

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Lethal Weapon Charters, Inc.  
1418 Angela Street  
Key West, Florida 33040

Attention: *Donna Feldman*  
*President*

Dear Ms. Feldman:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Lethal Weapon Charters, Inc. ("Lethal Weapon") of Key West, Florida 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 Lethal Weapon committed the following violations:

**Charge 1      15 C.F.R. § 764.2(a) - Exporting a Vessel without the Required License**

On one occasion, between on or about March 24, 2003 and on or about March 28, 2003, Lethal Weapon engaged in conduct prohibited by the Regulations by exporting a vessel, an item subject to the Regulations and classified under Export Control Classification Number ("ECCN") 8A992.f, to Cuba without the Department of Commerce license required by Section 746.2 the Regulations. In so doing, Lethal Weapon committed one violation of Section 764.2(a) of the Regulations.

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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 during 2003. The Regulations governing the violations at issue are found in the 2003 version of the Code of Federal Regulations. See 15 C.F.R. Parts 730-774 (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. However, Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2006 (71 Fed. Reg. 44,551, Aug. 7, 2006), continues the Regulations in effect under 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/>.

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

In connection with the export described in Charge 1, above, between on or about March 24, 2003 and on or about March 28, 2003, Lethal Weapon transported a vessel to Cuba with knowledge that a violation of the Regulations was occurring. Specifically, Lethal Weapon had knowledge that a violation was occurring because, prior to the export, the captain of Lethal Weapon's vessel signed a Coast Guard document indicating Lethal Weapon's acknowledgment that a Department of Commerce export license was required before any vessel could travel from the United States to Cuba or enter Cuban territorial waters, and he knew no Department of Commerce license had been obtained. In so doing, Lethal Weapon committed one violation of Section 764.2(e) of the Regulations.

\* \* \* \* \*

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

Lethal Weapon is further notified that it is entitled to an agency hearing on the record if Lethal Weapon files a written demand for one with its answer. See 15 C.F.R. § 766.6 (2006). Lethal Weapon 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).

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

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<sup>3</sup> See 15 C.F.R. § 6.4(a)(4) (2003) ), as supplemented by 68 Fed. Reg. 4,380 (Jan. 29, 2003), and 68 Fed. Reg. 69,001 (Dec. 11, 2003).

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The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Lethal Weapon'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 Lethal Weapon'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 Lethal Weapon 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

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

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In the Matter of: )  
 )  
Lethal Weapon Charters, Inc. )  
1418 Angela Street )  
Key West, Florida 33040 )  
 )  
----- Respondent ----- )

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Lethal Weapon Charters, Inc. ("Lethal Weapon") 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>

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

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

<sup>1</sup> The violations alleged to have been committed occurred during 2003. The Regulations governing the violations at issue are found in the 2003 version of the Code of Federal Regulations. See 15 C.F.R. Parts 730-774 (2003). The 2006 Regulations govern the procedural aspects of this case.

<sup>2</sup> Since August 21, 2001 the Act has been in lapse. However, the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2006 (71 Fed. Reg. 44,551, Aug. 7, 2006), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)).

Settlement Agreement  
Lethal Weapon Charters, Inc.  
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**Charge 1 15 C.F.R. § 764.2(a) - Exporting a Vessel without the Required License**

On one occasion, between on or about March 24, 2003 and on or about March 28, 2003, Lethal Weapon engaged in conduct prohibited by the Regulations by exporting a vessel, an item subject to the Regulations and classified under Export Control Classification Number ("ECCN") 8A992.f, to Cuba without the Department of Commerce license required by Section 746.2 the Regulations. In so doing, Lethal Weapon committed one violation of Section 764.2(a) of the Regulations.

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

In connection with the export described in Charge 1, above, between on or about March 24, 2003 and on or about March 28, 2003, Lethal Weapon transported a vessel to Cuba with knowledge that a violation of the Regulations was occurring. Specifically, Lethal Weapon had knowledge that a violation was occurring because, prior to the export, the captain of Lethal Weapon's vessel signed a Coast Guard document indicating Lethal Weapon's acknowledgment that a Department of Commerce export license was required before any vessel could travel from the United States to Cuba or enter Cuban territorial waters, and he knew no Department of Commerce license had been obtained. In so doing, Lethal Weapon committed one violation of Section 764.2(e) of the Regulations.

