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

In the Matter of:
Creative Electronics Ltd. 11/F Excelsior Building 68-76 Sha Tsui Road Tsuen Wan, New Territories Hong Kong
and
Room 2202c 22/F Nan Fung Centre 264-298 Castle Peak Road Hong Kong
and
Unit B 9/F Excelsior Building 68-76 Sha Tsui Road Tsuen Wan, New Territories Hong Kong
Respondent

ORDER RELATING TO
CREATIVE ELECTRONICS LTD.

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has notified Creative Electronics Ltd., of Hong Kong ("Creative Electronics"), of its intention to initiate an administrative proceeding against Creative Electronics pursuant to Section 766.3 of the Export Administration Regulations (the "Regulations"),[1] and Section 13(c)

[1] The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2014). The charged violations occurred in 2007. The Regulations governing the violations at issue are found in the 2007 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2014 Regulations set forth the procedures that currently apply to this matter.

of the Export Administration Act of 1979, as amended (the "Act"),[2] through the issuance of a Proposed Charging Letter to Creative Electronics that alleges that Creative Electronics committed 58 violations of the Regulations. Specifically, the charges are:

Charges 1-29 15 C.F.R. § 764.2(h) – Evasion

On 29 occasions between on or about July 9, 2007 and on or about November 5, 2007, Creative Electronics engaged in a transaction or took other action with intent to evade the provisions of the Regulations. Specifically, for each of these transactions, Creative Electronics obtained from United Sources Industrial Enterprises ("USIE") of Hong Kong, a company that was co-located with Creative Electronics and shared Creative Electronics' employees, U.S. supplier and transaction information that Creative Electronics used to engage in transactions with USIE's U.S. suppliers on behalf of USIE. USIE was company designated in General Order No. 3 to part 736 of the Regulations. Pursuant to General Order No. 3, a license was required to export or reexport any item subject to the Regulations to USIE. As such, USIE could not conduct transactions with U.S. suppliers without authorization from the Department of Commerce.

Creative Electronics was aware of USIE's designation in General Order No. 3 because, inter alia, after USIE was designated in General Order No. 3, Creative Electronics' Director, Bruce Lam, wrote a letter to USIE's suppliers and customers on behalf of USIE, addressed "Dear Business Partners," which stated that in USIE's understanding "General Order No 3 is an order to all US companies not to export any products to USIE."

Creative Electronics' actions were taken with the intent to evade the designation of USIE in General Order No. 3 and to continue the business USIE had established with U.S. suppliers. Creative Electronics' Director, Bruce Lam, stated on or about April 1, 2008 to a BIS representative that these actions were taken to avoid USIE's designation in General Order No. 3 and that Creative Electronics was necessary in order for USIE to remain in business. In so doing, Creative Electronics committed 29 violations of Section 764.2(h) of the Regulations.

Charges 30-58 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct

On 29 occasions between on or about July 9, 2007 and on or about November 5, 2007, Creative Electronics engaged in conduct prohibited by the Regulations when, it ordered and obtained items subject to the Regulations from the United States on behalf of USIE, a

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[2] 50 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)), which has been extended by successive Presidential Notices, the most recent being that of August 7, 2014 (79 Fed. Reg. 46959 (Aug. 11, 2014)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.* (2006 & Supp. IV 2010)).

company that was co-located with Creative Electronics and shared Creative Electronics' employees. Pursuant to General Order No. 3 of June 5, 2006, set forth in Supplement No. 1 to Part 736 of the Regulations, a license was required to export or reexport from the United States any item subject to the Regulations to USIE. As such, USIE could not conduct transactions with U.S. suppliers without authorization from the Department of Commerce. In so doing, Creative Electronics committed 29 violations of Section 764.2(a) of the Regulations.

WHEREAS, BIS and Creative Electronics 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, Creative Electronics shall be assessed a civil penalty in the amount of $3.6 million, all of which shall be suspended for a period of five years from the date of this Order, and thereafter shall be waived, provided that during this five-year probationary period under this Order, Creative Electronics has committed no violation of the Act, or any regulation, order, license, or authorization issued thereunder. If Creative Electronics commits a violation of the Act or any regulation, order, license, or authorization issued thereunder, during the probationary period under this Order, the suspension of the civil penalty may be modified or revoked by BIS and the $3.6 million made due and owing immediately.

