



[PROPOSED CHARGING LETTER]
REGISTERED MAIL - RETURN RECEIPT REQUESTED

Black, Sivalls & Bryson (UK) Ltd.
Centre House, 68 Sheen Lane
London SW 14 8LP
United Kingdom

ATTENTION: Mr. John Rowland, Q.C.
Director

Dear Mr. Rowland:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that, as described in detail below, Black, Sivalls & Bryson (UK) Ltd. has violated the Export Administration Regulations (15 C.F.R. Parts 730-774 (2000)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (1994 & Supp. V 1999)) (the Act).²

Charges 1 - 3 set forth below relate to three separate exports to Iran. These exports are described in greater detail in the Schedule of Violations, enclosed herewith and incorporated herein by reference.

¹ The alleged violations occurred in 1996, 1997 and 1998. The Regulations governing the violations at issue are found in the 1996, 1997 and 1998 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1996), as amended (61 Fed. Reg. 12714, March 25, 1996) (hereinafter the "former Regulations"), 15 C.F.R. Parts 730-774 (1997)), and 15 C.F.R. Parts 730-774 (1998)). The March 25, 1996 issue of the Federal Register redesignated, but did not republish, the then-existing Regulations as 15 C.F.R. Parts 768A-799A. In addition, the March 25, 1996 issue of the Federal Register reorganized and restructured the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996. The former Regulations and the Regulations define the various violations that BXA alleges occurred. The Regulations establish the procedures that apply to this matter.

² From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§1701- 1706 (1994 & Supp. V 1999)) (IEEPA). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 and remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (66 Fed. Reg. 44025 (August 22, 2001)), has continued the Regulations in effect under IEEPA.



At the time of these exports, Black, Sivalls & Bryson (UK) Ltd. was affiliated with a U.S.-based corporation, BS&B Process Systems, Inc. Facts constituting the violations:

CHARGE 1

On or about April 15, 1996, BS&B Process Systems, Inc. exported oil production equipment from the United States to Iran through the United Kingdom, without obtaining the authorization required by section 785.4 of the former Regulations. Black, Sivalls & Bryson (UK) Ltd. received the equipment in the United Kingdom with knowledge or reason to know that BS&B Process Systems, Inc. had not obtained the required authorization, and forwarded the equipment to Iran on or about April 15, 1996. BXA alleges that, by transferring, transporting or forwarding commodities exported from the United States with knowledge or reason to know that a violation of the Act or any regulation, order, or license issued thereunder has occurred, is about to occur, or is intended to occur, Black, Sivalls & Bryson (UK) Ltd. committed one violation of Section 787.4 of the former Regulations.

CHARGES 2-3

On or about May 5, 1997 and on or about February 5, 1998, BS&B Process Systems, Inc. exported oil production equipment from the United States to Iran through the United Kingdom, without obtaining the authorizations required by section 746.7 of the Regulations. Black, Sivalls & Bryson (UK) Ltd. received the equipment in the United Kingdom with knowledge or reason to know that BS&B Process Systems, Inc. had not obtained the required authorization, and forwarded the items to Iran on or about June 15, 1997 and on or about February 5, 1998, respectively. BXA alleges that, by transferring, transporting, or forwarding commodities exported from the United States with knowledge or reason to know that violations of the Act or any regulation, order, or license issued thereunder have occurred, are about to occur, or are intended to occur, Black, Sivalls & Bryson (UK) Ltd. committed two violations of Section 764.2(e) of the Regulations.

BXA alleges that Black, Sivalls & Bryson (UK) Ltd. committed one violation of Section 787.4 of the former Regulations and two violations of Section 764.2(e) of the Regulations, for a total of three violations.

Accordingly, Black, Sivalls & Bryson (UK) Ltd. is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions, including any or all of the following:

The maximum civil penalty allowed by law of \$10,000 per violation (see Section 764.3(a)(1) of the Regulations and 15 C.F.R. Section 6.4(a)(3) (2000));³ and/or

³ The maximum civil penalty for any violations committed after October 23, 1996 (i.e., Charges 3 and 4) is \$11,000 per violation. See 15 C.F.R. § 6.4(a)(3) (1999).

