

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

The CIT Group, Inc.
1 CIT Drive
Livingston, NJ 07039

Attention: Jeffrey M. Peek, Chairman and Chief Executive Officer

Dear Mr. Peek:

The Bureau of Industry and Security, U. S. Department of Commerce ("BIS"), has reason to believe that The CIT Group, Inc. ("CIT"), of Livingston, NJ, through its subsidiaries CIT Technologies Corporation of Livingston, NJ, and Technologies Rentals & Services, of Dallas, TX, has committed 17 violations of the Export Administration Regulations (the "Regulations"),¹ which are issued under the authority of the Export Administration Act of 1979 (the "Act").² Specifically, BIS charges that CIT committed the following violations:

Charges 1-13 (15 C.F.R. §764.2(a) - Exporting Oscilloscopes to Israel Without the Required Licenses)

Between on or about June 19, 1999, and on or about August 22, 2003, CIT engaged in conduct prohibited by the Regulations by exporting oscilloscopes, items classified under Export Control Classification Number ("ECCN") 3A292, to various end users in Israel without the Department of Commerce licenses required by Section 742.3 of the Regulations. In so doing, CIT committed

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2005). The violations charged occurred from 1999 through 2003. The Regulations governing the violations at issue are found in the 1999 - 2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999-2003)). The 2005 Regulations govern the procedural aspects of this case.

² 50 U.S.C. app. §§ 2401- 2420 (2000). 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 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 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 (3 C.F.R., 2001 Comp., p. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 2, 2005 (70 FR 45273 (August 5, 2005)), has continued the Regulations in effect under IEEPA.

13 violations of Section 764.2(a) of the Regulations. See attached Schedule of Violations, which is enclosed herewith, and incorporated herein by reference.

Charges 14-15 (15 C.F.R. §764.2(a) - Exporting Signal Generators to the Philippines Without the Required Licenses)

Between on or about June 19, 2003, and on or about July 7, 2003, CIT engaged in conduct prohibited by the Regulations by exporting signal generators, items classified under ECCN 3A002, to the Philippines without the Department of Commerce licenses required by Section 742.4 of the Regulations. In so doing, CIT committed one violation of Section 764.2(a) of the Regulations. See attached Schedule of Violations, which is enclosed herewith, and incorporated herein by reference.

Charges 16-17 (15 C.F.R. §764.2(g) - Misrepresentation of Proper Authorization on Export Control Document)

In connection with the two exports described in Charges 14 and 15, CIT made false or misleading representations, statements, or certifications to the U.S. Government in connection with exports subject to the Regulations. CIT caused to be filed Shipper's Export Declarations ("SEDs") with the U.S. Government containing false statements regarding the authorization for the exports of certain signal generators controlled under ECCN 3A002 to the Philippines. CIT asserted that the exports were authorized pursuant to "NLR" (no license required), when in fact licenses were required from the Commerce Department. In so doing, CIT committed two violations of Section 764.2(g) of the Regulations.

Accordingly, CIT 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 up to \$11,000 per violation;³

Denial of export privileges; and/or

Exclusion from practice before BIS.

³ See 15 C.F.R. § 6.4(a)(2).

If CIT 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. (Regulations, Sections 766.6 and 766.7). If CIT defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to CIT. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on the charges in this letter.

CIT is further notified that it is entitled to an agency hearing on the record if CIT files a written demand for one with its answer. (Regulations, Section 766.6). CIT is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. (Regulations, Sections 766.3(a) and 766.4).

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should CIT have a proposal to settle this case, CIT or its representative should transmit it 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, CIT'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 CIT's answer must be served on BIS at the following address:

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

The CIT Group, Inc.
Proposed Charging Letter
Page 4

Thea D. R. Kendler is the attorney representing BIS in this case; any communications that CIT 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

Enclosure

SCHEDULE OF VIOLATIONS - The CIT Group, Inc.

