

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) K&K Loan Company Inc. Capital Pawn Shop 2135-2137 Eakin Rd Columbus, OH 43223, Franklin		2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 773015-2016-0324-B1B																															
6. ATF OFFICER(S) ASSIGNED (b) (6) - Lead Investigator		3. PERMIT/LICENSE NUMBER 431049026K34846																															
		4a. TARGET DATE 9/30/2016																															
7. ASSIGNED BY (SIGNATURE, TITLE AND DATE) (b) (6), Area Supervisor, 02/22/2016		4b. TARGET HOURS																															
		5. REQUESTED BY (SIGNATURE, TITLE AND DATE)																															
8. PURPOSE/SPECIAL INSTRUCTIONS Conduct Firearms Disposition Emphasis Inspection. Refer to IOI Manual, Chapter C – Firearms Inspections and FY 16 Domain Assessment. Conduct 100% inventory and ATF Form 4473 review unless authorized in advanced by Area Supervisor and DIO.																																	
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td colspan="2" style="width: 60%;">9. INSPECTION RESULTS <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC</td><td colspan="2" style="width: 40%;">10. TRAVEL EXPENSES (OPTIONAL)</td></tr><tr><td style="width: 20%;">NO. OF VIOLATIONS</td><td style="width: 20%;">4</td><td style="width: 20%;">NO. OF REFERRALS</td><td style="width: 20%;">2111 - PER DIEM</td></tr><tr><td>NO. OF TECS CHECKS</td><td>39</td><td>NO. OF TECS HITS</td><td>2112 - P.O.A.</td></tr><tr><td rowspan="2">NO. OF TAX ADJUSTMENTS</td><td rowspan="2"></td><td>\$ VALUE OF TAX INCREASES</td><td>2113 - COMM. AIR</td></tr><tr><td>\$ VALUE OF TAX DECREASES</td><td>2114 - RENTAL CAR</td></tr><tr><td>NO. OF ASSESSMENTS</td><td></td><td>\$ VALUE OF ASSESSMENTS</td><td>2115 - GPV EXPENSES</td></tr><tr><td>NO. OF CLAIMS</td><td></td><td>\$ VALUE OF CLAIMS</td><td>2116 - MISC.</td></tr><tr><td>NO. OF TAX PERIODS</td><td></td><td>\$ 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	4	NO. OF REFERRALS	2111 - PER DIEM	NO. OF TECS CHECKS	39	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.
9. INSPECTION RESULTS <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC		10. TRAVEL EXPENSES (OPTIONAL)																															
NO. OF VIOLATIONS	4	NO. OF REFERRALS	2111 - PER DIEM																														
NO. OF TECS CHECKS	39	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: 03/11/2016 A Warning Letter is warranted based on Licensee's failure to stop the transfer of a firearm to a person who appeared prohibited at time of transfer, but was not actually prohibited. Licensee transferred a shotgun to (b)(3) 112 Public Law 55 125 STAT 552 after Mr. (b)(3) 112 Public Law 55 125 STAT 552 answered "Yes" to question 11i: Have you ever been convicted in any court of a misdemeanor crime of domestic violence? IOI (b)(3) 112 Public Law 55 125 STAT 552 investigated (b)(3) 112 Public Law 55 125 STAT 552 via the OpenFox database. No prohibiting convictions were discovered. A Warning Conference is not warranted. Licensee received a Warning Letter from the previous inspection. However, the Warning Letter was issued as an alternate recommendation resulting from failure to obtain complete or accurate information on 5% or more of ATF Forms 4473. For this inspection, Licensee repeated violations of 27 CFR 478.124(c)(1) and 27 CFR 478.125(e). The violations repeated for this inspection were not the violations triggering the Warning Letter from the previous inspection. Violts WL ONLY and No Recall Inspection																																	
12. TIME ACCOUNTING DATA																																	
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td colspan="2" style="width: 60%;">ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b) (6)</td><td colspan="2" style="width: 40%;"></td></tr><tr><td style="width: 20%;">FEB 2016</td><td style="width: 20%;">7.00</td><td colspan="2"></td></tr><tr><td>MAR 2016</td><td>38.00</td><td colspan="2"></td></tr><tr><td>ATF OFFICER'S SUBTOTAL</td><td>45.00</td><td colspan="2">ATF OFFICER'S SIGNATURE</td></tr><tr><td>TOTAL HOURS</td><td>45.00</td><td colspan="2"></td></tr></table>				ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b) (6)				FEB 2016	7.00			MAR 2016	38.00			ATF OFFICER'S SUBTOTAL	45.00	ATF OFFICER'S SIGNATURE		TOTAL HOURS	45.00												
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b) (6)																																	
FEB 2016	7.00																																
MAR 2016	38.00																																
ATF OFFICER'S SUBTOTAL	45.00	ATF OFFICER'S SIGNATURE																															
TOTAL HOURS	45.00																																

