

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

In the Matter of:)
)
PC Universe, Inc.)
504 NW 77th Street)
Boca Raton, FL 33487)
)
Respondent)

ORDER RELATING TO PC UNIVERSE INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified PC Universe, Inc. (“PCU”), of its intention to initiate an administrative proceeding against PCU pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2008)) (the “Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),² through issuance of a proposed charging letter to PCU that alleged that PCU committed one violation of the Regulations. Specifically, this charge is:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2008). The violation charged occurred during 2006. The Regulations governing the violations at issue are found in the 2006 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2006)). The 2008 Regulations govern the procedural aspects of this case.

² 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 July 23, 2008 (73 Fed. Reg. 43,603 (July 25, 2008)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707 (2000)).

Charge 1 15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation

On or about December 14, 2006, PC Universe sold, transported and forwarded digital audio tape drives, which are subject to the Regulations and designated as EAR99 items,³ to Iran with knowledge that a violation of the Regulations was about to occur or was intended to occur in connection with the items. PC Universe had knowledge that a violation of the Regulations was about to occur or was intended to occur because PC Universe was aware of the U.S. embargo of Iran. PC Universe further knew that no U.S. Government authorization for this transaction had been obtained. In selling, transporting and forwarding these items with knowledge that a violation was occurring, PC Universe committed one violation of Section 764.2(e) of the Regulations.

WHEREAS, BIS and PCU 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;

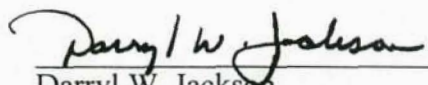
IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$37,500 is assessed against PCU. Payment shall be suspended for a period of one year from the date of entry of this Order and thereafter shall be waived, provided that during the period of suspension, PCU has committed no violation of the Act, or any regulation, order, or license issued thereunder.

SECOND, that the proposed charging letter, the Settlement Agreement, and this Order shall be made available to the public.

³ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2003-2004).

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



Darryl W. Jackson
Assistant Secretary of Commerce
for Export Enforcement

Entered this 4th day of December, 2008.

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

In the Matter of:)
)
PC Universe, Inc.)
504 NW 77th Street)
Boca Raton, FL 33487)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between PC Universe, Inc. (“PCU”) 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 (currently codified at 15 C.F.R. Parts 730-774 (2008)) (the “Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),²

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

WHEREAS, BIS has issued a proposed charging letter to PCU that alleged that PCU committed one violation of the Regulations, specifically:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2008). The violation charged occurred during 2006. The Regulations governing the violations at issue are found in the 2006 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2006)). The 2008 Regulations govern the procedural aspects of this case.

² 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 July 23, 2008 (73 Fed. Reg. 43,603 (July 25, 2008)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707 (2000)).

Charge 1 15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation

On or about December 14, 2006, PC Universe sold, transported and forwarded digital audio tape drives, which are subject to the Regulations and designated as EAR99 items,³ to Iran with knowledge that a violation of the Regulations was about to occur or was intended to occur in connection with the items. PC Universe had knowledge that a violation of the Regulations was about to occur or was intended to occur because PC Universe was aware of the U.S. embargo of Iran. PC Universe further knew that no U.S. Government authorization for this transaction had been obtained. In selling, transporting and forwarding these items with knowledge that a violation was occurring, PC Universe committed one violation of Section 764.2(e) of the Regulations.

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

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

³ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2003-2004).

1. BIS has jurisdiction over PCU, under the Regulations, in connection with the matters alleged in the proposed charging letter.
2. The following sanction shall be imposed against PCU in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the proposed charging letter:
 - a. PCU shall be assessed a civil penalty in the amount of \$37,500, all of which shall be suspended for a period of one year from the date of entry of the Order and thereafter shall be waived, provided that during the period of suspension, PCU has committed no violation of the Act, or any regulation, order, or license issued thereunder.
3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, PCU hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in any charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.
4. Upon entry of the Order, BIS will not initiate any further administrative proceeding against PCU in connection with any violation of the Act or the Regulations arising out of the transaction identified in the proposed charging letter.
5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, available to the public.


6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the 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 entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

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

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



Thomas Madigan
Director
Office of Export Enforcement

Date: 11/28/08

PC UNIVERSE, INC.



Tom Livia
President

Date: 11-20-08

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

PC Universe Inc.
504 NW 77th Street
Boca Raton, FL 33487

Attention: *Gary Stern*
Chairman

Dear Mr. Stern:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that PC Universe Inc. of Boca Raton, Florida ("PC Universe") has committed one violation 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 charges that PC Universe committed the following violation:

Charge 1 15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation

On or about December 14, 2006, PC Universe sold, transported and forwarded digital audio tape drives, which are subject to the Regulations and designated as EAR99 items,³ to Iran with knowledge that a violation of the Regulations was about to occur or was intended to occur in connection with the items. PC Universe had knowledge that a violation of the Regulations was about to occur or was intended to occur because PC Universe was aware of the U.S. embargo of Iran. PC Universe further knew that no U.S. Government authorization for this transaction had been obtained. In selling, transporting and forwarding these items with knowledge that a violation was occurring, PC Universe committed one violation of Section 764.2(e) of the Regulations.

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2008). The violation charged occurred during 2006. The Regulations governing the violations at issue are found in the 2006 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2006)). The 2008 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 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 July 23, 2008 (73 Fed. Reg. 43,603 (July 25, 2008)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707 (2000)) ("IEEPA").

³ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2003-2004).

* * * * *

Accordingly, PC Universe 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;⁴
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If PC Universe 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. 15 C.F.R. §§ 766.6 and 766.7 (2008). If PC Universe defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to PC Universe. 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.

PC Universe 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. 15 C.F.R. § 766.6 (2008). PC Universe 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 (2008).

The Regulations provide for settlement without a hearing. 15 C.F.R. § 766.18 (2008). Should PC Universe have a proposal to settle this case, PC Universe or its representative should transmit it through the attorney representing BIS named below.

PC Universe is further notified that under the Small Business Regulatory Enforcement Flexibility Act, PC Universe 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, PC Universe's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

⁴ International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

U.S. Coast Guard ALJ Docketing Center
40 S. Gay Street
Baltimore, Maryland 21202-4022

In addition, a copy of PC Universe's answer must be served on BIS at the following address:

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

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

Sincerely,

Thomas Madigan
Director
Office of Export Enforcement