SECOND, that for a period of five (5) years from the date of this Order, Creative Electronics, with last known addresses of 11/F Excelsior Building, 68-76 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong, and Room 2202c, 22/F Nan Fung Centre, 264-298 Castle Peak Road, Hong Kong, and Unit B 9/F Excelsior Building, 68-76 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong, and when acting for or on its behalf, its

successors, assigns, directors, officers, employees, representatives, or agents (hereinafter collectively referred to as "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.

THIRD, 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.

FOURTH, 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 the Denied Person 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.

FIFTH, that, as authorized by Section 766.18(c) of the Regulations, the five-year denial period set forth above shall be suspended during a probationary period of five years under the Order, and shall thereafter be waived, provided that Creative Electronics

has committed no other violation of the Act or the Regulations or any order, license or authorization issued thereunder. If Creative Electronics commits another violation of the Act or the Regulations or any order, license or authorization issued thereunder, during the five-year probationary period under the Order, the suspension may be modified or revoked by BIS and a denial order including a five-year denial period activated against Creative Electronics.

FOURTH, Creative Electronics shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Proposed Charging Letter or the Order. The foregoing does not affect Creative Electronics' testimonial obligations in any proceeding, nor does it affect its right to take legal or factual positions in civil litigation or other civil proceedings in which the U.S. Department of Commerce is not a party.

FIFTH, 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.

David W. Mills
Assistant Secretary of Commerce
for Export Enforcement

Issued this 17th day of September, 2014.

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

In the Matter of:
Creative Electronics Ltd. 11/F Excelsior Building 68-76 Sha Tsui Road Tsuen Wan, New Territories Hong Kong
and
Room 2202c 22/F Nan Fung Centre 264-298 Castle Peak Road Hong Kong
and
Unit B 9/F Excelsior Building 68-76 Sha Tsui Road Tsuen Wan, New Territories Hong Kong
Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Creative Electronics Ltd., of Hong Kong ("Creative Electronics"), and the Bureau of Industry and Security, U.S. Department of Commerce ("BIS") (collectively, the "Parties"), pursuant to

Section 766.18(a) of the Export Administration Regulations (the "Regulations"),[1] issued pursuant to the Export Administration Act of 1979, as amended (the "Act").[2]

WHEREAS, BIS has notified Creative Electronics of its intentions to initiate an administrative proceeding against Creative Electronics, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a Proposed Charging Letter to Creative Electronics that alleges that Creative Electronics committed 58 violations of the Regulations, specifically:

Charges 1-29 15 C.F.R. § 764.2(h) – Evasion

On 29 occasions between on or about July 9, 2007 and on or about November 5, 2007, Creative Electronics engaged in a transaction or took other action with intent to evade the provisions of the Regulations. Specifically, for each of these transactions, Creative Electronics obtained from United Sources Industrial Enterprises ("USIE") of Hong Kong, a company that was co-located with Creative Electronics and shared Creative Electronics' employees, U.S. supplier and transaction information that Creative Electronics used to engage in transactions with USIE's U.S. suppliers on behalf of USIE. USIE was company designated in General Order No. 3 to part 736 of the Regulations. Pursuant to General Order No. 3, a license was required to export or reexport any item subject to the Regulations to USIE. As such, USIE could not conduct transactions with U.S. suppliers without authorization from the Department of Commerce.

Creative Electronics was aware of USIE's designation in General Order No. 3 because, inter alia, after USIE was designated in General Order No. 3, Creative Electronics' Director, Bruce Lam, wrote a letter to USIE's suppliers and customers on behalf of USIE,

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[1] The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2014). The charged violations occurred in 2007. The Regulations governing the violations at issue are found in the 2007 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2014 Regulations set forth the procedures that currently apply to this matter.

[2] 50 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)), which has been extended by successive Presidential Notices, the most recent being that of August 8, 2013 (78 Fed. Reg. 49107 (Aug. 12, 2013)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2006 & Supp. IV 2010).

addressed "Dear Business Partners," which stated that in USIE's understanding "General Order No 3 is an order to all US companies not to export any products to USIE."

