

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

In the Matter of:)
)
Griffin & Howe, Inc.)
33 Claremont Road)
Bernardsville, NJ 07924)
)
Respondent)

ORDER RELATING TO GRIFFIN & HOWE, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Griffin & Howe, Inc. (“Griffin & Howe”) of its intention to initiate an administrative proceeding against Griffin & Howe pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (the “Act”),² through the issuance of a Proposed Charging Letter to Griffin & Howe that alleged that it committed six violations of the Regulations. Specifically, the charges are:

Charges 1-2 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Optical Sighting Devices to Zambia Without the Required Licenses

On two occasions, on or about July 22, 2004 and on or about August 25, 2006, Griffin & Howe engaged in conduct prohibited by the Regulations by exporting optical sighting devices, items classified under Export Control Classification Number (“ECCN”) 0A987 and controlled for Crime Control reasons, to Zambia without the Department of Commerce license required by

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2009). The charged violations occurred between 2004 and 2008. The Regulations governing the violations at issue are found in the 2004 - 2008 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2004-2008)). The 2009 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 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended most recently by the Notice of August 13, 2009 (74 Fed. Reg. 41,325 (August 14, 2009)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707).

Section 742.7 of the Regulations. In so doing, Griffin & Howe committed two violations of Section 764.2(a) of the Regulations.

Charges 3-6 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Shotguns to Canada and Chile Without the Required Licenses

On four occasions between on or about March 24, 2005 and on or about April 4, 2008, Griffin & Howe engaged in conduct prohibited by the Regulations by exporting shotguns, items classified under ECCN 0A984, to Canada and Chile without the required export licenses. Specifically, these items required a license for export to Canada and Chile pursuant to Section 742.17 of the Regulations for reasons related to U.S. policy derived from U.S. obligations as a signatory to the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials. In so doing, Griffin & Howe committed four violations of Section 764.2(a) of the Regulations.

WHEREAS, BIS and Griffin & Howe 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, Griffin & Howe shall be assessed a civil penalty in the amount of \$67,000. Griffin & Howe shall pay \$6,700 to the U.S. Department of Commerce within 30 days of the date of the Order. Griffin and Howe shall pay the remaining \$60,300 to the U.S. Department of Commerce as follows: \$6,700 not later than December 1, 2009; \$6,700 not later than January 4, 2010; \$6,700 not later than February 1, 2010; \$6,700 not later than March 1, 2010; \$6,700 not later than April 5, 2010; \$6,700 not later than May 3, 2010; \$6,700 not later than June 1, 2010; \$6,700 not later than July 5, 2010; and \$6,700 not later than August 3, 2010. Payment shall be made in the manner specified in the attached instructions.

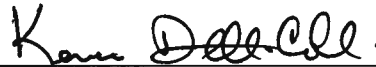
SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and if payment is not made by the due date specified herein,

Griffin & Howe 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 Griffin & Howe. Accordingly, if Griffin & Howe should fail to pay the civil penalty in a timely manner, the undersigned may issue an Order denying all of Griffin & Howe's export privileges under the Regulations for a period of one year from the date of imposition of the penalty.

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.



Kevin Delli-Colli
Acting Assistant Secretary of Commerce
for Export Enforcement

Issued this 29th day of September, 2009.

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

In the Matter of:)
)
Griffin & Howe, Inc.)
33 Claremont Road)
Bernardsville, NJ 07924)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Griffin & Howe, Inc. (“Griffin & Howe”) 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 Griffin & Howe of its intention to initiate an administrative proceeding against it, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a Proposed Charging Letter to Griffin & Howe that alleged that Griffin & Howe committed six violations of the Regulations, specifically:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2009). The charged violations occurred between 2004 and 2008. The Regulations governing the violations at issue are found in the 2004 - 2008 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2004-2008)). The 2009 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 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended most recently by the Notice of August 13, 2009 (74 Fed. Reg. 41,325 (August 14, 2009)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707).

**Charges 1-2 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by
Exporting Optical Sighting Devices to Zambia Without the
Required Licenses**

On two occasions, on or about July 22, 2004 and on or about August 25, 2006, Griffin & Howe engaged in conduct prohibited by the Regulations by exporting optical sighting devices, items classified under Export Control Classification Number (“ECCN”) 0A987 and controlled for Crime Control reasons, to Zambia without the Department of Commerce license required by Section 742.7 of the Regulations. In so doing, Griffin & Howe committed two violations of Section 764.2(a) of the Regulations.

**Charges 3-6 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by
Exporting Shotguns to Canada and Chile Without the
Required Licenses**

On four occasions between on or about March 24, 2005 and on or about April 4, 2008, Griffin & Howe engaged in conduct prohibited by the Regulations by exporting shotguns, items classified under ECCN 0A984, to Canada and Chile without the required export licenses. Specifically, these items required a license for export to Canada and Chile pursuant to Section 742.17 of the Regulations for reasons related to U.S. policy derived from U.S. obligations as a signatory to the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials. In so doing, Griffin & Howe committed four violations of Section 764.2(a) of the Regulations.