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

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

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

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Lethal Weapon Charters, Inc.  
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WHEREAS, Lethal Weapon wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

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

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Lethal Weapon, under the Regulations, in connection with the matters alleged in the proposed charging letter.
2. The following sanction shall be imposed against Lethal Weapon in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the proposed charging letter:
  - a. Lethal Weapon shall be assessed a civil penalty in the amount of \$17,000. Lethal Weapon shall pay \$12,000 to the U.S. Department of Commerce within 30 days from the date of entry of the Order. Payment of the remaining \$5,000 shall be suspended for a period of one year from the date of entry of the Order and thereafter shall be waived, provided that during the period of suspension, Lethal Weapon has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made the payment of \$12,000, described above, in a timely manner.
  - b. The timely payment of the civil penalty agreed to in paragraph 2.a is hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Lethal Weapon. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Lethal Weapon's export privileges for a period of one year from the date of imposition of the penalty.

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Lethal Weapon Charters, Inc.  
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3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Lethal Weapon 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, and (c) 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 \$12,000 civil penalty, BIS will not initiate any further administrative proceeding against Lethal Weapon 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

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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

LETHAL WEAPON CHARTERS, INC.

*Michael D. Turner*  
Michael D. Turner  
Director  
Office of Export Enforcement

*Donna Feldman*  
Donna Feldman  
President

Date: 3/18/07

Date: 3/2/07



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

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In the Matter of: )  
)  
Lethal Weapon Charters, Inc. )  
1418 Angela Street )  
Key West, Florida 33040 )  
)  
Respondent )  
.....

ORDER RELATING TO LETHAL WEAPON CHARTERS, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Lethal Weapon Charters, Inc. (“Lethal Weapon”), of its intention to initiate an administrative proceeding against Lethal Weapon 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 issuance of a proposed charging letter to Lethal Weapon that alleged that Lethal Weapon committed two violations of the Regulations. Specifically, these charges are:

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<sup>1</sup> The violations alleged to have been committed occurred during 2003. The Regulations governing the violations at issue are found in the 2003 version of the Code of Federal Regulations. See 15 C.F.R. Parts 730-774 (2003). The 2006 Regulations govern the procedural aspects of this case.

<sup>2</sup> Since August 21, 2001 the Act has been in lapse. However, the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2006 (71 Fed. Reg. 44,551, Aug. 7, 2006), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)).

**Charge 1      15 C.F.R. § 764.2(a) - Exporting a Vessel without the Required License**

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

In connection with the export described in Charge 1, above, between on or about March 24, 2003 and on or about March 28, 2003, Lethal Weapon transported a vessel to Cuba with knowledge that a violation of the Regulations was occurring. Specifically, Lethal Weapon had knowledge that a violation was occurring because, prior to the export, the captain of Lethal Weapon's vessel signed a Coast Guard document indicating Lethal Weapon's acknowledgment that a Department of Commerce export license was required before any vessel could travel from the United States to Cuba or enter Cuban territorial waters, and he knew no Department of Commerce license had been obtained. In so doing, Lethal Weapon committed one violation of Section 764.2(e) of the Regulations.

WHEREAS, BIS and Lethal Weapon 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 \$17,000 is assessed against Lethal Weapon. Lethal Weapon shall pay \$12,000 to the 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. Payment of the remaining \$5,000 shall be suspended for a period of one year from the date of entry of this Order and thereafter shall be waived, provided that during the period of suspension, Lethal Weapon has committed no violation of the Act, or

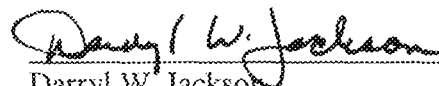
any regulation, order, or license issued thereunder and has made the payment of \$12,000, described above, in a timely manner.

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, Lethal Weapon 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 Lethal Weapon. Accordingly, if Lethal Weapon should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Lethal Weapon's export privileges 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 30<sup>th</sup> day of March, 2007.