

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Uti, United States, Inc.
900 Cummings Center–Suite 403T
Beverly, MA 01915

Attention: *Steven Savarese*
Vice-President and General Counsel

Dear Mr. Savarese:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Uti, United States, Inc. (“UTI”)¹ of Beverly, MA, has committed 34 violations of the Export Administration Regulations (the “Regulations”),² which are issued under the authority of the Export Administration Act of 1979 (the “Act”).³ Specifically, BIS charges that UTI has committed the following violations:

Charge 1 (15 C.F.R. §764.2(g) - False Statement on Shipper’s Export Declaration as to the Exporter’s Employer Identification Number)

¹During the period in which the transactions at issue occurred, UTI was doing business as Union Transport Corporation, Inc.

² The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2005). The charged violations occurred during the 2000-2004 period. The Regulations governing the violation at issue are found in the 2000-2004 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2004)). The 2005 Regulations establish the procedures that apply to this matter.

³ 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 (114 Stat. 2360 (2000)) 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 2, 2005, (70 Fed. Reg. 45273 (August 5, 2005)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)).

Uti, United States, Inc.

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As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on one occasion on or about November 1, 2000, in connection with effecting an export subject to the Regulations, UTI, a freight forwarder, made a false statement to the U.S. Government. Specifically, UTI filed or caused to be filed a Shipper's Export Declaration (SED) for the export of computer parts and accessories, items subject to the Regulations, that omitted the exporter's Employer Identification Number ("EIN"). In so doing, UTI committed one violation of Section 764.2(g) of the Regulations.

Charges 2-34 (15 C.F.R. § 764.2(g) - False Statement on Shipper's Export Declaration as to the Exporter's Employer Identification Number)

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on 33 occasions between April 29, 2001, and June 11, 2004, in connection with effecting the export of a range of items subject to the Regulations, UTI made false statements to the U.S. Government. Specifically, UTI filed or caused to be filed SEDs for the export of the items that included false information about the exporter's EIN. In so doing, UTI committed 33 violations of Section 764.2(g) of the Regulations.

Accordingly, UTI 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;⁴

Denial of export privileges; and/or

Exclusion from practice before BIS.

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

UTI is further notified that it is entitled to an agency hearing on the record if UTI files a written demand for one with its answer. (Regulations, Section 766.6). UTI is also entitled to be

⁴ See 15 C.F.R. § 6.4(a)(2).

Uti, United States, Inc.

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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 UTI have a proposal to settle this case, UTI 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, UTI'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 UTI's answer must be served on BIS at the following address:

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

Parvin Huda is the attorney representing BIS in this case. Any communications that UTI 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

Uti, United States, Inc. (UTI): SCHEDULE OF VIOLATIONS

<u>Shipment No.</u>	<u>Export Date</u>	<u>Commodity</u>	<u>Destination</u>	<u>Value USD</u>	<u>Violation Charged</u>
1	11/01/00	Computer parts and accessories	Islamabad, Pakistan	5,600	15 C.F.R. 764.2(g)
2	04/29/01	Parts and accessories for auto	Islamabad, Pakistan	4,038	15 C.F.R. 764.2(g)
3	4/24/00	Parts and accessories for auto	Islamabad, Pakistan	12,575	15 C.F.R. 764.2(g)
4	10/18/99	Parts and accessories for auto	Islamabad, Pakistan	14,366	15 C.F.R. 764.2(g)
5	1/20/02	Switches, slide for voltage	Islamabad, Pakistan	9,114	15 C.F.R. 764.2(g)
6	4/26/02	Parts and accessories for auto	Islamabad, Pakistan	16,977	15 C.F.R. 764.2(g)
7	09/29/02	Television Antenna Reflectors	Islamabad, Pakistan	9,049	15 C.F.R. 764.2(g)
8	11/13/02	Parts, Nesoi, for electrical Ind	Islamabad, Pakistan	6,190	15 C.F.R. 764.2(g)
9	11/14/02	Analog or Hybrid automatic dat	Islamabad, Pakistan	49,795	15 C.F.R. 764.2(g)
10	12/07/02	Amplifiers, Nesoi	Islamabad, Pakistan	62,850	15 C.F.R. 764.2(g)
11	12/13/02	Analog or Hybrid automatic dat	Islamabad, Pakistan	13,063	15 C.F.R. 764.2(g)

