

**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 manufacturer of firearms other than destructive devices, filed by:
or
 License Number 9-86-013-07-2D-03905 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)

Magfussion Enterprises, LLC
dba Mr. Silencer
Attn: Bruce Stevens
4323 East Broadway, #117
Mesa, AZ 86206

Notice is Hereby Given That:

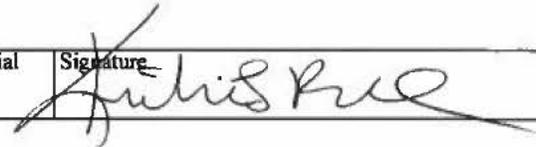
- A request for hearing pursuant to 18 U.S.C. § 923(f)(2) and/or 922(t)(5) was not timely filed. Based on the findings set forth in the attached document, your
 license described above is revoked pursuant to 18 U.S.C., 923(e), 922(t)(5) or 924(p), effective:
 15 calendar days after receipt of this notice, 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 40 North Central Avenue, Suite 1000, Phoenix, AZ 85004

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
05/25/2022	Kristina Babcock, 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: 7021035000079957964

Or

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

Date Notice Served	Title of Person Serving Notice	
05/25/2022	Executive Assistant	

Print Name and Title of Person Served	Signature of Person Served
Bruce Stevens, Licensee Responsible Person	

Address Where Notice Served
4323 East Broadway, #117, Mesa, AZ 86206

Note: Previous Edition is Obsolete

Background

Magfussion Enterprises LLC (“Licensee”), holds Federal firearms license 9-86-013-07-2D-03905 as a Manufacturer 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, as amended, 18 U.S.C. Chapter 44, and the regulations issued thereunder, 27 C.F.R. Part 478 (collectively “GCA”).¹

On November 29, 2021, ATF issued a Notice to Revoke or Suspend License and/or Impose a Civil Fine, ATF Form 4500 (5300.4) (“Notice to Revoke”) advising Licensee that ATF intended to revoke its License. By letter dated December 13, 2021, Licensee timely requested a hearing to review that Notice.

The hearing occurred on March 15, 2022, at ATF’s Phoenix Field Division office. The hearing was conducted by ATF Director of Industry Operations (DIO) Kristina Babcock who acted as the Hearing Officer. ATF was represented by Division Counsel (b)(6) and the sole ATF witness was Industry Operations Investigator (b)(6). Licensee Responsible Person Bruce Stevens was present at the hearing to represent the Licensee. Court reporter (b)(6) was also present and transcribed the hearing. Both the Government and Licensee offered testimony and 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. ATF first issued a Federal firearms license to Licensee in 2010. The laws and regulations issued under the GCA were reviewed with Licensee Responsible Person Bruce Stevens as part of the application inspection as evidenced by his signature on an Acknowledgement of Federal Firearms Regulations dated January 28, 2010. Subsequently, ATF conducted compliance inspections of Licensee in 2013, 2016, 2020, and 2021.
2. ATF also reviewed the relevant laws and regulations with Licensee Responsible Person Bruce Stevens following the 2013 inspection, as evidenced by his signature on an Acknowledgement of Federal Firearms Regulations dated September 27, 2013.
3. As a result of the 2016 and 2020 inspections, Licensee (specifically, RP Stevens) attended a warning conferences with the Director of Industry Operations. The 2016 warning conference occurred on October 20, 2016, with DIO Marianna Mitchem. The 2020 warning conference occurred April 13, 2020, with DIO Terry Dogan. At each conference, the violations cited

¹ Federal Firearms License 9-86-013-07-2D -03905 expired on April 1, 2022. Licensee timely filed a Federal Firearms License (FFL) RENEWAL Application, ATF Form 8 (5310.11) Part II, dated March 10, 2022, seeking to renew its license. This automatically converted this action from revocation of the Federal firearms license to denial of the renewal application for the same license. See *Willingham Sports, Inc. v. ATF*, 415 F.3d 1274, 1275 n.1 (11th Cir. 2005). This action now concerns the renewal application. ATF has issued a Letter of Authorization to Licensee allowing it to continue operating while this matter is pending.

from the related prior inspection and proposed corrective actions were reviewed. Following each warning conference, ATF sent a letter to Licensee stating “any future violations, either repeat or otherwise, could be viewed as willful and may result in revocation of [its] license”

4. On June 14, 2021, ATF initiated a compliance inspection of Licensee. The violations uncovered during that inspection formed the basis for the Notice to Revoke in this case. Specifically, the Notice to Revoke alleged that Licensee willfully:

