CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Detector Electronics Corporation
6901 W. 110th Street
Minneapolis, Minnesota 55438

Attn: Gerald F. Slocum, President

Dear Mr. Slocum:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that, as described below, Detector Electronics Corporation (Det-Tronics) has violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2001)) (the Regulations). 1 issued under the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2001)) (the Act). 2

Facts constituting violations:

Charges 1-2

On or about November 24, 1998 and on or about December 18, 1998, Det-Tronics exported U.S.-origin ultraviolet fire detection systems to Bharat Heavy Electrical Limited, an entity on the Entity List. Supplement No. 4 to Part 744 of the Regulations, without first obtaining the

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1 The Regulations governing the violations at issue are found in the 1998 and 1999 versions of the Code of Federal Regulations. Those Regulations are codified at 15 C.F.R. Parts 730-774 (1998 and 1999) and, to the degree to which they pertain to this matter, are substantially the same as the 2000 version.

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 then in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (1991 & Supp. 2001)) (IEEPA). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 31, 2001, the Act has been in lapse and the President, through Executive Order 13322 of August 17, 2001 (66 Fed. Reg. 44025 (August 22, 2001)), has continued the Regulations in effect under IEEPA.
licenses required under Section 74-t. 11 of the Regulations. BXA alleges that by engaging in conduct prohibited by or contrary to the Regulations, Det-Tronics violated Section 764.2(a) of the Regulations in connection with each of the two shipments for a total of two violations.

Accordingly, Det-Tronics 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 $11,000 per violation (see Section 764.3(a)(1) of the Regulations and 15 C.F.R. § 6.4(a)(3)(2000)):

Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or

Exclusion from practice before BXA (see Section 764.3(a)(3) of the Regulations).

Copies of relevant Parts of the Regulations are enclosed.

If Det-Tronics 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.

Det-Tronics 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 consent 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, Det-Tronics' answer should be filed with the U.S. Coast Guard ALJ Docketing Center, 40 S. Gay Street, Baltimore, Maryland 21202-4022, in accordance with the instructions in Section 766.5(a) of the Regulations. In addition, a copy of Det-Tronics' answer should be served on BXA at the address set forth in Section 766.5(b), adding "ATTENTION: Mi-Yong Kim, Esq." below the address. Ms. Kim may be contacted by telephone at (202) 482-5311.

Sincerely,

Mark D. Menefee
Director
Office of Export Enforcement

Enclosure
In the Matter of:

Detector Electronics Corporation
6901 W. 110th Street
Minneapolis, Minnesota 55438

Respondent

SETTLEMENT AGREEMENT

This Agreement is made by and between Detector Electronics Corporation (hereinafter referred to as “Det-Tronics”) and the Bureau of Export Administration, United States Department of Commerce, pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2001)) (the Regulations), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2001)) (the Act).²

WHEREAS, the Office of Export Enforcement, Bureau of Export Administration (BXA), has notified Det-Tronics of its intention to initiate an administrative proceeding against

1 The Regulations governing the violations at issue are found in the 1998 and 1999 versions of the Code of Federal Regulations. Those Regulations are codified at 15 C.F.R. Parts 730-774 (1998 and 1999) and, to the degree to which they pertain to this matter, are substantially the same as the 2000 version.

Det-Tronics pursuant to the Act and the Regulations, based on allegations that, on or about November 24, 1998, and on or about December 18, 1998, Det-Tronics exported U.S.-origin ultraviolet fire detection systems to Bharat Heavy Electrical Limited, an entity on the Entity List, Supplement No. 4 to Part 744 of the Regulations, without first obtaining the licenses required under Section 744.11 of the Regulations in violation of Section 764.2(a) of the Regulations;

