

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

In the Matter of:

Silicon Space Technology Corporation
d/b/a Vorago Technologies, Inc.
1501 S MoPac Expy, Suite #350
Austin, TX 78746

Respondent

**ORDER RELATING TO SILICON SPACE TECHNOLOGY CORPORATION
d/b/a VORAGO TECHNOLOGIES, INC.**

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Silicon Space Technology Corporation (“SST”) d/b/a Vorago Technologies, Inc. (“Vorago”), of Austin, Texas, of its intention to initiate an administrative proceeding against Vorago pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),¹ through the issuance of a Proposed Charging Letter to Vorago that alleges that Vorago committed one violation of the Regulations.² Specifically, the charge is:

¹ The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“the EAA”), which lapsed on August 21, 2001. The President, through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), continued the Regulations in full force and effect under the International Emergency Economic Powers Act, 50 U.S.C. § 1701, et seq. (2012) (“IEEPA”). On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA”). While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

² The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2021). The violation alleged occurred during 2014 through 2019. The Regulations

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

1. Beginning in or about May 2014 through in or about March 2019, Vorago, known as SST for part of this time period, conspired and acted in concert with one or more persons in any manner and for any purpose to bring about and to do any act that constituted a violation of the Regulations.

BACKGROUND

At times material to this Order:

Vorago

2. SST was founded in 2004. In August 2015, SST began doing business as Vorago.³

3. Vorago designed and manufactured radiation-hardened (rad-hard) and extreme temperature-hardened integrated circuit (IC) components. These components could be used in satellite, military, medical, automotive, oil & gas, mining, and other industrial applications. Vorago had contracts with the U.S. Air Force, Missile Defense Agency, NASA, and other U.S. government entities.

4. Vorago's Vice President of International Sales held that position from June 2014 to March 2015. The Vice President of International Sales began working for Vorago in or around April 2014 as a consultant. Before joining Vorago, the Vice President of International Sales worked as a sales engineer for Aeroflex Microelectronic Solutions (AMS). Cosmos was one of his customer accounts. After he left AMS, Vorago's Vice President of International Sales connected Vorago officials with Cosmos as a potential customer for Vorago.

Cosmos

5. Kosmos Komplekt, also known as Cosmos Complect (Cosmos), was an engineering company located in Moscow, Russia. Cosmos acted as a distributor and assembler in Russia of electronic components for various customers in the aerospace, infrastructure, mining, and robotics sectors.

6. Ilias Kharresovich Sabirov was the managing director of Cosmos.

7. Dimitar Dimitrov was a Bulgarian engineer who worked at Cosmos.

governing the violations at issue are found in the 2014-2019 versions of the Code of Federal Regulations, 15 C.F.R. Parts 730-774. The 2021 Regulations govern the procedural aspects of this case.

³ For the remainder of this Order, "Vorago" will be used to refer to both Vorago and SST.

8. Milan Dimitrov was a Bulgarian engineer who also worked at Cosmos. Milan Dimitrov was the son of Dimitar Dimitrov.

9. AMS was a fabless manufacturer of rad-hard and high reliability semiconductor devices for the aerospace, defense, medical, industrial, and security markets. Cosmos was the Russian distributor for AMS.

Sovtest

10. Sovtest Comp (Sovtest) was an engineering company that shared an office in Moscow with Cosmos. According to its website, Sovtest developed and produced technological equipment for electronics manufacturing. Sabirov was listed as the managing director.

MTIG

11. Multi Technology Integration Group (MTIG) was a Bulgarian company established in 2014.

12. Mariana Gargova was the registered owner of MTIG. Gargova was Milan Dimitrov's wife.

13. Beginning in or around 2017, Dimitar Dimitrov and Milan Dimitrov began working for MTIG.

THE CONSPIRACY

14. Vorago officials, Sabirov, Dimitar Dimitrov, Milan Dimitrov, and others conspired and acted in concert with one another to export rad-hard 16Mb Static Random-Access Memory (SRAM) wafers from Vorago to Russia, through MTIG, without a license.

15. The 16Mb SRAM wafers were manufactured to be radiation-hardened and extreme temperature-hardened. They were classified under Export Control Classification Number (ECCN) 9A515.e.1 (Category: Spacecraft and related components) and controlled for Regional Stability (RS). A license was required for the export of the wafers to Russia. Vorago never obtained a license or applied for one. No license was required for export to Bulgaria.

The Initial Meeting Between Vorago and Cosmos

16. On or about April 22, 2014, Vorago's Vice President of International Sales sent an email to Vorago's founder and CEO and other Vorago officials discussing Cosmos. The Vice President of International Sales referred to Sabirov and Dimitar Dimitrov as the "top guys" for Cosmos. He advised that they would be traveling to the United States to meet with Vorago.

17. In preparation for the meeting, Vorago's founder and CEO contacted Vorago's outside export counsel. Counsel advised that:

Under the current sanctions status, however, there is no way to supply parties in Russia with integrated circuits beyond anything very basic. Both DDTC [Directorate of Defense Trade Controls] and BIS previously stopped issuing export licenses to Russia, and yesterday BIS said they were moving from a holding pattern to an affirmative denial of license applications [W]e will not be able to obtain authorizations for any articles or technology to Russia until things surrounding Ukraine normalize.

18. On or about May 12, 2014, Sabirov and Dimitar Dimitrov met with Vorago officials at its office in Austin, Texas. The Vorago officials who participated in the meeting included Vorago's founder and CEO, Vorago's Senior Vice President of Sales, and Vorago's Vice President of International Sales. During the meeting, Cosmos discussed purchasing 16Mb SRAM wafers and several other products from Vorago.

19. On or about May 19, 2014, outside export counsel for Vorago informed Vorago's founder and CEO and the Senior Vice President of Sales, along with other Vorago officials, that "anything that requires a license to Russia is currently subject to a presumption of denial."

20. On or about May 28, 2014, Vorago's outside export counsel sent an email to the Vorago Director of Sales, the Senior Vice President of Sales, and Vorago's founder and CEO. Counsel informed the Vorago officials that 16Mb SRAM wafers "would not require an export license to be sold to Bulgaria." Counsel advised the officials that, "[g]iven the situation in Russia, and the fact that [the] items cannot be delivered to Russia, we will want to be careful to ensure that the chips are, in fact, delivered to and used in Bulgaria" (emphasis in original).

21. On or about July 14, 2014, Vorago's Vice President of International Sales and its founder and CEO met with Sabirov in Paris.

22. On or about July 18, 2014, Sabirov sent an email to Vorago's founder and CEO, the Senior Vice President of Sales, and the Vice President of International Sales with the subject line "Plan of SST-Cosmos Complect biz development. Short-term prospective." In the email, Sabirov mentioned "a plan of POs [purchase orders] we plan to place in the nearest future," including POs for 16Mb SAM wafers.

23. On or about July 21, 2014, Vorago's Vice President of International Sales sent an email to Sabirov and copied Vorago's founder and CEO and the Senior Vice President of Sales. The Vice President of International Sales thanked Sabirov for the meeting in Paris and "discussing the business model based in Bulgaria."

24. On or about July 27, 2014, Vorago's founder and CEO sent an email to a Vorago Director and informed the Director that "Cosmos has concluded that it will have to wait to get the materials from SST if it stays put in Moscow, so they are trying to purchase an existing company in Bulgaria and move their operations there . . . SST materials will be taking the place of Aeroflex materials (16M SRAM) that Cosmos will use in its assembly of its board products which is their business model."

25. On or about August 2, 2014, Vorago outside export counsel informed Vorago's founder and CEO in an email that, "[i]f SST delivers technology or components to Bulgaria, we would need to classify that prior to export and determine if the technology or articles made from it, or if components would require an export license if shipped directly from the US to Russia . . . If they would, then they are considered 'controlled content.'" Counsel concluded, "unless Cosmos is adding substantial value in Bulgaria, it is likely that a US export license is still required for the export of these products to Russia."

26. On or about August 19, 2014, Vorago's Senior Vice President of Sales sent an email to Vorago's founder and CEO and the Vice President of International Sales, along with other Vorago officials, summarizing a conference call that he, as well as the founder and CEO and Vice President of International Sales, had with Sabirov. The summary included the following notations:

- Have established a new company in Sophia, Bulgaria called MTIG
- Ultimate goal is to assemble/test circuits for Europe.
- [P]lan is to sell these units [16Mb SRAM wafers] within Europe, do not see a path to selling into Russia
- [Vorago's Vice President of Sales] requested an end use statement
- Ilias [Sabarov] has acknowledged that they are not going to pursue delivery to Russia

27. On or about August 19, 2014, Vorago's Vice President of International Sales sent an email to Sabirov with questions about Cosmos's role in MTIG. Vorago's Senior Vice President of Sales was copied on the email. The Vice President of International Sales asked the following questions about MTIG:

You indicated that neither you nor Dimitar [Dimitrov] are part of the company. Therefore, what is your relationship with this company? How will you be involved in the future? How will you manage the company?

Previously you told us you were buying this company – this does not seem to be the case. Can you explain why you did not purchase part or all of the company? Who are the owners of the company?

You indicated this company was previously involved in robotics. Now the plan is to do device assembly and test. Who will purchase the necessary

assembly and test equipment? When will the facilities be ready to handle this work?

