ORDER RELATING TO RELIANCE STEEL & ALUMINUM COMPANY

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has notified Reliance Steel & Aluminum Company ("Reliance Steel"), of its intention to initiate an administrative proceeding against Reliance Steel pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2010)) (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 issuance of a proposed charging letter to Reliance Steel that alleged that Reliance Steel, acting through its Bralco Metals division, committed three violations of the Regulations. Specifically, the charges are:


2 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)), 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. §§ 1701et seq.) (2000)).
Charges 1-3  15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Aluminum Materials Without the Required Licenses

On three occasions on or between February 15, 2005 and November 3, 2006, Reliance Steel engaged in conduct prohibited by the Regulations by exporting aluminum rods, items subject to the Regulations and controlled for nuclear nonproliferation reasons, from the United States to Malaysia, Taiwan and Hong Kong without the Department of Commerce licenses required by Section 742.3 of the Regulations.

WHEREAS, BIS and Reliance Steel 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;

WHEREAS, I have approved of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of $29,000 is assessed against Reliance Steel, which shall be paid to the U.S. Department of Commerce within thirty days from the date of issuance 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, Reliance Steel 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,

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3 Items are classified under Export Control Classification Number ("ECCN") 1C202 (2005-2006).
license exception, permission, or privilege granted, or to be granted, to Reliance Steel. Accordingly, if Reliance Steel should fail to pay the civil penalty in a timely manner, the undersigned may issue an Order denying all of Reliance Steel's export privileges for a period of one year from the date of issuance 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 9, 2010.
This Settlement Agreement ("Agreement") is made by and between Reliance Steel & Aluminum Company ("Reliance Steel") 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 (currently codified at 15 C.F.R. Parts 730-774 (2010)) (the "Regulations"),\(^1\) issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the "Act"),\(^2\)

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\(^1\) The violations alleged to have been committed occurred in 2005 and 2006. The Regulations governing the violations at issue are found in the 2005 and 2006 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2005-2006)). The 2010 Regulations establish the procedures that apply to this matter.

WHEREAS, Reliance Steel 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 Reliance Steel of its intention to initiate an administrative proceeding against Reliance Steel, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a proposed charging letter to Reliance Steel that alleged that Reliance Steel, acting through its Bralco Metals division, committed three violations of the Regulations, specifically:

Charges 1-3 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Aluminum Materials Without the Required Licenses

On three occasions on or between February 15, 2005 and November 3, 2006, Reliance Steel engaged in conduct prohibited by the Regulations by exporting aluminum rods, items subject to the Regulations and controlled for nuclear nonproliferation reasons, from the United States to Malaysia, Taiwan and Hong Kong without the Department of Commerce licenses required by Section 742.3 of the Regulations.

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

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3 Items are classified under Export Control Classification Number ("ECCN") 1C202 (2005-2006).
WHEREAS, Reliance Steel states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, Reliance Steel neither admits nor denies the allegations contained in the proposed charging letter;

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

WHEREAS, the Parties agree to be bound by the Order, if issued;

NOW THEREFORE, the Parties hereby agree as follows:

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

2. The following sanction shall be imposed against Reliance Steel in complete settlement of the alleged violations of the Regulations relating to the transactions detailed in the proposed charging letter:

   a. Reliance Steel shall be assessed a civil penalty in the amount of $29,000, which shall be paid to the U.S. Department of Commerce within thirty days from the date of issuance 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 Reliance Steel. Failure to make timely payment of the civil penalty in accordance with the payment schedule set forth above may result in the denial of all of Reliance Steel’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, Reliance Steel 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. Upon issuance of the Order and timely payment of the $29,000 civil penalty, BIS will not initiate any further administrative proceedings against Reliance Steel in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the voluntary self-disclosure and 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 oral 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

[Signature]
John Sonderman
Acting Director
Office of Export Enforcement
Date: 7/26/10

RELIANCE STEEL & ALUMINUM COMPANY

[Signature]
Karla Lewis
Executive Vice President & Chief Financial Officer
Reliance Steel & Aluminum Company
Date: 7/12/10
PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Reliance Steel & Aluminum Company
350 S. Grand Avenue
Suite 5100
Los Angeles, CA 90071

Attention: Karla Lewis, Executive Vice President & Chief Financial Officer

Dear Ms. Lewis:

The Bureau of Industry and Security, United States Department of Commerce ("BIS"), has reason to believe that Reliance Steel & Aluminum Company ("Reliance Steel"), acting through its Bralco Metals division, committed three 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 Reliance Steel committed the following violations:

Charges 1-3 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Aluminum Materials Without the Required Licenses

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on three occasions on or between February 15, 2005 and November 3, 2006, Reliance Steel engaged in conduct prohibited by the Regulations by exporting aluminum rods, items subject to the Regulations and controlled for nuclear nonproliferation reasons, from the United States to Malaysia, Taiwan and Hong Kong without the Department of Commerce licenses required by Section 742.3 of the Regulations. In so doing, Reliance Steel committed three violations of Section 764.2(a) of the Regulations.


³ Items are classified under Export Control Classification Number ("ECCN") 1C202 (2005-2006).
Accordingly, Reliance Steel is hereby notified that an administrative proceeding is instituted against it pursuant to 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;
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If Reliance Steel 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 (2010). If Reliance Steel defaults, the Administrative Law Judge may find the charges alleged in this letter to be true without a hearing or further notice to Reliance Steel. The Under Secretary for Industry and Security may then impose up to the maximum penalty on the charges in this letter.

Reliance Steel is further notified that it is entitled to an agency hearing on the record if Reliance Steel files a written demand for one with its answer. See 15 C.F.R. § 766.6 (2010). Reliance Steel 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 (2010).

Reliance Steel is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Reliance Steel 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 Regulations provide for settlement without a hearing. See 15 C.F.R. § 766.18 (2010). Should Reliance Steel have a proposal to settle this case, Reliance Steel or its representative should transmit it to the attorney representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Reliance Steel’s answer must be filed in accordance with the instructions set forth 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 Reliance Steel’s answer must be served on BIS at the following address:

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

Charles G. Wall is the attorney representing BIS in this case; any communications that Reliance Steel may wish to have concerning this matter should occur through him. He may be contacted by telephone at (202) 482-5301.

Sincerely,

John Sonderman  
Acting Director  
Office of Export Enforcement

Enclosure
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**Invoice Total** $2,560