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) K&K Loan Company Inc. Capital Pawn Shop 2135-2137 Eakin Rd Columbus, OH 43223, Franklin	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 773015-2016-0324-B1B		
	3. PERMIT/LICENSE NUMBER 431049026K34846	4a. TARGET DATE 9/30/2016	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION

Viols WL ONLY and No Recall Inspection

☒ REVIEWED

☒ CONCUR

☐ SEE COMMENTS

☒ FINAL DISPOSITION

SIGNATURE AND TITLE

(b) (6) - Area Supervisor

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

REVIEW DATE

03/11/2016

ROUTING SEQUENCE AND DATE

- ☐ 1. _____
- ☐ 2. _____
- ☐ 3. _____
- ☐ 4. _____

CONTROL FILE POSTED DATE _____



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

550 Main Street, Room 8-507
Cincinnati, OH 45202

CORR

MAR 14 2016

www.atf.gov

773015 (b) (6)

5373

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

K&K Loan Company Inc.
2136-2137 Eakin Road
Columbus, OH 43223

4-31-049-02-6K-34846

Dear Mr. Khazanov,

During a recent compliance inspection at your firearms business covering the period of March 1, 2015, through March 8, 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.

K&K Loan Company Inc.

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

Sincerely,

(b) (6)

Area Supervisor

Enclosure

cc: National Licensing Center
Cincinnati II (IO) Field Office
Correspondence File

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 K&K Loan Company Inc. Capital Pawn Shop	Street Address 2135-2137 Eakin Rd	City Columbus	State OH	Zip Code 43223-	County Franklin	Page 1 of 4 Pages
License/Permit/Registry Number (If any) 431049026K34846		Expiration Date 10/1/2016		Date(s) or Period of Inspection 03/01/2015 through 03/08/2016		

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:

Licensee failed on (b)(3) 112 Public forms to obtain a complete ATF Form 4473 from the purchaser before transferring a firearm showing their name, sex, residence address, date and place of birth, height, weight, state of residence, and certification from the transferee that they are not prohibited from receiving or possessing a firearm. Specifically:

- Licensee failed on (b)(3) 112 Public form to properly record the information in Question 11c. Have you even been convicted in a court of a Felony, or any other crime, for which the judge could have imprisoned you for more than one year, even if you received a shorter sentence including probation? (b)(3) 112 Public

- Licensee failed on (b)(3) 112 Public form to properly record the information in Question 11k. Are you an Alien illegally in the United States? (b)(3) 112 Public

- Licensee failed on (b)(3) 112 Public forms to properly record information in Block 17. Certification Date as required (b)(3) 112 Public Law 55 125 STAT 552 (b)(3)

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 obtain a complete ATF Form 4473 from the purchaser before transferring a firearm showing their name, sex, residence address, date and place of birth, height, weight, state of residence, and certification from the transferee that they are not prohibited from receiving or possessing a firearm, on all future instances.

IOI (b) (6) investigated (b)(3) 112 Public Law 55 125 STAT 552 (b)(3) and the firearms transferred to them using the eTrace and OpenFox databases. No significant discoveries were returned. No firearm prohibitions discovered.

