

## Assignment and Report

<b>1. OPERATING NAME AND ADDRESS</b> (INCLUDE ZIP CODE AND COUNTY) Matagorda County Pawn, Gun & Jewelry, LLC Cash Cow Pawn, Gun & Jewelry 2513 7th St Bay City, TX 77414, Matagorda - 321		<b>2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.)</b> 782075-2017-0078-B1B	
		<b>3. PERMIT/LICENSE NUMBER</b> 574321029G02852	<b>4a. TARGET DATE</b> 9/30/2017
		<b>4b. TARGET HOURS</b>	
<b>5. REQUESTED BY (SIGNATURE, TITLE AND DATE)</b>			
<b>6. ATF OFFICER(S) ASSIGNED</b> (b)(6) - Lead Investigator			
<b>7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)</b> (b)(6), INVESTIGATIVE ANALYST, 10/07/2016			
<b>8. PURPOSE/SPECIAL INSTRUCTIONS</b>			
<b>9. INSPECTION RESULTS</b> <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC			
NO. OF VIOLATIONS	5	NO. OF REFERRALS	1
NO. OF TECS CHECKS	11	NO. OF TECS HITS	
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES	
		\$ VALUE OF TAX DECREASES	
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS	
NO. OF CLAIMS		\$ VALUE OF CLAIMS	
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED	
		<b>10. TRAVEL EXPENSES (OPTIONAL)</b>	
		2111 - PER DIEM	
		2112 - P.O.A.	
		2113 - COMM. AIR	
		2114 - RENTAL CAR	
		2115 - GPV EXPENSES	
		2116 - MISC.	
		TOTAL \$ FOR INSP.	
<b>11. ATF OFFICER'S RECOMMENDATION</b> Submitted by (b)(6) - Industry Operations Investigator  Submitted on: 02/13/2017  Viols WL ONLY and No Recall Inspection			
<b>12. TIME ACCOUNTING DATA</b>			
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)	
OCT 2016	6.00		
NOV 2016	50.00		
JAN 2017	8.00		
ATF OFFICER'S SUBTOTAL	64.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS		64.00	
<b>13. REVIEW AND ROUTING</b>			
<b>REVIEW COMMENTS AND RECOMMENDATION</b> Viols WL ONLY and No Recall Inspection			
<input checked="" type="checkbox"/> REVIEWED <input checked="" type="checkbox"/> CONCUR <input type="checkbox"/> SEE COMMENTS <input checked="" type="checkbox"/> FINAL DISPOSITION			
SIGNATURE AND TITLE (b)(6) - Industry Operations Investigator		REVIEW DATE 02/13/2017	

## Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Matagorda County Pawn, Gun & Jewelry, LLC Cash Cow Pawn, Gun & Jewelry 2513 7th St Bay City, TX 77414, Matagorda - 321	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 782075-2017-0078-B1B		
	3. PERMIT/LICENSE NUMBER 574321029G02852	4a. TARGET DATE 9/30/2017	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

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 Matagorda County Pawn, Gun & Jewelry, LLC Cash Cow Pawn, Gun & Jewelry	Street Address 2513 7th St	City Bay City	State TX	Zip Code 77414-	County Matagorda - 321	Page 1 of 3 Pages
License/Permit/Registry Number <i>(If any)</i> 574321029G02852	Expiration Date 7/1/2019	Date(s) or Period of Inspection 11/01/2016 through 11/03/2016				

### 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 obtain and/or furnish all information required in each ATF Form 4473 as indicated by the headings on the form and the instructions on or pertaining to it on <sup>(b)(3), P</sup> forms:

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

Citation: 27 CFR 478.21(a)

#### Date Corrections to be Made:

*(If not corrected immediately)*

#### Corrective Action to be Taken:

*(If not corrected immediately)*

In the future the licensee is to ensure the ATF Form 4473 is completed to its entirety specifically ensure the recertification area is signed and correct.

Number: 2

#### Nature of Violation:

Failure to obtain a properly completed ATF Form 4473, Section A, prior to making an over-the-counter transfer of a firearm to a non-licensee, who is a resident of the State in which the licensee's premises is located on <sup>(b)(3), P</sup> forms.

