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

In the Matter of:

Network Hardware Resale, LLC 6500 Hollister Ave. Santa Barbara, CA 93117

Respondent

## ORDER RELATING TO NETWORK HARDWARE RESALE, LLC

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has notified Network Hardware Resale, LLC, of Santa Barbara, California ("NHR"), of its intention to initiate an administrative proceeding against NHR pursuant to Section 766.3 of the Export Administration Regulations (the "Regulations"), <sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (the "Act"), <sup>2</sup> through the issuance of a Proposed Charging Letter to NHR that alleges that NHR committed sixteen violations of the Regulations. Specifically, the charges are:

<sup>&</sup>lt;sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2013). The charged violations occurred between 2007 and 2011. The Regulations governing the violations at issue are found in the 2007-2011 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2013 Regulations set forth the procedures that apply to this matter.

<sup>&</sup>lt;sup>2</sup> 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).

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# Charges 1-2

15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Reexporting U.S.-origin Networking Equipment and Related Accessories Controlled for Anti-terrorism Reasons to Iran Without the Required Licenses

On two occasions, on or about October 27, 2009 and on or about January 6, 2011, NHR, through its branch office located in Amsterdam, The Netherlands, engaged in conduct prohibited by the Regulations by reexporting U.S.-origin networking equipment and related accessories from The Netherlands to Iran without the required U.S. Government authorization. These items were subject to the Regulations and the Iranian Transactions Regulations ("ITR"), 3 classified under Export Control Classification Number (ECCN) 5A991 and controlled for Anti-terrorism reasons, and valued at a total of \$21,798. The reexport made on or about October 27, 2009 was transshipped through Finland. The reexport made on or about January 6, 2011 was transshipped through the United Arab Emirates.

Pursuant to Section 560.204 of the ITR (2008) administered by the Department of the Treasury's Office of Foreign Assets Control ("OFAC"), a reexport to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations (2008), no person may engage in the reexportation of an item subject to both the Regulations and the ITR without authorization from OFAC. No OFAC authorization was sought or obtained for the transactions described herein.

In so doing, NHR committed two violations of Section 764.2(a) of the Regulations.

#### Charges 3-9

15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Reexporting U.S.-origin Networking Equipment and Related Accessories Controlled for National Security and Antiterrorism Reasons to Syria Without the Required Licenses

On seven occasions between on or about December 19, 2007 and on or about December 22, 2010, NHR, through its branch office located in Amsterdam, The Netherlands, engaged in conduct prohibited by the Regulations by reexporting U.S.-origin networking equipment and related accessories, items subject to the Regulations, classified under Export Control Classification Numbers (ECCNs) 5A002 and 5A991, and controlled for National Security and/or Anti-terrorism reasons, from The Netherlands to Syria without the required licenses from the Department of Commerce. The total value of the items was \$17,001. The reexport made on or about December 22, 2010 was transshipped through the United Arab Emirates. Pursuant to Section 734.2(b)(6) of the Regulations, the

<sup>&</sup>lt;sup>3</sup> 31 C.F.R. Part 560 (2008). By Federal Register noticed dated Oct. 22, 2012, the Department of the Treasury's Office of Foreign Assets Control ("OFAC") renamed the ITR as the Iranian Transactions and Sanctions Regulations and reissued the set of regulations in its entirety. 77 Fed. Reg. 64,664 (Oct. 22, 2012).

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reexport of items subject to the Regulations that will transship through a country to a new country or are intended for reexport to the new country, is deemed to be an export to the new country.

With the exception of certain medicines and food, no item subject to the Regulations may be exported or reexported to Syria without a Department of Commerce license, as set forth at all times pertinent hereto in General Order No. 2 of May 14, 2004, Supp. No. 1 to Part 736 of the Regulations.<sup>4</sup> Pursuant to General Order No. 2, Department of Commerce authorization was required before the items could be reexported to Syria. Such authorization for these transactions was not obtained.

In so doing, NHR committed seven violations of Section 764.2(a) of the Regulations.

Charges 10-16

15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Reexporting U.S.-origin Networking Equipment and Related Accessories Controlled for National Security and Antiterrorism Reasons to Sudan Without the Required Licenses

On seven occasions between on or about May 29, 2008 and on or about May 3, 2010, NHR, through its branch office located in Amsterdam, The Netherlands, engaged in conduct prohibited by the Regulations by reexporting U.S.-origin networking equipment and related accessories, items subject to the Regulations, from The Netherlands to Sudan without the Department of Commerce licenses required by Sections 742.4 and 742.10 of the Regulations. These items were classified under ECCN 5A002 and ECCN 5A992, controlled for National Security and/or Anti-terrorism reasons, and valued at approximately \$114,151 in total.

