

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

In the Matter of:)
)
Transtar Metals, Corp.)
14400 S. Figueroa St.)
Gardena, CA 90248)
)
Respondent)

ORDER RELATING TO TRANSTAR METALS, CORP.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Transtar Metals, Corp. (“Transtar Metals”), of its intention to initiate an administrative proceeding against Transtar Metals 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 Transtar Metals that alleged that Transtar Metals, both in its own capacity and as successor to Transtar Metals, Inc.³, committed 11 violations of the Regulations. Specifically, the charges are:

1. *Nine violations of 15 C.F.R. §764.2(a) -Unlicensed Exports of Aluminum Rods:*

On nine occasions from in or about November 2000 through in or about February

¹ The violations charged occurred in 2000-2003. The Regulations governing the violations at issue are found in the 2000-2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2003)). 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. 783 (2002)), as extended most recently by the Notice of August 2, 2005, (70 Fed. Reg. 45273 (August 5, 2005)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”).

³ Transtar Metals, Inc. became Transtar Metals, Corp. on January 1, 2003.

2003, Transtar Metals caused the export of aluminum rods, items classified under Export Control Classification Number (“ECCN”) 1C202.a, from the United States to various destinations, including Israel and the Philippines, without the licenses required by Section 742.3 of the Regulations.

2. *One violation of 15 C.F.R. §764.2(a) - Attempted Unlicensed Export of Aluminum Rods:* On or about January 30, 2003, Transtar Metals attempted to export aluminum rods, items classified under ECCN 1C202.a, from the United States to Malaysia without the license required by Section 742.3 of the Regulations.
3. *One violation of 15 C.F.R. § 764.2(g): False Statement on Shipper’s Export Declaration Concerning Authority to Export:* On or about February 17, 2002, Transtar Metals made a false statement to the U.S. Government in connection with effecting an export subject to the Regulations. Specifically, in connection with its export of aluminum rods (ECCN 1C202.a), Transtar Metals caused a Shipper’s Export Declaration to be filed with the U.S. Government that stated that the export of the rods qualified for export from the United States without a license (“NLR”). This statement was false because the items required a license for export to Hong Kong.

WHEREAS, BIS and Transtar Metals 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:

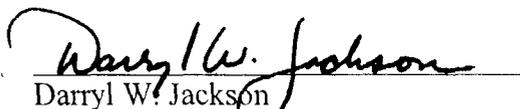
FIRST, that a civil penalty of \$65,000 is assessed against Transtar Metals, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

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, Transtar Metals 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 Transtar Metals. Accordingly, if Transtar Metals should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Transtar Metals'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.


Darryl W. Jackson
Assistant Secretary of Commerce
for Export Enforcement

Entered this 7th day of April 2006.

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

In the Matter of:)
)
Transtar Metals, Corp.)
14400 S. Figueroa St.)
Gardena, CA 90248)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Transtar Metals, Corp. (“Transtar Metals”) 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 Transtar Metals of its intention to initiate an administrative proceeding against Transtar Metals, pursuant to the Act and the Regulations;

¹ The violations charged occurred in 2000-2003. The Regulations governing the violations at issue are found in the 2000-2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2003)). 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. 783 (2002)), as extended most recently by the Notice of August 2, 2005, (70 Fed. Reg. 45273 (August 5, 2005)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”).

WHEREAS, BIS has issued a proposed charging letter to Transtar Metals that alleged that Transtar Metals both in its own capacity and as successor to Transtar Metals, Inc.³, committed 11 violations of the Regulations, specifically:

1. *Nine violations of 15 C.F.R. §764.2(a) -Unlicensed Exports of Aluminum Rods:*

On nine occasions from in or about November 2000 through in or about February 2003, Transtar Metals caused the export of aluminum rods, items classified under Export Control Classification Number (“ECCN”) 1C202.a, from the United States to various destinations, including Israel and the Phillipines, without the licenses required by Section 742.3 of the Regulations.

2. *One violation of 15 C.F.R. §764.2(a) - Attempted Unlicensed Export of*

Aluminum Rods: On or about January 30, 2003, Transtar Metals attempted to export aluminum rods, items classified under ECCN 1C202.a, from the United States to Malaysia without the license required by Section 742.3 of the Regulations.

3. *One violation of 15 C.F.R. § 764.2(g): False Statement on Shipper's Export*

Declaration Concerning Authority to Export: On or about February 17, 2002, Transtar Metals made a false statement to the U.S. Government in connection with effecting an export subject to the Regulations. Specifically, in connection with its export of aluminum rods (ECCN 1C202.a), Transtar Metals caused a Shipper’s Export Declaration to be filed with the U.S. Government that stated that

³ Transtar Metals, Inc. became Transtar Metals, Corp. on January 1, 2003.

the export of the rods qualified for export from the United States without a license (“NLR”). This statement was false because the items required a license for export to Hong Kong.

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

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

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

2. The following sanction shall be imposed against Transtar Metals in complete

settlement of the violations of the Regulations relating to the transactions specifically detailed in the proposed charging letter:

- a. Transtar Metals shall be assessed a civil penalty in the amount of \$65,000 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 Transtar Metals. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Transtar Metals'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, Transtar Metals 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 \$65,000 civil penalty, BIS will not initiate any further administrative proceeding against Transtar Metals 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.

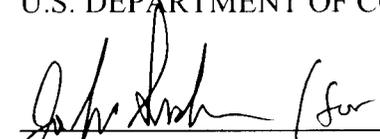
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial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



Michael D. Turner
Director
Office of Export Enforcement

Date: 4/7/06

TRANSTAR METALS CORP.



