

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Univision Technology, Inc.  
764 Violet Circle  
Naperville, IL 60540

Attn: *Zheng Zheng*  
*President*

Dear Ms. Zheng:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Univision Technology, Inc. (hereafter “Univision”) of Naperville, Illinois, has committed 12 violations of the Export Administration Regulations (the “Regulations”),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).<sup>2</sup> Specifically, BIS charges that Univision committed the following violations:

**Charges 1 – 5:           15 C.F.R. § 764.2(a): Exporting Items Without the Required Department of Commerce Licenses:**

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on five occasions between on or about August 25, 2000, and on or about July 2001,

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2006). The charged violations occurred between 2000 and 2002. The Regulations governing the violations at issue are found in the 2000 through 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000 – 2002)). The 2006 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 50 U.S.C. app. §§ 2401-2420 (2000). From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which, itself, was extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 (114 Stat. 2360 (2000)) and it remained in effect through August 20, 2001. The Act lapsed on August 21, 2001 and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2006 (71 Fed. Reg. 44,551 (August 7, 2006)), has continued the Regulations in effect under the IEEPA.

Univision engaged in conduct prohibited by the Regulations by exporting electronic equipment, including microwave transistors, microwave amplifiers, and related equipment, items subject to the Regulations and classified under Export Control Classification Number 3A001, from the United States to the People's Republic of China ("China"), without obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations. In so doing, Univision committed five violations of Section 764.2(b) of the Regulations.

**Charges 6 – 10: 15 C.F.R. § 764.2(e): Acting With Knowledge That a Violation of the Regulations Was About to Occur:**

In connection with the transactions referenced in Charges One through Five above, Univision ordered or transferred items, including microwave transistors, microwave amplifiers, and related equipment, that were to be exported from the United States with knowledge that violations of the Regulations would occur. Specifically, Univision was informed by its suppliers and others that the aforementioned items required export licenses. As such, Univision, at all relevant times, knew that the items required licenses if exported to China and that no such licenses would be obtained. In so doing, Univision committed five violations of Section 764.2(e) of the Regulations.

**Charges 11 - 12: 15 C.F.R. § 764.2(a): Failure to File Shipper's Export Declarations**

On two occasions, through on or about August 30, 2000, and on or about September 21, 2000, in connection with the transactions referenced in Schedule A, Univision refrained from engaging in conduct required by the Regulations when it failed to file Shipper's Export Declarations ("SEDs") with the U.S. Government. Section 758.1 of the Regulations as in effect on the dates of the applicable exports, required that SEDs be filed with the U.S. Government for the export of any item subject to the Regulations valued at greater than \$2,500. The electronic equipment, including microwave transistors, microwave amplifiers, and related equipment, described above each had a value greater than \$2,500. In failing to file required SEDs, Univision committed two violations of Section 764.2(a) of the Regulations.

\* \* \* \*

Accordingly, Univision is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

The maximum civil penalty allowed by law of \$11,000 per violation, except that, for violations involving national security controls occurring between November 13, 2000,

and August 20, 2001, the maximum civil penalty allowed by law is \$120,000 for items controlled for National Security reasons.<sup>3</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

If Univision fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. *See* 15 C.F.R. §§ 766.6 and 766.7. If Univision defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Univision. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for each charge in this letter.

Univision is further notified that it is entitled to an agency hearing on the record if it files a written demand for one with its answer. *See* 15 C.F.R. § 766.6. Univision is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. *See* 15 C.F.R. §§ 766.3(a) and 766.4.

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should Univision have a proposal to settle this case, Univision or its representative should transmit it to the attorney representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Univision's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

U.S. Coast Guard ALJ Docketing Center  
40 S. Gay Street  
Baltimore, Maryland 21202-4022

In addition, a copy of Univision's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: James C. Pelletier, Esq.  
Room H-3839  
United States Department of Commerce  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

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<sup>3</sup> 50 U.S.C. app. §§ 2410 (2000), 15 C.F.R. § 6.4 (2006).

Univision  
Proposed Charging Letter  
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James C. Pelletier is the attorney representing BIS in this case; any communications that Univision may wish to have concerning this matter should occur through him. Mr. Pelletier may be contacted by telephone at (202) 482-5301.

Sincerely,

Michael D. Turner  
Director  
Office of Export Enforcement

Enclosure

SCHEDULE A

UNIVISION TECHNOLOGY, INC.

