

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Kwik-Site Corporation  
5555 Treadwell  
Wayne, MI 48184

Attention: Mr. Irv Rubin, President and Chief Executive Officer

Dear Mr. Rubin:

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) has reason to believe that Kwik-Site Corporation of Wayne, Missouri (“Kwik-Site”) committed 101 violations of the Export Administration Regulations (the “Regulations”),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979 (the “Act”).<sup>2</sup> Specifically, BIS charges that Kwik-Site committed the following violations:

**Charges 1-92            (15 C.F.R. § 764.2(a) - Exporting Firearms Scope Mounts to Canada Without the Required BIS Licenses)**

On 92 occasions from on or about May 18, 1999, through September 5, 2002, Kwik-Site engaged in conduct prohibited by or contrary to the Regulations by exporting firearms scope mounts, items subject to the Regulations and classified under Export Control Classification Number (“ECCN”) 0A987, to Canada, without the BIS licenses required by Section 742.17 of the Regulations (Exports of Firearms to OAS Member Countries). In so doing, Kwik-Site committed 92 violations of Section 764.2(a) of the Regulations. These transactions are further

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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 (2003). The charged violations occurred in 1999, 2000, 2001, and 2002. The Regulations governing the violations at issue are found in the 1999-2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774(1999-2002)). The 2003 Regulations establish the procedures that apply to this matter.

<sup>2</sup> 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 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. p. 783 (2002)), as extended by the Notice of August 7, 2003 (68 *Fed. Reg.* 47833, August 11, 2003)), has continued the Regulations in effect under IEEPA. The Act and Regulations are available on the Government Printing Office website at: <http://w3.access.gpo.gov/bis/>.

detailed in the Schedule of Violations, which is attached hereto and incorporated herein by reference.

**Charges 93-101 (15 C.F.R. § 764.2(a) - Exporting Firearms Scope Mounts to Other Destinations Without the Required BIS Licenses)**

On nine occasions from on or about June 2, 1999, through January 25, 2002, Kwik-Site engaged in conduct prohibited by or contrary to the Regulations by exporting firearms scope mounts, items subject to the Regulations and classified under ECCN 0A987, to Austria, Finland, Macedonia, Sweden, and Switzerland, without the BIS licenses required by Section 742.7 of the Regulations. In so doing, Kwik-Site committed nine violations of Section 764.2(a) of the Regulations. These transactions are further detailed in the attached Schedule of Violations.

Accordingly, Kwik-Site 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;<sup>3</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

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

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

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

Kwik-Site Corporation  
Proposed Charging Letter  
Page 3

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should Kwik-Site have a proposal to settle this case, Kwik-Site or its representative should transmit the offer 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, Kwik-Site'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 Kwik-Site's answer must be served on BIS at the following address:

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

Glenn Kaminsky is the attorney representing BIS in this case. Any communications that you may wish to have concerning this matter should occur through him. He may be contacted by telephone at (202) 482-5301.

Sincerely,

Mark D. Menefee  
Director  
Office of Export Enforcement

Attachment

## Schedule of Violations Kwik-Site Corporation

<u>CHARGE</u>	<u>EXPORT DATE</u>	<u>COMMODITY (all ECCN 0A987)</u>	<u>DESTINATION</u>	<u>INVOICE #</u>	<u>VALUE (\$)</u>
1	19990518	(74) Mounts	Canada	010694	939.18
2	19990907	(15) Mounts	Canada	010940	193.05
3	19990913	(115) Mounts	Canada	010956	1,530.15
3	19990913	(20) Mounts	Canada	010957	79.00
4	19990922	(12) Mounts	Canada	010994	150.84
5	19990928	(25) Bases, (226) Mounts, (18) Rings	Canada	010992	3,311.41
6	19990929	(11) Mounts	Canada	010995	138.27
7	19991005	(5) Bases, (2) Mounts, (7) Rings	Canada	011058	94.08
8	19991119	(3) Mounts	Canada	011178	37.71
9	19991130	(176) Bases, (237) Mounts	Canada	011196	3,550.12
10	19991213	(4,779) Bases	Canada	011234	3,823.20
11	20000111	(108) Bases, (328) Mounts	Canada	011257	4,904.28
11	20000111	(48) Mounts	Canada	011258	348.00
12	20000201	(14) Mounts	Canada	011380	148.98
13	20000303	(4) Mounts	Canada	011457	50.28
14	20000306	(194) Mounts	Canada	011465	2,814.33
15	20000307	(6) Rings, (147) Mounts	Canada	011475	1,822.26
16	20000329	(11) Mounts	Canada	011518	144.12
17	20000405	(5,735) Bases	Canada	011526	4,301.25
18	20000406	(17) Mounts	Canada	011529	246.09
18	20000406	(5) Mounts	Canada	011530	45.85
19	20000407	(136) Mounts	Canada	011538	1,795.02
20	20000421	(5) Mounts, (4) Rings	Canada	011556	85.43
20	20000421	(2) Mounts	Canada	011560	14.50
21	20000503	(13) Mounts	Canada	011564	163.41
22	20000605	(25) Mounts	Canada	011591	306.15
23	20000608	(99) Mounts	Canada	011594	1,316.43
24	20000614	(138) Mounts	Canada	011597	1,891.26
25	20000621	(81) Mounts	Canada	011621	894.42

