

**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 5-84-123-07-3E-10387 as a/an
Manufacturer of Firearms Other than Destructive Devices, issued to:

Name and Address of Applicant or Licensee (*Show number, street, city, state and Zip Code*)

Colorado Shooting Sports, LLC
2435 8th Avenue, Unit A
Greeley, Colorado 80631

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 May 31, 2022
 - 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 950 17th Street, Suite 1800, Denver, Colorado 80202

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
04/11/2022	Paul W. Brown Director, Industry Operations	<i>Paul W. Brown</i>

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: 7017107000089870995

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
04/11/2022	Director, Industry Operations	<i>Paul W. Brown</i>

Print Name and Title of Person Served	Signature of Person Served

Address Where Notice Served
Scott L. Evans Messner Reeves LLP 1430 Wynkoop Street, Suite 300, Denver, Colorado 80202

Note: Previous Edition is Obsolete

Background

Colorado Shooting Sports, LLC, (hereinafter, Licensee), holds Federal firearms license number 5-84-123-07-3E-10387, as a manufacturer of 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 December 13, 2021, ATF issued a Notice to Revoke or Suspend License and/or Impose a Civil Fine, ATF Form 4500 (5300.4) (Notice to Revoke), to Licensee. By letter dated December 17, 2021, Licensee timely requested a hearing to review that Notice.

The hearing occurred on March 9, 2022, at the ATF Office in Denver, Colorado. ATF Director, Industry Operations, Denver Field Division, Paul Brown conducted the hearing. ATF was represented by ATF Division Counsel (b)(6) ATF Industry Operations Investigator (IOI) (b)(6) appeared as a witness on behalf of the Government. Licensee's Responsible Person and owner, Anthony Navarro, was present and testified at the hearing. Licensee employee (b)(6) and former employee (b)(6) also testified for Licensee. Licensee was represented by Attorney (b)(6) from the Messner Reeves law firm. Court Reporter (b)(6) transcribed the hearing. Both the Government and Licensee offered testimony. The Government submitted 14 exhibits, and Licensee submitted 6 exhibits. The testimony and exhibits introduced at the hearing constitute the record in this proceeding.

Findings of Fact

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

1. Licensee obtained the subject Federal firearms license in 2008. Prior to the issuance of the license, ATF initiated an application inspection of Licensee and met with Anthony Navarro, the sole Responsible Person for Licensee. At that time, ATF reviewed the relevant Federal firearms laws and regulations with Anthony Navarro.
2. ATF subsequently conducted compliance inspections of Licensee in 2009, 2011, 2015 and 2016. ATF issued a Report of Violations to Licensee following each of these inspections. As a result of the 2009 and 2011 inspections, ATF issued warning letters to the Licensee. As a result of the 2015 inspection, Licensee (specifically, owner and Responsible Person Anthony Navarro) attended a warning conference with ATF in which violations and proposed corrective actions were reviewed.

3. The Notice to Revoke alleged that:

- On 5 occasions, Licensee willfully transferred a firearm to an unlicensed person without first contacting the NICS and obtaining a unique identification number before allowing the transfers; and on 1 occasion, Licensee willfully transferred a firearm to an unlicensed person without first contacting the NICS and obtaining a unique identification number as Licensee failed to initiate a new NICS check after 30 days lapse of initial check on one instance before allowing the transfer, all in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102(a).
- On ^{(b)(3) - 1} occasions, Licensee willfully failed to timely and/or accurately report the sale or other disposition of two or more pistols and/or revolvers during any five consecutive business days to an unlicensed person, in violation of 18 U.S.C. § 923(g)(3)(A) and 27 C.F.R. § 478.126a.
- On ^{(b)(3) - 11} 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).

4. The evidence at the hearing established that on multiple occasions ATF instructed the Licensee, specifically Anthony Navarro, that he could not sell firearms without conducting a background check on all transfers of firearms to non-licensees; that he must report all multiple sales of handguns; and that he must follow the recordkeeping requirements, including insuring that the ATF Form 4473 was properly and completely filled out. The evidence also established that Licensee had been previously cited on multiple occasions for failing to report multiple sales of handguns, and for failing to ensure the ATF Form 4473 was properly and completely filled out. These two violations had also specifically been covered with Anthony Navarro during a previous in-person warning conference with an ATF supervisor in 2015.

5. There were no objections or challenges to the exhibits produced at the hearing, and the exhibits in conjunction with the testimony established that the facts as alleged in the Notice to Revoke did occur. Based upon the testimony and documents submitted at the hearing, I find that the facts set forth in the Notice to Revoke occurred.

Conclusions of Law

1. Pursuant to the GCA, ATF may, after notice and opportunity for hearing, revoke a Federal firearms license if the 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.

