### PROPOSED CHARGING LETTER

## CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Ms. Zheng Zheng Univision Technology, Inc. 764 Violet Circle Naperville, IL 60540

Attn: Zheng Zheng President

Dear Ms. Zheng:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that you, Zheng Zheng, as President of Univision Technology, Inc. ("Univision"), of Naperville, Illinois, in your individual capacity ("Zheng"), have committed 11 violations of the Export Administration Regulations (the "Regulations"), which are issued under the authority of the Export Administration Act of 1979, as amended (the "Act"). Specifically, BIS charges that Zheng committed the following violations:

Charges 1 – 5: 15 C.F.R. § 764.2(b): Causing the Export of Items Without the Required Department of Commerce Licenses:

<sup>&</sup>lt;sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2006). The charged violations occurred between 2000 and 2003. The Regulations governing the violations at issue are found in the 2000 through 2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2003)). The 2006 Regulations set forth the procedures that apply to this matter.

<sup>&</sup>lt;sup>2</sup> 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 has 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 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 3, 2006 (71 Fed. Reg. 44,551 (August 7, 2006)), has continued the Regulations in effect under the IEEPA.

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As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on five occasions between on or about August 25, 2000, and on or about July 2001, Zheng engaged in conduct prohibited by the Regulations by causing the export of microwave transistors, microwave amplifiers, and related equipment, items subject to the Regulations and classified under Export Control Classification Number 3A001, from the United States to the People's Republic of China ("China"), without obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations. In so doing, Zheng committed five violations of Section 764.2(b) of the Regulations.

# Charges 6 – 10: 15 C.F.R. § 764.2(e): Acting With Knowledge That a Violation of the Regulations Was About to Occur:

In connection with the transactions referenced in Charges One through Five above, Zheng ordered or transferred items, including microwave transistors, microwave amplifiers, and related equipment, that were to be exported from the United States with knowledge that violations of the Regulations would occur. Specifically, Zheng was informed by Univision's suppliers and others that the aforementioned items required export licenses. As such, Zheng, at all relevant times, knew that the items required licenses if exported to China and that no such licenses would be obtained. In so doing, Zheng committed five violations of Section 764.2(e) of the Regulations.

# Charge 11: 15 C.F.R. § 764.2(g): False Statement to a BIS Special Agent in the Course of an Investigation:

On or about January 21, 2003, Zheng made a false or misleading statement to officials of the U.S. Government in the course of an investigation conducted by BIS regarding the export of certain items to China. Specifically, in the course of an interview conducted by agents from BIS, Zheng represented that she had never purchased or exported any items that required an export license. This representation was false or misleading, as Zheng had, on one or more occasions, arranged for the export of various electronic components, items requiring a Department of Commerce license for export to China. In so doing, Zheng committed one violation of Section 764.2(g) of the Regulations.

\* \* \* \*

Accordingly, Zheng is hereby notified that an administrative proceeding is instituted against her 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,<sup>3</sup> except that, for violations involving national security controls occurring between November 13, 2000,

<sup>&</sup>lt;sup>3</sup> 50 U.S.C. app. §§ 2410 (2000), 15 C.F.R. § 6.4(a).

Zheng Proposed Charging Letter Page 3 of 4

and August 20, 2001, the maximum civil penalty allowed by law is \$120,000 for items controlled for National Security reasons

Denial of export privileges; and/or

Exclusion from practice before BIS.

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

Zheng is further notified that she is entitled to an agency hearing on the record if she files a written demand for one with her answer. See 15 C.F.R. § 766.6. Zheng is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent her. 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 Zheng have a proposal to settle this case, Zheng or her 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, Zheng'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 Zheng's answer must be served on BIS at the following address:

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

James C. Pelletier is the attorney representing BIS in this case; any communications that Zheng may wish to have concerning this matter should occur through him. Mr. Pelletier may be contacted by telephone at (202) 482-5301.