26	20000710	(30) Mounts	Canada	011670	373.95
27	20000713	(342) Mounts, (42) Rings	Canada	011677	4,924.23
27	20000713	(62) Mounts	Canada	011678	401.98
28	20000804	(24) Mounts	Canada	011711	296.73
29	20000809	(72) Mounts	Canada	011715	933.39
30	20000817	(166) Mounts	Canada	011731	2,388.57
31	20000821	(67) Mounts	Canada	011735	972.69
32	20000907	(24) Mounts	Canada	011776	528.33
33	20000908	(69) Mounts, (2) Combo Bases & Rings	Canada	011774	848.37
34	20000923	(114) Mounts	Canada	011808	694.74
34	20000923	(239) Mounts, (24) Rings	Canada	011809	3,437.45
35	20000927	(18) Mounts	Canada	011819	237.51
36	20001002	(114) Bases, (62) Mounts	Canada	011826	1,037.40
37	20001011	(17) Mounts	Canada	011873	212.79
38	20001016	(48) Bases, (162) Mounts	Canada	011890	2,218.50
39	20001019	(50) Bases, (223) Mounts, (18) Rings	Canada	011910	165.36
39	20001019	(24) Mounts	Canada	011911	3,453.83
40	20001019	(32) Bases, (3) Mounts	Canada	011921	123.47
41	20001106	(9,000) Bases	Canada	011966	7,200.00
42	20001207	(9) Mounts	Canada	012048	135.63
43	20001215	(459) Mounts	Canada	012074	5,838.49
44	20010108	(10) Mounts	Canada	012094	154.95
45	20010116	(360) Bases	Canada	012111	617.76
45	20010116	(489) Mounts	Canada	012112	5,749.11
46	20010209	(114) Bases, (337) Mounts	Canada	012241	5,024.46
46	20010209	(20) Mounts	Canada	012242	145.00
47	20010316	(72) Mounts, (24) Rings	Canada	012308	981.03
47	20010316	(114) Mounts	Canada	012309	709.86
48	20010327	(265) Mounts	Canada	012315	3,792.75
49	20010507	(19) Mounts	Canada	012356	219.93
50	20010607	(24) Mounts	Canada	012390	298.08
51	20010618	(50) Mounts	Canada	012406	682.50
52	20010622	(48) Mounts	Canada	012410	728.76
53	20010719	(19) Mounts	Canada	012487	248.28
54	20010803	(60) Bases, (124) Mounts	Canada	012509	1,735.83
55	20010808	(381) Mounts, (54) Rings	Canada	012515	5,584.05
55	20010808	(138) Mounts	Canada	012516	890.34

56	20010821	(12) Mounts	Canada	012545	87.00
56	20010821	(36) Bases, (135) Mounts	Canada	012546	1,949.04
57	20010823	(160) Mounts	Canada	012553	2,265.51
57	20010823	(25) Mounts	Canada	012554	148.00
58	20010823	(30) Mounts	Canada	012556	381.60
59	20010824	(31) Mounts	Canada	012566	341.07
60	20010911	(130) Mounts	Canada	012605	1,828.95
61	20010912	(17) Bases, (7) Mounts, (1) Ring	Canada	012602	100.71
62	20010912	(57) Mounts, (3) Combo Bases & Rings	Canada	012603	957.60
63	20011005	(15) Mounts	Canada	012679	180.45
64	20011010	(135) Mounts	Canada	012681	1,903.95
65	20011101	(10) Mounts	Canada	012757	120.30
66	20011128	(9) Mounts	Canada	012849	105.03
67	20020103	(6,070) Bases	Canada	012876	4,856.00
68	20020108	(10) Mounts	Canada	012885	120.30
69	20020123	(78) Bases, (212) Mounts	Canada	012920	3,144.54
70	20020123	(12) Mounts	Canada	012925	123.84
71	20020222	(110) Mounts, (36) Rings	Canada	013043	1,275.68
71	20020222	(84) Mounts	Canada	013044	518.28
72	20020228	(144) Mounts	Canada	013107	1,028.04
72	20020228	(264) Bases, (84) Mounts	Canada	013108	1,687.14
73	20020301	(12) Mounts	Canada	013109	129.24
74	20020301	(156) Bases, (382) Mounts	Canada	013110	4,319.80
75	20020408	(17) Mounts	Canada	013305	181.29
76	20020409	(4) Bases, (2) Mounts	Canada	013307	34.92
77	20020425	(244) Mounts	Canada	013331	3,417.31
78	20020503	(42) Mounts	Canada	013346	280.56
78	20020503	(195) Bases, (18) Mounts	Canada	013347	558.57
79	20020503	(160) Mounts, (24) Rings	Canada	013348	2,237.85
80	20020503	(30) Bases	Canada	013355	57.00
81	20020517	(108) Mounts	Canada	013378	676.08
81	20020517	(125) Mounts	Canada	013379	1,730.66
82	20020529	(1,800) Bases	Canada	013415	3,672.00
83	20020604	(4,000) Bases	Canada	013396	3,200.00
84	20020606	(33) Mounts	Canada	013416	389.16
85	20020613	(86) Mounts	Canada	013420	1,065.72
86	20020613	(45) Mounts	Canada	013421	485.13