28. On or about August 20, 2014, Sabirov sent an email to Vorago's founder and CEO, the Senior Vice President of Sales, and the Vice President of International Sales in which Sabirov referred to MTIG as a "try ball project" and "more of a workshop." He characterized MTIG as "an attempt to diversify our activity beyond the framework of sanctions" and to "create different competitive products to be sold in Bulgaria or even in Europe." Sabirov further stated, "To minimize the expenditure Mariana Gargova founded MTIG as a centralized bureau for communication with different outsource services. Dimitar [Dimitrov] and myself provided a business loan for start-up as well as proposed to build a couple of system designs at our cost. In other words [sic] we are customers with a very good access for project monitoring of this new company."

29. On or about August 22, 2014, Vorago's Vice President of International Sales sent an email to the Vorago Senior Director Sales and Marketing with "the quote request from Cosmos via MTIG company in Bulgaria." The request included 16Mb SRAM wafers for MTIG and other products for Cosmos.

30. On or about August 27, 2014, Vorago's outside export counsel sent an email to Vorago's founder and CEO advising that:

[S]hipping product to Cosmos in Bulgaria would not be a violation, in and of itself. The concern is, what are they doing with the items, and where are they going? Having an end-user agreement as to what they would be doing with the product would be helpful. But, it would not [sic] much protection if Cosmos went ahead and shipped to [sic] product to Russia without an authorization, in which case the agency would ask if SST had any idea or indication that these items might be reexported to Russia. In that case, they could determine that it was a willing and knowing violation, as they would claim that SST exported the product with reason to know a violation might occur.

The information that we would want to feel more comfortable with this avenue is the same information that we would want to prepare a license application: the name and address of the buyer (we do not have a Bulgarian address for Cosmos yet), the intended end-use of the product (what use do they intend other than in the Russian space program? Do they have other potential markets? Customers?).

Counsel attached a "Statement by Ultimate Consignee and Purchaser" (BIS-711) "that can be used to support a license application (or a determination that no license is necessary)."

31. On or about September 5, 2014, Vorago's Senior Vice President of Sales sent an email to two Vorago directors and the founder and CEO. In the email, he stated that:

The customer (Cosmos) is still very interesting [sic] in working with SST. However, even they have concluded that the Ukrainian situation is negatively impacting their business and they must do something else. They have now invested in a company in Bulgarian [sic] and are starting to broaden their future business activities to expand our [sic] of Russia and into Europe.

32. On or about September 10, 2014, Vorago's Vice President of International Sales sent an email to Gargova advising her that Vorago was "in the process of generating the quotation for the 16M SRAM device as requested by Cosmos Complect." He requested that MTIG complete a BIS-711 that he had attached.

33. On or about September 11, 2014, Gargova, on behalf of MTIG, submitted a BIS-711 to Vorago. According to the statement, the wafers would be processed or incorporated into "motion control system for heavy industry machines to be manufactured in [Bulgaria] for distribution in EU."

34. On or about October 31, 2014, Gargova, on behalf of MTIG, sent an email to Vorago with an attached purchase order for one 16Mb SRAM wafer. Sabirov was copied on the email.

35. On or about January 30, 2015, Vorago shipped one 16Mb SRAM wafer, valued at \$125,000, to MTIG.

36. On or about March 10, 2015, Vorago's Vice President of International Sales sent an email to the Vorago Director of Sales. The Senior Vice President of Sales was copied on the email. The Vice President of International Sales provided a summary of international activity including:

Russia/Bulgaria

Cosmos Complect is the rep and MTIG is the company they are working with in Bulgaria. The main contact is Ilias Sabirov in Moscow. MTIG received the wafer, the packages and lids, as well as the five samples for the 16M SRAM. They are in the process of assembling the parts. I have offered to travel to Bulgaria to help with [VORAGO engineer] but Ilias has not come forward to agree with the visit. The forecast was that after they "qualify" the part, then they would buy additional wafers.

37. On or about March 14, 2015, Vorago's founder and former CEO sent an email to the newly appointed CEO advising him that "we sold one 16mb wafer to a company who goes by the name MTIG(?) I think, who was former rep firm for Aeroflex

in Russia space market (Cosmos Complect) who moved out of Russia to Bulgaria, export lawyers ok [sic] this transaction before we shipped it.”

38. In an April 2015 Vorago PowerPoint presentation entitled “Sales Opportunities 2015+,” there was a section listing “Top 5 – Actions to Close.” “MTIG – Russia/Bulgaria” was the first entry under this section. The MTIG – Russia/Bulgaria entry included the following bullet points:

- Holding pattern until test results are complete
- Additional wafer sales (qty. 5) when testing is complete

39. On or about April 21, 2015, Vorago’s Senior Vice President of Sales sent an email to Vorago’s new CEO, its founder, and other Vorago officials. The subject line of the message was “Cosmos Complect/MTIG Meeting Minutes - 21 April 2015” and listed the participants for “Cosmos Complect/MTIG” as Sabirov, Dimitar Dimitrov, Milan Dimitrov, and [Milan Dimitrov’s brother]. The meeting occurred in Sofia, Bulgaria.

40. In a June 23, 2015 Vorago PowerPoint presentation entitled “Board of Directors Meeting,” certain Vorago customers were listed in a spreadsheet under the heading “2016 Revenue Tracker.” The entry for Cosmos read as follows:

Customer	Product	Application	LTR (\$)	Comment
Cosmos Complect	16M/ARM MO	All	750,000	6 wafers @ \$125k

There was no entry for MTIG on the spreadsheet. The presentation included additional slides under the heading “Business Summary.” “Cosmos/MTIG” was listed as a “customer” on those slides.

41. On or about November 2, 2015, Vorago’s CEO sent an email to Sabirov stating that “this,” meaning the sale of additional 16Mb SRAM wafers, is “the most important biz opportunity for us this year and we are very committed to do whatever necessary to help you.”

42. On or about November 5, 2015, Vorago’s CEO sent an email to Sabirov asking, “How would you feel about the following scenario? Could you buy only 3 wafers this quarter and we would reduce the price per wafer from currently \$125,000 to \$100,000? And [sic] buy the remainder next year. You would help us a lot, since I had told the Board we will be turning all 5 wafers with you in Q4.”

43. On or about November 10, 2015, Sabirov sent an email to Vorago’s CEO asking if the 16Mb SRAM wafers “were ordered in November when do you think we can expect shipment.” Sabirov also asked if there were “any obstacles for direct shipment to Moscow?”

44. On or about November 10, 2015, Vorago's CEO replied, "we can ship them immediately but for export reason we had assumed we can ship them to your Bulgaria office."

45. On or about December 8, 2015, Vorago's CEO and the Vorago Vice President of Sales met with Sabirov and Dimitar Dimitrov in Munich, Germany. The Vorago Vice President of Sales sent an email with the subject line "Cosmos/MTIG – 16Mb SRAM wafers" to Vorago officials, including [the CEO] and [the Senior Vice President of Sales], summarizing the meeting. She stated that "[t]hey agreed to place a PO [purchase order] for 5 wafers: 2 wafers to be shipped and invoiced before end of year (at discounted price as agreed with [the CEO]) and 3 wafers in July 2016."

46. On or about December 14, 2015, Sabirov sent an email to the Vorago Vice President of Sales. Sabirov informed her that the "PO will be placed by MTIG Sofia. Mariana [Gargova] has been informed. So you are to get the PO shortly."

47. On or about December 14, 2015, the Vorago Vice President of Sales sent an email to the CEO and the Senior Vice President of Sales. Under the heading "Cosmos/MTIG," the Vorago Vice President of Sales wrote, "Met in Munich with Ilias and Dimitar . . . They agreed to place a PO for two wafers to be shipped and invoiced before the end of the year (200K\$ total)." The Vorago Vice President of Sales added, "Cosmos/MTIG is targeting industrial applications such as infrastructure, mining, Robotics [sic] etc."

48. On or about December 15, 2015, Gargova sent an MTIG purchase order to Vorago for five 16Mb SRAM wafers with a unit price of \$100,000. The purchase order contained a notation that:

Shipment of the above commodities must fall in two deliveries:

Delivery #1: 2 of 5 shipment upon readiness of export

Delivery # 2: 3 of 5 shipment in July 2016.

49. On or about December 17, 2015, the Vorago Vice President of Sales sent an email to Gargova informing her that, "We would need a revision of the PO to reflect the price that has been agreed Between [sic] [the CEO] and Ilias [Sabirov] which is for any wafer shipped before 31/12/2015 at 100k\$ per wafer but from 1st of January onwards at 125k\$ per wafer."

50. On or about December 17, 2015, Gargova responded in an email:

I heard a different story from the guys and I have just contacted Ilias [Sabirov] to double-check. The PO placed was made on the basis of compromise reached during your meeting in Munich . . . Ilias "articulated" the term that the \$100k/wafer became a fixed price from now on if we place

our PO before Christmas. That is why we placed an order for 5 wafers with split shipments 2 of 5 and balance 3 of 5 later in summer.

51. On or about December 17, 2015, the Vorago Vice President of Sales replied to Gargova's email. She wrote, "I just talked to Ilias and we are now in agreement. I confirm hereby the price of 100k\$ per wafer for PO SSTO 1-15 of 5 wafers of 16Mv [sic] SRAM . . . The shipment of the first 2 wafers before the end of the year is in process as we speak."

52. On or about December 18, 2015, Vorago shipped two 16Mb SRAM wafers to MTIG with a total value of \$200,000.

53. On or about June 6, 2016, Sabirov sent an email to the Vorago Vice President of Sales advising her that "we are speaking about 10-15 wafers in next 12 months."

