

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

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In the Matter of:	)	
	)	
SZY Holdings LLC	)	10-BIS-0004
a/k/a Ever Dixie USA EMS Supply Company	)	
a/k/a Ever Dixie EMS	)	
a/k/a Everready First Aid & Medical Supplies	)	
a/k/a Everready First Aid & Medical Supply Corp.	)	
101-01 Foster Avenue	)	
Brooklyn, NY 11236	)	

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ORDER RELATING TO SZY HOLDINGS LLC A/K/A EVER DIXIE

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has initiated an administrative proceeding against SZY Holdings LLC, a/k/a Ever Dixie USA EMS Supply Company a/k/a Ever Dixie EMS a/k/a Everready First Aid & Medical Supplies a/k/a Everready First Aid & Medical Supply Corp. (hereinafter referred to as “Ever Dixie”), pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”)<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (the “Act”),<sup>2</sup> through the issuance of a Charging Letter to Ever Dixie that alleges, as amended, that Ever Dixie committed three violations of the Regulations. Specifically, these charges are:

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The charged violations occurred in 2005. The Regulations governing the violations at issue are found in the 2005 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2005)). The 2011 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 50 U.S.C. app. §§ 2401-2420 (2000). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended most recently by the Notice of August 17, 2010 (75 Fed. Reg. 50,681 (Aug. 16, 2010)), 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(h) – Evasion**

Between on or about May 1, 2005, and continuing through and including on or about June 6, 2005, Ever Dixie engaged in a transaction or took actions with the intent to evade the Regulations in connection with the export of thermal imaging cameras, items subject to the Regulations, classified under Export Control Classification Number (“ECCN”) 6A003.b.4, and controlled for reasons of Regional Stability, from the United States to Komeco Co., Ltd., in South Korea without the required Department of Commerce license. In acquiring these controlled items from a U.S. company, Ever Dixie was questioned about the ultimate destination of the items and concealed the intended export and destination of the items by falsely informing the U.S. company that it was selling the items domestically to fire departments in New York State and providing names and addresses for two fire departments in New York State, when, in fact, the items were intended for export to South Korea. Ever Dixie sold the items, valued at approximately \$99,000, to the South Korean company and then arranged with a freight forwarder to ship the items from the United States to South Korea, without seeking or obtaining the export license required by Section 742.6 of the Regulations. Ever Dixie also failed to file a Shipper’s Export Declaration or Automated Export System record with the U.S. Government disclosing, inter alia, the destination and end-user of the items, as required for all exports subject to the Regulations that require an export license, regardless of valuation or destination. In so doing, Ever Dixie committed one violation of Section 764.2(h) of the Regulations.

**Charge 3      15 C.F.R. § 764.2(a) – Unlicensed Export of Thermal Imaging Cameras**

On or about June 6, 2005, Ever Dixie engaged in conduct prohibited by the Regulations by exporting thermal imaging cameras, items subject to the Regulations, classified under ECCN 6A003.b.4 and controlled for reasons of Regional Stability, and valued at approximately \$99,000, from the United States to Komeco Co., Ltd., in South Korea, without the Department of Commerce license required by Section 742.6 of the Regulations. In so doing, Ever Dixie committed one violation of Section 764.2(a) of the Regulations.

**Charge 4      15 C.F.R. § 764.2(a): Failure to File Shipper’s Export Declaration or Automated Export System Record**

On or about June 6, 2005, in connection with the transaction described in Charge 3 above, Ever Dixie refrained from engaging in conduct required by Regulations when it failed to file a Shipper’s Export Declaration (“SED”) or Automated Export System (“AES”) record with the U.S. Government. Pursuant to Section 758.1(b)(1) of the Regulations, an SED or AES record must be filed with the U.S. Government for all exports subject to the Regulations that require an export license, regardless of value or destination. The export of thermal imaging cameras, items subject to the Regulations, classified under ECCN 6A003.b.4, and controlled for reasons of Regional Stability, from the United States to South Korea required a Department of Commerce license pursuant [to Section] 742.6 of the Regulations. Additionally, Section 758.1(b)(2) requires that an SED or AES record be filed with the U.S. Government when the value of the items is over \$2,500. The thermal imaging cameras had a value of approximately

\$99,000. In failing to file the required SED or AE[S] record, Ever Dixie committed one violation of Section 764.2(a) of the Regulations.<sup>3</sup>