CHARGES	DATE OF EXPORT (ON OR ABOUT)	COMMODITY	ECCN	QUANTITY	VALUE (U.S. DOLLARS)	DESTINATION
1, 6	Aug. 25, 2000	Hittite, GAAS MMIC Medium Power Amplifier, 17-40 GHz, Part No. HMC283	3A001	10	390	China
2, 7, 11	Sep. 2000	Miteq Field Effective Transistor, Part No. AFSM2-02001800-40-8P	3A001	18	19,440	China
3, 8, 12	Sep. 25, 2000	TRW Space & Electronics (now Velocium, HEMT low noise distributed amplifier), Part No. ALH102C	3A001	1000	30,000	China
4, 9	Oct. 2000	•Excelis Semiconductor, High Efficient Heterojunction Power Field Effective Transistor, Part No. EPA018A	3A001	200	2,270	China
		•Excelis Semiconductor, High Efficient Heterojunction Power Field Effective Transistor, Part No. EPA030C	3A001	100		
5, 10	July 2001	United Monolithic, 7-13 GHz Low Noise Amplifier, Part No. CHA2063A-MAF/00 (purchased from Richardson Electronics)	3A001	10	1,285	China

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY  
WASHINGTON, D.C. 20230

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In the Matter of: )  
)  
Univision Technology, Inc. )  
764 Violet Circle )  
Naperville, IL 60540 )  
)  
Respondent. )  
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SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Respondent, Univision Technology, Inc. (“Univision”), and the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) (collectively referred to as “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) (“Regulations”),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”).<sup>2</sup>

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<sup>1</sup> The charged violations occurred between 2000 and 2002. The Regulations governing the violations at issue are found in the 2000 through 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000 – 2002)). The 2006 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which, itself, was extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 (114 Stat. 2360 (2000)) and it remained in effect through August 20, 2001. The Act lapsed on August 21, 2001 and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2006 (71 Fed. Reg. 44,551 (August 7, 2006)), has continued the Regulations in effect under the IEEPA.

WHEREAS, BIS has notified Univision of its intention to initiate an administrative proceeding against Univision, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a proposed charging letter to Univision that alleged that Univision committed twelve violations of the Regulations, specifically:

**Charges 1 – 5: 15 C.F.R. § 764.2(a): Exporting Items Without the Required**

**Department of Commerce Licenses:** On five occasions between on or about August 25, 2000, and on or about July 2001, Univision engaged in conduct prohibited by the Regulations by exporting electronic equipment, including microwave transistors, microwave amplifiers, and related equipment, items subject to the Regulations and classified under Export Control Classification Number 3A001, from the United States to the People's Republic of China ("China"), without obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations. In so doing, Univision committed five violations of Section 764.2(b) of the Regulations.

**Charges 6 – 10: 15 C.F.R. § 764.2(e): Acting With Knowledge That a Violation of the**

**Regulations Was About to Occur:** In connection with the transactions referenced in Charges One through Five above, Univision ordered or transferred items, including microwave transistors, microwave amplifiers, and related equipment, that were to be

exported from the United States with knowledge that violations of the Regulations would occur. Specifically, Univision was informed by its suppliers and others that the aforementioned items required export licenses. As such, Univision, at all relevant times, knew that the items required licenses if exported to China and that no such licenses would be obtained. In so doing, Univision committed five violations of Section 764.2(e) of the Regulations.

**Charges 11 - 12: 15 C.F.R. § 764.2(a): Failure to File Shipper's Export Declarations:**

On two occasions, through on or about August 30, 2000, and on or about September 21, 2000, in connection with two exports to China of items subject to the Regulations, Univision refrained from engaging in conduct required by the Regulations when it failed to file Shipper's Export Declarations ("SEDs") with the U.S. Government. Section 758.1 of the Regulations as in effect on the dates of the applicable exports, required that SEDs be filed with the U.S. Government for the export of any item subject to the Regulations valued at greater than \$2,500. The electronic equipment, including microwave transistors, microwave amplifiers, and related equipment, described above each had a value greater than \$2,500. In failing to file required SEDs, Univision committed two violations of Section 764.2(a) of the Regulations.

WHEREAS, Univision has reviewed the proposed charging letter and is aware of the allegations made against it and the administrative sanctions which could be imposed against it if the allegations are found to be true;

WHEREAS, Univision fully understands the terms of this Agreement and the Order (“Order”) that the Assistant Secretary of Commerce for Export Enforcement will issue if he approves this Agreement as the final resolution of this matter;

WHEREAS, Univision enters into this Agreement voluntarily and with full knowledge of its rights;

WHEREAS, the parties enter into this agreement having taken into consideration the plea agreement that Univision has agreed to enter into with the U.S. Attorney for the Northern District of Illinois in the related criminal case, Crim. No. 05CR0498 (“plea agreement”);

WHEREAS, Univision states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, Univision neither admits nor denies the allegations contained in the proposed charging letter;

WHEREAS, Univision wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

WHEREAS, Univision agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Univision, under the Regulations, in connection with the matters alleged in the proposed charging letter.

2. The following sanction shall be imposed against Univision in complete settlement of the violations of the Regulations relating to the transactions detailed in the proposed charging letter:

- a. For a period of ten years from the date of entry of the Order, Univision, its successors or assigns, and, when acting for or on behalf of Univision, its officers, representatives, agents, or employees (“Denied Person”) may not participate, directly or indirectly, in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as “item”) exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:
  - i. Applying for, obtaining, or using any license, License Exception, or export control document;
  - ii. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or
  - iii. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Univision hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in any charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; (c) request any relief from the Order, if entered, including without limitation relief from the terms of a denial order under 15 C.F.R. § 764.3(a)(2); and (d) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order, BIS will not initiate any further administrative proceeding against Univision in connection with any violation of the Act or the Regulations arising out of the transactions identified in the proposed charging letter.