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

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)*

In the future the licensee is to ensure the ATF Form 4473 is completed to its entirety by the transferee in Section A.

## 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 Matagorda County Pawn, Gun & Jewelry, LLC Cash Cow Pawn, Gun & Jewelry	Street Address 2513 7th St	City Bay City	State TX	Zip Code 77414-	County Matagorda - 321	Page 2 of 3 Pages
License/Permit/Registry Number (If any) 574321029G02852	Expiration Date 7/1/2019	Date(s) or Period of Inspection 11/01/2016 through 11/03/2016				

### 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 to verify the identity of the transferee and note on the ATF Form 4473 the type of identification used on (b)(3), P form.

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

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

#### Date Corrections to be Made:

(If not corrected immediately)

#### Corrective Action to be Taken:

(If not corrected immediately)

In the future, the licensee is to ensure a valid government issued ID is examined and the correct information is recorded on the ATF Form 4473.

Number: 4

#### Nature of Violation:

Failure to comply with the requirements of Sec.478.102 and record on the ATF Form 4473 the date on which the licensee contacted NICS, as well as any responses or identification number provided by the system on (b)(3), P form.

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

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

#### Date Corrections to be Made:

(If not corrected immediately)

#### Corrective Action to be Taken:

(If not corrected immediately)

In the future, the licensee is to ensure all responses from NICS are recorded correctly on the ATF Form 4473, specifically when there is a delay.

## 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 Matagorda County Pawn, Gun & Jewelry, LLC Cash Cow Pawn, Gun & Jewelry	Street Address 2513 7th St	City Bay City	State TX	Zip Code 77414-	County Matagorda - 321	Page 3 of 3 Pages
License/Permit/Registry Number (If any) 574321029G02852	Expiration Date 7/1/2019	Date(s) or Period of Inspection 11/01/2016 through 11/03/2016				

### 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 to sign and/or date the ATF Form 4473 when the licensee does not know or have reasonable cause to believe that the transferee is disqualified by law from receiving the firearm on <sup>(b)(3)</sup> form.

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

Citation: 27 CFR 478.124(c)(5)

#### Date Corrections to be Made:

(If not corrected immediately)

#### Corrective Action to be Taken:

(If not corrected immediately)

In the future the licensee is to ensure the date is correctly recorded in which the firearm is transferred.

Number: 6

#### Nature of Violation:

Failure to prepare and submit a report of multiple sales or other disposition (ATF Form 3310.4) whenever the licensee sells or otherwise disposes of, two or more pistols, or revolvers, or any combination of pistols or revolvers totaling two or more to an unlicensed person at one time or during any five consecutive business days on <sup>(b)(3)</sup> instance.

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

Citation: 27 CFR 478.126a

#### Date Corrections to be Made:

(If not corrected immediately)

#### Corrective Action to be Taken:

(If not corrected immediately)

In the future, the licensee is to ensure the ATF Form 3310.4 is completed when two or more pistols and/or revolvers are transferred to the same non-licensee within five days by the end of the same business day.

IF (b)(6) (Proprietor's signature and title)

Signature and (b)(6)

Date 11/03/2016

Date 11/3/16



U.S. Department of Justice

Bureau of Alcohol, Tobacco,  
Firearms and Explosives  
5825 N. Sam Houston Parkway West, Suite 300  
Houston, Texas 77086

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www.atf.gov

February 14, 2017

782075: ASF:ff  
5373

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Matagorda County Pawn, Gun & Jewelry, LLC  
dba Cash Cow Pawn, Gun & Jewelry  
**Attn: Chad Morton**  
P.O. Box 591  
El Campo, Texas 77437

**REF: FFL # 5-74-321-02-9G-02852**

Dear Mr. Morton:

During a recent compliance inspection at your firearms business covering the period of **November 1, 2015 through November 1, 2016**, you were cited for violations of 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. You indicated that you understood the requirements of the firearms laws and regulations. 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 effort 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. 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.

