

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

In the Matter of:)
)
Marysol Technologies, Inc.)
2174 Nursery Road)
Suite 136)
Clearwater, FL 33764)
)
)
Respondent)
)

ORDER

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Marysol Technologies, Inc. (“Marysol”) of its intention to initiate an administrative proceeding against Marysol pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2008)) (the “Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),² through the issuance of a proposed charging letter to Marysol that alleged that Marysol committed nine violations of the Regulations, specifically:

¹ The violations charged occurred between 2003 and 2006. The Regulations governing the violations at issue are found in the 2003-2006 versions of the Code of Federal Regulations. 15 C.F.R. Parts 730-774 (2003-2006). The 2008 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)), which has been extended by successive Presidential Notices, the most recent being that of July 23, 2008 (73 Fed. Reg. 43,606 (July 25, 2008)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”).

Charges 1-6: 15 C.F.R. §764.2(a) – Export of National Security Controlled Items to the People’s Republic of China without a License.

On six occasions from on or about December 4, 2003, until on or about April 7, 2006, Marysol engaged in conduct prohibited by the Regulations when it exported items subject to the Regulations and classified under Export Control Classification Number 6A005 (Lasers, components, and optical equipment), including laser resonator modules, module cavities, and components or parts for resonator modules and module cavities, from the United States to the People’s Republic of China (“PRC”) without the export licenses required by the Regulations. A license for each export of these items to the PRC was required for national security reasons pursuant to Section 742.4 of the Regulations. In so doing, Marysol committed six violations of Section 764.2(a) of the Regulations.

Charge 7: 15 C.F.R. §764.2(a) – Export of National Security Controlled Items to India without a License.

On or about May 25, 2005, Marysol engaged in conduct prohibited by the Regulations when it exported a resonator module, an item subject to the Regulations and classified under Export Control Classification Number 6A005 (Lasers, components and optical equipment), from the United States to India without the export license required by the Regulations. A license was required for the export of this item to India was required for national security reasons pursuant to Section 742.4 of the Regulations. In so doing, Marysol committed one violation of Section 764.2(a) of the Regulations.

Charge 8: 15 C.F.R. §764.2(a) – Export of National Security Controlled Items to Belarus without a License.

On or about December 15, 2005, Marysol engaged in conduct prohibited by the Regulations when it exported laser components, items subject to the Regulations and classified under Export Control Classification Number 6A005 (Lasers, components and optical equipment), from the United States to Belarus without the export license required by the Regulations. A license was required for the export of these items to Belarus for national security reasons pursuant to Section 742.4 of the Regulations. In so doing, Marysol committed one violation of Section 764.2(a) of the Regulations.

Charge 9: 15 C.F.R. §764.2(a) – Export of National Security Controlled Items to Russia without a License.

On or about April 1, 2006, Marysol engaged in conduct prohibited by the Regulations when it exported a resonator module, an item subject to the Regulations and classified under Export Control Classification Number 6A005 (Lasers, components and optical equipment), from the United States to Russia without the export license required by the Regulations. A license was required for the export of this item to Russia for national security reasons pursuant to Section 742.4 of the Regulations. In so doing, Marysol committed one violation of Section 764.2(a) of the Regulations.

WHEREAS, BIS and Marysol 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 \$180,000 is assessed against Marysol, which shall be paid to the U.S. Department of Commerce, with \$30,000 of this penalty amount due within 30 days of the date of this Order, an additional \$30,000 due within 90 days of the date of this Order, an additional \$30,000 due within 150 days of the date of this Order, an additional \$30,000 due within 210 days of the date of this Order, an additional \$30,000 due within 270 days of the date of this Order, and an additional \$30,000 due within 330 days of the date of this Order. Payment shall be made in the manner specified in the attached instructions.

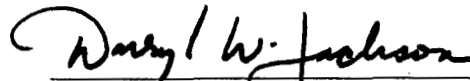
SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Marysol will be assessed, in addition 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 Marysol. Accordingly, if Marysol should fail to pay the civil penalty in a timely manner, the undersigned may enter an

Order denying all of Marysol's export privileges under the Regulations for a period of one year from the date 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 26th day of September, 2008.

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

In the Matter of:)
)
Marysol Technologies, Inc.)
2174 Nursery Road)
Suite 136)
Clearwater, FL 33764)
)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Marysol Technologies, Inc. ("Marysol") 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 (2008)) ("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 Marysol of its intention to initiate an administrative proceeding against Marysol, pursuant to the Act and the Regulations;

¹ The violations charged occurred between 2003 and 2006. The Regulations governing the violation at issue are found in the 2003-2006 versions of the Code of Federal Regulations. 15 C.F.R. Parts 730-774 (2003-2006). The 2008 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)), which has been extended by successive Presidential Notices, the most recent being that of July 23, 2008 (73 Fed. Reg. 43,606 (July 25, 2008)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) ("IEEPA").

