

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

The Springer Magrath Company
404 West B Street
McCook, Nebraska 69001

Attn: *Marlin Springer*
President

Dear Mr. Springer:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that The Springer Magrath Company of McCook, Nebraska ("Springer Magrath") has committed 41 violations of the Export Administration Regulations (the "Regulations"),¹ which are issued under the authority of the Export Administration Act of 1979, as amended (the "Act").² Specifically, BIS charges that Springer Magrath committed the following violations:

Charges 1-18 15 C.F.R. § 764.2(a) - Exports of Cattle Prods without the Required Licenses

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on 18 occasions, from on or about January 5, 2001 through on or about August 26, 2002, Springer Magrath engaged in conduct prohibited by the Regulations by exporting cattle prods (shaft assemblies, power packs and stock shocks), items subject to the Regulations and classified under export control classification number ("ECCN") 0A985, from the United States to various destinations, including Ireland, South Africa and Mexico, without the Department of Commerce licenses required by Section 742.7 of the Regulations. In doing so, Springer Magrath committed 18 violations of Section 764.2(a) of the Regulations

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2005). The charged violations occurred from 2001 through 2002. The Regulations governing the violations at issue are found in the 2001 - 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2002)). The 2005 Regulations establish the procedures that apply to this matter.

² Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 2, 2005, (70 Fed. Reg. 45273 (August 5, 2005)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) ("IEEPA").

Charges 19-20 15 C.F.R. § 764.2(c) - Attempting Exports of Cattle Prods without the Required Licenses

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on two occasions, on or about December 6, 2001 and on or about August 12, 2002, Springer Magrath attempted violations of the Regulations by attempting to export cattle prods, items subject to the Regulations and classified under ECCN 0A985, from the United States to Ireland and Mexico, respectively, without the Department of Commerce licenses required by Section 742.7 of the Regulations. In doing so, Springer Magrath committed two violations of Section 764.2(c) of the Regulations.

Charges 21-40 15 C.F.R. § 764.2(e) - Selling Cattle Prods Knowing that Violations of the Regulations were to Occur

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on 20 occasions from on or about January 5, 2001 through on or about August 26, 2002, Springer Magrath sold cattle prods, items subject to the Regulations and classified under ECCN 0A985, knowing that they were to be exported from the United States in violation of the Regulations. At all times relevant hereto, Springer Magrath knew that Department of Commerce export licenses were required to export the cattle prods and knew that the licenses would not be obtained. In doing so, Springer Magrath committed 20 violations of Section 764.2(e) of the Regulations.

Charge 41 15 C.F.R. §764.2(g) - False Statement to an Office of Export Enforcement Special Agent in the Course of an Investigation

On or about August 26, 2003, in connection with an ongoing BIS, Office of Export Enforcement (“OEE”) investigation into the unauthorized export of cattle prods, items subject to the Regulations, Springer Magrath represented to an OEE Special Agent that it only exported items to South Africa. This statement was false as Springer Magrath exported cattle prods to various destinations, including Ireland, Mexico, and Brazil. In doing so, Springer Magrath committed one violation of Section 764.2(g) of the Regulations.

* * * *

Accordingly, Springer Magrath is hereby notified that an administrative proceeding is instituted against it pursuant to Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

The maximum civil penalty allowed by law of \$11,000 per violation;³

Denial of export privileges; and/or

Exclusion from practice before BIS.

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

Springer Magrath is further notified that it is entitled to an agency hearing on the record if Springer Magrath files a written demand for one with its answer. *See* 15 C.F.R. § 766.6. Springer Magrath 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 Springer Magrath have a proposal to settle this case, Springer Magrath or its representative should transmit it to me through the attorney representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Springer Magrath's answer must be filed in accordance with the instructions set forth in Section 766.5(a) of the Regulations with:

U.S. Coast Guard ALJ Docketing Center
40 S. Gay Street
Baltimore, Maryland 21202-4022

In addition, a copy of Springer Magrath's answer must be served on BIS at the following address:

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

³ *See* 15 C.F.R. § 6.4(a)(2).

Melissa B. Mannino is the attorney representing BIS in this case. Any communications that Springer Magrath may wish to have concerning this matter should occur through her. She may be contacted by telephone at (202) 482-5301.