**Matagorda County Pawn, Gun & Jewelry, LLC**  
**dba Cash Cow Pawn, Gun & Jewelry**

**FFL # 5-74-321-02-9G-02852**

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

Sincerely yours,

(b)(6) Digitally signed by (b)(6)  
Date: 2017.02.13 15:12:24  
-06'00'

(b)(6)  
Acting Area Supervisor  
Houston VII Field Office

Enclosure: Report of Violations

cc: Federal Firearms Licensing Center  
Houston VII Field Office  
DIO, Houston Field Division



Address: 2513 7<sup>th</sup> St  
Bay City, Texas 77414

## **1 - Introduction**

### **Inspection Profile:**

On November 1, 2016, Industry Operations Investigator (IOI) (b)(6), of the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), visited the licensed premises of Matagorda County Pawn, Gun & Jewelry dba (doing business as) Cash Cow Pawn, Gun & Jewelry, a Type 02 (Pawnbroker), to conduct a Southwest Border DE compliance inspection. Selina Arrambide (store manager) was present. She was identified by her Texas driver's license number, (b)(6). Advanced notification was not given for the inspection. The purpose of the inspection was to review inventory, required records, and to ensure the licensee is conducting business per Federal regulations. The inspection period covered **November 1, 2015 through November 1, 2016**. The inspection concluded with a closing conference on November 3, 2016.

### **Business Profile:**

Matagorda County Pawn, Gun & Jewelry is a Texas limited liability company which engages in the business of buying and selling new and used firearms. The licensee's primary business activity consists of taking in firearms and other items on consignment for loans. The licensee's primary suppliers and customers are mainly the general public. The licensee's inventory consists of 60% long guns. The licensee acquired (b)(4) firearms in the last 12 months and disposed of (b)(4) firearms, which were (b)(4) used. There have been no sales made at gun shows. The licensee conducts 100% retail sales of firearms in inventory, not on consignment. The licensee does not have a website for selling firearms. There are no other businesses on the business premises.

Matagorda County Pawn, Gun & Jewelry acquired its Federal Firearms License on June 18, 2007. The licensee does have a current Texas Sales and Use Tax Permit number, (b)(3) - 26 USC 6103 (Exhibit 1). The licensee's pawn license is also active – 5452 (Exhibit 2).

The business premises are located in a commercial area of Bay City, Texas. There are no zoning restrictions in Bay City, Texas or Matagorda County to prohibit the business activities. The business premises are owned by Chad Morton who is listed as the director of CLR Investments. CLR Investments is the only manager on the LLC for Matagorda County Pawn, Gun & Jewelry (Exhibit 3). The business premises have the following security features: security cameras, gun locks, two locked gun rooms, locked cases, bay doors, and motion sensors. There is no off-site storage.

### **Ownership and Control:**



Matagorda County Pawn, Gun & Jewelry, LLC is a Texas limited liability company operating under the name of Cash Cow Pawn, Gun, & Jewelry. According to the Secretary of State website, Matagorda County Pawn, Gun & Jewelry is a valid limited liability company and Cash Cow Pawn, Gun & Jewelry is a valid assumed name filed in all counties. CLR Choice Investments is the manager of Matagorda County Pawn, Gun & Jewelry. Chad Morton is the director of CLR Choice Investments and the responsible person listed on the FFL for this store location; which is correctly reflected with the Federal Licensing System. The franchise tax is active. Selina Arrambide is the store manager for this location. There were no indications of hidden ownership (See Exhibit 4).

**Variance:**

The licensee does not have any approved variances and no variances were requested during the inspection.

**2 - Recommendation**

Viols, WL Only and No Recall

**3 - Inspection History**

<b>Date of Inspection:</b>	December 11, 2013
<b>Type of Inspection:</b>	Compliance Inspection
<b>UI#:</b>	782075-2014-0105
<b>Inspection Results:</b>	No Violations, No Further Action, No Referrals
<b>Cited Violations:</b>	None

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

There were (b)(6) open entries in the A&D record and 637 firearms in the inventory. IOI (b)(6) conducted a full inventory examination. The licensee utilizes a computerized A&D Record, which was found to be in the proper format and contained all the required information. All acquisitions and dispositions were timely made. No discrepancies were found. There were no obliterated serial numbers or illegal firearms.

