

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Interturbine Logistik GmbH  
2617 N. Great Southwest Parkway  
Suite 200  
Grand Prairie, Texas 75050

Attention: *Darryl Russell*  
*General Manager*

Dear Mr Russell:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Interturbine Logistik GmbH ("Interturbine") of Grand Prairie, Texas, has committed four 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 Interturbine committed the following violations:

**Charge 1 15 C.F.R. §764.2(a) - Unlicensed Export to Listed Entity**

On or about March 10, 2003, Interturbine engaged in conduct prohibited by the Regulations when it exported sealants for fuel tanks, items subject to the Regulations, to Bharat Dynamics Ltd. of Hyderabad, India, an organization on BIS's Entity List, without the license required by the Department of Commerce. A license was required for this export under Section 744.1 and Supplement No. 4 to Part 744 of the Regulations. In so doing, Interturbine committed one violation of Section 764.2(a).

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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 (2006). The violations charged occurred between 2002 and 2003. The Regulations governing the violations at issue are found in the 2002 - 2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2002-2003)). 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 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").

**Charge 2 15 C.F.R. §764.2(g) - False Statements on Shipper's Export Declaration**

On or about March 10, 2003, in connection with the transaction described in Charge 1, Interturbine made a false statement to the U.S. Government in connection with the submission of an export control document. Specifically, Interturbine filed a Shipper's Export Declaration ("SED") with the U.S. Government stating that the items that were the subject of the SED qualified for export as "NLR," i.e., that no license was required. This representation was false, as an export license was required to ship the commodity to Bharat Dynamics Ltd., an organization on the BIS Entity List. An SED is an export control document as defined in Part 772 of the Regulations. In so doing, Interturbine committed one violation of Section 764.2(g) of the Regulations.

**Charge 3 15 C.F.R. § 764.2(a) -Unlicenced Export for the Use of a Foreign Aircraft.**

On or about February 22, 2002, Interturbine engaged in conduct prohibited by the Regulations by exporting oil filters and elements of oil filters, items subject to the Regulations, for the use of a foreign aircraft without the export license required by Section 744.7(a) of the Regulations. Specifically, Interturbine exported the commodities to Mahan Airlines, an Iranian owned airline, in the United Arab Emirates ("UAE") for use on an Iranian controlled aircraft. In so doing, Interturbine committed one violation of Section 764.2(a) of the Regulations

**Charge 4 15 C.F.R. §764.2(g) - False Statements on Shipper's Export Declaration**

On or about February 22, 2002, in connection with the transaction described in Charge 3, Interturbine made a false statement to the U.S. Government in connection with the submission of export control document. Specifically, Interturbine filed a Shipper's Export Declaration ("SED") with the U.S. Government stating that the items that were the subject of the SED qualified for export as "NLR," i.e., that no license was required. This representation was false, as an export license was required to ship the commodity to Mahan Airlines' office in the UAE for use on an Iranian controlled aircraft. An SED is an export control document as defined in Part 772 of the Regulations. In so doing, Interturbine committed one violation of Section 764.2(g) of the Regulations.

\* \* \* \* \*

Accordingly, Interturbine 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>3</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

If Interturbine 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 Interturbine defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Interturbine. 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.

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

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

Interturbine  
Proposed Charging Letter  
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In addition, a copy of Interturbine's answer must be served on BIS at the following address:

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

Gregory Michelsen is the attorney representing BIS in this case; any communications that Interturbine may wish to have concerning this matter should occur through him. He may be contacted by telephone at (202) 482-5301.

Sincerely,

Michael Turner  
Director  
Office of Export Enforcement

Enclosure

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

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In the Matter of: )  
)  
Interturbine Logistik GmbH )  
2617 N. Great Southwest Parkway )  
Suite 200 )  
Grand Prairie, Texas 75050 )  
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)  
)  
..... Respondent )

INTERTURBINE SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Interturbine Logistik GmbH (“INTERTURBINE”), 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 violations alleged to have been committed occurred in 2002-2003. The Regulations governing the violations at issue are found in the 2002-2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774) (2002-2003). 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)), which has been extended by successive Presidential Notices, the most recent being that of August 2, 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”).