Michael Zundel
Executive Vice President
Transtar Metals Corp.

Date: 28 March 2006

DRAFT DATED March 24, 2005

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Transtar Metals, Corp.
14400 S. Figueroa St.
Gardena, CA 90248

Attention: *Mr. Michael Zundel*
Executive Vice President

Dear Mr. Zundel:

The Bureau of Industry and Security, U. S. Department of Commerce (“BIS”), has reason to believe that Transtar Metals, Corp. (“Transtar Metals”), of Gardena, California, both in its own capacity and as successor to Transtar Metals, Inc.¹, has committed 11 violations of the Export Administration Regulations (the “Regulations”),² which are issued under the authority of the Export Administration Act of 1979 (the “Act”).³ Specifically, BIS charges that Transtar Metals committed the following violations:

Charges 1-9 (15 C.F.R. §764.2(a) -Unlicensed Exports of Aluminum Rods)

On nine occasions from in or about November 2000 through in or about February 2003, Transtar Metals caused the export of aluminum rods, items classified under Export Control Classification Number (“ECCN”) 1C202.a, from the United States to various destinations, including Israel and the Phillippines, without the licenses required by Section 742.3 of the Regulations. These violations are further described in the attached Schedule A, which is incorporated by reference herein. In so doing, Transtar Metals committed nine violations of Section 764.2(a) of the Regulations.

Charge 10 (15 C.F.R. §764.2(a) - Attempted Unlicensed Export of Aluminum Rods

¹ Transtar Metals, Inc. became Transtar Metals, Corp. on January 1, 2003.

² 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 2000-2003. The Regulations governing the violations at issue are found in the 2000-2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2003)). The 2005 Regulations govern the procedural aspects of this case.

³50 U.S.C. app. §§ 2401- 2420 (2000). 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. 783 (2002)), as extended most recently by the Notice of August 2, 2005, (70 Fed. Reg. 45273 (August 5, 2005)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”).

On or about January 30, 2003, Transtar Metals attempted to export aluminum rods, items classified under ECCN 1C202.a, from the United States to Malaysia without the license required by Section 742.3 of the Regulations. In so doing, Transtar Metals committed one violation of section 764.2(c) of the Regulations.

**Charge 11 15 C.F.R. § 764.2(g): False Statement on Shipper's Export Declaration
Concerning Authority to Export:**

On or about February 17, 2002, Transtar Metals made a false statement to the U.S. Government in connection with effecting an export subject to the Regulations. Specifically, in connection with its export of aluminum rods (ECCN 1C202.a), Transtar Metals caused a Shipper's Export Declaration to be filed with the U.S. Government that stated that the export of the rods qualified for export from the United States without a license ("NLR"). This statement was false because the items required a license for export to Hong Kong. In so doing, Transtar Metals committed one violation of Section 764.2(g) of the Regulations.

* * * * *

Accordingly, Transtar Metals 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;¹

Denial of export privileges; and/or

Exclusion from practice before BIS.

If Transtar Metals 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 Transtar Metals defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Transtar Metals. 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.

¹ See 15 C.F.R. § 6.4(a)(2).

Transtar Metals is further notified that it is entitled to an agency hearing on the record if Transtar Metals files a written demand for one with its answer. (Regulations, Section 766.6). Transtar Metals 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 Transtar Metals have a proposal to settle this case, Transtar Metals 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, Transtar Metals'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 Transtar Metals'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 Transtar Metals 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

**SCHEDULE A TO PROPOSED CHARGING LETTER
TRANSTAR METALS, CORP.**

<u>Ship #</u>	<u>Charge</u>	<u>Export Date (On or about)</u>	<u>Commodity</u>	<u>Value</u>	<u>Country</u>	<u>Invoice #</u>	<u>SED</u>	<u>BL# or AWB#</u>
1	1	11/14/00	5.500X3.500 2024-T351	\$413.25	Israel	22871801	None	OX/EX-358ALL/00 (All International USA Inc.)
2	2,11	2/17/02	5 RND X R/L 7075-T651	\$1073.34	Hong Kong	31729501	Yes	LAX/HKG/ D07837 (Direct Container Line)
3	3	3/3/02	5 RND 2024-T351 5 RND X R/L 2024-T351	\$127.98 \$309.00 (Total: \$436.98)	Israel	33389602 33389603	None	11402126891 (El Al Israel Airlines)
4	4	3/10/02	6RND X R/L 7075-T651	\$455.00	Israel	33374501	None	11402126924 (El Al Israel Airlines)
5	5	4/15/02	3.000 7075 T76511	\$618	Thailand	34429401	None	24620621 (BAX Global)
6	6	5/5/02	5 RND X R/L 2024-T351	\$309.00	Israel	35355801	None	11402127554 (El Al Israel Airlines)
7	7	10/6/02	4 RND 7075-T651	\$244.73	Israel	38676003	None	1140212786 (El Al Israel Airlines)
8	8	11/12/02	4 RND 2024-T351	\$730.85	Philippines	39491601	None	079-9056-0061 (Philippine Airlines)
9	10	*attempted to export on 1/30/03	5-1/2 RND X R/L” 2024-T351 5-1/2 RND X R/L” 2024-T351	\$1094.83 \$1194.36 (Total: \$2289.19)	Malaysia	36155901 36415902	None	None-This shipment was detained on 1/30/03.
10	9	2/04/03	3 ½ RND X 7075-T7351	\$1976.80	Taiwan	41129801	None	UNIU763116791 (Unitainer)