

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) MONTECHEMA FIREARMS, LLC Montechema Firearms 101 South Main St STE. B Boerne, TX 78006, KENDALL	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 782065-2017-0203-B1B		
	3. PERMIT/LICENSE NUMBER 574259018F07903	4a. TARGET DATE 3/31/2017	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

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

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)
(b)(6), Investigative Analyst, 01/31/2017

8. PURPOSE/SPECIAL INSTRUCTIONS
Please conduct a compliance inspection of a Type 01 Dealer of Firearms.

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC		10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	2	NO. OF REFERRALS		2111 - PER DIEM	
NO. OF TECS CHECKS	22	NO. OF TECS HITS		2112 - P.O.A.	
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES		2113 - COMM. AIR	
		\$ VALUE OF TAX DECREASES		2114 - RENTAL CAR	
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS		2115 - GPV EXPENSES	
NO. OF CLAIMS		\$ VALUE OF CLAIMS		2116 - MISC.	
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED		TOTAL \$ FOR INSP.	

11. ATF OFFICER'S RECOMMENDATION
Submitted by (b)(6) - Industry Operations Investigator

Submitted on: 03/08/2017
On February 13 and 16, 2017, Industry Operations Investigator (IOI) (b)(6) initiated an inspection at the licensed premises of a Type 01 Dealer of Firearms located at 104 B E San Antonio Ave, Boerne, Texas 78006.

Interviewed was Mr. Mason Cody Mainz, Member/Responsible Person.

The following violations were issued; 27 CFR 478.102(d)(1) and 27 CFR 478.102(a)(1).

Viols WL ONLY and No Recall Inspection

12. TIME ACCOUNTING DATA			
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)	
JAN 2017	2.00		
FEB 2017	25.00		
MAR 2017	15.00		
ATF OFFICER'S SUBTOTAL	42.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS	42.00		

13. REVIEW AND ROUTING	
REVIEW COMMENTS AND RECOMMENDATION 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) - Area Supervisor		(b)(6)		REVIEW DATE 03/09/2017			

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) MONTECHEMA FIREARMS, LLC Montechema Firearms 101 South Main St STE. B Boerne, TX 78006, KENDALL	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 782065-2017-0203-B1B		
	3. PERMIT/LICENSE NUMBER 574259018F07903	4a. TARGET DATE 3/31/2017	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 MONTECHEMA FIREARMS, LLC Montechema Firearms	Street Address 104 B E San Antonio Ave	City Boerne	State TX	Zip Code 78006-	County KENDALL	Page 1 of 2 Pages
License/Permit/Registry Number <i>(If any)</i> 574259018F07903		Expiration Date 6/1/2018		Date(s) or Period of Inspection 02/13/2016 through 02/13/2017		

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 a valid exception to NICS prior to the transfer of a firearm. On (b)(3), PL occasion the licensee accepted a Federal Firearms Certificate as an exemption to NICS.

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

Citation: 27 CFR 478.102(d)(1)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee to adhere to all federal requirements and obtain a valid exception to NICS or ensure a NICS background check is called in.

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 MONTECHEMA FIREARMS, LLC Montechema Firearms	Street Address 104 B E San Antonio Ave	City Boerne	State TX	Zip Code 78006-	County KENDALL	Page 2 of 2 Pages
License/Permit/Registry Number (If any) 574259018F07903	Expiration Date 6/1/2018	Date(s) or Period of Inspection 02/13/2016 through 02/13/2017				

Inspection Results

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

Number: 2

Nature of Violation:

Failure to contact NICS prior to transferring a firearm to a nonlicensee on separate occasions. The licensee failed to contact a NICS on return of consignment firearms.

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

Corrective Action to be Taken: Licensee to adhere to all federal requirements and continue to complete NICS checks prior to the transfer of a firearm.
(If not corrected immediately)

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

Citation: 27 CFR 478.102(a)(1)

I Have Received a Copy of This Report of Violations (Proprietor's signature and title) (b)(6), Owner	Date 2/16/2017
Signature and (b)(6), 101	Date 2/16/17



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

6100 Bandera Rd. Ste. 701
San Antonio, TX 78238

March 9, 2017

www.atf.gov

782065:EF-mt
5373

WARNING LETTER

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Montechema Firearms, LLC
Attn: Mr. Mason C. Mainz
101 South Main St Ste. B.
Boerne, TX 78006
RE: 5-74-259-01-8F-07903

Dear Mr. Mainz:

During a recent inspection at your firearms business covering the period February 13, 2016, through February 13, 2017, you were cited for violations of Title 27, Code of Federal Regulations, Part 478. A copy of the Report of Violations, ATF F 5030.5, issued at the time of the inspection is enclosed.