87	20020624	(90) Mounts	Canada	013438	1,150.20
88	20020717	(1,000) Bases	Canada	013502	800.00
89	20020807	(61) Mounts	Canada	013536	913.02
90	20020807	(26) Mounts	Canada	013548	310.62
91	20020904	(99) Mounts	Canada	013605	1,353.78
92	20020905	(27) Mounts	Canada	013607	325.89
93	19990715	(15) Bases	Austria	010820	33.30
94	19990602	(20) Mounts, (10) Rings	Finland	010699	345.60
95	19991117	(40) Combo Bases & Rings	Finland	011157	394.80
96	20010125	(36) Mounts, (30) Combo Bases & Rings	Finland	012106	509.22
97	20020125	(30) Bases, (25) Combo Bases & Rings	Finland	012939	326.85
98	20010628	(70) Mounts	Macedonia	012425	879.90
99	19990915	(500) Bases	Sweden	010964	670.00
100	19990917	(80) Bases	Sweden	010968	107.20
101	19990602	(46) Bases, (6) Mounts	Switzerland	010704	323.64
		Total Value of Exports			<b>153,127.51</b>

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

In the Matter of:	)
	)
Kwik-Site Corporation	)
5555 Treadwell	)
Wayne, MI 48184	)
	)
Respondent.	)
	)

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Respondent, Kwik-Site Corporation ("Kwik-Site"), and the Bureau of Industry and Security, United States 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 (2004)) ("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>

<sup>1</sup> The charged violations occurred in 1999, 2000, 2001, and 2002. The Regulations governing the violations at issue are found in the 1999-2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774(1999-2002)). The 2004 Regulations establish the procedures that apply to this matter.

<sup>2</sup> 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 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 7, 2003 (3 C.F.R., 2003 Comp. 328 (2004)), has continued the Regulations in effect under the IEEPA.



Settlement Agreement  
Kwik-Site  
Page 2 of 6

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

WHEREAS, BIS has issued a proposed charging letter to Kwik-Site that alleged that Kwik-Site committed 101 violations of the Regulations, specifically:

1. *92 Violations of 15 C.F.R. § 764.2(a) - Exporting Firearms Scope Mounts to Canada Without the Required BIS Licenses:* On 92 occasions from on or about May 18, 1999, through September 5, 2002, Kwik-Site engaged in conduct prohibited by or contrary to the Regulations by exporting firearms scope mounts, items subject to the Regulations and classified under Export Control Classification Number ("ECCN") 0A987, to Canada, without the BIS licenses required by Section 742.17 of the Regulations (Exports of Firearms to OAS Member Countries).
2. *Nine Violations of 15 C.F.R. § 764.2(a) - Exporting Firearms Scope Mounts to Other Destinations Without the Required BIS Licenses:* On nine occasions from on or about June 2, 1999, through January 25, 2002, Kwik-Site engaged in conduct prohibited by or contrary to the Regulations by exporting firearms scope mounts, items subject to the Regulations and classified under ECCN 0A987, to Austria, Finland, Macedonia, Sweden, and Switzerland, without the BIS licenses required by Section 742.7 of the Regulations.

