

DRAFT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Williams Gun Sight Company, Inc.
7389 Lapeer Road
Davison, Michigan 48423

The Bureau of Industry and Security, United States Department of Commerce ("BIS"), has reason to believe that Williams Gun Sight Company, Inc. ("Williams") has committed 82 violations of the Export Administration Regulations (the "Regulations"),¹ which are issued under the authority of the Export Administration Act of 1979 (the "Act").² Specifically, BIS charges that Williams committed the following violations:

**Charges 1-82 (15 C.F.R. § 742.17 and § 764.2(a) - Engaging in Prohibited
Conduct - Exports of Gun Sighting Devices and Parts for Such
Devices to Canada Without the Required License)s**

From on or about April 14, 1999, to on or about July 12, 2001, Williams exported gun sighting devices and parts for such devices, items subject to the Regulations and described in Export Control Classification Number ("ECCN") 0A987,³ from the United States to Canada. These

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2003). The charged violations occurred from 1999 to 2001. The Regulations governing the violations at issue are found in the 1999-2001 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2002)). The Regulations define the violations that BIS has charged and establish the procedures that apply to this matter.

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 (114 Stat. 2360 (2000)) and it remained in effect through August 20, 2001. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp., p. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 7, 2003 (68 *Fed. Reg.* 47833, August 11, 2003), continues the Regulations in effect under IEEPA.

³ The ECCNs for various items are set out in the Commerce Control List in Supplement No. 1 to part 774 of the Regulations.

exports are further described in the enclosed Exhibit A, which is incorporated by reference herein. Williams made these exports without a license from the Department of Commerce, as required by Section 742.17 of the Regulations. In doing so, Williams committed 82 violations of Section 764.2(a) of the Regulations.

Accordingly, Williams 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 \$11,000 per violation;⁴

Denial of export privileges; and/or

Exclusion from practice before BIS.

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

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

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

⁴ See the Federal Civil Penalties Adjustment Act of 1990 (28 U.S.C. § 2461, note (2000)) and 15 C.F.R. § 6.4(a)(2).

Williams Gun Sight Company, Inc.
Charging Letter
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In addition, a copy of Williams's answer must be served on BIS at the following address:

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

Philip D. Golrick 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

EXHIBIT A

Charge	Export on or about:	Destination	Value
1	04/14/99	Western Gun Parts, Ltd., Edmonton	\$959.25
2	04/20/99	S.I.R. Mail Order, Winnipeg	\$211.19
3	05/10/99	Western Gun Parts, Ltd., Edmonton	\$34.75
4	05/10/99	Bowmac Gun Par Inc. '96, Ontario	\$223.64
5	05/21/99	S.I.R. Mail Order, Winnipeg	\$77.55
6	06/07/99	Caldwell Industries Co., North Vancouver	\$15.89
7	06/11/99	S.I.R. Mail Order, Winnipeg	\$16.95
8	06/24/99	S.I.R. Mail Order, Winnipeg	\$4.45
9	07/16/99	Western Gun Parts, Ltd., Edmonton	\$149.85
10	08/18/99	HVH Enterprises, Winnipeg	\$6.95
11	08/18/99	S.I.R. Mail Order, Winnipeg	\$206.92
12	08/26/99	S.I.R. Mail Order, Winnipeg	\$92.02
13	08/26/99	Tackle Unlimited, Thunder Bay	\$26.85
14	08/31/99	Bowmac Gun Par Inc. '96, Ontario	\$4217.64
15	09/7/99	Caldwell Industries Co., North Vancouver	\$507.45
16	09/29/99	S.I.R. Mail Order, Winnipeg	\$119.88
17	09/29/99	Bowmac Gun Par Inc. '96, Ontario	\$371.66
18	09/30/99	S.I.R. Mail Order, Winnipeg	\$291.27
19	10/12/99	S.I.R. Mail Order, Winnipeg	\$31.78
20	10/12/99	Tackle Unlimited, Ontario	\$35.80
21	10/12/99	Bowmac Gun Par Inc. '96, Ontario	\$79.45
22	10/18/99	Banner's Spec. Ltd., Winnipeg	\$95.50
23	11/05/99	Tackle Unlimited, Ontario	\$15.89
24	11/11/99	S.I.R. Mail Order, Winnipeg	\$71.09