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

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

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$75,000 is assessed against Ever Dixie. Ever Dixie shall pay \$25,000 to the U.S. Department of Commerce not later than August 15, 2011. Thereafter, Ever Dixie shall pay \$25,000 to the U.S. Department of Commerce not later than October 15, 2011; and \$25,000 not later than December 15, 2011. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due dates specified herein, Ever Dixie 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, Ever Dixie shall complete an external export compliance audit as set forth in this Paragraph. The results of the audit, including any relevant supporting materials, shall be submitted to the Department of Commerce, Bureau of Industry and Security, Special Agent in Charge, New York Field Office, 1200 South Avenue, Suite 104, Staten Island, NY 10314 ("BIS New York Field Office"). An unaffiliated third-party consultant with expertise in U.S. export control laws and sanctions regulations shall conduct an audit of Ever Dixie's compliance with

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<sup>3</sup> On May 5, 2011, BIS unilaterally withdrew Charge 2 (Conspiracy).

the Export Administration Regulations. The audit shall cover the period of July 1, 2011 through June 30, 2012, and the related report shall be due to the BIS New York Field Office by September 30, 2012. The audit shall be in substantial compliance with the requirements set out in the Export Management and Compliance Program audit module, which is available from the BIS website at [http://www.bis.doc.gov/complianceandenforcement/emcp\\_audit.pdf](http://www.bis.doc.gov/complianceandenforcement/emcp_audit.pdf), and shall include an assessment of Ever Dixie's compliance with the Regulations. In addition, where said audit identifies actual or potential violations of the Regulations, Ever Dixie must promptly provide copies of the pertinent export control documents to the BIS New York Field Office. Ever Dixie shall cooperate in providing additional information related to the audit as requested by BIS.

FOURTH, that the full and timely payment of the civil penalty in accordance with the payment schedule set forth above, and the timely completion and submission of the external audit report, are 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 Ever Dixie.

FIFTH, Ever Dixie agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegations in the Charging Letter, this Settlement Agreement or the Order. Nothing in this paragraph affects Ever Dixie's testimonial obligations, or right to take legal or factual positions in litigation or other legal proceedings in which the U.S. Department of Commerce is not a party.

SIXTH, for a period of five years from the date of this Order, SZY Holdings LLC a/k/a Ever Dixie USA EMS Supply Company a/k/a Ever Dixie EMS a/k/a Everready First Aid & Medical Supplies a/k/a Everready First Aid & Medical Supply Corp., 101-01 Foster Avenue, Brooklyn, NY 11236, and when acting on its behalf, its successors, assigns, representatives, or



agents (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 that involves and item that is subject to the Regulations;
- 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.

SEVENTH, 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.

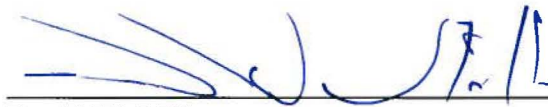
EIGHTH, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to Ever Dixie by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of the Order.

NINTH, that, as authorized by Section 766.18(c) of the Regulations, the five-year denial period set forth above shall be suspended during a probationary period of five years from the date of this Order, and shall thereafter be waived, provided that during the probationary period under this Order, Ever Dixie has made full and timely payment of each civil penalty payment in accordance with the payment schedule set forth above, has timely completed and submitted the external audit report as set forth above, and has committed no other violation of the Act or any regulation, order or license issued thereunder. If Ever Dixie does not make full and timely payment of each civil penalty payment in accordance with the payment schedule set forth above,

does not timely complete and submit the external audit report as set forth above, or commits another violation during the probationary period, the suspension may be modified or revoked by BIS and a denial order including a five-year denial period activated against Ever Dixie.

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

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



David W. Mills  
Assistant Secretary of Commerce  
for Export Enforcement

Issued this 30 day of June, 2011.

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

In the Matter of:	)	
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SZY Holdings LLC	)	10-BIS-0004
a/k/a Ever Dixie USA EMS Supply Company	)	
a/k/a Ever Dixie EMS	)	
a/k/a Everready First Aid & Medical Supplies	)	
a/k/a Everready First Aid & Medical Supply Corp.	)	
101-01 Foster Avenue	)	
Brooklyn, NY 11236	)	
	)	

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between SYZ Holdings LLC a/k/a Ever Dixie USA EMS Supply Company a/k/a Ever Dixie EMS a/k/a Everready First Aid & Medical Supplies a/k/a Everready First Aid & Medical Supply Corp. (hereinafter referred to as “Ever Dixie”), and the Bureau of Industry and Security, U. S. Department of Commerce (“BIS”) (collectively referred to as the “Parties”), pursuant to Section 766.18(b) of the Export Administration Regulations (“Regulations”),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (“Act”).<sup>2</sup>

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

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The charged violations occurred in 2005. The Regulations governing the violations at issue are found in the 2005 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2005)). The 2011 Regulations govern the procedural aspects of this case.