54. On or about July 14, 2016, the Vorago Vice President of Sales sent an email to the CEO and other Vorago officials with the subject line, "Visit report - MTIG and COSMOS - Sofia 11th/12th/13th of July, 2016." In the email, the Vice President of Sales stated that one of the purposes of the meeting was to "[d]iscuss delivery of the 3 wafers that remain in open PO for delivery in July." She listed Sabirov as the "COSMOS Complect (Russia) attendee," and Dimitar Dimitrov as a "MTIG (Bulgaria) attendee."

55. On or about September 23, 2016, Vorago shipped three 16Mb SRAM wafers to MTIG with a total value of \$172,000.

56. On or about August 29, 2018, Vorago's CEO met with Sabirov and Dimitar Dimitrov in Sofia, Bulgaria. Sabirov and Dimitar Dimitrov expressed an interest in buying at least five additional 16Mb SRAM wafers.

57. On or about September 5, 2018, Vorago's CEO sent an email to Sabirov and Dimitar Dimitrov thanking them for the meeting. The CEO expressed further interest in a business relationship between Vorago and MTIG. He asked Sabirov and Dimitar Dimitrov for "the following information from MTIG: 1. Legal name of MTIG; 2. Identify material owners of MTIG (owners that would have influence on MTIG, or any majority owner or controlling interest owner); 3. URL for your website; 4. Signed End Use Certification."

58. On or about October 24, 2018, Gargova responded to Vorago's CEO's questions in the email described in the previous paragraph. Her answer to the second question was "single owner of MTIG Ltd. is Mrs. Mariana Gargova."

59. Vorago's CEO continued to communicate with Sabirov until at least on or about March 20, 2019, regarding the sale of additional wafers to MTIG.

Shipments of Wafers from Vorago to MTIG

60. As set forth below, Vorago shipped six 16Mb SRAM wafers to MTIG with a total value of \$497,000:

On or about Date of Shipment	Wafers Shipped	Shipment Value
January 30, 2015	One	\$125,000
December 18, 2015	Two	\$200,000
September 23, 2016	Three	\$172,000

Shipment of Wafer from MTIG to Russia

61. As detailed in the previous paragraph, on or about January 30, 2015, Vorago shipped one wafer to MTIG. On or about May 20, 2015, MTIG shipped this wafer to Russia. According to the MTIG invoice documenting the transaction, the wafer was shipped to Sovtest, at the address it shares with Cosmos.

VIOLATION

62. Vorago officials committed one violation of section 764.2(d) by conspiring or acting in concert with Sabirov, Dimitar Dimitrov, Milan Dimitrov, and others in any manner or for any purpose to bring about or to do any act that constitutes a violation of the Regulations, that is to export 16Mb SRAM wafers to Russia, in violation of the prohibition against exporting a controlled item without a license to a country of destination which requires a license.

WHEREAS, BIS and Vorago 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 also taken into consideration the Non-Prosecution Agreement between Vorago and the United States Department of Justice's National Security Division and the United States Attorney's Office for the Western District of Texas; and

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

IT IS THEREFORE ORDERED:

FIRST, Vorago shall be assessed a civil penalty in the amount of \$497,000. The payment of \$250,000 shall be made to the U.S. Department of Commerce in nine

quarterly installments of \$27,777.78. The first payment of \$27,777.78 shall be due on October 1, 2021, with the following installments to be due each quarter thereafter on the following dates: January 1, 2022, April 1, 2022, July 1, 2022, October 1, 2022, January 1, 2023, April 1, 2023, July 1, 2023 and September 1, 2023. Payment shall be made in the manner specified in the attached instructions. If any of the nine quarterly installment payments is not fully and timely made, any remaining scheduled installment payments may become due and owing immediately. Payment of the remaining \$247,000 shall be suspended for a period through and until September 22, 2023, and thereafter shall be waived, provided that during this specified probationary period Vorago has made full and timely payment of \$250,000 as set forth above, has otherwise complied with the provisions of the Settlement Agreement and this Order, has committed no violations of the Act or the Regulations or any order, license, or authorization issued thereunder, and has committed no violation of the Non-Prosecution Agreement. If Vorago fails to comply with any of these probationary conditions, the \$247,000 suspended portion of the civil penalty may be activated and become immediately due and owing in full.

SECOND, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2012)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and if any payment required under this Order is not made by the due date specified herein, Vorago 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 full and timely payment of the civil penalty 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 Vorago.

FOURTH, that for a period from the date of this Order until September 22, 2023, Silicon Space Technology Corporation, d/b/a Vorago Technologies, Inc., with a last known address of 1501 S. MoPac Expy, Ste. #350, Austin, TX 78746, and when acting for or on its behalf, its successors, assigns, directors, officers, representatives, agents, or employees (hereinafter collectively referred to as “Denied Person”), may not, directly or indirectly, participate in any way in any transaction involving any commodity, software, or technology (hereinafter collectively referred to as “item”) exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, license exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or engaging in any other activity subject to the Regulations; or
- C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or from any other activity subject to the Regulations.

FIFTH, that no person may, directly or indirectly, do any of the following:

- A. Export, reexport or transfer (in-country) to or on behalf of the Denied Person any item subject to the Regulations;
- B. Take any action that facilitates the acquisition or attempted acquisition by the Denied Person of the ownership, possession, or control of any item subject to

the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the Denied Person acquires or attempts to acquire such ownership, possession or control;

- C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the Denied Person of any item subject to the Regulations that has been exported from the United States;
- D. Obtain from the Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or
- E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by the Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by the Denied Person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

SIXTH, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to the Denied Person by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business may also be made subject to the provisions of this Order.

SEVENTH, as authorized by Section 766.18(c) of the Regulations, the denial period set forth above shall be suspended during the probationary period set forth under this Order for the period from the date of this Order until September 22, 2023, and shall thereafter be waived, provided that Vorago has made full and timely payment as set forth above, and has not committed another violation of ECRA,⁴ the Regulations, or any order, license, or authorization issued under ECRA or the Regulations, and has committed no violation of the Non-Prosecution Agreement. If Vorago does not make full and timely payment as set forth above, commits a violation of the Non-Prosecution Agreement or, during the probationary period under this Order, commits another violation of ECRA, the Regulations, or any order, license, or authorization issued under ECRA or the Regulations, the suspension may be modified or revoked by BIS and a denial order (including a two-year denial period) activated against Vorago. If the suspension is modified or revoked, the activation order may also revoke any BIS licenses in which Vorago has an interest at the time of the activation order.⁵

EIGHTH, Vorago shall not dispute or deny, directly or indirectly, the allegations contained in the Proposed Charging Letter or this Order or take any position contrary thereto in any public statement. The foregoing does not affect Vorago's testimonial obligations in any administrative or judicial 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.

⁴ See note 1, *supra*.

⁵ Such a revocation would include licenses existing at the time of the activation order, whether the license had issued before or after ECRA's enactment on August 13, 2018. See note 1, *supra*.

NINTH, 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
KURLAND** Digitally signed by
KEVIN KURLAND
Date: 2021.09.28
09:42:30 -04'00'

Kevin J. Kurland
Acting Assistant Secretary of Commerce
for Export Enforcement

Issued this 28th day of September, 2021.

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

In the Matter of:

Silicon Space Technology Corporation
d/b/a Vorago Technologies, Inc.
1501 S MoPac Expy, Suite #350
Austin, TX 78746

Respondent

**SETTLEMENT AGREEMENT RELATING TO SILICON SPACE
TECHNOLOGY CORPORATION d/b/a VORAGO TECHNOLOGIES, INC.**

This Settlement Agreement (“Agreement”) is made by and between Silicon Space Technology Corporation (“SST”) d/b/a Vorago Technologies, Inc. (“Vorago”), of Austin, Texas, 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

WHEREAS, BIS has notified Vorago of its intentions to initiate an administrative proceeding against Vorago, pursuant to the Regulations;²

¹ The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“the EAA”), which lapsed on August 21, 2001. The President, through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), continued the Regulations in full force and effect under the International Emergency Economic Powers Act, 50 U.S.C. § 1701, et seq. (2012) (“IEEPA”). On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA”). While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

² The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2021). The violation alleged occurred during 2014 through 2019. The Regulations governing the violations at issue are found in the 2014-2019 versions of the Code of Federal

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WHEREAS, BIS has issued a Proposed Charging Letter to Vorago that alleges that Vorago committed one violation of the Regulations, specifically:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

1. Beginning in or about May 2014 through in or about March 2019, Vorago, known as SST for part of this time period, conspired and acted in concert with one or more persons in any manner and for any purpose to bring about and to do any act that constituted a violation of the Regulations.

BACKGROUND

At times material to this Settlement Agreement:

Vorago

2. SST was founded in 2004. In August 2015, SST began doing business as Vorago.³

3. Vorago designed and manufactured radiation-hardened (rad-hard) and extreme temperature-hardened integrated circuit (IC) components. These components could be used in satellite, military, medical, automotive, oil & gas, mining, and other industrial applications. Vorago had contracts with the U.S. Air Force, Missile Defense Agency, NASA, and other U.S. government entities.

4. Vorago's Vice President of International Sales held that position from June 2014 to March 2015. The Vice President of International Sales began working for Vorago in or around April 2014 as a consultant. Before joining Vorago, the Vice President of International Sales worked as a sales engineer for Aeroflex Microelectronic Solutions (AMS). Cosmos was one of his customer accounts. After he left AMS, Vorago's Vice President of International Sales connected Vorago officials with Cosmos as a potential customer for Vorago.

Cosmos

5. Kosmos Komplekt, also known as Cosmos Complect (Cosmos), was an engineering company located in Moscow, Russia. Cosmos acted as a distributor and assembler in Russia of electronic components for various customers in the aerospace, infrastructure, mining, and robotics sectors.

