

## Assignment and Report

<b>1. OPERATING NAME AND ADDRESS</b> (INCLUDE ZIP CODE AND COUNTY) ZV PATE INC 9160 MORGAN ST LAUREL HILL, NC 28351, SCOTLAND		<b>2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.)</b> 763025-2017-0189-B1B		
		<b>3. PERMIT/LICENSE NUMBER</b> 156165018A01570	<b>4a. TARGET DATE</b> 4/6/2017	<b>4b. TARGET HOURS</b> 80
		<b>5. REQUESTED BY (SIGNATURE, TITLE AND DATE)</b>		
<b>6. ATF OFFICER(S) ASSIGNED</b> (b) (6) Lead Investigator (b) (6) Assigned Investigator				
<b>7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)</b> (b) (6) Area Supervisor, 02/06/2017				
<b>8. PURPOSE/SPECIAL INSTRUCTIONS</b> CONDUCT DE/COMPLIANCE INVESTIGATION				
<b>9. INSPECTION RESULTS</b> <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC				
NO. OF VIOLATIONS	1	NO. OF REFERRALS		<b>10. TRAVEL EXPENSES (OPTIONAL)</b>
NO. OF TECS CHECKS		NO. OF TECS HITS		2111 - PER DIEM
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES		2112 - P.O.A.
		\$ VALUE OF TAX DECREASES		2113 - COMM. AIR
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS		2114 - RENTAL CAR
NO. OF CLAIMS		\$ VALUE OF CLAIMS		2115 - GPV EXPENSES
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED		2116 - MISC.
				TOTAL \$ FOR INSP.
<b>11. ATF OFFICER'S RECOMMENDATION</b> Submitted by (b) (6) Industry Operations Investigator  Submitted on: 02/16/2017  Viols WL ONLY and No Recall Inspection				
<b>12. TIME ACCOUNTING DATA</b>				
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b) (6)		
FEB 2017		15.00		
ATF OFFICER'S SUBTOTAL		15.00	ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b) (6)		
FEB 2017		9.00		
ATF OFFICER'S SUBTOTAL		9.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS		24.00		
<b>13. REVIEW AND ROUTING</b>				
<b>REVIEW COMMENTS AND RECOMMENDATION</b> Concur with IOI (b) (6) alternate recommendation of WL and no Recall  Viols WL ONLY and No Recall Inspection				
<input checked="" type="checkbox"/> REVIEWED <input checked="" type="checkbox"/> CONCUR <input checked="" type="checkbox"/> SEE COMMENTS <input type="checkbox"/> FINAL DISPOSITION				
SIGNATURE AND TITLE (b) (6) - Area Supervisor			REVIEW DATE 03/08/2017	

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	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 SBALBRO - Director of Industry Operations	REVIEW DATE 03/22/2017
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#### ROUTING SEQUENCE AND DATE

- ☒ 1. FFLC  
☐ 2.  
☐ 3.  
☐ 4.

CONTROL FILE POSTED DATE 03/22/2017

Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in quadruplicate. The original copy and the suspense copy (where required) 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 ZV PATE INC	Street Address 9160 MORGAN ST	City LAUREL HILL	State NC	ZIP Code 28351	County SCOTLAND	Page _____ of _____ Pages
License/Permit/Registry Number (if any) 1-56-165-01-8A-01570	Expiration Date 01-01-2018	Date(s) or Period of Inspection 15 FEB 2016 — 15 FEB 2017				

### Inspection Results

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

[illegible]

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

Signature and Title of AT

Date 2.15.17

Date 2/15/17



U.S. Department of Justice

Bureau of Alcohol, Tobacco,  
Firearms and Explosives  
6701 Carmel Road, Suite 200  
Charlotte, North Carolina 28226

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

March 24, 2017

763025 (b) (6)  
5300

**WARNING LETTER**

**CERTIFIED RETURN RECEIPT REQUESTED**

ZV Patent Co. In  
Attn: Melissa Lester  
P.O. Box 159  
Laurel Hill, NC 28351 H

RE: FFL #1-56-165-01-8A-01570

Dear Mrs. Lester:

During a recent compliance inspection at your firearms business covering the period of February 15, 2015 to February 15, 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 (b) (6). You indicated that you are in compliance with 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

ZV Pate

RE: FFL #1-56-165-01-8A-01570

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.

