

## Assignment and Report

<b>1. OPERATING NAME AND ADDRESS</b> (INCLUDE ZIP CODE AND COUNTY) Down Range Investments, LLC Down Range Indoor Training Center 13407 Garner Lane Chico, CA 95973, Butte	<b>2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.)</b> 786040-2016-0054-B1B			
	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 33%;"><b>3. PERMIT/LICENSE NUMBER</b> 968007079H03731</td><td style="width: 33%;"><b>4a. TARGET DATE</b></td><td style="width: 33%;"><b>4b. TARGET HOURS</b></td></tr></table>	<b>3. PERMIT/LICENSE NUMBER</b> 968007079H03731	<b>4a. TARGET DATE</b>	<b>4b. TARGET HOURS</b>
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	<b>5. REQUESTED BY (SIGNATURE, TITLE AND DATE)</b>			

  

<b>6. ATF OFFICER(S) ASSIGNED</b> (b)(6) - Lead Investigator (b)(6) - Assigned Investigator
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<b>7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)</b> (b)(6), Area Supervisor, 12/03/2015
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<b>8. PURPOSE/SPECIAL INSTRUCTIONS</b> Firearms Inspection - Please conduct a full compliance inspection. NOTE: FFL also holds a type (06) 9-68-03730.
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<b>9. INSPECTION RESULTS</b> <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC	<b>10. TRAVEL EXPENSES (OPTIONAL)</b>																																								
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<b>11. ATF OFFICER'S RECOMMENDATION</b> Submitted by (b)(6) - Industry Operations Investigator  Submitted on: 10/12/2016  Violts WL ONLY and No Recall Inspection
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<b>12. TIME ACCOUNTING DATA</b>	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)
DEC 2015	14.00
MAR 2016	5.00
APR 2016	2.00
MAY 2016	5.00
JUN 2016	5.00
JUL 2016	2.00
SEP 2016	89.00
OCT 2016	50.00
ATF OFFICER'S SUBTOTAL	172.00
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)
SEP 2016	27.00
ATF OFFICER'S SUBTOTAL	27.00
TOTAL HOURS	199.00

## Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY)  Down Range Investments, LLC Down Range Indoor Training Center 13407 Garner Lane Chico, CA 95973, Butte	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 786040-2016-0054-B1B		
	3. PERMIT/LICENSE NUMBER 968007079H03731	4a. TARGET DATE	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

### 13. REVIEW AND ROUTING

#### REVIEW COMMENTS AND RECOMMENDATION

An alternate recommendation is recommended due to the following:

- 1) This is the licensee's first inspection.
- 2) There were no missing or unaccounted for firearms after reconciliation.
- 3) The licensee conducts high volume transfers.
- 4) The single determining violation to merit a Warning Conference recommendation is **(b)(3)** unreported multiple handgun sale transactions involving **(b)(3)** handguns. The 6 additional violations identified during this inspection warrant a standard Report of Violations recommendation.

AS **(b)(6)** concurs with the recommendation.

Viols WL ONLY and No Recall Inspection

☒ REVIEWED    ☒ CONCUR    ☒ SEE COMMENTS    ☐ FINAL DISPOSITION

SIGNATURE AND TITLE <b>(b)(6)</b> - Area Supervisor	REVIEW DATE 10/13/2016
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#### REVIEW COMMENTS AND RECOMMENDATION

Viols WL ONLY and No Recall Inspection

☒ REVIEWED    ☒ CONCUR    ☐ SEE COMMENTS    ☒ FINAL DISPOSITION

SIGNATURE AND TITLE RMROOT - Director, Industry Operations	REVIEW DATE 10/18/2016
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#### 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 Down Range Investments, LLC Down Range Indoor Training Center	Street Address 13407 Garner Lane	City Chico	State CA	Zip Code 95973-	County Butte	Page 1 of 4 Pages
License/Permit/Registry Number (If any) 968007079H03731		Expiration Date 8/1/2019	Date(s) or Period of Inspection 09/14/2015 through 09/13/2016			

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 a current and accurate A&D acquisition record on (b)(3) occasions. Specifically:

(b)(3) firearms recorded in the records with incomplete acquisition information (missing dates, names and addresses).

(b)(3) firearms located in inventory, but logged out of the records.

