR</td></tr><tr><td>NO. OF ASSESSMENTS \$ VALUE OF TAX DECREASES</td><td>2114 - RENTAL CAR</td></tr><tr><td>NO. OF CLAIMS \$ VALUE OF ASSESSMENTS</td><td>2115 - GPV EXPENSES</td></tr><tr><td>NO. OF TAX PERIODS \$ VALUE OF CLAIMS</td><td>2116 - MISC.</td></tr><tr><td>NO. OF TAX PERIODS \$ VALUE OF TAXES VERIFIED</td><td>TOTAL \$ FOR INSP.</td></tr></table>		9. INSPECTION RESULTS <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC	10. TRAVEL EXPENSES (OPTIONAL)	NO. OF VIOLATIONS 9 NO. OF REFERRALS	2111 - PER DIEM	NO. OF TECS CHECKS 12 NO. OF TECS HITS	2112 - P.O.A.	NO. OF TAX ADJUSTMENTS \$ VALUE OF TAX INCREASES	2113 - COMM. AIR	NO. OF ASSESSMENTS \$ VALUE OF TAX DECREASES	2114 - RENTAL CAR	NO. OF CLAIMS \$ VALUE OF ASSESSMENTS	2115 - GPV EXPENSES	NO. OF TAX PERIODS \$ VALUE OF CLAIMS	2116 - MISC.	NO. OF TAX PERIODS \$ VALUE OF TAXES VERIFIED	TOTAL \$ FOR INSP.
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11. ATF OFFICER'S RECOMMENDATION Submitted by (b) (6) - Industry Operations Investigator Submitted on: 12/09/2015 Viols and Revocation / Denial of Renewal App																	
12. TIME ACCOUNTING DATA																	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b) (6)																	
SEP 2015 7.00																	
OCT 2015 5.00																	
ATF OFFICER'S SUBTOTAL 12.00	ATF OFFICER'S SIGNATURE																
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b) (6)																	
SEP 2015 78.00																	
OCT 2015 78.50																	
NOV 2015 13.00																	
DEC 2015 37.00																	
JAN 2016 1.00																	
ATF OFFICER'S SUBTOTAL 207.50	ATF OFFICER'S SIGNATURE																
TOTAL HOURS 219.50																	

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) iPawn Arkansas Inc. iPawn Little Rock 11108 N. Rodney Parham Rd. Little Rock, AR 72212, Pulaski	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 777060-2015-0277-B1B		
	3. PERMIT/LICENSE NUMBER 571119027G03285	4a. TARGET DATE 8/31/2015	4b. TARGET HOURS 40
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION

Recall inspection concluded on 10/20/15 disclosing nine violations. A DIO-WC was conducted in lieu of revocation on 2/11/16. A follow-up letter was mailed on 2/11/16. A recall inspection will be conducted after a year.

Viols DIO (or Delegate) Held WC ILO Revocation

☒ REVIEWED ☐ CONCUR ☒ SEE COMMENTS ☒ FINAL DISPOSITION

SIGNATURE AND TITLE (b) (6) - Area Supervisor	REVIEW DATE 01/15/2016
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REVIEW COMMENTS AND RECOMMENDATION

See PII dated 1/19/16 MDWREN

Viols DIO (or Delegate) Held WC ILO Revocation

☒ REVIEWED ☒ CONCUR ☒ SEE COMMENTS ☐ FINAL DISPOSITION

SIGNATURE AND TITLE MDWREN - DIO	REVIEW DATE 01/19/2016
-------------------------------------	---------------------------

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 IPawn Arkansas Inc. IPawn Little Rock	Street Address 11108 N. Rodney Parham Rd.	City Little Rock	State AR	Zip Code 72212-	County Pulaski	Page 1 of 4 Pages
License/Permit/Registry Number (If any) 571119027C0328\$		Expiration Date 7/1/2017		Date(s) or Period of Inspection 09/02/2015 through 11/13/2015		

Inspection Results

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

Number: 1

Nature of Violation:

Failure to maintain an accurate and up-to-date computerized acquisition and disposition book. In instances, the acquisition entry was incomplete. In instances, the serial number in the computerized book was inaccurate. In instances, are duplicate acquisition entries. In instances, a firearm was transferred but not timely logged out of the book.