All violations were fully explained to you or your designated responsible person by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigator(s). You or your responsible person indicated that 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 to ensure that criminals do not gain access to firearms. ATF appreciates the efforts you and other industry members make in this area. 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.

-2-

Mr. Mason C. Mainz
D.B.A. Montechema Firearms
RE: 5-74-259-01-8F-07903

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

Sincerely,

(b)(6)

Area Supervisor
San Antonio II Field Office

Enclosure

cc: Federal Firearms Licensing Center
San Antonio II Field Office
Houston FD

DEPARTMENT OF JUSTICE
BUREAU OF ALCOHOL, TOBACCO, FIREARMS
AND EXPLOSIVES

6100 Bandera Rd. Ste 701
San Antonio, TX 78238

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE \$300

CERTIFIED MAIL™



7012 2920 0001 9842 6234



Montechema Firearms, LLC
Attn: Mr. Mason C. Mainz
101 South Main St. Ste. B
Boerne, TX 78006

E 1363.3

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Montechema Firarms, LLC
Attn: Mr. Mason C. Mainz
101 South Main St. Ste. B
Boerne, TX 78006

2. Article Number
(Transfer from service label)

7012 2920 0001 9842 6234

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY**A. Signature****X**

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)**C. Date of Delivery**

- D. Is delivery address different from item 1?** ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

- ☐ Yes

FIREARMS INSPECTION REPORT

Name: Montechema Firearms LLC
Trade Name: Montechema Firearms

UI#: 782065-2017-0203-B1B
FFL#: 5-74-259-01-8F-07903

Address: 101 South Main St STE. B
Boerne, Texas 78006

1 - Introduction

Inspection Profile:

On February 13 and 16, 2017, Industry Operations Investigator (IOI) (b)(6) initiated an inspection at the licensed premises of a Type 01 Dealer of Firearms. The property is located in Kendall County. This inspection was done in conjunction with a Change of Address (COA) under UI 782065-2017-0202-B1B. The inspection was conducted at the existing address of 104 B E San Antonio Ave, Boerne, Texas 78006.

Interviewed was Mr. Mason Cody Mainz, Member/Responsible Person. The period of inspection was from February 13, 2016, to February 13, 2017.

The following violations were issued; 27 CFR 478.102(d)(1) and 27 CFR 478.102(a)(1).

All records were reviewed on February 16, 2017.

No other Federal, State or local agency assisted in the inspection

Business Profile:

Mr. Mainz has maintained the license since May 6, 2015. Business activity consists of retail sales of new and used firearms, gunsmithing activities, National Firearms Act (NFA) sales and advertising via www.facebook.com and www.instagram.com. The extent of his gunsmithing activity consists of only firearm cleanings. Mr. Mainz has an active Special Occupational Tax Permit for year 2017. Mr. Mainz does not engage in gun show activity, or internet transfers to private citizens or other FFLs. No other activity is conducted from the premises. Mr. Mainz will not utilize any off-site storage. Mr. Mainz does not have any employees.

The firearms business is Mr. Mainz primary source of income. Mr. Mainz also raises beef cattle on his ranch.

Mr. Mainz does not hold any other ATF Licenses. Mr. Mainz did inquire about a Type 07 FFL license. IOI (b)(6) discussed the procedures and regulations involving a Type 07 license.

FIREARMS INSPECTION REPORT

Name: Montechema Firearms LLC
Trade Name: Montechema Firearms

UI#: 782065-2017-0203-B1B
FFL#: 5-74-259-01-8F-07903

There have been no changes to the structure of the business. There are no other owners or investors.

In the last 12 months, (b)(4) firearms were acquired and (b)(4) were disposed. Firearms are acquired as new from (b) (4) and the general public as secondary market firearms. NFA firearms are acquired from Silencer Shop.

The business premises commercial property located within the city limits of Boerne, Texas. The property is owned by Granite Legacy LLC (**Exhibit 1**). A copy of the lease agreement and permission letter to operate a firearms business from the premises is submitted as (**Exhibit 2**). The letter was provided by Mrs. (b)(6), Member, of Granite Legacy LLC. The property is located in Kendall County. Zoning was verified with the City of Boerne, Texas, on February 13, 2017 (830-249-9511). The premises are zoned as B-3 Central Business District. The operation of a firearms business to include retail sales is allowed from the premises.

The premises contain alarm system and one gun safe.

