ORDER RELATING TO TELOGY INTERNATIONAL NV

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS") has notified Telyog International NV ("TI"), of its intention to initiate an administrative proceeding against TI 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 issuance of a proposed charging letter to TI that alleged that it committed 23 violations of the Regulations. Specifically, these charges are:

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Charges 1-22  15 C.F.R. § 764.2(a) – Unlicensed Reexports of Oscilloscopes to Israel

On 22 occasions between on or about April 29, 2003 and on or about March 23, 2007, TI engaged in conduct prohibited by the Regulations when it reexported oscilloscopes\(^3\) controlled for nuclear non-proliferation reasons from Belgium to Israel without the Department of Commerce license required by Section 742.3 of the Regulations. By engaging in this conduct, TI committed 22 violations of Section 764.2(a) of the Regulations.

Charge 23  15 C.F.R. § 764.2(a) – Unlicensed Reexport of Spectrum Analyzer to South Africa

On or about May 17, 2007, TI engaged in conduct prohibited by the Regulations when it reexported a spectrum analyzer\(^4\) controlled for national security reasons from Belgium to South Africa without the Department of Commerce license required by Section 742.4 of the Regulations. By engaging in this conduct, TI committed one violation of Section 764.2(a) of the Regulations.

WHEREAS, BIS and TI have entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and

WHEREAS, I have approved of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of $437,000 is assessed against TI. TI shall pay $75,000 to the U.S. Department of Commerce within 30 days of the date of the Order. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining $362,000 shall be suspended for a period of one (1) year from the date of issuance of the Order, and thereafter shall be waived, provided that during the period of suspension, TI has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made full and timely payment of $75,000 as set forth above.

\(^3\) The items are subject to the Regulations and classified under Export Control Classification Number ("ECCN") 3A292.

\(^4\) The item is subject to the Regulations and classified under ECCN 3A002.
SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and if payment is not made by the due date specified herein, TI will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to TI. Accordingly, if TI should fail to pay the civil penalty in a timely manner, the undersigned may issue an Order denying all of TI’s export privileges for a period of one year from the date of this Order.

FOURTH, that the Proposed Charging Letter, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.

 david W. Mills
 Assistant Secretary of Commerce for Export Enforcement

Issued this ___ day of _, 2010.
In the Matter of:

Telogy International NV
Wayenborstraat 27
Mechelen 2800
Belgium

Respondent:

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Telygo International NV ("TI") 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, TI filed a voluntary self-disclosure with BIS's Office of Export Enforcement in accordance with Section 764.5 of the Regulations concerning the transactions at issue herein;


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

WHEREAS, BIS has issued a Proposed Charging Letter to TI that alleged that TI committed 23 violations of the Regulations, specifically:

Charges 1-22 15 C.F.R. § 764.2(a) – Unlicensed Reexports of Oscilloscopes to Israel

On 22 occasions between on or about April 29, 2003 and on or about March 23, 2007, TI engaged in conduct prohibited by the Regulations when it reexported oscilloscopes \(^3\) controlled for nuclear non-proliferation reasons from Belgium to Israel without the Department of Commerce license required by Section 742.3 of the Regulations. By engaging in this conduct, TI committed 22 violations of Section 764.2(a) of the Regulations.

Charge 23 15 C.F.R. § 764.2(a) – Unlicensed Reexport of Spectrum Analyzer to South Africa

On or about May 17, 2007, TI engaged in conduct prohibited by the Regulations when it reexported a spectrum analyzer \(^4\) controlled for national security reasons from Belgium to South Africa without the Department of Commerce license required by Section 742.4 of the Regulations. By engaging in this conduct, TI committed one violation of Section 764.2(a) of the Regulations.

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

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

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\(^3\) The items are subject to the Regulations and classified under Export Control Classification Number ("ECCN") 3A292.

\(^4\) The item is subject to the Regulations and classified under ECCN 3A002.
WHEREAS, TI enters into this Agreement voluntarily and with full knowledge of its rights;

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

WHEREAS, TI neither admits nor denies the allegations contained in the Proposed Charging Letter;

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

WHEREAS, TI 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 TI, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.