2. For purposes of the regulatory provisions of the GCA, a “willful” violation occurs when a licensee knows of its legal obligations and either purposefully disregards the requirements or is plainly indifferent to them. *Borchardt Rifle Corp. v. Cook*, 684 F.3d 1037, 1043 (10th Cir. 2012); *General Store, Inc. v. Van Loan*, 560 F.3d 920 (9th Cir. 2009); *Fairmont Cash Mgmt., LLC v. James*, 858 F.3d 356 (5th Cir. 2017); *Taylor v. Hughes*, 548 F. App’x 822 (3rd Cir. 2015); *Shawano Gun & Loan v. Hughes*, 650 F.3d 1070 (7th Cir. 2011); *American Arms, Int’l v. Herbert*, 563 F.3d 78 (4th Cir. 2009); *Armalite, Inc. v. Lambert*, 544 F.3d 644 (6th Cir. 2008); *On Target Sporting Goods, Inc. v. Attorney General*, 472 F.3d 572 (8th Cir. 2007); *Willingham Sports, Inc. v. Bureau of Alcohol, Tobacco, Firearms and Explosives*, 415 F.3d 1274, 1276 (11th Cir. 2005). See also *Bryan v. United States*, 524 U.S. 184, 197-98 (1998).

No “bad purpose or evil motive” is required for an act to be willful for regulatory purposes. *Article II Gun Shop, Inc. v. Gonzales*, 441 F.3d 492, 497-98 (7th Cir. 2006); *Willingham*, 415 F.3d at 1276-77; *Appalachian Res. Dev. Corp. v. McCabe*, 387 F.3d 461, 464-65 (6th Cir. 2004); moreover, “[a] single violation of the GCA is a sufficient basis for denying an application or revoking a firearms dealer’s license.” *Appalachian*, 387 F.3d at 464; *Fulkerson v. Lynch*, 261 F.Supp. 3d 779, 783 (W.D. Ky. 2017); *Augustson v. Holder*, 728 F. Supp. 2d 1279, 1286 (D. N.M. 2010).

A business entity’s federal firearms license may be revoked because of willful violations by the business entity’s agents and employees. See *Fin & Feather Sport Shop, Inc. v. United States Treasury Dep’t*, 481 F. Supp. 800, 807 (D. Neb. 1979); *McLemore v. United States Treasury Dep’t*, 317 F. Supp. 1077, 1078-79 (N.D. Fla. 1970). See also, *Al’s Loan Office, Inc. v. United States Dep’t of Treasury*, 738 F. Supp. 221, 224 (E.D. Mich. 1990).

3. Having found that the evidence establishes that Licensee violated the GCA and the regulations issued thereunder, it must now be determined whether such violation was willfully committed. For the reasons stated below, I conclude that Licensee’s conduct constitutes a willful violation.
4. The evidence and testimony presented at the hearing reveals that ATF informed Licensee’s sole Responsible Person, Anthony Navarro, on numerous occasions about the requirements concerning background checks that had to be conducted when transferring a firearm to a non-licensee. He also was informed repeatedly that multiple sale reports had to be filed. Finally, Mr. Navarro was informed that required ATF records had to be filled out and maintained. In this regard, ATF originally issued a Federal firearms license to Licensee in 2008. ATF subsequently conducted compliance inspections of Licensee in 2009, 2011, 2015 and 2016. As a result of the 2009 and 2011 inspections, ATF issued warning letters to Licensee. As a result of the 2015 inspection, Licensee

(specifically, owner and Responsible Person Anthony Navarro) attended a warning conference with ATF in which violations and proposed corrective actions were reviewed. During inspections in 2008, 2009, 2011, 2015, 2016, and 2020 the GCA regulations applicable to Federal Firearms Licensees were explained by ATF investigators to Licensee Responsible Person Anthony Navarro.

5. I find that based upon the record, Licensee knew of its obligations as a Federal firearms licensee and purposefully disregarded or was plainly indifferent to those obligations. As such, I conclude that Licensee willfully violated the Gun Control Act and its regulations.
6. I conclude that Licensee willfully violated 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102(a); 18 U.S.C. § 923(g)(3)(A) and 27 C.F.R. § 478.126a; and 18 U.S.C. § 922(m) and 27 C.F.R. § 478.21(a). Accordingly, as provided by 18 U.S.C. § 923(e) and 27 C.F.R. § 478.73, the Federal firearms license held by Colorado Shooting Sports, LLC, is revoked.

I also conclude that each of the violations are independently a basis for revocation. I would revoke the license even if only one of the violations was deemed to be a willful violation.

Dated this 11th day of April, 2022.



PAUL W. BROWN
Director, Industry Operations
Denver Field Division
Bureau of Alcohol, Tobacco, Firearms and Explosives
United States Department of Justice