

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Olympiad Line LLC
173 Route 526
Allentown, NJ 08501

Attn: Wladslaw Kopec
Anthony P. Marco
Co-owners

Dear Messrs. Kopec and Marco:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Olympiad Line LLC of Allentown, New Jersey ("Olympiad") has committed two 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 Olympiad committed the following violations:

Charge 1 15 C.F.R. § 764.2(b): Aiding and Abetting an Attempted Export of Canning Machinery from the United States to Iran without the Required U.S. Government Authorization

On or about February 10, 2005, Olympiad aided and/or abetted the doing of an act prohibited by the Regulations. Specifically, on behalf of a U.S. exporter, Olympiad arranged for the export of canning machinery, items that are subject to the Regulations³ and the Iranian Transactions Regulations ("ITR") of the Department of the Treasury's Office of Foreign Assets Control

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2006). The charged violations occurred in 2005. The Regulations governing the violations at issue are found in the 2005 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2005)). The 2006 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). 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)), which has been extended by successive Presidential Notices, the most recent being that of August 2, 2006 (71 Fed. Reg. 44,551 (Aug. 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000) ("IEEPA"). The Act and the Regulations are available on the Government Printing Office website at: <http://www.access.gpo.gov/bis/>.

³ These items were classified as EAR99, which is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2005).

("OFAC"),⁴ to Iran without the required U.S. Government authorization. Olympiad's arrangement of the export of these items aided and abetted the exporter's attempted unlicensed export of these items to Iran. Pursuant to Section 746.7 of the Regulations and Section 560.204 of the ITR, the export of these items to Iran required OFAC authorization. The exporter did not obtain such authorization. In engaging in this activity, Olympiad committed one violation of Section 764.2(b) of the Regulations.

Charge 2 15 C.F.R. § 764.2(e): Acting with Knowledge of a Violation

On or about February 10, 2005, in connection with the transaction described in Charge 1, above, Olympiad removed, stored, transferred, transported, and/or forwarded items to be exported from the United States and subject to the Regulations with knowledge that a violation of the Regulations was about to occur or was intended to occur in connection with the items. Specifically, Olympiad knew or had reason to know that canning machinery was subject to the Regulations, knew or had reason to know of the U.S. embargo on Iran, and knew or had reason to know that the items were being exported without the required authorization. Olympiad knew or had reason to know that U.S. Government authorization was required for this export because, *inter alia*, one of Olympiad's co-owners informed BIS that he was aware of the embargo against Iran but that he forwarded the items anyway because the shipping company accepted the shipment. In so doing, Olympiad committed one violation of Section 764.2(e) of the Regulations.

* * * * *

Accordingly, Olympiad 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;⁵
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

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

⁴ 31 C.F.R. Part 560 (2005).

⁵ 15 C.F.R. § 6.4(a)(2) (2005).

Olympiad is further notified that it is entitled to an agency hearing on the record if it files a written demand for one with its answer. *See* 15 C.F.R. § 766.6. Olympiad 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 Olympiad have a proposal to settle this case, Olympiad or its representative should transmit it to 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, Olympiad'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 Olympiad's answer must be served on BIS at the following address:

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

Thea D. R. Kendler is the attorney representing BIS in this case; any communications that Olympiad may wish to have concerning this matter should occur through her. Ms. Kendler may be contacted by telephone at (202) 482-5301.

Sincerely,

Michael D. Turner
Director
Office of Export Enforcement

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

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In the Matter of:)
)
Olympiad Line LLC)
173 Route 536)
Allentown, NJ 08501,)
)
Respondent.)
.....

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Olympiad Line LLC ("Olympiad"), 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 (2006)) (the "Regulations"),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the "Act"),²

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

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

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¹ The violations alleged to have been committed occurred during 2005. The Regulations governing the violations at issue are found in the 2005 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774) (2005). 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)), which has been extended by successive Presidential Notices, the most recent being that of August 2, 2006 (71 Fed. Reg. 44,551 (Aug. 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) ("IEEPA").

