

SETTLEMENT AGREEMENT

This settlement agreement (the "Agreement") is made by and between the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") and Mr. Jeng Shih and his company, Sunrise Technologies and Trading Corporation ("Sunrise") (collectively, the "Respondents").

Between approximately January 2007 and April 2011, Respondents exported computer-related goods from the United States to Iran through another company located in Dubai, United Arab Emirates ("UAE") in apparent violation of the Iranian Transactions Regulations, 31 C.F.R. part 560 (the "ITR"). Illustrative examples of such exports where Respondents appear to have violated § 560.204 of the ITR include, but are not limited to, the following three examples set forth in the signed Statement of Offense in the criminal case *United States v. Jeng Shih, et al.*, Case No. CR-11-119 (D.D.C.) (Attachment A):

- a) on or about April 9, 2010, they exported 368 units of computer-related goods from the United States to Iran, through the UAE, valued at approximately \$330,404;
- b) on or about April 28, 2010, they exported 158 units of computer-related goods from the United States to Iran, through the UAE, valued at approximately \$253,926; and
- c) on or about May 7, 2010, they exported 185 units of computer-related goods from the United States to Iran, through the UAE, valued at approximately \$196,603.

All of the exports by Respondents of computer-related goods from the United States to Iran, through another company located in Dubai, UAE, during the period between approximately January 2007 and April 2011, including the aforementioned examples are collectively referred to as the "Apparent Violations."

OFAC and Respondents agree as follows:

1. In consideration of the undertakings of Respondents in paragraph 2 below, OFAC agrees to release and forever discharge Respondents, without any finding of fault, from any and all civil liability in connection with the Apparent Violations arising under the legal authorities that OFAC administers.
2. In consideration of the undertakings of OFAC in paragraph 1 above, Respondents agree:
 - A. To a complete settlement with OFAC of the Apparent Violations in the amount of \$1,661,672. Respondents' obligation to pay such settlement amount has been satisfied by Respondents' acceptance of responsibility for the Apparent Violations by having entered guilty pleas and agreement to the forfeiture of a money judgment in the amount of \$1,250,000, including submission to forfeiture of certain assets related to the pattern of conduct that gave rise to the Apparent Violations, pursuant to the criminal plea agreement that Respondents are entering into with the U.S. Department of Justice, U.S. Attorney's Office for the District of Columbia (Attachment B), and by having entered Settlement Agreements with the Department of Commerce, Bureau of Industry and Security ("BIS") (Attachments C and D), concurrent with this settlement.

- B. To waive any claim by or on behalf of Respondents, whether asserted or unasserted, against OFAC, the U.S. Department of the Treasury, and/or its officials and employees arising out of the facts giving rise to the enforcement matter that resulted in this Agreement, including but not limited to OFAC's investigation of the Apparent Violations, and of any possible legal objection to this Agreement at any future date.

This Agreement shall not in any way be construed as an admission by Respondents that Respondents engaged in the Apparent Violations.

This Agreement has no bearing on any past, present, or future OFAC actions, including the imposition of civil penalties, with respect to any activities by Respondents other than those set forth as the Apparent Violations.

OFAC may, in its sole discretion, issue a public statement about the facts of this Agreement, on its Web site or otherwise, including the identity of any entity involved, the settlement amount, and a brief description of the Apparent Violations.

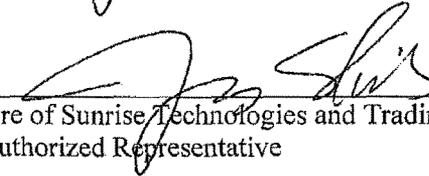
This Agreement consists of three pages and Attachments A, B, C, and D, and expresses the complete understanding of OFAC and Respondents regarding resolution of OFAC's civil penalty matter involving the Apparent Violations. No other agreements, oral or written, exist between OFAC and Respondents regarding resolution of this matter.

This Agreement shall inure to the benefit of and be binding on each party, as well as its respective successors or assigns.

Respondents accept the terms of this Settlement Agreement this 6th day of October, 2011.



Jeng Shih



Signature of Sunrise Technologies and Trading Corporation's
Duly Authorized Representative

JENG SHIH

Name of Sunrise Technologies and Trading Corporation's Duly
Authorized Representative

Managing Director

Printed Title of Sunrise Technologies and Trading Corporation's
Duly Authorized Representative

Date: 10/6/11



Adam Szubin
Director
Office of Foreign Assets Control

RESOLUTION OF THE BOARD OF DIRECTORS OF
SUNRISE TECHNOLOGIES TRADING CORPORATION (“SUNRISE”)
October 5, 2011

The undersigned Directors of Sunrise adopt the following resolution:

WHEREAS, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) has reason to believe that Sunrise Technologies and Trading Corporation of Flushing, New York (“Sunrise”), has exported computer-related goods from the United States to Iran through another company located in Dubai, United Arab Emirates (“UAE”) in apparent violation of Iranian Transactions Regulations, 31 C.F.R. part 560 (the “ITR”). The specific violations, referred to as the “Export Matter,” are contained in the “Settlement Agreement” (“Agreement”).

WHEREAS, Sunrise’s legal counsel, Robert P. LaRusso, has been negotiating a resolution of the Export Matter.

WHEREAS, Sunrise’s legal counsel, Robert P. LaRusso, has reported to the board the terms and conditions of a proposed Agreement.

NOW, THEREFORE, BE IT:

RESOLVED, that Sunrise hereby authorizes Jeng Shih, the Company’s Managing Director, to enter into an Agreement between OFAC and Sunrise; and

FURTHER RESOLVED, that Jeng Shih is further directed and authorized to take such other actions as he may determine may be necessary and/or appropriate to enter into the Agreement or to protect the interests of Sunrise or as may otherwise be required; and

FURTHER RESOLVED, that Jeng Shih or any other Officer of Sunrise are hereby authorized and directed to take all actions and deliver any agreements, certificates, and documents and instruments with respect to or contemplated by the Agreement, and matters set forth above, including the payment of all amounts of fees, costs, and other expenses necessary or appropriate to effectuate the purpose and intent of the foregoing resolutions and implement the settlements contemplated hereby.

IN WITNESS THEREOF, the undersigned directors have executed this resolution.


Jeng Shih



Roger X. Zheng



Jim Ma

SUNRISE TECHNOLOGIES AND TRADING CORPORATION

ATTACHMENT A

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

CRIMINAL NO. 11-119 (JEB) ^{-01,02}

v.

JENG SHIH,
also known as
JAY SHIH,

and

SUNRISE TECHNOLOGIES AND
TRADING CORPORATION,
also known as
SUNRISE,
also known as
ST&T,

Defendants.

FILED

OCT -7 2011

Clerk, U.S. District & Bankruptcy
Courts for the District of Columbia

STATEMENT OF OFFENSE

Had this case gone to trial, the United States would have proven beyond a reasonable doubt that:

General Allegations

1. Defendant SUNRISE TECHNOLOGIES AND TRADING CORPORATION, also known as SUNRISE, also known as ST&T ("SUNRISE"), is a company incorporated to do business in New York and operates in the United States at the address of 33-38 Farrington Street, Flushing, NY 11354. SUNRISE is owned and operated by defendant JENG SHIH, also known as JAY SHIH, along with two other individuals. The business of SUNRISE is the domestic and international sale of electronic equipment, including computer-related goods.

2. Defendant SHIH is a citizen of the United States. SHIH is the primary owner and operator of SUNRISE with the authority to bind the company. Beginning as early as in or about 2007, and continuing through the present, SHIH conspired with a company operating in Dubai, United Arab Emirates (“UAE”), and Tehran, Iran (hereinafter “Company X”), to procure U.S.-origin computers through SUNRISE and export those computers from the United States to Iran, through Dubai, UAE, a known transshipment point.

3. During the period of the conspiracy, Company X was a company operating in Dubai, UAE, and Tehran, Iran, owned and operated by Individual A.

4. During the period of the conspiracy, Individual A was an Iranian national.

5. During the period of the conspiracy, Individual B was also an Iranian national and an agent for Company X.

The Iran Trade Embargo and the Iranian Transactions Regulations

6. The International Emergency Economic Powers Act (“IEEPA”), 50 U.S.C. §§ 1701-1706, authorized the President of the United States (“the President”) to impose economic sanctions on a foreign country in response to an unusual or extraordinary threat to the national security, foreign policy or economy of the United States when the President declared a national emergency with respect to that threat. Pursuant to the authority under the IEEPA, the President and the executive branch have issued orders and regulations governing and prohibiting certain transactions with Iran by U.S. persons or involving U.S.-origin goods.

7. Beginning with Executive Order No. 12170, issued on November 14, 1979, the President has found that “the situation in Iran constitutes an unusual and extraordinary threat to

the national security, foreign policy and economy of the United States and declare[d] a national emergency to deal with that threat.”

8. On May 6, 1995, the President issued Executive Order No. 12959, adopting and continuing Executive Order No. 12170 (collectively, the “Executive Orders”), and prohibiting, among other things, the exportation, reexportation, sale, or supply, directly or indirectly, to Iran of any goods, technology, or services from the United States or by a United States person. The Executive Orders authorized the United States Secretary of the Treasury to promulgate rules and regulations necessary to carry out the Executive Orders. Pursuant to this authority, the Secretary of the Treasury promulgated the Iranian Transaction Regulations (“ITR”), implementing the sanctions imposed by the Executive Orders.

9. The Iranian Transactions Regulations prohibit, among other things, the export, reexport, sale, or supply, directly or indirectly, of any goods, technology, or services from the United States or by a United States person, wherever located, to Iran or the Government of Iran, without prior authorization or license from the United States Department of the Treasury, through the Office of Foreign Assets Control, located in the District of Columbia. These regulations further prohibit any transactions that evade or avoid or have the purpose of evading or avoiding any of the prohibitions contained in the Iranian Transactions Regulations, including the unauthorized exportation of goods from the United States to a third country if the goods are intended or destined for Iran.

10. On October 15, 2007, the IEEPA at 50 U.S.C. § 1705 provided in pertinent part:

(a) Unlawful acts

It shall be unlawful for a person to violate, attempt to violate, conspire to violate, or cause a violation of any license, order, regulation, or prohibition issued under this chapter.

* * *

(c) Criminal penalty

A person who willfully commits, willfully attempts to commit, or willfully conspires to commit, or aids or abets in the commission of, an unlawful act described in subsection (a) of this section shall upon conviction, be fined not more than \$1,000,000, or if a natural person, may be imprisoned for not more than 20 years, or both.