IOI (b)(6) inquired about the operating procedures pertaining to the inventory and A&D Record. Ms. Arrambide stated firearms on consignment are automatically logged in when the customer places the firearm on consignment and they are automatically logged out when the customer picks up the firearm. Ms. Arrambide stated the transactions which have delays, have to be automatically logged out. When firearms are purchased, they check the serial number on the firearm and log the firearm in immediately. Purchased firearms not on consignment are logged out immediately when

sold. Ms. Arrambide stated they conduct a monthly inventory. There were zero unreported theft/losses. However, there was one theft reported April 26, 2016 and recovered April 27, 2016. Zero trafficking indicators were found.

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

There were (b)(3) - 112 P. ATF Forms 4473 on file during the inspection period filed by the date sold. IOI (b)(6) reviewed all forms. The FFL Audit report revealed 208 NICS Transaction Numbers (NTN) within the last 60 days. IOI (b)(6) compared the NTN's to the corresponding ATF Form 4473, including the last five years of denials. There were zero discrepancies found. IOI (b)(6) traced ten firearms through the licensee's required records from acquisition through disposition. Zero discrepancies were found.

There were discrepancies found with the completion of the firearms. The licensee was cited for the following violations:

27 CFR 478.21(a) – (b)(3) - 11 forms (Violation 1, Exhibit 5, Worksheet 2)

27 CFR 478.124(c)(1) – (b)(3) - 11 forms (Violation 2, Exhibit 6, Worksheet 2)

27 CFR 478.124(c)(3)(i) – (b)(3) - 11 form (Violation 3, Exhibit 7, Worksheet 2)

27 CFR 478.124(c)(5) – (b)(3) - 112 form (Violation 4, Exhibit 8, Worksheet 2)

IOI (b)(6) inquired about the operating procedures when completing and filing the ATF Forms 4473. Ms. Arrambide stated they ask for ID prior to the customer completing the form. The customer completes the form, they compare the ID to the form and call NICS, if necessary. They review the form while the customer is in the store and prior to filing the form.

#### **6 - Multiple Sales**

The Firearms Trace History revealed (b)(3) - reports of multiple handgun or certain rifle sales within the last 12 months. A review of records revealed (b)(3) - 11 unreported multiple handgun sale and (b)(3) - 11 untimely reported multiple handgun sale. The licensee was cited for (b)(3) - 11 instances 27 CFR 478.126a (Violation 5, Exhibit 9, Worksheet 2).

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

There were zero suspicious or prohibited purchasers.

#### **8 - Trace Activity**

According to the Firearms Trace History, there were (b)(3) - 112 P. firearms successfully traced to this licensee within the last 12 months. IOI (b)(6) conducted checks on 10 secondary firearms.

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

The licensee does not conduct any NFA, importer, collector, or manufacturer activities.

#### 10 - Referrals

(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6), (b)(7)(C)

[REDACTED] See Referrals).

#### 11 - Other

The Youth Handgun Safety poster and FFL were posted. IOI (b)(6) conducted a NCIC background check and an NForce query on (b)(6). No prohibiting information was disclosed.

#### 12 - Closing Actions

On November 3, 2016, IOI (b)(6) conducted a closing conference with Ms. Arrambide, store manager. The results of the inspection were disclosed. A Report of Violations (ROV) was issued and reviewed. Each item on the Acknowledgement of Federal Firearms Regulations was reviewed and a signed copy of the ROV and Acknowledgement was obtained on November 3, 2016 (Exhibit 10).

All questions posed by the licensee were answered by IOI (b)(6). IOI (b)(6) discussed the Important Notice of Selling Firearms After Revocation, Expiration, Expiration, or Surrender of an FFL, as well as, provided a current ATF phone list. The licensee was instructed to contact IOI (b)(6) or any investigator in the Houston Area Office should questions arise in the future.