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

Sincerely yours,

(b) (6)

Area Supervisor, Charlotte Group III  
Charlotte Field Division

Enclosure

cc: Federal Firearms Licensing Center  
Charlotte Area Office

# FIREARMS INSPECTION REPORT

**Name:** ZV Pate, Inc.  
**Trade Name:**

**UI#:** 763025-2017-0189-B1B  
**FFL#:** 1-56-165-01-8A-01570

**Address:** 9160 Morgan St.  
Laurel Hill, NC 28351

**Mailing Address:**  
P.O. Box 159  
Laurel Hill, NC 28351

**Telephone:** (910) 462-2187

**Fax:** (910) 462-3713

**Emergency Telephone:** (b)(6)

**Hours:** Monday-Friday: 8:00am-5:30pm; Saturday: 8:00am-3:00pm; Closed Sunday

## 1 - Introduction

### Inspection Profile:

An unannounced Compliance Inspection was conducted at ZV Pate, Inc., at 9160 Morgan Rd., Laurel Hill, NC on 02/15/17 by IOI's (b)(6). The period of review for the inspection was 02/15/16 to 02/15/17. Melissa Lester (NC DL # (b)(6)) was present during the inspection.

### Business Profile:

The Licensee operates a hardware store and also sells firearms and ammunition. They have been in business for more than 100 years and have had their FFL since 06/20/79. The Licensee only sells new firearms. They do not conduct internet transfers. Firearms are ordered from (b)(4). They do not conduct gunsmithing or manufacturing. They do not attend gun shows. They do not have an internet site. There is no off-site storage. The Licensee acquired (b)(6) firearms in the past year. The Licensee disposed of (b)(6) firearms in the past year.

The Licensee holds all required licenses for the business, including the City of Laurel Hills Business License.

### Ownership and Control:

ZV Pate, Inc., is a corporation that is in good standing with the State of North Carolina. Samuel Fulton is listed as the President. Henry McLaurin is listed as the VP. Nancy Paul is listed as the Secretary. Bradley Williams is listed as the Treasurer. Melissa Lester is listed as the Store Manager. Charlotte Locklear is listed as an Employee. All are Responsible Persons on the License. There are no

# FIREARMS INSPECTION REPORT

**Name:** ZV Pate, Inc.  
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other Responsible Persons on the License.

## Variance:

The Licensee does not hold any variances. The Licensee was advised of the procedures for requesting a variance.

## 2 - Recommendation

Violations, WL ONLY and NO Recall Inspection

## 3 - Inspection History

**Date and Type of Inspection:** 10/25/12, Compliance Inspection  
**UI#:** 763025-2013-0036-B1B  
**Inspection Results:** No Violations, No Further Action, No Referrals

**Cited Violations:** None

**Date and Type of Inspection:** 04/20/09: COA  
**UI#:** 763050-2008-0281  
**Inspection Results:** Special Request Completed  
**Cited Violations:** None

**Date and Type of Inspection:** 02/26/08: Recall Compliance Inspection  
**UI#:** 763050-2008-0201-B1B  
**Inspection Results:** Violations and Revocation-Non Renewal  
**Cited Violations:**

- 27CFR 478.21(a): Failure to, on (b)(3) - 112 Public Law 55 125 Stat 552 record the name, address, license number, printed name of transferor, and title of transferor on ATF F 4473. Item #'s 31, 32, 33, and 35 were BLANK. Failure to, on (b)(3) - 112 Public Law 55 125 Stat 552 prevent the transfer of a firearm to an individual answering "NO" to Item # 11A ATF F 4473 (are you the actual buyer?). Also, failure to require the transferee to recertify ATF F 4473 (Item #'s 24 and 25) after an initial NICS DELAY and prior to the transfer of the firearm.
2. 27CFR 478.124(c)(3)(iv): Failure to, on (b)(3) - 112 Public Law 55 125 Stat 552, record the date that the licensee contacted the NICS system. Item # 21A ATF F 4473 was BLANK.
3. 27CFR 478.124(c)(3)(i): Failure to, on (b)(3) - 112 Public Law 55 125 Stat 552, verify the identity of the transferee by obtaining an identification document and recording on ATF F 4473 Item # 20A the type of ID presented, its number, and expiration date.



# FIREARMS INSPECTION REPORT

**Name:** ZV Pate, Inc.  
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Item # 20A ATF F 4473 was BLANK.

4. 47CFR 478.124(c)(1): Failure to, on (b)(3) - 112 Public Law 55 125 Stat 552, verify the identity of the transferee by obtaining an identification document and recording on ATF F 4473 Item # 20A the type of ID presented, its number, and expiration date. Item # 20A ATF F 4473 was BLANK.

5. 27CFR 478.124(c)(5): Failure to, on (b)(3) - 112 Public Law 55 125 Stat 552 SIGN AND DATE ATF F 4473 upon the transfer of a firearm. Item #'s 34 and 36 ATF F 4473 were BLANK.

