

**Final Notice of Denial of Application, Revocation  
Suspension and/or Fine of Firearms License**

In the matter of:

- The application for license as a/an \_\_\_\_\_, filed by:  
or  
 License Number 1-62-163-02-2G-37768 as a/an  
Dealer in Firearms, Including Pawnbroker, Other than Destructive Devices, issued to:

Name and Address of Applicant or Licensee (Show number, street, city, state and Zip Code)  
Charles G. Brown, Inc.  
DBA Uncle Sam's Loan Office  
614-616 State Street  
Bristol, TN 37620

Notice is Hereby Given That:

- A request for hearing pursuant to 18 U.S.C. § 923(f)(2) and/or 922(t)(5) was not timely filed. Based on the findings set forth in the attached document, your  
 license described above is revoked pursuant to 18 U.S.C., 923(e), 922(t)(5) or 924(p), effective:  
 15 calendar days after receipt of this notice, or  \_\_\_\_\_,  
 license is suspended for \_\_\_\_\_ calendar days, effective \_\_\_\_\_, pursuant to 18 U.S.C. § 922(t)(5) or 924(p)  
 licensee is fined \$ \_\_\_\_\_, payment due: \_\_\_\_\_, pursuant to 18 U.S.C. § 922(t)(5) or 924(p)
- After due consideration following a hearing held pursuant to 18 U.S.C. § 923(f)(2) and/or 922(t)(5), and on the basis of findings set out in the attached copy of the findings and conclusions, the Director or his/her designee concludes that your  
 application for license described above is denied, pursuant to 18 U.S.C., 923(d).  
 application for renewal of license described above is denied pursuant to 18 U.S.C. 923(d), effective:  
 15 calendar days after receipt of this notice, or  \_\_\_\_\_  
 license described above is revoked pursuant to 18 U.S.C., 923(e), 922(t)(5) or 924(p), effective:  
 15 calendar days after receipt of this notice, or  \_\_\_\_\_  
 license is suspended for \_\_\_\_\_ calendar days, effective \_\_\_\_\_, pursuant to 18 U.S.C. § 922(t)(5) or 924(p).  
 licensee is fined \$ \_\_\_\_\_, payment due: \_\_\_\_\_, pursuant to 18 U.S.C. § 922(t)(5) or 924(p)

If, after the hearing and receipt of these findings, you are dissatisfied with this action you may, within 60 days after receipt of this notice, file a petition pursuant 18 U.S.C. § 923(f)(3), for judicial review with the U S District Court for the district in which you reside or have your principal place of business. If you intend to continue operations after the effective date of this action while you pursue filing for judicial review or otherwise, you must request a stay of the action from the Director of Industry Operations (DIO), Bureau of Alcohol, Tobacco, Firearms and Explosives, at 302 Innovation Drive, Suite 300, Franklin, TN 37067

prior to the effective date of the action set forth above. You may not continue licensed operations unless and until a stay is granted by the DIO.

Records prescribed under 27 CFR Part 478 for the license described above shall either be delivered to ATF within 30 days of the date the business is required to be discontinued or shall be documented to reflect delivery to a successor. See 18 U.S.C. 923(g)(4) and 27 CFR § 478.127

After the effective date of a license denial of renewal, revocation, or suspension, you may not lawfully engage in the business of dealing in firearms. Any disposition of your firearms business inventory must comply with all applicable laws and regulations. Your local ATF office is able to assist you in understanding and implementing the options available to lawfully dispose of your firearms business inventory.

Date	Name and Title of Bureau of Alcohol, Tobacco, Firearms and Explosives Official	Signature
07/21/2022	Steven A. Kolb, Director, Industry Operations	

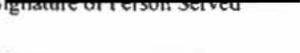
I certify that, on the date below, I served the above notice on the person identified below by:

Certified mail to the address shown below.  
Tracking Number: 7017268000082170540

Or

Delivering a copy of the notice to  
the address shown below.

Date Notice Served	Title of Person Serving Notice	Signature of Person Serving Notice
07/21/2022	Executive Assistant	

Print Name and Title of Person Served	Signature of Person Served
Jacob Hiram Stufflestrect	

Address Where Notice Served
614-616 State Street, Bristol, TN 37620

Note: Previous Edition is Obsolete

## Background

Charles G. Brown Inc. doing business as Uncle Sam's Loan Office, located at 614-616 State Street, Bristol, Tennessee 37620 (hereinafter, the "Licensee"), holds Federal firearms license number 1-62-163-02-2G-37768, as a dealer, including pawnbroker, in firearms other than destructive devices issued by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) pursuant to the Gun Control Act of 1968 (GCA), as amended, 18 U.S.C. Chapter 44, and the regulations issued thereunder, 27 C.F.R. Part 478.