Regulations, 15 C.F.R. Parts 730-774. The 2021 Regulations govern the procedural aspects of this case.

³ For the remainder of this Settlement Agreement, "Vorago" will be used to refer to both Vorago and SST.

6. Ilias Kharresovich Sabirov was the managing director of Cosmos.
7. Dimitar Dimitrov was a Bulgarian engineer who worked at Cosmos.
8. Milan Dimitrov was a Bulgarian engineer who also worked at Cosmos. Milan Dimitrov was the son of Dimitar Dimitrov.
9. AMS was a fabless manufacturer of rad-hard and high reliability semiconductor devices for the aerospace, defense, medical, industrial, and security markets. Cosmos was the Russian distributor for AMS.

Sovtest

10. Sovtest Comp (Sovtest) was an engineering company that shared an office in Moscow with Cosmos. According to its website, Sovtest developed and produced technological equipment for electronics manufacturing. Sabirov was listed as the managing director.

MTIG

11. Multi Technology Integration Group (MTIG) was a Bulgarian company established in 2014.

12. Mariana Gargova was the registered owner of MTIG. Gargova was Milan Dimitrov's wife.

13. Beginning in or around 2017, Dimitar Dimitrov and Milan Dimitrov began working for MTIG.

THE CONSPIRACY

14. Vorago officials, Sabirov, Dimitar Dimitrov, Milan Dimitrov, and others conspired and acted in concert with one another to export rad-hard 16Mb Static Random-Access Memory (SRAM) wafers from Vorago to Russia, through MTIG, without a license.

15. The 16Mb SRAM wafers were manufactured to be radiation-hardened and extreme temperature-hardened. They were classified under Commerce Export Control Classification Number (ECCN) 9A515.e.1 (Category: Spacecraft and related components) and controlled for Regional Stability (RS). A license was required for the export of the wafers to Russia. Vorago never obtained a license or applied for one. No license was required for export to Bulgaria.

The Initial Meeting Between Vorago and Cosmos

16. On or about April 22, 2014, Vorago's Vice President of International Sales sent an email to Vorago's founder and CEO and other Vorago officials discussing Cosmos. The Vice President of International Sales referred to Sabirov and Dimitar Dimitrov as the "top guys" for Cosmos. He advised that they would be traveling to the United States to meet with Vorago.

17. In preparation for the meeting, Vorago's founder and CEO contacted Vorago's outside export counsel. Counsel advised that:

Under the current sanctions status, however, there is no way to supply parties in Russia with integrated circuits beyond anything very basic. Both DDTC [Directorate of Defense Trade Controls] and BIS previously stopped issuing export licenses to Russia, and yesterday BIS said they were moving from a holding pattern to an affirmative denial of license applications [W]e will not be able to obtain authorizations for any articles or technology to Russia until things surrounding Ukraine normalize.

18. On or about May 12, 2014, Sabirov and Dimitar Dimitrov met with Vorago officials at its office in Austin, Texas. The Vorago officials who participated in the meeting included Vorago's founder and CEO, Vorago's Senior Vice President of Sales, and Vorago's Vice President of International Sales. During the meeting, Cosmos discussed purchasing 16Mb SRAM wafers and several other products from Vorago.

19. On or about May 19, 2014, outside export counsel for Vorago informed Vorago's founder and CEO and the Senior Vice President of Sales, along with other Vorago officials, that "anything that requires a license to Russia is currently subject to a presumption of denial."

20. On or about May 28, 2014, Vorago's outside export counsel sent an email to the Vorago Director of Sales, the Senior Vice President of Sales, and Vorago's founder and CEO. Counsel informed the Vorago officials that 16Mb SRAM wafers "would not require an export license to be sold to Bulgaria." Counsel advised the officials that, "[g]iven the situation in Russia, and the fact that [the] items cannot be delivered to Russia, we will want to be careful to ensure that the chips are, in fact, delivered to and used in Bulgaria" (emphasis in original).

21. On or about July 14, 2014, Vorago's Vice President of International Sales and its founder and CEO met with Sabirov in Paris.

22. On or about July 18, 2014, Sabirov sent an email to Vorago's founder and CEO, the Senior Vice President of Sales, and the Vice President of International Sales with the subject line "Plan of SST-Cosmos Complect biz development. Short-term prospective." In the email, Sabirov mentioned "a plan of POs [purchase orders] we plan to place in the nearest future," including POs for 16Mb SAM wafers.

23. On or about July 21, 2014, Vorago's Vice President of International Sales sent an email to Sabirov and copied Vorago's founder and CEO and the Senior Vice President of Sales. The Vice President of International Sales thanked Sabirov for the meeting in Paris and "discussing the business model based in Bulgaria."

24. On or about July 27, 2014, Vorago's founder and CEO sent an email to a Vorago Director and informed the Director that "Cosmos has concluded that it will have to wait to get the materials from SST if it stays put in Moscow, so they are trying to purchase an existing company in Bulgaria and move their operations there . . . SST materials will be taking the place of Aeroflex materials (16M SRAM) that Cosmos will use in its assembly of its board products which is their business model."

25. On or about August 2, 2014, Vorago outside export counsel informed Vorago's founder and CEO in an email that, "[i]f SST delivers technology or components to Bulgaria, we would need to classify that prior to export and determine if the technology or articles made from it, or if components would require an export license if shipped directly from the US to Russia . . . If they would, then they are considered 'controlled content.'" Counsel concluded, "unless Cosmos is adding substantial value in Bulgaria, it is likely that a US export license is still required for the export of these products to Russia."

26. On or about August 19, 2014, Vorago's Senior Vice President of Sales sent an email to Vorago's founder and CEO and the Vice President of International Sales, along with other Vorago officials, summarizing a conference call that he, as well as the founder and CEO and Vice President of International Sales, had with Sabirov. The summary included the following notations:

- Have established a new company in Sophia, Bulgaria called MTIG
- Ultimate goal is to assemble/test circuits for Europe.
- plan is to sell these units [16Mb SRAM wafers] within Europe, do not see a path to selling into Russia
- [Vorago's Vice President of Sales] requested an end use statement
- Ilias [Sabarov] has acknowledged that they are not going to pursue delivery to Russia

27. On or about August 19, 2014, Vorago's Vice President of International Sales sent an email to Sabirov with questions about Cosmos's role in MTIG. Vorago's Senior Vice President of Sales was copied on the email. The Vice President of International Sales asked the following questions about MTIG:

You indicated that neither you nor Dimitar [Dimitrov] are part of the company. Therefore, what is your relationship with this company? How will you be involved in the future? How will you manage the company?

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Previously you told us you were buying this company – this does not seem to be the case. Can you explain why you did not purchase part or all of the company? Who are the owners of the company?

You indicated this company was previously involved in robotics. Now the plan is to do device assembly and test. Who will purchase the necessary assembly and test equipment? When will the facilities be ready to handle this work?

28. On or about August 20, 2014, Sabirov sent an email to Vorago's founder and CEO, the Senior Vice President of Sales, and the Vice President of International Sales in which Sabirov referred to MTIG as a "try ball project" and "more of a workshop." He characterized MTIG as "an attempt to diversify our activity beyond the framework of sanctions" and to "create different competitive products to be sold in Bulgaria or even in Europe." Sabirov further stated, "To minimize the expenditure Mariana Gargova founded MTIG as a centralized bureau for communication with different outsource services. Dimitar [Dimitrov] and myself provided a business loan for start-up as well as proposed to build a couple of system designs at our cost. In other words [sic] we are customers with a very good access for project monitoring of this new company."

29. On or about August 22, 2014, Vorago's Vice President of International Sales sent an email to the Vorago Senior Director Sales and Marketing with "the quote request from Cosmos via MTIG company in Bulgaria." The request included 16Mb SRAM wafers for MTIG and other products for Cosmos.

30. On or about August 27, 2014, Vorago's outside export counsel sent an email to Vorago's founder and CEO advising that:

shipping product to Cosmos in Bulgaria would not be a violation, in and of itself. The concern is, what are they doing with the items, and where are they going? Having an end-user agreement as to what they would be doing with the product would be helpful. But, it would not [sic] much protection if Cosmos went ahead and shipped to [sic] product to Russia without an authorization, in which case the agency would ask if SST had any idea or indication that these items might be reexported to Russia. In that case, they could determine that it was a willing and knowing violation, as they would claim that SST exported the product with reason to know a violation might occur.

The information that we would want to feel more comfortable with this avenue is the same information that we would want to prepare a license application: the name and address of the buyer (we do not have a Bulgarian address for Cosmos yet), the intended end-use of the product (what use do they intend other than in the Russian space program? Do they have other potential markets? Customers?).

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Counsel attached a “Statement by Ultimate Consignee and Purchaser” (BIS-711) “that can be used to support a license application (or a determination that no license is necessary).”

31. On or about September 5, 2014, Vorago’s Senior Vice President of Sales sent an email to two Vorago directors and the founder and CEO. In the email, he stated that:

The customer (Cosmos) is still very interesting [sic] in working with SST. However, even they have concluded that the Ukrainian situation is negatively impacting their business and they must do something else. They have now invested in a company in Bulgarian [sic] and are starting to broaden their future business activities to expand our [sic] of Russia and into Europe.

32. On or about September 10, 2014, Vorago’s Vice President of International Sales sent an email to Gargova advising her that Vorago was “in the process of generating the quotation for the 16M SRAM device as requested by Cosmos Complect.” He requested that MTIG complete a BIS-711 that he had attached.