**Date and Type of Inspection:** 07/17/06: Theft/Loss Inspection; DE Inspection  
**UI#:** 763050-2006-0344-B1B

**Inspection Results:** Violations, WC with WL and Recall

**Cited Violations:**

1. 27CFR 478.125(e): The licensee failed to record the disposition of (b)(3) firearms in the Acquisition & Disposition Bound Record Book within seven days of the transfers. The information required in the headings of the A&D Book was not complete. The licensee did not record importer information for any firearms and incorrectly documented the type of action of the firearms instead of the type of firearm (shotgun, rifle, pistol, or revolver). After reconciliation, the licensee could not account for the disposition of (b)(3) firearms that were missing from the physical inventory during the current ATF inspection.
2. 27 CFR 478.124(c)(1): On (b)(3) occasions, the licensee failed to ensure the transferee provided complete or correct information to questions 1 thru 17 in Section A of ATF Form 4473.
3. 27 CFR 478.99(c): On (b)(3) occasion, the licensee transferred a firearm to a transferee who answered "yes" to question 11b, "Are you under indictment or information in any court for a felony?"
4. 27 CFR 478.124(c)(3)(i): On (b)(3) occasions, the licensee failed to record the transferee's identification type, number and expiration date and in (b)(3) instance, recorded incorrect information in item 20a in Section B of ATF Form 4473.
5. 27 CFR 478.21(a): On (b)(3) occasions, the licensee failed to record all required information in item 31 (name and address of transferor), item 32 (Federal Firearms License number), item 33 (Transferor's name), and/or item 35 (Transferor's title) in Section D of ATF Form 4473.
6. 27 CFR 478.124(c)(5): On (b)(3) occasions, the licensee failed to ensure the transferor signed and/or dated items 34 and 36 in Section D of ATF Form 4473.
7. 27 CFR 478.124(c)(4): On (b)(3) occasion, the licensee failed to record the required firearm information in items 27, 28 and 30 in Section D of ATF Form 4473.
8. 27 CFR 478.103(d): The licensee failed to provide to each handgun purchaser ATF I 5300.2 "Youth Handgun Safety Act" notice.



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

The Licensee utilizes hand written records for the Acquisition & Disposition Record (A&D). IOI's (b)(6) conducted a complete inventory. There were five (5) firearms in inventory at the time of inspection. There were (b)(3) - 112 Public L open entries in the A&D Record showing no discrepancies.

In the past year, the Licensee failed to record either the FFL number or address for all acquisitions (b)(3) instances) in the A&D Record. This violation was cited, reference **Violation #1**. An example of this violation is referenced as **Exhibit #1**.

The Licensee was reminded to always log any firearms transferred to their "Personal Collection" back into his A&D Record if he decided to sell it within a years' time.

The Licensee has had no thefts or losses for the inspection period.

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

Internal controls with regards to the ATF F 4473's were adequate. ATF F 4473's are maintained in sequential order by transaction date. The Licensee stated they always review forms prior to the transfer of a firearm.

(b)(3) - 112 Public Law 55-125 ST ATF F 4473's were reviewed for the inspection period. (b)(3) - 112 Public Law NICS Transaction Numbers from the NICS Audit Log was compared to the corresponding ATF F 4473 with no discrepancies found. (b)(3) - 112 Public Law 55-125 ST ATF F 4473's were compared to the A&D Record with no discrepancies found.

## 6 - Multiple Sales

Per the VCAB report, the Licensee was associated with no multiple handgun sales. No unreported multiple handgun sales were discovered.

## 7 - Suspicious/Prohibited Purchasers

No suspicious/prohibited persons were discovered during this inspection.

## 8 - Trace Activity

The Licensee was associated with no firearm traces for the inspection period. There were no suspicious firearms discovered.

## 9 - NFA/Importer/Collector/Manufacturer

The Licensee is not a manufacturer, importer, collector or a NFA dealer.

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## **10 - Referrals**

None

## **11 - Other**

None

## **12 - Closing Actions**

On 02/15/17, a closing conference was conducted by IOI (b)(6) with Licensee, (b)(6) [REDACTED]. IOI (b)(6) reviewed all of the rules and regulations on the ATF F 4473 with the Licensee. IOI (b)(6) reviewed the violation and each of the topics listed on the Acknowledgement of Federal Regulations. An Acknowledgement of Federal Firearms Regulations form was discussed and signed by (b)(6) [REDACTED], which is attached as **Exhibit 2**. North Carolina General Statute 14-315.1, Storage of Firearms to Protect Minors, was also reviewed.

## **13 - Violations**

### **1. 27CFR478.125(e)**

#### **Nature of Violation:**

In the past year, the Licensee failed to record either the FFL number or address for all acquisitions ([REDACTED] instances) in the A&D Record.

#### **Licensee's Response:**

Ms. Lester stated, "We never knew that. No one ever told us that. We will have it fixed immediately and it won't happen again."

#### **Corrective Action:**

The Licensee was advised to always enter either the FFL number or address for all acquisitions in the A&D Record by close of business 02/16/17. On 02/16/17, Ms. Lester said this was completed.

# FIREARMS INSPECTION REPORT

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**X**

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Industry Operations Investigator

## **Index of Worksheets and Exhibits**

1. Copy of Acquisition and Disposition Record.
2. Acknowledgement