

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

In the Matter of:)
)
Pulsafeeder, Inc.)
2883 Brighton-Henrietta Townline Road)
Rochester, NY 14623)
)
Respondent)

ORDER RELATING TO PULSAFEEDER, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Pulsafeeder, Inc. (“Pulsafeeder”) of its intention to initiate an administrative proceeding against Pulsafeeder 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 Pulsafeeder that alleged that it committed thirteen violations of the Regulations. Specifically, the charges are:

Charge 1 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct by Exporting Pumps without the Required License to Russia

On one occasion on or about February 7, 2007, Pulsafeeder engaged in conduct prohibited by the Regulations by exporting from the United States two Pulsafeeder Pulsa Series Eclipse Pumps,³ items subject to the Regulations and controlled for chemical and biological weapons proliferation reasons to Russia via Germany without the Department of Commerce license required by Section 742.2 of the Regulations. In so doing, Pulsafeeder committed one violation 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 (2010). The violations alleged occurred in 2004, 2005, and 2007. The Regulations governing the violations at issue are found in the 2004, 2005, and 2007 versions of the Code of Federal Regulations. 15 C.F.R. Parts 730-774 (2004, 2005, 2007). The 2010 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 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 13, 2009 (74 Fed. Reg. 41,325 (Aug. 14, 2009)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 *et seq.*).

³ These items are classified under Export Control Classification Number (“ECCN”) 2B350.

**Charges 2-13 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct by Exporting
Pumps without the Required Licenses to China and Brazil**

On twelve occasions between on or about August 19, 2004, and on or about November 12, 2005, Pulsafeeder engaged in conduct prohibited by the Regulations by exporting from the United States various Pulsafeeder Pulsa Series 7440/7660 Diaphragm Metering Pumps and Pulsafeeder Pulsa Series Isochem Pumps GMC4,⁴ items subject to the Regulations and controlled for chemical and biological weapons proliferation reasons to China and Brazil without the Department of Commerce licenses required by Section 742.2 of the Regulations. In so doing, Pulsafeeder committed twelve violations of Section 764.2(a) of the Regulations.

WHEREAS, BIS and Pulsafeeder 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, Pulsafeeder shall be assessed a civil penalty in the amount of \$80,000.

Pulsafeeder shall pay the amount in full to the U.S. Department of Commerce within 30 days of the date of the 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, Pulsafeeder 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.

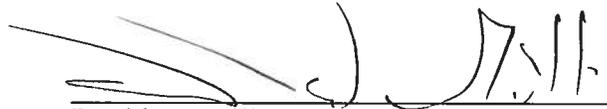
THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Pulsafeeder. Accordingly, if

⁴ These items are classified under ECCN 2B350.

Pulsafeeder should fail to pay the civil penalty in a timely manner, the undersigned may issue an Order denying all of Pulsafeeder'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.



David W. Mills
Assistant Secretary of Commerce
for Export Enforcement

Issued this 28 day of July, 2010.

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

In the Matter of:)
)
Pulsafeeder, Inc.)
2883 Brighton-Henrietta Townline Road)
Rochester, NY 14623)
)
Respondent)

SETTLEMENT AGREEMENT

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

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2010). The violations alleged occurred in 2004, 2005, and 2007. The Regulations governing the violations at issue are found in the 2004, 2005, and 2007 versions of the Code of Federal Regulations. 15 C.F.R. Parts 730-774 (2004, 2005, 2007). The 2010 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 13, 2009 (74 Fed. Reg. 41,325 (Aug. 14, 2009)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 *et seq.*).

WHEREAS, BIS has issued a Proposed Charging Letter to Pulsafeeder that alleged that Pulsafeeder committed thirteen violations of the Regulations, specifically:

Charge 1 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct by Exporting Pumps without the Required License to Russia

On one occasion on or about February 7, 2007, Pulsafeeder engaged in conduct prohibited by the Regulations by exporting from the United States two Pulsafeeder Pulsa Series Eclipse Pumps,³ items subject to the Regulations and controlled for chemical and biological weapons proliferation reasons to Russia via Germany without the Department of Commerce license required by Section 742.2 of the Regulations. In so doing, Pulsafeeder committed one violation of Section 764.2(a) of the Regulations.

Charges 2-13 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct by Exporting Pumps without the Required Licenses to China and Brazil

On twelve occasions between on or about August 19, 2004, and on or about November 12, 2005, Pulsafeeder engaged in conduct prohibited by the Regulations by exporting from the United States various Pulsafeeder Pulsa Series 7440/7660 Diaphragm Metering Pumps and Pulsafeeder Pulsa Series Isochem Pumps GMC4,⁴ items subject to the Regulations and controlled for chemical and biological weapons proliferation reasons to China and Brazil without the Department of Commerce licenses required by Section 742.2 of the Regulations. In so doing, Pulsafeeder committed twelve violations of Section 764.2(a) of the Regulations.

WHEREAS, Pulsafeeder 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, Pulsafeeder 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;

³ These items are classified under Export Control Classification Number (“ECCN”) 2B350.

⁴ These items are classified under ECCN 2B350.

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

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

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

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

WHEREAS, Pulsafeeder 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 Pulsafeeder, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.
2. The following sanction shall be imposed against Pulsafeeder in complete settlement of the alleged violations of the Regulations relating to the transaction specifically detailed in the Proposed Charging Letter:
 - a. Pulsafeeder shall be assessed a civil penalty in the amount of \$80,000. Pulsafeeder shall pay the amount in full to the U.S. Department of Commerce within 30 days of the date of the Order. 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

Pulsafeeder. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Pulsafeeder'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, Pulsafeeder 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 Pulsafeeder 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.