WHEREAS, Griffin & Howe 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, Griffin & Howe 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, Griffin & Howe enters into this Agreement voluntarily and with full knowledge of its rights;

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

WHEREAS, Griffin & Howe neither admits nor denies the allegations contained in the Proposed Charging Letter;

WHEREAS, Griffin & Howe wishes to settle and dispose of all matters alleged in the Proposed Charging Letter by entering into this Agreement; and

WHEREAS, Griffin & Howe 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 Griffin & Howe, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.

2. The following sanction shall be imposed against Griffin & Howe in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the Proposed Charging Letter:

a. Griffin & Howe shall be assessed a civil penalty in the amount of \$67,000. Griffin & Howe shall pay \$6,700 to the U.S. Department of Commerce within 30 days of the date of the Order. Griffin and Howe shall pay the remaining \$60,300 to the U.S. Department of Commerce as follows: \$6,700 not later than December 1, 2009; \$6,700 not later than January 4, 2010; \$6,700 not later than February 1, 2010; \$6,700 not later than March 1, 2010; \$6,700 not later than April 5, 2010; \$6,700 not later than May 3, 2010; \$6,700 not later than June 1, 2010; \$6,700 not later than July 5, 2010; and \$6,700 not later than August 3, 2010.

Payment shall be made in the manner specified in the attached instructions.

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 Griffin & Howe. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Griffin & Howe'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, Griffin & Howe 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. BIS agrees that, upon issuance of the Order, it will not initiate any further administrative proceeding against Griffin & Howe in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

5. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, 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 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.

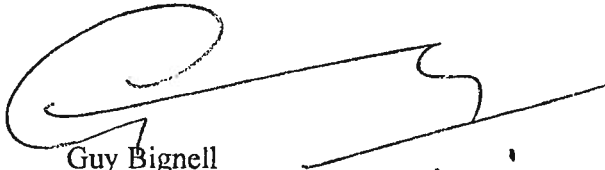
8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by issuing the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

9. 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


Thomas Madigan
Director
Office of Export Enforcement

Date: September 29, 2009


Guy Bignell
President & CEO
Griffin & Howe, Inc.

Date: September 28th, 2009

PROPOSED CHARGING LETTER

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Griffin & Howe, Inc.
33 Claremont Road
Bernardsville, NJ 07924

Attn: *Guy Bignell*
President & CEO

Dear Mr. Bignell:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Griffin & Howe, Inc., (“Griffin & Howe”) of Bernardsville, New Jersey, has committed six 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 charges that Griffin & Howe committed the following violations:

Charges 1-2 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Optical Sighting Devices to Zambia Without the Required Licenses

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on two occasions, on or about July 22, 2004 and on or about August 25, 2006, Griffin & Howe engaged in conduct prohibited by the Regulations by exporting optical sighting devices, items classified under Export Control Classification Number (“ECCN”) 0A987 and controlled for Crime Control reasons, to Zambia without the Department of Commerce license required by Section 742.7 of the Regulations. In so doing, Griffin & Howe committed two violations of Section 764.2(a) of the Regulations.

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2009). The charged violations occurred between 2004 and 2008. The Regulations governing the violations at issue are found in the 2004 - 2008 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2004-2008)). The 2009 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 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended most recently by the Notice of August 13, 2009 (74 Fed. Reg. 41,325 (August 14, 2009)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707).

Charges 3-6 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Shotguns to Canada and Chile Without the Required Licenses

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on four occasions between on or about March 24, 2005 and on or about April 4, 2008, Griffin & Howe engaged in conduct prohibited by the Regulations by exporting shotguns, items classified under ECCN 0A984, to Canada and Chile without the required export licenses. Specifically, these items required a license for export to Canada and Chile pursuant to Section 742.17 of the Regulations for reasons related to U.S. policy derived from U.S. obligations as a signatory to the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials. In so doing, Griffin & Howe committed four violations of Section 764.2(a) of the Regulations.

* * * * *

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

Griffin & Howe 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. Griffin & Howe 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 Griffin & Howe have a proposal to settle this case, Griffin & Howe or its representative should transmit it to the attorney representing BIS named below.

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

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

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

Elias Wolfberg is the attorney representing BIS in this case; any communications that Griffin & Howe may wish to have concerning this matter should occur through him. Mr. Wolfberg may be contacted by telephone at (202) 482-5301.

Sincerely,

Thomas Madigan
Director
Office of Export Enforcement

Griffin & Howe

**Propose Charging Letter
Schedule of Violations**

Charge Number	Date of Export	Destination	Description of Commodity	Quantity	ECCN	Value	Violation
1	7/22/2004	Zambia	Shotgun optical sighting devices	4	0A987	\$2,430	15 C.F.R. § 764.2(a)
2	8/25/2006	Zambia	Shotgun optical sighting devices	9	0A987	\$6,083	15 C.F.R. § 764.2(a)
3	3/24/2005	Canada	Shotguns	3	0A984	\$33,200	15 C.F.R. § 764.2(a)
4	6/25/2007	Canada	Shotguns	3	0A984	\$3,000	15 C.F.R. § 764.2(a)
5	12/18/2007	Canada	Shotgun	1	0A984	\$3,500	15 C.F.R. § 764.2(a)
6	4/4/2008	Chile	Shotguns	2	0A984	\$25,000	15 C.F.R. § 764.2(a)