11. The Executive Orders, the IEEPA, and the ITR were in effect at all times relevant to this offense.

12. At no time did defendants SHIH or SUNRISE or any of their co-conspirators apply for, receive, or possess a license or authorization from the Office of Foreign Assets Control, located in the District of Columbia, to export goods, technology, or services, of any description, to Iran.

**Conspiracy to Export U.S.-Origin
Computer-related Goods to Iran and to Defraud the United States**

13. Beginning as early as in or about 2007, the exact date being unknown to the Grand Jury, and continuing to April 6, 2011, defendants SHIH and SUNRISE did knowingly and willfully combine, conspire, confederate, and agree with others to: (a) commit an offense against the United States, that is, to export and cause the exportation of computer-related goods from the United States to Iran in violation of the prohibitions imposed upon that country by the United States Government, without having first obtained the required licenses from OFAC, located in the District of Columbia, in violation of 50 U.S.C. § 1705 (i.e., IEEPA) and 31 C.F.R. §§

560.203 and 560.204 (i.e., the ITR); and (b) defraud the United States Government by interfering with and obstructing a lawful government function, that is, the enforcement of laws and regulations prohibiting the export or supply of goods from the United States to Iran without having first obtained the required licenses from OFAC, by deceit, craft, trickery, and dishonest means, in violation of 18 U.S.C. § 371.

Defendants' Initial Contacts and Business with Company X

14. In or around 2005 or 2006, Individual A on behalf of Company X began purchasing millions of dollars worth of laptop computers from defendant SUNRISE through defendant SHIH.

15. In or around 2005 or 2006, Individual A on behalf of Company X began transshipping some of the U.S.-origin computer-related goods it was purchasing from defendant SUNRISE through defendant SHIH to Iran.

16. In or around 2007, Company X's business primarily consisted of the purchase of U.S.-origin computer-related goods from suppliers in the United States, like defendant SUNRISE, for shipment from the United States to Iran.

17. In or around 2007, Company X employed Individual B as Company X's primary employee and point of contact in Iran.

18. In or around 2007, Individual A informed defendant SHIH that Individual B resided in Tehran, Iran, and was facilitating Company X's business with defendant SUNRISE from that location.

19. Beginning in or around 2007, defendant SHIH and others on behalf of defendant SUNRISE communicated directly with Individual B in Iran via electronic and telephonic

communications on a weekly basis in furtherance of defendant SUNRISE's sale and shipment of U.S.-origin computer goods from the United States to Company X.

**The Unlawful Export of 368 Units of Computer-related Goods
from the United States to Iran, Through Dubai, UAE**

20. On or before April 9, 2010, Individual B, on behalf of Company X, ordered 368 units of computer-related goods from defendant SUNRISE through defendant SHIH. Individual B was in Tehran, Iran, at the time Individual B sent the e-mail.

21. On or about April 9, 2010, defendant SUNRISE shipped 368 units of computer-related goods from the United States to Company X in Dubai, UAE.

22. On or about April 9, 2010, defendant SHIH or another on behalf of defendant SUNRISE e-mailed Individual B an invoice by defendant SUNRISE to Company X for the purchase and shipment of the 368 units of computer-related goods valued at approximately \$330,404.

23. On or about April 10, 2010, Company X received the 368 units of computer-related goods from defendant SUNRISE in Dubai, UAE. On or about April 17, 2010, Company X transshipped the 368 units of computer-related goods to Tehran, Iran.

24. On or about April 11, 2010, defendant SUNRISE submitted or caused to be submitted an SED to the United States Department of Commerce, headquartered in the District of Columbia, that falsely stated that the country of ultimate destination for the shipment of the 368 units of computer-related goods was the UAE.

25. On or about April 8 and 22, 2010, Individual B caused Company X to wire money from a bank account held by Company X in Dubai, UAE, to a bank account held by defendant SUNRISE in the United States, approximately \$330,404 of which represented Company X's payment to defendant SUNRISE for the 368 units of computer-related goods.

**The Unlawful Export of 158 Units of Computer-related Goods
from the United States to Iran, Through Dubai, UAE**

26. On or before April 28, 2010, Individual B, on behalf of Company X, ordered 158 units of computer-related goods from defendant SUNRISE through defendant SHIH. Individual B was in Tehran, Iran, at the time Individual B sent the e-mail.

27. On or about April 28, 2010, defendant SUNRISE shipped 158 units of computer-related goods from the United States to Company X in Dubai, UAE.

28. On or about April 28, 2010, defendant SHIH or another on behalf of defendant SUNRISE e-mailed Individual B an invoice by defendant SUNRISE to Company X for the purchase and shipment of the 158 units of computer-related goods valued at approximately \$253,926.

29. On or about April 29, 2010, Company X received the 158 units of computer-related goods from defendant SUNRISE in Dubai, UAE. On or about May 5, 2010, Company X transshipped the 158 units of computer-related goods to Tehran, Iran.

30. On or about April 30, 2010, defendant SUNRISE submitted or caused to be submitted an SED to the United States Department of Commerce, headquartered in the District of Columbia, that falsely stated that the country of ultimate destination for the shipment of the 158 units of computer-related goods was the UAE.

31. On or about April 29, 2010, and May 3, 2010, Individual B caused Company X to wire money from a bank account held by Company X in Dubai, UAE, to a bank account held by defendant SUNRISE in the United States, approximately \$253,926 of which represented Company X's payment to defendant SUNRISE for the 158 units of computer-related goods.

**The Unlawful Export of 185 Units of Computer-related Goods
from the United States to Iran, Through Dubai, UAE**

32. On or before May 7, 2010, Individual B, on behalf of Company X, ordered 185 units of computer-related goods from defendant SUNRISE through defendant SHIH. Individual B was in Tehran, Iran, at the time Individual B sent the e-mail.

33. On or about May 7, 2010, defendant SUNRISE shipped 185 units of computer-related goods from the United States to Company X in Dubai, UAE.

34. On or about May 7, 2010, defendant SHIH or another on behalf of defendant SUNRISE e-mailed Individual B an invoice by defendant SUNRISE to Company X for the purchase and shipment of the 185 units of computer-related goods valued at approximately \$196,603.

35. On or about May 8, 2010, Company X received the 185 units of computer-related goods from defendant SUNRISE in Dubai, UAE. On or about May 11, 2010, Company X transshipped the 185 units of computer-related goods to Tehran, Iran.

36. On or about May 8, 2010, defendant SUNRISE submitted or caused to be submitted an SED to the United States Department of Commerce, headquartered in the District of Columbia, that falsely stated that the country of ultimate destination for the shipment of the 185 units of computer-related goods was the UAE.

37. On or about May 6 and 10, 2010, Individual B caused Company X to wire money from a bank account held by Company X in Dubai, UAE, to a bank account held by defendant SUNRISE in the United States, approximately \$196,603 of which represented Company X's payment to defendant SUNRISE for the 185 units of computer-related goods.

38. Between in or around at least 2007 and April 6, 2011, Individual A or Individual B, or both, made numerous purchases of computer-related goods from defendant SUNRISE through

defendant SHIH, averaging approximately \$700,000 worth of computer-related goods each month. Between in or around at least 2007 and April 6, 2011, defendants SUNRISE and SHIH sold Company X, through Individual A or Individual B, or both, a total of approximately \$34,000,000 worth of computer-related goods that were destined for and transshipped to Iran.

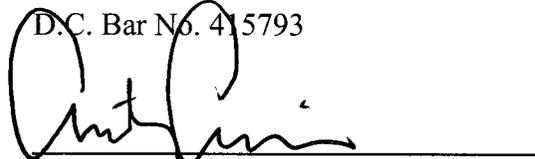
39. Between in or around at least 2007 and April 6, 2011, defendants SHIH and SUNRISE and other conspirators failed to apply for, receive, and possess, and caused others to fail to apply for, receive, and possess a license from OFAC, located in the District of Columbia, to export any of the U.S.-origin goods set forth above from the United States to Iran.

Limited Nature of Statement of Offense

40. This proffer of evidence is not intended to constitute a complete statement of all facts known by defendants SHIH and SUNRISE, but is the minimum statement of facts intended to provide the necessary factual predicate for their guilty pleas. The limited purpose of this proffer is to demonstrate that there exists a sufficient legal basis for defendants SHIH and SUNRISE to plead guilty to the charge of Conspiracy to Unlawfully Export U.S. Goods to Iran and to Defraud the United States.



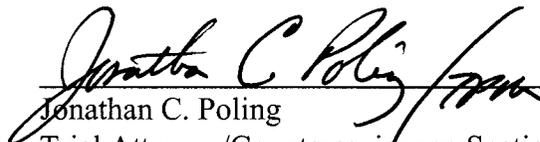
RONALD C. MACHEN JR.
UNITED STATES ATTORNEY
D.C. Bar No. 415793



Anthony Asuncion
Assistant United States Attorney
D.C. Bar No. 420822



T. Patrick Martin
Assistant United States Attorney
D.C. Bar No. 471965



Jonathan C. Poling
Trial Attorney/Counterespionage Section
Department of Justice
D.C. Bar No. 489459

Defendant Shih's Stipulation and Signature

After consulting with my attorney, Robert P. LaRusso, Esq., and pursuant to the Plea Agreement entered into this day with the United States, I hereby stipulate that the above Statement of Offense is true and accurate. I further stipulate that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

Date: 10/4/2011

Jeng "Jay" Shih
Defendant

Defendant Sunrise Technologies and Trading Corporation's Stipulation and Signature

I, Jay "Jeng" Shih, am the designated representative for Sunrise Technologies and Trading Corporation ("Sunrise") with the authority to bind Sunrise in this matter. After consulting with my attorney, Robert LaRusso, Esq., and pursuant to the Plea Agreement entered into this day with the United States, I hereby stipulate that the above Statement of Offense is true and accurate. I further stipulate that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

Date: 10/4/2011

Jeng "Jay" Shih
Designated Representative for
Defendant Sunrise Technologies and Trading Corporation

Attorney's Acknowledgment

I am counsel for the defendants Jeng "Jay" Shih and Sunrise Technologies and Trading Corporation. I have carefully reviewed the above Statement of Offense with my clients. To my knowledge, the decision to stipulate to these facts is an informed and voluntary one.