Citation: 27 CFR 478.125(e)

Number: 2

Nature of Violation:

Failure to obtain a complete and accurate ATF Form 4473 containing all required information. There were instances with errors. In instance, an abbreviated street address was accepted. In instances, the city of residence was abbreviated. In instances, the county of residence was abbreviated. In instances, the county of residence was omitted. In instances, the city of birth was abbreviated. In instances, the city of birth was omitted. In instances, the state of birth was omitted. In instance, the entire place of birth was omitted. In instances, the state of residence was omitted from Item 13. In instances, the country of citizenship was omitted in Item 14. In instance, the buyer failed to record the date in Item 17. In instance, the buyer recorded an inaccurate date in Item 17.

Citation: 27 CFR 478.124(c)(1)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: All corrective entries were made during the inspection.

(If not corrected immediately)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: Ensure that all required information is obtained and recorded on ATF Form 4473 prior to the transfer of a firearm to a nonlicensee.

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 Paw Arkansas Inc. Paw Little Rock	Street Address 11108 N. Rodney Parham Rd.	City Little Rock	State AR	Zip Code 72212-	County Polaski	Page 2 of 4 Pages
License/Permit/Registry Number (If any) 57119027C03285	Expiration Date 7/1/2017	Date(s) or Period of Inspection 09/02/2015 through 11/13/2015				

Inspection Results

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

Number: 3

Nature of Violation:

Failure to obtain and record all information required on ATF Form 4473. There were errors. instances, the type of firearm was omitted from Item 18. instance, Section C was not completed when required. instances, the licensee's true name, address, and FFL number were omitted. instance, Item 30a was blank. instance, Item 30a was answered incorrectly. instances, the transferor failed to print their name in Item 33. instances, the transferor failed to record their title in Item 35.

Citation: 27 CFR 478.21(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: Ensure that all required information is recorded on ATF

(If not corrected immediately) Form 4473 prior to the transfer of a firearm to a nonlicensee.

Number: 4

Nature of Violation:

Failure to review and record all information from a valid government issued ID document on ATF Form 4473. There were errors. instances, no ID was recorded. In instances, the expiration e of the ID was om instance, the number on the ID was incomplete. instance Driver's License was recorded which could not verify the residential address in Item 2.

Citation: 27 CFR 478.134(c)(3)(i)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: Ensure that all information on the government issued ID is

(If not corrected immediately) recorded and that an ID is verified and recorded for each

transfer of a firearm to a nonlicensee. Ensure that the

residence address in Item 2 is verified by a government

issued ID and that ID is recorded on the Form.

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 iPawn Arkansas Inc. iPawn Little Rock	Street Address 11108 N. Rodney Parham Rd.	City Little Rock	State AR	Zip Code 72212-	County Pulaski	Page 3 of 4 Pages
License/Permit/Registry Number (If any) 571119027G03285	Expiration Date 7/1/2017	Date(s) or Period of Inspection 09/02/2015 through 11/13/2015				

Inspection Results

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

Number: 5

Nature of Violation:

Failure to record all information related to the NICS background check on ATF Form 4473. There were [REDACTED] firearms with errors. [REDACTED] instances, the NICS contact date was omitted [REDACTED] instances, the initial NICS response omitted [REDACTED] instances, the final NICS response following an initial delayed response was omitted [REDACTED]

Citation: 27 CFR 478.124(c)(3)(iv)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: Ensure that all information related to the NICS background check is recorded on ATF Form 4473.

(If not corrected immediately)

Number: 6

Nature of Violation:

Failure by the person transferring the firearm to sign their name and record the date of transfer [REDACTED] instances.

Citation: 27 CFR 478.124(c)(5)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: Ensure that the person transferring the firearm signs and dates the ATF Form 4473 at the time of the firearm transfer to a nonlicensee.

(If not corrected immediately)

Number: 7

Nature of Violation:

Failure to execute a Form 4473 for a transfer of a firearm. In [REDACTED] Steve Landers (responsible person on the license) took firearms from the premises without completion of a Form 4473.

Citation: 27 CFR 478.124a

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: Ensure that no transfers of firearm to nonlicensees take place without completion of ATF Form 4473.

(If not corrected immediately)

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 iPawn Arkansas Inc. iPawn Little Rock	Street Address 11108 N. Rodney Parham Rd.	City Little Rock	State AR	Zip Code 72212-	County Pulaski	Page 4 of 4 Pages
License/Permit/Registry Number (If any) 571119027G03285	Expiration Date 7/1/2017	Date(s) or Period of Inspection 09/02/2015 through 11/13/2015				

Inspection Results

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

Number: 8

Nature of Violation:

Failure to conduct a NICS background check for the transfer of firearms to Steve Landers (a responsible person on the license)

Citation: 27 CFR 478.102(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Because the license is held by a corporation, any transfer to a nonlicensee must be recorded on a Form 4473 and a background check (or exemption) completed and recorded for all future transactions.