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

a. TI shall be assessed a civil penalty in the amount of $437,000. TI shall pay $75,000 to the U.S. Department of Commerce within 30 days of the date of the Order. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining $362,000 shall be suspended for a period of one (1) year from the date of issuance of the Order and thereafter shall be waived, provided that during the period of suspension, TI has committed no
violation of the Act, or any regulation, order, or license issued thereunder and has made full and timely payment of $75,000 as set forth above.

b. The timely payment of the civil penalty agreed to in paragraph 2.a is hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to TI.

Failure to make timely payment of the civil penalty set forth above may result in the denial of all of TI's export privileges for a period of one year from the date of imposition of the penalty.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, TI 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.

4. BIS agrees that, upon issuance of the Order, it will not initiate any further administrative proceeding against TI in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

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
Settlement Agreement
Telygo International NV
Page 5 of 5

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 it respective party to the terms and conditions set forth herein.

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

Telygo International NV

Date: 3/15/2010
Date: 3/24/2010
PROPOSED CHARGING LETTER

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Telygo International NV
Wayenborstraat 27
Mechelen 2800
Belgium

Attention: Mr. Brent Gary Phillips, Director

Dear Mr. Phillips:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Telygo International NV, of Belgium ("TI"), committed 23 violations of the Export Administration Regulations (the "Regulations"), which are issued under the authority of the Export Administration Act of 1979, as amended (the "Act"). Specifically, BIS charges that TI committed the following violations:

Charges 1-22 15 C.F.R. § 764.2(a) – Unlicensed Reexports of Oscilloscopes to Israel

As further described in the attached Schedule of Violations, which is incorporated herein by reference, on 22 occasions between on or about April 29, 2003 and on or about March 23, 2007, TI engaged in conduct prohibited by the Regulations when it reexported oscilloscopes controlled for nuclear non-proliferation reasons from Belgium to Israel without the Department of Commerce license required by Section 742.3 of the Regulations. By engaging in this conduct, TI committed 22 violations of Section 764.2(a) of the Regulations.


3 The items are subject to the Regulations and classified under Export Control Classification Number ("ECCN") 3A292.
Charge 23  15 C.F.R. § 764.2(a) – Unlicensed Reexport of Spectrum Analyzer to South Africa

As further described in the attached Schedule of Violations, which is incorporated herein by reference, on one occasion on or about May 17, 2007, TI engaged in conduct prohibited by the Regulations when it reexported a spectrum analyzer controlled for national security reasons from Belgium to South Africa without the Department of Commerce license required by Section 742.4 of the Regulations. By engaging in this conduct, TI committed one violation of Section 764.2(a) of the Regulations.

* * * * *

Accordingly, TI is hereby notified that an administrative proceeding is instituted against TI pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

- The maximum civil penalty allowed by law of up to the greater of $250,000 per violation, or twice the value of the transaction that is the basis of the violation;
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If TI 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 (2009). If TI defaults, the Administrative Law Judge may find the charges alleged in this letter to be true without a hearing or further notice to TI. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty based on the charge in this letter.

TI is further notified that it is entitled to an agency hearing on the record if he files a written demand for one with its answer. See 15 C.F.R. § 766.6 (2009). TI is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. 15 C.F.R. §§ 766.3(a) and 766.4 (2009).

TI is additionally notified that under the Small Business Regulatory Enforcement Flexibility Act, it may be eligible for assistance from the Office of the National

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4 The item is subject to the Regulations and classified under Export Control Classification Number ("ECCN") 3A002.

Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: http://www.sba.gov/ombudsman/.

The Regulations provide for settlement without a hearing. See 15 C.F.R. § 766.18 (2009).

Should TI have a proposal to settle this case, TI or its representative should transmit it through the attorney representing BIS, who is named below.

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

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

Charles Wall is the attorney representing BIS in this case; any communications that TI may wish to have concerning this matter should occur through him. Mr. Wall may be contacted by telephone at (202) 482-5301.

Sincerely,

John Sonderman
Acting Director
Office of Export Enforcement
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