

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

\_\_\_\_\_  
In the Matter of: )  
 )  
Advanced Orientation Systems, Inc. )  
1901 E. Linden Avenue, #22 )  
Linden, NJ 07036 )  
 )  
Respondent )  
\_\_\_\_\_ )

ORDER RELATING TO ADVANCED ORIENTATION SYSTEMS, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Advanced Orientation Systems, Inc., of Linden, NJ (“AOS”), of its intention to initiate an administrative proceeding against AOS pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2008)) (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 AOS that alleged that AOS committed one violation of the Regulations. Specifically, this charge is:

<sup>1</sup> The violation alleged to have been committed occurred during 2006. The Regulations governing the violation at issue are found in the 2006 version of the Code of Federal Regulations. *See* 15 C.F.R. Parts 730-774 (2006). The 2008 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 15, 2007 (72 Fed. Reg. 46,137 (Aug. 16, 2007)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707 (2000)).

**Charge 1 15 C.F.R. §764.2(a) – Exporting without a license.**

On or about August 25, 2006, AOS engaged in conduct prohibited by the Regulations when it exported 11 tiltometers, items subject to the Regulations and designated as EAR99,<sup>3</sup> to Mayrow General Trading in the United Arab Emirates without the export license required by BIS. Pursuant to General Order No. 3 of June 5, 2006, found in Supp. No. 1 to Part 736 of the Regulations, a license is required to export or reexport any item subject to the Regulations to Mayrow General Trading. By exporting tiltometers to Mayrow General Trading without the license required by the Regulations, AOS committed one violation of Section 764.2(a) of the Regulations.

WHEREAS, BIS and AOS 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 in the amount of \$31,500 is assessed against AOS. AOS shall pay \$15,000 to the U.S. Department of Commerce within 30 days from the date of entry of the Order. Payment of the remaining \$16,500 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, AOS has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made the payment of \$15,000, described above, in a timely manner. 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, AOS will be assessed, in addition to the full amount of the civil

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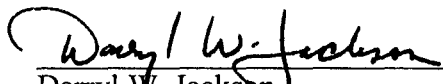
<sup>3</sup> Under the Regulations, items designated as “EAR99” are items that are subject to the Regulations but which do not fall in any specific entry on the Commerce Control List.

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 AOS. Accordingly, if AOS should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of AOS'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 10<sup>th</sup> day of July, 2008.

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

In the Matter of: )  
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Advanced Orientation Systems, Inc. )  
1901 E. Linden Avenue, #22 )  
Linden, NJ 07036 )  
 )  
Respondent )  
 )

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Advanced Orientation Systems, Inc., of Linden, NJ (“AOS”), 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 (2008)) (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 AOS of its intention to initiate an administrative proceeding against it, pursuant to the Act and the Regulations;

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<sup>1</sup> The violation alleged to have been committed occurred during 2006. The Regulations governing the violation at issue are found in the 2006 version of the Code of Federal Regulations. See 15 C.F.R. Parts 730-774 (2006). The 2008 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 15, 2007 (72 Fed. Reg. 46,137 (Aug. 16, 2007)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707 (2000)).

WHEREAS, BIS has issued a proposed charging letter to AOS that alleged that it committed one violation of the Regulations, specifically:

**Charge 1 15 C.F.R. §764.2(a) – Exporting without a license.**

On or about August 25, 2006, AOS engaged in conduct prohibited by the Regulations when it exported 11 tiltometers, items subject to the Regulations and designated as EAR99,<sup>3</sup> to Mayrow General Trading in the United Arab Emirates without the export license required by BIS. Pursuant to General Order No. 3 of June 5, 2006, found in Supp. No. 1 to Part 736 of the Regulations, a license is required to export or reexport any item subject to the Regulations to Mayrow General Trading. By exporting tiltometers to Mayrow General Trading without the license required by the Regulations, AOS committed one violation of Section 764.2(a) of the Regulations.