Zheng Proposed Charging Letter Page 4 of 4

Sincerely,

Michael D. Turner Director Office of Export Enforcement

Enclosure

### SCHEDULE A

## ZHENG

CHARGES	DATE OF EXPORT (ON OR ABOUT)	Соммодіту	ECCN	QUANTITY	VALUE (U.S. DOLLARS)	DESTINATION
1, 6	Aug. 25, 2000	Hittite, GAAS MMIC Medium Power Amplifier, 17-40 GHz, Part No. HMC283	3A001	10	390	China
2, 7	Sep. 2000	Miteq Field Effective Transistor, Part No. AFSM2-02001800-40-8P	3A001	18	19,440	China
3, 8	Sep. 25, 2000	TRW Space & Electronics (now Velocium, HEMT low noise distributed amplifier), Part No. ALH102C	3A001	800	30,000	China
4, 9	Oct. 2000	•Excelis Semiconductor, High Efficient Heterojunction Power Field Effective Transistor, Part No. EPA018A	3A001	200	2,270	China
,.		•Excelis Semiconductor, High Efficient Heterojunction Power Field Effective Transistor, Part No. EPA030C	3A001	100		
5, 10	July 2001	United Monolithic, 7-13 GHz Low Noise Amplifier, Part No CHA2063A-MAF/00 (purchased from Richardson Electronics)	3A001	10	1,285	China
11	January 21, 2003	False Statement	N/A	N/A	N/A	N/A

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

In the Matter of:	)
Zheng Zheng	)
Univision Technology, Inc.	)
764 Violet Circle	)
Naperville, IL 60540	)
	)
Respondent.	)
-	)

### SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Respondent, Zheng Zheng, President of Univision Technology, Inc. ("Univision"), in her individual capacity ("Zheng"), 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 (2006)) ("Regulations"), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ("Act").<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> The charged violations occurred between 2000 and 2003. The Regulations governing the violations at issue are found in the 2000 through 2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2003)). The 2006 Regulations set forth the procedures that apply to this matter.

<sup>&</sup>lt;sup>2</sup> 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 and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in

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

WHEREAS, BIS has issued a proposed charging letter to Zheng that alleged that Zheng committed 11 violations of the Regulations, specifically:

Charges 1 – 5: 15 C.F.R. § 764.2(b): Causing the Export of Items Without the Required Department of Commerce Licenses: On five occasions between on or about August 25, 2000, and on or about July 2001, Zheng engaged in conduct prohibited by the Regulations by causing the export of microwave transistors, microwave amplifiers, and related equipment, items subject to the Regulations and classified under Export Control Classification Number 3A001, from the United States to the People's Republic of China ("China"), without obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations. In so doing, Zheng committed five violations of Section 764.2(b) of the Regulations.

Charges 6 – 10: 15 C.F.R. § 764.2(e): Acting With Knowledge That a Violation of the Regulations Was About to Occur: In connection with the transactions referenced in Charges One through Five above, Zheng ordered or transferred items, including

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 3, 2006 (71 Fed. Reg. 44,551 (August 7, 2006)), has continued the Regulations in effect under the IEEPA.

microwave transistors, microwave amplifiers, and related equipment, that were to be exported from the United States with knowledge that violations of the Regulations would occur. Specifically, Zheng was informed by Univision's suppliers and others that the aforementioned items required export licenses. As such, Zheng, at all relevant times, knew that the items required licenses if exported to China and that no such licenses would be obtained. In so doing, Zheng committed five violations of Section 764.2(e) of the Regulations.

Charge 11: 15 C.F.R. § 764.2(g): False Statement to a BIS Special Agent in the Course of an Investigation: On or about January 21, 2003, Zheng made a false or misleading statement to officials of the U.S. Government in the course of an investigation conducted by BIS regarding the export of certain items to China. Specifically, in the course of an interview conducted by agents from BIS, Zheng represented that she had never purchased or exported any items that required an export license. This representation was false or misleading, as Zheng had, on one or more occasions, arranged for the export of various electronic components, items requiring a Department of Commerce license for export to China. In so doing, Zheng committed one violation of Section 764.2(g) of the Regulations.