Creative Electronics' actions were taken with the intent to evade the designation of USIE in General Order No. 3 and to continue the business USIE had established with U.S. suppliers. Creative Electronics' Director, Bruce Lam, stated on or about April 1, 2008 to a BIS representative that these actions were taken to avoid USIE's designation in General Order No. 3 and that Creative Electronics was necessary in order for USIE to remain in business. In so doing, Creative Electronics committed 29 violations of Section 764.2(h) of the Regulations.

Charges 30-58 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct

On 29 occasions between on or about July 9, 2007 and on or about November 5, 2007, Creative Electronics engaged in conduct prohibited by the Regulations when, it ordered and obtained items subject to the Regulations from the United States on behalf of USIE, a company that was co-located with Creative Electronics and shared Creative Electronics' employees. Pursuant to General Order No. 3 of June 5, 2006, set forth in Supplement No. 1 to Part 736 of the Regulations, a license was required to export or reexport from the United States any item subject to the Regulations to USIE. As such, USIE could not conduct transactions with U.S. suppliers without authorization from the Department of Commerce. In so doing, Creative Electronics committed 29 violations of Section 764.2(a) of the Regulations.

WHEREAS, Creative Electronics has reviewed the Proposed Charging Letter and is aware of the allegations made against it and the administrative sanctions that could be imposed against it if the allegations are found to be true;

WHEREAS, Creative Electronics 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, Creative Electronics enters into this Agreement voluntarily and with full knowledge of its rights, after having consulted with counsel;

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

WHEREAS, Creative Electronics neither admits nor denies the allegations contained in the Proposed Charging Letter; and

WHEREAS, Creative Electronics agrees to be bound by the Order, if issued;

NOW THEREFORE, the Parties hereby agree, for purposes of this Settlement Agreement, as follows:

1. BIS has jurisdiction over Creative Electronics, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.

2. The following sanctions shall be imposed against Creative Electronics in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the Proposed Charging Letter:

a. Creative Electronics shall be assessed a civil penalty in the amount of $3.6 million, all of which shall be suspended for a period of five years from the date of the Order, and thereafter shall be waived, provided that during this five-year probationary period under the Order, Creative Electronics has committed no violation of the Act, or any regulation, order, license, or authorization issued thereunder. If Creative Electronics commits a violation of the Act or any regulation, order, license, or authorization issued thereunder, during the probationary period under the Order, the suspension of the civil penalty may be modified or revoked by BIS and the $3.6 million made due and owing immediately.

b. For a period of five (5) years from the date of the Order, Creative Electronics, with last known addresses of 11/F Excelsior Building, 68-76 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong, and Room 2202c, 22/F Nan Fung Centre, 264-298 Castle Peak Road, Hong Kong, and Unit B 9/F Excelsior

Building, 68-76 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong, and when acting for or on its behalf, its successors, assigns, directors, officers, employees, representatives, or agents (hereinafter collectively referred to as "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:

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.

c. BIS agrees that, as authorized by Section 766.18(c) of the Regulations, the five-year denial period set forth in Paragraph 2.b shall be suspended during a probationary period of five years under the Order, and shall thereafter be waived, provided that Creative Electronics has committed no other

violation of the Act or the Regulations or any order, license or authorization issued thereunder. If Creative Electronics commits another violation of the Act or the Regulations or any order, license or authorization issued thereunder, during the five-year probationary period under the Order, the suspension may be modified or revoked by BIS and a denial order including a five-year denial period activated against Creative Electronics.

3. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, Creative Electronics 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 issued), 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 issued; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued.

4. Creative Electronics shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Proposed Charging Letter or the Order. The foregoing does not affect Creative Electronics' testimonial obligations in any proceeding, nor does it affect its right to take legal or factual positions in civil litigation or other civil proceedings in which the U.S. Department of Commerce is not a party.

5. Upon issuance of the Order, BIS will not initiate any further administrative proceeding against Creative Electronics in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

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 issued; 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 the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by issuing 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. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, available to the public.

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

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

Douglas R. Hassebrock
Director of Export Enforcement

Date: 7/8/2014

CREATIVE ELECTRONICS LTD.

Bruce Lam a/k/a Fan-Ying Lam
Manager

Date: 2014.06.21

Reviewed and approved by:

Thomas M. Buchanan, Esq.
Winston & Strawn LLP
Counsel for Creative Electronics Ltd.