Sincerely,

Michael D. Turner
Director
Office of Export Enforcement

SPRINGER MAGRATH COMPANY
SCHEDULE OF VIOLATIONS

Date of Export	Commodities	ECCN	Invoice #	Destination	Value (\$)	Violation(s)
1/5/01	10 shaft assemblies	0A985	18243	Ireland	177.25	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
1/30/01	96 stock shocks	0A985	18537	Brazil	4,516.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
2/12/01	300 power packs 300 shaft assemblies	0A985	17999	Mexico	11,905.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
3/23/01	500 power packs 900 shaft assemblies	0A985	19841	Australia	15,882.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
4/1/01	2,500 power packs 7,000 shaft assemblies	0A985	19839 19842	Australia	112,687.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
4/12/01	300 stock shocks	0A985	20623	South Africa	9,525.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)

4/17/01	282 shaft assemblies 260 power packs	0A985	20522	Germany	8,767.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
5/7/01	24 shaft assemblies 192 stock shocks	0A985	20858	Brazil	7,663.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
5/17/01	300 power packs 500 shaft assemblies	0A985	20624	Mexico	13,826.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
6/13/01	200 stock shocks 350 shaft assemblies	0A985	21670	South Africa	9,014.50	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
7/20/01	300 stock shocks 350 shaft assemblies	0A985	22232	South Africa	12,150.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
7/25/01	7,000 power packs 9,000 shaft assemblies	0A985	21921	Australia	225,495.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
10/3/01	35 shaft assemblies 10 power packs	0A985	23595	Ireland	617.50	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
10/7/01	2,000 power packs 5,000 shaft assemblies	0A985	23295	Australia	75,870.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)

12/6/01	40 power packs 60 shaft assemblies	0A985	24924	Ireland	1,747.25	15 C.F.R. §764.2(c) 15 C.F.R. §764.2(e)
1/24/02	350 stock shocks	0A985	23435	South Africa	11,136.90	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
6/7/02	15 power packs 15 shaft assemblies	0A985	28908	Mexico	668.25	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
7/26/02	100 power packs 500 shaft assemblies	0A985	27819	Mexico	7,945.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
8/12/02	400 power packs 200 shaft assemblies	0A985	29867	Mexico	14,130.00	15 C.F.R. §764.2(c) 15 C.F.R. §764.2(e)
8/26/02	300 stock shocks 200 shaft assemblies	0A985	30034	South Africa	11,056.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)

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

In the Matter of:)
)
The Springer Magrath Company)
404 West B Street)
McCook, Nebraska 69001)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between The Springer Magrath Company (“Springer Magrath”), and the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) (collectively referred to as “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2005)) (“Regulations”)¹, issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”)²,

WHEREAS, BIS has notified Springer Magrath of its intention to initiate an administrative proceeding against Springer Magrath, pursuant to the Act and the Regulations;

¹ The charged violations occurred from 2001 through 2002. The Regulations governing the violations at issue are found in the 2001 - 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2002)). The 2005 Regulations establish the procedures that apply to this matter.

² Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended most recently by the Notice of August 2, 2005, (70 Fed. Reg. 45273 (August 5, 2005)), has continued the Regulations in effect under International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”).

WHEREAS, BIS has issued a proposed charging letter to Springer Magrath that alleged that Springer Magrath committed 41 violations of the Regulations, specifically:

1. *Eighteen Violations of 15 C.F.R. § 764.2(a) - Exports of Cattle Prods without the Required Licenses:* On 18 occasions, from on or about January 5, 2001 through on or about August 26, 2002, Springer Magrath engaged in conduct prohibited by the Regulations by exporting cattle prods (shaft assemblies, power packs and stock shocks), items subject to the Regulations and classified under export control classification number (“ECCN”) 0A985, from the United States to various destinations, including Ireland, South Africa and Mexico, without the Department of Commerce licenses required by Section 742.7 of the Regulations.
2. *Two Violations of 15 C.F.R. § 764.2(c) - Attempting Exports of Cattle Prods without the Required Licenses:* On two occasions, on or about December 6, 2001 and on or about August 12, 2002, Springer Magrath attempted violations of the Regulations by attempting to export cattle prods, items subject to the Regulations and classified under ECCN 0A985, from the United States to Ireland and Mexico, respectively, without the Department of Commerce licenses required by Section 742.7 of the Regulations.
3. *Twenty Violations of 15 C.F.R. § 764.2(e) - Selling Cattle Prods Knowing that Violations of the Regulations were to Occur:* On 20 occasions from on or about January 5, 2001 through on or about August 26, 2002, Springer Magrath sold cattle prods, items subject to the Regulations and classified under ECCN 0A985,

knowing that they were to be exported from the United States in violation of the Regulations. At all times relevant hereto, Springer Magrath knew that Department of Commerce export licenses were required to export the cattle prods and knew that the licenses would not be obtained.