<sup>2</sup> 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 (75 Fed. Reg. 50,681 (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 issued a Charging Letter to Ever Dixie that, as amended, alleges that Ever Dixie committed the following three violations of the Regulations:

**Charge 1      15 C.F.R. § 764.2(h) – Evasion**

Between on or about May 1, 2005, and continuing through and including on or about June 6, 2005, Ever Dixie engaged in a transaction or took actions with the intent to evade the Regulations in connection with the export of thermal imaging cameras, items subject to the Regulations, classified under Export Control Classification Number (“ECCN”) 6A003.b.4, and controlled for reasons of Regional Stability, from the United States to Komeco Co., Ltd., in South Korea without the required Department of Commerce license. In acquiring these controlled items from a U.S. company, Ever Dixie was questioned about the ultimate destination of the items and concealed the intended export and destination of the items by falsely informing the U.S. company that it was selling the items domestically to fire departments in New York State and providing names and addresses for two fire departments in New York State, when, in fact, the items were intended for export to South Korea. Ever Dixie sold the items, valued at approximately \$99,000, to the South Korean company and then arranged with a freight forwarder to ship the items from the United States to South Korea, without seeking or obtaining the export license required by Section 742.6 of the Regulations. Ever Dixie also failed to file a Shipper’s Export Declaration or Automated Export System record with the U.S. Government disclosing, *inter alia*, the destination and end-user of the items, as required for all exports subject to the Regulations that require an export license, regardless of valuation or destination. In so doing, Ever Dixie committed one violation of Section 764.2(h) of the Regulations.

**Charge 3      15 C.F.R. § 764.2(a) – Unlicensed Export of Thermal Imaging Cameras**

On or about June 6, 2005, Ever Dixie engaged in conduct prohibited by the Regulations by exporting thermal imaging cameras, items subject to the Regulations, classified under ECCN 6A003.b.4 and controlled for reasons of Regional Stability, and valued at approximately \$99,000, from the United States to Komeco Co., Ltd., in South Korea, without the Department of Commerce license required by Section 742.6 of the Regulations. In so doing, Ever Dixie committed one violation of Section 764.2(a) of the Regulations.

**Charge 4      15 C.F.R. § 764.2(a): Failure to File Shipper's Export Declaration or Automated Export System Record**

On or about June 6, 2005, in connection with the transaction described in Charge 3 above, Ever Dixie refrained from engaging in conduct required by Regulations when it failed to file a Shipper's Export Declaration ("SED") or Automated Export System ("AES") record with the U.S. Government. Pursuant to Section 758.1(b)(1) of the Regulations, an SED or AES record must be filed with the U.S. Government for all exports subject to the Regulations that require an export license, regardless of value or destination. The export of thermal imaging cameras, items subject to the Regulations, classified under ECCN 6A003.b.4, and controlled for reasons of Regional Stability, from the United States to South Korea required a Department of Commerce license pursuant [to Section] 742.6 of the Regulations. Additionally, Section 758.1(b)(2) requires that an SED or AES record be filed with the U.S. Government when the value of the items is over \$2,500. The thermal imaging cameras had a value of approximately \$99,000. In failing to file the required SED or AED record, Ever Dixie committed one violation of Section 764.2(a) of the Regulations.<sup>3</sup>

WHEREAS, Ever Dixie has reviewed the 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, Ever Dixie 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;

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

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

WHEREAS, Ever Dixie neither admits nor denies the allegations contained in the Charging Letter;

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<sup>3</sup> On May 5, 2011, BIS unilaterally withdrew Charge 2 (Conspiracy).