Date: 10/4/2011

Robert P. LaRusso
Robert P. LaRusso, Esq.
Counsel for Defendants

SUNRISE TECHNOLOGIES AND TRADING CORPORATION

ATTACHMENT B



U.S. Department of Justice

Ronald C. Machen Jr.
United States Attorney

District of Columbia

*Judiciary Center
555 Fourth St., N.W.
Washington, D.C. 20530*

October 3, 2011

VIA E-MAIL

Robert P. LaRusso
LaRusso & Conway
Attorneys at Law
300 Old Country Road, Ste. 341
Mineola, NY 11501

FILED

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**Clerk, U.S. District & Bankruptcy
Courts for the District of Columbia**

**Re: United States v. Jeng Shih, et al.,
Case No. CR-11-119,01,02**

Dear Counsel:

This letter contains a wired plea offer being extended to your clients, Jeng Shih (a.k.a. Jay Shih) and Sunrise Technologies and Trading Corporation ("Sunrise"), from the Criminal Division of the Office of the United States Attorney for the District of Columbia and the National Security Division of the Department of Justice (hereinafter also referred to collectively as "the Government," or "this Office," or "the United States"). **This plea offer will expire at 6:00 p.m. on Monday, October 3, 2011.** If your clients accept the terms and conditions of this wired plea offer, please have your clients execute this document in the space provided below, as well as initial each individual page, where indicated. Upon receipt of the executed document, this letter will become the Plea Agreement. The terms of the offer are as follows:

1. **Charges and Statutory Penalties.** Your clients agree to plead guilty to Count I of the Indictment, that is, Conspiracy to violate the International Emergency Economic Powers Act and the Iranian Transaction Regulations, in violation of 18 U.S.C. § 371. The Indictment also includes a criminal forfeiture allegation. To effectuate criminal forfeiture, your clients agree to the entry of a Consent Order of Forfeiture.

2. **Potential penalties, assessments, and restitution.** Your clients understand that,

JS _____
S&T _____
RL _____
[Handwritten initials and signatures]

pursuant to 18 U.S.C. § 371, Conspiracy to violate the International Emergency Economic Powers Act carries a maximum sentence of 5 years of imprisonment, a fine of \$250,000 or a fine of twice the pecuniary gain or loss pursuant to 18 U.S.C. § 3571(d) for individuals and a fine of \$1,000,000 or a fine of five times the value of the exports involved, whichever is greater, for corporations, a \$100 special assessment, a 3-year term of supervised release, an order of restitution, and an obligation to pay any applicable interest or penalties on fines or restitution not timely made. Your clients understand that they will be sentenced according to 18 U.S.C. §§ 3553(a) and 3553(c) through (f), upon consideration of the guidelines and policies promulgated by the United States Sentencing Commission, Guidelines Manual (2010) (hereinafter "Sentencing Guidelines" or "U.S.S.G."), which will apply to determine your clients' sentencing guideline ranges. Your clients understand that pursuant to 18 U.S.C. § 3571 and U.S.S.G. § 5E1.2, the Court may also impose a fine that is sufficient to pay the federal government the costs of any imprisonment, term of supervised release and period of probation.

3. **Agreement not to prosecute.** Upon acceptance of this Plea Agreement by the Court and at the time of your clients' sentencing, the Government will request that the Court dismiss the remaining counts in the Indictment. Your clients, however, agree and acknowledge that the charges to be dismissed at the time of sentencing were based in fact, and that your clients are not a "prevailing party" within the meaning of the "Hyde Amendment," Section 617, P.L. 105-119 (Nov. 26, 1997), and will not file any claim under that law. Furthermore, other than the offense to which your clients agree to plead guilty pursuant to this Plea Agreement, the United States agrees not to charge your clients with any other criminal offenses committed before execution of this Plea Agreement, arising out of their transactions with intermediaries doing business with and on behalf of Iranian customers. This paragraph does not apply to any other "crimes of violence," as that term is defined by 18 U.S.C. § 16 and D.C. Code § 22-3202, or any offenses which your clients fail to disclose to us before entering into this Plea Agreement.

4. **Waiver of Constitutional and Statutory rights.** Your clients understand that by pleading guilty in this case they agree to waive certain rights afforded by the Constitution of the United States and/or by statute, including the right to plead not guilty and the right to a jury trial. At trial, your clients would have the right to be represented by counsel, to confront and cross-examine witnesses against them, to compel witnesses to appear for the purpose of testifying and presenting other evidence on your clients' behalf, and to choose whether to testify themselves. If your clients chose not to testify at a jury trial, your clients would have the right to have the jury instructed that their failure to testify could not be held against them. Your clients would further have the right to have the jury instructed that they are presumed innocent until proven guilty, and that the burden would be on the United States to prove their guilt beyond a reasonable doubt. If your clients were found guilty after a trial, they would have the right to appeal their convictions.

Your clients understand that the Fifth Amendment to the Constitution of the United States protects them from the use of self-incriminating statements in a criminal prosecution. By entering pleas of guilty, your clients knowingly and voluntarily waive or give up

JS _____
S&T _____
RL _____



their right against self-incrimination.

5. **Factual Stipulations.** Your clients agree that the Statement of Offense being filed in this matter fairly and accurately describes your clients' actions and involvement in the offense to which your clients are pleading guilty. If your clients accept the terms and conditions of this offer, please have your clients execute the Statement of Offense, where indicated. Once executed, please return the original signed Statement of Offense along with this signed Plea Agreement.

6. **Sentencing Guidelines.** As indicated above, your clients understand that their sentences in this case will be determined by the Court, pursuant to the factors set forth in 18 U.S.C. § 3553(a), including a consideration of the guidelines and policies in Sentencing Guidelines. Pursuant to Federal Rule of Criminal Procedure 11(c)(1)(B), and to assist the Court in determining the appropriate sentences, the parties stipulate to the following Sentencing Guidelines calculations:

a. **Offense Level under the Guidelines.** The parties agree that the applicable Guideline is that applicable to the charge of Conspiracy to violate the IEEPA and ITR, in violation of 18 U.S.C. § 371. Accordingly, the parties agree that the applicable Guideline is U.S.S.G. § 2M5.1(a)(1) and **the base offense level is 26**, because the offense involved the violation of a national security control, to wit, the exportation of goods to Iran without the required export license and attendant financial transactions with persons doing business in Iran.

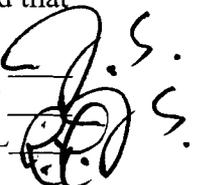
(1). **Downward Adjustment for Acceptance of Responsibility.** Assuming your clients clearly demonstrate acceptance of responsibility to the satisfaction of the Government through your clients' allocution and subsequent conduct prior to the imposition of sentence, the Government agrees that a 3-level reduction would be appropriate, pursuant to U.S.S.G. § 3E1.1(a).

Accordingly, the applicable adjusted offense level is 23.

b. **Criminal History Category.** Based on the Government's investigation to date and representations from your clients, the government is not aware of any criminal convictions of your clients. Accordingly, your clients' Criminal History Category is I.

c. **Applicable Guideline Range.** Based upon the calculations set forth above, your clients' Stipulated Sentencing Guidelines range is 46-57 months (the "Stipulated Guidelines Range") for the offense.

Your clients fully and completely understand that the final determination of their sentences will be made by the Court, which must consult with and take into account the Sentencing Guidelines, but which is not bound by those Guidelines. Your clients understand that

JS _____
S&T _____
RL _____


the failure of the Court or the Probation Office to determine the guideline range in accordance with the above calculations will not void this Plea Agreement or serve as a basis for the withdrawal of your clients' plea. Your clients understand and agree that your clients will not be allowed to withdraw their guilty pleas entered pursuant to this Plea Agreement solely because of the harshness of any sentence recommended by the Probation Office or imposed by the Court, and that a motion to withdraw the plea on that basis may be treated by the United States as a breach of this Plea Agreement.

7. **Forfeiture.**

a. Your clients agree to the forfeiture set forth in the Forfeiture Allegation in the Indictment to which they are pleading guilty. Specifically, your clients agree to the forfeiture of a money judgment in the amount of \$1,250,000; \$179,321.17 seized from the Citibank account listed in the Indictment; and all property seized from your clients by U.S. Customs and Border Protection in the following case numbers: 2011-1001-000603-01, 2010-4701-000898-01, 2010-4701-000899-01, 2010-4701-000951-01, and 2010-4701-000982-01. The United States agrees to credit \$711,000, consisting of the value of the seized bank account and the property seized in the above-listed cases, against the money judgment. Your clients agree to provide a check for \$255,000 to the U.S. Customs and Border Protection no later than the date of the sentencing hearing in this matter as a payment against the money judgment. Your clients further agree to provide a check to the U.S. Customs and Border Protection in the amount of \$284,000 no later than one year from the date of defendant Jeng Shih's release from any period of incarceration imposed in this case as a further payment against the money judgment. If a period of incarceration is not imposed in this case, your clients agree to provide the \$284,000 check to the U.S. Customs and Border Protection no later than one year after the date of the sentencing hearing in this matter.

b. Your clients agree that the proffer of evidence supporting your clients' guilty plea is sufficient evidence to support this forfeiture. Your clients agree that the Court may enter a preliminary Consent Order of Forfeiture for this property at the time of their guilty plea or at any time before sentencing. Your clients agree that the Court will enter a Final Order Of Forfeiture for this property as part of their sentence.

c. Your clients agree that this plea agreement permits the government to seek to forfeit any of their assets, real or personal, that are subject to forfeiture under any federal statute, whether or not this agreement specifically identifies the asset. Regarding any asset or property, your clients agree to forfeiture of all interest in: (1) any and all property constituting, or derived from, any proceeds they obtained, directly or indirectly, as the result of the violation to which they are pleading guilty; and (2) any substitute assets for property otherwise subject to forfeiture. 18 U.S.C. § 981(a)(1)(C); 28 U.S.C. § 2461(c); and 21 U.S.C. § 853.

d. By this plea agreement, your clients agree that they have waived any and all interest they have in these assets or properties and consented to their forfeiture by whatever

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process the government chooses. Your clients agree that the government may use this waiver and consent in any administrative or judicial forfeiture proceeding, whether criminal or civil, state, local or federal. If your clients already have filed a claim to any of these assets or property in any forfeiture process, they hereby agree to withdraw it. They also agree that they will not file a claim to any of these assets or property in any future forfeiture proceeding of whatever type. In the event that the law enforcement agency having custody of the property decides not to pursue forfeiture of the property due to its minimal value, the defendants hereby abandon any interest they have in such property and consent to its destruction by the law enforcement agency.

e. Your clients agree that the government may choose in its sole discretion how it wishes to accomplish forfeiture of the property whose forfeiture they have consented to in this plea agreement, whether by criminal or civil forfeiture, using judicial or non-judicial forfeiture processes. If the government chooses to effect the forfeiture provisions of this plea agreement through the criminal forfeiture process, your clients agree to the entry of orders of forfeiture for such property and waive the requirements of Federal Rule of Criminal Procedure 32.2 regarding notice of the forfeiture in the charging instrument, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the judgment. Your clients understand that the forfeiture of assets is part of the sentence that may be imposed in this case, and they waive any failure by the Court to advise them of this, pursuant to Federal Rule of Criminal Procedure 11(b)(1)(J), at the time of their guilty plea.

f. Your clients agree to take all necessary actions to identify all assets over which your clients exercise or exercised control, directly or indirectly, at any time since January 1, 2007, or in which your clients have or had during that time any financial interest. Your clients agree to take all steps as requested by the Government to pass clear title to forfeitable interests or to property to the United States and to testify truthfully in any judicial forfeiture proceeding.

g. Your clients agree to waive all constitutional and statutory challenges in any manner (including, but not limited to, direct appeal) to any forfeiture carried out in accordance with this plea agreement on any grounds, including that the forfeiture constitutes an excessive fine or punishment.

