
Transcript of Interview With Patrick G.

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JASON: On the line today, I have Patrick Genseal with me and Patrick has been kind enough to do this interview and help everybody become more successful in their gun business. How are you doing, Patrick?

PATRICK: Doing great.

JASON: Now, before I forget, can you please give out your contact information? You know, whatever you'd like. Your website, phone number, anything that people can get in contact with you?

PATRICK: Sure. My website is: skypilotgunsmithing.com. And my email would be: skypilotgunsmithing@gmail.com. Or, you can give me a call at 660-441-7483.

JASON: Perfect. Good deal. So, I want to jump right into things, Patrick, and, you know, give people as much information as possible. First, what type of FFL do you have?

PATRICK: I currently have a Class 1. I did have a Class 7, but due to the fact that the Department of State wanted \$2200 a year to have a Class 7 and as a gunsmith, I really only need a Class 1, I switched back to that.

JASON: Okay. And, that's a great question, you know? A lot of people forget about ITAR and the \$2200 plus, so was it difficult at all for you to go from having a 7 to the 1? Paperwork-wise or anything with ATF?

PATRICK: The only difficulty was that you have to apply all over again from scratch, fingerprint cards, the whole bit to switch FFL. So, they don't just transfer one to another, you've got to start from scratch and pay the... Pay the whole fee all over again. I guess the piece of advice is figure out which one you need and get that one.

(laughter)

Don't keep changing your mind like I did.

JASON: You know, that's great advice, but it's worth it to save yourself that \$2200 a year if you're not putting it to use.

PATRICK: It is. It is. Now, obviously, if you're manufacturing, then you definitely need the 7 and you definitely need to pay the money. But, if you have a 1, then, obviously, you've got to be careful that you're not manufacturing and staying within the guideline.

JASON: Yes. Absolutely. So, Patrick, are you a home-based FFL or do you have a storefront?

PATRICK: I'm home-based.

JASON: Okay. And, did you have any troubles? Because a lot of people are worried about homeowners' associations or stuff like that. Were there any issues for you getting your home-based FFL?

PATRICK: No. None at all. In fact, I've got two of them. I've got one in Missouri and I'm in the military so I've... They PCS'd me up to Idaho and I've got my Idaho one. I've got both of them active—one under my name and one under my business name.

JASON: Perfect. I mean, and that's what most people experience. They have no problem. But, of course, you hear the horror stories every once in a while so, I'm glad to hear you disprove it and say, "It isn't as difficult as people make it out to be."

PATRICK: Nope. Just play by the rules.

(laughter)

JASON: Yeah, Exactly. You're a hundred percent right. So, as far as getting inventory and, obviously, getting guns. What wholesalers do you use to purchase guns from?

PATRICK: I use Davidson's and RSR mainly and then, we do consignment stuff and... at the business and then get a lot of folks that are transferring stuff in from Bud's Guns and places like that, but our main suppliers would be RSR and Davidson's.

JASON: Okay and you mentioned the consignments and which is, you know, a great thing. A great way to do business and make money. Can you go into that more just because a lot of people don't understand that or have never heard of it. So, could you kind of, literally, walk me step by step of how the consignment process works?

PATRICK: Sure. Somebody has a firearm they want to sell. They'll contact us; bring it over. I go through it; make sure everything's functional. I'm also a firearms appraiser, so I can do a quick appraisal on it. Make sure they're not exorbitant in what they're asking for it, or that it's...

JASON: Mmm hmm.

PATRICK: ...pretty close to market value or whatever the case may be. We'll set up the terms so that they're agreeable with in terms of what we charge to do the consignment, and then we'll advertise it through the website, through word of mouth. I've always got folks calling me up asking if I've got this or that or the other thing and I kind of keep a "wish list" of folks and if something comes in that we're looking for, we'll give them a call. And, they can come look at it and if they want to buy it, we'll sell it, do the 4473 form and away they go and we'll contact the seller and let them know that it's sold and do the payments.

JASON: Perfect. Yeah. And, obviously, you're making money being the middleman in the transaction.

PATRICK: Yes. Yes.

JASON: So, and then, again, that's a great way to do business and open up another avenue. You mentioned your website. So, how do you market your gun business? Are you doing gun shows? How do you sell your guns?

PATRICK: Currently, websites, word of mouth. With being in the military, like I say, it's kind of hard to get to gun shows and stuff like that, but once I retire here in a couple years, my plan is to hit more gun shows and I've got a partner that's helping me out and he's looking to get a storefront. So, kind of partnering up with him and getting the word out, that we're there and folks around Missouri know us. We offer inexpensive transfer fees which gets folks in the door.

JASON: Mmm hmm.

PATRICK: And, mostly... Most of my money comes out of... out of the gunsmithing side of things.

JASON: And you just made a great point. I've polled so many people like with the transfers and, you know, do low transfers to get people in the door. Build that relationship and then you can sell them guns, you can sell them other products, you can do gunsmithing, etc.

PATRICK: Yes. Yes.

JASON: Now, for your website, are you doing any kind of online marketing or drive any traffic or anything like that?

PATRICK: I really don't do any... any online sales or anything. Eventually, maybe get to something like that, but it's more informational. We've got the 4473 online, or will, we're just building a new website right now, that folks can print out and there's instructions on how to fill it out to bring it in with them and the things that they need. We deal a lot with the military folks so since they may have a driver's license from another state, we need their, a copy of their orders which proves that they are a resident of the state in which the sale is happening. But, all that's out on the website so folks can read it. The phone number's there if they have questions. My goal is to make the process as easy and painless as possible.

