

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

In the Matter of:)
)
Ameribrom, Inc.)
2115 Linwood Avenue, Suite 200)
Fort Lee, NJ 07024)
)

Respondent)

ORDER RELATING TO AMERIBROM INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Ameribrom, Inc. (“Ameribrom”), of its intention to initiate an administrative proceeding against Ameribrom pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2005)) (“Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),² by issuing a proposed charging letter to Ameribrom that alleged that Ameribrom committed 11 violations of the Regulations. Specifically, the charges are:

1. *11 Violations of 15 C.F.R. §764.2(a) - Failure to obtain and submit required end-use certificate:* On 11 occasions from on or about March 4, 2001 to on or about February 21, 2002, Ameribrom, a U.S. person as defined by Section 744.6 of the

¹ The violations charged occurred in 2001-2002. The Regulations governing the violations at issue are found in the 2001-2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2002)). The 2005 Regulations govern the procedural aspects of this case.

² Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp., p. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 6, 2004 (69 Fed. Reg. 48763 (Aug. 10, 2004)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)).

Regulations, refrained from engaging in conduct required by the Regulations when it exported a chloropicrin-based pesticide and soil fungicide, an item classified under Export Control Classification Number (“ECCN”) 1C355.b, to Israel without obtaining and submitting to the Department of Commerce (the “Department”) the end-use certificate required by Section 745.2 of the Regulations. Section 745.2 requires that an end-use certificate from the government of the recipient of the applicable items be submitted to the Department for exports of Chemical Weapons Convention (“CWC”) Schedule 3 chemicals to countries not party to the CWC. Israel is not party to the CWC.

WHEREAS, BIS and Ameribrom 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 of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$82,500 is assessed against Ameribrom, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Ameribrom will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license

exception, permission, or privilege granted, or to be granted, to Ameribrom. Accordingly, if Ameribrom should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Ameribrom's export privileges for a period of one year from the date of entry of this Order.

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

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

for Wendy L. Wyszog
Darryl W. Jackson
Assistant Secretary of Commerce
for Export Enforcement

Entered this 22 day of March 2006.

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

In the Matter of:)
)
Ameribrom, Inc.)
2115 Linwood Avenue, Suite 200)
Fort Lce, NJ 07024)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Ameribrom, Inc. ("Ameribrom"), 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 (2005)) ("Regulations"),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ("Act"),²

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

¹ The violations charged occurred in 2001-2002. The Regulations governing the violations at issue are found in the 2001-2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2002)). The 2005 Regulations govern the procedural aspects of this case.

² Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp., p. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 6, 2004 (69 Fed. Reg. 48763 (Aug. 10, 2004)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)).

WHEREAS, BIS has issued a proposed charging letter to Ameribrom that alleged that Ameribrom committed 11 violations of the Regulations, specifically:

1. *11 Violations of 15 C.F.R. §764.2(a) - Failure to obtain and submit required end-use certificate:* On 11 occasions from on or about March 4, 2001 to on or about February 21, 2002, Ameribrom, a U.S. person as defined by Section 744.6 of the Regulations, refrained from engaging in conduct required by the Regulations when it exported a chloropicrin-based pesticide and soil fungicide, an item classified under Export Control Classification Number ("ECCN") 1C355.b, to Israel without obtaining and submitting to the Department of Commerce (the "Department") the end-use certificate required by Section 745.2 of the Regulations. Section 745.2 requires that an end-use certificate from the government of the recipient of the applicable items be submitted to the Department for exports of Chemical Weapons Convention ("CWC") Schedule 3 chemicals to countries not party to the CWC. Israel is not party to the CWC.

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

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

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

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

- a. Ameribrom shall be assessed a civil penalty in the amount of \$82,500 which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order.
- b. The timely payment of the civil penalty agreed to in paragraph 2.a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Ameribrom. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Ameribrom's export privileges for a period of one year from the date of imposition of the penalty.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Ameribrom 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 the proposed 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 and timely payment of the \$82,500 civil penalty, BIS will not initiate any further administrative proceeding against Ameribrom 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

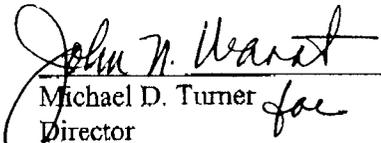
other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on BIS 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.

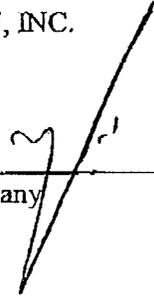
9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

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

AMERIBROM, INC.



Michael D. Turner
Director
Office of Export Enforcement



Mr. Yiel Elhanany
President

Date: 3/21/06

Date: 3-20-2006

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Ameribrom, Inc.
2115 Linwood Avenue, Suite 200
Fort Lee, NJ 07024

Attention: Mr. Yiel Elhanany
President

Dear Mr. Elhanany:

The Bureau of Industry and Security, U. S. Department of Commerce (“BIS”), has reason to believe that Ameribrom, Inc. (“Ameribrom”), of Fort Lee, New Jersey, has committed 11 violations of the Export Administration Regulations (the “Regulations”),¹ which are issued under the authority of the Export Administration Act of 1979 (the “Act”).² Specifically, BIS charges that Ameribrom committed the following violations:

Charges 1-11 (15 C.F.R. §764.2(a) - Failure to obtain and submit required end-use certificate)

On 11 occasions from on or about March 4, 2001 to on or about February 21, 2002, Ameribrom, a U.S. person as defined by Section 744.6 of the Regulations, refrained from engaging in conduct required by the Regulations when it exported a chloropicrin-based pesticide and soil fungicide, an item classified under Export Control Classification Number (“ECCN”) 1C355.b, to Israel without obtaining and submitting to the Department of Commerce (the “Department”) the end-use certificate required by Section 745.2 of the Regulations. Section 745.2 requires that an end-use certificate from the government of the recipient of the applicable items be submitted to the Department for exports of Chemical Weapons Convention (“CWC”) Schedule 3 chemicals to countries not party to the Chemical Weapons Convention. Israel is not party to the CWC. In so doing, Ameribrom committed 11 violations of Section 764.2(a) of the Regulations. The violations are further detailed in the Schedule of Violations which is attached hereto and incorporated by reference.

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2005). The violations charged occurred in 2001-2002. The Regulations governing the violations at issue are found in the 2001-2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2002)). The 2005 Regulations govern the procedural aspects of this case.

² Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp., p. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 6, 2004 (69 Fed. Reg. 48763 (Aug. 10, 2004)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) .

* * * * *

Accordingly, Ameribrom 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 up to \$11,000 per violation;³

Denial of export privileges; and/or

Exclusion from practice before BIS.

If Ameribrom 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. (Regulations, Sections 766.6 and 766.7). If Ameribrom defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Ameribrom. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each of the charges in this letter.

Ameribrom is further notified that it is entitled to an agency hearing on the record if Ameribrom files a written demand for one with its answer. (Regulations, Section 766.6). Ameribrom is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. (Regulations, Sections 766.3(a) and 766.4).

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should Ameribrom have a proposal to settle this case, Ameribrom 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, Ameribrom'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

³ See 15 C.F.R. § 6.4(a)(2).

Ameribrom, Inc.
Proposed Charging Letter
Page 3

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

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

Philip Ankel is the attorney representing BIS in this case; any communications that Ameribrom may wish to have concerning this matter should occur through him. He may be contacted by telephone at (202) 482-5301.

Sincerely,

Michael Turner
Director
Office of Export Enforcement