4. *One Violation of 15 C.F.R. §764.2(g) - False Statement to an Office of Export Enforcement Special Agent in the Course of an Investigation.* On or about August 26, 2003, in connection with an ongoing BIS, Office of Export Enforcement (“OEE”) investigation into the unauthorized export of cattle prods, items subject to the Regulations, Springer Magrath represented to an OEE Special Agent that it only exported items to South Africa. This statement was false as Springer Magrath exported cattle prods to various destinations, including Ireland, Mexico, and Brazil.

WHEREAS, Springer Magrath has reviewed the proposed charging letter and is aware of the allegations made against it and the administrative sanctions which could be imposed against it if the allegations are found to be true;

WHEREAS, Springer Magrath fully understands the terms of this Agreement and the Order (“Order”) that the Assistant Secretary of Commerce for Export Enforcement will issue if he approves this Agreement as the final resolution of this matter;

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

WHEREAS, the parties enter into this Agreement having taken into consideration the plea agreement that Springer Magrath entered into with the U.S. Attorney for the District of Nebraska in the related criminal case No. [];

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

WHEREAS, Springer Magrath neither admits nor denies the allegations contained in the proposed charging letter;

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

WHEREAS, Springer Magrath agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

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

2. The following sanctions shall be imposed against Springer Magrath in complete settlement of the violations of the Regulations set forth in the proposed charging letter:

- a. Springer Magrath shall be assessed a civil penalty in the amount of \$451,000, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order.
- b. The timely payment of the civil penalty agreed to in paragraph 2.a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Springer Magrath.

Failure to make timely payment of the civil penalty set forth above shall result in

the denial of all of Springer Magrath's export privileges for a period of one year from the date of imposition of the penalty. The timely payment of the civil penalty is guaranteed by Marlin Springer, the President of Springer Magrath, in his individual capacity. Marlin Springer, in his individual capacity, and Springer Magrath are jointly and severally liable for timely payment of the fine.

- c. For a period of three years from the date of entry of the Order, Springer Magrath, its successors or assigns, and, when acting for or on behalf of Springer Magrath, its officers, representatives, agents, or employees ("Denied Person") 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:
 - 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.

d. BIS agrees that, as authorized by Section 766.18 (c) of the Regulations, the three year denial period set forth in paragraph 2.c. shall be suspended in its entirety for a period of one year from the entry of the appropriate Order, and shall thereafter be waived, provided that during the period of suspension, Springer Magrath has committed no violation of the Act or any regulation, order or license issued thereunder, and, provided further that Springer Magrath or Marlin Springer has made timely payment of the \$451,000 civil penalty assessed pursuant to this Agreement and the Order.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Springer Magrath hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in the proposed charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; (c) request any relief from the Order, if entered, including without limitation relief from the terms of a denial order under 15 C.F.R. § 764.3(a)(2); and (d) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order and timely payment of the \$451,000 civil penalty, BIS will not initiate any further administrative proceeding against Springer Magrath in connection with any violation of the Act or the Regulations arising out of the transactions identified in the proposed charging letter.

5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, available to the public.

6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

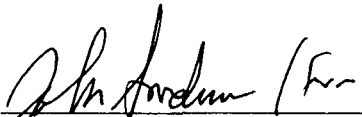
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department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

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

9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

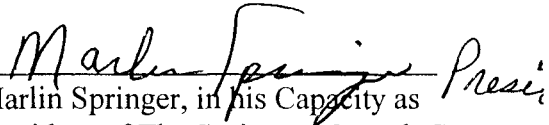
BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE

THE SPRINGER MAGRATH COMPANY



Michael D. Turner
Director
Office of Export Enforcement

Date: 9/29/06



Marlin Springer, in his Capacity as President
President of The Springer Magrath Company
and in his individual capacity as guarantor

Date: 9/20/06

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

In the Matter of:)
)
The Springer Magrath Company)
404 West B Street)
McCook, Nebraska 69001)
)
Respondent)