**Citation:** 27 CFR 478.123(a)

**Date Corrections to be Made:**  
(If not corrected immediately)

**Corrective Action to be Taken:** The licensee will ensure to maintain a current and accurate A&D acquisition record on future transactions.  
(If not corrected immediately)

**Number:** 2

**Nature of Violation:**

Failure to maintain a current and accurate A&D disposition record on (b)(3)(A) occasions. Specifically (b)(3) late dispositions on gunsmithing firearms and (b)(3) late dispositions on purchased/transferred firearms.

**Citation:** 27 CFR 478.123(d)

**Date Corrections to be Made:**  
(If not corrected immediately)

**Corrective Action to be Taken:** The licensee will ensure to maintain a current and accurate A&D disposition record on future transactions. The (b)(3)(A) discrepancies were corrected and recorded in the records.  
(If not corrected immediately)

Report of Violations

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License/Permit/Registry Number <i>(If any)</i> 968007079H03731		Expiration Date 8/1/2019	Date(s) or Period of Inspection 09/14/2015 through 09/13/2016			

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 on ☐ occasions to ensure the ATF Form 4473, Blocks 11a (Are you the actual transferee/buyer of the firearm(s) listed on this form?), 24 (Transferee's/Buyer's Signature), 25 (Recertification Date), 33 (Transferor's/Seller's Name) and 35 (Transferor's/Seller's Title) were completed and/or accurately completed.

**Citation:** 27 CFR 478.21(a)
- Date Corrections to be Made:**  
*(If not corrected immediately)*

**Corrective Action to be Taken:**  
*(If not corrected immediately)* The licensee will ensure the ATF Form 4473, Blocks 11a (Are you the actual transferee/buyer of the firearm(s) listed on this form?), 24 (Transferee's/Buyer's Signature), 25 (Recertification Date), 33 (Transferor's/Seller's Name) and 35 (Transferor's/Seller's Title) are completed and/or accurately completed on future transactions.
- Number:** 4

**Nature of Violation:**  
Failure on ☐ occasions to ensure the ATF Form 4473, Blocks 11g (Have you ever been discharged from the Armed Forces under dishonorable conditions?) and 14 (What is your country of citizenship?) were completed and/or accurately completed.

**Citation:** 27 CFR 478.124(c)(1)
- Date Corrections to be Made:**  
*(If not corrected immediately)*

**Corrective Action to be Taken:**  
*(If not corrected immediately)* The licensee will ensure the ATF Form 4473, Blocks 11g (Have you ever been discharged from the Armed Forces under dishonorable conditions?) and 14 (What is your country of citizenship?) are completed and/or accurately completed on future transactions.

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.

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License/Permit/Registry Number <i>(If any)</i> 968007079H03731		Expiration Date 8/1/2019	Date(s) or Period of Inspection 09/14/2015 through 09/13/2016			

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 on <sup>b)(3)</sup> occasions to ensure the ATF Form 4473 Block 21c (The response initially provided by NICS or the appropriate State agency) was completed.

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

**Date Corrections to be Made:**  
*(If not corrected immediately)*

**Corrective Action to be Taken:** The licensee will ensure the ATF Form 4473 Block 21c (The response initially provided by NICS or the appropriate State agency) is completed on future transactions.
- Number:** 6

**Nature of Violation:**  
Failure on <sup>b)(3)</sup> occasions to ensure the ATF Form 4473 Blocks 34 (Transferor's/Seller's Signature) and 36 (Date Transferred) were completed and/or accurately completed.

**Citation:** 27 CFR 478.124(c)(5)

**Date Corrections to be Made:**  
*(If not corrected immediately)*

**Corrective Action to be Taken:** The licensee will ensure the ATF Form 4473 Blocks 34 (Transferor's/Seller's Signature) and 36 (Date Transferred) are completed and/or accurately completed on future transactions.
- Number:** 7

**Nature of Violation:**  
Failure on <sup>b)(3)</sup> occasions which involved <sup>b)(3)</sup> handguns to complete the required ATF Form 3310.4 Report of Multiple Sale or Other Disposition of Pistols and Revolvers when a multiple handgun transaction has taken place on the transfer of 2 or more pistols and/or revolvers to the same person within 5 consecutive business days.

**Date Corrections to be Made:**  
*(If not corrected immediately)*

**Corrective Action to be Taken:** The licensee will ensure the ATF Form 3310.4 is completed and submitted once a multiple handgun transaction has taken place. All <sup>b)(3)</sup> forms were completed and submitted by the licensee.

