

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

In the Matter of:)
)
Humane Restraint, Inc.)
912 Bethel Circle)
Waunakee, WI 53597)
)
Respondent)

ORDER RELATING TO HUMANE RESTRAINT, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Humane Restraint, Inc. of Waunakee, WI (“HR”), of its intention to initiate an administrative proceeding against HR 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 HR that alleged that HR committed 32 violations of the Regulations. Specifically, these charges are:

Charges 1-27 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Various Restraint Devices Without the Required Government Authorizations

On 27 occasions between on or about April 10, 2006 and on or about August 8, 2008, HR engaged in conduct prohibited by the Regulations by exporting various restraint devices, including, but not limited to, strait jackets, bed restraints, and wrist and ankle restraints, items subject to the Regulations, classified under Export Control Classification Number (“ECCN”)

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2012). The charged violations occurred in 2006-2008. The Regulations governing the violations at issue are found in the 2006-2008 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2006-2008)). The 2012 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. 50661 (Aug. 16, 2011)), continues the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et. seq.*).

0A982, controlled for Crime Control reasons, and valued at approximately \$14,697, from the United States to Germany, Greece, Hungary, Ireland, New Zealand, South Korea, Taiwan, and the United Kingdom without the Department of Commerce licenses required by Section 742.7(a) of the Regulations. In so doing, HR committed 27 violations of Section 764.2(a) of the Regulations.

Charge 28 15 C.F.R. §764.2(c) – Attempting to Export a Strait Jacket Without the Required Government Authorization

On or about November 28, 2007, HR attempted a violation of the Regulations. Specifically, HR attempted to export a strait jacket, an item subject to the Regulations, classified under ECCN 0A982, controlled for Crime Control reasons, and valued at approximately \$112, from the United States to the United Kingdom without the Department of Commerce license required by Section 742.7(a) of the Regulations. The item was seized by U.S. Customs and Border Patrol (“CBP”) prior to leaving the United States. In so doing, HR committed one violation of Section 764.2(c) of the Regulations.

Charges 29-32 15 C.F.R. § 764.2(e)- Acting With Knowledge of a Violation

On four occasions between on or about January 2, 2008 and on or about August 7, 2008, HR sold items exported or to be exported from the United States with knowledge that a violation of the Regulations was about to occur or was intended to occur in connection with the items. Specifically, on four occasions HR sold strait jackets and an ambulatory restraint kit, items classified under ECCN 0A982, controlled for Crime Control reasons, and valued at approximately \$1,818. These items were exported or to be exported from the United States to Australia, Germany, and Taiwan. HR knew or should have known that a Department of Commerce export license was required to export these items because, *inter alia*, on or about December 10, 2007, before these violations occurred, HR was informed of licensing requirements by CBP, which had stopped and later seized HR’s November 28, 2007 attempted unlicensed export, described in Charge 28, above. In so doing, HR committed four violations of Section 764.2(e) of the Regulations.

WHEREAS, BIS and HR 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, HR shall be assessed a civil penalty in the amount of \$465,000. HR shall pay the U.S. Department of Commerce in four installments of: \$12,500 not later than August 1, 2012;

\$12,500 not later than February 1, 2013; \$12,500 not later than August 1, 2013; and \$12,500 not later than February 1, 2014. If any of the four installment payments is not fully and timely made, any remaining scheduled installment payments and any suspended penalty shall become due and owing immediately. Payment of the remaining \$415,000 shall be suspended for a period of two years from the date of issuance of the Order, and thereafter shall be waived, provided that during this two-year payment probationary period under the Order, HR has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made full and timely payment of \$50,000 as set forth above.

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 in by the due date specified herein, HR 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 full and timely payment of the civil penalty in accordance with the payment schedule 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 HR. Accordingly, if HR should fail to pay the civil penalty in a full and timely manner, the undersigned may issue an Order denying all of HR's export privileges under the Regulations for a period of one year from the of failure to make such payment.

