

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Marlin Springer  
President  
The Springer Magrath Company  
404 West B Street  
McCook, Nebraska 69001

Attn: *Marlin Springer*  
*President*

Dear Mr. Springer:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that you, Marlin Springer, acting as President of The Springer Magrath Company of McCook, Nebraska, in your individual capacity (“Springer”) have committed 40 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 Springer committed the following violations:

**Charges 1-18            15 C.F.R. § 764.2(a) - Exports of Cattle Prods without the Required Licenses**

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on 18 occasions, from on or about January 5, 2001 through on or about August 26, 2002, Springer, acting as President of The Springer Magrath Company, engaged in conduct prohibited by the Regulations by exporting cattle prods (shaft assemblies, power packs and stock shocks), items subject to the Regulations and classified under export control classification number (“ECCN”) 0A985, from the United States to various destinations,

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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 (2005). The charged violations occurred from 2001 through 2002. The Regulations governing the violations at issue are found in the 2001 - 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2002)). The 2005 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 most recently 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)) (“IEEPA”).

including Ireland, South Africa and Mexico, without the Department of Commerce licenses required by Section 742.7 of the Regulations. In doing so, Springer committed 18 violations of Section 764.2(a) of the Regulations

**Charges 19-20      15 C.F.R. § 764.2(c) - Attempting Exports of Cattle Prods without the Required Licenses**

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on two occasions, on or about December 6, 2001 and on or about August 12, 2002, Springer, acting as President of The Springer Magrath Company, attempted violations of the Regulations by attempting to export cattle prods, items subject to the Regulations and classified under ECCN 0A985, from the United States to Ireland and Mexico, respectively, without the Department of Commerce licenses required by Section 742.7 of the Regulations. In doing so, Springer committed two violations of Section 764.2(c) of the Regulations.

**Charges 21-40      15 C.F.R. § 764.2(e) - Selling Cattle Prods Knowing that Violations of the Regulations were to Occur**

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on 20 occasions from on or about January 5, 2001 through on or about August 26, 2002, Springer, acting as President of The Springer Magrath Company, sold cattle prods, items subject to the Regulations and classified under ECCN 0A985, knowing that they were to be exported from the United States in violation of the Regulations. At all times relevant hereto, Springer knew that Department of Commerce export licenses were required to export the cattle prods and knew that the licenses would not be obtained. In doing so, Springer committed 20 violations of Section 764.2(e) of the Regulations.

\* \* \* \*

Accordingly, Springer is hereby notified that an administrative proceeding is instituted against him pursuant to 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>

Denial of export privileges; and/or

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<sup>3</sup> See 15 C.F.R. § 6.4(a)(2).

Exclusion from practice before BIS.

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

Springer is further notified that he is entitled to an agency hearing on the record if he files a written demand for one with his answer. *See* 15 C.F.R. § 766.6. Springer is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent him. *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 Springer have a proposal to settle this case, he or his representative should transmit it to me through 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, Springer's answer must be filed in accordance with the instructions set forth 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 Springer's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: Melissa B. Mannino  
Room H-3839  
United States Department of Commerce  
14<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

Marlin Springer  
Proposed Charging Letter  
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Melissa B. Mannino is the attorney representing BIS in this case. Any communications that Springer 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

**MARLIN SPRINGER  
SCHEDULE OF VIOLATIONS**

<b>Date of Export</b>	<b>Commodities</b>	<b>ECCN</b>	<b>Invoice #</b>	<b>Destination</b>	<b>Value (\$)</b>	<b>Violation(s)</b>
1/5/01	10 shaft assemblies	0A985	18243	Ireland	177.25	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
1/30/01	96 stock shocks	0A985	18537	Brazil	4,516.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
2/12/01	300 power packs 300 shaft assemblies	0A985	17999	Mexico	11,905.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
3/23/01	500 power packs 900 shaft assemblies	0A985	19841	Australia	15,882.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
4/1/01	2,500 power packs 7,000 shaft assemblies	0A985	19839 19842	Australia	112,687.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
4/12/01	300 stock shocks	0A985	20623	South Africa	9,525.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)

