

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

In the Matter of:

Mohsen Motamedian
5 Coral Cay
Newport Coast, CA 92657

Respondent

ORDER RELATING TO MOHSEN MOTAMEDIAN

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Mohsen Motamedian, a/k/a Max Motamedian, a/k/a Max Ehsan, of Newport Coast, CA (“Motamedian”), of its intention to initiate an administrative proceeding against Motamedian 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 Motamedian that alleges that Motamedian committed one violation of the Regulations. Specifically, the charge is:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The charged violation occurred in 2010. The Regulations governing the violation at issue is found in the 2010 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2011 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 12, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

Charge 1 15 C.F.R. § 764.2(c) – Solicitation

On or about December 15, 2010, Motamedian solicited an act prohibited by the Regulations, namely, the making of a false or misleading statement prohibited by the Regulations as more fully described below. On or about that date, Motamedian, one of the three co-owners of Online Micro, LLC (“Online Micro”) at all times pertinent hereto, participated in a meeting at Online Micro with a U.S. Government cooperator and Massoud Habibion, a/k/a Matt Habibion, a/k/a Matt Habi (“Habibion”), another of Online Micro’s co-owners. During the meeting, the cooperator informed Motamedian and Habibion that the cooperator had been approached and informed by United States law enforcement agents that the U.S. Government suspected that the computer equipment Online Micro was shipping from the United States to the United Arab Emirates (“UAE”) was actually intended for ultimate distribution and use in Iran. The cooperator further informed Motamedian and Habibion that the U.S. law enforcement agents specifically inquired about four exports from Online Micro to the UAE involving Online Micro invoice numbers associated with the exports of the computer equipment on or about April 9, 2010, May 15, 2010, May 29, 2010, and July 5, 2010, respectively. Motamedian and Habibion thereafter discussed with the cooperator ways in which they could conceal from U.S. law enforcement agents the fact that Online Micro had sold U.S.-origin computer related goods for export from the United States to Iran through the UAE. Motamedian and Habibion told the cooperator to lie to U.S. law enforcement agents about the true ultimate destination for the items, which was Iran, by instead telling them that the items remained in the UAE. The Regulations prohibit the making of any false or misleading representation, statement, or certification, or falsifying or concealing any material fact, either directly or indirectly to BIS or an official of any other U.S. agency, in the course of an investigation or other action subject to the Regulations, or for the purpose of or in connection with effecting an export, reexport, or other activity subject to the Regulations.

In so doing, Motamedian committed one violation of Section 764.2(c) of the Regulations.

WHEREAS, BIS and Motamedian 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, Motamedian shall be assessed a civil penalty in the amount of \$50,000.

Motamedian shall pay the U.S. Department of Commerce in four installments of: \$12,500 not later than March 20, 2012; \$12,500 not later than July 1, 2012; \$12,500 not later than

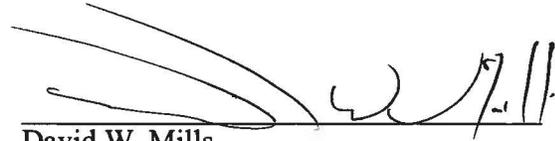
November 1, 2012; and \$12,500 not later than March 1, 2013. If any of the four installment payments is not fully and timely made, any remaining scheduled installment payments shall become due and owing immediately.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and if payment is not made by the due date specified herein, Motamedian 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 and compliance with the plea agreement and any sentence imposed upon or following the entry of Motamedian's plea and conviction 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 Motamedian. Accordingly, if Motamedian should fail to pay the civil penalty in a full and timely manner in accordance with the payment schedule set forth above, or fail to comply with the plea agreement and any sentence imposed upon or following the entry of his plea and conviction, the undersigned may issue an Order denying all of Motamedian's export privileges under the Regulations for a period of one year from the date of failure to make such payment or the date of the failure to comply with the plea agreement or sentence.

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

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

A handwritten signature in black ink, consisting of several sweeping, fluid strokes. The signature is positioned above a horizontal line that serves as a baseline for the printed name below.