Report of Violations

Instructions

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Name of Proprietor Down Range Investments, LLC Down Range Indoor Training Center	Street Address 13407 Garner Lane	City Chico	State CA	Zip Code 95973-	County Butte	Page 4 of 4 Pages
License/Permit/Registry Number <i>(If any)</i> 968007079H03731		Expiration Date 8/1/2019		Date(s) or Period of Inspection 09/14/2015 through 09/13/2016		

Inspection Results

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

Citation: 27 CFR 478.126(a)

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

RIF



**U.S. Department of Justice**

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

1325 J Street Suite 1530  
Sacramento, CA 95814

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October 18, 2016

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

786040: (b) (6)  
5373

**WARNING LETTER**

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Down Range Investments LLC  
Down Range Indoor Training Center  
13407 Garner Lane  
Chico, CA 95973

REF: FFL # 9-68-007-07-9H-03731

Dear Mr. Clark and Mr. Dyke Jr:

During a recent compliance inspection at your firearms business covering the period September 14, 2015 through September 13, 2016, you were cited for violations of Title 27, Code of Federal Regulations, Part 478. A copy of the Report of Violations, Form 5030.5, issued at the time of the inspection, is enclosed.

All violations were fully explained to you by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Investigator (b)(6). You understood the requirements of the firearms laws and regulations, and 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 business. This is critical to carrying out our mission to protect the public and ensure that criminals do not gain access to firearms. 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.

-2-

Mr. William Charles Clark and Mr. Stephen Allen Dyke Jr.  
Down Range Indoor Training Center  
FFL # 9-68-007-07-9H-03731

You are reminded that retention of your Federal Firearms License is conditioned upon your compliance with Federal laws and regulations. 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 Investigator (b)(6) at (b)(6).

Sincerely,

(b)(6)

Area Supervisor  
Sacramento Area Office

cc: Federal Firearms Licensing Center  
Director, Industry Operations, San Francisco Field Division  
Sacramento II Area Office File



# FIREARMS INSPECTION REPORT

Name: Down Range Investments LLC UI#: 786040-2016-0054-B1B  
Trade Name: Down Range Indoor Training Center FFL#: 9-68-007-07-9H-03731  
Address: 13407 Garner Lane  
Chico, CA 95973 BUTTE

## 1 - Introduction

### Inspection Profile:

On September 14, 2016 Industry Operations Investigators (IOI) (b)(6) and (b)(6) and Investigative Assistant (IA) (b)(6) initiated a full scope compliance inspection of Federal firearms licensee (FFL) Down Range Investments LLC DBA Down Range Indoor Training Center at the business premises of: 13407 Garner Lane, Chico, CA 95973. The inspection period covered the dates of September 14, 2015 through September 13, 2016 and advanced notification was not provided to the licensee. It should be noted the licensee retained FFL Guard once their license was issued and contacted them as a pass on once the inspection was initiated. This information is referenced for documentation purposes only.

The purpose of the compliance inspection was to verify and ensure compliance with current provisions of the Gun Control Act (GCA) as well as assess the business activities conducted under the Type 07 Manufacturer of Firearms license. No other investigative participants from any other Federal, State or local agencies assisted in the inspection.

An interview was conducted with Mr. William Charles Clark and Mr. Stephen Allen Dyke Jr, Managing Members/Responsible Persons of Down Range Investments LLC and verification of their identity was confirmed through their California Driver's License (CADL):

William Charles Clark, CADL (b)(6), expiration date: 08-20-2019, DOB: (b)(6)  
Stephen Allen Dyke Jr, CADL (b)(6) expiration date: 03-25-2019, DOB: (b)(6).

Assisting in the inspection with providing access to firearms and required forms were the following employees: (b)(6)

[REDACTED]

## FIREARMS INSPECTION REPORT

Name: Down Range Investments LLC  
Trade Name: Down Range Indoor Training Center

UI#: 786040-2016-0054-B1B  
FFL#: 9-68-007-07-9H-03731

### Business Profile:

Down Range Investments LLC operates from a commercially zoned storefront building in a rural area of Chico, CA with a Type 07 Manufacturer of Firearms License which was issued on July 15, 2013. Business operations under the license as identified by Mr. Clark include the retail sales of firearms (approximately (b)(4)% new and (b)(4) used), ammunition and accessories. Gunsmithing activities are also conducted by the licensee which constitutes approximately (b)(4)% of their business operations with the remaining (b)(4) devoted to sales/transfers. In addition to the retail sales of firearms and gunsmithing services, the licensee operates indoor shooting and archery ranges from the premises and conducts firearms training and safety courses. Both Mr. Clark and Mr. Dyke are full-time Police Officers with Chico Police Department.