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

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

**Charge 1: 15 C.F.R. §764.2(a) - Unlicensed Export to Listed Entity**

On or about March 10, 2003, Interturbine engaged in conduct prohibited by the Regulations when it exported sealants for fuel tanks, items subject to the Regulations, to Bharat Dynamics Ltd. of Hyderabad, India, an organization on BIS's Entity List, without the license required by the Department of Commerce. A license was required for this export under Section 744.1 and Supplement No. 4 to Part 744 of the Regulations.

**Charge 2: 15 C.F.R. §764.2(g) - False Statement on Shipper's Export Declaration**

On or about March 10, 2003, in connection with the transaction described in Charge 1, Interturbine made a false statement to the U.S. Government in connection with the submission of an export control document. Specifically, Interturbine filed a Shipper's Export Declaration ("SED") with the U.S. Government stating that the items that were the subject of the SED qualified for export as "NLR," i.e., that no license was required. This representation was false, as an export license was required to ship the commodity to Bharat Dynamics Ltd., an organization on the BIS Entity List. An SED is an export control document as defined in Part 772 of the Regulations.

**Charge 3: 15 C.F.R. § 764.2(a) -Unlicensed Export for the Use of a Foreign Aircraft.**

On or about February 22, 2002, Interturbine engaged in conduct prohibited by the Regulations by exporting oil filters and elements of oil filters, items subject to the Regulations, for the use of a foreign aircraft without the export license required by Section 744.7(a) of the Regulations. Specifically, Interturbine exported the commodities to Mahan Airlines, an Iranian owned airline, in the United Arab Emirates ("UAE") for use on an Iranian controlled aircraft.

**Charge 4: 15 C.F.R. §764.2(g) - False Statement on Shipper's Export Declaration**

On or about February 22, 2002, in connection with the transaction described in Charge 3, Interturbine made a false statement to the U.S. Government in connection with the submission of export control document. Specifically, Interturbine filed a Shipper's Export Declaration ("SED") with the U.S. Government stating that the items that were the subject of the SED qualified for export as "NLR," i.e., that no license was required. This representation was false, as an export license was required to ship the commodity to Mahan Airlines' office in the UAE for use on an Iranian controlled aircraft. An SED is an export control document as defined in Part 772 of the Regulations. In so doing, Interturbine committed one violation of Section 764.2(g) of the Regulations.

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

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over INTERTURBINE, under the Regulations, in connection with the matters alleged in the proposed charging letter.
2. The following sanction shall be imposed against INTERTURBINE in complete settlement of the alleged violation of the Regulations relating to the transactions specifically detailed in the proposed charging letter:
  - a. INTERTURBINE shall be assessed a civil penalty in the amount of \$30,800, all of 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 INTERTURBINE. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of INTERTURBINE's export privileges for a period of one year from the date of imposition of the penalty.
3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, INTERTURBINE 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 \$30,800 civil penalty, BIS will not initiate any further administrative proceeding against INTERTURBINE 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.

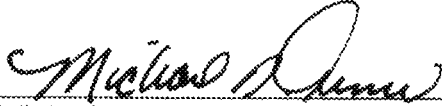
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial 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: 02/16/07

INTERTURBINE-LOGISTIK GMBH



Soenke Hansen  
Director Business Development  
Americas

Date: 02/14/07

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

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In the Matter of: )  
 )  
Interturbine Logistik GmbH )  
2617 N. Great Southwest Parkway )  
Suite 200 )  
Grand Prairie, Texas 75050 )  
 )  
..... Respondent )

ORDER RELATING TO INTERTURBINE

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Interturbine Logistik GmbH (“Interturbine”), of its intention to initiate an administrative proceeding against Interturbine 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 charging letter to Interturbine that alleged that Interturbine committed four violations of the Regulations. Specifically, the charges are:

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<sup>1</sup> The charged violations occurred in 2002 through 2003. The Regulations governing the violations at issue are found in the 2002 through 2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2002 – 2003)). The 2006 Regulations set forth the procedures that apply to this matter.

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WHEREAS, BIS and Interturbine 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:

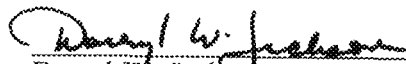
FIRST, that a civil penalty of \$30,800 is assessed against Interturbine, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

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, Interturbine 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 Interturbine. Accordingly, if Interturbine should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Interturbine'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 22<sup>nd</sup> day of February, 2007.