No.	Date	Commodity	Amount	ECCN	Dest.	Value
1	19-Jun-99	Oscilloscope	1	3A292	Israel	\$ 19,000
2	18-Aug-99	Oscilloscope	1	3A292	Israel	\$ 16,500
3	13-Oct-99	Oscilloscope	1	3A292	Israel	\$ 9,500
4	14-Oct-99	Oscilloscope	2	3A292	Israel	\$ 9,500
5	28-Oct-99	Oscilloscope	1	3A292	Israel	\$ 3,600
6	06-Jan-00	Oscilloscope	1	3A292	Israel	\$ 2,450
7	20-Jan-00	Oscilloscope	1	3A292	Israel	\$ 8,850
8	25-Jun-01	Oscilloscope	1	3A292	Israel	\$ 13,000
9	24-Jul-01	Oscilloscope	1	3A292	Israel	\$ 12,500
10	21-Sep-01	Oscilloscope	1	3A292	Israel	\$ 12,000
11	22-Oct-02	Oscilloscope	1	3A292	Israel	\$ 4,180
12	25-Jun-03	Oscilloscope	2	3A292	Israel	\$ 7,500
13	22-Aug-03	Oscilloscope	1	3A292	Israel	\$ 4,150
14, 16	19-Jun-03	Signal Generators	5	3A002	Philippines	\$154,674
15, 17	07-Jul-03	Signal Generators	1	3A002	Philippines	\$ 16,500
					TOTAL	\$293,904

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

In the Matter of:)
)
The CIT Group, Inc.)
One CIT Drive)
Livingston, NJ 07039)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between The CIT Group, Inc. (“CIT”), on behalf of itself and its subsidiaries CIT Technologies Corporation of Livingston, New Jersey, and Technologies Rentals and Services, of Dallas, Texas,¹ and the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) (collectively, the “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2005)) (the “Regulations”),²

¹ CIT sold the assets of its Technologies Rentals and Services subsidiary to McGrath RentCorp on June 2, 2004.

² The violations alleged to have been committed occurred between 1999 and 2003. The Regulations governing the violations at issue are found in the 1999 through 2003 versions of the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (1999-2003). The 2005 Regulations establish the procedures that apply to this matter.

issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),³

WHEREAS, CIT filed a voluntary self-disclosure with BIS’s Office of Export Enforcement in accordance with Section 764.5 of the Regulations concerning the transactions at issue herein;

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

WHEREAS, BIS has issued a proposed charging letter to CIT that alleged that CIT committed 17 violations of the Regulations, specifically:

1. *Thirteen Violations of 15 C.F.R. § 764.2(a) – Exporting Oscilloscopes to Israel without the Required Licenses:* Between on or about June 19, 1999 and on or about August 22, 2003, CIT engaged in conduct prohibited by the Regulations by exporting oscilloscopes, items classified under Export Control Classification Number (“ECCN”) 3A292, to various end users in Israel without the Department of Commerce licenses required by Section 742.3 of the Regulations.

2. *Two Violations of 15 C.F.R. § 764.2(a) – Exporting Signal Generators to the Philippines without the Required Licenses:* On two occasions between on or about

³ From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12,924, 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 (2000)) (“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 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 2, 2005 (70 Fed. Reg. 45,273, Aug. 5, 2005), has continued the Regulations in effect under IEEPA.

June 19, 2003 and on or about July 7, 2003, CIT engaged in conduct prohibited by the Regulations by exporting signal generators, items classified under ECCN 3A002, to the Philippines without the Department of Commerce licenses required by Section 742.4 of the Regulations.

3. *Two Violations of 15 C.F.R. § 764.2(g) – Misrepresentation of Proper Authorization on Export Control Document:* On two occasions on or about June 19, 2003 and on or about July 7, 2003, in connection with two transactions referenced above, CIT made false or misleading representations, statements, or certifications to the U.S. Government in violation of the Regulations. Specifically, CIT caused to be filed Shipper's Export Declarations with the U.S. Government containing false statements regarding the authorization for the exports of certain signal generators controlled under ECCN 3A002 to the Philippines. CIT stated that the exports were authorized pursuant to "NLR" (no license required), when in fact licenses were required from the Commerce Department.

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

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

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

2. The following sanction shall be imposed against CIT in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the proposed charging letter and voluntary self-disclosure:

a. CIT shall be assessed a civil penalty in the amount of \$74,800, 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 CIT.