ORDER RELATING TO THE SPRINGER MAGRATH COMPANY

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) having notified The Springer Magrath Company (“Springer Magrath”) of its intention to initiate an administrative proceeding against Springer Magrath pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) (“Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),² by issuing a proposed charging letter to Springer Magrath that alleged that Springer Magrath committed 41 violations of the Regulations. Specifically, the charges are:

1. *Eighteen Violations of 15 C.F.R. § 764.2(a) - Exports of Cattle Prods without the Required Licenses:* On 18 occasions, from on or about January 5, 2001 through on

¹ The charged violations occurred from 2001 through 2002. The Regulations governing the violations at issue are found in the 2001- 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2002)). The 2006 Regulations establish the procedures that apply to this matter.

² Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended most recently by the Notice of August 3, 2006 (71 Fed. Reg. 44551, Aug. 7, 2006), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”).

or about August 26, 2002, Springer Magrath engaged in conduct prohibited by the Regulations by exporting cattle prods (shaft assemblies, power packs and stock shocks), items subject to the Regulations and classified under export control classification number (“ECCN”) 0A985, from the United States to various destinations, including Ireland, South Africa and Mexico, without the Department of Commerce licenses required by Section 742.7 of the Regulations.

2. *Two Violations of 15 C.F.R. § 764.2(c) - Attempting Exports of Cattle Prods without the Required Licenses:* On two occasions, on or about December 6, 2001 and on or about August 12, 2002, Springer Magrath attempted violations of the Regulations by attempting to export cattle prods, items subject to the Regulations and classified under ECCN 0A985, from the United States to Ireland and Mexico, respectively, without the Department of Commerce licenses required by Section 742.7 of the Regulations.
3. *Twenty Violations of 15 C.F.R. § 764.2(e) - Selling Cattle Prods Knowing that Violations of the Regulations were to Occur:* On 20 occasions from on or about January 5, 2001 through on or about August 26, 2002, Springer Magrath sold cattle prods, items subject to the Regulations and classified under ECCN 0A985, knowing that they were to be exported from the United States in violation of the Regulations. At all times relevant hereto, Springer Magrath knew that Department of Commerce export licenses were required to export the cattle prods and knew that the licenses would not be obtained.
4. *One Violation of 15 C.F.R. §764.2(g) - False Statement to an Office of Export Enforcement Special Agent in the Course of an Investigation:* On or about August

26, 2003, in connection with an ongoing BIS, Office of Export Enforcement (“OEE”) investigation into the unauthorized export of cattle prods, items subject to the Regulations, Springer Magrath represented to an OEE Special Agent that it only exported items to South Africa. This statement was false as Springer Magrath exported cattle prods to various destinations, including Ireland, Mexico, and Brazil.

WHEREAS, BIS and Springer Magrath have entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and

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

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$451,000 is assessed against Springer Magrath, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order.

Payment shall be made in the manner specified in the attached instructions. The timely payment of this penalty is guaranteed by Marlin Springer, the President of Springer Magrath, in his individual capacity. Marlin Springer, in his individual capacity, and Springer Magrath are jointly and severally liable for timely payment of the fine.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Springer Magrath will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Springer Magrath. Accordingly, if Springer Magrath or Marlin Springer should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Springer Magrath's export privileges for a period of one year from the date of entry of this Order.

FOURTH, for a period of three years from the date of entry of the Order, The Springer Magrath Company, 404 West B Street, McCook, Nebraska 69001, its successors or assigns, and when acting for or on behalf of Springer Magrath, its officers, representatives, agents, or employees ("Denied Person") 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.

FIFTH, 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 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, that, to prevent evasion of this Order, BIS, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, may make any person, firm, corporation, or business organization related to Springer Magrath by affiliation, ownership,

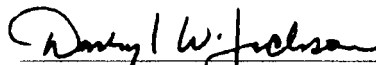
control, or position of responsibility in the conduct of trade or related services subject to the provisions of this Order.

SEVENTH, 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.

EIGHTH, that, as authorized by Section 766.18 (c) of the Regulations, the denial period set forth above shall be suspended in its entirety for one year from the date of this Order, and shall thereafter be waived, provided that during the period of suspension, Springer Magrath has committed no violation of the Act or any regulation, order or license issued thereunder.

NINTH, 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.



Darryl W. Jackson
Assistant Secretary of Commerce
for Export Enforcement

Entered this 29th day of September 2006.