Number: 9

Nature of Violation:

Failure to complete and submit ATF Form 3310.4, Report of Multiple Sale or Other Disposition of Pistols and Revolvers, for multiple sales involving firearms.

Citation: 27 CFR 478.126a

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee completed and filed ATF Forms 3310.4 for all unreported multiple sales. Licensee must ensure that they timely submit these Forms for future transactions.

I Have Received a Copy of This Report of Violations (Proprietor's signature and title)

Date

Signature and Title of ATF Officer

Date



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives
425 West Capitol Avenue, Suite 775
Little Rock, Arkansas 72201

www.atf.gov

January 25, 2016

777060:EJL
5300

CERTIFIED MAIL

Mr. Steven Landers, Jr.
iPawn Arkansas, Inc.
11108 North Rodney Parham Road
Little Rock, Arkansas 72212

Federal Firearms License 5-71-119-02-7G-03285

Dear Mr. Landers:

During a recent compliance inspection at your firearms business covering the period of September 2, 2014, to September 2, 2015, you were cited for violations of 27 Code of Federal Regulations, Part 478. The violations were discussed with you or your designated responsible person during the inspection. A copy of the Report of Violations, Form 5030.5, issued at the time of the inspection is enclosed.

You should be aware that any willful violations of the Gun Control Act may result in revocation of your Federal firearms license. As a result of the recently cited violations, it is important that we have a meeting with you to discuss the violations found. The conference will be held on **Thursday, February 11, 2016, at 10:00 AM at the Little Rock II Field Office, 425 W. Capitol Ave. Suite 775, Little Rock, AR 72201.** The agenda for the meeting will include a discussion of the reasons for the violations, a review of the legal requirements, and a discussion of steps to be taken by you to ensure future compliance. Although we do not believe it necessary, legal counsel may assist you at your own expense if you so choose. Please bring with you documentation verifying the corrective action you have taken.

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 business to aid in this effort to combat violent crime.

We will conduct a follow-up inspection in the future. Any violations, either repeat or otherwise, could be viewed as willful and may result in the revocation of your license.

iPawn Arkansas, Inc.

Please contact Investigative Analyst (b) (6) at (b) (6) to confirm this appointment and to ask any questions you may have regarding this conference. I look forward to meeting with you to resolve these issues.

Sincerely yours,

(b) (3) - Public Law 112-55 (125 Stat. 552)

Area Supervisor

Enclosure

c: Federal Firearms Licensing Center
New Orleans Field Division
Little Rock II Field Office



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives
425 West Capitol Avenue, Suite 775
Little Rock, Arkansas 72201

www.atf.gov

February 11, 2016

777060:EJL
5300

CERTIFIED MAIL

Mr. Steven Landers, Jr.
President
iPawn Arkansas, Inc.
11108 North Rodney Parham Road
Little Rock, Arkansas 72212

Federal Firearms License 5-71-119-02-7G-63285

Dear Mr. Landers:

This letter is a follow-up to the warning conference held with your representative, John Fulbright, on February 11, 2016, at the Little Rock Field Office in Little Rock, Arkansas. During this conference, the violations cited during the inspection covering the period of September 2, 2014, to September 2, 2015, and the necessary corrective action to prevent the violations from recurring were discussed. Your representative was given the opportunity to comment on the violations and what specific action you have taken to ensure that the violations will not recur. During the conference, your representative commented on the violations as follows:

Regarding the failure to maintain accurate records of the acquisition and disposition of firearms in violation of 27 CFR 478.125(e), your representative stated that you discovered numerous issues with the AIMI eBook software that you were utilizing for your acquisition and disposition record. He stated that dispositions were not being recorded properly even though the information was entered. He also stated that employees would re-enter firearms when serial number issues were found that would result in duplicate entries. He stated that you have now transitioned to the Sports South GunBook software for your acquisition and disposition record. He stated that the software is very simple to use and that certain employees have been given access to correct information when errors are found. He also stated that monthly inventories are being conducted.