Primary suppliers of new firearms include (b)(4), (b)(4) while used firearms are acquired from consignment and trade ins. The licensee does not manufacture any firearms or ammunition under the license.

In 2013 Mr. Clark and Mr. Dyke applied for and obtained the Type 07 license (#9-68-03731) and a Type 06 Manufacturer of Ammunition license (#9-68-03730) as the initial plans were to manufacture both firearms and ammunition. Mr. Dyke stated they haven't manufactured any firearms or ammunition as the financial resources required to begin manufacturing wouldn't result in any profit for them at this point and it's not cost effective. Ammunition is obtained from Miwall Corporation in Grass Valley and the Type 06 license wasn't renewed by the licensee (expired on 08-01-2016).

In the last 12 months, the licensee acquired (b)(4) firearms (b)(4) for dealing and (b)(4) for gunsmithing) and disposed of (b)(4) firearms (b)(4) dealing and (b)(4) for gunsmithing) with approximately (b)(4) of this total count involving handguns with the remaining (b)(4) involving long guns. The licensee maintains an active, established website under [www.downrangechico.com](http://www.downrangechico.com) which is utilized for advertising services, but no firearms are transferred from their website. Mr. Dyke stated they transfer firearms online that are difficult to sell through national firearms dealer network ([www.nfdnetwork.com](http://www.nfdnetwork.com)), but it is not a routine course of business.

The licensee has attended gun shows in the past in Chico, CA, but primarily for advertisement as no firearms have been transferred at any gun shows. There is no off-site storage of firearms with all inventory maintained at the premises.

## FIREARMS INSPECTION REPORT

Name: Down Range Investments LLC UI#: 786040-2016-0054-B1B  
Trade Name: Down Range Indoor Training Center FFL#: 9-68-007-07-9H-03731

Outside of operating with the Type 07 FFL from the premises, there is no additional business conducted from the location. It should be noted at the entrance of the parking lot to the premises, located about 15 yards from the building is a coffee shop entitled Code 3 Coffee which is owned and operated by the licensee under a different business entity and Employer Identification Number (EIN). Mr. Clark stated it does not have a separate address and is considered part of their property.

Down Range Investments LLC is in compliance with applicable State and local licensing requirements and was in possession of the following licenses: 1) State of California Board of Equalization Seller's Permit #SR Y KHM 102-364037; 2) State of California Secondhand Dealer's License #04001033; 3) Butte County Sheriff's Office Retail Firearms License #13-537, expiration date: 07-29-2017; 4) County of Butte Business License #3830, expiration date: 12-31-2016; 5) Certificate of Eligibility for Stephen Dyke #18947; 6) Certificate for Eligibility for William Clark #18948.

### Ownership and Control:

Down Range Investments LLC was registered with the California Secretary of State's Office on February 27, 2013, Entity Number: 201305810355 and reflects an "active" status (Exhibit 1). Mr. Clark stated there have been no reported or unreported changes in ownership, but there are multiple officers on the LLC who assisted with the financial resources of opening their business.

As William Charles Clark and Stephen Allen Dyke Jr are the only responsible persons on the license, IO (b)(6) obtained a written statement from Mr. Clark stating that all decision making under the FFL is restricted to the managing members on the LLC (Stephen Dyke Jr and William Clark) (Exhibit 2).

Hidden ownership was not suspected or identified during the course of the inspection. The Federal Licensing System (FLS) pre-inspection report appeared accurate and current at the time of the inspection with no amendments necessary.

### Variance:

The licensee does not maintain or possess any active, ATF approved variances and none were requested as a result of this inspection.

## 2 - Recommendation

Violations, WL ONLY, No Recall Inspection.

# FIREARMS INSPECTION REPORT

Name: Down Range Investments LLC UI#: 786040-2016-0054-B1B  
Trade Name: Down Range Indoor Training Center FFL#: 9-68-007-07-9H-03731

A Warning Conference is the appropriate recommendation. An alternate recommendation is recommended due to the following:

This is the licensee's first compliance inspection.  
There were no missing or unaccounted for firearms after reconciliation.  
The licensee conducts high volume transfers.  
The single determining violation to merit a Warning Conference recommendation is 19 unreported multiple handgun sale transactions involving 51 handguns. The 6 additional violations identified during this inspection warrant a standard Report of Violations recommendation.