Denial of export privileges (see Section 764.3(a)(2) of the Regulations).

Copies of Parts 764 and 766 of the Regulations are enclosed.

If Black, Sivalls & Bryson (UK) Ltd. fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter as provided in Section 766.6 of the Regulations, that failure will be treated as a default under Section 766.7.

Black, Sivalls & Bryson (UK) Ltd. is further notified that it is entitled to an agency hearing on the record as provided by Section 13(c) of the Act and Section 766.6 of the Regulations, if a written demand for one is filed with its answer, to be represented by counsel, and to seek a settlement.

Pursuant to an Interagency Agreement between BXA and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Accordingly, Black, Sivalls & Bryson (UK) Ltd.'s answer should be filed with the U.S. Coast Guard ALJ Docketing Center, 40 S. Gay Street, Baltimore, Maryland 212024022, in accordance with the instructions in Section 766.5(a) of the Regulations. In addition, a copy of Black, Sivalls & Bryson (UK) Ltd.'s answer should be served on BXA, addressed to the Chief Counsel for Export Administration, Room H-3839, U.S. Department of Commerce, Washington, D.C.. 20230, to the attention of C. Randall Pratt, Senior Attorney. Ms. Pratt may be contacted by telephone at (202) 482-5304.

Sincerely,

Mark D. Menefee
Director
Office of Export Enforcement

Enclosures

Schedule of Violations

Black, Sivalls & Bryson (UK) Ltd.

Charges	Date of transshipment through the United Kingdom	Destination	Order Number
1	4/15/96	Iran	96730035
2	6/15/97	Iran	97730030
3	2/5/98	Iran	98730053

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)
)
BLACK, SIVALLS & BRYSON (UK) Ltd.)
)
Centre House, 68 Sheen Lane)
London SW14 8LP)
United Kingdom)
)
Respondent)

SETTLEMENT AGREEMENT

This Agreement is made by and between Black, Sivalls & Bryson (UK) Ltd. and the Bureau of Export Administration, United States Department of Commerce, pursuant to Section 766.18(a) of the Export Administration Regulations (15 C.F.R. Parts 730-774 (2001)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (1994 & Supp. V 1999)) (the Act).²

¹The alleged violations occurred in 1996, 1997 and 1998. The Regulations governing the violations at issue are found in the 1996, 1997 and 1998 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1996), as amended (61 Fed. Reg. 12714, March 25, 1996) (hereinafter the “former Regulations”), 15 C.F.R. Parts 730-774 (1997)), and 15 C.F.R. Parts 730-774 (1998)). The March 25, 1996 issue of the Federal Register redesignated, but did not republish, the then-existing Regulations as 15 C.F.R. Parts 768A-799A. In addition, the March 25, 1996 issue of the Federal Register reorganized and restructured the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996. The former Regulations and the Regulations define the various violations that BXA alleges occurred. The Regulations establish the procedures that apply to this matter.

² From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§1701 - 1706 (1994 & Supp. V 1999)) (IEEPA). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 and remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (66 Fed. Reg. 44025 (August 22, 2001)), has continued the Regulations in effect under IEEPA.

WHEREAS, the Office of Export Enforcement, Bureau of Export Administration (BXA), has notified Black, Sivalls & Bryson (UK) Ltd. of its intention to initiate an administrative proceeding against it pursuant to the Act and the Regulations, based on allegations that on three separate occasions, on or about April 15, 1996, on or about May 5, 1997, and on or about February 5, 1998, Black, Sivalls & Bryson (UK) Ltd. received oil production equipment in the United Kingdom that it knew or had reason to know its affiliated company in the United States, BS&B Process Systems, Inc., had exported from the United States without the required authorization, and forwarded the items to Iran, thereby violating Section 787.4 of the former Regulations and Section 764.2(e) of the Regulations;