Regarding the failure to complete ATF Forms 4473 properly in violation of 27 CFR 478.21(a), 27 CFR 478.124(c)(1), 27 CFR 478.124(c)(3)(i), 27 CFR 478.124(c)(3)(iv), and 27 CFR 478.124(c)(5), your representative stated that Forms were often being completed by any

iPawn Arkansas, Inc.

available employee who might or might not have much knowledge of the Form. He stated that firearm transactions are now conducted only by certain employees who have been trained. He also stated the Forms are reviewed by that employee and again by a second employee who documents the review in Item 30c on each Form. He also stated that he personally reviews the Forms on a weekly basis.

Regarding the failure to complete ATF Forms 4473 in violation of 27 CFR 478.102(a) and 27 CFR 478.124(a), your representative stated that you had taken firearms from the store without the knowledge of anyone else. He stated that the Forms and background checks had not been completed but that you now know that Forms and background checks have to be completed anytime a firearm is transferred to you.

Regarding the failure to report the multiple sale of handguns to ATF in violation of 27 CFR 478.126a, your representative stated that the Forms 3310.4 were filled out and sent to local law enforcement; however, there was no record of them ever being sent to ATF. He stated that the Forms are now scanned by employees and sent in one email to the State Police ATF, and to an internal company email address. He stated that the internal email address is used only for multiple handgun sales to ensure that there is always a record of the reporting. He also stated that the new GunBook notifies employees when a multiple handgun sale has occurred and requires action by the employee to close the prompt.

Your representative provided further details of corrective actions that have been taken to resolve the violations. He stated that in addition to monthly inventories and multiple Form 4473 reviews, the following actions are also being implemented – the National Shooting Sports Foundation will conduct annual training of your employees, at least one employee will attend Shot Show University training each year, and employees will attend periodic training throughout the year conducted by John Fulbright or another responsible person.

The violations for which you were cited could adversely impact law enforcement's ability to reduce violent crime and protect the public. You are reminded that future violations, repeat or otherwise, could be viewed as willful and may result in the revocation of your license. You may anticipate further inspections to ensure your compliance.

Please contact us if you have any questions concerning your responsibilities as a licensee or if you require further clarification about particular requirements of Federal Firearms Laws.

Sincerely yours,

(b) (6)

Area Supervisor

iPawn Arkansas, Inc.

c: Federal Firearms Licensing Center
New Orleans Field Division
Little Rock II Field Office

FIREARMS INSPECTION REPORT

Name: iPawn Arkansas, Inc.
Trade Name: iPawn Little Rock

UI#: 777060-2015-0277-B1B
FFL#: 5-71-119-02-7G-03285

Address: 11108 North Rodney Parham Road
Little Rock, AR 72212 (Pulaski County)

1 - Introduction

Inspection Profile:

Senior Industry Operations Investigators (b)(6) and (b)(6) conducted a firearms compliance inspection at iPawn Little Rock on September 2-3, 2015. SIOI (b)(6) returned to the premises on September 11, 2015, September 17, 2015, and October 20, 2015 to complete the onsite inspection. The unannounced recall firearms inspection was conducted according to the instructions on ATF Form 5700.14 and covered the period September 2, 2014 – September 1, 2015.

John Fulbright, firearms manager and responsible person, was interviewed and assisted with the inspection. No other Federal, State, or local agencies participated in the inspection. Advanced notification of the inspection was not provided to the licensee.

Business Profile:

The business premises are in a commercial area inside the city limits of Little Rock, AR. The licensed business is a general merchandise pawn shop. In the past 12 months, the business obtained (b)(4) firearms and disposed of approximately (b)(4). John Fulbright estimated that (b)(4) of the transfers are for retail sales while the remaining (b)(4) are pawn redemptions. Approximately half of the firearms transferred are handguns and about half the firearms transferred are new guns. The licensee also conducts NFA business, which accounts for approximately (b)(4) of the retail transfers. The primary supplier to the business is (b)(4).

At the time of the inspection, the business was in compliance with known state and local laws, regulations, and zoning requirements. No other businesses were operated from the premises. The licensee does not display or transfer firearms at gun shows. All required records are maintained at the licensed premises and no offsite storage of firearms exists.

The corporation currently holds two other firearms licenses (5-71-04621 and 5-71-04849) at other iPawn locations in Little Rock and Benton. The Type 02 license is appropriate for the business activities conducted by the licensee. The licensee has held the current license since 2011. The licensee is not involved in any other activities regulated by ATF.

FIREARMS INSPECTION REPORT

Name: iPawn Arkansas, Inc.
Trade Name: iPawn Little Rock

UI#: 777060-2015-0277-B1B
FFL#: 5-71-119-02-7G-03285

Ownership and Control:

iPawn Arkansas, Inc. is an existing Arkansas corporation. Steven Landers, Jr. owns 100% of the stock in the corporation and is the only corporate officer. The corporation is in "good standing" with the Arkansas Secretary of State as evidenced by the printout from the Secretary of State website (**Exhibit 1**).