4/17/01	282 shaft assemblies 260 power packs	0A985	20522	Germany	8,767.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
5/7/01	24 shaft assemblies 192 stock shocks	0A985	20858	Brazil	7,663.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
5/17/01	300 power packs 500 shaft assemblies	0A985	20624	Mexico	13,826.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
6/13/01	200 stock shocks 350 shaft assemblies	0A985	21670	South Africa	9,014.50	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
7/20/01	300 stock shocks 350 shaft assemblies	0A985	22232	South Africa	12,150.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
7/25/01	7,000 power packs 9,000 shaft assemblies	0A985	21921	Australia	225,495.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
10/3/01	35 shaft assemblies 10 power packs	0A985	23595	Ireland	617.50	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
10/7/01	2,000 power packs 5,000 shaft assemblies	0A985	23295	Australia	75,870.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)

Marlin Springer  
President, The Springer Magrath Company  
Schedule of Violations  
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12/6/01	40 power packs 60 shaft assemblies	0A985	24924	Ireland	1,747.25	15 C.F.R. §764.2(c) 15 C.F.R. §764.2(e)
1/24/02	350 stock shocks	0A985	23435	South Africa	11,136.90	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
6/7/02	15 power packs 15 shaft assemblies	0A985	28908	Mexico	668.25	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
7/26/02	100 power packs 500 shaft assemblies	0A985	27819	Mexico	7,945.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)
8/12/02	400 power packs 200 shaft assemblies	0A985	29867	Mexico	14,130.00	15 C.F.R. §764.2(c) 15 C.F.R. §764.2(e)
8/26/02	300 stock shocks 200 shaft assemblies	0A985	30034	South Africa	11,056.00	15 C.F.R. §764.2(a) 15 C.F.R. §764.2(e)

Marlin Springer  
President, The Springer Magrath Company  
Schedule of Violations  
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UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY  
WASHINGTON, D.C. 20230

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In the Matter of: )  
 )  
Marlin Springer )  
President )  
The Springer Magrath Company )  
404 West B Street )  
McCook, Nebraska 69001 )  
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Respondent )  
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SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Marlin Springer, President of The Springer Magrath Company, in his individual capacity (“Springer”), 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 (2005)) (“Regulations”),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),<sup>2</sup>

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

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<sup>1</sup> The charged violations occurred from 2001 through 2002. The Regulations governing the violations at issue are found in the 2001 - 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2002)). The 2005 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 most recently 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)) (“IEEPA”).



WHEREAS, BIS has issued a proposed charging letter to Springer that alleged that Springer committed 40 violations of the Regulations, specifically:

1. *Eighteen Violations of 15 C.F.R. § 764.2(a) - Exports of Cattle Prods without the Required Licenses:* On 18 occasions, from on or about January 5, 2001 through on or about August 26, 2002, Springer, as President of The Springer Magrath Company, engaged in conduct prohibited by the Regulations by exporting cattle prods (shaft assemblies, power packs and stock shocks), items subject to the Regulations and classified under export control classification number (“ECCN”) 0A985, from the United States to various destinations, including Ireland, South Africa and Mexico, without the Department of Commerce licenses required by Section 742.7 of the Regulations.
2. *Two Violations of 15 C.F.R. 764.2(c) - Attempting Exports of Cattle Prods without the Required Licenses:* On two occasions, on or about December 6, 2001 and on or about August 12, 2002, Springer, as President of The Springer Magrath Company, attempted violations of the Regulations by attempting to export cattle prods, items subject to the Regulations and classified under ECCN 0A985, from the United States to Ireland and Mexico, respectively, without the Department of Commerce licenses required by Section 742.7 of the Regulations.
3. *20 Violations of 15 C.F.R. § 764.2(e) - Selling Cattle Prods Knowing that Violations of the Regulations were to Occur:* On 20 occasions from on or about January 5, 2001 through on or about August 26, 2002, Springer, as President of The Springer Magrath Company, sold cattle prods, items subject to the

Regulations and classified under ECCN 0A985, knowing that they were to be exported from the United States in violation of the Regulations. At all times relevant hereto, Springer knew that Department of Commerce export licenses were required to export the cattle prods and knew that the licenses would not be obtained.

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

WHEREAS, Springer 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, Springer enters into this Agreement voluntarily and with full knowledge of his rights;

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

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

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

- a. For a period three years from the date of entry of the Order, Springer, and, when acting for or on behalf of Springer, his 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:
  - i. 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.

b. BIS agrees that, as authorized by Section 766.18 (c) of the Regulations, the three year denial period set forth in paragraph 2.a. shall be suspended in its entirety for a period of one year from the entry of the appropriate Order, and shall thereafter be waived, provided that during the period of suspension, Springer has committed no violation of the Act or any regulation, order or license issued thereunder.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Springer 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 the proposed 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. BIS agrees that, upon entry of the Order, it will not initiate any further administrative proceeding against Springer 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.

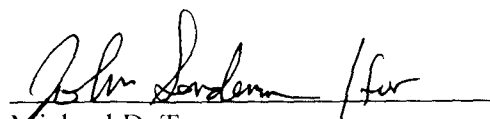
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department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

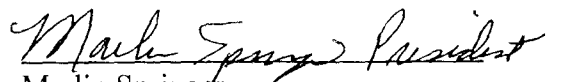
8. This Agreement shall become binding on BIS only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

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

MARLIN SPRINGER

  
Michael D. Turner  
Director  
Office of Export Enforcement

  
Marlin Springer  
President, The Springer Magrath Company

Date: 9/29/06

Date: 9/30/06

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

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In the Matter of: )  
 )  
Marlin Springer )  
President )  
The Springer Magrath Company )  
404 West B Street )  
McCook, Nebraska 69001 )  
 )  
Respondent )  
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ORDER RELATING TO MARLIN SPRINGER

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) having notified Marlin Springer, as President of The Springer Magrath Company, in his individual capacity (“Springer”) of its intention to initiate an administrative proceeding against Springer pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) (“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)) (“Act”),<sup>2</sup> by issuing a proposed charging letter to Springer that alleged that Springer committed 40 violations of the Regulations. Specifically, the charges are:

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<sup>1</sup> The charged violations occurred from 2001 through 2002. The Regulations governing the violations at issue are found in the 2001 - 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2002)). 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 most recently by the Notice of August 3, 2006 (71 Fed. Reg. 44551, Aug. 7, 2006), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”).

1. *Eighteen Violations of 15 C.F.R. § 764.2(a) - Exports of Cattle Prods without the Required Licenses:* On 18 occasions, from on or about January 5, 2001 through on or about August 26, 2002, Springer, as President of The Springer Magrath Company, engaged in conduct prohibited by the Regulations by exporting cattle prods (shaft assemblies, power packs and stock shocks), items subject to the Regulations and classified under export control classification number (“ECCN”) 0A985, from the United States to various destinations, including Ireland, South Africa and Mexico, without the Department of Commerce licenses required by Section 742.7 of the Regulations.
2. *Two Violations of 15 C.F.R. 764.2(c) - Attempting Exports of Cattle Prods without the Required Licenses:* On two occasions, on or about December 6, 2001 and on or about August 12, 2002, Springer, as President of The Springer Magrath Company, attempted violations of the Regulations by attempting to export cattle prods, items subject to the Regulations and classified under ECCN 0A985, from the United States to Ireland and Mexico, respectively, without the Department of Commerce licenses required by Section 742.7 of the Regulations.
3. *20 Violations of 15 C.F.R. § 764.2(e) - Selling Cattle Prods Knowing that Violations of the Regulations were to Occur:* On 20 occasions from on or about January 5, 2001 through on or about August 26, 2002, Springer, as President of The Springer Magrath Company, sold cattle prods, items subject to the Regulations and classified under ECCN 0A985, knowing that they were to be exported from the United States in violation of the Regulations. At all times

relevant hereto, Springer knew that Department of Commerce export licenses were required to export the cattle prods and knew that the licenses would not be obtained.

WHEREAS, BIS and Springer 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, for a period three years from the date of entry of the Order, Marlin Springer, President of The Springer Magrath Company, 404 West B Street, McCook, Nebraska 69001, and when acting for or on behalf of Springer, his 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:

- 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.

SECOND, 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.

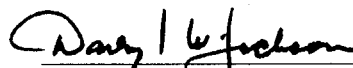
THIRD, that, to prevent evasion of this Order, BIS, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, may make any person, firm, corporation, or business organization related to Springer by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services subject to the provisions of this Order.

FOURTH, 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.

FIFTH, that, as authorized by Section 766.18 (c) of the Regulations, the denial period set forth above shall be suspended in its entirety for one year from the date of this Order, and shall thereafter be waived, provided that during the period of suspension, Springer has committed no violation of the Act or any regulation, order or license issued thereunder.

SIXTH, 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.



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Darryl W. Jackson  
Assistant Secretary of Commerce  
for Export Enforcement

Entered this 29<sup>th</sup> day of September 2006.