33. On or about September 11, 2014, Gargova, on behalf of MTIG, submitted a BIS-711 to Vorago. According to the statement, the wafers would be processed or incorporated into “motion control system for heavy industry machines to be manufactured in [Bulgaria] for distribution in EU.”

34. On or about October 31, 2014, Gargova, on behalf of MTIG, sent an email to Vorago with an attached purchase order for one 16Mb SRAM wafer. Sabirov was copied on the email.

35. On or about January 30, 2015, Vorago shipped one 16Mb SRAM wafer, valued at \$125,000, to MTIG.

36. On or about March 10, 2015, Vorago’s Vice President of International Sales sent an email to the Vorago Director of Sales. The Senior Vice President of Sales was copied on the email. The Vice President of International Sales provided a summary of international activity including:

Russia/Bulgaria

Cosmos Complect is the rep and MTIG is the company they are working with in Bulgaria. The main contact is Ilias Sabirov in Moscow. MTIG received the wafer, the packages and lids, as well as the five samples for the 16M SRAM. They are in the process of assembling the parts. I have offered to travel to Bulgaria to help with [VORAGO engineer] but Ilias has not come forward to agree with the visit. The forecast was that after they “qualify” the part, then they would buy additional wafers.

37. On or about March 14, 2015, Vorago's founder and former CEO sent an email to the newly appointed CEO advising him that "we sold one 16mb wafer to a company who goes by the name MTIG(?) I think, who was former rep firm for Aeroflex in Russia space market (Cosmos Complect) who moved out of Russia to Bulgaria, export lawyers ok [sic] this transaction before we shipped it."

38. In an April 2015 Vorago PowerPoint presentation entitled "Sales Opportunities 2015+," there was a section listing "Top 5 – Actions to Close." "MTIG – Russia/Bulgaria" was the first entry under this section. The MTIG – Russia/Bulgaria entry included the following bullet points:

- Holding pattern until test results are complete
- Additional wafer sales (qty. 5) when testing is complete

39. On or about April 21, 2015, Vorago's Senior Vice President of Sales sent an email to Vorago's new CEO, its founder, and other Vorago officials. The subject line of the message was "Cosmos Complect/MTIG Meeting Minutes - 21 April 2015" and listed the participants for "Cosmos Complect/MTIG" as Sabirov, Dimitar Dimitrov, Milan Dimitrov, and [Milan Dimitrov's brother]. The meeting occurred in Sofia, Bulgaria.

40. In a June 23, 2015, Vorago PowerPoint presentation, entitled "Board of Directors Meeting," certain Vorago customers were listed in a spreadsheet under the heading "2016 Revenue Tracker." The entry for Cosmos read as follows:

Customer	Product	Application	LTR (\$)	Comment
Cosmos Complect	16M/ARM MO	All	750,000	6 wafers @ \$125k

There was no entry for MTIG on the spreadsheet. The presentation included additional slides under the heading "Business Summary." "Cosmos/MTIG" was listed as a "customer" on those slides.

41. On or about November 2, 2015, Vorago's CEO sent an email to Sabirov stating that "this," meaning the sale of additional 16Mb SRAM wafers, is "the most important biz opportunity for us this year and we are very committed to do whatever necessary to help you."

42. On or about November 5, 2015, Vorago's CEO sent an email to Sabirov asking, "How would you feel about the following scenario? Could you buy only 3 wafers this quarter and we would reduce the price per wafer from currently \$125,000 to \$100,000? And [sic] buy the remainder next year. You would help us a lot, since I had told the Board we will be turning all 5 wafers with you in Q4."

43. On or about November 10, 2015, Sabirov sent an email to Vorago's CEO asking if the 16Mb SRAM wafers "were ordered in November when do you think we can

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expect shipment.” Sabirov also asked if there were “any obstacles for direct shipment to Moscow?”

44. On or about November 10, 2015, Vorago’s CEO replied, “we can ship them immediately but for export reason we had assumed we can ship them to your Bulgaria office.”

45. On or about December 8, 2015, Vorago’s CEO and the Vorago Vice President of Sales met with Sabirov and Dimitar Dimitrov in Munich, Germany. The Vorago Vice President of Sales sent an email with the subject line “Cosmos/MTIG – 16Mb SRAM wafers” to Vorago officials, including [the CEO] and [the Senior Vice President of Sales], summarizing the meeting. She stated that “[t]hey agreed to place a PO [purchase order] for 5 wafers: 2 wafers to be shipped and invoiced before end of year (at discounted price as agreed with [the CEO]) and 3 wafers in July 2016.”

46. On or about December 14, 2015, Sabirov sent an email to the Vorago Vice President of Sales. Sabirov informed her that “PO will be placed by MTIG Sofia. Mariana [Gargova] has been informed. So you are to get the PO shortly.”

47. On or about December 14, 2015, the Vorago Vice President of Sales sent an email to the CEO and the Senior Vice President of Sales. Under the heading “Cosmos/MTIG,” the Vorago Vice President of Sales wrote, “Met in Munich with Ilias and Dimitar . . . They agreed to place a PO for two wafers to be shipped and invoiced before the end of the year (200K\$ total).” The Vorago Vice President of Sales added, “Cosmos/MTIG is targeting industrial applications such as infrastructure, mining, Robotics [sic] etc.”

48. On or about December 15, 2015, Gargova sent an MTIG purchase order to Vorago for five 16Mb SRAM wafers with a unit price of \$100,000. The purchase order contained a notation that:

Shipment of the above commodities must fall in two deliveries:

Delivery #1: 2 of 5 shipment upon readiness of export

Delivery # 2: 3 of 5 shipment in July 2016.

49. On or about December 17, 2015, the Vorago Vice President of Sales sent an email to Gargova informing her that, “We would need a revision of the PO to reflect the price that has been agreed Between [sic] [the CEO] and Ilias [Sabirov] which is for any wafer shipped before 31/12/2015 at 100k\$ per wafer but from 1st of January onwards at 125k\$ per wafer.”

50. On or about December 17, 2015, Gargova responded in an email:

I heard a different story from the guys and I have just contacted Ilias [Sabirov] to double-check. The PO placed was made on the basis of compromise reached during your meeting in Munich . . . Ilias “articulated” the term that the \$100k/wafer became a fixed price from now on if we place our PO before Christmas. That is why we placed an order for 5 wafers with split shipments 2 of 5 and balance 3 of 5 later in summer.

51. On or about December 17, 2015, the Vorago Vice President of Sales replied to Gargova’s email. She wrote, “I just talked to Ilias and we are now in agreement. I confirm hereby the price of 100k\$ per wafer for PO SSTO 1-15 of 5 wafers of 16Mv [sic]SRAM . . . The shipment of the first 2 wafers before the end of the year is in process as we speak.”

52. On or about December 18, 2015, Vorago shipped two 16Mb SRAM wafers to MTIG with a total value of \$200,000.

53. On or about June 6, 2016, Sabirov sent an email to the Vorago Vice President of Sales advising her that “we are speaking about 10-15 wafers in next 12 months.”

54. On or about July 14, 2016, the Vorago Vice President of Sales sent an email to the CEO and other Vorago officials with the subject line, “Visit report - MTIG and COSMOS - Sofia 11th/12th/13th of July, 2016.” In the email, the Vice President of Sales stated that one of the purposes of the meeting was to “[d]iscuss delivery of the 3 wafers that remain in open PO for delivery in July.” She listed Sabirov as the “COSMOS Complete (Russia) attendee,” and Dimitar Dimitrov as a “MTIG (Bulgaria) attendee.”

55. On or about September 23, 2016, Vorago shipped three 16Mb SRAM wafers to MTIG with a total value of \$172,000.

56. On or about August 29, 2018, Vorago’s CEO met with Sabirov and Dimitar Dimitrov in Sofia, Bulgaria. Sabirov and Dimitar Dimitrov expressed an interest in buying at least five additional 16Mb SRAM wafers.

57. On or about September 5, 2018, Vorago’s CEO sent an email to Sabirov and Dimitar Dimitrov thanking them for the meeting. The CEO expressed further interest in a business relationship between Vorago and MTIG. He asked Sabirov and Dimitar Dimitrov for “the following information from MTIG: 1. Legal name of MTIG; 2. Identify material owners of MTIG (owners that would have influence on MTIG, or any majority owner or controlling interest owner); 3. URL for your website; 4. Signed End Use Certification.”

58. On or about October 24, 2018, Gargova responded to Vorago’s CEO’s questions in the email described in the previous paragraph. Her answer to the second question was “single owner of MTIG Ltd. is Mrs. Mariana Gargova.”

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59. Vorago's CEO continued to communicate with Sabirov until at least on or about March 20, 2019, regarding the sale of additional wafers to MTIG.

Shipments of Wafers from Vorago to MTIG

60. As set forth below, Vorago shipped six 16Mb SRAM wafers to MTIG with a total value of \$497,000:

On or about Date of Shipment	Wafers Shipped	Shipment Value
January 30, 2015	One	\$125,000
December 18, 2015	Two	\$200,000
September 23, 2016	Three	\$172,000

Shipment of Wafer from MTIG to Russia

61. As detailed in the previous paragraph, on or about January 30, 2015, Vorago shipped one wafer to MTIG. On or about May 20, 2015, MTIG shipped this wafer to Russia. According to the MTIG invoice documenting the transaction, the wafer was shipped to Sovtest, at the address it shares with Cosmos.