WHEREAS, Black, Sivalls & Bryson (UK) Ltd. 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, it fully understands the terms of this Settlement Agreement and the proposed Order, it enters into this Settlement Agreement voluntarily and with full knowledge of its rights, and it states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, Black, Sivalls & Bryson (UK) Ltd. has designated the undersigned as duly authorized to enter into this Settlement Agreement and to bind Black, Sivalls & Bryson (UK) Ltd. to the terms and conditions set forth herein;

WHEREAS, Black, Sivalls & Bryson (UK) Ltd. neither admits nor denies the allegations contained in the proposed Charging Letter;

WHEREAS, Black, Sivalls & Bryson (UK) Ltd. wishes to settle and dispose of all matters set forth in the proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Black, Sivalls & Bryson (UK) Ltd. agrees to be bound by an appropriate Order giving effect to the terms of this Settlement Agreement, when entered (appropriate Order);

NOW THEREFORE, Black, Sivalls & Bryson (UK) Ltd. and BXA agree as follows:

1. BXA has jurisdiction over Black, Sivalls & Bryson (UK) Ltd., under the Act and the Regulations, in connection with the matters set forth in the proposed Charging Letter.

2. BXA and Black, Sivalls & Bryson (UK) Ltd. agree that the following sanctions shall be imposed against Black, Sivalls & Bryson (UK) Ltd. in complete settlement of the alleged violations of the Act and Regulations set forth in the proposed Charging Letter:

- a. Black, Sivalls & Bryson (UK) Ltd. shall be assessed a civil penalty in the amount of \$32,000, of which \$11,000 shall be paid to BXA within 30 days from the date of entry of the appropriate Order, \$11,000 shall be paid to BXA within one year of the date of entry of the appropriate Order, and the remaining \$10,000 shall be paid to BXA within two years of the date of entry of the appropriate Order;
- b. Black, Sivalls & Bryson (UK) Ltd. may not, for a period of three years from the date of entry of the appropriate Order, participate, directly or indirectly, in any way in any transaction involving an 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 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 in any other activity subject to the Regulations.
- c. BXA agrees that, as authorized by Section 766.18(c) of the Regulations, the last two years of the denial period set forth in paragraph 2(b) shall be suspended for a period of two years beginning one year from the date of entry of the appropriate Order and shall thereafter be waived, provided that Black, Sivalls & Bryson (UK) Ltd. has committed no violation of the Act, or any regulation, order, or license issued thereunder, including failure to make timely payments of the civil penalty as set forth in paragraph 2(a) above.
3. Black, Sivalis & Bryson (UK) Ltd. agrees that, subject to the approval of this Settlement Agreement pursuant to paragraph 8 hereof, it hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Settlement Agreement or the appropriate Order, when entered), including, without limitation, any right (a) to an administrative hearing regarding the allegations in the proposed Charging Letter; (b) to request a refund of any civil penalty paid pursuant to this Settlement Agreement and the

appropriate Order, when entered; and (c) to seek judicial review or otherwise to contest the validity of this Settlement Agreement or the appropriate Order, when entered.

4. BXA agrees that, upon entry of an appropriate Order, it will not initiate any administrative proceeding against Black, Sivalls & Bryson (UK) Ltd. in connection with any violation of the Act or the Regulations based on the facts alleged in the proposed Charging Letter.

5. Black, Sivalls & Bryson (UK) Ltd. understands that BXA will make the proposed Charging Letter, this Settlement Agreement, and the appropriate Order, when entered, available to the public.

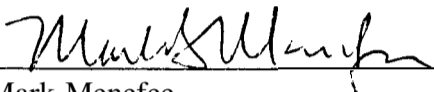
6. BXA and Black, Sivalls & Bryson (UK) Ltd. agree that this Settlement Agreement is for settlement purposes only. Therefore, if this Settlement Agreement is not accepted and an appropriate Order is not issued by the Assistant Secretary for Export Enforcement pursuant to Section 766.18(a) of the Regulations, BXA and Black, Sivalls & Bryson (UK) Ltd. agree that they may not use this Settlement Agreement in any administrative or judicial proceeding and that the parties shall not be bound by the terms contained in this Settlement Agreement in any subsequent administrative or judicial proceeding.

