

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

\_\_\_\_\_  
In the Matter of: )  
 )  
MNC Group International, Inc. )  
d.b.a. Wearform )  
d.b.a. Sports Zone )  
d.b.a. Soccer Zone )  
3334 Walnut Bend Lane )  
Houston, TX 77042 )  
 )  
Respondent )  
\_\_\_\_\_

ORDER RELATING TO MNC GROUP INTERNATIONAL, INC. D.B.A.  
WEARFORM, D.B.A. SPORTS ZONE, D.B.A. SOCCER ZONE

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified MNC Group International, Inc., doing business as Wearform, doing business as Sports Zone, doing business as Soccer Zone (“MNC”), of its intention to initiate an administrative proceeding against it pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) (the “Regulations”),<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),<sup>2</sup> through the issuance of a proposed

---

<sup>1</sup> The charged violations occurred during 2003 and 2004. The Regulations governing the violations at issue are found in the 2003 and 2004 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2003-2004)). The 2006 Regulations establish the procedures that apply to this matter.

<sup>2</sup> 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 successive Presidential Notices, the most recent being that of August 3, 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/>.

charging letter to MNC that alleged that MNC committed two violations of the Regulations. Specifically, the charges are:

**Charge 1      15 C.F.R. § 764.2(c) – Attempting to Export Garment Samples to Syria without the Required License**

On one occasion, on or about November 16, 2004, MNC, doing business as Wearform, attempted a violation of the Regulations by attempting to export garment samples to Syria without the Department of Commerce license required by General Order No. 2 of Supplement No. 1 to Part 736 of the Regulations. Garment samples are items subject to the Regulations and are designated as EAR99 items.<sup>3</sup> In so doing, MNC committed one violation of Section 764.2(c) of the Regulations.

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

On one occasion, on or about November 16, 2004, in connection with the transaction described in Charge 1, above, MNC, doing business as Wearform, transferred, transported or forwarded garment samples with knowledge that a violation of the Regulations was about to occur or was intended to occur in connection with the items. Specifically, MNC transferred, transported or forwarded the items, which MNC planned to export to Syria without a Department of Commerce license. MNC had knowledge that a violation was about to occur or was intended to occur because MNC's President, Mazen Ghashim, was informed on or about June 24, 2004 by a BIS official that any item sent to Syria would require a Department of Commerce license, with certain exceptions for food and medicine. In so doing, MNC committed one violation of Section 764.2(e) of the Regulations.

WHEREAS, BIS and MNC 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 \$22,000 is assessed against MNC. MNC shall pay \$5,000 to the Department of Commerce as follows: \$500 not later than October 15, 2006; \$500 not later than November 15, 2006; \$500 not later than December 15, 2006; \$500 not

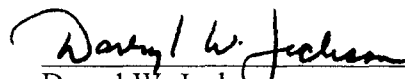
---

<sup>3</sup> EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List.

later than January 15, 2007; \$500 not later than February 15, 2007; \$500 not later than March 15, 2007; \$500 not later than April 15, 2007; \$500 not later than May 15, 2007; \$500 not later than June 15, 2007; and \$500 not later than July 15, 2007. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$17,000 shall be suspended for a period of five years from the date of entry of this Order and thereafter shall be waived, provided that during the period of suspension, MNC has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made the payment of \$5,000, described above, in a timely manner.

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 12<sup>th</sup> day of September, 2006.

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

\_\_\_\_\_  
In the Matter of: )  
)  
MNC Group International, Inc. )  
d.b.a. Wearform )  
d.b.a. Sports Zone )  
d.b.a. Soccer Zone )  
3334 Walnut Bend Lane )  
Houston, TX 77042 )  
)  
Respondent )  
\_\_\_\_\_

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between MNC Group International, Inc., doing business as Wearform, doing business as Sports Zone, doing business as Soccer Zone (“MNC”) 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”),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),<sup>2</sup>

---

<sup>1</sup> The charged violations occurred during 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 2006 Regulations establish the procedures that apply to this matter.

<sup>2</sup> 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 successive Presidential Notices, the most recent being that of August 3, 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/>.

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

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

**Charge 1      15 C.F.R. § 764.2(c) – Attempting to Export Garment Samples to Syria without the Required License**

On one occasion, on or about November 16, 2004, MNC, doing business as Wearform, attempted a violation of the Regulations by attempting to export garment samples to Syria without the Department of Commerce license required by General Order No. 2 of Supplement No. 1 to Part 736 of the Regulations. Garment samples are items subject to the Regulations and are designated as EAR99 items.<sup>3</sup> In so doing, MNC committed one violation of Section 764.2(c) of the Regulations.