WHEREAS, Det-Tronics has reviewed the proposed Charging Letter and is aware of the allegations made against it and the administrative sanctions which could be imposed against it if the allegations are found to be true; Det-Tronics fully understands the terms of this Settlement Agreement and the Order; Det-Tronics enters into this Settlement Agreement voluntarily and with full knowledge of its rights, and Det-Tronics states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, Det-Tronics neither admits nor denies the allegations contained in the proposed Charging Letter;

WHEREAS, Det-Tronics wishes to settle and dispose of all matters alleged in the proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Det-Tronics agrees to be bound by an appropriate Order giving effect to the terms of this Settlement Agreement, when entered (appropriate Order);

NOW THEREFORE, Det-Tronics and BXA agree as follows:

1. BXA has jurisdiction over Det-Tronics, under the Act and the Regulations, in connection with the matters alleged in the proposed Charging Letter.
2. BXA and Det-Tronics agree that the following sanctions shall be imposed against Det-Tronics in complete settlement of all alleged violations of the Act and the Regulations as set forth in the proposed Charging Letter:

(a) Det-Tronics shall be assessed a civil penalty of $15,000, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the appropriate Order.

(b) As authorized by Section 11(d) of the Act, the timely payment of the civil penalty agreed to in paragraph 2(a) is hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Det-Tronics. Failure to make timely payment of the civil penalty shall result in the denial of all of Det-Tronics’s export privileges for a period of one year from the date of entry of the appropriate Order imposing the civil penalty.

3. Det-Tronics 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 Det-Tronics in connection with any violation of the Act or the
Regulations arising out of the transactions that were the subject of the investigation leading to
the proposed Charging Letter (including the transactions that were identified in the proposed
Charging Letter).

5. Det-Tronics 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 Det-Tronics 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 Det-Tronics agree that they may not use this Settlement
Agreement in any administrative or judicial proceeding and that neither party shall 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.

BY:
Mark D. Menefee
Director
Office of Export Enforcement

Date: ___/___/___

THE DETECTOR ELECTRONICS CORPORATION

BY:
Gerald Slocum
President

Date: ___/___/___
In the Matter of: Detector Electronics Corporation
690 1 W. 110th Street
Minneapolis, Minnesota 55438
Respondent

ORDER

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), having notified Detector Electronics Corporation (hereinafter referred to as “Det-Tronics”) of its intention to initiate an administrative proceeding against Sumner pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2001)) (the Act), and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2001)) (the Regulations), based on allegations that, on or about November 24, 1998, and on or

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1 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 then in effect under the International Emergency Economic Powers Act (50 U.S.C. A.§§ 1701 - 1706 (1991 & Supp. 2001)) (IEEPA). On November 13, 2000, the Act was reauthorized and it 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.

2 The Regulations governing the violations at issue are found in the 1998 and 1999 versions of the Code of Federal Regulations. Those Regulations are codified at 15 C.F.R. Parts 730-774 (1998 and 1999) and, to the degree to which they pertain to this matter, are substantially the same as the 2000 version.
December 18, 1998, Det-Tronics exported U.S.-origin ultraviolet fire detection systems to Bharat Heavy Electrical Limited, an entity on the Entity List, Supplement No. 4 to Part 744 of the Regulations, without first obtaining the licenses required under Section 744.11 of the Regulations in violation of Section 764.2(a) of the Regulations;

BXA and Det-Tronics having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby, they agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED:

FIRST, a civil penalty of $15,000 is assessed against Det-Tronics, which shall be paid to the U.S. Department of Commerce within 30 days from 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 & Supp. 2001)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Det-Tronics will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that, as authorized by Section 11(d) of the Act, the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Det-Tronics. Accordingly, if Det-Tronics should fail to pay in a timely manner the civil penalty set forth above, the undersigned will enter an Order under the authority of Section
11 (d) of the Act denying all of Det-Tronics’ export privileges for a period of one year from
the date of this Order.

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

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

Michael J. Garcia
Assistant Secretary
for Export Enforcement

Entered this [8th] day of [November], 2001.