### 3 - Inspection History

The following inspection history is on file:

Date of Inspection: May 30, 2013  
Type of Inspection: Application Inspection  
UI#: 786040-2013-0306-B1B  
Inspection Results: Application Approved  
Cited Violations: No violations were cited

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

A 100% inventory was conducted which resulted in a total of 479 firearms located on the business premises. Comparison between the total firearms in inventory and open dispositions in the A&D records reflected (b)(3) - (1) open dispositions, resulting in (b)(3) - (1) discrepancies which are identified below.

The licensee utilizes a manual recordkeeping system for their business which amounted to a total of 8 A&D records (3 books for gunsmithing and 5 books for sales/transfers). All manual records were in the proper format with all required headings and columns. The licensee assigns a number to each tagged firearm in inventory which corresponds to the log entry number in the A&D records.



# FIREARMS INSPECTION REPORT

Name: Down Range Investments LLC  
Trade Name: Down Range Indoor Training Center

UI#: 786040-2016-0054-B1B  
FFL#: 9-68-007-07-9H-03731

A total of 113 firearms were traced through the licensee's required records from acquisition through disposition which resulted in no discrepancies. There were no thefts or losses of firearms during the inspection period or as a result of the inspection. There were no obliterated serial numbers or illegal firearms identified during the inspection.

Audits are conducted by the licensee twice a year with the last one performed on May 25<sup>th</sup>, 2016. Down Range Investments LLC utilizes Eagle Security and multiple interior cameras to monitor the premises. Handguns are secured in display cases and long guns are maintained on gun racks on the walls behind the counter. All firearms are secured in a 12 x 33 concrete vault during non operating hours and a roll down security door is located at the entrance of the premises.

A total of 30 employees (full and part time) are employed at Down Range Indoor Training Center. Entries into the A&D records are conducted by multiple employees and IOI (b)(6) suggested implementing a system where only 2 employees are responsible for making entries into the records to eliminate some of the errors that were identified during the inspection (late dispositions and incomplete acquisition information). Mr. Clark stated they recently revised their gunsmithing form system to include a new work order form which documents all acquisition information, services completed on the firearm and who the releasing employee was as well as a box that is checked once the firearm is logged out of the records (Exhibit 3). As a result of this inspection, Mr. Clark stated this form will go in the Auditor's box to ensure that each firearm has been logged out of the records.

The following violations were identified and cited for the inspection period:

Failure to maintain a current and accurate A&D acquisition record on (b)(3) occasions. Specifically: (b)(3) firearms recorded in the records with incomplete acquisition information (missing dates, names and addresses). (b)(3) firearms located in inventory, but logged out of the records. The licensee was cited in violation of 27 CFR 478.123(a) (Violation 1, Worksheet 1, Exhibit 4).

Failure to maintain a current and accurate A&D disposition record on (b)(3) occasions. Specifically (b)(3) late dispositions on gunsmithing firearms and (b)(3) late dispositions on purchased/transferred firearms. The licensee was cited in violation of 27 CFR 478.123(d) (Violation 2, Worksheet 1, Exhibit 5).

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

A total of (b)(3) ATF Form 4473s (including the denials) were on file for the inspection period and all were reviewed for complete accuracy to ensure compliance with Federal firearms regulations. The licensee maintains the ATF F4473s in alphabetical order by

## FIREARMS INSPECTION REPORT

Name: Down Range Investments LLC  
Trade Name: Down Range Indoor Training Center

UI#: 786040-2016-0054-B1B  
FFL#: 9-68-007-07-9H-03731

year which are located inside filing cabinets inside the main office. A separate file maintains the denied ATF F4473s.

Transfers to other licensees are executed properly per regulation and IOI (b)(6) viewed copies of other licensee's FFLs on file with no discrepancies identified. Transfers to law enforcement officers occur on an ATF F4473 regardless if the firearm is purchased for personal or occupational purposes. The licensee does obtain a certification letter which is kept on file and IOI (b)(6) obtained a copy of one for documentation purposes (Exhibit 6).

Comparison between the FFL audit log report (DROS) with ATF F4473s was verified with 437 DROS transaction numbers which disclosed no discrepancies. The licensee does not attach the DROS paperwork with the corresponding ATF Form 4473, but files them in filing cabinets located inside the main office.