Date: 7/8/14

CHARGING LETTER

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Creative Electronics Ltd.
11/F Excelsior Bldg.
68-76 Sha Tsui Rd.
Tsuen Wan, New Territories
Hong Kong

and

Room 2202c
22/F Nan Fung centre
264-298 Castle Peak Road
Hong Kong

and

Unit B 9/F Excelsior Bldg.
68-76 Sha Tsui Rd.
Tsuen Wan, New Territories
Hong Kong

Attn: *Fan Chuen Lam a.k.a. Fanny Lam*
Owner

Dear Ms. Lam:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Creative Electronics Ltd. of Hong Kong ("Creative Electronics") has committed 58 violations of the Export Administration Regulations (the "Regulations"),[1] which issued under the authority of the Export Administration Act of 1979, as amended (the "Act").[2] Specifically, BIS charges that Creative Electronics committed the following violations:

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[1] The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2013). The charged violations occurred in 2007. The Regulations governing the violations at issue are found in the 2007 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2007)). The 2013 Regulations set forth the procedures that apply to this matter.

[2] 50 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)), which has been extended by successive Presidential Notices, the most recent being that of August 8, 2013 (78 Fed. Reg. 49,107 (Aug. 12, 2013)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2006 & Supp IV 2010).

Charges 1-29 15 C.F.R. § 764.2(h) – Evasion

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on 29 occasions between on or about July 9, 2007 and on or about November 5, 2007, Creative Electronics engaged in a transaction or took other action with intent to evade the provisions of the Regulations. Specifically, for each of these transactions, Creative Electronics obtained from United Sources Industrial Enterprises ("USIE") of Hong Kong, a company that was co-located with Creative Electronics and shared Creative Electronics' employees, U.S. supplier and transaction information that Creative Electronics used to engage in transactions with USIE's U.S. suppliers on behalf of USIE. USIE was company designated in General Order No. 3 to part 736 of the Regulations. Pursuant to General Order No. 3, a license was required to export or reexport any item subject to the Regulations to USIE. As such, USIE could not conduct transactions with U.S. suppliers without authorization from the Department of Commerce.

Creative Electronics was aware of USIE's designation in General Order No. 3 because, inter alia, after USIE was designated in General Order No. 3, Creative Electronics' Director, Bruce Lam, wrote a letter to USIE's suppliers and customers on behalf of USIE, addressed "Dear Business Partners," which stated that in USIE's understanding "General Order No 3 is an order to all US companies not to export any products to USIE."

Creative Electronics' actions were taken with the intent to evade the designation of USIE in General Order No. 3 and to continue the business USIE had established with U.S. suppliers. Creative Electronics' Director, Bruce Lam, stated on or about April 1, 2008 to a BIS representative that these actions were taken to avoid USIE's designation in General Order No. 3 and that Creative Electronics was necessary in order for USIE to remain in business. In so doing, Creative Electronics committed 29 violations of Section 764.2(h) of the Regulations.

Charges 30-58 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on 29 occasions between on or about July 9, 2007 and on or about November 5, 2007, Creative Electronics engaged in conduct prohibited by the Regulations when, it ordered and obtained items subject to the Regulations from the United States on behalf of USIE, a company that was co-located with Creative Electronics and shared Creative Electronics' employees. Pursuant to General Order No. 3 of June 5, 2006, set forth in Supplement No. 1 to Part 736 of the Regulations, a license was required to export or reexport from the United States any item subject to the Regulations to USIE. As such, USIE could not conduct transactions with U.S. suppliers without authorization from the Department of Commerce. In so doing, Creative Electronics committed 29 violations of Section 764.2(a) of the Regulations.

* * * * *

Accordingly, Creative Electronics 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 the greater of $250,000 per violation or twice the value of the transaction that is the basis of the violation;[3]
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If Creative Electronics 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 Creative Electronics defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Creative Electronics. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

Creative Electronics 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. Creative Electronics 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 Creative Electronics have a proposal to settle this case, Creative Electronics should transmit it to the attorney representing BIS named below.

Creative Electronics is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Creative Electronics may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: http://www.sba.gov/ombudsman/.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Creative Electronics' 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 Creative Electronics' answer must be served on BIS at the following address:

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[3] *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

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

Thea D. R. Kendler is the attorney representing BIS in this case; any communications that Creative Electronics may wish to have concerning this matter should occur through her. Ms. Kendler may be contacted by telephone at (202) 482-5301.