VIOLATION

62. Vorago officials committed one violation of section 764.2(d) by conspiring or acting in concert with Sabirov, Dimitar Dimitrov, Milan Dimitrov, and others in any manner or for any purpose to bring about or to do any act that constitutes a violation of the Regulations, that is to export 16Mb SRAM wafers to Russia, in violation of the prohibition against exporting a controlled item without a license to a country of destination which requires a license.

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

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

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

WHEREAS, the Parties enter into this Agreement having taken into consideration the Non-Prosecution Agreement between Vorago and the United States Department of Justice's National Security Division and the United States Attorney's Office for the Western District of Texas;

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

WHEREAS, Vorago admits the allegations contained in the Proposed Charging Letter; and

WHEREAS, Vorago 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 Vorago, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.
2. The following sanction shall be imposed against Vorago:
 - a. Vorago shall be assessed a civil penalty in the amount of \$497,000. The payment of \$250,000 shall be made to the U.S. Department of Commerce in nine quarterly installments of \$27,777.78. The first payment of \$27,777.78 shall be due on October 1, 2021, with the following installments to be due each quarter thereafter on the following dates: January 1, 2022, April 1, 2022, July 1, 2022, October 1, 2022, January 1, 2023, April 1, 2023, July 1, 2023 and September 1, 2023. Payment shall be made in the manner specified in the attached instructions.

If any of the nine quarterly installment payments is not fully and timely made, any remaining scheduled installment payments may become due and owing immediately. Payment of the remaining \$247,000 shall be suspended for a period through and until September 22, 2023, and thereafter shall be waived, providing that during this specified probationary period Vorago has made full and timely payment of \$250,000 as set forth above, has otherwise complied with the provisions of this Agreement and the Order, has committed no violations of ECRA or the Regulations or any order, license, or authorization issued thereunder, and has complied with the terms of the Non-Prosecution Agreement. If Vorago fails to comply with any of these probationary conditions, the \$247,000 suspended portion of the civil penalty may be activated and become immediately due and owing in full.

b. The full and timely payment of the civil penalty 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 Vorago.

c. For a period from the date of the Order until September 22, 2023, Silicon Space Technology Corporation, d/b/a Vorago Technologies, Inc. with a last known address of 1501 S. MoPac Expy, Suite. #350, Austin, TX 78746, and when acting for or on its behalf, its successors, assigns, directors, officers, representatives, agents, or employees (hereinafter collectively referred to as “Denied Person”), may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as “item”) exported or to be exported from the United

States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- i. Applying for, obtaining, or using any license, license exception, or export control document;
 - ii. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or engaging in any other activity subject to the Regulations; or
 - iii. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or from any other activity subject to the Regulations.
- d. BIS agrees that, as authorized by Section 766.18(c) of the Regulations, the denial period set forth above shall be suspended during the probationary period from the date of the Order until September 22, 2023, and shall thereafter be waived, provided that Vorago has made full and timely payment as set forth above, has not committed another violation of ECRA,⁴ the Regulations, or any order, license, or authorization issued under ECRA or the Regulations, and has complied with the terms of the Non-Prosecution Agreement. If Vorago does not make full and timely payment as set forth above, commits a

⁴ See note 1, *supra*.

violation of the Non-Prosecution Agreement, or, during the probationary period under the Order (if issued), commits another violation of ECRA, the Regulations, or any order, license, or authorization issued under ECRA or the Regulations, the suspension may be modified or revoked by BIS and a denial order (including a two-year denial period) activated against Vorago. If the suspension is modified or revoked, the activation order may also revoke any BIS licenses in which Vorago has an interest at the time of the activation order.⁵

3. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, Vorago hereby waives all rights to further procedural steps in this matter (except the procedural steps set forth in Sections 766.17(c) and 766.18(c) of the Regulations with respect to the possible activation of a suspended sanction due to an alleged violation or violations of this Agreement or the Order, if issued), including, without limitation, any right to: (a) receive 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. Vorago 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 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, if issued, until Vorago pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement, or has fulfilled its obligations under the Non-Prosecution Agreement.

⁵ Such a revocation would include licenses existing at the time of the activation order, whether the license had issued before or after ECRA's enactment on August 13, 2018. *See* note 1, *supra*.

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4. Vorago shall not dispute or deny, directly or indirectly, the allegations contained in the Proposed Charging Letter or Order, if issued, or take any position contrary thereto in any public statement. The foregoing does not affect Vorago's testimonial obligations in any administrative or judicial 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 compliance in full with the terms of this Agreement and the Order, if issued, and fulfilling its obligations under the Non-Prosecution Agreement, BIS will not initiate any further administrative proceeding against Vorago in connection with any violation of 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 (or designee) 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. This Agreement constitutes and contains the entire agreement and understanding among the parties, and the terms of this Agreement or the Order, if issued, may not be varied or otherwise altered or affected by any agreement, understanding, representation, or interpretation not contained in this Agreement; 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.

Silicon Space Technology Corporation d/b/a Vorago Technologies, Inc
Settlement Agreement
Page 17 of 18

8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement (or designee) 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. BIS will make the Proposed Charging Letter, this Agreement, and the Order (if issued) available to the public.

10. Each signatory affirms that it has authority to enter into this Settlement Agreement and to bind its respective party to the terms and conditions set forth herein.

11. If any provision of this Settlement Agreement is found to be unlawful, only the specific provision in question shall be affected and the other provisions shall remain in full force and effect.

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

SILICON SPACE TECHNOLOGY CORPORATION, d/b/a VORAGO TECHNOLOGY, INC.

JOHN SONDERMAN
Digitally signed by JOHN SONDERMAN
Date: 2021.09.27 09:48:14 -04'00'
By: John D. Sonderman
Director, Office of Export Enforcement

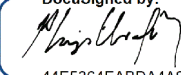
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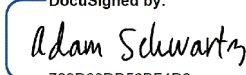
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Thomas JA Lavin
Chairman, Board of Directors

Date: _____

Date: 9/22/2021

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Silicon Space Technology Corporation d/b/a Vorago Technologies, Inc
Settlement Agreement
Page 18 of 18

Philip Urofsky, Esq.
Adam Schwartz, Esq.
Shearman & Sterling LLP

Date: 9/22/2021 9/24/2021

PROPOSED CHARGING LETTER

VIA FEDERAL EXPRESS

Philip Urofsky, Esq.
Adam Schwartz, Esq.
Shearman & Sterling LLP
401 9th St NW #800
Washington, DC 20004

Re: Proposed Charging Letter for Silicon Space Technology Corporation
d/b/a Vorago Technologies, Inc.

Dear Counsel,

The Bureau of Industry and Security, U.S. Department of Commerce (BIS), has reason to believe that your client, Silicon Space Technology Corporation (SST) d/b/a Vorago Technologies, Inc. (Vorago), of Austin, Texas, has committed a violation of the Export Administration Regulations (the “Regulations”).¹ Specifically, BIS alleges that Vorago committed the following violation:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

1. Beginning in or about May 2014 through in or about March 2019, Vorago, known as SST for part of this time period, conspired and acted in concert with one or more persons in any manner and for any purpose to bring about and to do any act that constituted a violation of the Regulations.

BACKGROUND

At times material to this charging letter:

¹ The Regulations originally issued under the Export Administration Act of 1979, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“EAA”), which lapsed on August 21, 2001. The President continued the Regulations under the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-1708 (2012) (IEEPA), including during the time period of the violations at issue here. On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801 - 4852 (ECRA). While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment, shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA. The 2021 Regulations govern the procedural aspects of this case.

Vorago

2. SST was founded in 2004. In August 2015, SST began doing business as Vorago.²

3. Vorago designed and manufactured radiation-hardened (rad-hard) and extreme temperature-hardened integrated circuit (IC) components. These components could be used in satellite, military, medical, automotive, oil & gas, mining, and other industrial applications. Vorago had contracts with the U.S. Air Force, Missile Defense Agency, NASA, and other U.S. government entities.

4. Vorago's Vice President of International Sales held that position from June 2014 to March 2015. The Vice President of International Sales began working for Vorago in or around April 2014 as a consultant. Before joining Vorago, the Vice President of International Sales worked as a sales engineer for Aeroflex Microelectronic Solutions (AMS). Cosmos was one of his customer accounts. After he left AMS, Vorago's Vice President of International Sales connected Vorago officials with Cosmos as a potential customer for Vorago.

Cosmos

5. Kosmos Komplekt, also known as Cosmos Complect (Cosmos), was an engineering company located in Moscow, Russia. Cosmos acted as a distributor and assembler in Russia of electronic components for various customers in the aerospace, infrastructure, mining, and robotics sectors.

6. Ilias Kharresovich Sabirov was the managing director of Cosmos.

7. Dimitar Dimitrov was a Bulgarian engineer who worked at Cosmos.

8. Milan Dimitrov was a Bulgarian engineer who also worked at Cosmos. Milan Dimitrov was the son of Dimitar Dimitrov.

9. AMS was a fabless manufacturer of rad-hard and high reliability semiconductor devices for the aerospace, defense, medical, industrial, and security markets. Cosmos was the Russian distributor for AMS.

Sovtest

10. Sovtest Comp (Sovtest) was an engineering company that shared an office in Moscow with Cosmos. According to its website, Sovtest developed and produced

² For the remainder of this proposed charging letter, "Vorago" will be used to refer to both Vorago and SST.

technological equipment for electronics manufacturing. Sabirov was listed as the managing director.