The licensee stated they implemented a thorough review process on all ATF Form 4473s prior to the transfer of the firearm(s) to eliminate potential errors and omissions. Each ATF F4473 is stamped at the top of the form and the employee's corresponding initials are written in the space to account for who has reviewed the form. Multiple employees review each form prior to the firearm being transferred and logged out of the A&D records.

The following violations were identified and cited for the inspection period:

Failure on (b)(3) occasions to ensure the ATF form 4473, Blocks 11a (Are you the actual transferee/buyer of the firearm(s) listed on this form?), 24 (Transferee's/Buyer's Signature), 25 (Recertification Date), 33 (Transferor's/Seller's Name) and 35 (Transferor's/Seller's Title) were completed and/or accurately completed. The licensee was cited in violation of 27 CFR 478.21(a) (Violation 3, Worksheet 2, Exhibit 7).

Failure on (b)(3) occasions to ensure the ATF Form 4473, Blocks 11g (Have you ever been discharged from the Armed Forces under dishonorable conditions?) and 14 (What is your country of citizenship?) were completed and/or accurately completed. The purchaser who left the prohibiting question blank (Block 11g – (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)) was queried through the Open Fox database which disclosed no prohibiting information. The licensee was cited in violation of 27 CFR 478.124(c)(1) (Violation 4, Worksheet 2, Exhibit 8).

Failure on (b)(3) occasions to ensure the ATF Form 4473 Block 21c (The response initially provided by NICS or the appropriate State agency) was completed. All (b)(3) ATF F4473s where Block 21c was left blank received DROS "proceed" responses. The licensee was cited in violation of 27 CFR 478.124(c)(3)(iv) (Violation 5, Worksheet 2, Exhibit 9).

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Failure on (b)(3) occasions to ensure the ATF Form 4473 Blocks 34 (Transferor's/Seller's Signature) and 36 (Date Transferred) were completed and/or accurately completed. The licensee was cited in violation of 27 CFR 478.124(c)(5) (Violation 6, Worksheet 2, Exhibit 10).

## 6 - Multiple Sales

The Violent Crime Analysis Branch (VCAB) report disclosed zero (0) multiple handgun sale transactions (ATF F3310.4 Report of Multiple Sale or Other Disposition of Pistols and Revolvers) during the last 12 months. Down Range Investments LLC is licensed as a Type 07 Manufacturer of Firearms Licensee and is therefore exempt from the reporting requirements outlined under the ATF F3310.12 (Multiple Sale or Other Disposition of Certain Rifles).

A review of the ATF F4473s on file for the past 12 months disclosed (b)(3) multiple handgun sale transactions involving (b)(3) handguns that were not reported as required. The licensee was advised to immediately complete and submit the ATF F3310.4 through the appropriate channels (National Tracing Center (NTC), local agency and a copy for the corresponding ATF F4473) for each of the (b)(3) transactions.

The licensee was cited for the following violation:

Failure on (b)(3) occasions which involved (b)(3) handguns to complete the required ATF Form 3310.4 Report of Multiple Sale or Other Disposition of Pistols and Revolvers when a multiple handgun transaction has taken place on the transfer of 2 or more pistols and/or revolvers to the same person within 5 consecutive business days. The licensee was cited in violation of 27 CFR 478.126a (Violation 7, Worksheet 2, Exhibit 11).

## 7 - Suspicious/Prohibited Purchasers

As a result of the review of the ATF F4473s on file for the past 12 months, a total of (b)(3) - 112 Public Law 55 125 Stat 552

Referrals for additional information. Please see Section 10 –

No prohibited purchasers were identified as a result of this inspection.

## 8 - Trace Activity

The VCAB trace history report, obtained prior to the inspection, reflected a total of (b)(3)-1

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(b)(3) successful traces and zero (0) unsuccessful traces during the past twelve (12) months. There were no unresolved traces.

Down Range Investments LLC has acquired approximately (b)(4) used firearms and disposed of approximately (b)(4) used firearms during the inspection period. The majority of this approximate number count are firearms acquired and disposed of under the license for gunsmithing activities and occasional consignment firearms. A total of 41 used firearms were queried through the Open Fox and Etrace databases which yielded zero hits.

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

Down Range Investments LLC does not conduct NFA/Importer or Collector business activities.

As identified under Section 1 – Business Profile, Down Range Indoor Training Center does not manufacture firearms or ammunition under the license. The Annual Firearms Manufacturing and Exportation Report (AFMER), ATF F5300.11, has been filed by the licensee as required for the years 2013, 2014 and 2015 and does accurately reflect zero (0) firearms manufactured for these years.