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

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

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Ever Dixie, under the Regulations, in connection with the matters alleged in the Charging Letter.
2. The following sanctions shall be imposed against Ever Dixie in complete settlement of the alleged violations of the Regulations relating to the transaction specifically detailed in the Charging Letter:
  - a. Ever Dixie shall be assessed a civil penalty in the amount of \$75,000.  
Ever Dixie shall pay \$25,000 to the U.S. Department of Commerce not later than August 15, 2011. Thereafter, Ever Dixie shall pay \$25,000 to the U.S. Department of Commerce not later than October 15, 2011; and \$25,000 not later than December 15, 2011. Payment shall be made in the manner specified in the attached instructions.
  - b. Ever Dixie shall complete an external export compliance audit as set forth in this Paragraph. The results of the audit, including any relevant supporting materials, shall be submitted to the Department of Commerce, Bureau of Industry and Security, Special Agent in Charge, New York Field Office, 1200 South Avenue, Suite 104, Staten Island, NY 10314 (“BIS New York Field Office”). An unaffiliated third-party consultant



with expertise in U.S. export control laws and sanctions regulations shall conduct an audit of Ever Dixie's compliance with the Export Administration Regulations. The audit shall cover the period of July 1, 2011 through June 30, 2012, and the related report shall be due to the BIS New York Field Office by September 30, 2012. The audit shall be in substantial compliance with the requirements set out in the Export Management and Compliance Program audit module, which is available from the BIS website at [http://www.bis.doc.gov/complianceandenforcement/emcp\\_audit.pdf](http://www.bis.doc.gov/complianceandenforcement/emcp_audit.pdf), and shall include an assessment of Ever Dixie's compliance with the Regulations. In addition, where said audit identifies actual or potential violations of the Regulations, Ever Dixie must promptly provide copies of the pertinent export control documents to the BIS New York Field Office. Ever Dixie shall cooperate in providing additional information related to the audit as requested by BIS.

- c. The timely payment of the civil penalty agreed to in paragraph 2.a and the timely completion and submission of the external audit report in Paragraph 2.b. are hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Ever Dixie.
- d. For a period of five (5) years from the date of the Order, SZY Holdings LLC, a/k/a Ever Dixie USA EMS Supply Company a/k/a Ever Dixie EMS

a/k/a Everready First Aid & Medical Supplies a/k/a Everready First Aid & Medical Supply Corp. (“Ever Dixie”), and when acting on its behalf, its successors, assigns, representatives, agents, or employees (“Denied Person”) may not participate, directly or indirectly, in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as “item”) exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- i. Applying for, obtaining, or using any license, License Exception, or export control document;
- ii. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or
- iii. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

e. BIS agrees that, as authorized by Section 766.18(c) of the Regulations, the five-year denial period set forth in paragraph 2.d above shall be suspended in its entirety, and shall thereafter be waived, provided that during this probationary period under the Order, Ever Dixie has made full and timely payment

of each civil penalty payment in accordance with the payment schedule agreed to in Paragraph 2.a above, has timely completed and submitted the external audit report agreed to in Paragraph 2.b above, and has committed no other violation of the Act or any regulation, order or license issued thereunder. If Ever Dixie does not make full and timely payment of each civil penalty payment in accordance with the payment schedule set forth in Paragraph 2.a above, does not timely complete and submit the external audit report agreed to in Paragraph 2.b above, or commits another violation during the probationary period, the suspension may be modified or revoked by BIS and a denial order including a five-year denial period activated against Ever Dixie.

3. Subject to the approval of this Agreement pursuant to paragraph 9 hereof, Ever Dixie hereby waives any claims whether asserted or unasserted, against BIS, the U.S. Department of Commerce, and/or their officials and employees arising out of the facts and circumstances giving rise to the matters that resulted in this Agreement, including, but not limited to, BIS's investigation of the facts and circumstances giving rise to the issuance of the Charging Letter and the violations alleged therein. Ever Dixie also hereby waives any possible legal objections to this Agreement at any future date and 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, but not limited to, any right to: (a) an administrative hearing regarding the allegations in any Proposed Charging Letter or 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. Ever Dixie also waives and will not assert any Statute of Limitations defense, and the Statute of Limitations will be tolled, for the time period from the date of the Order, if issued, until the later of the date Ever Dixie pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement or the date Ever Dixie completes and submits the external audit report agreed to in Paragraph 2.b above, in connection with any violation of the Act or the Regulations arising out of the transactions identified in the Charging Letter, or in connection with collection of the civil penalty or enforcement of the Agreement and Order, if issued.