There have been no changes in the ownership or stock ownership percentages of the corporation. Hidden ownership was not disclosed or suspected. All responsible persons are correctly documented in the Federal Licensing System (FLS), and the information is correct based upon the information disclosed during the inspection.

Variance:

The licensee does not hold any approved variances with ATF. During the inspection, information was provided to the licensee regarding the need to apply for an approved variance should the corporation plan to move forward with use of an electronic Form 4473 that would utilize electronic signatures.

2 - Recommendation

Violations and revocation.

3 - Inspection History

This is the second firearms compliance inspection of the licensee. The first compliance inspection in 2014 resulted in a Warning Conference.

Date of Inspection:	January 2014
Type of Inspection:	Full Disposition Emphasis Firearms Compliance Inspection
UI#:	777060-2014-0206-B1B
Inspection Results:	ROV; Warning Conference with Warning Letter and Recall
Cited Violations:	27 CFR 478.125(e) – (b)(3) instances
	27 CFR 478.129(b) – (b)(3) instances
	27 CFR 478.21(a) – (b)(3) instances
	27 CFR 478.124(c)(1) – (b)(3) instances
	27 CFR 478.124(c)(4) – (b)(3) instances
	27 CFR 478.124(c)(3)(i) – (b)(3) instances
	27 CFR 478.124(c)(3)(iv) – (b)(3) instances
	27 CFR 478.124(c)(5) – (b)(3) instances
	27 CFR 478.131(a)(2) – (b)(3) instances
	27 CFR 478.102(a) – (b)(3) instances
	27 CFR 478.126a – (b)(3) instances

FIREARMS INSPECTION REPORT

Name: iPawn Arkansas, Inc.
Trade Name: iPawn Little Rock

UI#: 777060-2015-0277-B1B
FFL#: 5-71-119-02-7G-03285

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

The licensee had 384 firearms in inventory at the time of the inspection and the computerized acquisition and disposition record had (b)(3)-1 open entries. A full inventory was conducted disclosing the following discrepancies (**Exhibit 2, Violation 1 & Worksheet 1: Inventory and A&D Review**):

- There were (b)(3) instances where a firearm was transferred but not logged out.
- There were (b)(3) entries in which the acquisition entry was incomplete (name of whom firearm acquired was the only information provided).
- There were (b)(3)-112 instances in which the serial number in the computerized record was incorrect.
- There were (b)(3)-112 duplicate entries.

At the time of the inspection, the licensee was in the process of purchasing and initiating the use of a new computerized bound book system. During this same time period, a computer on which the computerized bound book was maintained, was stolen. Also stolen was the lone digital storage device that held a backup of the most current acquisition and disposition information. SIOI (b)(6) instructed the licensee to utilize the most up-to-date printout of the bound book (which was made during the inspection) as a hard copy book. The licensee was instructed to record all acquisitions and dispositions on this printout until the new computerized system was up and running.

There were 20 firearms traced through the required records from acquisition through disposition with no discrepancies noted and no trafficking issues indicated on these particular guns. The required firearm description information is being recorded. There was a theft of (b)(3)-1 firearm reported to ATF on November 14, 2014. To date, the firearm has not been recovered.

5 - ATF Forms 4473 – NICS & Other Dispositions

There were (b)(3)-1 ATF Forms 4473 on file for the inspection period and all were reviewed. The following discrepancies were disclosed (**Worksheet 2: ATF Form 4473 Review**):

- Failure to ensure that Section A was completed properly (**Exhibit 3 and Violation 2**):
 - Failure to obtain a complete street address (abbreviated) in (b)(3)-1 instance.
 - Failure to obtain a complete city of residence (abbreviated) in (b)(3) instances.
 - Failure to obtain a complete county of residence (abbreviated) in (b)(3)-112 instances.
 - Failure to obtain a county of residence in (b)(3)-112 instances.
 - Failure to obtain a complete city of birth (abbreviated) in (b)(3)-112 instances.