#### 13 - Violations

##### 1. 27 CFR 478.21(a)

##### Nature of Violation

Failure to obtain and/or furnish all information required in each ATF Form 4473 as indicated by the headings on the form and the instructions on or pertaining to it on forms: (b)(3) - 11

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

##### Licensee's Response

Ms. Arrambide stated she just became manager of the store and she will meet with the employees to start having them do a second check before the customer leaves the store.

**Corrective Action**

In the future, the licensee is to ensure the ATF Form 4473 is completed to its entirety, specifically ensure the recertification area is signed and correct. Preventative action discussed.

**Reference ROV, Worksheet 2, and Exhibit 5**

2. **27 CFR 478.124(c)(1)**

**Nature of Violation**

Failure to obtain a properly completed ATF Form 4473, Section A, prior to making an over-the-counter transfer of a firearm to a non-licensee, who is a resident of the State in which the licensee's premises is located on (b)(3) forms.

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

**Licensee's Response**

Ms. Arrambide stated she just became manager of the store and she will meet with the employees to start having them do a second check before the customer leaves the store.

**Corrective Action**

In the future, the licensee is to ensure the ATF Form 4473 is completed to its entirety by the transferee in Section A. Preventative action discussed.

**Reference ROV, Worksheet 2, and Exhibit 6**

3. **27 CFR 478.124(c)(3)(i)**

**Nature of Violation**

Failure to verify the identity of the transferee and note on the ATF Form 4473 the type of identification used on (b)(3) form.

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

**Licensee's Response**

Ms. Arrambide stated she just became manager of the store and she will meet with the employees to start having them do a second check before the customer leaves the store.

**Corrective Action**

In the future, the licensee is to ensure a valid government issued ID is examined and the correct information is recorded on the ATF Form 4473. Preventative action discussed.

**Reference ROV, Worksheet 2, and Exhibit 7**

4. **27 CFR 478.124(c)(5)**

**Nature of Violation**

Failure to sign and/or date the ATF Form 4473 when the licensee does not know or have reasonable cause to believe that the transferee is disqualified by law from receiving the firearm on <sup>(b)(3) - 11</sup> form.

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

**Licensee's Response**

Ms. Arrambide stated she just became manager of the store and she will meet with the employees to start having them do a second check before the customer leaves the store.

**Corrective Action**

In the future, the licensee is to ensure the date is correctly recorded in which the firearm is transferred. Preventative action discussed.

**Reference ROV, Worksheet 2, and Exhibit 8**

5. **27 CFR 478.126a**

**Nature of Violation**

Failure to prepare and submit a report of multiple sales or other disposition (ATF Form 3310.4) whenever the licensee sells or otherwise disposes of, two or more pistols, or revolvers, or any combination of pistols or revolvers totaling two or more to an unlicensed person at one time or during any five consecutive business days on <sup>(b)(3) - 11</sup> instance.

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

**Licensee's Response**

Ms. Arrambide stated she just became manager of the store and she will meet with the employees to start having them do a second check before the customer leaves the store and make sure all paperwork is done before the end of the day.

**Corrective Action**

In the future, the licensee is to ensure the ATF Form 3310.4 is completed when two or more pistols and/or revolvers are transferred to the same non-licensee within five days by the end of the same business day. Preventative action discussed for the untimely submission. ATF Form 3310.4 submitted immediately for firearms not submitted.

**Reference ROV, Worksheet 2, and Exhibit 9**



# X

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Industry Operations Investigator

## **Index of Worksheets and Exhibits**

ROV

Worksheet 2

Exhibit 1 – Texas Sales Tax

Exhibit 2 – Pawn license verification

Exhibit 3 – Matagorda County Appraisal

Exhibit 4 – State filings

Exhibit 5 – ATF Forms 4473 for 27 CFR 478.21a

Exhibit 6 – ATF Forms 4473 for 27 CFR 478.124(c)(1)

Exhibit 7 – ATF Forms 4473 for 27 CFR 478.124(c)(3)(i)

Exhibit 8 – ATF Forms 4473 for 27 CFR 478.124(c)(5)

Exhibit 9 – ATF Forms 4473 for 27 CFR 478.126a and fax confirmation

Exhibit 10 – Acknowledgement of Federal Firearms Regulations

Referral