### 10 - Referrals

A total of three (3) referrals were generated for potential violations of: 18 U.S.C. 922(a)(1) Dealing without a license for the below buyers:

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



During the course of the inspection, IOI (b)(6) provided the licensee with the United States Department of State letter dated July 22, 2016 entitled Applicability of the ITAR Registration Requirement for Firearms Manufacturers and Gunsmiths with instructions for the licensee to contact the U.S. State Department with any ITAR related questions as no manufacturing of firearms or ammunition is conducted under their license.



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## 11 - Other

The Federal Licensing System (FLS) background and NFORCE databases were queried: Negative results.

In accordance with regulation, the licensee had the FFL posted on a wall next to the vault and the ATF I5300.1 Youth Handgun Safety Act notice poster posted above the long gun wall racks.

A total of 6 people were queried through the Open Fox database system to include the 2 responsible persons on the license (b)(6)

(b)(6) the queries yielded no prohibiting information. A total of 84 firearms (43 firearms tied to suspicious purchasers and 41 used firearms) were queried through the Open Fox and Etrace databases which disclosed no hits.

## 12 - Closing Actions

A sixty (60) minute closing conference was conducted by IOI (b)(6) on October 6, 2016 with Mr. William Charles Clark, Managing Member/Responsible Person of Down Range Investments LLC. Sitting in on the closing conference were Store Manager, Mr. (b)(6). Attending the closing conference via conference call was FFL Guard. Mr. Clark contacted FFL Guard prior to the initiation of the closing conference.

The Report of Violations (ROV) was reviewed, discussed thoroughly with and signed by the licensee. An Acknowledgment of Federal Firearms Regulations was also reviewed, signed and dated October 6, 2016 by Mr. Clark (Exhibit 12).

All of the below listed forms, handouts and reference materials were discussed, reviewed and provided to the licensee, except certain ones which are indicated below as Mr. Clark had adequate supplies of them or copies on file:

ATF Ruling 2013-5: Computerized Recordkeeping  
ATF 4473 Firearms Transaction Record  
ATF F3310.4 Report of Multiple Handgun Sale  
ATF F3310.11 Theft/Loss Report  
ATF I5300.1 Youth Handgun Safety Act notice poster (not provided)  
ATF I5300.2 Youth Handgun Safety Act pamphlet

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ATF P5300.4 Federal Firearms Regulations Reference Guide (2005 Edition)  
Information on Ordering the December 2014 Edition of the ATF P5300.4  
ATF P3317.2 Safety and Security Information  
ATF P5300.15 FFL Quick Reference and Best Practices Guide  
ATF Listing of Important Phone Numbers  
California State Firearms Licensee Security Requirements  
California Department of Justice DROS Information Handout  
Applicability of the ITAR Registration Requirement to Firearms Manufacturers and Gunsmiths

The requirements for secure gun storage and safety devices were discussed with the licensee and Mr. Clark was provided with IOI (b)(6) business card as well as the ATF San Francisco Field Division (Sacramento Field Office) contact information. The licensee was given the opportunity to discuss any questions or concerns.

## 13 - Violations

### 1. 27 CFR 478.123(a)

Nature of violation: Failure to maintain a current and accurate A&D acquisition record on (b)(3) occasions. Specifically:

(b)(3) firearms recorded in the records with incomplete acquisition information (missing dates, names and addresses).

(b)(3) firearms located in inventory, but logged out of the records.

Licensee response: The licensee stated he understands a complete address of the nonlicensee is required when making entries in the book.

Corrective action: The licensee will ensure to maintain a current and accurate A&D acquisition record on future transactions.

Reference: Worksheet 1, Exhibit 4.

### 2. 27 CFR 478.123(d)

Nature of violation: Failure to maintain a current and accurate A&D disposition record on (b)(3) occasions. Specifically (b)(3) late dispositions on gunsmithing firearms and (b)(3) late dispositions on purchased/transferred firearms.

Licensee response: The licensee stated those late entries were corrected and logged out.

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Corrective action: The licensee will ensure to maintain a current and accurate A&D disposition record on future transactions. The [REDACTED] discrepancies were corrected and recorded in the records.

Reference: Worksheet 1, Exhibit 5.