FIREARMS INSPECTION REPORT

Name: iPawn Arkansas, Inc.
Trade Name: iPawn Little Rock

UI#: 777060-2015-0277-B1B
FFL#: 5-71-119-02-7G-03285

- Failure to obtain a city of birth in (b)(3) - 112 P instances.
 - Failure to obtain a state of birth in (b)(3) - 1 instances.
 - Failure to obtain a place of birth in (b)(3) - 1 instance.
 - Failure to obtain the state of residence in Item 13 in (b)(3) - 11 instances.
 - Failure to obtain the country of citizenship in Item 14 in (b)(3) - 11 instances.
 - Failure to obtain a date in Item 17 in (b)(3) - 1 instance.
 - Failure to obtain the correct date in Item 17 in (b)(3) - 1 instance.
- Failure to ensure that parts of the Form 4473 were completed properly (**Exhibit 4 and Violation 3**):
 - Failure to record the type of firearm transferred in Item 18 in (b)(3) instances.
 - Section C not completed when required in (b)(3) - 1 instance.
 - Failure to record a response in Item 30a in (b)(3) - 112 instances.
 - Failure to record an accurate response in Item 30a in (b)(3) - 112 instance.
 - Failure to record the licensee's trade name, address, and license number in Items 31-32 in (b)(3) instances.
 - Failure by the transferor to print their name in Item 33 in (b)(3) - 11 instances.
 - Failure by the transferor to record their title in Item 35 in (b)(3) - 11 instances.
- Failure to document identification properly (**Exhibit 5 and Violation 4**):
 - Failure to record an ID in Item 20a in (b)(3) - 11 instances.
 - Failure to record the expiration date of the ID in (b)(3) - 112 P instances.
 - Failure to record a complete ID number in (b)(3) - 1 instance.
 - Acceptance of an out-of-state ID that did not verify the Arkansas residential address provided in Item 2 in (b)(3) - 1 instance.
- Failure to document NICS information properly (**Exhibit 6 and Violation 5**):
 - Failure to record the NICS contact date in (b)(3) instances.
 - Failure to record the initial NICS response in (b)(3) - 11 instances.
 - Failure to record the final NICS response in (b)(3) - 112 P instances.
- Failure to certify the transaction properly (**Exhibit 7 and Violation 6**):
 - Failure by the person transferring the firearm to sign their name and record the date of transfer (Items 34 and 36) in (b)(3) - 11 instances.

In addition, there were (b)(3) - 1 instances in which Steve Landers, president of the corporation, removed a firearm from the premises without completion of a Form 4473 or a background check (**Violations 7&8 and Worksheet 2**). Queries through OpenFox did not disclose that Steve Landers was prohibited from possessing firearms.

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Transfers to other licensees appear to have been made correctly. The licensee files the Forms 4473 numerically by form number. Twenty NICS transaction numbers were verified with no discrepancies disclosed.

6 - Multiple Sales

The licensee reported (b)(3)-(12) multiple handgun sales during the inspection period. A review of the licensee's records disclosed that there were another (b)(3)-(12) multiple handgun sales involving (b)(3) firearms that were not reported as required during the inspection period. During the inspection, SIOI (b)(6) disclosed that for (b)(3)-(12) of these transactions, the ATF Form 3310.4, Report of Multiple Sale or Other Disposition of Pistols and Revolvers, had been completed but not submitted properly. The employee involved in these (b)(3)-(12) transfers had submitted the form to the Arkansas State Police, but not to the ATF National Tracing Center. The Forms 3310.4 for all of the unreported multiple sales were submitted during the inspection and copies are attached as **Exhibit 8**, along with the corresponding Forms 4473.

7 - Suspicious/Prohibited Purchasers

There were no suspicious or prohibited transferees identified during the inspection.

8 - Trace Activity

The licensee responded to (b)(3)-(12) trace requests during the last 12 months, with both successfully completed. A secondary market analysis was conducted on ten used firearms in inventory. There were no hits associated with these firearms.

9 - NFA/Importer/Collector/Manufacturer

The licensee is a dealer in NFA firearms and holds a current Special Occupational Tax Stamp. SIOI (b)(6) queried the NFA database and obtained the NFA Branch inventory for the licensee. There were (b)(3) firearms on the NFA Branch inventory which matched the number of NFA firearms in physical inventory. All serial numbers were verified and the licensee is in possession of all required paperwork. The licensee is not an importer, collector or manufacturer.

10 - Referrals

There were no referrals of information generated based on information disclosed during this inspection.

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11 - Other

The licensee was in compliance with the Youth Handgun Safety Act, having both the poster displayed and applicable handouts available. Secure gun storage/safety devices were also available. NCIC queries, via OpenFox, of the responsible persons returned no prohibiting information.