Uti, United States, Inc. (UTI): SCHEDULE OF VIOLATIONS

<u>Shipment No.</u>	<u>Export Date</u>	<u>Commodity</u>	<u>Destination</u>	<u>Value USD</u>	<u>Violation Charged</u>
12	12/25/02	Analog or Hybrid automatic dat	Islamabad, Pakistan	23,911	15 C.F.R. 764.2(g)
13	01/05/03	Analog or Hybrid automatic dat	Islamabad, Pakistan	15,171	15 C.F.R. 764.2(g)
14	03/28/03	Power Supplies	Islamabad, Pakistan	17,563	15 C.F.R. 764.2(g)
15	04/16/03	Articles for Pocket or handbags	Islamabad, Pakistan	9,900	15 C.F.R. 764.2(g)
16	05/18/03	Analog or Hybrid automatic dat	Islamabad, Pakistan	17,292	15 C.F.R. 764.2(g)
17	06/05/03	Analog or Hybrid automatic dat	Islamabad, Pakistan	20,040	15 C.F.R. 764.2(g)
18	06/10/03	Articles for Pocket or handbags	Islamabad, Pakistan	17,096	15 C.F.R. 764.2(g)
19	06/23/03	Analog or Hybrid automatic dat	Islamabad, Pakistan	14,218	15 C.F.R. 764.2(g)
20	09/28/03	Parts & Accessories for Direct	Islamabad, Pakistan	32,790	15 C.F.R. 764.2(g)
21	10/02/03	Analog or Hybrid automatic dat	Islamabad, Pakistan	2,668	15 C.F.R. 764.2(g)
22	10/03/03	Signal Generators	Islamabad, Pakistan	4,560	15 C.F.R. 764.2(g)
23	11/22/03	Power Supplies for automatic D	Islamabad, Pakistan	7,795	15 C.F.R. 764.2(g)

Uti, United States, Inc. (UTI): SCHEDULE OF VIOLATIONS

<u>Shipment No.</u>	<u>Export Date</u>	<u>Commodity</u>	<u>Destination</u>	<u>Value USD</u>	<u>Violation Charged</u>
24	12/12/03	Parts, Nesoi, for electrical ind	Islamabad, Pakistan	3,107	15 C.F.R. 764.2(g)
25	12/31/03	Analog or Hybrid automatic dat	Islamabad, Pakistan	2,915	15 C.F.R. 764.2(g)
26	12/31/03	Analog or Hybrid automatic dat	Islamabad, Pakistan	2,821	15 C.F.R. 764.2(g)
27	02/05/04	Printers, Nesoi, Laser capable	Islamabad, Pakistan	11,488	15 C.F.R. 764.2(g)
28	02/19/04	Analog or Hybrid automatic dat	Islamabad, Pakistan	3,217	15 C.F.R. 764.2(g)
29	02/19/04	Electrical Machines	Islamabad, Pakistan	8,665	15 C.F.R. 764.2(g)
30	03/10/04	Analog or Hybrid automatic dat	Islamabad, Pakistan	8,879	15 C.F.R. 764.2(g)
31	03/27/04	Analog or Hybrid automatic dat	Islamabad, Pakistan	6,962	15 C.F.R. 764.2(g)
32	04/13/04	Transformers, Nesoi	Islamabad, Pakistan	14,331	15 C.F.R. 764.2(g)
33	04/13/04	Analog or Hybrid automatic dat	Islamabad, Pakistan	10,303	15 C.F.R. 764.2(g)
34	06/11/04	Analog or Hybrid automatic dat	Islamabad, Pakistan	90,54	15 C.F.R. 764.2(g)

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

In the Matter of:)
)
UTi, United States, Inc.)
19500 Rancho Way)
Rancho Dominguez, CA 90220)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Respondent, UTi, United States, Inc. (“UTi”),¹ 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”)², issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”);³

WHEREAS, BIS has notified UTi of its intention to initiate an administrative

¹ During the period in which the transactions at issue occurred, UTi was doing business as Union Transport Corporation, Inc.

² The charged violations occurred between 2000 and 2004. The Regulations governing the violations at issue are found in the 2000-2004 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2004)). The 2006 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 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 (114 Stat. 2360 (2000)) 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 most recently by the Notice of August 3, 2006, (71 Fed. Reg. 44551 (August 7, 2006)), has continued the Regulations in effect under IEEPA.

proceeding against UTi, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a proposed charging letter to UTi that alleged that UTi committed 34 violations of the Regulations, specifically:

Charge 1 (15 C.F.R. §764.2(g) - False Statement on Shipper's Export Declaration as to the Exporter's Employer Identification Number)

On one occasion on or about November 1, 2000, in connection with effecting an export subject to the Regulations, UTi, a freight forwarder, made a false statement to the U.S. Government. Specifically, UTi filed or caused to be filed a Shipper's Export Declaration ("SED") for the export of computer parts and accessories, items subject to the Regulations ("EAR99"),⁴ that omitted the exporter's Employer Identification Number ("EIN"). In so doing, UTi committed one violation of Section 764.2(g) of the Regulations.

Charges 2-34 (15 C.F.R. § 764.2(g) - False Statement on Shipper's Export Declaration as the Exporter's Employer Identification Number)

On 33 occasions between April 29, 2001, and June 11, 2004, in connection with effecting the export of a range of items subject to the Regulations ("EAR99"), UTi made false statements to the U.S. Government. Specifically, UTi filed or caused to be filed SEDs for the export of the items that included false information about the exporter's EIN. In so doing, UTi committed 33 violations of Section 764.2(g) of the Regulations.

⁴ EAR 99 is a designation for items subject to the Regulations that are not listed on the Commerce Control list.

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

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

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

2. The following sanctions shall be imposed against UTi in complete settlement of the violations of the Regulations set forth in the proposed charging letter:

- a. UTi shall be assessed a civil penalty in the amount of \$76,500, 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 UTi. Failure to make timely payment of the civil penalty set forth above shall result in the denial of all of UTi'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, UTi 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 \$76,500 civil penalty, BIS will not initiate any further administrative proceeding against UTi 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.

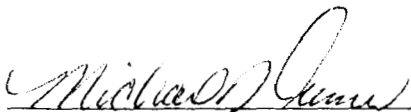
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on 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

UTI, UNITED STATES, INC.



Michael D. Turner
Director
Office of Export Enforcement



Stephen Savarese
Vice President and General Counsel

Date: 9/22/06

Date: 9/18/06

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

In the Matter of:)
)
Uti, United States, Inc.)
19500 Rancho Way)
Rancho Dominguez, CA 90220)
Respondent)

ORDER RELATING TO UTi, UNITED STATES, INC.

The Bureau of Industry and Security, U.S. Department of Commerce ('BIS') has notified Uti, United States, Inc. ('UTi')¹ of its intention to initiate an administrative proceeding against UTi pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) ('Regulations'),² and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ('Act'),³ by issuing a proposed charging letter to UTi that alleged that UTi committed 34 violations of the Regulations.

Specifically, the charges are:

Charge 1 (15 C.F.R. §764.2(g) - False Statement on Shipper's Export Declaration as to the Exporter's Employer Identification Number)

¹ During the period in which the transactions at issue occurred, ITO was doing business as Union Transport Corporation, Inc.

² The charged violations occurred in 2002-2004. The Regulations governing the violations at issue are found in the 2002-2004 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2002)-2004). The 2006 Regulations establish the procedures that apply to this matter.

³ 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 most recently by the Notice of August 3, 2006, (71 Fed. Reg. 44551 (August 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701- 1706 (2000)).

On one occasion on or about November 1, 2000, in connection with effecting an export subject to the Regulations (EAR99),⁴ UTi, a freight forwarder, made a false statement to the U.S. Government. Specifically, UTi filed or caused to be filed a Shipper's Export Declaration (SED) for the export of computer parts and accessories, items subject to the Regulations, that omitted the exporter's Employer Identification Number (EIN). In so doing, UTi committed one violation of Section 764.2(g) of the Regulations.

Charges 2-34 (15 C.F.R. § 764.2(g) - False Statement on Shipper's Export Declaration as the Exporter's Employer Identification Number)

On 33 occasions between April 29, 2001, and June 11, 2004, in connection with effecting the export of a range of items subject to the Regulations (EAR99), UTi made false statements to the U.S. Government. Specifically, UTi filed or caused to be filed SEDs for the export of the items that included false information about the exporter's EIN. In so doing, UTi committed 33 violations of Section 764.2(g) of the Regulations.

WHEREAS, BIS and UTi 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:

⁴ EAR 99 is a designation for items subject to the Regulations that are not listed on the Commerce Control list.

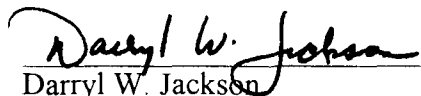
FIRST, that a civil penalty of \$76,500 is assessed against UTi, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

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, UTi 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 UTi. Accordingly, if UTi should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of UTi's export privileges under the Regulations 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 26th day of September 2006.