8. **Conditions of release pending sentencing.** The Government will not seek a change in your clients' release conditions pending sentencing. Your clients, however, acknowledge that the final decision regarding your clients' bond status or detention will be made by the Court at the time of your clients' pleas of guilty.

9. **Reservation of allocution.** With one exception, your clients understand that the Government reserves its full right of allocution for purposes of sentencing. That exception is that the Government agrees that it will cap its allocution concerning any request for imprisonment at 3 years. That is, although the Government may ultimately request a sentence that includes a term of imprisonment anywhere from 0 to 3 years, pursuant to this plea agreement, it will not request a

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term of imprisonment of more than 3 years. The Government reserves the right to describe fully, both orally and in writing, to the sentencing judge the nature and seriousness of your clients' misconduct, including any misconduct not described in the charge to which your clients are pleading guilty. The Government also reserves the right to inform the presentence report writer and the Court of any relevant facts, to dispute any factual inaccuracies in the presentence report, and to contest any matters not provided for in this Plea Agreement.

Nothing in this Plea Agreement limits the right of the Government to seek denial of the adjustment for acceptance of responsibility, see U.S.S.G. § 3E1.1, and/or imposition of an adjustment for obstruction of justice, see U.S.S.G. § 3C1.1, regardless of any stipulation set forth above, should your clients move to withdraw your clients' guilty pleas after they are entered, or should it be determined that your clients have either (i) engaged in conduct, unknown to the Government at the time of the signing of this Plea Agreement, that constitutes obstruction of justice or (ii) engaged in additional criminal conduct after signing this Plea Agreement.

Your clients also understand that the Government retains its full right of allocation in connection with any post-sentence motion which may be filed in this matter and/or any proceeding before the Bureau of Prisons. The Government reserves the right to appeal the sentence in this case.

10. **Interpreter.** Your clients understand that, if an interpreter is required to assist your clients in translating this Plea Agreement into your clients' native language, then your clients agree to request, pursuant to Title 18 U.S.C. § 3006A, "The Criminal Justice Act," to secure the services of a certified interpreter to verbally translate the Plea Agreement and related documents for your clients into your clients' native language. If no such request is made, then your clients hereby declare that your clients understand the English language sufficiently well to read and understand this Plea Agreement.

11. **Appeal Waiver.** Your clients are aware that federal law, specifically 18 U.S.C. § 3742, affords your clients the right to appeal their sentences in this sentence. Your clients are aware that the Government's factual stipulations and predictions about the calculation of the sentencing guidelines are not binding on the sentencing judge. Knowing that, your clients waive the right to appeal their sentences or the manner in which they were determined pursuant to 18 U.S.C. § 3742, except to the extent that (a) the Court sentences your clients to a period of imprisonment longer than the statutory maximum, or (b) the Court departs upward from the applicable Sentencing Guideline range pursuant to the provisions of U.S.S.G. § 5K2 or based on a consideration of the sentencing factors set forth in 18 U.S.C. § 3553(a). Further, your client reserves the right to make a collateral attack upon your clients' sentences pursuant to 28 U.S.C. § 2255, if new and currently unavailable information becomes known to him. In agreeing to this waiver, your clients are aware that your clients' sentences have yet to be determined by the Court. Realizing the uncertainty in estimating what sentences the Court ultimately will impose,

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your clients knowingly and willingly waive your clients' right to appeal the sentences, to the extent noted above, in exchange for the concessions made by the Government in this Agreement.

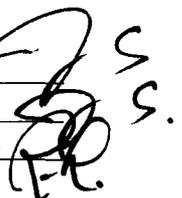
12. **Breach of agreement.** Your clients understand and agree that if they fail specifically to perform or to fulfill completely each and every one of their obligations under this Plea Agreement, or commit any further crimes, then they will have breached this Plea Agreement. In the event of such a breach, (a) the United States will be free from its obligations under the Plea Agreement; (b) your clients will not have the right to withdraw their guilty pleas; (c) your clients shall be fully subject to criminal prosecution for any other crimes which they have committed or might commit, if any, including perjury and obstruction of justice; and (d) the United States will be free to use against your clients, directly and indirectly, in any criminal or civil proceeding all statements made by them and any of the information or materials provided by them, including such statements, information and materials provided pursuant to this Plea Agreement or during the course of any debriefings conducted in anticipation of, or after entry of this Plea Agreement, including your clients' statements made during proceedings before the Court pursuant to Fed. R. Crim. P. 11.

Your clients acknowledge discussing with you Fed. R. Crim. P. 11(f) and Federal Rule of Evidence (FRE) 410, rules which ordinarily limit the admissibility of statements made by a defendant in the course of plea discussions or plea proceedings if a guilty plea is later withdrawn. Your clients knowingly and voluntarily waive the rights which arise under these rules. As a result of this waiver, your clients understand and agree that any statements which are made in the course of their guilty pleas will be admissible against them for any purpose in any criminal or civil proceeding if your clients breach this Plea Agreement or their guilty pleas are subsequently withdrawn. Moreover, in the event your clients' guilty pleas are withdrawn, they agree that the United States will be free to use against them in any criminal or civil proceeding any statements made during the course of any debriefing conducted in this case, regardless of whether those debriefings were previously covered by an "off the record" agreement by the parties.

Your clients understand and agree that the United States shall only be required to prove a breach of this Plea Agreement by a preponderance of the evidence. Your clients further understand and agree that the United States need only prove a violation of federal, state, or local criminal law by probable cause in order to establish a breach of this Plea Agreement.

Nothing in this Plea Agreement shall be construed to permit your clients to commit perjury, make false statements or declarations, or obstruct justice, or to protect your clients from prosecution for any crimes not included within this Plea Agreement or committed by them after the execution of this Plea Agreement. Your clients understand and agree that the United States reserves the right to prosecute them for any such offenses. Your clients further understand that any perjury, false statements or declarations, or obstruction of justice relating to their obligations under this Plea Agreement shall constitute a breach of this Plea Agreement.

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Handwritten signatures and initials in black ink, including a large signature that appears to be 'S.S.' and other initials.

However, in the event of such a breach, your clients will not be allowed to withdraw their guilty pleas.

13. **Prosecution by Other Agencies/Jurisdictions.** This Plea Agreement only binds the United States Attorney's Office for the District of Columbia and the National Security Division of the Department of Justice. It does not bind any other United States Attorney's Office or any other office or agency of the United States government, including, but not limited to, the Tax Division of the United States Department of Justice; the United States Department of the Treasury, including the Internal Revenue Service; or any state or local prosecutor. These individuals and agencies remain free to prosecute your clients for any offense(s) committed within their respective jurisdictions.

14. **No Other Agreements.** No other agreements, promises, understandings, or representations have been made by the parties other than those contained in writing herein, nor will any such agreements, promises, understandings, or representations be made unless committed to writing and signed by your clients, your clients' counsel, and an Assistant United States Attorney for the District of Columbia, or made by the parties on the record before the Court.

If your clients agree to the conditions set forth in this letter, both your clients and you should initial each page and sign the original in the spaces provided and return the executed Plea Agreement to us. The original of this Plea Agreement will be filed with the Court.

Sincerely,


RONALD C. MACHEN JR.
United States Attorney
for the District of Columbia


Anthony Asuncion
T. Patrick Martin
Assistant United States Attorneys
National Security Section


Jonathan C. Poling
Trial Attorney/Counterespionage Section
Department of Justice

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Defendant Shih's Acceptance

I have read this Plea Agreement and carefully reviewed every part of it with my attorney, Robert P. LaRusso, Esq. I am fully satisfied with the legal services provided by my attorney in connection with this Plea Agreement and all matters relating to it. I fully understand this Plea Agreement and voluntarily agree to it. No threats have been made to me, nor am I under the influence of anything that could impede my ability to understand this Plea Agreement fully. No agreements, promises, understandings, or representations have been made with, to, or for me other than those set forth above. I am pleading guilty to the offenses set forth in the Plea Agreement because I am guilty of those crimes.

10/4/2011
Date

Jeng Shih
Jeng Shih
Defendant

Defendant Shih's Counsel's Acknowledgment

I have read each of the pages constituting this Plea Agreement, reviewed them with my client, Jeng Shih, and discussed the provisions of the Plea Agreement with him fully. These pages accurately and completely sets forth the entire Plea Agreement. I concur in my client's desire to plead guilty as set forth in this Plea Agreement.

10/4/2011
Date

Robert P. LaRusso
Robert P. LaRusso
Counsel for Defendant Shih

Defendant Sunrise Technologies and Trading Corporation's Acceptance

I am a designated representative for Sunrise Technologies and Trading Corporation with the authority to bind Sunrise Technologies and Trading Corporation in this matter. I have read this Plea Agreement and carefully reviewed every part of it with Robert P. LaRusso, Esq., who is the attorney for Sunrise Technologies and Trading Corporation in this matter. On behalf of Sunrise Technologies and Trading Corporation, I am fully satisfied with the legal services provided by Mr. LaRusso, in connection with this Plea Agreement and all matters relating to it. On behalf of Sunrise Technologies and Trading Corporation, I fully understand this Plea Agreement and voluntarily enter into it. No threats have been made to me, nor am I under the influence of anything that could impede my ability to understand this Plea Agreement fully. No agreements, promises, understandings, or representations have been made with, to, or for Sunrise Technologies and Trading Corporation other than those set forth above. Sunrise Technologies and Trading Corporation is pleading guilty to the offenses set forth in the Plea Agreement because it is guilty of those crimes.

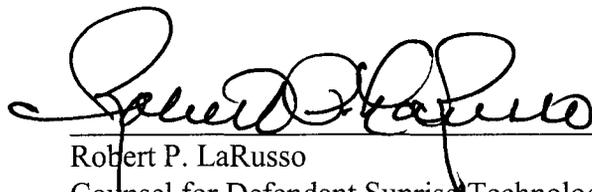
10/4/2011
Date


Designated Representative for
Defendant Sunrise Technologies and Trading Corporation

Defendant Sunrise Technologies and Trading Corporation Counsel's Acknowledgment

I have read each of the pages constituting this Plea Agreement, reviewed them with my client, Sunrise Technologies and Trading Corporation through its designated representative [Insert name here], and discussed the provisions of the Plea Agreement with him fully. These pages accurately and completely sets forth the entire Plea Agreement. I concur in my client's desire to plead guilty as set forth in this Plea Agreement.

10/4/2011
Date


Robert P. LaRusso
Counsel for Defendant Sunrise Technologies
and Trading Corporation

SUNRISE TECHNOLOGIES AND TRADING CORPORATION

ATTACHMENT C

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

In the Matter of:)
)
Jeng Shih)
a/k/a Jay Shih)
35-40 167th Street)
Flushing, NY 11358)
)
Respondent)

ORDER RELATING TO JENG SHIH A/K/A JAY SHIH

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Jeng Shih a/k/a Jay Shih (“Shih”) of its intention to initiate an administrative proceeding against Shih pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”)¹ and Section 13(c) of the Export Administration Act of 1979, as amended (the “Act”),² through the issuance of a Proposed Charging Letter to Shih that alleged that he committed four violations of the Regulations. Specifically, the charges are:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

Beginning in or about 2007, and continuing through in or about April 2011, Shih conspired or acted in concert with others, known and unknown, to bring about or to take actions that constituted a violation of the Regulations. The purpose of the conspiracy was to bring about the export of U.S.-origin computer equipment, items classified under Export Control Classification Number (“ECCN”) 5A992, and controlled for anti-terrorism reasons, which were subject to the

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The violations alleged occurred in 2007-2011. The Regulations governing the violation at issue are found in the 2007-2011 versions of the Code of Federal Regulations. 15 C.F.R. Parts 730-774 (2007-2011). The 2011 Regulations govern the procedural aspects of this case.

² 50 U.S.C. app. §§ 2401-2420 (2000). 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)), which has been extended by successive Presidential Notices, the most recent being that of August 12, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

Regulations and the Iranian Transactions Regulations (“ITR”),³ from the United States to Iran, through the United Arab Emirates (“UAE”), without the required U.S. Government authorization. Pursuant to Section 560.204 of the ITR, administered by the Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC.

Shih was the managing director of Sunrise Technologies and Trading Corporation, a/k/a Sunrise, a/k/a ST&T (“Sunrise”), at all times pertinent hereto, and, *inter alia*, participated in Sunrise’s sale of the computer equipment and arranged for its shipment from the United States to the UAE as unlicensed exports to Iran, via the UAE. The shipments were made to a co-conspirator in the UAE, whose primary business consisted of the purchase of U.S.-origin computer equipment from suppliers in the United States, such as Sunrise, on behalf of Iranian customers. In addition, Shih knew that one of his co-conspirators resided in Tehran, Iran, and was engaging in business with Sunrise from Tehran. Beginning in or about 2007, Shih and others acting on his and Sunrise’s behalf communicated directly with this co-conspirator in Iran by email in furtherance of the conspiracy.

No OFAC authorization was sought or obtained regarding any of the export transactions referenced herein. Shih knew that exports to Iran, including specifically exports transshipped through the UAE, required a license because, *inter alia*, BIS Special Agents conducted an outreach visit to Sunrise in July 2006, during which the Special Agents informed Shih that unlicensed shipments of goods to the UAE with knowledge that the ultimate destination of the items was Iran constituted a violation of the Regulations. Shih participated in and furthered the conspiracy described herein despite this knowledge. Moreover, in connection with three exports of the items to Iran, through the UAE, that occurred between on or about April 9, 2010 and on or about May 7, 2010, Shih emailed to one of his co-conspirators invoices listing the computer equipment involved and falsely identifying the ultimate destination of the items as the UAE, rather than Iran.

In so doing, Shih committed one violation of Section 764.2(d) of the Regulations.

Charges 2-4 15 C.F.R. § 764.2(h) - Evasion

On three occasions, between on or about April 9, 2010, and on or about May 7, 2010, Shih took actions with the intent to evade the Regulations. Specifically, on these three occasions, Shih participated in and/or arranged the negotiation, sale, and shipment of U.S.-origin computer equipment, items subject to the Regulations and the Iranian Transaction Regulations (“ITR”),⁴ classified under ECCN 5A992, controlled for anti-terrorism reasons, and valued at approximately \$830,000, from the United States to Iran, through the UAE, without the required U.S. Government authorization. Pursuant to Section 560.204 of the ITR, administered by OFAC, an export to a third country intended for transshipment to Iran is a transaction that

³ 31 C.F.R. Part 560 (2007-2011).

⁴ See note 3, *supra*.

requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC.

Shih was the managing director of Sunrise Technologies and Trading Corporation, a/k/a Sunrise, a/k/a ST&T ("Sunrise") at all times pertinent hereto. With intent to evade the Regulations, Shih participated in and/or arranged the negotiation, sale, and shipment by Sunrise of U.S.-origin computer equipment from the United States to the UAE, where the items were transshipment by a co-conspirator to Iran. In addition, in connection with each of these exports to Iran, Shih, *inter alia*, emailed one of his co-conspirators invoices listing the items involved and falsely identifying the ultimate destination of the computer equipment as the UAE, rather than Iran.

No OFAC authorization was sought or obtained regarding any of the export transactions referenced herein. Shih knew or had reason to know that the items were ultimately destined for Iran and were being exported from the United States through the UAE to Iran, and knew that a license was required for these export transactions, including specifically exports to Iran via the UAE, for the reasons described in Charge 1.

In so doing, Shih committed three violations of Section 764.2(h) of the Regulations.

WHEREAS, BIS and Shih 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, for a period of ten (10) years from the date of this Order, Jeng Shih a/k/a Jay Shih, 35-40 167th Street, Flushing, New York 11358, and when acting for or on his behalf, his successors, assigns, representatives, agents or employees (hereinafter collectively referred to as "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 Shih 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, as authorized by Section 766.18(c) of the Regulations, the 10-year denial period set forth above shall be suspended during a probationary period under this Order of ten (10) years from the date of this Order, and shall thereafter be waived, provided that Shih complies with the plea agreement he has entered with the U.S. Attorney's Office for the District of Columbia and complies with the sentence imposed upon or following the entry of his plea and conviction, and provided that during the 10-year probationary period under this Order, Shih has committed no other violation of the Act or any regulation, order or license issued thereunder. If Shih does not comply in full with his plea agreement and sentence, or commits a violation of the Regulations during the probationary period under this Order, the suspension may be modified or revoked by BIS and a denial order including a 10-year denial period activated against Shih.

FIFTH, 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.



David W. Mills
Assistant Secretary of Commerce
for Export Enforcement

Issued this 11 day of October, 2011.

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

In the Matter of:)
)
Jeng Shih)
a/k/a Jay Shih)
35-40 167th Street)
Flushing, NY 11358)
)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Jeng Shih a/k/a Jay Shih (“Shih”) 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 (the “Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (the “Act”).²

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

WHEREAS, BIS has issued a Proposed Charging Letter to Shih that alleged that Shih committed four violations of the Regulations, specifically:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The charged violations occurred in 2007-2011. The Regulations governing the violations at issue is found in the 2007-2011 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2011 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). 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)), which has been extended by successive Presidential Notices, the most recent being that of August 12, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

Beginning in or about 2007, and continuing through in or about April 2011, Shih conspired or acted in concert with others, known and unknown, to bring about or to take actions that constituted a violation of the Regulations. The purpose of the conspiracy was to bring about the export of U.S.-origin computer equipment, items classified under Export Control Classification Number (“ECCN”) 5A992, and controlled for anti-terrorism reasons, which were subject to the Regulations and the Iranian Transactions Regulations (“ITR”),³ from the United States to Iran, through the United Arab Emirates (“UAE”), without the required U.S. Government authorization. Pursuant to Section 560.204 of the ITR, administered by the Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC.

Shih was the managing director of Sunrise Technologies and Trading Corporation, a/k/a Sunrise, a/k/a ST&T (“Sunrise”), at all times pertinent hereto, and, *inter alia*, participated in Sunrise’s sale of the computer equipment and arranged for its shipment from the United States to the UAE as unlicensed exports to Iran, via the UAE. The shipments were made to a co-conspirator in the UAE, whose primary business consisted of the purchase of U.S.-origin computer equipment from suppliers in the United States, such as Sunrise, on behalf of Iranian customers. In addition, Shih knew that one of his co-conspirators resided in Tehran, Iran, and was engaging in business with Sunrise from Tehran. Beginning in or about 2007, Shih and others acting on his and Sunrise’s behalf communicated directly with this co-conspirator in Iran by email in furtherance of the conspiracy.

No OFAC authorization was sought or obtained regarding any of the export transactions referenced herein. Shih knew that exports to Iran, including specifically exports transshipped through the UAE, required a license because, *inter alia*, BIS Special Agents conducted an outreach visit to Sunrise in July 2006, during which the Special Agents informed Shih that unlicensed shipments of goods to the UAE with knowledge that the ultimate destination of the items was Iran constituted a violation of the Regulations. Shih participated in and furthered the conspiracy described herein despite this knowledge. Moreover, in connection with three exports of the items to Iran, through the UAE, that occurred between on or about April 9, 2010 and on or about May 7, 2010, Shih emailed to one of his co-conspirators invoices listing the computer equipment involved and falsely identifying the ultimate destination of the items as the UAE, rather than Iran.

In so doing, Shih committed one violation of Section 764.2(d) of the Regulations.

³ 31 C.F.R. Part 560 (2007-2011).