FOURTH, that, except as provided in paragraph SIXTH of this Order, for a period of two (2) years from the date of issuance of the Order, Humane Restraint, Inc., with a last known address of 912 Bethel Circle, Waunakee, WI 53597, 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 to any destination other than Canada that is subject to the Regulations, or in any other activity subject to the Regulations that involves a destination other than Canada, including, but not limited to:

- A. Applying for or obtaining any license, or License Exception that involves an export to any destination other than Canada ;
- 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 to any destination other than Canada that is subject to the Regulations, or in any other activity subject to the Regulations that involves a destination other than Canada; or
- C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States to any destination other than Canada that is subject to the Regulations, or in any other activity subject to the Regulations that involves a destination other than Canada.

FIFTH, that, except as provided in paragraph SEVENTH of this Order, 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 to any destination other than Canada;
- 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 to any destination other than Canada, 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 to any destination other than Canada;
- 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 to any destination other than Canada; 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 to any destination other than Canada 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 to any destination other than Canada. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

SIXTH, that this Order does not prohibit HR from exporting items from the United States under a previously approved U.S. Department of Commerce export license that is valid as of the date of this Order. Any exports made under this provision shall be subject to all terms, conditions and expiration dates contained in the underlying export license.

SEVENTH, that this Order does not prohibit freight forwarders, carriers, consignees or end users from participating in export transactions authorized by a previously approved U.S.

Department of Commerce export license issued to HR that is valid as of the date of this Order. Any actions taken under this provision shall be subject to all terms and conditions of the underlying export license.

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

TENTH, that this Order shall be served on HR, and shall be published in the *Federal Register*.

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 7-16 day of July, 2012.

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

In the Matter of:)
)
Humane Restraint, Inc.)
912 Bethel Circle)
Waunakee, WI 53597)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Humane Restraint, Inc. (“HR”), 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 HR of its intentions to initiate an administrative proceeding against HR, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a Proposed Charging Letter to HR that alleges that HR committed 32 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 (2012). The charged violations occurred in 2006-2008. The Regulations governing the violations at issue are found in the 2006-2008 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2012 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. 50661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

**Charges 1-27 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by
Exporting Various Restraint Devices Without the Required
Government Authorizations**

On 27 occasions between on or about April 10, 2006 and on or about August 8, 2008, HR engaged in conduct prohibited by the Regulations by exporting various restraint devices, including, but not limited to, strait jackets, bed restraints, and wrist and ankle restraints, items subject to the Regulations, classified under Export Control Classification Number ("ECCN") 0A982, controlled for Crime Control reasons, and valued at approximately \$14,697, from the United States to Germany, Greece, Hungary, Ireland, New Zealand, South Korea, Taiwan, and the United Kingdom without the Department of Commerce licenses required by Section 742.7(a) of the Regulations. In so doing, HR committed 27 violations of Section 764.2(a) of the Regulations.

**Charge 28 15 C.F.R. §764.2(c) – Attempting to Export a Strait Jacket
Without the Required Government Authorization**

On or about November 28, 2007, HR attempted a violation of the Regulations. Specifically, HR attempted to export a strait jacket, an item subject to the Regulations, classified under ECCN 0A982, controlled for Crime Control reasons, and valued at approximately \$112, from the United States to the United Kingdom without the Department of Commerce license required by Section 742.7(a) of the Regulations. The item was seized by U.S. Customs and Border Patrol ("CBP") prior to leaving the United States. In so doing, HR committed one violation of Section 764.2(c) of the Regulations.