David W. Mills
Assistant Secretary of Commerce
for Export Enforcement

Issued this 22nd day of February, 2012.

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

In the Matter of:

Mohsen Motamedian
5 Coral Cay
Newport Coast, CA 92657

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Mohsen Motamedian, a/k/a Max Motamedian, a/k/a Max Ehsan, of Newport Coast, CA (“Motamedian”), 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 Motamedian of its intentions to initiate an administrative proceeding against Motamedian, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a Proposed Charging Letter to Motamedian that alleges that Motamedian 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 (2011). The charged violation occurred in 2010. The Regulations governing the violation at issue is found in the 2010 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2011 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 12, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

Charge 1 15 C.F.R. § 764.2(c) – Solicitation

On or about December 15, 2010, Motamedian solicited an act prohibited by the Regulations, namely, the making of a false or misleading statement prohibited by the Regulations as more fully described below. On or about that date, Motamedian, one of the three co-owners of Online Micro, LLC (“Online Micro”) at all times pertinent hereto, participated in a meeting at Online Micro with a U.S. Government cooperator and Massoud Habibion, a/k/a Matt Habibion, a/k/a Matt Habi (“Habibion”), another of Online Micro’s co-owners. During the meeting, the cooperator informed Motamedian and Habibion that the cooperator had been approached and informed by United States law enforcement agents that the U.S. Government suspected that the computer equipment Online Micro was shipping from the United States to the United Arab Emirates (“UAE”) was actually intended for ultimate distribution and use in Iran. The cooperator further informed Motamedian and Habibion that the U.S. law enforcement agents specifically inquired about four exports from Online Micro to the UAE involving Online Micro invoice numbers associated with the exports of the computer equipment on or about April 9, 2010, May 15, 2010, May 29, 2010, and July 5, 2010, respectively. Motamedian and Habibion thereafter discussed with the cooperator ways in which they could conceal from U.S. law enforcement agents the fact that Online Micro had sold U.S.-origin computer related goods for export from the United States to Iran through the UAE. Motamedian and Habibion told the cooperator to lie to U.S. law enforcement agents about the true ultimate destination for the items, which was Iran, by instead telling them that the items remained in the UAE. The Regulations prohibit the making of any false or misleading representation, statement, or certification, or falsifying or concealing any material fact, either directly or indirectly to BIS or an official of any other U.S. agency, in the course of an investigation or other action subject to the Regulations, or for the purpose of or in connection with effecting an export, reexport, or other activity subject to the Regulations.

In so doing, Motamedian committed one violation of Section 764.2(c) of the Regulations.

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

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

WHEREAS, the Parties enter into this Agreement having taken into consideration a plea agreement entered by Motamedian in the U.S. District Court for the District of Columbia;

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

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

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

2. Motamedian admits the allegations contained in the Proposed Charging Letter.

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

a. Motamedian shall be assessed a civil penalty in the amount of \$50,000.

Motamedian shall pay the U.S. Department of Commerce in four installments of: \$12,500 not later than March 20, 2012; \$12,500 not later than July 1, 2012; \$12,500 not later than November 1, 2012; and \$12,500 not later than March 1, 2013. 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 shall become due and owing immediately.

b. The full and timely payment of the civil penalty agreed to in Paragraph 3.a and compliance with the plea agreement and any sentence imposed upon or following the entry of his plea and conviction 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 Motamedian. Failure to make full and timely payment of the civil penalty in accordance with the payment schedule set forth in Paragraph 3.a, or to comply with the plea agreement and any sentence imposed upon or following the entry of his plea and conviction, may result in the denial of all of Motamedian's export privileges under the Regulations for a period one year from the date of the failure to make such payment or the date of the failure to comply with the plea agreement or sentence.

4. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, Motamedian 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. Motamedian 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 this Agreement and the Order, if issued, from the date of the Order until the later of the date Motamedian pays in full the civil penalty agreed to in Paragraph 3.a of this Agreement and the date he has complied with the plea agreement and any sentence imposed upon or following the entry of his plea and conviction.

5. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 3.a above and compliance with the plea agreement and any sentence imposed upon or following the entry of his plea and conviction, BIS will not initiate any further administrative proceeding against Motamedian in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

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

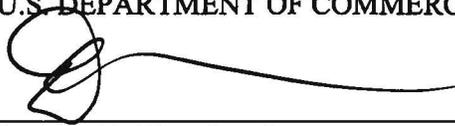
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if issued; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by issuing the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

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

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



Douglas R. Hassebrock
Director of Export Enforcement

Date: 2/16/2012

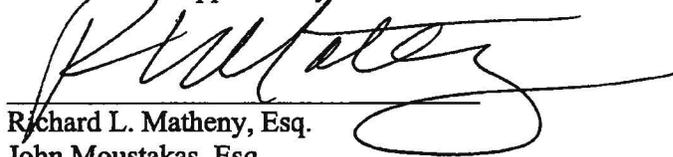
MOHSEN MOTAMEDIAN



Mohsen Motamedian a/k/a Max Motamedian
a/k/a Max Ehsan

Date: 2/16/12

Reviewed and approved by:



Richard L. Matheny, Esq.
John Moustakas, Esq.
Goodwin Procter, LLP
Counsel for Online Micro, LLC

Date: 2/16/12

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Mohsen Motamedian
5 Coral Cay
Newport Coast, CA 92657

Dear Mr. Motamedian:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that you, Mohsen Motamedian, a/k/a Max Motamedian, a/k/a Max Ehsan, of Newport Coast, CA (“Motamedian”), have 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 alleges that Motamedian committed the following violation:

Charge 1 15 C.F.R. § 764.2(c) – Solicitation

On or about December 15, 2010, Motamedian solicited an act prohibited by the Regulations, namely, the making of a false or misleading statement prohibited by the Regulations as more fully described below. On or about that date, Motamedian, one of the three co-owners of Online Micro, LLC (“Online Micro”) at all times pertinent hereto, participated in a meeting at Online Micro with a U.S. Government cooperator and Massoud Habibion, a/k/a Matt Habibion, a/k/a Matt Habi (“Habibion”), another of Online Micro’s co-owners. During the meeting, the cooperator informed Motamedian and Habibion that the cooperator had been approached and informed by United States law enforcement agents that the U.S. Government suspected that the computer equipment Online Micro was shipping from the United States to the United Arab Emirates (“UAE”) was actually intended for ultimate distribution and use in Iran. The cooperator further informed Motamedian and Habibion that the U.S. law enforcement agents specifically inquired about four exports from Online Micro to the UAE involving Online Micro invoice numbers associated with the exports of the computer equipment on or about April 9, 2010, May 15, 2010, May 29, 2010, and July 5, 2010, respectively. Motamedian and Habibion thereafter discussed with the cooperator ways in which they could conceal from

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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.*).

U.S. law enforcement agents the fact that Online Micro had sold U.S.-origin computer related goods for export from the United States to Iran through the UAE. Motamedian and Habibion told the cooperator to lie to U.S. law enforcement agents about the true ultimate destination for the items, which was Iran, by instead telling them that the items remained in the UAE. The Regulations prohibit the making of any false or misleading representation, statement, or certification, or falsifying or concealing any material fact, either directly or indirectly to BIS or an official of any other U.S. agency, in the course of an investigation or other action subject to the Regulations, or for the purpose of or in connection with effecting an export, reexport, or other activity subject to the Regulations.

In so doing, Motamedian committed one violation of Section 764.2(c) of the Regulations.

* * * * *

Accordingly, Motamedian is hereby notified that an administrative proceeding is instituted against him pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions and any other liability sanction or penalty available under law, including, but not limited to any or all of the following:

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

If Motamedian fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. *See* 15 C.F.R. §§ 766.6 and 766.7. If Motamedian defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Motamedian. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

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

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

Mohsen Motamedian (a/k/a Max Motamedian, a/k/a Max Ehsan)
Proposed Charging Letter
Page 3 of 3

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

Motamedian is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Motamedian 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, Motamedian'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 Motamedian's answer must be served on BIS at the following address:

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

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

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement