

AMENDED CHARGING LETTER

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Aura Ltd.
39 Rushdon Rd.
Milton Ernest
Bedford
Bedfordshire, MK44 1RU
United Kingdom

Attention: *Deborah Mary Inskip*
Managing Director

Dear Ms. Inskip:

The Bureau of Industry and Security, United States Department of Commerce ("BIS"), has reason to believe that Aura Ltd., formerly known as Aura Scientific Ltd. ("Aura"), violated the Export Administration Regulations (the "Regulations"),¹ which are issued under the authority of the Export Administration Act of 1979 (the "Act"),² on five occasions. Specifically, BIS charges that Aura committed the following violations:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2004). The violations charged occurred between 1999 and 2000. The Regulations governing the violations at issue are found in the 1999 and 2000 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999-2000)).

² 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 by Pub. L. No. 106-508 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 (66 *Fed. Reg.* 44025 (August 22, 2001)), as extended by the Notice of August 7, 2003 (68 *Fed. Reg.* 47833 (August 11, 2003)), has continued the Regulations in effect under IEEPA.

Charges 1-5 (15 C.F.R. §764.2(b) - Aiding and Abetting an Export in Violation of the Regulations)

Between on or about June 2, 1999 and on or about March 22, 2000, Aura aided and abetted the export of bone densitometer equipment, items subject to the Regulations and the Iran Transactions Regulations, from the United States to Iran without prior authorization from the Office of Foreign Assets Control, U.S. Department of the Treasury, as required in Section 746.7 of the Regulations. Aura aided and abetted the illegal exports by transshipping the items from the United Kingdom to Iran to complete their shipment from the United States. In doing so, Aura committed five violations of Section 764.2(b) of the Regulations.

Accordingly, Aura 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;³

Denial of export privileges; and/or

Exclusion from practice before BIS.

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

Aura is further notified that it is entitled to an agency hearing on the record if Aura files a written demand for one with its answer. (Regulations, Section 766.6). Aura 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 you have a proposal to settle this case, you or your representative should transmit it to me through the attorney representing BIS named below.

³ Pursuant to 15 C.F.R. § 6.4(a)(2) the maximum penalty is \$11,000 per violation.

Aura Ltd.
Charging Letter
Page 3

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Aura'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 Aura's answer must be served on BIS at the following address:

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

Peter R. Klason 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

Enclosure

SCHEDULE A

CHARGE NUMBER	DATE OF VIOLATION	SYSTEM NUMBER	VALUE
1	June 2, 1999	DMD-3095	\$28,050.00
2	July 28, 1999	DMD-7308	\$31,000.00
3	September 24, 1999	DMD-7360	\$31,000.00
4	August 27, 1999*	DMD-7349	\$34,913.00
5	March 22, 2000*	DMD-3134	\$33,005.00

* For these exports the date of shipment is unknown, so the date that the order was booked is included in this chart.

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

In the Matter of:)	
)	
Aura Ltd.)	Docket No. 03-BIS-07
39 Rushdon Rd.)	
Milton Ernest)	
Bedford)	
Bedfordshire, MK44 1RU)	
United Kingdom)	
)	
Respondent)	

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Aura Ltd. (“Aura”), and the Bureau of Industry and Security, United States Department of Commerce (“BIS”) (collectively referred to as “Parties”), pursuant to Section 766.18(b) of the Export Administration Regulations (“Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),²

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2004). The violations charged occurred between 1999 and 2000. The Regulations governing the violations at issue are found in the 1999 and 2000 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999-2000)). The 2004 Regulations establish the procedures that apply to this matter.

² 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.

WHEREAS, BIS has initiated an administrative proceeding against Aura, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued an amended charging letter to Aura that alleged that Aura committed five violations of the Regulations, specifically:

1. *Five Violations of 15 C.F.R. §764.2(b) - Aiding and Abetting an Export in Violation of the Regulations:* Between on or about June 2, 1999 and on or about March 22, 2000, Aura aided and abetted the export of bone densitometer equipment, items subject to the Regulations and the Iranian Transactions Regulations, from the United States to Iran without prior authorization from the Office of Foreign Assets Control, U.S. Department of the Treasury, as required in Section 746.7 of the Regulations. Aura aided and abetted the unauthorized exports by transshipping the items from the United Kingdom to Iran to complete their shipment from the United States.