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Marysol Technologies, Inc.
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WHEREAS, BIS has issued a proposed charging letter to Marysol that alleged that Marysol committed nine violations of the Regulations, specifically:

Charges 1-6: 15 C.F.R. §764.2(a) – Export of National Security Controlled Items to the People’s Republic of China without a License.

On six occasions from on or about December 4, 2003, until on or about April 7, 2006, Marysol engaged in conduct prohibited by the Regulations when it exported items subject to the Regulations and classified under Export Control Classification Number 6A005 (Lasers, components, and optical equipment), including laser resonator modules, module cavities, and components or parts for resonator modules and module cavities, from the United States to the People’s Republic of China (“PRC”) without the export licenses required by the Regulations. A license for each export of these items to the PRC was required for national security reasons pursuant to Section 742.4 of the Regulations. In so doing, Marysol committed six violations of Section 764.2(a) of the Regulations.

Charge 7: 15 C.F.R. §764.2(a) – Export of National Security Controlled Items to India without a License.

On or about May 25, 2005, Marysol engaged in conduct prohibited by the Regulations when it exported a resonator module, an item subject to the Regulations and classified under Export Control Classification Number 6A005 (Lasers, components and optical equipment), from the United States to India without the export license required by the Regulations. A license was required for the export of this item to India was required for national security reasons pursuant to Section 742.4 of the Regulations. In so doing, Marysol committed one violation of Section 764.2(a) of the Regulations.

Charge 8: 15 C.F.R. §764.2(a) – Export of National Security Controlled Items to Belarus without a License.

On or about December 15, 2005, Marysol engaged in conduct prohibited by the Regulations when it exported laser components, items subject to the Regulations and classified under Export Control Classification Number 6A005 (Lasers, components and optical equipment), from the United States to Belarus without the export license required by the Regulations. A license was required for the export of these items to Belarus for national security reasons pursuant to Section 742.4 of the Regulations. In so doing, Marysol committed one violation of Section 764.2(a) of the Regulations.

Charge 9: 15 C.F.R. §764.2(a) – Export of National Security Controlled Items to Russia without a License.

On or about April 1, 2006, Marysol engaged in conduct prohibited by the Regulations when it exported a resonator module, an item subject to the Regulations and classified under Export Control Classification Number 6A005 (Lasers, components and optical equipment), from the United States to Russia without the export license required by the Regulations. A license was

Settlement Agreement
Marysol Technologies, Inc.
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required for the export of this item to Russia for national security reasons pursuant to Section 742.4 of the Regulations. In so doing, Marysol committed one violation of Section 764.2(a) of the Regulations.

WHEREAS, Marysol 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 allegation are found to be true;

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

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

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

WHEREAS, Marysol neither admits nor denies the allegation contained in the proposed charging letter;

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

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

NOW THEREFORE, the Parties hereby agree as follows:

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

Settlement Agreement
Marysol Technologies, Inc.
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2. The following sanction shall be imposed against Marysol in complete settlement of the alleged violation of the Regulations relating to the transaction specifically detailed in the proposed charging letter:

- a. Marysol shall be assessed a civil penalty in the amount of \$180,000, which shall be paid to the U.S. Department of Commerce, with \$30,000 of this penalty amount due within 30 days of the date of this Order, an additional \$30,000 due within 90 days of the date of this Order, an additional \$30,000 due within 150 days of the date of this Order, an additional \$30,000 due within 210 days of the date of this Order, an additional \$30,000 due within 270 days of the date of this Order, and an additional \$30,000 due within 330 days of the date of this 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 Marysol. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Marysol'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, Marysol hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in any charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered;

Settlement Agreement
Marysol Technologies, Inc.
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and (c) 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 \$180,000 civil penalty, BIS will not initiate any further administrative proceeding against Marysol in connection with any violation of the Act or the Regulations arising out of the transaction 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 pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on the Parties only if the Assistant Secretary 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.

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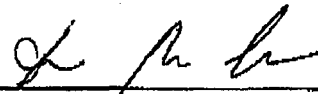
9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

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

MARYSOL TECHNOLOGIES,
INC.



Thomas Madigan
Director
Office of Export Enforcement



Daniel Bar Joseph
President
Marysol Technologies, Inc.

Date: 9/26/8

Date: 9/25/2008.