In so doing, NHR committed seven violations of Section 764.2(a) of the Regulations.

WHEREAS, BIS has entered into a Settlement Agreement with NHR 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

<sup>&</sup>lt;sup>4</sup> General Order No. 2 was issued pursuant to the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003. On December 12, 2011, the controls on exports and reexports to Syria were moved to Section 746.9 of the Regulations. The licensing requirements remained unchanged. *See* 76 Fed. Reg. 77,115 (Dec. 12, 2011).

WHEREAS, I have approved of the terms of such Settlement Agreement; IT IS THEREFORE ORDERED:

FIRST, NHR shall be assessed a civil penalty in the amount of \$262,000, the payment of which shall be made to the U.S. Department of Commerce within 30 days of the date of this Order.

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, NHR shall 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 full and timely payment of the civil penalty in accordance with the payment schedule 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 NHR. Accordingly, if NHR should fail to pay the civil penalty in a full and timely manner, the undersigned may issue an order denying all of NHR's export privileges under the Regulations for a period of one year from the date of failure to make such payment.

FOURTH, NHR 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 NHR's testimonial obligations in any proceeding.

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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 13th day of September, 2013.

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

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Network Hardware Resale, LLC 6500 Hollister Ave. Santa Barbara, CA 93117

Respondent

#### SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Network Hardware Resale, LLC, of Santa Barbara, California ("NHR"), 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"), issued pursuant to the Export Administration Act of 1979, as amended (the "Act").<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2013). The charged violations occurred between 2007 and 2011. The Regulations governing the violations at issue are found in the 2007-11 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2013 Regulations set forth the procedures that apply to this matter.

<sup>&</sup>lt;sup>2</sup> 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).

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WHEREAS, NHR filed a voluntary self-disclosure with BIS's Office of Export Enforcement in accordance with Section 764.5 of the Regulations concerning the transactions at issue herein;

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

WHEREAS, BIS has issued a Proposed Charging Letter to NHR that alleges that NHR committed sixteen violations of the Regulations, specifically:

Charges 1-2

15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Reexporting U.S.-origin Networking Equipment and Related Accessories Controlled for Anti-terrorism Reasons to Iran Without the Required Licenses

On two occasions, on or about October 27, 2009 and on or about January 6, 2011, NHR, through its branch office located in Amsterdam, The Netherlands, engaged in conduct prohibited by the Regulations by reexporting U.S.-origin networking equipment and related accessories from The Netherlands to Iran without the required U.S. Government authorization. These items were subject to the Regulations and the Iranian Transactions Regulations ("ITR"), 3 classified under Export Control Classification Number (ECCN) 5A991 and controlled for Anti-terrorism reasons, and valued at a total of \$21,798. The reexport made on or about October 27, 2009 was transshipped through Finland. The reexport made on or about January 6, 2011 was transshipped through the United Arab Emirates.

Pursuant to Section 560.204 of the ITR (2008) administered by the Department of the Treasury's Office of Foreign Assets Control ("OFAC"), a reexport to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations (2008), no person may engage in the reexportation of an item subject to both the Regulations and the ITR without authorization from OFAC. No OFAC authorization was sought or obtained for the transactions described herein.

In so doing, NHR committed two violations of Section 764.2(a) of the Regulations.

<sup>&</sup>lt;sup>3</sup> 31 C.F.R. Part 560 (2008). By Federal Register noticed dated Oct. 22, 2012, the Department of the Treasury's Office of Foreign Assets Control ("OFAC") renamed the ITR as the Iranian Transactions and Sanctions Regulations and reissued the set of regulations in its entirety. 77 Fed. Reg. 64,664 (Oct. 22, 2012).

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Charges 3-9

15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Reexporting U.S.-origin Networking Equipment and Related Accessories Controlled for National Security and Antiterrorism Reasons to Syria Without the Required Licenses

On seven occasions between on or about December 19, 2007 and on or about December 22, 2010. NHR, through its branch office located in Amsterdam, The Netherlands, engaged in conduct prohibited by the Regulations by reexporting U.S.-origin networking equipment and related accessories, items subject to the Regulations, classified under Export Control Classification Numbers (ECCNs) 5A002 and 5A991, and controlled for National Security and/or Anti-terrorism reasons, from The Netherlands to Syria without the required licenses from the Department of Commerce. The total value of the items was \$17,001. The reexport made on or about December 22, 2010 was transshipped through the United Arab Emirates. Pursuant to Section 734.2(b)(6) of the Regulations, the reexport of items subject to the Regulations that will transship through a country to a new country or are intended for reexport to the new country, is deemed to be an export to the new country.