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

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

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

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<sup>3</sup> Under the Regulations, items designated as “EAR99” are items that are subject to the Regulations but which do not fall in any specific entry on the Commerce Control List.

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

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

NOW THEREFORE, the Parties hereby agree as follows:

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

2. The following sanction shall be imposed against AOS in complete settlement of the alleged violation of the Regulations relating to the transaction detailed in the proposed charging letter:

a. AOS shall be assessed a civil penalty in the amount of \$31,500.

AOS shall pay \$15,000 to the U.S. Department of Commerce within 30 days from the date of entry of the Order. Payment of the remaining \$16,500 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, AOS has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made the payment of \$15,000, 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 AOS. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of AOS' 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, AOS 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 \$15,000 civil penalty, and following the waiver of any remaining penalty as described in paragraph 2.a., above, BIS will not initiate any further administrative proceeding against AOS 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

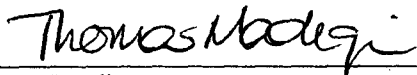
otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

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

ADVANCED ORIENTATION SYSTEMS,  
INC.



Thomas Madigan  
Acting Director  
Office of Export Enforcement

Date: 7/1/08



Marty Berger  
President

Date: 6/16/08

ORIGINAL  
*amb*



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Advanced Orientation Systems, Inc.  
1901 E. Linden Avenue, #22  
Linden, NJ 07036

*Attn: Mr. Marty Berger  
President*

Dear Mr. Berger:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Advanced Orientation Systems, Inc., of Linden, NJ (“AOS”), has committed one violation 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 AOS committed the following violation:

**Charge 1 15 C.F.R. §764.2(a) – Exporting without a license.**

On or about August 25, 2006, AOS engaged in conduct prohibited by the Regulations when it exported 11 tiltometers, items subject to the Regulations and designated as EAR99,<sup>3</sup> to Mayrow General Trading in the United Arab Emirates without the export license required by BIS. Pursuant to General Order No. 3 of June 5, 2006, found in Supp. No. 1 to Part 736 of the Regulations, a license is required to export or reexport any item subject to the Regulations to Mayrow General Trading. By exporting tiltometers to Mayrow General Trading without the license required by the Regulations, AOS 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 (2008). The violation charged occurred in 2006. The Regulations governing the violation at issue are found in the 2006 version of the Code of Federal Regulations. *See* 15 C.F.R. Parts 730-774 (2006). The 2008 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, 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 15, 2007 (72 Fed. Reg. 46,137, Aug. 16, 2007), has continued 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/>.

<sup>3</sup> Under the Regulations, items designated as “EAR99” are items that are subject to the Regulations but which do not fall in any specific entry on the Commerce Control List.

\* \* \* \* \*

Accordingly, AOS 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 the greater of \$250,000 per violation, or twice the value of the transaction that is the basis of the violation;<sup>4</sup>
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If AOS 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 (2008). If AOS defaults, the Administrative Law Judge may find the charge alleged in this letter to be true without a hearing or further notice to AOS. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty based on the charge in this letter.

AOS is further notified that it is entitled to an agency hearing on the record if it files a written demand for one with its answer. *See* 15 C.F.R. § 766.6 (2008). AOS 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 (2008).

AOS is additionally notified that under the Small Business Regulatory Enforcement Flexibility Act, it may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: <http://www.sba.gov/ombudsman/>.

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18 (2008). Should AOS have a proposal to settle this case, AOS's 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, AOS'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

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<sup>4</sup> *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

Advanced Orientation Systems, Inc.  
Proposed Charging Letter  
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Baltimore, Maryland 21202-4022

In addition, a copy of AOS's answer must be served on BIS at the following address:

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

Charles Wall is the attorney representing BIS in this case; any communications that AOS may wish to have concerning this matter should occur through him. Mr. Wall may be contacted by telephone at (202) 482-8046.

Sincerely,

Thomas Madigan  
Acting Director  
Office of Export Enforcement