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 K&K Loan Company Inc. Capital Pawn Shop	Street Address 2135-2137 Eakin Rd	City Columbus	State OH	Zip Code 43223-	County Franklin	Page 2 of 4 Pages
License/Permit/Registry Number (If any) 431049026K34846	Expiration Date 10/1/2016	Date(s) or Period of Inspection 03/01/2015 through 03/08/2016				

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:

Licensee failed on (b)(3) 112 Public form to verify the purchaser's identity by examining the identification document (as defined in 478.11) presented, and noting on the ATF Form 4473 the type of identification used, the number of the identification, and the expiration date of the identification. Specifically:

- Licensee failed on (b)(3) 112 Public form to properly record the Expiration Date of Identification in Block 20a (b)(3) 112 Public Law 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)

The licensee will verify the purchaser's identity by examining the identification document (as defined in 478.11) presented, and shall note on the ATF Form 4473 the type of identification used, the number of the identification, and the correct expiration date of the identification, on all future instances.

IOI (b)(6) investigated (b)(3) 112 Public Law 55 125 STAT and the firearm transferred to him using the eTrace and OpenFox databases. No significant discoveries were returned.

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 K&K Loan Company Inc. Capital Pawn Shop	Street Address 2135-2137 Eakin Rd	City Columbus	State OH	Zip Code 43223-	County Franklin	Page 3 of 4 Pages
License/Permit/Registry Number (If any) 431049026K34846	Expiration Date 10/1/2016	Date(s) or Period of Inspection 03/01/2015 through 03/08/2016				

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:

Licensee failed on (b)(3) 112 Public form to stop the transfer of a firearm to a purchaser when there was reasonable cause to believe the purchaser was prohibited by law from possessing a firearm at the time of the transfer. Specifically:

- Licensee failed to stop the transfer of a shotgun to (b)(3) 112 Public Law 55 125 STAT 5 when transferee answered Yes to question 11i: Have you ever been convicted in any court of a misdemeanor crime of domestic violence?

Citation: 27 CFR 478.99(c)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee will not transfer firearms to any person knowing or having reasonable cause to believe that such person is prohibited by law from possessing firearms, in all future instances.

IOI (b)(6) investigated (b)(3) 112 Public Law 55 125 STAT 5 via the OpenFox database. No evidence of any conviction for domestic violence was discovered. IOI (b)(6) verified all entries for (b)(3) 112 Public Law 55 125 STAT 52 matched the individual listed on the ATF Form 4473 via date of birth and social security number. No firearm prohibitions were discovered during investigation.

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 K&K Loan Company Inc. Capital Pawn Shop	Street Address 2135-2137 Eakin Rd	City Columbus	State OH	Zip Code 43223-	County Franklin	Page 4 of 4 Pages
License/Permit/Registry Number (If any) 431049026K34846	Expiration Date 10/1/2016	Date(s) or Period of Inspection 03/01/2015 through 03/08/2016				

Inspection Results

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

Number: 4

Nature of Violation:

Licensee failed to maintain an accurate acquisition and disposition record as required. Licensee failed to properly record the disposition of (b)(3) 112 Public firearms in a timely manner prior to inspection. Specifically:

- Licensee failed to properly record the disposition of (b)(3) 112 Public firearms listed in the Acquisition and Disposition record as being in inventory. (b)(3) - Public Law 112-55 (125 Stat. 552), (b) (6)

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

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

- Licensee failed to properly record the disposition of (b)(3) 112 Public firearm (b)(3) - Public Law 112-55 (125 Stat. 552) listed in the Acquisition and Disposition record as being in inventory, to (b)(3) 112 Public

- Licensee failed to properly record the disposition of (b)(3) - Public Law 112-55 (125 Stat. 552), (b) (6) listed in the Acquisition and Disposition record as being in inventory, to (b)(3) 112 Public

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee will record all acquisitions of firearms no later than the close of the next business day following the date of such purchase or acquisition, and the licensee will record all dispositions not later than seven days following the date of such sale or other disposition. Furthermore, the licensee will record all acquisitions and dispositions that were not correctly recorded at time of inspection.

IOI (b) (6) investigated the (b)(3) 112 Public firearms with untimely disposition records via the OpenFox and eTrace databases. No significant discoveries were returned. IOI (b) (6) investigated (b)(3) 112 Public Law 55 125 Stat. via the OpenFox database. No firearm prohibitions were discovered.