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

WHEREAS, Zheng 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, Zheng enters into this Agreement voluntarily and with full knowledge of her rights;

WHEREAS, the parties enter into this agreement having taken into consideration the plea agreement that Zheng has agreed to enter into with the U.S. Attorney for the Northern District of Illinois in the related criminal case, Crim. No. 05CR0498 ("plea agreement");

WHEREAS, Zheng states that no promises or representations have been made to her other than the agreements and considerations herein expressed except those that were made in connection with the plea agreement;

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

- 1. BIS has jurisdiction over Zheng, under the Regulations, in connection with the matters alleged in the proposed charging letter.
- 2. The following sanctions shall be imposed against Zheng in complete settlement of the violations of the Regulations set forth in the proposed charging letter:
  - a. Zheng shall be assessed a civil penalty in the amount of \$288,150, of which \$20,000 shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order; \$20,000 shall be paid to the U.S. Department of Commerce not later than March 15, 2007; \$20,000 shall be paid to the U.S. Department of Commerce not later than September 15, 2007; \$20,000 shall be paid to the U.S. Department of Commerce not later than March 15, 2008; and \$20,000 shall be paid to the U.S. Department of Commerce not later than September 15, 2008. Payment of the remaining \$188,150 shall be suspended for a period of three years and thereafter shall be waived, provided that during the period of suspension, Zheng has committed no violations of the Act, or any regulation, order, or license issued thereunder and Zheng has made the payment of \$100,000 described above in a timely manner.
  - 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 Zheng. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Zheng's export privileges under the Regulations for a period of one year from the date of imposition of the penalty.

- c. Except as provided for in paragraph 2.d, for a period of 10 years from the date of entry of the Order, Zheng, and when acting for or on behalf of Zheng, her representatives, agents, assigns 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:
  - 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. The prohibitions contained in paragraph 2.c above and in the accompanying Order do not apply to transactions in which the Denied Person is involved by virtue of her employment by a company which she neither owns nor controls, provided that she does not have direct, indirect, constructive, or de facto responsibility for:
  - A. Activities or transactions subject to the Regulations,

- B. Participating in negotiations concerning any activity or transaction subject to the Regulations,
- C. Determining export licensing requirements, or
- D. Applying for, obtaining, or using any export license, License Exception, or other export control document.
- 3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Zheng 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 \$100,000 civil penalty, BIS will not initiate any further administrative proceeding against Zheng 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

Settlement Agreement Zheng Zheng

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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 United States 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

ZHENG ZHENG

Zheng Zheng

Michael D. Turner

Director, Office of Export Enforcement

Date: 08/2 09/01/2006

ugust 24, 2006

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

In the Matter of:	)
	)
Zheng Zheng	)
Univision Technology, Inc.	)
764 Violet Circle	)
Naperville, IL 60540	)
	)
Respondent.	)
	)

### ORDER RELATING TO ZHENG ZHENG

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS") has notified Zheng Zheng, President of Univision Technology, Inc. ("Univision"), in her individual capacity ("Zheng"), of its intention to initiate an administrative proceeding against Zheng pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) ("Regulations"), and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ("Act"), by issuing a proposed charging letter

<sup>&</sup>lt;sup>1</sup> The charged violations occurred between 2000 and 2003. The Regulations governing the violations at issue are found in the 2000 through 2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2003)). The 2006 Regulations set forth the procedures that apply to this matter.