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

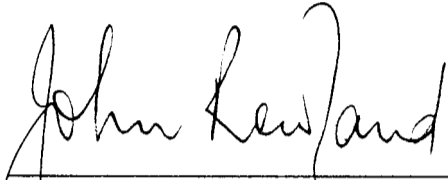
8. This Settlement Agreement shall become binding on BXA only when the Assistant Secretary for Export Enforcement approves it by entering an appropriate Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

BUREAU OF EXPORT ADMINISTRATION
U.S. DEPARTMENT OF COMMERCE

BLACK, SIVALLS & BRYSON (UK) LTD.



Mark Menefee
Director
Office of Export Enforcement



John Rowland, Q.C.
Director
Black, Sivalls & Bryson (UK) Ltd.

Date: 10/29/07

Date: 19 October 2007

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)
)
BLACK, SIVALLS & BRYSON (UK) Ltd.)
)
Centre House, 68 Sheen Lane)
London SW 14 8LP)
United Kingdom)
) .

Respondent

ORDER

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (hereinafter BXA), having notified Black, Sivalls & Bryson (UK) Ltd. of its intention to initiate an administrative proceeding against it pursuant to Part 766 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2001)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (1994 & Supp. V 1999)) (the Act),¹ based on allegations that on three

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¹From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (1994 & Supp. V 1999)) (IEEPA). On November 13, 2000, the Act was

separate occasions, on or about April 15, 1996, on or about May 5, 1997, and on or about February 5, 1998, Black, Sivalls & Bryson (UK) Ltd. received oil production equipment in the United Kingdom that it knew or had reason to know its affiliated company in the United States, BS&B Process Systems, Inc., had exported from the United States without the required authorization, and forwarded the items to Iran, thereby violating Section 787.4 of the former Regulations and Section 764.2(e) of the Regulations; and

BXA and Black, Sivalls & Bryson (UK) Ltd. having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agree to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED,

FIRST, that Black, Sivalls & Bryson (UK) Ltd. shall be assessed a civil penalty in the amount of \$32,000, of which \$11,000 shall be paid to BXA within 30 days from the date of entry of this Order, \$11,000 shall be paid to BXA within one year of the date of entry of this Order. and the remaining \$10,000 shall be paid to BXA within two years of the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 1999)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified

reauthorized by Pub. L. No. 106-508 and remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (66 Fed. Reg. 44025 (August 23, 2001)), has continued the Regulations in effect under IEEPA.

herein, respondent will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that, for a period of three years from the date of entry of this Order, Black, Sivalls & Bryson (UK), Ltd., Centre House, 68 Sheen Lane, London SW14 8LP, United Kingdom, may not participate, directly or indirectly, 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 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 in any other activity subject to the Regulations.

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

- A. Export or reexport 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 that 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.

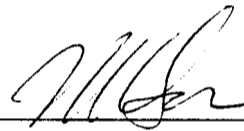
FIFTH, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to Black, Sivalls & Bryson (UK) Ltd. by affiliation, ownership, control or position of responsibility in the conduct of trade or related services may also be subject to the provisions of this Order.

SIXTH, that this Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

SEVENTH, that, as authorized by Section 766.18(c) of the Regulations, the last two years of the denial period set forth above shall be suspended for a period of two years beginning one year from the date of entry of the appropriate Order and shall thereafter be waived, provided that Black, Sivalls & Bryson (UK) Ltd. has committed no violation of the Act, or any regulation, order, or license issued thereunder, including failure to make timely payments of the civil penalty set forth above.

EIGHTH, that the proposed Charging Letter, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.



Michael J. Garcia
Assistant Secretary
for Export Enforcement

Entered this 4th day of May, 2002.