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement

Creative Electronics Ltd.
Charging Letter
Schedule of Violations

Charge No.	Date of Export or Attempted Export	Item Description	Value	U.S. AWB No.	Violations
1, 30	9-Jul-07	Electronic Components	$3,264.00	Fedex 790285005195	15 C.F.R. § 764.2(a) & (h)
2, 31	12-Jul-07	Electronic Components	$1,150.00	Fedex 709504022261	15 C.F.R. § 764.2(a) & (h)
3, 32	19-Jul-07	Electronic Components	$3,080.00	Fedex	15 C.F.R. § 764.2(a) & (h)
4, 33	23-Jul-07	Electronic Components	$250.00	Fedex 709504030292	15 C.F.R. § 764.2(a) & (h)
5, 34	25-Jul-07	Electronic Components	$12,165.00	U-Freight	15 C.F.R. § 764.2(a) & (h)
6, 35	27-Jul-07	Electronic Components	$1,308.00	Fedex 709504035445	15 C.F.R. § 764.2(a) & (h)
7, 36	28-Jul-07	Electronic Components	$191.70	Fedex 723746127261	15 C.F.R. § 764.2(a) & (h)
8, 37	1-Aug-07	Electronic Components	$6,040.04	U-Ocean 244 4436511	15 C.F.R. § 764.2(a) & (h)
9, 38	2-Aug-07	Electronic Components	$3,314.12	Fedex 723746214529	15 C.F.R. § 764.2(a) & (h)
10, 39	2-Aug-07	Electronic Components	$11,310.00	U-Freight UNY-00615451	15 C.F.R. § 764.2(a) & (h)
11, 40	3-Aug-07	Electronic Components	$195.00	Fedex 709504041061	15 C.F.R. § 764.2(a) & (h)
12, 41	20-Aug-07	Electronic Components	$665.00	Fedex 709504053477	15 C.F.R. § 764.2(a) & (h)
13, 42	31-Aug-07	Electronic Components	$1,512.50	Fedex 709504064029	15 C.F.R. § 764.2(a) & (h)
14, 43	10-Sep-07	Electronic Components	$120.00	Fedex 709504069395	15 C.F.R. § 764.2(a) & (h)
15, 44	11-Sep-07	Electronic Components	$450.00	Fedex 942966671031	15 C.F.R. § 764.2(a) & (h)
16, 45	11-Sep-07	Electronic Components	$7,680.00	Fedex 709504070540	15 C.F.R. § 764.2(a) & (h)
17, 46	13-Sep-07	Electronic Components	$135.00	Fedex 709504073148	15 C.F.R. § 764.2(a) & (h)
18, 47	13-Sep-07	Electronic Components	$865.00	Fedex 938302125256	15 C.F.R. § 764.2(a) & (h)
19, 48	14-Sep-07	Electronic Components	$1,635.00	Fedex 709504074604	15 C.F.R. § 764.2(a) & (h)
20, 49	21-Sep-07	Electronic Components	$1,400.00	Fedex 625721398244	15 C.F.R. § 764.2(a) & (h)
21, 50	25-Sep-07	Electronic Components	$425.00	Fedex	15 C.F.R. § 764.2(a) & (h)
22, 51	4-Oct-07	Electronic Components	$370.00	Fedex 938302205706	15 C.F.R. § 764.2(a) & (h)
23, 52	9-Oct-07	Electronic Components	$92.00	Fedex 938302220989	15 C.F.R. § 764.2(a) & (h)
24, 53	10-Oct-07	Electronic Components	$250.00	Fedex 943771763621	15 C.F.R. § 764.2(a) & (h)
25, 54	15-Oct-07	Electronic Components	$100.00	Fedex 709504096790	15 C.F.R. § 764.2(a) & (h)
26, 55	26-Oct-07	Electronic Components	$832.00	Fedex 709504108731	15 C.F.R. § 764.2(a) & (h)

27, 56	30-Oct-07	Electronic Components	$876.00	Fedex 746791654739	15 C.F.R. § 764.2(a) & (h)
28, 57	1-Nov-07	Electronic Components	$302.50	Fedex 946791662597	15 C.F.R. § 764.2(a) & (h)
29, 58	5-Nov-07	Electronic Components	$197,970.00	U-Ocean	15 C.F.R. § 764.2(a) & (h)