Ownership and Control:

The business is registered in the State of Texas under the name of Montechema Firearms LLC, and operated under the assumed name of Montechema Firearms. The Secretary of State reflects the LLC as a Domestic Limited Partnership in existence (**Exhibit 3**). The Texas Comptroller of Public Accounts Franchise Tax Status/Texas Sales Tax Payer status is reflected as active (**Exhibit 4**). A copy of the Texas Sales and Use Tax permit was obtained during the qualification (**Exhibit 5**). Mr. Mainz utilizes sales tax payer number (b)(3) - 26 USC 6103

FLS reflects Mr. Mason Cody Mainz as the only responsible person. No additional responsible persons were added during the qualification.

There were no signs of hidden ownership.

An OpenFox/NForce query was conducted on Mr. Mainz and no disabling information was disclosed.

Variance:

There were no variances on file and none were requested during the inspection.

2 - Recommendation

FIREARMS INSPECTION REPORT

Name: Montechema Firearms LLC
Trade Name: Montechema Firearms

UI#: 782065-2017-0203-B1B
FFL#: 5-74-259-01-8F-07903

Violations WL ONLY and No Recall Inspection

3 - Inspection History

Date of Inspection: February 10, 2015
Type of Inspection: Qualification Inspection
UI#: 782065-2015-0362-B1B
Inspection Results: Application Approved
Cited Violations: No violations cited

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

In the last 12 months, (b)(4) firearms were acquired and (b)(4) disposed. There were (b)(4) firearms in inventory and (b)(4) open entries at the time of the inspection. There were no discrepancies disclosed when reviewing the manual A&D books and entries were recorded in the proper format. All entries were timely recorded in the books. There were no theft loss reports for the inspection period. Ten firearms were traced from acquisition to disposition and no discrepancies were disclosed. There were no indications of trafficking, illegal firearm transfers or obliterated serial numbers. No referrals were generated from this inspection. The primary suppliers of firearms (b)(4) and the general public.

The standard operating procedures are as follows: all acquisitions and dispositions are logged in a timely manner. Mr. Mainz is responsible for all entries in and out of the A&D books. Mr. Mainz utilizes three manual A&D books (Sales, NFA, Gunsmith). All three books contained entries are labeled for the type of inventory. Inventories occur once a month from gun to book. Acquisitions are logged in immediately and dispositions are logged at the time of sale.

5 - ATF Forms 4473 – NICS & Other Dispositions

There were a total of (b)(3)-(1) ATF Forms 4473 on file for the inspection period. IOI (b)(6) reviewed all forms and some discrepancies were disclosed. Mr. Mainz was cited for 27 CFR 478.102(d)(1) and 27 CFR 478.102(a)(1). Refer to section 13-Violations. There were several transfers to other licensees during the inspection period. There were no sales to law enforcement.

The standard operating procedures are as follows: Mr. Mainz is responsible for the completion and review of all ATF Forms 4473. All forms are reviewed by Mr. Mainz for accuracy prior to the disposition of a firearm. All National Instant Criminal

There were 3 (b)(6) review to other licen enforcement

The standard responsible f for accuracy Background

FIREARMS INSPECTION REPORT

Name: Montechema Firearms LLC
Trade Name: Montechema Firearms

UI#: 782065-2017-0203-B1B
FFL#: 5-74-259-01-8F-07903

Background Checks transactions are immediately entered on the ATF Form 4473. Mr. Mainz is well aware of the procedures and requirements for completing the ATF Form 4473. All customer identifications are verified against the ATF Form 4473 for accuracy and if any discrepancies are noted the transaction will not occur.

Form 4473.
requirements
responsible p
4473 are rev
identification
discrepancie

Per the FFL audit log there were 27 proceeds and two denials for the inspection period. The transactions were reviewed and no discrepancies was disclosed.

Per
All

There were no other denials outside the inspection period.

The

6 - Multiple Sales

Per the Violent Crime Analysis Branch (VCAB) query, there were six reported multiple sale of handguns for the inspection period. Of the six reported multiple sales reports, four were reported for the sale of receivers. IOI (b)(6) advised Mr. Mainz that the reporting of receivers is not required per regulation. Mr. Mainz is well aware of the procedures regarding multiple sales of handguns and long guns.

7 - Suspicious/Prohibited Purchasers

There were no indications disclosed of possible traffickers, straw purchasers, prohibited persons, or other suspicious purchasers. Six random criminal history checks (purchasers) were queried in OpenFox and no disabling information was revealed.

There were no referrals generated from this inspection.