Citation: 27 CFR 478.125(e)

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

Date

Signature and Title of ATF Officer

Date

FIREARMS INSPECTION REPORT

Name: K & K Loan Company Inc.
Trade Name: Capital Pawn Shop

UI#: 773015-2016-0324 B1B
FFL#: 4-31-049-02-6K-24846

Address: 2136-2137 Eakin Road
Columbus, OH 43223

FRANKLIN COUNTY

1 - Introduction

Inspection Profile:

On March 7, 2016 Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigator (IOI) (b)(6) began a disposition emphasis compliance inspection on Federal firearms licensee (FFL) K&K Loan Company, doing business as (dba) Capital Pawn Shop. Alexander Khazanov (President) was interviewed and assisted with the inspection. The inspection period covered March 1, 2015 through March 8, 2016. Inspection of inventory and records was completed on March 9, 2016 with closing actions held March 10, 2016. No other agencies collaborated on this inspection. No advanced notice was given.

Business Profile:

K&K Loan Company has held an FFL since September 1992. Licensee conducts business as a pawn shop and retail dealer in used merchandise. Firearms are pawned, redeemed and sold at this location. Firearms are acquired from the general public as purchases or forfeited as security for cash loans. Alexander Khazanov stated new firearms are ordered only upon special request by a customer.

Capital Pawn Shop does not conduct business at gun shows, import, export, deal in black powder, or function as a distributor for wholesalers. Licensee conducts dealer to dealer transfers and maintains copies of the other party's FFL. Licensee stated they do not deal firearms via the internet but do list other items for sale on Craig's List.

For the inspection period there were (b)(4) firearms acquired (b)(4) handguns; (b)(4) long guns). For the same period there were (b)(4) firearms disposed (b)(4) handguns; (b)(4) long guns). Licensee's business is (b)(4) pawn redemptions. The majority of firearms are used, with only the occasional new firearm ordered per customer request. For the inspection period (b)(4) of business was handguns and (b)(4) long guns. K&K Loan Company does not conduct internet transfer of firearms. Licensee does not have a dedicated business website, but does list items other than firearms on Craig's List. There is no wholesale business. Licensee does not have offsite storage. Licensee holds no other ATF licenses. The licensee holds the appropriate State of Ohio vendor's license for the reporting of sales tax and the appropriate State of Ohio pawnbroker's license (PB.100037.009-BR).

Hours of operations are listed as 9:15 am to 6:00 pm Monday through Saturday, closed Sunday. Alexander Khazanov stated he understood ATF right of entry and inspection.

FIREARMS INSPECTION REPORT

Name: K & K Loan Company Inc.
Trade Name: Capital Pawn Shop

UI#: 773015-2016-0324 B1B
FFL#: 4-31-049-02-6K-24846

On 02/23/2016 IO (b)(6) received confirmation from Paul Freedman, City of Columbus, Department of Building and Zoning Services that the premises at 2135-2137 Eakin Road is in compliance with all zoning regulations.

Ownership and Control:

K&K Loan Company Inc. conducts business as a corporation for profit registered with the Ohio Secretary of State (Entity # 822891). K&K Loan Company holds no other ATF licenses. Alexander Khazanov is listed as the Agent/Registrant. Responsible persons are listed as Alexander Khazanov (President) and Galina Khazanov (Secretary/Treasurer.) Capital Pawn Shop is a registered trade name with the State of Ohio. K&K Loan Company has a valid State of Ohio Pawnbroker's License (PB.100215.00-BR).

Responsible persons Alexander Khazanov and Galin Khazanov were cleared by FLS. There were no indications of hidden ownership.

Variance:

No firearms variances exist. No new firearm variances requested.

2 - Recommendation

Violations; Warning Letter Only; No Recall Inspection

A Warning Letter is warranted based on Licensee's failure to stop the transfer of a firearm to a person who appeared prohibited at time of transfer, but was not actually prohibited. Licensee (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

via the OpenFox database. No prohibiting convictions were discovered.

A Warning Conference is not warranted. Licensee received a Warning Letter from the previous inspection. However, the Warning Letter was issued as an alternate recommendation resulting from failure to obtain complete or accurate information (b)(7)(E) ATF Forms 4473. For this inspection, Licensee repeated violations of 27 CFR 478.124(c)(1) and 27 CFR 478.125(e). The violations repeated for this inspection were not the violations triggering the Warning Letter from the previous inspection.