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Daniel Bar Joseph
Marysol Technologies, Inc.
2174 Nursery Road
Suite 136
Clearwater, FL 33764

Dear Mr. Joseph:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Marysol Technologies, Inc., of Clearwater, FL (“Marysol”), has committed nine violations of the Export Administration Regulations (the “Regulations”),¹ which are issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).² Specifically, BIS alleges that Marysol committed the following violations:

Charges 1-6: 15 C.F.R. §764.2(a) – Export of National Security Controlled Items to the People’s Republic of China without a License.

As described in additional detail in the attached Schedule of Violations, which is incorporated herein by reference, on six occasions from on or about December 4, 2003, until on or about April 7, 2006, Marysol engaged in conduct prohibited by the Regulations when it exported items subject to the Regulations and classified under Export Control Classification Number 6A005 (Lasers, components, and optical equipment), including laser resonator modules, module cavities, and components or parts for resonator modules and module cavities, from the United States to the People’s Republic of China (“PRC”) without the export licenses required by the Regulations. A license for each export of these items to the PRC was required for national security reasons pursuant

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2007). The violations alleged occurred between 2003 and 2006. The Regulations governing the violations at issue are found in the 2003-2006 versions of the Code of Federal Regulations. *See* 15 C.F.R. Parts 730-774 (2003-06). The 2007 Regulations govern the procedural aspects of this case.

² 50 U.S.C. app. §§ 2401- 2420 (2000). Since August 21, 2001 the Act has been in lapse. However, 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 15, 2007, 72 Fed. Reg. 46,137 (Aug. 16, 2007), has continued the Regulations in effect under International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 - 1706 (Westlaw 2008) (“IEEPA”). The Act and the Regulations are available on the Government Printing Office website at: <http://www.access.gpo.gov/bis/>.

to Section 742.4 of the Regulations. In so doing, Marysol committed six violations of Section 764.2(a) of the Regulations.

Charge 7: 15 C.F.R. §764.2(a) – Export of National Security Controlled Items to India without a License.

As described in additional detail in the attached Schedule of Violations, which is incorporated herein by reference, on or about May 25, 2005, Marysol engaged in conduct prohibited by the Regulations when it exported a resonator module, an item subject to the Regulations and classified under Export Control Classification Number 6A005 (Lasers, components and optical equipment), from the United States to India without the export license required by the Regulations. A license was required for the export of this item to India was required for national security reasons pursuant to Section 742.4 of the Regulations. In so doing, Marysol committed one violation of Section 764.2(a) of the Regulations.

Charge 8: 15 C.F.R. §764.2(a) – Export of National Security Controlled Items to Belarus without a License.

As described in additional detail in the attached Schedule of Violations, which is incorporated herein by reference, on or about December 15, 2005, Marysol engaged in conduct prohibited by the Regulations when it exported laser components, items subject to the Regulations and classified under Export Control Classification Number 6A005 (Lasers, components and optical equipment), from the United States to Belarus without the export license required by the Regulations. A license was required for the export of these items to Belarus for national security reasons pursuant to Section 742.4 of the Regulations. In so doing, Marysol committed one violation of Section 764.2(a) of the Regulations.

Charge 9: 15 C.F.R. §764.2(a) – Export of National Security Controlled Items to Russia without a License.

As described in additional detail in the attached Schedule of Violations, which is incorporated herein by reference, on or about April 1, 2006, Marysol engaged in conduct prohibited by the Regulations when it exported a resonator module, an item subject to the Regulations and classified under Export Control Classification Number 6A005 (Lasers, components and optical equipment), from the United States to Russia without the export license required by the Regulations. A license was required for the export of this item to Russia for national security reasons pursuant to Section 742.4 of the Regulations. In so doing, Marysol committed one violation of Section 764.2(a) of the Regulations.

Accordingly, Marysol 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 \$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 Marysol 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 (2007). If Marysol defaults, the Administrative Law Judge may find the charges alleged in this letter to be true without a hearing or further notice to Marysol. 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.

Marysol 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 (2007). Marysol is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. 15 C.F.R. §§ 766.3(a) and 766.4 (2007).

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18 (2007). Should Marysol have a proposal to settle this case, Marysol's representative should transmit it through the attorney representing BIS, who is named below.

Marysol is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Marysol 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, Marysol'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* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

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Proposed Charging Letter
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In addition, a copy of Marysol's answer must be served on BIS at the following address:

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

Camille M. Caesar is the attorney representing BIS in this case; any communications that Marysol may wish to have concerning this matter should occur through her. Ms. Caesar may be contacted by telephone at (202) 482-2288.

Sincerely,

Thomas Madigan
Acting Director
Office of Export Enforcement