On September 21, 2021, ATF conducted a compliance inspection at Licensee's premises. As a result of that inspection, on February 28, 2022, ATF issued a Notice to Revoke or Suspend License and/ or Impose a Civil Fine, ATF Form 4500, to Licensee. By letter dated March 4, 2022, Licensee timely requested a hearing to review that Notice.

The hearing was held on May 17, 2022, at the ATF Field Office in Knoxville, Tennessee. The hearing was conducted by ATF Director of Industry Operations (DIO) Steven Kolb. ATF was represented by ATF Attorney (b)(6) ATF Industry Operations Investigator (IOI) (b)(6) (b)(6) appeared as a witness on behalf of the Government. Licensee's responsible persons Jacob Stufflestreet and Cheryl Brown were present at the hearing and represented Charles G. Brown Inc. doing business as Uncle Sam's Loan Office. The hearing was recorded and transcribed by the Government through a court reporter service. Both sides offered testimony. The Government offered 42 exhibits. The testimony, transcript, and exhibits introduced at the hearing constitute the complete administrative record in this proceeding.

## Findings of Fact

Having reviewed the record in this proceeding, I make the following findings:

1. ATF first issued a Federal firearms license to Licensee in 1995.
2. In 2007, an ATF IOI conducted a compliance investigation of Licensee and cited Licensee with failure to comply with requirements related to ATF Form 4473 in violation of 27 C.F.R. § 478.124(c)(1). The ATF IOI also reviewed relevant Federal firearms laws with Licensee. Among the items covered by the IOI were the requirements related to ATF Form 4473 and background checks. Licensee signed an Acknowledgment of Federal Firearms Regulations form indicating that ATF explained the information listed on the form related to firearms law and regulations. (See Government Exhibits 9-10).
3. In 2018, ATF IOI (b)(6) conducted another compliance inspection of Licensee and cited Licensee with 11 regulatory violations, with multiple instances of each violation, including violations related to ATF Form 4473 and background checks. As a result of the 2018 inspection, Licensee (specifically, Responsible Person Jacob Stufflestreet) attended a warning conference with ATF in which violations and proposed corrective actions were reviewed. Following the warning conference, ATF sent a letter stating "any future violations, either repeat or otherwise, could be viewed as willful and may result in

revocation of [its] license.” Additionally, the letter included the following language related to the background check violation:

Violation of 27 CFR § 478.102(c): Failure to initiate a new NICS/ TICS [National Instant Criminal Background Check System/ Tennessee Instance Criminal Background Check System] check when transaction was not completed within the 30-day period.

In response to this violation, Mr. Stufflestreet stated that he did not realize this had happen[ed] and did not know why it happened. IOI (b)(6) reiterated that there is a limit of 30 calendar days between when the customer attempts to purchase a firearm and the last day they can take possession of it.

(See Government Exhibit 13).

IOI (b)(6) also reviewed relevant Federal firearms laws with Licensee. Among the items covered by IOI (b)(6) were the requirements related to ATF Form 4473 and background checks. Licensee signed another Acknowledgment of Federal Firearms Regulations form indicating that ATF explained the information listed on the form related to firearms law and regulations. (See Government Exhibit 12).

4. On September 21, 2021, ATF initiated a compliance inspection of Licensee’s business premises. The compliance inspection resulted in the issuance of a Report of Violations, which identified nine regulatory violations, with multiple instances of each violation. Three of those regulatory violations were included in the Notice of Revocation issued to Charles G. Brown Inc. doing business as Uncle Sam’s Loan Office. After presiding over the hearing and reviewing the record in this matter, I find that the facts set forth in the Notice of Revocation occurred.
5. The evidence in the record establishes that Licensee committed the following willful violations:
  - a. Violation 1: On one occasion, Licensee willfully transferred a firearm to an unlicensed person without first contacting the National Instant Criminal Background Check System (“NICS”) and obtaining a unique identification number and/or waiting three days before allowing the transfer, in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102. See Appendix ¶ 1.