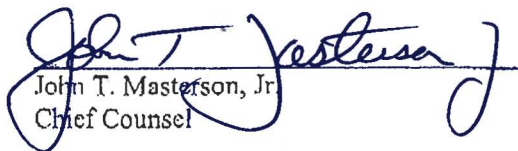
4. Ever Dixie agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegations in the Charging Letter, the Settlement Agreement, or the Order. Nothing in this paragraph affects Ever Dixie's testimonial obligations, or right to take legal or factual positions in litigation or other legal proceedings in which the U.S. Department of Commerce is not a party.
5. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 2.a above, and timely completion and submission of the external audit report as set forth in Paragraph 2.b above, BIS will not initiate any further administrative proceeding against Ever Dixie in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Charging Letter.

6. BIS will make the Charging Letter, this Agreement, and the Order, if issued, available to the public.
7. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(b) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.
8. No oral 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.
9. 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.

Settlement Agreement  
SZY Holdings LLC a/k/a Ever Dixie  
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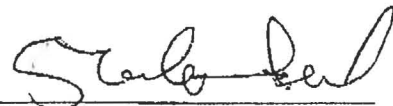
10. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

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

  
John T. Masterson, Jr.  
Chief Counsel

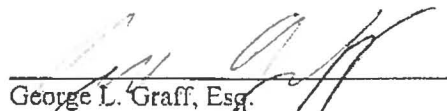
Date: June 23, 2011

SZY HOLDINGS LLC A/K/A EVER DIXIE

  
Sheldon Perl  
Managing Member  
SZY Holdings LLC a/k/a Ever Dixie

Date: JUNE 21, 2011

Reviewed and approved by:

  
George L. Graff, Esq.  
Counsel for SZY Holdings LLC  
a/k/a Ever Dixie

Date: June 23, 2011

JJK - 4 2010



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Bureau of Industry and Security**  
Washington, D.C. 20230

**CHARGING LETTER**  
**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

SZY Holdings LLC  
a/k/a Ever Dixie USA EMS Supply Company  
a/k/a Ever Dixie EMS  
a/k/a Everready First Aid & Medical Supplies  
a/k/a Everready First Aid and Medical Supply Corp  
101-01 Foster Avenue  
Brooklyn, NY 11236

Attention: *Mr. Yosef Sternberg*  
*Owner*

Dear Mr. Sternberg:

The Bureau of Industry and Security, U. S. Department of Commerce ("BIS"), has reason to believe that SZY Holdings LLC, of Brooklyn, New York, also known as ("a/k/a") Ever Dixie USA EMS Supply Company, a/k/a Ever Dixie EMS, a/k/a Everready First Aid & Medical Supplies, and a/k/a Everready First Aid and Medical Supply Corp ("Ever Dixie"), has committed four violations of the Export Administration Regulations (the "Regulations"),<sup>1</sup> which issued under the authority of the Export Administration Act of 1979, as amended (the "Act").<sup>2</sup> Specifically, BIS charges that Ever Dixie committed the following violations:

**Charge 1 15 C.F.R. § 764.2(h) – Evasion**

Between on or about May 1, 2005, and continuing through and including on or about June 6, 2005, Ever Dixie engaged in a transaction or took actions with the intent to evade the Regulations in connection with the export of thermal imaging cameras, items subject to the Regulations, classified under Export Control Classification Number ("ECCN") 6A003.b.4, and controlled for reasons of Regional Stability, from the United States to Komeco Co., Ltd., in South Korea without the required Department of Commerce license. In acquiring these

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2010). The violations charged occurred in 2005. The Regulations governing the violations at issue are found in the 2005 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2005)). The 2010 Regulations govern the procedural aspects of this case.

<sup>2</sup> 50 U.S.C. app. §§ 2401-2420 (2000). Since August 21, 2001, the Act has been in lapse, and the President, through Executive Order 13,222 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 13, 2010 (74 Fed. Reg. 41,325, Aug. 14, 2010), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*). The Act and the Regulations are available on the Government Printing Office website at: <http://www.access.gpo.gov/bis/>.





controlled items from a U.S. company, Ever Dixie was questioned about the ultimate destination of the items and concealed the intended export and destination of the items by falsely informing the U.S. company that it was selling the items domestically to fire departments in New York State and providing names and addresses for two fire departments in New York State, when, in fact, the items were intended for export to South Korea. Ever Dixie sold the items, valued at approximately \$99,000, to the South Korean company and then arranged with a freight forwarder to ship the items from the United States to South Korea, without seeking or obtaining the export license required by Section 742.6 of the Regulations. Ever Dixie also failed to file a Shipper's Export Declaration or Automated Export System record with the U.S. Government disclosing, *inter alia*, the destination and end-user of the items, as required for all exports subject to the Regulations that require an export license, regardless of valuation or destination. In so doing, Ever Dixie committed one violation of Section 764.2(h) of the Regulations.