Charges 29-32 15 C.F.R. § 764.2(e)- Acting With Knowledge of a Violation

On four occasions between on or about January 2, 2008 and on or about August 7, 2008, HR sold items exported or to be exported from the United States with knowledge that a violation of the Regulations was about to occur or was intended to occur in connection with the items. Specifically, on four occasions HR sold strait jackets and an ambulatory restraint kit, items classified under ECCN 0A982, controlled for Crime Control reasons, and valued at approximately \$1,818. These items were exported or to be exported from the United States to Australia, Germany, and Taiwan. HR knew or should have known that a Department of Commerce export license was required to export these items because, *inter alia*, on or about December 10, 2007, before these violations occurred, HR was informed of licensing requirements by CBP, which had stopped and later seized HR's November 28, 2007 attempted unlicensed export, described in Charge 28, above. In so doing, HR committed four violations of Section 764.2(e) of the Regulations.

WHEREAS, HR 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, HR 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, HR enters into this Agreement voluntarily and with full knowledge of its rights, after having consulted with counsel;

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

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

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

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

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

a. HR shall be assessed a civil penalty in the amount of \$465,000.

HR shall pay the U.S. Department of Commerce \$50,000 in four installments as follows: \$12,500 not later than August 1, 2012; \$12,500 not later than February, 1 2013; \$12,500 not later than August 1, 2013; and \$12,500 not later than

February 1, 2014. Payment shall be made in the manner specified in the attached instructions. If any of the four installment payments is not fully and timely made, any remaining scheduled installment payments and any suspended penalty shall become due and owing immediately. Payment of the remaining \$415,000 shall be suspended for a period of two years from the date of the Order, and thereafter shall be waived, provided that during this two-year payment probationary period under the Order, HR has committed no violation of the Act, or any regulation, order, license or authorization issued thereunder and has made full and timely payment of \$50,000 as set forth above.

b. For a period of two (2) years from the date of entry of the Order, HR, with a last known address of 912 Bethel Circle, Waunakee, WI 53597, 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 to any destination other than Canada that is subject to the Regulations, or in any other activity subject to the Regulations that involves a destination other than Canada, including, but not limited to:

- i. Applying for or obtaining any license or License Exception that involves an export to any destination other than Canada;
- 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 to any destination other than Canada that is subject to the Regulations, or in any other activity subject to the Regulations that involves a destination other than Canada; or

iii. Benefitting in any way from any transaction involving any item exported or to be exported from the United States to any destination other than Canada that is subject to the Regulations, or in any other activity subject to the Regulations that involves a destination other than Canada.

c. This Order does not prohibit HR from exporting items from the United States under a previously approved U.S. Department of Commerce license that is valid as of the date of the Order, if issued. Any exports made under such licenses shall be subject to all terms, conditions and expiration dates contained in the underlying export license.

d. The full and timely payment of the civil penalty agreed to in Paragraph 2.a. and the fulfillment of the terms and conditions of the licenses referenced in Paragraph 2.c are hereby made conditions to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to HR.

3. Subject to the approval of this Agreement pursuant to Paragraph 7 hereof, HR 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. HR also waives and will not assert any Statute of Limitations defense, and the Statute of Limitations will be tolled, in connection with any violation of the Act or the Regulations arising out of the transactions identified in the Proposed Charging Letter, or in connection with collection of the civil penalty or enforcement of the Agreement and Order, if issued, from the date of the Order until the date HR pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement.

4. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 2.a above, BIS will not initiate any further administrative proceeding against HR in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

5. 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.

6. 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

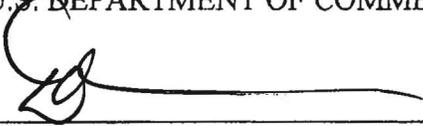
otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

7. 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.

8. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, available to the public.

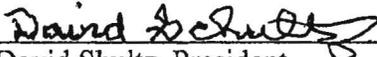
9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

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



Douglas R. Hassebrock
Director of Export Enforcement

HUMANE RESTRAINT, INC.

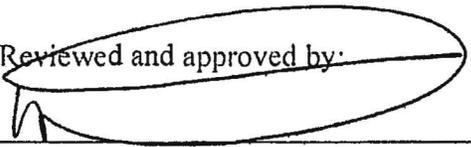


David Shultz, President
Humane Restraint, Inc.