3. 27 CFR 478.21(a)

Nature of violation: Failure on [REDACTED] occasions to ensure the ATF form 4473, Blocks 11a (Are you the actual transferee/buyer of the firearm(s) listed on this form?), 24 (Transferee's/Buyer's Signature), 25 (Recertification Date), 33 (Transferor's/Seller's Name) and 35 (Transferor's/Seller's Title) were completed and/or accurately completed.

Licensee response: The licensee stated those blocks were missed.

Corrective action: The licensee will ensure the ATF form 4473, Blocks 11a (Are you the actual transferee/buyer of the firearm(s) listed on this form?), 24 (Transferee's/Buyer's Signature), 25 (Recertification Date), 33 (Transferor's/Seller's Name) and 35 (Transferor's/Seller's Title) are completed and/or accurately completed on future transactions.

Reference: Worksheet 2, Exhibit 7.

4. 27 CFR 478.124(c)(1)

Nature of violation: Failure on [REDACTED] occasions to ensure the ATF Form 4473, Blocks 11g (Have you ever been discharged from the Armed Forces under dishonorable conditions?) and 14 (What is your country of citizenship?) were completed and/or accurately completed.

Licensee response: The licensee stated they must have missed these when reviewing the forms.

Corrective action: The licensee will ensure the ATF Form 4473, Blocks 11g (Have you ever been discharged from the Armed Forces under dishonorable conditions?) and 14 (What is your country of citizenship?) are completed and/or accurately completed on future transactions.

Reference: Worksheet 2, Exhibit 8.

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5. 27 CFR 478.124(c)(3)(iv)

Nature of violation: Failure on (b)(3) occasions to ensure the ATF Form 4473 Block 21c (The response initially provided by NICS or the appropriate State agency) was completed.

Licensee response: The licensee stated they need to make sure this box is checked before the firearm is released.

Corrective action: The licensee will ensure the ATF Form 4473 Block 21c (The response initially provided by NICS or the appropriate State agency) is completed on future transactions.

Reference: Worksheet 2, Exhibit 9.

6. 27 CFR 478.124(c)(5)

Nature of violation: Failure on (b)(3) occasions to ensure the ATF Form 4473 Blocks 34 (Transferor's/Seller's Signature) and 36 (Date Transferred) were completed and/or accurately completed.

Licensee response: The licensee stated they should have caught this when reviewing the forms.

Corrective action: The licensee will ensure the ATF Form 4473 Blocks 34 (Transferor's/Seller's Signature) and 36 (Date Transferred) are completed and/or accurately completed on future transactions.

Reference: Worksheet 2, Exhibit 10.

7. 27 CFR 478.126(a)

Nature of violation: Failure on (b)(3) occasions which involved (b)(3) handguns to complete the required ATF Form 3310.4 Report of Multiple Sale or Other Disposition of Pistols and Revolvers when a multiple handgun transaction has taken place on the transfer of 2 or more pistols and/or revolvers to the same person within 5 consecutive business days.

Licensee response: The licensee stated he now understands that the multiple handgun sale form is required for private party and law enforcement transfers.

Corrective action: The licensee will ensure the ATF Form 3310.4 is completed and

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submitted once a multiple handgun transaction has taken place. All (b)(6) forms were completed and submitted by the licensee.

Reference: Worksheet 2, Exhibit 11.

(b)(6)

Industry Operations Investigator October 12, 2016

## Index of Worksheets and Exhibits

### Worksheets:

Worksheet 1 – Inventory and A&D Review Worksheet

Worksheet 2 – ATF Form 4473 (2012 Edition) Review Worksheet

### Exhibits:

Exhibit 1 – California Secretary of State Registration Printout

Exhibit 2 – Statement from RP Concerning Multiple Officers on LLC

Exhibit 3 – Gunsmithing Work Order Form

Exhibit 4 – Sample A&D copies of Violation 1 (Missing/Incomplete Acquisition Information)

Exhibit 5 – Sample A&D copies of Violation 2 (Late Dispositions/Invoices)

Exhibit 6 – Sample Copy of Law Enforcement Certification Letter

Exhibit 7 – ATF F4473 Copies of Violation 3

Exhibit 8 – ATF F4473 Copies of Violation 4

Exhibit 9 – ATF F4473 Copies of Violation 5

Exhibit 10 – ATF F4473 Copies of Violation 6

Exhibit 11 – ATF F4473/ATF F3310.4 Copies of Violation 7

Exhibit 12 – Acknowledgement of Federal Firearms Regulations

### Referrals:

(b)(6)