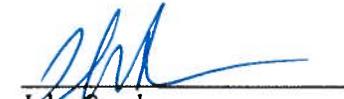
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial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

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



John Sonderman
Acting Director
Office of Export Enforcement

Date: 7/22, 2010



Craig Boyd
Vice President & Assistant Secretary
Pulsafeeder, Inc.

Date: JULY 14, 2010

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Pulsafeeder, Inc.
2883 Brighton-Henrietta Townline Road
Rochester, NY 14623

*Attention: Paul Beldham
President*

Dear Mr. Beldham:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Pulsafeeder, Inc. (“Pulsafeeder”) of Rochester, New York, has committed thirteen 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 Pulsafeeder committed the following violations:

Charge 1 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct by Exporting Pumps without the Required License to Russia

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on one occasion on or about February 7, 2007, Pulsafeeder engaged in conducted prohibited by the Regulations by exporting from the United States two Pulsafeeder Pulsa Series Eclipse Pumps,³ items subject to the Regulations and controlled for chemical and biological weapons proliferation reasons to Russia via Germany without the Department of Commerce license required by Section 742.2 of the Regulations. In so doing, Pulsafeeder committed one violation 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 (2010). The violations alleged occurred in 2004, 2005, and 2007. The Regulations governing the violations at issue are found in the 2004, 2005, and 2007 versions of the Code of Federal Regulations. 15 C.F.R. Parts 730-774 (2004, 2005, 2007). The 2010 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 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 13, 2009 (74 Fed. Reg. 41,325 (Aug. 14, 2009)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.*).

³ These items are classified under Export Control Classification Number (“ECCN”) 2B350.

**Charges 2-13 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct by
Exporting Pumps without the Required Licenses to China and
Brazil**

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on twelve occasions between on or about August 19, 2004, and on or about November 12, 2005, Pulsafeeder engaged in conducted prohibited by the Regulations by exporting from the United States various Pulsafeeder Pulsa Series 7440/7660 Diaphragm Metering Pumps and Pulsafeeder Pulsa Series Isochem Pumps GMC4,⁴ items subject to the Regulations and controlled for chemical and biological weapons proliferation reasons to China and Brazil without the Department of Commerce licenses required by Section 742.2 of the Regulations. In so doing, Pulsafeeder committed twelve violations of Section 764.2(a) of the Regulations.

* * * * *

Accordingly, Pulsafeeder 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;⁵
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

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

Pulsafeeder 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. Pulsafeeder 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.

⁴ These items are classified under ECCN 2B350.

⁵ *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should Pulsafeeder have a proposal to settle this case, Pulsafeeder should transmit it to the attorney representing BIS named below.

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

Chief Counsel for Industry and Security
Attention: R. Elizabeth Abraham, Esq.
Room H-3839
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

R. Elizabeth ("Liz") Abraham is the attorney representing BIS in this case; any communications that Pulsafeeder may wish to have concerning this matter should occur through her. Ms. Abraham may be contacted by telephone at (202) 482-8050.

Sincerely,

John Sonderman
Acting Director
Office of Export Enforcement

Schedule of Violations

Charge No.	Export Date	Order No(s).	Destination	Commodity Description	ECCN	Total Value	Violation
1	2/7/2007	n/a	Russia	Pulsa Series Eclipse Pump E75FLEP-X (2)	2B350	\$13,463.92	15 C.F.R. § 764.2(a)
2	8/19/2004	486335	China (PRC)	Pulsa Series 7440 Diaphragm Metering Pump	2B350	\$3,514.00	15 C.F.R. § 764.2(a)
3	8/31/2004	491695	China (PRC)	Pulsa Series 7660 Diaphragm Metering Pump	2B350	\$11,056.80	15 C.F.R. § 764.2(a)
4	10/14/2004	496059	China (PRC)	Pulsa Series 7440 Diaphragm Metering Pump	2B350	\$14,516.00	15 C.F.R. § 764.2(a)
5	11/11/2004	501638	China (PRC)	Pulsa Series 7660 Diaphragm Metering Pump	2B350	\$5,047.00	15 C.F.R. § 764.2(a)
6	3/3/2005	506803 506591	China (PRC)	Pulsa Series 7440 Diaphragm Metering Pump	2B350	\$11,083.86	15 C.F.R. § 764.2(a)
7	3/24/2005	516591	China (PRC)	Pulsa Series 7440 Diaphragm Metering Pump	2B350	\$8,540.10	15 C.F.R. § 764.2(a)
8	3/30/2005	517436	China (PRC)	Pulsa Series 7660 Diaphragm Metering Pump	2B350	\$5,866.20	15 C.F.R. § 764.2(a)
9	3/31/2005	519802	China (PRC)	Pulsa Series 7660 Diaphragm Metering Pump	2B350	\$5,687.00	15 C.F.R. § 764.2(a)
10	7/7/2005	538211	China (PRC)	Pulsa Series 7440 Diaphragm Metering Pump	2B350	\$8,968.00	15 C.F.R. § 764.2(a)
11	9/8/2005	542909	China (PRC)	Pulsa Series 7660 Diaphragm Metering Pump	2B350	\$17,484.00	15 C.F.R. § 764.2(a)
12	10/14/2005	557667	Brazil	Pulsa Series Isochem Pump GMC4	2B350	\$3,175.20	15 C.F.R. § 764.2(a)
13	11/12/2005	554421	China (PRC)	Pulsa Series 7660 Diaphragm Metering Pump	2B350	\$9,174.00	15 C.F.R. § 764.2(a)