With the exception of certain medicines and food, no item subject to the Regulations may be exported or reexported to Syria without a Department of Commerce license, as set forth at all times pertinent hereto in General Order No. 2 of May 14, 2004, Supp. No. 1 to Part 736 of the Regulations. Pursuant to General Order No. 2, Department of Commerce authorization was required before the items could be reexported to Syria. Such authorization for these transactions was not obtained.

In so doing, NHR committed seven violations of Section 764.2(a) of the Regulations.

Charges 10-16

15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Reexporting U.S.-origin Networking Equipment and Related Accessories Controlled for National Security and Antiterrorism Reasons to Sudan Without the Required Licenses

On seven occasions between on or about May 29, 2008 and on or about May 3, 2010, NHR, through its branch office located in Amsterdam, The Netherlands, engaged in conduct prohibited by the Regulations by reexporting U.S.-origin networking equipment and related accessories, items subject to the Regulations, from The Netherlands to Sudan without the Department of Commerce licenses required by Sections 742.4 and 742.10 of the Regulations. These items were classified under ECCN 5A002 and ECCN 5A992, controlled for National Security and/or Anti-terrorism reasons, and valued at approximately \$114,151 in total.

In so doing, NHR committed seven violations of Section 764.2(a) of the Regulations.

<sup>&</sup>lt;sup>4</sup> General Order No. 2 was issued pursuant to the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003. On December 12, 2011, the controls on exports and reexports to Syria were moved to Section 746.9 of the Regulations. The licensing requirements remained unchanged. See 76 Fed. Reg. 77,115 (Dec. 12, 2011).

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

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

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

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

WHEREAS, NHR 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 NHR, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.
- 2. The following sanctions shall be imposed against NHR in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the Proposed Charging Letter:

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- a. NHR shall be assessed a civil penalty in the amount of \$262,000, payment of which shall be made to the U.S. Department of Commerce within 30 days of the date of the Order in the manner specified in the attached instructions.
- b. The full and 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, license exception, permission, or privilege granted, or to be granted, to NHR. Failure to make full and timely payment of the civil penalty as set forth above may result in the denial of all of NHR's export privileges under the Regulations for one year from the date of the failure to make such payment.
- 3. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, NHR hereby waíves 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. NHR also waives and will not assert any Statute of Limitations defense, and the Statute of Limitations will be tolled, in connection with any violation of the Act or the Regulations arising out of the transactions identified in the Proposed Charging Letter or in connection with collection of the civil penalty or enforcement of this Agreement and the Order, if issued, from the date of the Order until the date that NHR has paid in full the civil penalty agreed to in Paragraph 2.a of this Agreement.

- 4. NHR 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 NHR's 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. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 2.a, BIS will not initiate any further administrative proceeding against NHR 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

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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 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

Douglas R. Hassebrock

Director of Export Enforcement

9/12/13

NETWORK HARDWARE RESALE LLC

Michael Sheldon

Chief Executive Officer

Reviewed and approved by:

Wiscs R. Pin, Esq.

Bingham McCutchen LLC

Counsel for Network Hardware Resale,

September 9,2013

LLC

## PROPOSED CHARGING LETTER

## CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Network Hardware Resale, LLC 6500 Hollister Ave. Santa Barbara, CA 93117

Attention: Michael Sheldon, Chief Executive Officer

Dear Mr. Sheldon:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Network Hardware Resale, LLC, of Santa Barbara, California ("NHR"), has committed sixteen violations of the Export Administration Regulations (the Regulations"), which issued under the authority of the Export Administration Act of 1979, as amended (the "Act"). Specifically, BIS charges that NHR committed the following violations:

Charges 1-2

15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Reexporting U.S.-origin Networking Equipment and Related Accessories Controlled for Anti-terrorism Reasons to Iran Without the Required Licenses

As described in greater detail in the attached Schedule of Violations, which is incorporated herein, on two occasions, on or about October 27, 2009 and on or about January 6, 2011, NHR, through its branch office located in Amsterdam, The Netherlands, engaged in conduct prohibited by the Regulations by reexporting U.S.-origin networking equipment and related accessories from The Netherlands to Iran without the required U.S. Government authorization. These items were subject to the Regulations and the Iranian Transactions Regulations ("ITR"), classified under Export Control Classification Number (ECCN) 5A991 and controlled for Anti-terrorism

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As described in greater detail in the attached Schedule of Violations, which is incorporated herein, on seven occasions between on or about December 19, 2007 and on or about December 22, 2010, NHR, through its branch office located in Amsterdam, The Netherlands, engaged in conduct prohibited by the Regulations by reexporting U.S.-origin networking equipment and related accessories, items subject to the Regulations, classified under Export Control Classification Numbers (ECCNs) 5A002 and 5A991, and controlled for National Security and/or Anti-terrorism reasons, from The Netherlands to Syria without the required licenses from the Department of Commerce. The total value of the items was \$17,001. The reexport made on or about December 22, 2010 was transshipped through the United Arab Emirates. Pursuant to Section 734.2(b)(6) of the Regulations, the reexport of items subject to the Regulations that will transship through a country to a new country or are intended for reexport to the new country, is deemed to be an export to the new country.