12 - Closing Actions

An initial closing conference was conducted on September 17, 2015, with John Fulbright representing the corporation. In addition, there were approximately 10 members of the sales teams from the Rodney Parham, Baseline, and Benton stores in attendance. The conference was held at the proposed premises of the Benton location, with supervisory approval. All violations on the Report of Violations (ROV) were reviewed, including a review of many of the Forms 4473 containing violations. The Acknowledgement of Federal Firearms Regulations was reviewed with the staff and signed by John Fulbright (**Exhibit 9**).

Subsequent to that closing conference, changes were made to the original ROV based on new calculations of the data recorded during the inspection. A second closing conference was scheduled for November 13, 2015, with John Fulbright to address these new calculations; however, Mr. Fulbright had to cancel the in-person conference. A telephone closing conference was conducted on November 13, 2015. The amended ROV was signed and returned via email on November 15, 2015.

13 - Violations

1. 27 CFR 478.125(e) Repeat of similar violations cited in 2014

Nature of Violation: Failure to maintain an accurate and up to date acquisition and disposition record. In (b)(3) instances, the acquisition entry was incomplete (contained name only). In (b)(3) - 112 instances, the serial number in the record was incorrect. In (b)(3) - 112 instances, there were duplicate entries. In (b)(3) instances, a firearm was transferred but not logged out of the record.

Licensee's Response: John Fulbright stated that he believes part of the errors were due to computer software issues. He stated that the corporation is in the process of purchasing new software which he believes will take care of some of the problems.

Corrective Action: All corrective entries to the disposition entries were made during the inspection. The licensee was instructed to make the necessary corrective entries to the acquisition entries within the next week.

See Exhibit 2 and Worksheet 1

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2. 27 CFR 478.124(c)(1) Repeat of similar violations cited in 2014

Nature of Violation: Failure to obtain a complete and accurate ATF Form 4473 containing all required information. There were (b)(3) Forms with 44 errors. In (b)(3)-1 instance, an abbreviated street address was accepted. In (b)(3) instances, the city of residence was abbreviated. In (b)(3)-112 instances, the county of residence was abbreviated. In (b)(3)-112 instances, the county of residence was omitted. In (b)(3)-112 instances, the city of birth was abbreviated. In (b)(3)-112 instances, the city of birth was omitted. In (b)(3)-1 instances, the state of birth was omitted. In (b)(3)-1 instance, the entire place of birth was omitted. In (b)(3)-1 instances, the state of residence was omitted from Item 13. In (b)(3)-1 instances, the country of citizenship was omitted in Item 14. In (b)(3)-1 instance, the buyer failed to record the date in Item 17. In (b)(3)-1 instance, the buyer recorded an inaccurate date in Item 17.

Licensee's Response: John Fulbright stated that he was surprised by the number of errors and that they were oversights on the part of the staff. He stated that he will work with the staff to achieve better training.

Corrective Action: Ensure all required information is obtained and recorded on ATF Form 4473 prior to the transfer of a firearm to a nonlicensees.

See Exhibit 3 and Worksheet 2

3. 27 CFR 478.21(a) Repeat of similar violations cited in 2014

Nature of Violation: Failure to obtain and record all information required on ATF Form 4473. There were (b)(3) Forms with (b)(3) errors. In (b)(3) instances, the type of firearm was omitted from Item 18. In (b)(3)-1 instance, Section C was not completed when required. In (b)(3) instances, the licensee's trade name, address, and FFL number were omitted. In (b)(3)-112 instances, Item 30a was left blank. In (b)(3)-1 instance Item 30a was answered incorrectly. In (b)(3)-11 instances, the transferor failed to print their name in Item 33. In (b)(3)-11 instances, the transferor failed to record their title in Item 35.

Licensee's Response: John Fulbright stated that he was surprised by the number of errors and that they were oversights on the part of the staff. He stated that he will work with the staff to achieve better training.

Corrective Action: Ensure that all required information is recorded on ATF Form 4473 prior to the transfer of a firearm to a nonlicensee.

See Exhibit 4 and Worksheet 2

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4. 27 CFR 478.124(c)(3)(i) Repeat of similar violations cited in 2014

Nature of Violation: Failure to review and record all information from a valid government issued ID document on ATF Form 4473. There were (b)(3) Forms with errors. In (b)(3) instances, no ID was recorded. In (b)(3) - 1121 instances, the expiration date of the ID was omitted. In (b)(3) instance, the number on the ID was incomplete. In (b)(3) instance, a Louisiana Driver's License was recorded which could not verify the Arkansas residential address recorded in Item 2.