- transferred a firearm to an unlicensed person on two occasions without first contacting the National Instant Criminal Background Check System in violation of 18 U.S.C. § 922(t) and 27 C.F.R. § 478.102(a);
- made a false statement or representation with respect to any information required by the provisions of Title 18, United States Code, Chapter 44 or Title 27, Code of Federal Regulations, Part 478, on (b)(3) - 112 P occasions, in violation of 18 U.S.C. § 922(m) and 27 C.F.R. § 478.128(c);
- failed to timely and accurately report the sale or other disposition of two or more pistols and/or revolvers to an unlicensed person on (b)(3) - 112 P occasions, in violation of 18 U.S.C. § 923(g)(3)(A) and 27 C.F.R. § 478.126a;
- failed to identify a firearm to be transferred on a Form 4473, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(4);
- failed to obtain/execute a completed 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. § 923(g)(1)(A) and 27 C.F.R. § 478.124(c)(1).
- failed to obtain/execute a Firearms Transaction Record, ATF Form 4473, as indicated by the headings on the form and the instructions on or pertaining to the form on (b)(3) - 112 P occasions, in violation of 18 U.S.C. § 922(m) and 27 C.F.R. § 478.21(a);
- failed to timely and/or accurately record the disposition of (b)(3) - 112 P firearms, in violation of 18 U.S.C. § 923(g)(1)(A) and 27 C.F.R. § 478.123(d).

After review of the record in this matter, I find that the facts as set forth in the Notice to Revoke occurred. Evidence entered into the record at the administrative hearing also revealed that ATF previously cited Licensee with violating a number of these same regulations during previous inspections. In this regard, ATF cited Licensee with violating 27 C.F.R. §§ 478.102(a) and 478.123(d) as a result of the 2016 compliance inspection; and with violating 27 C.F.R. §§ 478.123(d), 478.124(c)(4) and 478.126a as a result of the 2020 compliance inspection.

Conclusions of Law

1. The GCA mandates that ATF shall issue a firearms license to a qualified applicant. 18 U.S.C. § 923(c); 27 C.F.R. § 478.47(a).
2. An application for a Federal firearms license shall be denied if the applicant (including, in the case of a corporation, partnership, or association, any individual possessing, directly, or indirectly, the power to direct or cause the direction of the management and policies of the corporation, partnership, or association) has willfully violated any provision of the GCA or regulations issued thereunder. *See* 18 U.S.C. § 923(d)(1)(C); 27 C.F.R. § 478.47(b)(3).
3. For purposes of the regulatory provisions of the GCA, a “willful” violation is committed when the applicant or licensee knows of its legal obligations and purposefully disregarded or was plainly indifferent to those requirements. *General Store, Inc. v. Van Loan*, 560 F.3d 920, 923 (9th Cir. 2009)
4. Having established that Licensee violated the GCA and the regulations issued thereunder, it must be determined whether such violations were willfully committed. For the reasons stated below, I conclude that Licensee’s conduct constitutes willful violations.
5. The evidence and testimony presented at the hearing reveals that the Licensee understood the requirements concerning conducting a background check prior to the transfer of a firearm to an unlicensed person, making false statements in its required records, reporting the sale or other disposition of multiple pistols and/or revolvers, recording the transfer of a firearm to an unlicensed person on properly executed ATF Form 4473, and timely and accurately recording the disposition of a firearm. In this regard, ATF reviewed the applicable laws and regulations with Licensee Responsible Person Bruce Stevens during the 2010 qualification inspection and the 2013, 2016, and 2020 compliance inspections. In addition, many of the violations cited during the 2021 inspection were repeat violations from prior inspections. In this regard, ATF cited Licensee with a background check violation following the 2016 inspection; failure to report multiple sales following the 2020 inspection; failure to complete Forms 4473 following the 2020 inspection; and failure to accurately record the acquisition and/or disposition of a firearm following the 2016 and 2020 inspections. Significantly, Licensee received a Warning Letter from ATF following the 2018 inspection and Licensee Responsible Person Bruce Stevens attended DIO-led Warning Conferences following the 2016 and 2020 inspections at which time ATF advised that future violations, repeat or otherwise, could result in revocation.
6. Even though Licensee understood its responsibilities under the GCA, the evidence reveals that Licensee was plainly indifferent to, or purposefully disregarded the firearms laws and regulations.

7. 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), 27 C.F.R. § 478.73, and *Willingham Sports, Inc.*, the renewal application submitted by Licensee is DENIED and the Federal firearms license held by Magfussion Enterprises LLC is hereby REVOKED.

Dated this 24 day of May, 2022.

**KRISTINA
BABCOCK**

Digitally signed by
KRISTINA BABCOCK
Date: 2022.05.24
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KRISTINA BABCOCK
Director, Industry Operations
Phoenix Field Division
Bureau of Alcohol, Tobacco, Firearms and Explosives
United States Department of Justice