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

On one occasion, on or about November 16, 2004, in connection with the transaction described in Charge 1, above, MNC, doing business as Wearform, transferred, transported or forwarded garment samples with knowledge that a violation of the Regulations was about to occur or was intended to occur in connection with the items. Specifically, MNC transferred, transported or forwarded the items, which MNC planned to export to Syria without a Department of Commerce license. MNC had knowledge that a violation was about to occur or was intended to occur because MNC's President, Mazen Ghashim, was informed on or about June 24, 2004 by a BIS official that any item sent to Syria would require a Department of Commerce license, with certain exceptions for food and medicine. In so doing, MNC committed one violation of Section 764.2(e) of the Regulations.

WHEREAS, MNC 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, MNC 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;

---

<sup>3</sup> EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List.

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

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

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

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

a. MNC shall be assessed a civil penalty in the amount of \$22,000.

MNC shall pay \$5,000 to the Department of Commerce as follows: \$500 not later than October 15, 2006; \$500 not later than November 15, 2006; \$500 not later than December 15, 2006; \$500 not later than January 15, 2007; \$500 not later than February 15, 2007; \$500 not later than March 15, 2007; \$500 not later than April 15, 2007; \$500 not later than May 15, 2007; \$500 not later than June 15, 2007; and \$500 not later than July 15, 2007. Payment of the remaining \$17,000 shall be suspended for a period of five years from the date of entry of the Order

and thereafter shall be waived, provided that during the period of suspension, MNC has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made the payment of \$5,000, described above, in a timely manner.

b. The timely payment of the civil penalty agreed to in paragraph 2.a and 2.b 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 MNC. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of MNC's export privileges under the Regulations 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, MNC 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, BIS will not initiate any further administrative proceeding against MNC 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.

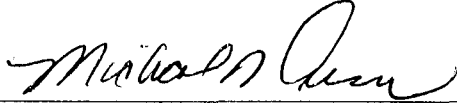
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department 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.

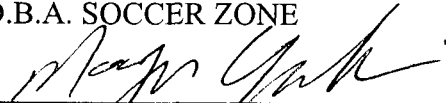
BUREAU OF INDUSTRY AND SECURITY  
U.S. DEPARTMENT OF COMMERCE



Michael D. Turner  
Director  
Office of Export Enforcement

Date: 9/7/06

MNC GROUP INTERNATIONAL, INC.  
D.B.A. WEARFORM  
D.B.A. SPORTS ZONE  
D.B.A. SOCCER ZONE



Mazen Ghashim  
President

Date: 08-31-06

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

MNC Group International, Inc.  
d.b.a. Wearform  
d.b.a. Sports Zone  
d.b.a. Soccer Zone  
8746 Westpark Drive  
Houston, TX 77063

Attention: *Mazen Ghashim*  
*President*

Dear Mr. Ghashim:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that MNC Group International, Inc. d.b.a. Wearform, d.b.a. Sports Zone, d.b.a. Soccer Zone (“MNC”) has committed two violations 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 MNC committed the following violations:

**Charge 1      15 C.F.R. § 764.2(c) – Attempting to Export Garment Samples to Syria without the Required License**

On one occasion, on or about November 16, 2004, MNC, doing business as Wearform, attempted a violation of the Regulations by attempting to export garment samples to Syria without the Department of Commerce license required by General Order No. 2 of Supplement No. 1 to Part 736 of the Regulations. Garment samples are items subject to

---

<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2006). The violations charged occurred during 2004. The Regulations governing the violations at issue are found in the 2004 version of the Code of Federal Regulations. *See* 15 C.F.R. Parts 730-774 (2004). The 2006 Regulations govern the procedural aspects of this case.

<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)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 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/>.

the Regulations and are designated as EAR99 items.<sup>3</sup> In so doing, MNC committed one violation of Section 764.2(c) of the Regulations.

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

On one occasion, on or about November 16, 2004, in connection with the transaction described in Charge 1, above, MNC, doing business as Wearform, transferred, transported or forwarded garment samples with knowledge that a violation of the Regulations was about to occur or was intended to occur in connection with the items. Specifically, MNC transferred, transported or forwarded the items, which MNC planned to export to Syria without a Department of Commerce license. MNC had knowledge that a violation was about to occur or was intended to occur because MNC's President, Mazen Ghashim, was informed on or about June 24, 2004 by a BIS official that any item sent to Syria would require a Department of Commerce license, with certain exceptions for food and medicine. In so doing, MNC committed one violation of Section 764.2(e) of the Regulations.

\* \* \* \* \*

Accordingly, MNC 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;<sup>4</sup>
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If MNC 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 (2006). If MNC defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to MNC. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each of the charges in this letter.

MNC is further notified that it is entitled to an agency hearing on the record if MNC files a written demand for one with its answer. *See* 15 C.F.R. § 766.6 (2006). MNC is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. 15 C.F.R. §§ 766.3(a) and 766.4 (2006).

---

<sup>3</sup> EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List.

<sup>4</sup> *See* 15 C.F.R. § 6.4(a)(1) (2004).

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18 (2006). Should MNC have a proposal to settle this case, MNC or its representative should transmit it through the attorney representing BIS, who is named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, MNC'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 MNC's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: Thea D. R. Kendler  
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 MNC 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