WHEREAS, Aura has reviewed the amended 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, Aura 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, Aura enters into this Agreement voluntarily and with full knowledge of its rights;

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

WHEREAS, Aura neither admits nor denies the allegations contained in the amended charging letter;

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

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

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Aura, under the Regulations, in connection with the matters alleged in the amended charging letter.
2. The following sanction shall be imposed against Aura in complete settlement of the violations of the Regulations set forth in the amended charging letter:
 - a. For a period of two years from the date of entry of the Order, Aura, its successors or assigns, and, when acting for or on behalf of Aura, its officers, representatives, agents, 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.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Aura 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 amended 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 administrative proceeding against Aura in connection with any violation of the Act or the Regulations arising out of the transactions identified in the amended charging letter.

5. BIS will make the amended 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(b) 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.

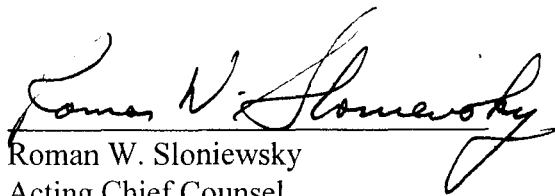
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department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

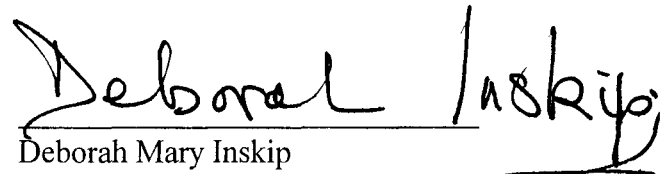
8. This Agreement shall become binding on BIS only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

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.

OFFICE OF CHIEF COUNSEL FOR
INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE

AURA LTD.


Roman W. Sloniewsky
Acting Chief Counsel


Deborah Mary Inskip
Managing Director

Date: 7/6/04

Date: _____

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

In the Matter of:)	
)	
Aura Ltd.)	Docket No. 03-BIS-07
39 Rushdon Rd.)	
Milton Ernest)	
Bedford)	
Bedfordshire, MK44 1RU)	
United Kingdom)	
)	
Respondent)	

ORDER

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) having initiated an administrative proceeding against Aura Ltd.(“Aura”) pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2004) (“Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),² based on the amended charging letter issued to Aura that alleged that Aura committed five violations of the Regulations. Specifically, the charges are:

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

² 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.

1. *Five Violations of 15 C.F.R. §764.2(b) - Aiding and Abetting an Export in Violation of the Regulations:* Between on or about June 2, 1999 and on or about March 22, 2000, Aura aided and abetted the export of bone densitometer equipment, items subject to the Regulations and the Iran Transactions Regulations, from the United States to Iran without prior authorization from the Office of Foreign Assets Control, U.S. Department of the Treasury, as required in Section 746.7 of the Regulations. Aura aided and abetted the illegal exports by transshipping the items from the United Kingdom to Iran to complete their shipment from the United States.

BIS and Aura having entered into a Settlement Agreement pursuant to Section 766.18(b) 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 for a period of two years from the date of entry of this Order, Aura Ltd., 39 Rushdon Rd., Milton Ernest, Bedford, Bedfordshire, MK44 1RU, United Kingdom, its successors or assigns, and when acting for or on behalf of Aura, its officers, representatives, agents, 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.

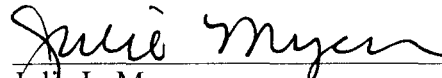
THIRD, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to Aura by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of the 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 a copy of this Order shall be delivered to the United States Coast Guard ALJ Docketing Center, 40 Gay Street, Baltimore, Maryland 21202-4022, notifying that office that this case is withdrawn from adjudication, as provided by Section 766.18 of the Regulations

SIXTH, that the 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 12th day of August 2004.