8 - Trace Activity

There were no completed traces for the inspection period per the VCAB Firearms Trace History Report. Fifteen secondary market firearms were queried in OpenFox and no hits were disclosed. No referrals were generated from this inspection.

9 - NFA/Importer/Collector/Manufacturer

Mr. Mainz holds Special Occupational Tax Stamp (SOT) utilizing control number (b)(3) - 26 USC 6103 (Exhibit 6). There were no discrepancies involving the NFA inventory and NFRTR. There were 32 firearms in the NFA inventory and (b)(3) by NFRTR. There (b)(3) - 112 P seven firearms listed on the NFRTR which Mr. Mainz has not received. These (b)(3) - 112 P firearms were recently approved for transfer to (b)(4) via Form 3 (Application for Tax-Exempt Transfer of a Firearm and

FIREARMS INSPECTION REPORT

Name: Montechema Firearms LLC
Trade Name: Montechema Firearms

UI#: 782065-2017-0203-B1B
FFL#: 5-74-259-01-8F-07903

Registration to Special Occupational Taxpayer). IOI (b)(6) provided Mr. Mainz with National Firearms Branch contact information for future reference.

Mr. Mainz does not engage in Importing, Collecting or Manufacturing activities.

10 - Referrals

No referrals were generated from this inspection.

11 - Other

The Youth Handgun Safety Act Poster was displayed and the notices were readily available. Secure gun safety devices were available.

The property is located in Kendall County. The premises contain alarm system and one gun safe.

There were no other noteworthy findings.

12 - Closing Actions

On February 16, 2017, the closing conference was conducted at the licensed premises. In attendance was IOI (b)(6) and Mr. Mason Mainz, Member/Responsible Person.

The Acknowledgement of Federal Firearms Regulations (**Exhibit 7**) was discussed and signed by IOI (b)(6) and Mr. Mason Mainz, Member/Responsible Person, during the closing. Mr. Mainz was provided a copy of the acknowledgement.

There were two violations issued. The Report of Violations (ROV) was discussed with Mr. Mainz. Mr. Mainz signed a copy of the ROV and a copy was provided to Mr. Mainz for his reference.

The Important Notice to FFLs, regarding Selling Firearms AFTER Revocation/Expiration/Surrender of an FFL, was discussed and provided to Mr. Mainz.

13 - Violations

1. **27 CFR 478.102(d)(1)**

Nature of Violation:

FIREARMS INSPECTION REPORT

Name: Montechema Firearms LLC
Trade Name: Montechema Firearms

UI#: 782065-2017-0203-B1B
FFL#: 5-74-259-01-8F-07903

Failure to obtain a valid exception to NICS prior to the transfer of a firearm. On (b)(6) occasion the licensee accepted a Federal Firearms Certificate as an exemption to NICS.

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

Licensee's Response:

Mr. Mainz stated he was unaware the permit was not a valid exemption to NICS.

Corrective Action:

Licensee to adhere to all federal requirements and obtain a valid exception to NICS or ensure a NICS background check is called in. IOI (b)(6) initiated an OpenFox query on Mr. Chavez and no disabling information was disclosed.

Reference Worksheet 2 and Exhibit 8

2. 27 CFR 478.102(a)(1)

Nature of Violation:

Failure to contact NICS prior to transferring a firearm to a non-licensee on three separate occasions. The licensee failed to contact NICS on the return of consignment firearms.

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

Licensee's Response:

Mr. Mainz stated he was unaware he had to initiate a NICS check for the return of consignment firearms.

Corrective Action:

FIREARMS INSPECTION REPORT

Name: Montechema Firearms LLC
Trade Name: Montechema Firearms

UI#: 782065-2017-0203-B1B
FFL#: 5-74-259-01-8F-07903

Licensee to adhere to all federal requirements and continue to complete NICS checks prior to the transfer of a firearm. IOI (b)(6) initiated an OpenFox query on (b)(6) and no disabling information was disclosed.

Reference Worksheet 2 and Exhibit 9

X

Industry Operations Investigator

Index of Worksheets and Exhibits

ATF Form 5030.5, Report of Violations
Worksheets

Exhibit 1-Kendall CAD

Exhibit 2-Lease Agreement/Letter

Exhibit 3-SOS

Exhibit 4-Texas Comptroller

Exhibit 5-Sales Tax Permit

Exhibit 6-SOT

Exhibit 7-Acknowledgement

Exhibit 8 (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Exhibit 9

FIREARMS INSPECTION REPORT

Name: Montechema Firearms LLC
Trade Name: Montechema Firearms

UI#: 782065-2017-0203-B1B
FFL#: 5-74-259-01-8F-07903