Charges 2-4 15 C.F.R. § 764.2(h) - Evasion

On three occasions, between on or about April 9, 2010, and on or about May 7, 2010, Shih took actions with the intent to evade the Regulations. Specifically, on these three occasions, Shih participated in and/or arranged the negotiation, sale, and shipment of U.S.-origin computer equipment, items subject to the Regulations and the Iranian Transaction Regulations (“ITR”),⁴ classified under ECCN 5A992, controlled for anti-terrorism reasons, and valued at approximately \$830,000, from the United States to Iran, through the UAE, without the required U.S. Government authorization. Pursuant to Section 560.204 of the ITR, administered by OFAC, an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC.

Shih was the managing director of Sunrise Technologies and Trading Corporation, a/k/a Sunrise, a/k/a ST&T (“Sunrise”) at all times pertinent hereto. With intent to evade the Regulations, Shih participated in and/or arranged the negotiation, sale, and shipment by Sunrise of U.S.-origin computer equipment from the United States to the UAE, where the items were transshipment by a co-conspirator to Iran. In addition, in connection with each of these exports to Iran, Shih, *inter alia*, emailed one of his co-conspirators invoices listing the items involved and falsely identifying the ultimate destination of the computer equipment as the UAE, rather than Iran.

No OFAC authorization was sought or obtained regarding any of the export transactions referenced herein. Shih knew or had reason to know that the items were ultimately destined for Iran and were being exported from the United States through the UAE to Iran, and knew that a license was required for these export transactions, including specifically exports to Iran via the UAE, for the reasons described in Charge 1.

In so doing, Shih committed three violations of Section 764.2(h) of the Regulations.

WHEREAS, Shih has reviewed the Proposed Charging Letter and is aware of the allegations made against him and the administrative sanctions that could be imposed against him if the allegations are found to be true;

WHEREAS, Shih fully understands the terms of this Agreement and the Order (“Order” or “BIS Order”) that the Assistant Secretary of Commerce for Export Enforcement will issue if he approves this Agreement as the final resolution of this matter;

⁴ See note 3, *supra*.

WHEREAS, Shih enters into this Agreement voluntarily and with full knowledge of his rights, after consultation with his counsel;

WHEREAS, the Parties enter into this Agreement having taken into consideration a plea agreement entered between Shih and the U.S. Attorney's Office for the District of Columbia;

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

WHEREAS, Shih wishes to settle and dispose of all matters alleged in the Proposed Charging Letter by entering into this Agreement; and

WHEREAS, Shih agrees to be bound by the Order, if issued;

NOW THEREFORE, the Parties hereby agree, for purposes of this Settlement Agreement, as follows:

1. BIS has jurisdiction over Shih, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.

2. Shih admits the allegations contained in the Proposed Charging Letter;

3. The following sanction shall be imposed against Shih in complete settlement of the alleged violations of the Regulations relating to the transaction specifically detailed in the Proposed Charging Letter:

- a. For a period of ten (10) years from the date of the Order, Jeng Shih a/k/a Jay Shih, with a last known address of 35-40 167th Street, Flushing, NY 11358, and when acting for or on his behalf, his successors, assigns, representatives, agents, or employees (hereinafter collectively referred to as "Denied Person"), may not, directly or indirectly, participate 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.

b. BIS agrees that, as authorized by Section 766.18(c) of the Regulations, the denial period set forth in Paragraph 3.a above shall be suspended during a probationary period under the BIS Order of 10 years from the date of that Order, and shall thereafter be waived, provided Shih complies with the plea agreement he has entered with the U.S. Attorney’s Office for the District of Columbia and complies with the sentence imposed upon or following the entry of his plea and conviction, and provided that during the 10-year probationary period under the BIS Order, Shih has committed no other violation of the Act or any regulation, order or license issued thereunder. If Shih does not comply in full

with his plea agreement and sentence, or commits a violation of the Regulations during the probationary period under the BIS Order, the suspension may be modified or revoked by BIS and a denial order including a 10-year denial period activated against Shih.

4. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, Shih 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 issued), 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 issued; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued.

5. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, 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 issued; 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 issuing the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

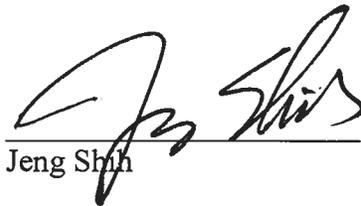
9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE



Douglas R. Hassebrock
Director
Office of Export Enforcement

Date: 10/7/11, 2011



Jeng Shih

Date: 10/4, 2011

Reviewed and Approved by:



Robert P. LaRusso
LaRusso & Conway
Counsel for Jeng Shih

Date: 10/4, 2011

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Jeng Shih
35-40 167th Street
Flushing, NY 11358

Dear Mr. Shih:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that you, Jeng Shih, a/k/a Jay Shih, of Flushing, New York, have committed four violations of the Export Administration Regulations (the “Regulations”),¹ which are issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).² Specifically, BIS alleges that Shih committed the following violations:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

Beginning in or about 2007, and continuing through in or about April 2011, Shih conspired or acted in concert with others, known and unknown, to bring about or to take actions that constituted a violation of the Regulations. The purpose of the conspiracy was to bring about the export of U.S.-origin computer equipment, items classified under Export Control Classification Number (“ECCN”) 5A992, and controlled for anti-terrorism reasons, which were subject to the Regulations and the Iranian Transactions Regulations (“ITR”),³ from the United States to Iran, through the United Arab Emirates (“UAE”), without the required U.S. Government authorization. Pursuant to Section 560.204 of the ITR, administered by the Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC.

Shih was the managing director of Sunrise Technologies and Trading Corporation, a/k/a Sunrise, a/k/a ST&T (“Sunrise”), at all times pertinent hereto, and, *inter alia*, participated

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The violations alleged occurred in 2007-2011. The Regulations governing the violation at issue are found in the 2007-2011 versions of the Code of Federal Regulations. 15 C.F.R. Parts 730-774 (2007-2011). The 2011 Regulations govern the procedural aspects of this case.

² 50 U.S.C. app. §§ 2401-2420 (2000). 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)), which has been extended by successive Presidential Notices, the most recent being that of August 12, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

³ 31 C.F.R. Part 560 (2007-2011).

in Sunrise's sale of the computer equipment and arranged for its shipment from the United States to the UAE as unlicensed exports to Iran, via the UAE. The shipments were made to a co-conspirator in the UAE, whose primary business consisted of the purchase of U.S.-origin computer equipment from suppliers in the United States, such as Sunrise, on behalf of Iranian customers. In addition, Shih knew that one of his co-conspirators resided in Tehran, Iran, and was engaging in business with Sunrise from Tehran. Beginning in or about 2007, Shih and others acting on his and Sunrise's behalf communicated directly with this co-conspirator in Iran by email in furtherance of the conspiracy.

No OFAC authorization was sought or obtained regarding any of the export transactions referenced herein. Shih knew that exports to Iran, including specifically exports transshipped through the UAE, required a license because, *inter alia*, BIS Special Agents conducted an outreach visit to Sunrise in July 2006, during which the Special Agents informed Shih that unlicensed shipments of goods to the UAE with knowledge that the ultimate destination of the items was Iran constituted a violation of the Regulations. Shih participated in and furthered the conspiracy described herein despite this knowledge. Moreover, in connection with three exports of the items to Iran, through the UAE, that occurred between on or about April 9, 2010 and on or about May 7, 2010, Shih emailed to one of his co-conspirators invoices listing the computer equipment involved and falsely identifying the ultimate destination of the items as the UAE, rather than Iran.

In so doing, Shih committed one violation of Section 764.2(d) of the Regulations.

Charges 2-4 15 C.F.R. § 764.2(h) - Evasion

As further detailed in the Schedule of Violations attached hereto and incorporated herein by reference, on three occasions, between on or about April 9, 2010, and on or about May 7, 2010, Shih took actions with the intent to evade the Regulations. Specifically, on these three occasions, Shih participated in and/or arranged the negotiation, sale, and shipment of U.S.-origin computer equipment, items subject to the Regulations and the Iranian Transaction Regulations ("ITR"),⁴ classified under ECCN 5A992, controlled for anti-terrorism reasons, and valued at approximately \$830,000, from the United States to Iran, through the UAE, without the required U.S. Government authorization. Pursuant to Section 560.204 of the ITR, administered by OFAC, an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC.

Shih was the managing director of Sunrise Technologies and Trading Corporation, a/k/a Sunrise, a/k/a ST&T ("Sunrise") at all times pertinent hereto. With intent to evade the Regulations, Shih participated in and/or arranged the negotiation, sale, and shipment by Sunrise of U.S.-origin computer equipment from the United States to the UAE, where the

⁴ See note 3, *supra*.

items were transshipment by a co-conspirator to Iran. In addition, in connection with each of these exports to Iran, Shih, *inter alia*, emailed one of his co-conspirators invoices listing the items involved and falsely identifying the ultimate destination of the computer equipment as the UAE, rather than Iran.

No OFAC authorization was sought or obtained regarding any of the export transactions referenced herein. Shih knew or had reason to know that the items were ultimately destined for Iran and were being exported from the United States through the UAE to Iran, and knew that a license was required for these export transactions, including specifically exports to Iran via the UAE, for the reasons described in Charge 1.

In so doing, Shih committed three violations of Section 764.2(h) of the Regulations.

* * * * *

Accordingly, Shih is hereby notified that an administrative proceeding is instituted against him pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions and any other liability sanction or penalty available under law, including, but not limited to 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;⁵
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

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

Shih is further notified that he is entitled to an agency hearing on the record if he files a written demand for one with his answer. *See* 15 C.F.R. § 766.6. Shih is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent him. *See* 15 C.F.R. §§ 766.3(a) and 766.4.

⁵ *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

Jeng Shih (a/k/a Jay Shih)
Proposed Charging Letter
Page 4 of 5

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should Shih have a proposal to settle this case, Shih should transmit it to the attorney representing BIS named below.

Shih is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Shih 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 U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Shih'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 Shih's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security
Attention: R. Elizabeth Abraham
Room H-3839
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

R. Elizabeth Abraham is the attorney representing BIS in this case; any communications that Shih may wish to have concerning this matter should occur through her. Ms. Abraham may be contacted by telephone at (202) 482-5301.