3 - Inspection History

Date of Inspection:	November 20, 2008
Type of Inspection:	Inspection subsequent to Burglary
UI#:	773015-2009-0087 B1B
Inspection Results:	No violations; No referrals; No further actions.
Cited Violations:	None

Date of Inspection:	June 11, 2007
Type of Inspection:	Compliance
UI#:	773015-2007-0252

FIREARMS INSPECTION REPORT

Name: K & K Loan Company Inc.
Trade Name: Capital Pawn Shop

UI#: 773015-2016-0324 B1B
FFL#: 4-31-049-02-6K-24846

Inspection Results: Violations issued. Warning letter as an alternate to a warning conference
Cited Violations: 27 CFR 478.124(c)(1)
27 CFR 478.124(c)(3)(iv)
27 CFR 478.125(e)

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

A full 100% inventory verification was conducted. There were 395 firearms physically present in inventory. There were (b)(3) - 112 open dispositions in the A&D Record. Licensee failed to properly record the disposition of (b)(3) - 112 Public firearms. Licensee was cited for this violation. This violation was repeated from the previous inspection (6/11/2007). IOI (b)(6) reconciled the (b)(3) - 112 Public discrepancies to firearms disposed but not properly recorded. See Worksheet 1-Firearms Inspection Inventory and A&D Review for details. The licensee had not reported the theft/loss of any firearms for the inspection period.

Licensee used paper books for the official acquisition and disposition record. Alexander Khazanov is solely responsible for maintain the A&D Record. The A&D Record is in the correct format. Licensee stated formal inventories are conducted approximately once a year. Licensee stated that he attempts to log all firearm acquisitions and dispositions into the A&D record as soon as possible.

IOI (b)(6) traced (b)(3) - 112 Public firearms from acquisition by Licensee via pawn through disposition on ATF Form 4473. No discrepancies discovered for the firearms traced. No apparent trafficking issues were discovered.

IOI (b)(6) verified firearms reported stolen in 2008 were properly logged out in A&D record. All firearms reported stolen (UI# 773015-2009-0087 B1B) were properly recorded as disposed to ATF incident # (b)(3) - 112 Public Law 55 125 Stat.

REFERENCE: Worksheet 1; ROV #4 [478.125(e)]; Exhibit 4

5 - ATF Forms 4473 – NICS & Other Dispositions

For the inspection period there were (b)(3) - 112 ATF Forms 4473 on file and (b)(3) - 112 reviewed. There were (b)(3) - 112 Public denied transactions for the inspection period which were verified against ATF Forms 4473. Forms are filed in sequential order. Denied forms and uncompleted transfer/no sale forms are filed separately. Alexander Khazanov is responsible for completing all ATF Forms 4473.

Licensee reported using FFL EZCheck. There were no transfers to law enforcement on letterhead. NICS audit log was obtained and verified for the last 60 days: eight (8) denials, 61 proceed responses, five (5) open entries and zero cancelled transactions (74 total). The five (5) open entries were for no resolution responses returned from NICS. Licensee waited the required three business day minimum before transferring firearms with respect to four (4) of the transfers. Licensee had multiple instances of waiting seven (7) days before transferring firearms. One open entry remained uncompleted at time of inspection as customer had yet to return to premises. All NICS transaction numbers (NTN) were accounted for and verified against reviewed ATF Forms 4473. There were no discrepancies between forms and audit log.

No trafficking issues were discovered.

FIREARMS INSPECTION REPORT

Name: K & K Loan Company Inc.
Trade Name: Capital Pawn Shop

UI#: 773015-2016-0324 B1B
FFL#: 4-31-049-02-6K-24846

Licensee uses the telephone option for checking NICS. IOI (b)(6) instructed Licensee in the use of the NICS online option. Licensee was able to describe a straw purchase when asked. Licensee accepts State issued driver's license or State issued identification for proof required in ATF Form 4473 question 20b.

There were discrepancies found during the review of forms that resulted in three (3) violations cited. Violation #1 was repeated from the previous inspection (6/11/2007).

REFERENCE; ROV #1 [478.124(c)(1)], ROV #2 [478.124 (c)(3)(i)], ROV #3 [478.99(c)]; Worksheet 2; Exhibit 1, 2, 3

6 - Multiple Sales

The Violent Crime Analysis Branch query reported no multiple sales for inspection period. No multiple sales were discovered during review of forms. No multiple sales were discovered in eTrace.