EXHIBIT A

Charge	Export on or about:	Destination	Value
25	11/19/99	Bowmac Gun Par Inc. '96, Ontario	\$31.78
26	11/30/99	HVH Enterprises, Winnipeg	\$91.31
27	11/30/99	S.I.R. Mail Order, Winnipeg	\$20.77
28	12/08/99	Bowmac Gun Par Inc. '96, Ontario	\$1299.46
29	12/08/99	Western Gun Parts, Ltd., Edmonton	\$29.97
30	12/30/99	Bowmac Gun Par Inc. '96, Ontario	\$104.25
31	01/20/00	Western Gun Parts, Ltd., Edmonton	\$30.97
32	01/31/00	Western Gun Parts, Ltd., Edmonton	\$6724.00
33	02/02/00	Magasin Lataulippe, Quest	\$621.30
34	02/09/00	Bowmac Gun Par Inc. '96, Ontario	\$31.78
35	02/18/00	S.I.R. Mail Order, Winnipeg	\$34.96
36	02/23/00	Western Gun Parts, Ltd., Edmonton	\$415.80
37	02/23/00	Caldwell Industries Co., North Vancouver	\$389.10
38	03/07/00	Western Gun Parts, Ltd., Edmonton	\$69.50
39	03/17/00	Bowmac Gun Par Inc. '96, Ontario	\$2547.10
40	03/22/00	Western Gun Parts, Ltd., Edmonton	\$258.95
41	04/07/00	Western Gun Parts, Ltd., Edmonton	\$52.44
42	04/12/00	S.I.R. Mail Order, Winnipeg	\$88.77
43	04/12/00	Bowmac Gun Par Inc. '96, Ontario	\$188.22
44	05/05/00	HVH Enterprises, Winnipeg	\$43.50
45	05/11/00	Caldwell Industries Co., North Vancouver	\$231.60
46	05/11/00	S.I.R. Mail Order, Winnipeg	\$109.31
47	05/18/00	Western Gun Parts, Ltd., Edmonton	\$92.91
48	06/14/00	Caldwell Industries Co., North Vancouver	\$247.76

EXHIBIT A

Charge	Export on or about:	Destination	Value
49	06/14/00	Western Gun Parts, Ltd., Edmonton	\$565.05
50	06/23/00	Caldwell Industries Co., North Vancouver	\$20.85
51	07/21/00	S.I.R. Mail Order, Winnipeg	\$133.47
52	08/25/00	Caldwell Industries Co., North Vancouver	\$150.06
53	08/25/00	S.I.R. Mail Order, Winnipeg	\$123.88
54	08/31/00	Bowmac Gun Par Inc. '96, Ontario	\$2366.48
55	09/20/00	Western Gun Parts, Ltd., Edmonton	\$1088.60
56	09/20/00	S.I.R. Mail Order, Winnipeg	\$224.72
57	09/29/00	Western Gun Parts, Ltd., Edmonton	\$154.85
58	10/18/00	Bowmac Gun Par Inc. '96, Ontario	\$2092.18
59	11/10/00	S.I.R. Mail Order, Winnipeg	\$186.65
60	11/16/00	Bowmac Gun Par Inc. '96, Ontario	\$3149.20
61	11/16/00	Caldwell Industries Co., North Vancouver	\$303.93
62	11/16/00	Western Gun Parts, Ltd., Edmonton	\$34.96
63	11/16/00	S.I.R. Mail Order, Winnipeg	\$36.70
64	11/20/00	Caldwell Industries Co., North Vancouver	\$19.00
65	12/7/00	Bowmac Gun Par Inc. '96, Ontario	\$411.40
66	01/16/01	S.I.R. Mail Order, Winnipeg	\$198.35
67	02/27/01	Bowmac Gun Par Inc. '96, Ontario	\$208.50
68	03/01/01	S.I.R. Mail Order, Winnipeg	\$366.89
69	03/15/01	Caldwell Industries Co., North Vancouver	\$441.84
70	04/13/01	Western Gun Parts, Ltd., Edmonton	\$3942.07
71	04/18/01	Western Gun Parts, Ltd., Edmonton	\$403.62
72	04/24/01	Bowmac Gun Par Inc. '96, Ontario	\$2882.72

EXHIBIT A

Charge	Export on or about:	Destination	Value
73	04/25/01	Caldwell Industries Co., North Vancouver	\$42.50
74	05/08/01	S.I.R. Mail Order, Winnipeg	\$136.57
75	05/09/01	Bowmac Gun Par Inc. '96, Ontario	\$474.60
76	05/11/01	Western Gun Parts, Ltd., Edmonton	\$1202.58
77	05/15/01	Caldwell Industries Co., North Vancouver	\$34.20
78	06/05/01	Bowmac Gun Par Inc. '96, Ontario	\$202.50
79	06/13/01	Bowmac Gun Par Inc. '96, Ontario	\$189.75
80	06/20/01	Caldwell Industries Co., North Vancouver	\$586.98
81	06/22/01	S.I.R. Mail Order, Winnipeg	\$95.70
82	07/12/01	Western Gun Parts, Ltd., Edmonton	\$1177.00

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

In the Matter of:)
)
Williams Gun Sight Company, Inc.)
7389 Lapeer Road)
Davidson, Michigan, 48423)
)
Respondent.)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Respondent, Williams Gun Sight Company, Inc. (“Williams”), and the Bureau of Industry and Security, U.S. 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”),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),²

¹ The violations charged occurred between 1999 and 2001. The Regulations governing the violations at issue are found in the 1999 through 2001 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999-2001)). The 2004 Regulations set forth 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 6, 2004 (69 *Fed. Reg.* 48763, August 10, 2004), has continued the Regulations in effect under the IEEPA.

