

CORPORATE SOCIAL RESPONSIBILITY

Go-To-Market



GO-TO-MARKET

Ruger sells almost exclusively to independent, federally licensed distributors. Therefore, the vast majority of new Ruger firearms undergo at least **THREE** federally regulated transactions before ultimately being acquired by a consumer.



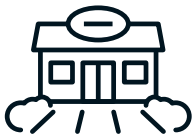
RUGER FACTORY

(Federal Firearms License Holder)



INDEPENDENT DISTRIBUTOR

(Federal Firearms License Holder)



INDEPENDENT RETAILER

(Federal Firearms License Holder)



CONSUMER

(Form 4473 and Background Check)

As a Federal Firearms License (FFL) holder, Ruger is heavily regulated by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). Among other things, Ruger is obligated to keep detailed transaction records for every firearm manufactured or transferred to ensure compliance with federal, state and local laws, and is subject to regular ATF inspections. ATF inspections include reviews of transfers from Ruger to independent distributor customers.

Independent distributors of Ruger firearms are heavily regulated by the ATF. All FFL holders are required to maintain detailed transaction records and ensure they are acting in compliance with the many federal, state and local laws regarding the sale of firearms. Legal compliance is verified through regular ATF inspections.

Independent retailers acquire firearms from independent distributors. These retailers are responsible for keeping detailed records and ensuring that transfers to purchasers are made in compliance with the many federal, state and local laws.

Before a consumer may acquire a firearm from a retailer, he or she must complete an ATF Form 4473 and, unless an exemption applies, undergo a criminal background check. Depending upon the state in which the transfer occurs, additional requirements may apply.

2

2-STEP DISTRIBUTION

3

THREE FEDERALLY REGULATED TRANSACTIONS

Roughly **90%** of all Ruger sales follow the 2-step process described above. Other sales include those for export and for law enforcement distributors and agencies, which must comply with additional regulations.



GO-TO-MARKET

WHAT IS A FEDERAL FIREARMS LICENSE (FFL)?

An individual planning to engage in the business of manufacturing, selling (whether at the distribution or retail level), importing or exporting firearms must first obtain a Federal Firearms License or FFL. The FFL then subjects the holder to all applicable regulations, which vary depending upon the nature of the licensee's business. For example, manufacturers must comply with marking requirements on their firearms, while all licensees must carefully track all firearms they acquire or transfer to others.

WHAT IS AN FFL?

WHO CAN BECOME A FEDERAL FIREARMS LICENSE HOLDER?

Before obtaining an FFL, key members of the business must undergo an extensive background check, be fingerprinted, participate in an in-person meeting with ATF officials and notify local law enforcement of their plans. Individuals prohibited from possessing firearms or ammunition are prohibited from obtaining an FFL.

WHAT ARE THE OBLIGATIONS OF A FEDERAL FIREARMS LICENSE HOLDER?

Legal requirements for an FFL holder are substantial. Some of the things that are required by law are:

- Maintain detailed transaction records of all firearm acquisitions and dispositions.
- Ensure that all transfers comply with federal, state and local laws.
- Comply with law enforcement requests.
- Participate in regular ATF inspections to ensure legal compliance.
- Conduct background checks of non-licensee transferees, unless an exemption applies.
- Understand nuanced regulations regarding Prohibited Persons and verify transferee's eligibility to possess firearms above and beyond background check results.
- Ensure prospective transferees meet age and eligibility requirements.
- Report lost or stolen firearms.
- Report firearms lost or stolen in transit if shipped via common carrier by the licensee.

GO-TO-MARKET

DID YOU KNOW?

Most new Ruger firearms are sold through Ruger's two-step distribution process. That means that these Ruger firearms are sold by federally licensed distributors to federally licensed retailers who must, by law, conduct a background check before selling that firearm at retail (unless an exception applies).

Form 4473 is a form that must be completed by anyone purchasing a firearm from a federally licensed retailer. It requires the purchaser to identify themselves and certify that they are not acquiring the firearm for someone else (not a straw purchase), and to certify they are not a Prohibited Person.

WHAT IS A FORM 4473?

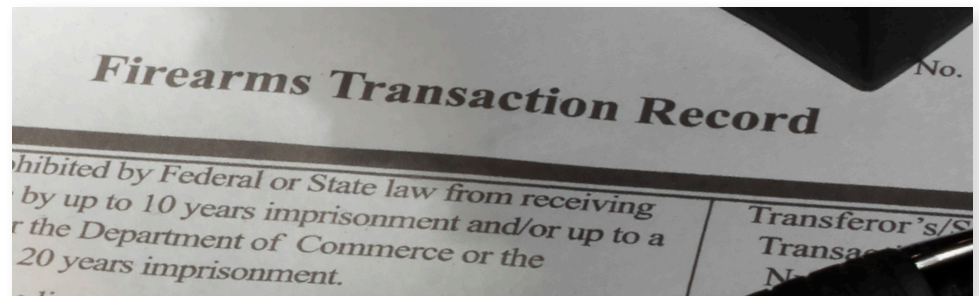


WHAT IS A PROHIBITED PERSON?

The law prohibits certain categories of people from purchasing or possessing firearms or ammunition. FFL holders are required to run each purchaser through the FBI's NICS system, which checks against these and other prohibiting categories of crime to allow or disallow the transfer. The definition of Prohibited Person includes anyone who:

- Is under indictment in any court for a felony
- Has been convicted of a felony
- Uses or is addicted to any controlled substance
- Has been committed to a mental institution
- Has been dishonorably discharged from the Armed Forces
- Has been convicted of a misdemeanor crime of domestic violence
- Has renounced their US Citizenship
- Is an alien illegally in this country
- Is subject to a restraining order for harassing, stalking, or threatening their child or intimate partner

A consumer acquiring a firearm must certify that the information provided in the Form 4473 is true, correct and complete. The form notifies the purchaser that false responses may violate federal and/or state laws, and may even be a felony.



GO-TO-MARKET

FixNICS

FixNICS is the firearms industry's campaign to encourage states to report to NICS all records that establish someone is prohibited from owning a firearm under current law. FBI NICS databases are incomplete because many states have not provided all records that establish someone is prohibited from owning a firearm under current law, especially including mental health adjudications and involuntary commitments orders.



FixNICS 

DON'T LIE FOR THE OTHER GUY

Understanding the importance of cooperating with law enforcement, the firearms industry partners with the ATF and the Department of Justice to assist law enforcement in educating firearms retailers to identify and deter illegal straw purchases and to raise public awareness that straw purchasing is a serious crime.



**BUY A GUN
FOR SOMEONE
WHO CAN'T**

BUY 15 YEARS IN JAIL

DontLie.Org | Celebrating 20 Years of Justice