7 - Suspicious/Prohibited Purchasers

A review of records indicated eleven suspicious purchases. IOI (b)(6) investigated each of the eleven individuals using the OHLEG, OpenFox, and eTrace databases. No significant discoveries were returned.

IOI (b)(6) investigated 28 firearms; (b)(6) firearms associated with reconciliation of the discrepancies discovered in the acquisition and disposition record and 24 related to suspicious purchasers. IOI (b)(6) investigated the firearms using OpenFox and eTrace databases. No significant discoveries were returned.

8 - Trace Activity

The Violent Crime Analysis Branch query disclosed licensee was not involved in any traces for inspection period.

9 - NFA/Importer/Collector/Manufacturer

Licensee does not deal in NFA firearms. Licensee is not an importer, manufacturer or collector.

10 - Referrals

No referrals.

11 - Other

IOI (b)(6) queried NForce, FLS and RAC (b)(6) for deconfliction prior to inspecting K&K Loan Company. No open cases were discovered. No apparent conflicts exist.

A copy of the Federal firearms license and Youth Handgun Safety Act poster were posted. Youth Handgun Safety Act Notices were available for all handgun purchasers.

FIREARMS INSPECTION REPORT

Name: K & K Loan Company Inc.
Trade Name: Capital Pawn Shop

UI#: 773015-2016-0324 B1B
FFL#: 4-31-049-02-6K-24846

NOTE: Firearms are intermixed with all other pawned merchandise in storage area. Licensee has an organizational system, but inventory verification conducted solely by an ATF inspector will be impossible. Using the number of firearms reported from past inspections will be misleading for planning purposes. Future inspections should budget a minimum of three days for inventory verification, plus time for forms review. A second inspector will not speed up the process for inventory verification as Licensee needs to find the firearms in storage and present them for inspection by ATF.

12 - Closing Actions

The closing conference was held March 10, 2016 with IOI (b)(6) and Alexander Khazanov present. The Acknowledgement of Federal Firearms Regulations and the Report of Violations were reviewed with, and signed by Mr. Khazanov. A copy of each was provided for Licensee's records.

REFERENCE; ROV; Exhibit 5

13 - Violations

1. **27 CFR 478.124(c)(1)** **REPEAT OF VIOLATION CITED ON 6/11/2007**

Nature of Violation

Licensee failed on (b)(3) - 112 Public L forms to obtain a complete ATF Form 4473 from the purchaser before transferring a firearm showing their name, sex, residence address, date and place of birth, height, weight, state of residence, and certification from the transferee that they are not prohibited from receiving or possessing a firearm. Specifically:

- Licensee failed on (b)(3) - 112 Public L form to properly record the information in Question 11c. Have you even been convicted in a court of a Felony, or any other crime, for which the judge could have imprisoned you for more than one year, even if you received a shorter sentence including probation? (b)(3) - 112 Public Law 55.
- Licensee failed on (b)(3) - 112 Public L form to properly record the information in Question 11k. Are you an Alien illegally in the United States? (b)(3) - 112 Public Law 55).
- Licensee failed on (b)(3) - 112 Public L forms to properly record information in Block 17. Certification Date as required (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)).

Licensee's Response

Licensee stated "Just missed it. There's no excuse."

Corrective Action

The licensee will obtain a complete ATF Form 4473 from the purchaser before transferring a firearm showing their name, sex, residence address, date and place of birth, height, weight, state of residence, and certification from the transferee that they are not prohibited from receiving or possessing a firearm, on all future instances.

FIREARMS INSPECTION REPORT

Name: K & K Loan Company Inc.
Trade Name: Capital Pawn Shop

UI#: 773015-2016-0324 B1B
FFL#: 4-31-049-02-6K-24846

IOI (b)(6) investigated Smith, Shane, Gonzalez and the firearms transferred to them using the eTrace and OpenFox databases. No significant discoveries were returned. No firearm prohibitions discovered.