**Charge 2 15 C.F.R. §764.2(d) – Conspiracy**

Between on or about May 1, 2005, and continuing through on or about June 6, 2005, Ever Dixie conspired or acted in concert with others, known and unknown, to violate the Regulations and to bring about or do an act or acts that constitute a violation of the Regulations. The purpose of the conspiracy was to export thermal imaging cameras, items subject to the Regulations, classified under ECCN 6A003.b.4, and controlled for reasons of Regional Stability, from the United States to Komeco Co., Ltd., in South Korea without the Department of Commerce export license required by Section 742.6 of the Regulations. In furtherance of the conspiracy, Ever Dixie and its co-conspirators devised and employed a scheme to acquire these items from a U.S. company for export to South Korea, by giving the U.S. company false information regarding the ultimate destination and purchasers or end users of the items. Specifically, Ever Dixie falsely claimed the items, were for domestic sale to fire departments in New York State and provided names and contact information for two fire departments in New York State as the alleged domestic purchasers or end-users of the items. Additionally, no Shipper's Export Declaration or Automated Export System record was filed with the U.S. Government disclosing, *inter alia*, the destination and end-user of the items, as required regarding the export of all items subject to the Regulations that require an export license, regardless of valuation or destination. These acts were taken to facilitate the export of U.S.-origin thermal imaging cameras to South Korea without the required Department of Commerce authorization and to avoid detection by law enforcement. In so doing, Ever Dixie committed one violation of Section 764.2(d) of the Regulations.

**Charge 3 15 C.F.R. § 764.2(a) – Unlicensed Export of Thermal Imaging Cameras**

On or about June 6, 2005, Ever Dixie engaged in conduct prohibited by the Regulations by exporting thermal imaging cameras, items subject to the Regulations, classified under ECCN 6A003.b.4 and controlled for reasons of Regional Stability, and valued at approximately \$99,000, from the United States to Komeco Co., Ltd., in South Korea, without the Department of Commerce license required by Section 742.6 of the Regulations. In so doing, Ever Dixie committed one violation of Section 764.2(a) of the Regulations.

**Charge 4 15 C.F.R. § 764.2(a): Failure to File Shipper's Export Declaration or Automated Export System Record**

On or about June 6, 2005, in connection with the transaction described in Charge 3 above, Ever Dixie refrained from engaging in conduct required by Regulations when it failed to file a Shipper's Export Declaration ("SED") or Automated Export System ("AES") record with the U.S. Government. Pursuant to Section 758.1(b)(1) of the Regulations, an SED or AES record must be filed with the U.S. Government for all exports subject to the Regulations that require an export license, regardless of value or destination. The export of thermal imaging cameras, items subject to the Regulations, classified under ECCN 6A003.b.4, and controlled for reasons of Regional Stability, from the United States to South Korea required a Department of Commerce license pursuant 742.6 of the Regulations. Additionally, Section 758.1(b)(2) requires that an SED or AES record be filed with the U.S. Government when the value of the items is over \$2,500. The thermal imaging cameras had a value of approximately \$99,000. In failing to file the required SED or AED record, Ever Dixie committed one violation of Section 764.2(a) of the Regulations.

\* \* \* \* \*

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

- The maximum civil penalty allowed by law of up to the greater of \$250,000 per violation, or twice the value of the transaction that is the basis of the violation.<sup>3</sup>
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If Ever Dixie 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 (2010). If Ever Dixie defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Ever Dixie. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each of the charges in this letter.

Ever Dixie 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 (2010). Ever Dixie is also

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<sup>3</sup>*See* International Emergency Economic Powers Enhancement Act, Pub. L. No. 110-96 (2007).

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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 (2010).

Ever Dixie is additionally notified that under the Small Business Regulatory Enforcement Flexibility Act, it 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 Regulations provide for settlement without a hearing. See 15 C.F.R. § 766.18 (2010). Should Ever Dixie have a proposal to settle this case, Ever Dixie's 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, Ever Dixie'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 Ever Dixie's answer must be served on BIS at the following address:

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

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

Sincerely,



Craig Verkerke  
Acting Director  
Office of Export Enforcement

Enclosure