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

WHEREAS, BIS has issued a proposed charging letter to Williams that alleged that Williams committed 82 violations of the Regulations, specifically:

1. *82 Violations of 15 C.F.R. §764.2(a) - Exports of Gun Sighting Devices and Parts for Such Devices to Canada Without the Required Licenses:* From on or about April 14, 1999, to on or about July 12, 2001, Williams exported gun sighting devices and parts for such devices, items subject to the Regulations and described in Export Control Classification Number 0A987, from the United States to Canada. Williams made these exports without licenses from the Department of Commerce, as required by Section 742.17 of the Regulations.

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

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Williams, under the Regulations, in connection with the matters alleged in the proposed charging letter.
2. The following sanction shall be imposed against Williams in complete settlement of the violations of the Regulations relating to the transactions detailed in the proposed charging letter:
 - a. Williams shall be assessed a civil penalty in the amount of \$123,000, of which \$10,000 shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order; \$10,000 shall be paid to the U.S. Department of Commerce not later than October 31, 2005; \$10,000 shall be paid to the U.S. Department of Commerce not later than November 30, 2005; and \$10,590 shall be paid to the U.S. Department of Commerce not later than December 31, 2005. Payment of the remaining \$82,410 shall be suspended until January 31, 2006, and thereafter shall be waived, provided that during the period of suspension, Williams has committed no violations of the Act, or any regulation, order, or license issued thereunder and Williams has made the payment of \$40,590 described above in a

timely manner. Payment shall be made in the manner specified in the attached instructions.

- 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 Williams. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Williams's export or reexport 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, Williams 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 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 \$40,590 civil penalty, BIS will not initiate any further administrative proceeding against Williams in connection with any violation of the Act or the Regulations arising out of the transactions detailed 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 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

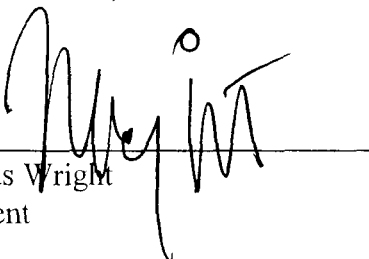


Acting Director
Office of Export Enforcement

Date: FEB 02 2005

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Williams Gun Sight Company, Inc.
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WILLIAMS GUN SIGHT
COMPANY, INC.



Thomas Wright
President

Date: 01/18/05

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

In the Matter of:)
)
Williams Gun Sight Company, Inc.)
7389 Lapeer Road)
Davidson, Michigan, 48423)
)
Respondent.)
)

ORDER

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) has notified Williams Gun Sight Company, Inc. (“Williams”) of its intention to initiate an administrative proceeding against Williams 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 by issuing a proposed charging letter issued to Williams that alleged that Williams committed 82 violations of the Regulations. Specifically, the charges are:

¹ The violations charged occurred between 1999 and 2001. The Regulations governing the violations at issue are found in the 1999 through 2001 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999-2001)). 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 6, 2004 (69 *Fed. Reg.* 48763 (August 10, 2004)), has continued the Regulations in effect under the IEEPA.

1. *82 Violations of 15 C.F.R. §764.2(a) - Exports of Gun Sighting Devices and Parts for Such Devices to Canada Without the Required Licenses:* From on or about April 14, 1999, to on or about July 12, 2001, Williams exported gun sighting devices and parts for such devices, items subject to the Regulations and described in Export Control Classification Number 0A987, from the United States to Canada. Williams made these exports without licenses from the Department of Commerce, as required by Section 742.17 of the Regulations.

Whereas, BIS and Williams 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

Whereas I have approved the terms of the Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$123,000 is assessed against Williams, of which \$10,000 shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order; \$10,000 shall be paid to the U.S. Department of Commerce not later than October 31, 2005; \$10,000 shall be paid to the U.S. Department of Commerce not later than November 30, 2005; and \$10,590 shall be paid to the U.S. Department of Commerce not later than December 31, 2005. Payment of the remaining \$82,410 shall be suspended until January 31, 2006, and thereafter shall be waived, provided that during the period of suspension, Williams has committed no violations of the Act, or any regulation, order, or license issued thereunder and Williams has made the payment of \$40,590 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.

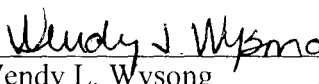
Order
Williams Gun Sight Company, Inc.
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§§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Williams will be assessed, 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 Williams. Accordingly, if Williams should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Williams' 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.



Wendy L. Wysong
Acting Assistant Secretary of Commerce
for Export Enforcement

Entered this 9th day of February 2005.