Settlement Agreement  
Kwik-Site  
Page 3 of 6

WHEREAS, Kwik-Site 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, Kwik-Site fully understands the terms of this Agreement and the Order ("Order") that the Assistant Secretary of Commerce for Export Enforcement will issue if she approves this Agreement as the final resolution of this matter;

WHEREAS, Kwik-Site enters into this Agreement voluntarily and with full knowledge of its rights;

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

WHEREAS, Kwik-Site neither admits nor denies the allegations contained in the proposed charging letter;

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

WHEREAS, Kwik-Site agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

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

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

Settlement Agreement  
Kwik-Site  
Page 4 of 6

- a. Kwik-Site shall be assessed a civil penalty in the amount of \$54,000, of which \$5,000 shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order. Payment of \$22,000 shall be made in five equal installments of \$4,400 each, one payment every three months for the 15 months following the date of entry of this Order. Payment of the remaining \$27,000 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, Kwik-Site has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made the payment of \$27,000 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, License Exception, permission, or privilege granted, or to be granted, to Kwik-Site. Failure to make timely payment of the civil penalty set forth above shall result in the denial of all of Kwik-Site'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, Kwik-Site 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

Settlement Agreement  
Kwik-Site  
Page 5 of 6

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 \$27,000 civil penalty, BIS will not initiate any further administrative proceeding against Kwik-Site 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 United States Government with respect to the facts and circumstances addressed herein.

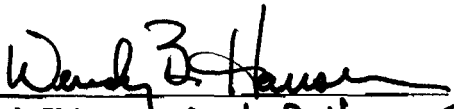
8. This Agreement shall become binding on BIS only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

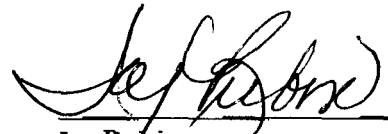
Settlement Agreement  
Kwik-Site  
Page 6 of 6

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

KWIK-SITE CORPORATION

  
~~Rick Shimom~~ Wendy B. Hauser  
Acting Director  
Office of Export Enforcement

  
Irv Rubin  
President and Chief Executive Officer

Date: 6/28/04

Date: 6/22/04

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

\_\_\_\_\_  
In the Matter of: )  
 )  
Kwik-Site Corporation )  
5555 Treadwell )  
Wayne, MI 48184 )  
 )  
Respondent. )  
\_\_\_\_\_

ORDER

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) having notified Kwik-Site Corporation (“Kwik-Site”) of its intention to initiate an administrative proceeding against Kwik-Site pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2004)) (“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> based on the proposed charging letter issued to Kwik-Site that alleged that Kwik-Site committed 101 violations of the Regulations. Specifically, the charges are:

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<sup>1</sup> The charged violations occurred in 1999, 2000, 2001, and 2002. The Regulations governing the violations at issue are found in the 1999-2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774(1999-2002)). The 2004 Regulations establish the procedures that apply to this matter.

<sup>2</sup> 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 issued on 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 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 7, 2003 (3 C.F.R., 2003 Comp. 328 (2004)), has continued the Regulations in effect under the IEEPA.

1. *92 Violations of 15 C.F.R. § 764.2(a) - Exporting Firearms Scope Mounts to Canada Without the Required BIS Licenses:* On 92 occasions from on or about May 18, 1999, through September 5, 2002, Kwik-Site engaged in conduct prohibited by or contrary to the Regulations by exporting firearms scope mounts, items subject to the Regulations and classified under Export Control Classification Number (“ECCN”) 0A987, to Canada, without the BIS licenses required by Section 742.17 of the Regulations (Exports of Firearms to OAS Member Countries).
2. *Nine Violations of 15 C.F.R. § 764.2(a) - Exporting Firearms Scope Mounts to Other Destinations Without the Required BIS Licenses:* On nine occasions from on or about June 2, 1999, through January 25, 2002, Kwik-Site engaged in conduct prohibited by or contrary to the Regulations by exporting firearms scope mounts, items subject to the Regulations and classified under ECCN 0A987, to Austria, Finland, Macedonia, Sweden, and Switzerland, without the BIS licenses required by Section 742.7 of the Regulations.

BIS and Kwik-Site having 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 the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$54,000 is assessed against Kwik-Site. Kwik-Site shall pay \$5,000 of the civil penalty to the U.S. Department of Commerce within 30 days from

the date of entry of this Order. Payment of \$22,000 shall be made in five equal installments of \$4,400 each, one payment every three months for the 15 months following the date of entry of this Order. Payment of the remaining \$27,000 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, Kwik-Site has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made the payment of \$27,000 described above in a timely manner. Payment shall be made in the manner specified in the attached instructions.

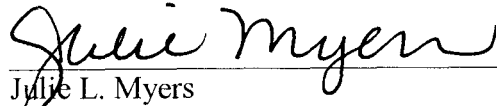
SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Kwik-Site will be assessed, in 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 Kwik-Site. Accordingly, if Kwik-Site should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Kwik-Site'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.

  
Julie L. Myers  
Assistant Secretary of Commerce  
for Export Enforcement

Entered this 30<sup>th</sup> day of July 2004.