Licensee's Response: John Fulbright stated that store employees are instructed to record ID information on all Forms and that the errors were oversights.

Corrective Action: Ensure that all information on the government issued ID is recorded and that an ID is verified and recorded for each transfer of a firearm to a nonlicensees. Ensure that the residence address in Item 2 is verified by a government issued ID and that ID is recorded on the Form.

See Exhibit 5 and Worksheet 2

5. 27 CFR 478.124(c)(3)(iv) Repeat of similar violations cited in 2014

Nature of Violation: Failure to record all information related to the NICS background check on ATF Form 4473. There were (b)(3) Forms with errors. In (b)(3) instances, the NICS contact date was omitted. In (b)(3) - 11 instances, the initial NICS response was omitted. In (b)(3) - 1121 instances, the final NICS response following an initial delayed response was omitted.

Licensee's Response: John Fulbright stated that the discrepancies were oversights on the part of the store employees.

Corrective Action: Ensure that all information related to the NICS background check is recorded on ATF Form 4473.

See Exhibit 6 and Worksheet 2

6. 27 CFR 478.124(c)(5) Repeat of similar violations cited in 2014

Nature of Violation: Failure by the person transferring the firearm to sign their name and record the date of transfer in (b)(3) - 11 instances.

Licensee's Response: John Fulbright stated that the errors were oversights on the part of himself and the store clerks.

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Corrective Action: Ensure that the person transferring the firearm signs and dates the ATF Form 4473 at the time of the firearm transfer to a nonlicensees.

See Exhibit 7 and Worksheet 2

7. 27 CFR 478.124a

Nature of Violation: Failure to execute a Form 4473 for a transfer of a firearm. In (b)(3)-1 instances, Steve Landers (responsible person on the license) took firearms from the premises without completion of a Form 4473.

Licensee's Response: SIOI (b)(6) verified that Mr. Landers had the firearms in question. Because the license is held by a corporation, any transfer to a nonlicensees must be recorded on a Form 4473 and a background check (or exemption) completed and recorded for all future transactions.

Corrective Action: Ensure that no transfers of firearms to nonlicensees take place without completion of ATF Form 4473.

See Worksheet 2

8. 27 CFR 478.102(a) Repeat of similar violations cited in 2014

Nature of Violation: Failure to conduct a NICS background check for the transfer of two firearms to Steve Landers (a responsible person on the license).

Licensee's Response: SIOI (b)(6) verified that Mr. Landers had the firearms in question. John Fulbright stated that he thought 'owners' could remove firearms from the premises without completing a background check.

Corrective Action: Because the license is held by a corporation, any transfer to a nonlicensees must be recorded on a Form 4473 and a background check (or exemption) completed and recorded for all future transactions.

See Worksheet 2

9. 27 CFR 478.126a Repeat of similar violations cited in 2014

Nature of Violation: Failure to complete and submit ATF Form 3310.4, Report of Multiple Sale or Other Disposition of Pistols and Revolvers, for (b)(3)-112 multiple sales involving (b)(3) firearms.

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Licensee's Response: John Fulbright stated that (b)(3)-(12) of the Forms were submitted to the Arkansas State Police but not to ATF. He stated that one employee completed those (b)(3)-(12) transactions and did not understand that the Forms had to be submitted to ATF. He stated that the other omissions were errors.

Corrective Action: The licensee completed and filed ATF Forms 3310.4 for all unreported multiple sales. Licensee must ensure that they timely submit these Forms for future transactions.

See Exhibit 8 and Worksheet 2

X

Senior Industry Operations Investigator

Index of Worksheets and Exhibits

Worksheets

1. Inventory and A&D Review
2. ATF Form 4473 Review

Exhibits

1. Copy of Arkansas Secretary of State's Business and Commercial Services webpage
2. Copy of pages from computerized bound book
3. Copies of Forms showing errors associated with violations of 27 CFR 478.124(c)(1)
4. Copies of Forms showing errors associated with violations of 27 CFR 478.21(a)
5. Copies of Forms showing errors associated with violations of 27 CFR 478.124(c)(3)(i)
6. Copies of Forms showing errors associated with violations of 27 CFR 478.124(c)(3)(iv)
7. Copies of Forms showing errors associated with violations of 27 CFR 478.124(c)(5)
8. Copies of ATF Forms 3310.11 associated with violations of 27 CFR 478.126a
9. Acknowledgement of Federal Firearms Regulations