5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, available to the public.

6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any

other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

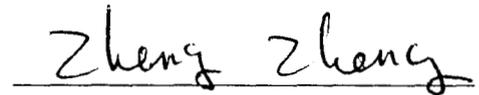
9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

BUREAU OF INDUSTRY AND SECURITY,  
U.S. DEPARTMENT OF COMMERCE

UNIVISION TECHNOLOGY, INC.



Michael D. Turner  
Director  
Office of Export Enforcement



Zheng Zheng  
President

Date: 09/01/2006

Date: August 24, 2006

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY  
WASHINGTON, D.C. 20230

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In the Matter of: )  
)  
Univision Technology, Inc. )  
764 Violet Circle )  
Naperville, IL 60540 )  
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Respondent. )  
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ORDER RELATING TO UNIVISION TECHNOLOGY, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Univision Technology, Inc. (hereinafter referred to as “Univision”) of its intention to initiate an administrative proceeding against Univision pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) (“Regulations”)<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),<sup>2</sup> by issuing a proposed charging letter to Univision that alleged that

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<sup>1</sup> The charged violations occurred between 2000 and 2002. The Regulations governing the violations at issue are found in the 2000 through 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000 – 2002)). The 2006 Regulations set forth the procedures that apply to this matter.

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Univision committed twelve violations of the Regulations. Specifically, the charges are:

**Charges 1 – 5: 15 C.F.R. § 764.2(a): Exporting Items Without the Required**

**Department of Commerce Licenses:** On five occasions between on or about August 25,

2000, and on or about July 2001, Univision engaged in conduct prohibited by the

Regulations by exporting electronic equipment, including microwave transistors,

microwave amplifiers, and related equipment, items subject to the Regulations and

classified under Export Control Classification Number 3A001, from the United States to

the People's Republic of China ("China"), without obtaining licenses from the Department

of Commerce as required by Section 742.4 of the Regulations. In so doing, Univision

committed five violations of Section 764.2(b) of the Regulations.

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**Regulations Was About to Occur:** In connection with the transactions referenced in

Charges One through Five above, Univision ordered or transferred items, including

microwave transistors, microwave amplifiers, and related equipment, that were to be

exported from the United States with knowledge that violations of the Regulations would

occur. Specifically, Univision was informed by its suppliers and others that the

mentioned items required export licenses. As such, Univision, at all relevant times,

knew that the items required licenses if exported to China and that no such licenses would

be obtained. In so doing, Univision committed five violations of Section 764.2(e) of the

Regulations.

**Charges 11 - 12: 15 C.F.R. § 764.2(a): Failure to File Shipper's Export Declarations:**

On two occasions, through on or about August 30, 2000, and on or about September 21, 2000, in connection with two exports to China of items subject to the Regulations, Univision refrained from engaging in conduct required by the Regulations when it failed to file Shipper's Export Declarations ("SEDs") with the U.S. Government. Section 758.1 of the Regulations as in effect on the dates of the applicable exports, required that SEDs be filed with the U.S. Government for the export of any item subject to the Regulations valued at greater than \$2,500. The electronic equipment, including microwave transistors, microwave amplifiers, and related equipment, described above each had a value greater than \$2,500. In failing to file required SEDs, Univision committed two violations of Section 764.2(a) of the Regulations.

WHEREAS, BIS and Univision have entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and

WHEREAS, I have approved the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, that for a period of ten years from the date of entry of this Order, Univision Technology, Inc. of 764 Violet Circle, Naperville, IL 60540, its successors or assigns, and when acting for or on behalf of Univision, its officers, representatives, agents, or employees ("Denied Person") may not, directly or indirectly, participate in any way in any transaction involving any

commodity, software, or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, License Exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or
- C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

SECOND, that no person may, directly or indirectly, do any of the following:

- A. Export or reexport to or on behalf of the Denied Person any item subject to the Regulations;
- B. Take any action that facilitates the acquisition or attempted acquisition by the Denied Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the Denied Person acquires or attempts to acquire such ownership, possession or control;

- C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the Denied Person of any item subject to the Regulations that has been exported from the United States;
- D. Obtain from the Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or
- E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by the Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by the Denied Person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

THIRD, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to Univision by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of the Order.

FOURTH, that this Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

FIFTH, that the proposed charging letter, the Settlement Agreement, and this Order shall be made available to the public.

SIXTH, that this Order shall be served on the Denied Person and on BIS, and shall be published in the *Federal Register*.

This Order, which constitutes the final agency action in this matter, is effective immediately.



Darryl W. Jackson  
Assistant Secretary of Commerce  
for Export Enforcement

Entered this 7<sup>th</sup> day of September 2006.