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement

Charge Nos.	Export Date	Destination	Commodity Description	ECCN	Value	Violations
1, 2	4/9/2010	Iran, via United Arab Emirates	368 Units of computer equipment	5A992	\$330,404	15 C.F.R. § 764.2(d), (h)
1, 3	4/28/2010	Iran, via United Arab Emirates	158 Units of computer equipment	5A992	\$253,926	15 C.F.R. § 764.2(d), (h)
1, 4	5/7/2010	Iran, via United Arab Emirates	249 Units of computer equipment	5A992	\$246,506	15 C.F.R. § 764.2(d), (h)

SUNRISE TECHNOLOGIES AND TRADING CORPORATION

ATTACHMENT D

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

In the Matter of:)
)
Sunrise Technologies and Trading Corporation)
a/k/a Sunrise)
a/k/a ST&T)
33-38 Farrington Street)
Flushing, NY 11354)
)
Respondent)

ORDER RELATING TO SUNRISE TECHNOLOGIES AND TRADING
CORPORATION, A/K/A SUNRISE, A/K/A ST&T

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Sunrise Technologies and Trading Corporation, a/k/a Sunrise, a/k/a ST&T, of Flushing, New York (“Sunrise”), of its intention to initiate an administrative proceeding against Sunrise pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”)¹ and Section 13(c) of the Export Administration Act of 1979, as amended (the “Act”),² through the issuance of a Proposed Charging Letter to Sunrise that alleged that it committed four violations of the Regulations. Specifically, the charges are:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The violations alleged occurred between 2007-2011. The Regulations governing the violation at issue are found in the 2007-2011 versions of the Code of Federal Regulations. 15 C.F.R. Parts 730-774 (2007-2011). The 2011 Regulations govern the procedural aspects of this case.

² 50 U.S.C. app. §§ 2401-2420 (2000). 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)), which has been extended by successive Presidential Notices, the most recent being that of August 12, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

Beginning in or about 2007, and continuing through in or about April 2011, Sunrise Technologies and Trading Corporation, a/k/a Sunrise, a/k/a ST&T (“Sunrise”), conspired or acted in concert with others, known and unknown, to bring about or to take actions that constituted a violation of the Regulations. The purpose of the conspiracy was to bring about the export of U.S.-origin computer equipment, items which were classified under Export Control Classification Number (“ECCN”) 5A992, and controlled for anti-terrorism reasons, which were subject to the Regulations and the Iranian Transaction Regulations,³ from the United States to Iran, through the United Arab Emirates (“UAE”), without the required U.S. Government authorization. Pursuant to Section 560.204 of the ITR, administered by the Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC.

Sunrise sold the computer equipment and exported it from the United States to Iran, via the UAE, without an OFAC authorization. Sunrise forwarded the items to a co-conspirator in the UAE, whose primary business consisted of the purchase of U.S.-origin computer equipment from suppliers in the United States, such as Sunrise, on behalf of Iranian customers. In addition, Sunrise and its Managing Director Jeng Shih, a/k/a Jay Shih, knew that one of their co-conspirators resided in Tehran, Iran, and was engaging in business with Sunrise from Tehran. Beginning in or around 2007, Sunrise communicated directly with this co-conspirator in Iran by email in furtherance of the conspiracy.

No OFAC authorization was sought or obtained for any of the transactions described herein. Sunrise knew that exports to Iran, including specifically exports transshipped through the UAE, required a license because, *inter alia*, BIS Special Agents conducted an outreach visit to Sunrise in July 2006, during which the Special Agents informed Sunrise that unlicensed shipments of goods to the UAE with knowledge that the ultimate destination of the items was Iran constituted a violation of the Regulations. Sunrise participated in and furthered the conspiracy described herein despite this knowledge. Moreover, in connection with three exports of the items to Iran, through the UAE, that occurred between on or about April 9, 2010 and on or about May 7, 2010, Sunrise emailed to one of its co-conspirators invoices listing the computer equipment involved and falsely identifying the ultimate destination of the items as the UAE, rather than Iran.

In so doing, Sunrise committed one violation of Section 764.2(d) of the Regulations.

Charges 2-4 15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation

On three occasions, between on or about April 9, 2010, and on or about May 7, 2010, Sunrise sold and forwarded items subject to the Regulations from the United States to Iran, via the UAE, with knowledge that a violation of the Regulations was about or intended to occur in connection

³ 31 C.F.R. Part 560 (2007-2011).

with the items. Specifically, on these three occasions, Sunrise sold and forwarded U.S.-origin computer equipment, items subject to the Regulations and the Iranian Transactions Regulations,⁴ classified under ECCN 5A992, controlled for anti-terrorism reasons, and valued at approximately \$830,000, from the United States to Iran, through the UAE, without the require a U.S. Government authorization. Pursuant to Section 560.204 of the ITR, administered by OFAC, an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC.

Sunrise sold the U.S.-origin computer equipment and forwarded it from the United States to the UAE, with knowledge that the equipment would be transshipped from the UAE to Iran. In addition, in connection with each of these exports to Iran, Sunrise, *inter alia*, emailed one of its co-conspirators invoices listing the items involved and falsely identifying the ultimate destination of the computer equipment as the UAE, rather than Iran.

No OFAC authorization was sought or obtained for the export transactions described herein. Sunrise knew or had reason to know that the items were ultimately destined for Iran and were being exported from the United States through the UAE to Iran, and knew that a license was required for these export transactions, including specifically exports to Iran via the UAE, for the reasons described in Charge 1.

In so doing, Sunrise committed three violations of Section 764.2(e) of the Regulations.

WHEREAS, BIS and Sunrise 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, for a period of ten (10) years from the date of this Order, Sunrise Technologies and Trading Corporation, a/k/a Sunrise, a/k/a ST&T ("Sunrise"), 33-38 Farrington Street, Flushing, New York 11354, and when acting for or on its behalf, its successors, assigns, directors, officers, employees, representatives or agents (hereinafter collectively referred to as "Denied Person") may not participate, directly or indirectly, in any way in any transaction

⁴ 31 C.F.R. Part 560 (2007-2011).

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;

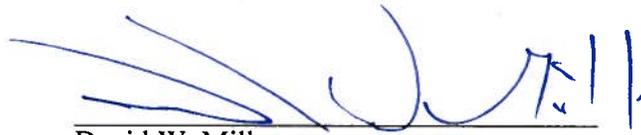
- D. Obtain from the Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or
- E. Engage in any transaction to service any item subject to the Regulations that has been or 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 Sunrise 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, as authorized by Section 766.18(c) of the Regulations, the 10-year denial period set forth above shall be suspended during a probationary period under this Order of ten (10) years from the date of this Order, and shall thereafter be waived, provided that Sunrise complies with the plea agreement it has entered with the U.S. Attorney's Office for the District of Columbia and complies with the sentence imposed upon or following the entry of its plea and conviction, and provided that during the 10-year probationary period under this Order, Sunrise has committed no other violation of the Act or any regulation, order or license issued thereunder. If Sunrise does not comply in full with its plea agreement and sentence, or commits a violation of the Regulations during the probationary period under this Order, the suspension may be modified or revoked by BIS and a denial order including a 10-year denial period activated against Sunrise.

FIFTH, 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.



David W. Mills
Assistant Secretary of Commerce
for Export Enforcement

Issued this 11 day of October, 2011.

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

In the Matter of:)
)
Sunrise Technologies and Trading Corporation)
a/k/a Sunrise)
a/k/a ST&T)
33-38 Farrington Street)
Flushing, NY 11354)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Sunrise Technologies and Trading Corporation, a/k/a Sunrise, a/k/a ST&T, of Flushing, New York (“Sunrise”), 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 (the “Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (the “Act”).²

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

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The charged violations occurred in 2007-2011. The Regulations governing the violations at issue is found in the 2007-2011 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2011 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). 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)), which has been extended by successive Presidential Notices, the most recent being that of August 12, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

WHEREAS, BIS has issued a Proposed Charging Letter to Sunrise that alleged that Sunrise committed four violations of the Regulations, specifically:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

Beginning in or about 2007, and continuing through in or about April 2011, Sunrise Technologies and Trading Corporation, a/k/a Sunrise, a/k/a ST&T (“Sunrise”), conspired or acted in concert with others, known and unknown, to bring about or to take actions that constituted a violation of the Regulations. The purpose of the conspiracy was to bring about the export of U.S.-origin computer equipment, items which were classified under Export Control Classification Number (“ECCN”) 5A992, and controlled for anti-terrorism reasons, which were subject to the Regulations and the Iranian Transaction Regulations,³ from the United States to Iran, through the United Arab Emirates (“UAE”), without the required U.S. Government authorization. Pursuant to Section 560.204 of the ITR, administered by the Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC.

Sunrise sold the computer equipment and exported it from the United States to Iran, via the UAE, without an OFAC authorization. Sunrise forwarded the items to a co-conspirator in the UAE, whose primary business consisted of the purchase of U.S.-origin computer equipment from suppliers in the United States, such as Sunrise, on behalf of Iranian customers. In addition, Sunrise and its Managing Director Jeng Shih, a/k/a Jay Shih, knew that one of their co-conspirators resided in Tehran, Iran, and was engaging in business with Sunrise from Tehran. Beginning in or around 2007, Sunrise communicated directly with this co-conspirator in Iran by email in furtherance of the conspiracy.

No OFAC authorization was sought or obtained for any of the transactions described herein. Sunrise knew that exports to Iran, including specifically exports transshipped through the UAE, required a license because, *inter alia*, BIS Special Agents conducted an outreach visit to Sunrise in July 2006, during which the Special Agents informed Sunrise that unlicensed shipments of goods to the UAE with knowledge that the ultimate destination of the items was Iran constituted a violation of the Regulations. Sunrise participated in and furthered the conspiracy described herein despite this knowledge. Moreover, in connection with three exports of the items to Iran, through the UAE, that occurred between on or about April 9, 2010 and on or about May 7, 2010, Sunrise emailed to one of its co-conspirators invoices listing the computer equipment involved and falsely identifying the ultimate destination of the items as the UAE, rather than Iran.

In so doing, Sunrise committed one violation of Section 764.2(d) of the Regulations.

³ 31 C.F.R. Part 560 (2007-2011).

Charges 2-4 15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation

On three occasions, between on or about April 9, 2010, and on or about May 7, 2010, Sunrise sold and forwarded items subject to the Regulations from the United States to Iran, via the UAE, with knowledge that a violation of the Regulations was about or intended to occur in connection with the items. Specifically, on these three occasions, Sunrise sold and forwarded U.S.-origin computer equipment, items subject to the Regulations and the Iranian Transactions Regulations,⁴ classified under ECCN 5A992, controlled for anti-terrorism reasons, and valued at approximately \$830,000, from the United States to Iran, through the UAE, without the require a U.S. Government authorization. Pursuant to Section 560.204 of the ITR, administered by OFAC, an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC.