This violation was established by the admitted exhibits and hearing testimony. IOI (b)(6) identified documentary evidence showing that Licensee willfully failed to comply with 27 C.F.R. § 478.102 on one occasion. Specifically, the initial background check of (b)(6) (b)(6) was conducted on April 30, 2021, and Licensee received a “denied” response from the Tennessee Instant Background Check System (TICS). A denied response means that the background check showed some type of prohibiting information for the purchaser and the firearm could not be transferred. Subsequently, TICS overturned the denial on May 31, 2022. An overturned response from TICS means that it determined the individual was

not prohibited from purchasing the firearm. The written documentation from TICS notifying Licensee of the overturned response included the following caveat for Licensee regarding the 30-day time limitation for a background check: “If the appeal of denial took over the 30 days allowed; the dealer will have to run a new TICS background check.” Licensee then transferred the firearm to (b)(6) on June 2, 2021, without initiating a new TICS check. The transfer of this firearm occurred more than 30-days after the initial TICS check was conducted, and Licensee failed to initiate a new TICS check prior to completion of the transfer.

IOI (b)(6) testimony established that Licensee's failure to comply with 27 C.F.R. § 478.102 was willful because Licensee was aware of the duty to conduct the requisite background checks before allowing a firearms transfer. During previous inspections, Licensee acknowledged the applicable federal firearms regulations governing licensees, including 27 C.F.R. § 478.102. (See Government Exhibits 10 and 12). Licensee was previously cited with violating 27 C.F.R. § 478.102 during the 2018 compliance inspection. (See Government Exhibit 11). As a result of the 2018 inspection, Licensee attended a warning conference with ATF in which violations and proposed corrective actions were reviewed. Additionally, as set forth above, Licensee was specifically counseled about the 30-day time limitation set forth in 27 C.F.R. § 478.102 during the 2018 warning conference. Following the warning conference, ATF sent a letter stating “any future violations, either repeat or otherwise, could be viewed as willful and may result in revocation of [its] license.” (See Government Exhibit 13).

Further, when IOI (b)(6) asked Mr. Stufflestreet about the violation of 27 C.F.R. § 478.102, Mr. Stufflestreet expressed frustration with the 30-day time limitation because “if a person is denied they only have 30 total days to get it straightened out.” IOI (b)(6) testified that Mr. Stufflestreet’s statements indicated that he was aware of the requirement that he could not transfer the firearm after the 30-day time period had lapsed and he was frustrated with the government’s regulation on this issue. (See Government Exhibit 16). During the hearing, Ms. Brown stated that (b)(6) pawns six to eight guns a month and “[t]he people don’t look at it. They say, oh, it’s (b)(6). He gets a gun. They give it to him.” Ms. Brown’s statement shows Licensee by and through its employees purposefully disregarded and/ or was plainly indifferent to the requirements in the regulation because Licensee’s employees were personally familiar with (b)(6).

- b. Violation 2: On (b)(6) occasions, Licensee willfully transferred a firearm to a non-licensee without recording the date Licensee contacted NICS, any response provided by the system and/or any identification number provided by the system on the Firearms Transaction Record, ATF Form 4473, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(3)(iv). See Appendix ¶ 2.

This violation was established by the admitted exhibits and hearing testimony. IOI (b)(6) identified documentary evidence showing that Licensee willfully failed to comply with 27 C.F.R. § 478.124(c)(3)(iv) on (b)(6) occasions. Specifically, Licensee willfully failed to record the date Licensee contacted NICS/ TICS, any response provided by the system and/or any identification number provided by the system on the Firearms Transaction

Record, ATF Form 4473 on the following (b)(3)-112P different over-the-counter transactions with non-licensees:

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



IOI (b)(6) testimony established that Licensee's failures to comply with 27 C.F.R. § 478.124(c)(3)(iv) were willful because Licensee was aware of the requirements in the regulation. During previous inspections, Licensee acknowledged the applicable federal firearms regulations for licensees, including 27 C.F.R. § 478.124. (See Government Exhibits 10 and 12). Licensee was previously cited with violating 27 C.F.R. § 478.124(c)(3)(iv) during the 2018 compliance inspection. (See Government Exhibit 11). As a result of the 2018 inspection, Licensee attended a warning conference with ATF in which violations and proposed corrective actions were reviewed. Additionally, Licensee was specifically counseled about the requirements set forth in 27 C.F.R. § 478.124(c)(3)(iv) during the 2018 warning conference. In response to this violation back in 2018, Mr. Stuffstreet stated that he “knows they need to do a better job in reviewing the form (ATF Form 4473).” The ATF Area Supervisor at the time advised Mr. Stuffstreet to review the ATF Form 4473 prior to the customer leaving the store to verify that everything was completed properly. Following the 2018 warning conference, ATF sent a letter stating, “any future violations, either repeat or otherwise, could be viewed as willful and may result in revocation of [its] license.” (See Government Exhibit 13). IOI (b)(6) also noted that Licensee correctly recorded NICS information on some ATF Forms 4473 which also shows that Licensee was aware of the requirements in the regulation. During the hearing, Licensee failed to offer any explanation regarding this violation other than to just say that it was a “mistake.”