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 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. 783 (2002)), as extended by the Notice of August 3, 2006 (71 Fed. Reg. 44,551 (August 7, 2006)), has continued the Regulations in effect under the IEEPA.

to Zheng that alleged that Zheng committed 11 violations of the Regulations. Specifically, the charges are:

Charges 1 – 5: 15 C.F.R. § 764.2(b): Causing the Export of Items Without the Required Department of Commerce Licenses: On five occasions between on or about August 25, 2000, and on or about July 2001, Zheng engaged in conduct prohibited by the Regulations by causing the export of microwave transistors, microwave amplifiers, and related equipment, items subject to the Regulations and classified under Export Control Classification Number 3A001, from the United States to the People's Republic of China ("China"), without obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations. In so doing, Zheng committed five violations of Section 764.2(b) of the Regulations.

Charges 6 – 10: 15 C.F.R. § 764.2(e): Acting With Knowledge That a Violation of the Regulations Was About to Occur: In connection with the transactions referenced in Charges One through Five above, Zheng ordered or transferred items, including microwave transistors, microwave amplifiers, and related equipment, that were to be exported from the United States with knowledge that violations of the Regulations would occur. Specifically, Zheng was informed by Univision's suppliers and others that the aforementioned items required export licenses. As such, Zheng, at all relevant times, knew that the items required licenses if exported to China and that no such licenses would

be obtained. In so doing, Zheng committed five violations of Section 764.2(e) of the Regulations.

Charge 11: 15 C.F.R. § 764.2(g): False Statement to a BIS Special Agent in the Course of an Investigation: On or about January 21, 2003, Zheng made a false or misleading statement to officials of the U.S. Government in the course of an investigation conducted by BIS regarding the export of certain items to China. Specifically, in the course of an interview conducted by agents from BIS, Zheng represented that she had never purchased or exported any items that required an export license. This representation was false or misleading, as Zheng had, on one or more occasions, arranged for the export of various electronic components, items requiring a Department of Commerce license for export to China. In so doing, Zheng committed one violation of Section 764.2(g) of the Regulations.

WHEREAS, BIS and Zheng 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 \$288,150 is assessed against Zheng, of which \$20,000 shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order;

\$20,000 shall be paid to the U.S. Department of Commerce not later than March 15, 2007; \$20,000 shall be paid to the U.S. Department of Commerce not later than September 15, 2007; \$20,000 shall be paid to the U.S. Department of Commerce not later than March 15, 2008; and \$20,000 shall be paid to the U.S. Department of Commerce not later than September 15, 2008. Payment of the remaining \$188,150 shall be suspended for a period of three years and thereafter shall be waived, provided that during the period of suspension, Zheng has committed no violations of the Act, or any regulation, order, or license issued thereunder and Zheng has made the payment of \$100,000 described above in a timely manner. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (3 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, Zheng 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 Zheng. Accordingly, if Zheng should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Zheng's export privileges under the Regulations for a period of one year from the date of entry of this Order.

FOURTH, for a period of 10 years from the date of entry of the Order, Zheng Zheng, 764 Violet Circle, Naperville, IL 60540, and when acting for or on behalf of Zheng, her representatives, agents, assigns or employees, ("Denied Person") may not, directly or indirectly, participate 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 the prohibitions set forth above do not apply to transactions in which the Denied Person is involved by virtue of her employment by a company which she neither

owns nor controls, provided that she does not have direct, indirect, constructive, or de facto responsibility for:

- 1. Activities or transactions subject to the Regulations,
- Participating in negotiations concerning any activity or transaction subject to the Regulations,
- 3. Determining export licensing requirements, or
- 4. Applying for, obtaining, or using any export license, License Exception, or other export control document.

SEVENTH, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to Zheng by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of the Order.

EIGHTH, 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.

NINTH, that the proposed charging letter, the Settlement Agreement, and this Order shall be made available to the public.

Order Zheng Zheng Page 8 of 8

TENTH, that this Order shall be served on the Denied Person, and shall be published in the *Federal Register*.

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

Darryl Jackson

Assistant Secretary of Commerce for Export Enforcement