Date: 6/27/12

Date: 6-21-12

Reviewed and approved by:



Heather E. Hazelwood, Esq.
Hurley, Burish & Stanton, S.C. Counsel for
Humane Restraint, Inc.

Date: 6/25/12

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Humane Restraint, Inc.
912 Bethel Circle
Waunakee, WI 53597

Attention: David Shultz, President

Dear Mr. Shultz:

The Bureau of Industry and Security, United States Department of Commerce (“BIS”), has reason to believe that Humane Restraint, Inc., of Waunakee, Wisconsin (“HR”) committed 32 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 charges that HR committed the following violations:

Charges 1-27 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Various Restraint Devices Without the Required Government Authorizations

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on 27 occasions between on or about April 10, 2006 and on or about August 8, 2008, HR engaged in conduct prohibited by the Regulations by exporting various restraint devices, including, but not limited to strait jackets, bed restraints, and wrist and ankle restraints, items subject to the Regulations, classified under Export Control Classification Number (“ECCN”) 0A982, controlled for Crime Control reasons, and valued at approximately \$14,697, from the United States to Germany, Greece, Hungary, Ireland, New Zealand, South Korea, Taiwan, and the United Kingdom without the Department of Commerce licenses required by Section 742.7(a) of the Regulations. In so doing, HR committed 27 violations of Section 764.2(a) of 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 between 2006 and 2008. The Regulations governing the violations at issue are found in the 2006 through 2008 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2006-2008)). The 2011 Regulations establish 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 28 15 C.F.R. §764.2(c) – Attempting to Export a Strait Jacket Without
the Required Government Authorization**

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on or about November 28, 2007, HR attempted a violation of the Regulations. Specifically, HR attempted to have a strait jacket, an item subject to the Regulations, classified under ECCN 0A982, controlled for Crime Control reasons, and valued at approximately \$112, from the United States to the United Kingdom without the Department of Commerce license required by Section 742.7(a) of the Regulations. The item was seized by U.S. Customs and Border Patrol (“CBP”) prior to leaving the United States. In so doing, HR committed one violation of Section 764.2(c) of the Regulations.

Charges 29-32 15 C.F.R. § 764.2(e)- Acting With Knowledge of a Violation

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on four occasions between on or about January 2, 2008 and on or about August 7, 2008, HR sold items exported or to be exported from the United States with knowledge that a violation of the Regulations was about to occur or was intended to occur in connection with the items. Specifically, on four occasions HR sold strait jackets and an ambulatory restraint kit, items classified under ECCN 0A982, controlled for Crime Control reasons, and valued at approximately \$1,818. These items were exported or to be exported from the United States to Australia, Germany, and Taiwan. HR knew or should have known that a Department of Commerce export license was required to export these items because, *inter alia*, on or about December 10, 2007, before these violations occurred, HR was informed of licensing requirements by CBP, which had stopped and later seized HR’s November 28, 2007 attempted unlicensed export, described in Charge 28, above. In so doing, HR committed four violations of Section 764.2(e) of the Regulations.

* * * * *

Accordingly, HR is hereby notified that an administrative proceeding is instituted against it pursuant to 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 violation³;
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

³ See International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

If HR 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 (2011). If HR defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to HR. The Under Secretary for Industry and Security may then impose up to the maximum penalty on the charges in this letter.

HR 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 (2011). HR 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 (2011).

HR is further notified that under the Small Business Regulatory Enforcement Flexibility Act, HR 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 (2011). Should HRI have a proposal to settle this case, HR or its representative should transmit it to the attorney representing BIS named below.