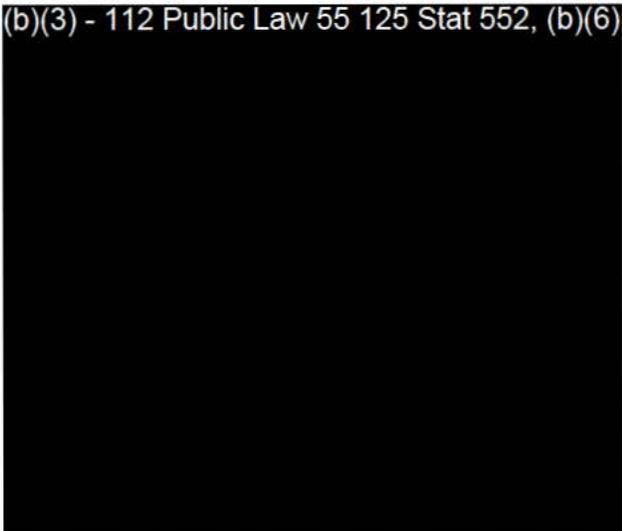
- c. On (b)(3) occasions, Licensee willfully failed to obtain/execute the Firearms Transaction Record, ATF Form 4473 as indicated by the headings on the Form and the instructions on or pertaining to the Form, in violation of 18 U.S.C. § 922(m) and 27 C.F.R. § 478.21(a). See Appendix ¶ 3.

This violation was established by the admitted exhibits and hearing testimony. IOI (b)(6) identified documentary evidence showing that Licensee willfully failed to comply with 27 C.F.R. § 478.21(a) on (b)(3)-112P occasions. Specifically, the evidence demonstrated that Licensee willfully failed to obtain and execute the ATF Form 4473 as indicated by the headings and instructions on the form on the following (b)(3)-112P different transactions:

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



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



IOI (b)(6) testimony established that Licensee's failures to comply with the requirements related to 27 C.F.R. § 478.21(a) were willful because Licensee was aware of the requirements in the regulation. During previous inspections, Licensee acknowledged the applicable federal firearms regulations for licensees. (See Government Exhibits 10 and 12). Licensee was previously cited with violating 27 C.F.R. § 478.21(a) during the 2018 compliance inspection. (See Government Exhibit 11). As set forth above, Licensee attended a 2018 warning conference with ATF in which violations and proposed corrective actions were reviewed. Additionally, Licensee was specifically counseled about the requirements of 27 C.F.R. § 478.21(a) during the same warning conference. In his 2018 response to these violations, Mr. Stufflestreet stated he "knows they need to do a better job in reviewing the form (ATF Form 4473)." The ATF Area Supervisor advised Mr. Stufflestreet to review the ATF Form 4473 prior to the customer leaving the store to verify that everything was completed properly. Following the 2018 warning conference, ATF sent a letter stating, "any future violations, either repeat or otherwise, could be viewed as willful and may result in revocation of [its] license." (See Government Exhibit 13). IOI (b)(6) also noted that Licensee correctly completed some ATF Forms 4473 in compliance with 27 C.F.R. § 478.21(a) which shows that Licensee was aware of the requirements in the regulation. During the hearing, Licensee failed to offer any explanation regarding this violation other than to just say that it was a "mistake."

### **Conclusions of Law**

Pursuant to the GCA, ATF may, after notice and opportunity for hearing, revoke a Federal firearms license if Licensee has willfully violated any provision of the GCA or the regulations issued thereunder. 18 U.S.C. § 923(e); 27 C.F.R. §§ 478.73 - 478.74.

For purposes of the regulatory provisions of the GCA, a "willful" violation is committed when Licensee knows of [his/her/its] legal obligations and purposefully disregarded or was plainly indifferent to those requirements. *Armalite v. Lambert*, 544 F.3d 644 (6th Cir. 2008), *Article II Gun Shop, Inc. v. Gonzales*, 441 F.3d 492 (7th Cir. 2006); *Appalachian Resources Development*

*Corporation v. McCabe*, 387 F.3d 461 (6th Cir. 2004); *Procaccio v. Lambert*, 233 Fed. App'x. 554 (6th Cir. 2007); *3 Bridges, Inc. v. United States*, 216 F. Supp. 2d 655, 660 (E.D. Ky. 2002).

The Sixth Circuit has held the term “willfully” within the GCA does not require a showing of a bad purpose. *Appalachian Resources Dev. Corp.*, 387 F.3d 461, 464 (6th Cir. 2004); *Procaccio*, 233 Fed. App'x. 554, 558 (6th Cir. 2007).

“Improper recordkeeping is a serious violation. When the Act was enacted, Congress was concerned with the widespread traffic in firearms and with their general availability to those whose possession thereof was contrary to the public interest.” *Fin & Feather Sport Shop, Inc. v. U.S. Treasury Dept.*, 481 F.Supp. 800 (Neb. 1979). Therefore, record keeping requirements are a critical basis for the regulation of the firearms industry, and indifference to those requirements can result in revocation. Furthermore, “[a] single willful violation of the GCA is enough to deny a federal firearms license application or revoke a federal firearms dealer's license.” *Shaffer v. Holder*, No. 1:09-0030, 2010 WL 1408829, at \*10 (M.D. Tenn. Mar. 30, 2010) (citing *Appalachian Resources Dev. Com. v. McCabe*, 387 F.3d 461,464 (6th Cir.2004)).

Arguing that errors were the result of human mistakes or harmless misunderstandings of clearly documented regulatory requirements is irrelevant to the standard of willfulness. “The recordkeeping requirements imposed by the GCA are, by their very nature, highly technical. Compliance therefore requires extreme vigilance.” *Gamer v. Lambert*, 558 F.Supp.2d 794, 804 (N.D. Ohio 2008).

After consideration of all relevant facts and circumstances presented by Licensee and the Government, I find that Licensee willfully violated the GCA.

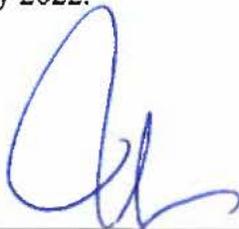
During the hearing, Licensee did not dispute ATF’s determination that Licensee violated the GCA. Licensee asserted that the violations were not willful violations and stated the violations were “clerical errors” and “mistakes.” With regard to the background check violation of 27 C.F.R. § 478.102, Licensee acknowledged that the background check for (b)(6) should have been run again. However, Licensee attempted to minimize the violation by asserting that (b)(6) had been their customer for years and had never been denied before this transaction. Although Licensee asserted “[I]f you were going to willfully mess up a 4473, you wouldn’t put the TICS paper right behind it,” the willfulness standard does not require evidence of concealment or even intent. Licensee’s repeated disregard of its legal obligation more than qualifies.

Therefore, despite Licensee's assertions, I find that there is ample evidence that the violations were committed willfully. During previous inspections, Licensee acknowledged the applicable federal firearms regulations for licensees. As for the violations, similar violations had been cited after the 2018 compliance inspection. As a result of the 2018 inspection, Licensee attended a warning conference with ATF in which further, violations and proposed corrective actions were reviewed. Additionally, as set forth above, Licensee was specifically counseled about the 30-day time limitation set forth in 27 C.F.R. § 478.102 as well as the requirements in the regulations related to ATF Form 4473s during the 2018 warning conference. Following the warning conference, ATF sent a letter stating “any future violations, either repeat or otherwise, could be viewed as willful and may result in revocation of [its] license.”

Despite ATF's attempts to educate Licensee, impress upon it the importance of compliance, and instruct on the need for accurate record keeping, Licensee has continued to be indifferent to its legal obligations under the GCA. This resulted in the public safety risks associated with the transfer of a firearm in violation of NICS requirements and the failure to properly complete ATF Forms 4473. Licensee's history of failing to comply with regulations clearly meets the legal standard for plain indifference of the record keeping requirements necessary to revoke the license.

As such, I conclude that Licensee willfully violated the provisions of the GCA and the regulations issued thereunder. Accordingly, as provided by 18 U.S.C. § 923(e) and 27 C.F.R. § 478.74, the Federal firearms license held by Charles G. Brown Inc. doing business as Uncle Sam's Loan Office is hereby REVOKED.

Dated this 21<sup>st</sup> day of July 2022.



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Steven A. Kolb  
Director, Industry Operations  
Nashville Field Division  
Bureau of Alcohol, Tobacco, Firearms and Explosives  
United States Department of Justice