Charge 1 15 C.F.R. § 764.2(b): Aiding and Abetting an Attempted Export of Canning Machinery from the United States to Iran without the Required U.S. Government Authorization

On or about February 10, 2005, Olympiad aided and/or abetted the doing of an act prohibited by the Regulations. Specifically, on behalf of a U.S. exporter, Olympiad arranged for the export of canning machinery, items that are subject to the Regulations³ and the Iranian Transactions Regulations ("ITR") of the Department of the Treasury's Office of Foreign Assets Control ("OFAC"),⁴ to Iran without the required U.S. Government authorization. Olympiad's arrangement of the export of these items aided and abetted the exporter's attempted unlicensed export of these items to Iran. Pursuant to Section 746.7 of the Regulations and Section 560.204 of the ITR, the export of these items to Iran required OFAC authorization. The exporter did not obtain such authorization. In engaging in this activity, Olympiad committed one violation of Section 764.2(b) of the Regulations.

Charge 2 15 C.F.R. § 764.2(e): Acting with Knowledge of a Violation

On or about February 10, 2005, in connection with the transaction described in Charge 1, above, Olympiad removed, stored, transferred, transported, and/or forwarded items to be exported from the United States and subject to the Regulations with knowledge that a violation of the Regulations was about to occur or was intended to occur in connection with the items. Specifically, Olympiad knew or had reason to know that canning machinery was subject to the Regulations, knew or had reason to know of the U.S. embargo on Iran, and knew or had reason to know that the items were being exported without the required authorization. Olympiad knew or had reason to know that U.S. Government authorization was required for this export because, *inter alia*, one of Olympiad's co-owners informed BIS that he was aware of the embargo against Iran but that he forwarded the items anyway because the shipping company accepted the shipment. In so doing, Olympiad committed one violation of Section 764.2(e) of the Regulations.

WHEREAS, Olympiad 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;

³ These items were classified as EAR99, which is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2005).

⁴ 31 C.F.R. Part 560 (2005).

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

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

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

2. The following sanction shall be imposed against Olympiad in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the proposed charging letter:

a. Olympiad shall be assessed a civil penalty in the amount of \$14,000. Olympiad shall pay this amount to the U.S. Department of Commerce as follows: \$3,500 not later than March 1, 2007; \$3,500 not later than June 1, 2007; \$3,500 not later than September 1, 2007; and \$3,500 not later than December 1, 2007.

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 Olympiad. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Olympiad'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, Olympiad 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 \$14,000 civil penalty, BIS will not initiate any further administrative proceeding against Olympiad 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

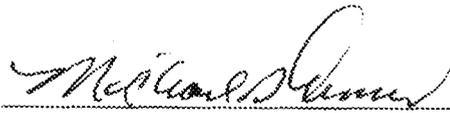
Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

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 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.

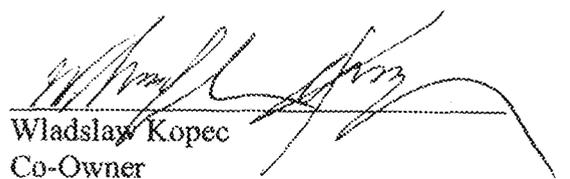
BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE



Michael D. Turner
Director
Office of Export Enforcement

Date: 12/4/06

OLYMPIAD LINE LLC



Wladslaw Kopec
Co-Owner

Date: 11-30-2006

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

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In the Matter of:)
)
Olympiad Line LLC)
173 Route 536)
Allentown, NJ 08501,)
)
Respondent.)
.....

ORDER RELATING TO OLYMPIAD LINE LLC

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

.....
¹ The violations alleged to have been committed occurred during 2005. The Regulations governing the violations at issue are found in the 2005 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774) (2005). 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)), which has been extended by successive Presidential Notices, the most recent being that of August 2, 2006 (71 Fed. Reg. 44,551 (Aug. 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”).

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WHEREAS, BIS and Olympiad 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:

³ These items were classified as EAR99, which is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2005).

⁴ 31 C.F.R. Part 560 (2005).

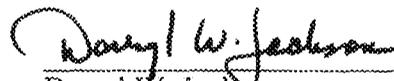
FIRST, that a civil penalty of \$14,000 is assessed against Olympiad, which shall be paid to the U.S. Department of Commerce as follows: \$3,500 not later than March 1, 2007; \$3,500 not later than June 1, 2007; \$3,500 not later than September 1, 2007; and \$3,500 not later than December 1, 2007. Payment 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, Olympiad 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 Olympiad. Accordingly, if Olympiad should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Olympiad'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 13th day of December, 2006.