JASON: And you, Patrick, you just hit the nail on the head. As you're educating the consumer and that's what you've got to do. It's like you said, you've got to make it almost idiot proof—as simple as possible--which you're doing by your website, which again is why people are going to want to work with you and buy guns from you and do gunsmithing, etc.

PATRICK: Mmm hmm. Hopefully. (laughter)

JASON: Well, no, I mean, it really is. You've got to make it easy for people. They don't want to go through hassles. I mean, I certainly don't. None of us do.

PATRICK: Right. And, I get lots of calls, especially from airmen and stuff, you know, "How does this process work? I'm getting ready to buy a gun online or whatever and..." It's super easy. I have them email me a copy of the receipt. If we don't already have our FFL with the individual's...with the seller, and get them... give them our FFL. When it comes in, we give them a call and they come in and do the paperwork. It's real simple and away they go. We're there to answer questions and help them out. Like I say, make it as painless as possible.

JASON: And, I'm glad you brought that up. You're showing how easy it is if somebody orders a gun from a big online company and just says, "Hey, we want you to do the transfer," it really is just as simple as you described it.

PATRICK: Mmm hmm.

JASON: Now, in addition to guns, are you selling any other products? So, when somebody comes, are you "upselling" them to magazines or cleaning materials or other products?

PATRICK: Yes. We have scopes, rings, bases, all the accessories, magazines, uppers, lowers for the AR stuff. My partner's really into the AR aspect of

things. Speedloaders. I'm a competition shooter in cowboy action and USPSA long distance stuff and black powder, so we have all of that. I'm an NRA life member and certified instructor, so part of what I sell is the expertise, especially for the first-timer of what's an appropriate firearm for them; what they need in terms of what they want to use the gun for. My goal, like I say, is to match them up with the right firearm, not just to sell them a firearm.

JASON: That's exactly what you want to do. So, because I know this is a question that several people have—you mentioned all the products—is how do you get those products? Is there one big wholesaler company or how do you get, you know, when you want speedloaders or magazines or, where do you go for all of that stuff?

PATRICK: I'm very fortunate to work with a bargain hunter for a partner and he is always scouring things and when he finds a good deal, he'll pick it up and stock the shelves with that stuff. Also, just kind of keeping eyes and ears open as to what folks are interested in; what folks want so that we don't have shelves full of stuff that's just sitting there. You know, what... that the taste of folks in mid-Missouri are a lot different than they are up here in Idaho or other places, so, you know, what are folks hunting? What animals are out there? What kind of competitions are in the area and we mold what we stock to that while also being able to get pretty much anything we need through our suppliers.

JASON: And, that's a great point you just made about you've got to be in tune with your market, like you said. What people are buying in New York City versus Missouri versus Washington State is completely different, so definitely have to be in tune with the current trends in your area.

PATRICK: Yes.

JASON: What about ammunition? You sell a good amount of ammunition?

PATRICK: Not a whole lot. If folks want some, we can get it in, but we don't really stock a whole lot of ammunition.

JASON: Is there a wholesaler that you go through or that you recommend for people when buying ammunition?

PATRICK: Midway USA has some good deals on stuff. Graf & Sons. There's a whole bunch of real good places out there that offer ammunition and I'm a big proponent of your local pawn shops and gun stores. Help out the little guy like me.

(laughter)

JASON: Mmm hmm.

PATRICK: You know, not that the big chains are bad, but... and they may be able to give you a better deal sometimes, but to me there's just paying a couple extra dollars to have some knowledgeable interaction with somebody that's not just hired off the street. That's actually... You know, if I steer you wrong and you don't come back, then I don't eat tonight kind of thing.

JASON: And people definitely appreciate that these days. So, Patrick, kind of wrapping these up. What advice do you have for someone who's getting their FFL?

PATRICK: The advice I have is research, research, research.

(laughter)

PATRICK: I thought I had all my research done and then got my FFL; started the business; and then found out that I should have done a little more research because I... Well, I incorporated and then once I became an LLC, I had to redo the whole FFL process from scratch and then found out about the 07, and that I didn't really need that, so research, research some more, talk to folks. Give me a call. I'll talk you through it. I've learned a lot through the school of hard knocks and got the t-shirt to prove it.

PATRICK: ...and if you're not disciplined, you will get yourself in trouble. If you are disciplined and you play by the rules, they are here to help you, really. I've got a couple great agents that I deal with and they are more than happy to answer any question I have. We've gone through one inspection. They were wonderful. We had all our ducks in a row, which was nice. There are the horror stories out there, but if you really read between the lines or look at the other side of the coin, you'll find out that the horror stories were caused more by the FFL holder than the FFL enforcers.

JASON: Correct.

PATRICK: So, just, like I say, do your research, talk to folks, give me a call, whatever the case... you know, whatever you need to do and it's not a hard process, but it is time consuming to have the FFL.

JASON: That's perfect. I mean, that's excellent, Patrick. You gave us a ton of great information. Can you give out all your contact information again so people can contact you if they wish?

PATRICK: Sure. Website is: skypilotgunsmithing.com. Email is: skypilotgunsmithing@gmail.com and my phone is 660-441-7483.

JASON: Perfect. I appreciate it very much. Thank you for your time, Patrick.

PATRICK: Sure. Glad to do it.