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Charges 10-16

15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Reexporting U.S.-origin Networking Equipment and Related Accessories Controlled for National Security and Anti-terrorism Reasons to Sudan Without the Required Licenses

As described in greater detail in the attached Schedule of Violations, which is incorporated herein, on seven occasions between on or about May 29, 2008 and on or about May 3, 2010, NHR, through its branch office located in Amsterdam, The Netherlands, engaged in conduct prohibited by the Regulations by reexporting U.S.-origin networking equipment and related accessories, items subject to the Regulations, from The Netherlands to Sudan without the Department of Commerce licenses required by Sections 742.4 and 742.10 of the Regulations. These items were classified under ECCN 5A002 and ECCN 5A992, controlled for National Security and/or Anti-terrorism reasons, and valued at approximately \$114,151 in total.

In so doing, NHR committed seven violations of Section 764.2(a) of the Regulations.

\* \* \* \* \*

Accordingly, NHR 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;<sup>3</sup>
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If NHR 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 (2013). If NHR defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to NHR. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

NHR 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 (2013). NHR is also entitled to be

<sup>&</sup>lt;sup>3</sup> See International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

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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 (2013).

The Regulations provide for settlement without a hearing. See 15 C.F.R. § 766.18 (2013). Should NHR have a proposal to settle this case, NHR or its representative should transmit it to the attorney representing BIS named below.

NHR is further notified that under the Small Business Regulatory Enforcement Flexibility Act, NHR 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, NHR'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 NHR's answer must be served on BIS at the following address:

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

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

Sincerely,

Douglas Hassebrock Director Office of Export Enforcement

# Network Hardware Resale, LLC - Schedule of Violations

Charge	Date	Item	ECCN	Basis for Control	Value	Destination	Violation
1	10/27/2009	Telecommunications Flash Memory; Fan Trays; 9- Slot Chassis; Networking Modules; Ethernet Modules; Tranceiver; Telecommunications Forwarding Cards	5A991	ΑT	\$20,118	Iran (transshipped through Finland)	§764.2(a)
2	1/6/2011	Telecommunications Supervisor Engine	5A991	AT	\$1,680	Iran (transshipped through the UAE)	§764.2(a)
3	12/19/2007	Networking Switches	5A002	NS and AT	\$2,080	Syria	§764.2(a)
4	4/25/2008	Networking Routers	5A002	NS and AT	\$440	Syria	§764.2(a)
5	5/13/2008	Networking Routers	5A002	NS and AT	\$231	Syria	§764.2(a)
6	7/21/2008	Networking Router	5A002	NS and AT	\$200	Syria	§764.2(a)
7	10/10/2008	Adaptive Security Appliance	5A002	NS and AT	\$550	Syria	§764.2(a)
8	2/18/2010	Networking Switches, Interface Converter	5A002, 5A991	NS and AT	\$10,800	Syria	§764.2(a)
9	12/22/2010	Networking Modules	5A991	AT	\$2,700	Syria (transshipped through the UAE)	§764.2(a)

Charge	Date	Item	ECCN	Basis for Control	Value	Destination	Violation
10	5/29/2008	Networking Routers, Interface Cards	5A992, 5A991	AT	\$4,474	Sudan	§764.2(a)
11	1/9/2009	Networking Switches, IP Phones	5A002, 5A992	NS and AT	\$4,500	Sudan	§764.2(a)
12	11/12/2008	Networking Voice/Fax Module; Networking Module; Networking Switch	5A002	NS and AT	\$7,137	Sudan	§764.2(a)
13	1/9/2009	Networking Switches, IP Phones	5A002, 5A992	NS and AT	\$4,500	Sudan	§764.2(a)
14	5/22/2009	2 and 4-Port Adapters	5A991	AT	\$63,440	Sudan	§764.2(a)
15	1/29/2010	Telecommunications Connectors	5A002	NS and AT	\$23,400	Sudan	§764.2(a)
16	5/3/2010	Networking Security Device	5A002	NS and AT	\$6,700	Sudan	§764.2(a)
					\$152,950		