Failure to make timely payment of the civil penalty set forth above may result in the denial of all of CIT's export privileges for a period of one year from the date of imposition of the penalty.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, CIT 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 any 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 \$74,800 civil penalty, BIS will not initiate any further administrative proceeding against CIT in connection with any violation of the Act or the Regulations arising out of the transactions identified in the proposed charging letter and voluntary self-disclosure.

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.

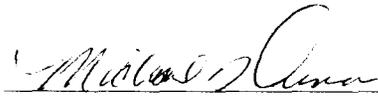
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this

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 the Parties 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.

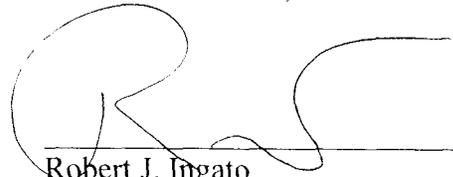
BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE



Michael D. Turner
Director
Office of Export Enforcement

Date: 12/21/05

THE CIT GROUP, INC.



Robert J. Ingato
Executive Vice President & General Counsel

Date: December 20, 2005

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

In the Matter of:)
)
The CIT Group, Inc.)
One CIT Drive)
Livingston, NJ 07039)
)
Respondent)

ORDER RELATING TO THE CIT GROUP, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified The CIT Group, Inc. (“CIT”), on behalf of itself and its subsidiaries CIT Tehnologies Corporation of Livingston, New Jersey, and Tehnologies Rentals and Services, of Dallas, Texas,¹ of its intention to initiate an administrative proceeding against CIT pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2005)) (the “Regulations”),² and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),³ through issuance of a proposed charging letter to CIT that

¹ CIT sold the assets of its Tehnologies Rentals and Services subsidiary to McGrath RentCorp on June 2, 2004.

² The violations alleged to have been committed occurred between 1999 and 2003. The Regulations governing the violations at issue are found in the 1999 through 2003 versions of the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (1999-2003). The 2005 Regulations establish the procedures that apply to this matter.

³ From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12,924, 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 (2000)) (“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

alleged that CIT committed 17 violations of the Regulations. Specifically, these charges are:

1. *Thirteen Violations of 15 C.F.R. § 764.2(a) – Exporting Oscilloscopes to Israel without the Required Licenses:* Between on or about June 19, 1999 and on or about August 22, 2003, CIT engaged in conduct prohibited by the Regulations by exporting oscilloscopes, items classified under Export Control Classification Number (“ECCN”) 3A292, to various end users in Israel without the Department of Commerce licenses required by Section 742.3 of the Regulations.

2. *Two Violations of 15 C.F.R. § 764.2(a) – Exporting Signal Generators to the Philippines without the Required Licenses:* On two occasions between on or about June 19, 2003 and on or about July 7, 2003, CIT engaged in conduct prohibited by the Regulations by exporting signal generators, items classified under ECCN 3A002, to the Philippines without the Department of Commerce licenses required by Section 742.4 of the Regulations.

3. *Two Violations of 15 C.F.R. § 764.2(g) – Misrepresentation of Proper Authorization on Export Control Document:* On two occasions on or about June 19, 2003 and on or about July 7, 2003, in connection with two transactions referenced above, CIT made false or misleading representations, statements, or certifications to the U.S. Government in violation of the Regulations. Specifically, CIT caused to be filed Shipper’s Export Declarations with the U.S. Government containing false statements regarding the authorization for the exports of certain signal generators controlled under

Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 2, 2005 (70 Fed. Reg. 45,273, Aug. 5, 2005), has continued the Regulations in effect under IEEPA.

ECCN 3A002 to the Philippines. CIT stated that the exports were authorized pursuant to “NLR” (no license required), when in fact licenses were required from the Commerce Department.

WHEREAS, BIS and CIT 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:

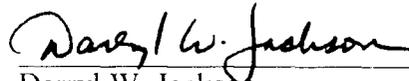
FIRST, that a civil penalty of \$74,800 is assessed against CIT, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 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, CIT 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 CIT. Accordingly, if CIT should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of CIT’s export privileges for a period of one year from the date of entry 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.



Darryl W. Jackson
Assistant Secretary of Commerce
for Export Enforcement

Entered this 22nd day of December, 2005.