MTIG

11. Multi Technology Integration Group (MTIG) was a Bulgarian company established in 2014.

12. Mariana Gargova was the registered owner of MTIG. Gargova was Milan Dimitrov's wife.

13. Beginning in or around 2017, Dimitar Dimitrov and Milan Dimitrov began working for MTIG.

THE CONSPIRACY

14. Vorago, Sabirov, Dimitar Dimitrov, Milan Dimitrov, and others conspired and acted in concert with one another to export rad-hard 16Mb Static Random-Access Memory (SRAM) wafers from Vorago to Russia, through MTIG, without a license.

15. The 16Mb SRAM wafers were manufactured to be radiation-hardened and extreme temperature-hardened. They were classified under Export Control Classification Number (ECCN) 9A515.e.1 (Category: Spacecraft and related components) and controlled for Regional Stability (RS). A license was required for the export of the wafers to Russia. Vorago never obtained a license or applied for one. No license was required for export to Bulgaria.

The Initial Meeting Between Vorago and Cosmos

16. On or about April 22, 2014, Vorago's Vice President of International Sales sent an email to Vorago's founder and CEO and other Vorago officials discussing Cosmos. The Vice President of International Sales referred to Sabirov and Dimitar Dimitrov as the "top guys" for Cosmos. He advised that they would be traveling to the United States to meet with Vorago.

17. In preparation for the meeting, Vorago's founder and CEO contacted Vorago's outside export counsel. Counsel advised that:

Under the current sanctions status, however, there is no way to supply parties in Russia with integrated circuits beyond anything very basic. Both DDTC [Directorate of Defense Trade Controls] and BIS previously stopped issuing export licenses to Russia, and yesterday BIS said they were moving from a holding pattern to an affirmative denial of license applications [W]e will not be able to obtain authorizations for any articles or technology to Russia until things surrounding Ukraine normalize.

18. On or about May 12, 2014, Sabirov and Dimitar Dimitrov met with Vorago officials at its office in Austin, Texas. The Vorago officials who participated in the meeting included Vorago's founder and CEO, Vorago's Senior Vice President of Sales, and Vorago's Vice President of International Sales. During the meeting, Cosmos discussed purchasing 16Mb SRAM wafers and several other products from Vorago.

19. On or about May 19, 2014, outside export counsel for Vorago informed Vorago's founder and CEO and the Senior Vice President of Sales, along with other Vorago officials, that "anything that requires a license to Russia is currently subject to a presumption of denial."

20. On or about May 28, 2014, Vorago's outside export counsel sent an email to the Vorago Director of Sales, the Senior Vice President of Sales, and Vorago's founder and CEO. Counsel informed the Vorago officials that 16Mb SRAM wafers "would not require an export license to be sold to Bulgaria." Counsel advised the officials that, "[g]iven the situation in Russia, and the fact that [the] items cannot be delivered to Russia, we will want to be careful to ensure that the chips are, in fact, delivered to and used in Bulgaria" (emphasis in original).

21. On or about July 14, 2014, Vorago's Vice President of International Sales and its founder and CEO met with Sabirov in Paris.

22. On or about July 18, 2014, Sabirov sent an email to Vorago's founder and CEO, the Senior Vice President of Sales, and the Vice President of International Sales with the subject line "Plan of SST-Cosmos Complect biz development. Short-term prospective." In the email, Sabirov mentioned "a plan of POs [purchase orders] we plan to place in the nearest future," including POs for 16Mb SAM wafers.

23. On or about July 21, 2014, Vorago's Vice President of International Sales sent an email to Sabirov and copied Vorago's founder and CEO and the Senior Vice President of Sales. The Vice President of International Sales thanked Sabirov for the meeting in Paris and "discussing the business model based in Bulgaria."

24. On or about July 27, 2014, Vorago's founder and CEO sent an email to a Vorago Director and informed the Director that "Cosmos has concluded that it will have to wait to get the materials from SST if it stays put in Moscow, so they are trying to purchase an existing company in Bulgaria and move their operations there . . . SST materials will be taking the place of Aeroflex materials (16M SRAM) that Cosmos will use in its assembly of its board products which is their business model."

25. On or about August 2, 2014, Vorago outside export counsel informed Vorago's founder and CEO in an email that, "[i]f SST delivers technology or components to Bulgaria, we would need to classify that prior to export and determine if the technology or articles made from it, or if components would require an export license if shipped

directly from the US to Russia . . . If they would, then they are considered ‘controlled content.’” Counsel concluded, “unless Cosmos is adding substantial value in Bulgaria, it is likely that a US export license is still required for the export of these products to Russia.”

26. On or about August 19, 2014, Vorago’s Senior Vice President of Sales sent an email to Vorago’s founder and CEO and the Vice President of International Sales, along with other Vorago officials, summarizing a conference call that he, as well as the founder and CEO and Vice President of International Sales, had with Sabirov. The summary included the following notations:

- Have established a new company in Sophia, Bulgaria called MTIG
- Ultimate goal is to assemble/test circuits for Europe.
- plan is to sell these units [16Mb SRAM wafers] within Europe, do not see a path to selling into Russia
- [Vorago’s Vice President of Sales] requested an end use statement
- Ilias [Sabarov] has acknowledged that they are not going to pursue delivery to Russia

27. On or about August 19, 2014, Vorago’s Vice President of International Sales sent an email to Sabirov with questions about Cosmos’s role in MTIG. Vorago’s Senior Vice President of Sales was copied on the email. The Vice President of International Sales asked the following questions about MTIG:

You indicated that neither you nor Dimitar [Dimitrov] are part of the company. Therefore, what is your relationship with this company? How will you be involved in the future? How will you manage the company?

Previously you told us you were buying this company – this does not seem to be the case. Can you explain why you did not purchase part or all of the company? Who are the owners of the company?

You indicated this company was previously involved in robotics. Now the plan is to do device assembly and test. Who will purchase the necessary assembly and test equipment? When will the facilities be ready to handle this work?

28. On or about August 20, 2014, Sabirov sent an email to Vorago’s founder and CEO, the Senior Vice President of Sales, and the Vice President of International Sales in which Sabirov referred to MTIG as a “try ball project” and “more of a workshop.” He characterized MTIG as “an attempt to diversify our activity beyond the framework of sanctions” and to “create different competitive products to be sold in Bulgaria or even in Europe.” Sabirov further stated, “To minimize the expenditure Mariana Gargova founded MTIG as a centralized bureau for communication with different outsource services. Dimitar [Dimitrov] and myself provided a business loan for start-up as well as proposed to

build a couple of system designs at our cost. In other words [sic] we are customers with a very good access for project monitoring of this new company.”

29. On or about August 22, 2014, Vorago’s Vice President of International Sales sent an email to the Vorago Senior Director Sales and Marketing with “the quote request from Cosmos via MTIG company in Bulgaria.” The request included 16Mb SRAM wafers for MTIG and other products for Cosmos.

30. On or about August 27, 2014, Vorago’s outside export counsel sent an email to Vorago’s founder and CEO advising that:

shipping product to Cosmos in Bulgaria would not be a violation, in and of itself. The concern is, what are they doing with the items, and where are they going? Having an end-user agreement as to what they would be doing with the product would be helpful. But, it would not [sic] much protection if Cosmos went ahead and shipped to [sic] product to Russia without an authorization, in which case the agency would ask if SST had any idea or indication that these items might be reexported to Russia. In that case, they could determine that it was a willing and knowing violation, as they would claim that SST exported the product with reason to know a violation might occur.

The information that we would want to feel more comfortable with this avenue is the same information that we would want to prepare a license application: the name and address of the buyer (we do not have a Bulgarian address for Cosmos yet), the intended end-use of the product (what use do they intend other than in the Russian space program? Do they have other potential markets? Customers?).

Counsel attached a “Statement by Ultimate Consignee and Purchaser” (BIS-711) “that can be used to support a license application (or a determination that no license is necessary).”

31. On or about September 5, 2014, Vorago’s Senior Vice President of Sales sent an email to two Vorago directors and the founder and CEO. In the email, he stated that:

The customer (Cosmos) is still very interesting [sic] in working with SST. However, even they have concluded that the Ukrainian situation is negatively impacting their business and they must do something else. They have now invested in a company in Bulgarian [sic] and are starting to broaden their future business activities to expand our [sic] of Russia and into Europe.

32. On or about September 10, 2014, Vorago's Vice President of International Sales sent an email to Gargova advising her that Vorago was "in the process of generating the quotation for the 16M SRAM device as requested by Cosmos Complect." He requested that MTIG complete a BIS-711 that he had attached.

33. On or about September 11, 2014, Gargova, on behalf of MTIG, submitted a BIS-711 to Vorago. According to the statement, the wafers would be processed or incorporated into "motion control system for heavy industry machines to be manufactured in [Bulgaria] for distribution in EU."

34. On or about October 31, 2014, Gargova, on behalf of MTIG, sent an email to Vorago with an attached purchase order for one 16Mb SRAM wafer. Sabirov was copied on the email.

35. On or about January 30, 2015, Vorago shipped one 16Mb SRAM wafer, valued at \$125,000, to MTIG.

36. On or about March 10, 2015, Vorago's Vice President of International Sales sent an email to the Vorago Director of Sales. The Senior Vice President of Sales was copied on the email. The Vice President of International Sales provided a summary of international activity including:

Russia/Bulgaria

Cosmos Complect is the rep and MTIG is the company they are working with in Bulgaria. The main contact is Ilias Sabirov in Moscow. MTIG received the wafer, the packages and lids, as well as the five samples for the 16M SRAM. They are in the process of assembling the parts. I have offered to travel to Bulgaria to help with [VORAGO engineer] but Ilias has not come forward to agree with the visit. The forecast was that after they "qualify" the part, then they would buy additional wafers.