2. **27 CFR 478.124(c)(3)(i)**

Nature of Violation

Licensee failed on (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) form to verify the purchaser's identity by examining the identification document (as defined in 478.11) presented, and noting on the ATF Form 4473 the type of identification used, the number of the identification, and the expiration date of the identification. Specifically:

- Licensee failed on (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) form to properly record the Expiration Date of Identification in Block 20a (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Licensee's Response

Licensee acknowledged violation. Licensee stated "I guess it was just an oversight."

Corrective Action

The licensee will verify the purchaser's identity by examining the identification document (as defined in 478.11) presented, and shall note on the ATF Form 4473 the type of identification used, the number of the identification, and the correct expiration date of the identification, on all future instances.

IOI (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) using the eTrace and OpenFox databases. No significant discoveries were returned.

3. **27 CFR 478.99(c)**

Nature of Violation

Licensee failed on (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) form to stop the transfer of a firearm to a purchaser when there was reasonable cause to believe the purchaser was prohibited by law from possessing a firearm at the time of the transfer. Specifically:

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

Licensee's Response

Licensee stated "I screwed up. It was not intentional. It was simply an oversight."

Corrective Action

The licensee will not transfer firearms to any person knowing or having reasonable cause to believe that such person is prohibited by law from possessing firearms, in all future instances.

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

FIREARMS INSPECTION REPORT

Name: K & K Loan Company Inc.
Trade Name: Capital Pawn Shop

UI#: 773015-2016-0324 B1B
FFL#: 4-31-049-02-6K-24846

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

. No firearm prohibitions were discovered during investigation.

4. **27 CFR 478.125(e)**

REPEAT OF VIOLATION CITED ON 6/11/2007

Nature of Violation

Licensee failed to maintain an accurate acquisition and disposition record as required.

Licensee failed to properly record the disposition of (b)(3) - 112 Public Law 55 firearms in a timely manner prior to inspection. Specifically:

- Licensee failed to properly record the disposition of (b)(3) - 112 Public Law 55 firearms listed in the Acquisition and Disposition record as being in inventory (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

- Licensee failed to properly record the disposition of (b)(3) - 112 Public Law 55 firearm (b)(3) - 112 Public Law 55

- Licensee failed to properly record the disposition (b)(3) - 112 Public Law 55 firearm (b)(3) - 112 Public Law 55; (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Licensee's Response

Licensee stated that the firearms transferred (b)(6)

(b)(6) during A&D record reconciliation. Licensee stated it was simply an error on their part in regards to not logging the firearms out of the A&D record.

Licensee stated (b)(6) often pawns multiple black powder guns. In the instance cited in this violation, (b)(6) redeemed a firearm along with three (3) black powder guns. The redeemed items had been entered across two different pages in the A&D record. When logging the firearms disposed to (b)(6) failed to record the entry on the bottom of the preceding page.

Licensee stated that (b)(6) a recurring pawn customer. Licensee stated the pistol transferred to (b)(6) was part of a multiple firearm pawn redemption. The pistol (Pawn #78194) was listed on the front of the ATF Form 4473 but the firearm information required in Blocks 26-30 was not transferred to page three of the form.

FIREARMS INSPECTION REPORT

Name: K & K Loan Company Inc.
Trade Name: Capital Pawn Shop

UI#: 773015-2016-0324 B1B
FFL#: 4-31-049-02-6K-24846

Corrective Action

The licensee will record all acquisitions of firearms no later than the close of the next business day following the date of such purchase or acquisition, and the licensee will record all dispositions not later than seven days following the date of such sale or other disposition. Furthermore, the licensee will record all acquisitions and dispositions that were not correctly recorded at time of inspection.

IOI (b)(6) investigated the four (4) firearms with untimely disposition records via the OpenFox and eTrace databases. No significant discoveries were returned. IOI (b)(6) investigated William Myers via the OpenFox database. No firearm prohibitions were discovered.

X

(b)(6)

Industry Operations Investigator

Index of Worksheets and Exhibits

Report of Violations

Worksheet 2 - ATF Form 4473 (2012 Version) Review Worksheet

Exhibit 1- Documentation supporting Violation 1

Exhibit 2- Documentation supporting Violation 2

Exhibit 3- Documentation supporting Violation 3

Exhibit 4- Documentation supporting Violation 4

Exhibit 5- Acknowledgement of Federal Firearms Regulations