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

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

Humane Restraint, Inc.
Proposed Charging Letter
Page 4 of 6

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

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement

Enclosure

Humane Restraint, Inc. Proposed Charging Letter Schedule of Violations					
Violation Number	Export Date	Item	ECCN	Destination	Violation
1	04/10/06	Wrist restrained at waist	0A982	Taiwan	15 C.F.R. 764.2(a)
2	06/08/06	Polypropylene Limb&wrist restraint	0A982	Greece	15 C.F.R. 764.2(a)
3	06/21/06	Leather Humane Restraint Belts	0A982	Germany	15 C.F.R. 764.2(a)
4	08/24/06	Polypropylene Limb&wrist restraint, torso restraint.	0A982	Hungary	15 C.F.R. 764.2(a)
5	09/18/06	Wristlet Bed Restraint - non locking - polyurethane	0A982	South Korea	15 C.F.R. 764.2(a)
6	09/19/06	Wrist to Wrist Restraint	0A982	New Zealand	15 C.F.R. 764.2(a)
7	09/26/06	Wrist restrained at waist	0A982	Taiwan	15 C.F.R. 764.2(a)
8	10/13/06	Restraints	0A982	United Kingdom	15 C.F.R. 764.2(a)
9	10/17/06	Locking Restraint Kit - Polyurethane	0A982	Hungary	15 C.F.R. 764.2(a)
10	10/20/06	Non-locking restraint kit	0A982	New Zealand	15 C.F.R. 764.2(a)
11	01/03/07	Strait Jacket	0A982	United Kingdom	15 C.F.R. 764.2(a)
12	01/05/07	Anklet/Torso/wristlet/bed-restraint and cotton webbings	0A982	Germany	15 C.F.R. 764.2(a)
13	01/16/07	6-slot leather anklet w/vertical slots and foam padding	0A982	Germany	15 C.F.R. 764.2(a)
14	01/29/07	Nylon Ankle Hoble-non locking.	0A982	New Zealand	15 C.F.R. 764.2(a)
15	03/01/07	Lock Anklets w/Foam Padding	0A982	Ireland	15 C.F.R. 764.2(a)
1+	03/06/07	Non-locking ankle restraints	0A982	United Kingdom	15 C.F.R. 764.2(a)
17	03/15/07	Special Order, Wristlets and Anklets	0A982	Germany	15 C.F.R. 764.2(a)
18	04/03/07	Leather Wristlet & Anklet, restraining belt, fleece for liners	0A982	South Korea	15 C.F.R. 764.2(a)
19	04/23/07	Humane Safety Transboard	0A982	New Zealand	15 C.F.R. 764.2(a)
20	05/24/07	Leather Anklets, locking restraint kit-leather,	0A982	Germany	15 C.F.R. 764.2(a)

		leather anklets/wristlets			
21	06/05/07	Leather anklets with L-3001 Lock foam padding	0A982	Germany	15 C.F.R. 764.2(a)
22	08/17/07	Humane-Lynch Strait Jacket	0A982	Taiwan	15 C.F.R. 764.2(a)
23	09/25/07	Leather wristlet, Fleece Ankle Liners, Leather Anklet w/foam	0A982	Germany	15 C.F.R. 764.2(a)
24	10/17/07	Locking Restraint Kit - Leather	0A982	New Zealand	15 C.F.R. 764.2(a)
25	11/28/07	Strait Jacket	0A982	United Kingdom	15 C.F.R. 764.2(c)
26	01/02/08	Leather wristlets &anklets and restraints, locking bed restraint kit	0A982	Germany	15 C.F.R. 764.2(a)
27	03/19/08	Humane-Lynch Strait Jacket	0A982	Taiwan	15 C.F.R. 764.2(e)
28	03/24/08	Leather wristlets &anklets and restraints	0A982	Germany	15 C.F.R. 764.2(a)
29	04/24/08	Humane-Lynch Strait Jacket	0A982	Germany	15 C.F.R. 764.2(e)
30	04/28/08	Humane-Lynch Strait Jacket	0A982	Taiwan	15 C.F.R. 764.2(e)
31	05/22/08	Wristlets-Restraint	0A982	New Zealand	15 C.F.R. 764.2(a)
32	08/07/08	Adjustable ambulatory restraint kit-polyurethane	0A982	Australia	15 C.F.R. 764.2(e)