37. On or about March 14, 2015, Vorago's founder and former CEO sent an email to the newly appointed CEO advising him that "we sold one 16mb wafer to a company who goes by the name MTIG(?) I think, who was former rep firm for Aeroflex in Russia space market (Cosmos Complect) who moved out of Russia to Bulgaria, export lawyers ok [sic] this transaction before we shipped it."

38. In an April 2015 Vorago PowerPoint presentation entitled "Sales Opportunities 2015+," there was a section listing "Top 5 – Actions to Close." "MTIG – Russia/Bulgaria" was the first entry under this section. The MTIG – Russia/Bulgaria entry included the following bullet points:

- Holding pattern until test results are complete
- Additional wafer sales (qty. 5) when testing is complete

39. On or about April 21, 2015, Vorago's Senior Vice President of Sales sent an email to Vorago's new CEO, its founder, and other Vorago officials. The subject line of the message was "Cosmos Complect/MTIG Meeting Minutes - 21 April 2015" and listed the participants for "Cosmos Complect/MTIG" as Sabirov, Dimitar Dimitrov, Milan Dimitrov, and [Milan Dimitrov's brother]. The meeting occurred in Sofia, Bulgaria.

40. In a June 23, 2015, Vorago PowerPoint presentation, entitled "Board of Directors Meeting," certain Vorago customers were listed in a spreadsheet under the heading "2016 Revenue Tracker." The entry for Cosmos read as follows:

Customer	Product	Application	LTR (\$)	Comment
Cosmos Complect	16M/ARM MO	All	750,000	6 wafers @ \$125k

There was no entry for MTIG on the spreadsheet. The presentation included additional slides under the heading "Business Summary." "Cosmos/MTIG" was listed as a "customer" on those slides.

41. On or about November 2, 2015, Vorago's CEO sent an email to Sabirov stating that "this," meaning the sale of additional 16Mb SRAM wafers, is "the most important biz opportunity for us this year and we are very committed to do whatever necessary to help you."

42. On or about November 5, 2015, Vorago's CEO sent an email to Sabirov asking, "How would you feel about the following scenario? Could you buy only 3 wafers this quarter and we would reduce the price per wafer from currently \$125,000 to \$100,000? And [sic] buy the remainder next year. You would help us a lot, since I had told the Board we will be turning all 5 wafers with you in Q4."

43. On or about November 10, 2015, Sabirov sent an email to Vorago's CEO asking if the 16Mb SRAM wafers "were ordered in November when do you think we can expect shipment." Sabirov also asked if there were "any obstacles for direct shipment to Moscow?"

44. On or about November 10, 2015, Vorago's CEO replied, "we can ship them immediately but for export reason we had assumed we can ship them to your Bulgaria office."

45. On or about December 8, 2015, Vorago's CEO and the Vorago Vice President of Sales met with Sabirov and Dimitar Dimitrov in Munich, Germany. The Vorago Vice President of Sales sent an email with the subject line "Cosmos/MTIG – 16Mb SRAM wafers" to Vorago officials, including [the CEO] and [the Senior Vice President of Sales], summarizing the meeting. She stated that "[t]hey agreed to place a PO [purchase order] for 5 wafers: 2 wafers to be shipped and invoiced before end of year (at discounted price as agreed with [the CEO]) and 3 wafers in July 2016."

46. On or about December 14, 2015, Sabirov sent an email to the Vorago Vice President of Sales. Sabirov informed her that “PO will be placed by MTIG Sofia. Mariana [Gargova] has been informed. So you are to get the PO shortly.”

47. On or about December 14, 2015, the Vorago Vice President of Sales sent an email to the CEO and the Senior Vice President of Sales. Under the heading “Cosmos/MTIG,” the Vorago Vice President of Sales wrote, “Met in Munich with Ilias and Dimitar . . . They agreed to place a PO for two wafers to be shipped and invoiced before the end of the year (200K\$ total).” The Vorago Vice President of Sales added, “Cosmos/MTIG is targeting industrial applications such as infrastructure, mining, Robotics [sic] etc.”

48. On or about December 15, 2015, Gargova sent an MTIG purchase order to Vorago for five 16Mb SRAM wafers with a unit price of \$100,000. The purchase order contained a notation that:

Shipment of the above commodities must fall in two deliveries:

Delivery #1: 2 of 5 shipment upon readiness of export

Delivery # 2: 3 of 5 shipment in July 2016.

49. On or about December 17, 2015, the Vorago Vice President of Sales sent an email to Gargova informing her that, “We would need a revision of the PO to reflect the price that has been agreed Between [sic] [the CEO] and Ilias [Sabirov] which is for any wafer shipped before 31/12/2015 at 100k\$ per wafer but from 1st of January onwards at 125k\$ per wafer.”

50. On or about December 17, 2015, Gargova responded in an email:

I heard a different story from the guys and I have just contacted Ilias [Sabirov] to double-check. The PO placed was made on the basis of compromise reached during your meeting in Munich . . . Ilias “articulated” the term that the \$100k/wafer became a fixed price from now on if we place our PO before Christmas. That is why we placed an order for 5 wafers with split shipments 2 of 5 and balance 3 of 5 later in summer.

51. On or about December 17, 2015, the Vorago Vice President of Sales replied to Gargova’s email. She wrote, “I just talked to Ilias and we are now in agreement. I confirm hereby the price of 100k\$ per wafer for PO SSTO 1-15 of 5 wafers of 16Mv [sic]SRAM . . . The shipment of the first 2 wafers before the end of the year is in process as we speak.”

52. On or about December 18, 2015, Vorago shipped two 16Mb SRAM wafers to MTIG with a total value of \$200,000.

53. On or about June 6, 2016, Sabirov sent an email to the Vorago Vice President of Sales advising her that “we are speaking about 10-15 wafers in next 12 months.”

54. On or about July 14, 2016, the Vorago Vice President of Sales sent an email to the CEO and other Vorago officials with the subject line, “Visit report - MTIG and COSMOS - Sofia 11th/12th/13th of July, 2016.” In the email, the Vice President of Sales stated that one of the purposes of the meeting was to “[d]iscuss delivery of the 3 wafers that remain in open PO for delivery in July.” She listed Sabirov as the “COSMOS Complect (Russia) attendee,” and Dimitar Dimitrov as a “MTIG (Bulgaria) attendee.”

55. On or about September 23, 2016, Vorago shipped three 16Mb SRAM wafers to MTIG with a total value of \$172,000.

56. On or about August 29, 2018, Vorago’s CEO met with Sabirov and Dimitar Dimitrov in Sofia, Bulgaria. Sabirov and Dimitar Dimitrov expressed an interest in buying at least five additional 16Mb SRAM wafers.

57. On or about September 5, 2018, Vorago’s CEO sent an email to Sabirov and Dimitar Dimitrov thanking them for the meeting. The CEO expressed further interest in a business relationship between Vorago and MTIG. He asked Sabirov and Dimitar Dimitrov for “the following information from MTIG: 1. Legal name of MTIG; 2. Identify material owners of MTIG (owners that would have influence on MTIG, or any majority owner or controlling interest owner); 3. URL for your website; 4. Signed End Use Certification.”

58. On or about October 24, 2018, Gargova responded to Vorago’s CEO’s questions in the email described in the previous paragraph. Her answer to the second question was “single owner of MTIG Ltd. is Mrs. Mariana Gargova.”

59. Vorago’s CEO continued to communicate with Sabirov until at least on or about March 20, 2019, regarding the sale of additional wafers to MTIG.

Shipments of Wafers from Vorago to MTIG

60. As set forth below, Vorago shipped six 16Mb SRAM wafers to MTIG with a total value of \$497,000:

On or about Date of Shipment	Wafers Shipped	Shipment Value
January 30, 2015	One	\$125,000
December 18, 2015	Two	\$200,000
September 23, 2016	Three	\$172,000

Shipment of Wafer from MTIG to Russia

61. As detailed in the previous paragraph, on or about January 30, 2015, Vorago shipped one wafer to MTIG. On or about May 20, 2015, MTIG shipped this wafer to Russia. According to the MTIG invoice documenting the transaction, the wafer was shipped to Sovtest, at the address it shares with Cosmos.

VIOLATION

62. Vorago committed one violation of section 764.2(d) by conspiring or acting in concert with Sabirov, Dimitar Dimitrov, Milan Dimitrov, and others in any manner or for any purpose to bring about or to do any act that constitutes a violation of the Regulations, that is to export 16Mb SRAM wafers to Russia, in violation of the prohibition against exporting a controlled item without a license to a country of destination which requires a license.

* * * * *

Accordingly, Vorago 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, but not limited to any or all of the following:

- The maximum civil penalty of an amount not to exceed the greater of \$307,922 per violation or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed;³
- Denial of export privileges;
- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

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

³ *See* 50 U.S.C. § 1705(b) (prescribing civil monetary penalty amount for IEEPA violation); 15 C.F.R. §§ 6.3(c)(4), 6.4 (adjusting civil monetary penalty amount for inflation).

Vorago 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. Vorago 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 Vorago have a proposal to settle this case, Vorago should transmit it to the attorney representing BIS named below.

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

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

Andrea Duvall is the attorney representing BIS in this case; any communications that Vorago may wish to have concerning this matter should occur through her. She may be contacted by email at aduvall@doc.gov.

Sincerely,

John Sonderman
Director
Office of Export Enforcement