

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

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In the Matter of: )  
 )  
Aviation Trading & Leasing, Inc. )  
295 Greenwich Street, Suite 214 )  
New York, NY 10007 )  
 )  
Respondent )  
\_\_\_\_\_

ORDER RELATING TO AVIATION TRADING & LEASING, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Aviation Trading & Leasing, Inc. (“AT&L”) of its intention to initiate an administrative proceeding against AT&L pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (the “Act”),<sup>2</sup> through the issuance of a Proposed Charging Letter to AT&L that alleged that it committed one violation of the Regulations. Specifically, the charge is:

**Charge 1                      15 C.F.R. § 764.2(a): Exporting an Aircraft Component to Syria  
without the Required License**

On or about June 18, 2004, AT&L exported a mode select panel, an item subject to the Regulations, classified under Export Control Classification Number 7A994, and valued at \$11,000 from the United States to Syria without the required Department of Commerce license. The export of this item required a license from the Department of Commerce pursuant to General Order No. 2, set forth in Supplement No. 1 to Part 736 of the Regulations, which implements the

<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2010). The charged violation occurred 2004. The Regulations governing the violation at issue are found in the 2004 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2004)). The 2010 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 50 U.S.C. app. §§ 2401-2420 (2000). 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 most recently by the Notice of August 12, 2010 (75 Fed. Reg. 50,681 (August 16, 2010)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.*).

Syria Accountability and Lebanese Sovereignty Act of 2003 (Pub. L. No. 108–175). In so doing, AT&L committed one violation of section 764.2(a) of the Regulations.

WHEREAS, BIS and AT&L 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, AT&L shall be assessed a civil penalty in the amount of \$20,000. AT&L shall pay \$10,000 to the U.S. Department of Commerce within 30 days of the date of the Order.

AT&L shall pay the remaining \$10,000 to the U.S. Department of Commerce not later than July 1, 2011. 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, AT&L 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 AT&L. Accordingly, if AT&L should fail to pay the civil penalty in a timely manner, the undersigned may issue an Order denying all of AT&L's export privileges under the Regulations 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.



David W. Mills  
Assistant Secretary of Commerce  
for Export Enforcement

Issued this 30 day of March, 2011.

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

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In the Matter of: )  
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Aviation Trading & Leasing, Inc. )  
295 Greenwich Street, Suite 214 )  
New York, NY 10007 )  
 )  
Respondent )  
\_\_\_\_\_

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Aviation Trading & Leasing, Inc. (“AT&L”) 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 (the “Regulations”),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (the “Act”).<sup>2</sup>

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

WHEREAS, BIS has issued a Proposed Charging Letter to AT&L that alleged that AT&L committed one violation of the Regulations, specifically:

<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2010). The charged violation occurred 2004. The Regulations governing the violation at issue are found in the 2004 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2004)). The 2010 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 50 U.S.C. app. §§ 2401-2420 (2000). 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 most recently by the Notice of August 12, 2010 (75 Fed. Reg. 50,681 (August 16, 2010)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.*).

**Charge 1                    15 C.F.R. § 764.2(a): Exporting an Aircraft Component to Syria without the Required License**

On or about June 18, 2004, AT&L exported a mode select panel, an item subject to the Regulations, classified under Export Control Classification Number 7A994, and valued at \$11,000 from the United States to Syria without the required Department of Commerce license. The export of this item required a license from the Department of Commerce pursuant to General Order No. 2, set forth in Supplement No. 1 to Part 736 of the Regulations, which implements the Syria Accountability and Lebanese Sovereignty Act of 2003 (Pub. L. No. 108-175). In so doing, AT&L committed one violation of section 764.2(a) of the Regulations.

WHEREAS, AT&L 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, AT&L 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, AT&L enters into this Agreement voluntarily and with full knowledge of its rights;

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

WHEREAS, AT&L neither admits nor denies the allegations contained in the Proposed Charging Letter;

WHEREAS, AT&L wishes to settle and dispose of all matters alleged in the Proposed Charging Letter by entering into this Agreement; and

WHEREAS, AT&L agrees to be bound by the Order, if issued;

NOW THEREFORE, the Parties hereby agree, for purposes of this Settlement Agreement, as follows:

1. BIS has jurisdiction over AT&L, under the Regulations, in connection with the matter alleged in the Proposed Charging Letter.

2. The following sanction shall be imposed against AT&L in complete settlement of the alleged violations of the Regulations relating to the transaction specifically detailed in the Proposed Charging Letter:

a. AT&L shall be assessed a civil penalty in the amount of \$20,000.

AT&L shall pay \$10,000 to the U.S. Department of Commerce within 30 days of the date of the Order. AT&L shall pay the remaining \$10,000 to the U.S. Department of Commerce not later than July 1, 2011. Payment shall be made in the manner specified in the attached instructions.

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 AT&L. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of AT&L'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, AT&L 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 issued), 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 issued; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued.

4. BIS agrees that, upon issuance of the Order, it will not initiate any further administrative proceeding against AT&L in connection with any violation of the Act or the Regulations arising out of the transaction specifically detailed in the Proposed Charging Letter.

5. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, available to the public.

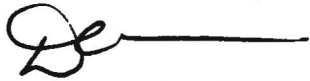
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial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



Douglas R. Hassebrock  
Director  
Office of Export Enforcement

Date: 20 March, 2011



Ronen Sever  
President  
Aviation Trading & Leasing, Inc.

Date: March 21st, 2011



PROPOSED CHARGING LETTER

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Aviation Trading and Leasing  
295 Greenwich Street, Suite 214  
New York, NY 10007

Attn: *Ronen Sever*  
*President*

Dear Mr. Sever:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Aviation Trading and Leasing, of New York, New York ("AT&L"), has committed one violation of the Export Administration Regulations (the "Regulations"),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979, as amended (the "Act").<sup>2</sup> Specifically, BIS charges that AT&L committed the following violation:

**Charges 1                    15 C.F.R. § 764.2(a): Exporting Aircraft Component to Syria without the Required License**

On or about June 18, 2004, AT&L exported a mode select panel, an item subject to the Regulations and classified under Export Control Classification Number 7A994, from the United States to Syria without the required Department of Commerce license. The export of this item required a license from the Department of Commerce pursuant to General Order No. 2, set forth in Supplement No. 1 to Part 736 of the Regulations, which implements the Syria Accountability

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2009). The charged violations occurred in 2004. The Regulations governing the violations at issue are found in the 2004 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2004)). The 2008 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 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 July 23, 2008 (73 FR 43603 (July 25, 2008)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1707) ("IEEPA").

and Lebanese Sovereignty Act of 2003 (Pub. L. No. 108-175). In so doing, AT&L committed one violation of section 764.2(a) of the Regulations.

\* \* \* \*

Accordingly, AT&L 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 \$250,000 per violation;<sup>3</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

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

AT&L 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. AT&L 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 AT&L have a proposal to settle this case, AT&L or its representative should transmit it to the attorney representing BIS named below.

AT&L is further notified that under the Small Business Regulatory Enforcement Flexibility Act, AT&L may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: <http://www.sba.gov/ombudsman/>.

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

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<sup>3</sup> *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

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

In addition, a copy of AT&L's answer must be served on BIS at the following address:

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

Peter R. Klason is the attorney representing BIS in this case; any communications that AT&L may wish to have concerning this matter should occur through him. Mr. Klason may be contacted by telephone at (202) 482-5301.

Sincerely,

John Sonderman  
Acting Director  
Office of Export Enforcement