Sunrise sold the U.S.-origin computer equipment and forwarded it from the United States to the UAE, with knowledge that the equipment would be transshipped from the UAE to Iran. In addition, in connection with each of these exports to Iran, Sunrise, *inter alia*, emailed one of its co-conspirators invoices listing the items involved and falsely identifying the ultimate destination of the computer equipment as the UAE, rather than Iran.

No OFAC authorization was sought or obtained for the export transactions described herein. Sunrise knew or had reason to know that the items were ultimately destined for Iran and were being exported from the United States through the UAE to Iran, and knew that a license was required for these export transactions, including specifically exports to Iran via the UAE, for the reasons described in Charge 1.

In so doing, Sunrise committed three violations of Section 764.2(e) of the Regulations.

WHEREAS, Sunrise has reviewed the Proposed Charging Letter and is aware of the allegations made against it and the administrative sanctions that could be imposed against it if the allegations are found to be true;

WHEREAS, Sunrise fully understands the terms of this Agreement and the order (“Order” or “BIS Order”) that the Assistant Secretary of Commerce for Export Enforcement will issue if it approves this Agreement as the final resolution of this matter;

⁴ 31 C.F.R. Part 560 (2007-2011).

WHEREAS, Sunrise enters into this Agreement voluntarily and with full knowledge of its rights, after consultation with its counsel;

WHEREAS, the Parties enter into this Agreement having taken into consideration a plea agreement entered between Sunrise and the U.S. Attorney's Office for the District of Columbia;

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

WHEREAS, Sunrise wishes to settle and dispose of all matters alleged in the Proposed Charging Letter by entering into this Agreement; and

WHEREAS, Sunrise agrees to be bound by the Order, if issued;

NOW THEREFORE, the Parties hereby agree, for purposes of this Settlement Agreement, as follows:

1. BIS has jurisdiction over Sunrise, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.
2. Sunrise admits the allegations contained in the Proposed Charging Letter.
3. The following sanction shall be imposed against Sunrise in complete settlement of the alleged violations of the Regulations relating to the transaction specifically detailed in the Proposed Charging Letter:
 - a. For a period of ten (10) years from the date of the Order, Sunrise Technologies and Trading Corporation, a/k/a Sunrise, a/k/a ST&T, with a last known address of 33-38 Farrington Street, Flushing, New York 11354, and when acting for or on its behalf, its successors, assigns, directors, officers, employees, representatives, or agents (hereinafter collectively referred to as "Denied Person"),

may not, directly or indirectly, participate 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.

b. BIS agrees that, as authorized by Section 766.18(c) of the Regulations, the denial period set forth in Paragraph 3.a above shall be suspended during a probationary period under the BIS Order of 10 years from the date of that Order, and shall thereafter be waived, provided that Sunrise complies with the plea agreement it has entered with the U.S. Attorney’s Office for the District of Columbia and complies with the sentence imposed upon or following the entry of its plea and conviction, and provided that during the 10-year probationary period under the BIS Order, Sunrise has committed no other violation of the Act or any

regulation, order or license issued thereunder. If Sunrise does not comply in full with its plea agreement and sentence, or commits a violation of the Regulations during the probationary period under the BIS Order, the suspension may be modified or revoked by BIS and a denial order including a 10-year denial period activated against Sunrise.

4. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, Sunrise 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 issued), 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 issued; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued.

5. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, 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.

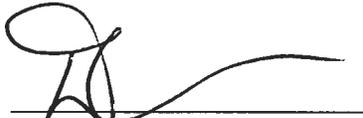
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if issued; nor shall this Agreement serve to bind, constrain, or

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 issuing 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



Douglas R. Hassebrock
Director
Office of Export Enforcement

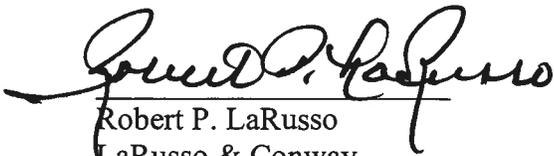
Date: 10/11/11, 2011



Jeng Shin
Managing Director of Sunrise
Technologies and Trading Corporation

Date: 10/4, 2011

Reviewed and Approved by:



Robert P. LaRusso
LaRusso & Conway
Counsel for Sunrise Technologies and
Trading Corporation

Date: 10/26, 2011

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Sunrise Technologies and Trading Corporation
33-38 Farrington Street
Flushing, NY 11354

*Attention: Jeng Shih,
Managing Director*

Dear Mr. Shih:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Sunrise Technologies and Trading Corporation, a/k/a Sunrise, a/k/a ST&T, of Flushing, New York (“Sunrise”), has committed four violations of the Export Administration Regulations (the “Regulations”),¹ which are issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).² Specifically, BIS alleges that Sunrise committed the following violations:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

Beginning in or about 2007, and continuing through in or about April 2011, Sunrise Technologies and Trading Corporation, a/k/a Sunrise, a/k/a ST&T (“Sunrise”), conspired or acted in concert with others, known and unknown, to bring about or to take actions that constituted a violation of the Regulations. The purpose of the conspiracy was to bring about the export of U.S.-origin computer equipment, items which were classified under Export Control Classification Number (“ECCN”) 5A992, and controlled for anti-terrorism reasons, which were subject to the Regulations and the Iranian Transaction Regulations,³ from the United States to Iran, through the United Arab Emirates (“UAE”), without the required U.S. Government authorization. Pursuant to Section 560.204 of the ITR, administered by the Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The violations alleged occurred between 2007-2011. The Regulations governing the violation at issue are found in the 2007-2011 versions of the Code of Federal Regulations. 15 C.F.R. Parts 730-774 (2007-2011). The 2011 Regulations govern the procedural aspects of this case.

² 50 U.S.C. app. §§ 2401-2420 (2000). 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)), which has been extended by successive Presidential Notices, the most recent being that of August 12, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

³ 31 C.F.R. Part 560 (2007-2011).

person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC.

Sunrise sold the computer equipment and exported it from the United States to Iran, via the UAE, without an OFAC authorization. Sunrise forwarded the items to a co-conspirator in the UAE, whose primary business consisted of the purchase of U.S.-origin computer equipment from suppliers in the United States, such as Sunrise, on behalf of Iranian customers. In addition, Sunrise and its Managing Director Jeng Shih, a/k/a Jay Shih, knew that one of their co-conspirators resided in Tehran, Iran, and was engaging in business with Sunrise from Tehran. Beginning in or around 2007, Sunrise communicated directly with this co-conspirator in Iran by email in furtherance of the conspiracy.

No OFAC authorization was sought or obtained for any of the transactions described herein. Sunrise knew that exports to Iran, including specifically exports transshipped through the UAE, required a license because, *inter alia*, BIS Special Agents conducted an outreach visit to Sunrise in July 2006, during which the Special Agents informed Sunrise that unlicensed shipments of goods to the UAE with knowledge that the ultimate destination of the items was Iran constituted a violation of the Regulations. Sunrise participated in and furthered the conspiracy described herein despite this knowledge. Moreover, in connection with three exports of the items to Iran, through the UAE, that occurred between on or about April 9, 2010 and on or about May 7, 2010, Sunrise emailed to one of its co-conspirators invoices listing the computer equipment involved and falsely identifying the ultimate destination of the items as the UAE, rather than Iran.

In so doing, Sunrise committed one violation of Section 764.2(d) of the Regulations.

Charges 2-4 15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation

As further detailed in the Schedule of Violations attached hereto and incorporated herein by reference, on three occasions, between on or about April 9, 2010, and on or about May 7, 2010, Sunrise sold and forwarded items subject to the Regulations from the United States to Iran, via the UAE, with knowledge that a violation of the Regulations was about or intended to occur in connection with the items. Specifically, on these three occasions, Sunrise sold and forwarded U.S.-origin computer equipment, items subject to the Regulations and the Iranian Transactions Regulations,⁴ classified under ECCN 5A992, controlled for anti-terrorism reasons, and valued at approximately \$830,000, from the United States to Iran, through the UAE, without the require a U.S. Government authorization. Pursuant to Section 560.204 of the ITR, administered by OFAC, an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC.

⁴ 31 C.F.R. Part 560 (2007-2011).

Sunrise sold the U.S.-origin computer equipment and forwarded it from the United States to the UAE, with knowledge that the equipment would be transshipped from the UAE to Iran. In addition, in connection with each of these exports to Iran, Sunrise, *inter alia*, emailed one of its co-conspirators invoices listing the items involved and falsely identifying the ultimate destination of the computer equipment as the UAE, rather than Iran.

No OFAC authorization was sought or obtained for the export transactions described herein. Sunrise knew or had reason to know that the items were ultimately destined for Iran and were being exported from the United States through the UAE to Iran, and knew that a license was required for these export transactions, including specifically exports to Iran via the UAE, for the reasons described in Charge 1.

In so doing, Sunrise committed three violations of Section 764.2(e) of the Regulations.

* * * * *

Accordingly, Sunrise 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 and any other liability sanction or penalty available under law, including, but not limited to 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;⁵
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

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

Sunrise 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. Sunrise is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. *See* 15 C.F.R. §§ 766.3(a) and 766.4.

⁵ *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

Sunrise Technologies and Trading Corporation
Proposed Charging Letter
Page 4 of 5

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should Sunrise have a proposal to settle this case, Sunrise should transmit it to the attorney representing BIS named below.

Sunrise is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Sunrise 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 U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Sunrise'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 Sunrise's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security
Attention: R. Elizabeth Abraham
Room H-3839
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

R. Elizabeth Abraham is the attorney representing BIS in this case; any communications that Shih may wish to have concerning this matter should occur through her. Ms. Abraham may be contacted by telephone at (202) 482-5301.

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement

Charge Nos.	Export Date	Destination	Commodity Description	ECCN	Value	Violations
1, 2	4/9/2010	Iran, via United Arab Emirates	368 Units of computer equipment	5A992	\$330,404	15 C.F.R. § 764.2(d), (e)
1, 3	4/28/2010	Iran, via United Arab Emirates	158 Units of computer equipment	5A992	\$253,926	15 C.F.R. § 764.2(d), (e)
1, 4	5/7/2010	Iran, via United Arab Emirates	249 Units of computer equipment	5A992	\$246,506	15 C.F.R. § 764.2(d), (e)