

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

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In the Matter of: )  
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Balli Group PLC )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )  
)  
Balli Aviation )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )  
)  
Balli Holdings )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )  
)  
Vahid Alaghband )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )  
)  
Hassan Alaghband )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )  
)  
Blue Sky One Ltd. )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )  
)  
Blue Sky Two Ltd. )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )  
)  
Blue Sky Three Ltd )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )

Blue Sky Four Ltd )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )  
) )  
Blue Sky Five Ltd. )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )  
) )  
Blue Sky Six Ltd. )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )  
) )  
Blue Airways )  
8/3 D Angaght Street )  
376009 Yerevan )  
Armenia )  
) )  
Mahan Airways )  
Mahan Tower )  
No. 21, Azadegan St. )  
M.A. Jenah Exp. Way )  
Tehran, Iran )  
) )  
Respondents. )  
\_\_\_\_\_ )

**ORDER TEMPORARILY DENYING EXPORT PRIVILEGES**

Pursuant to Section 766.24 of the Export Administration Regulations (“EAR”),<sup>1</sup> the Bureau of Industry and Security (“BIS”), U.S. Department of Commerce, through its Office of Export

<sup>1</sup> The EAR is currently codified at 15 C.F.R. Parts 730-774 (2007). The EAR are issued under the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“EAA”). 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 15, 2007 (72 F.R. 46137 (August 16, 2007)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”).

Enforcement (“OEE”), has requested that I issue an Order temporarily denying the export privileges under the EAR of:

- 1) Balli Group PLC, 5 Stanhope Gate, London, UK, W1K 1AH
- 2) Balli Aviation, 5 Stanhope Gate, London, UK, W1K 1AH
- 3) Balli Holdings, 5 Stanhope Gate, London, UK, W1K 1AH
- 4) Vahid Alaghband, 5 Stanhope Gate, London, UK, W1K 1AH
- 5) Hassan Alaghband, 5 Stanhope Gate, London, UK, W1K 1AH
- 6) Blue Sky One Ltd., 5 Stanhope Gate, London, UK, W1K 1AH
- 7) Blue Sky Two Ltd., 5 Stanhope Gate, London, UK, W1K 1AH
- 8) Blue Sky Three Ltd, 5 Stanhope Gate, London, UK, W1K 1AH
- 9) Blue Sky Four Ltd, 5 Stanhope Gate, London, UK, W1K 1AH
- 10) Blue Sky Five Ltd., 5 Stanhope Gate, London, UK, W1K 1AH
- 11) Blue Sky Six Ltd., 5 Stanhope Gate, London, UK, W1K 1AH
- 12) Blue Airways, 8/3 D Angaght Street, 376009 Yerevan, Armenia
- 13) Mahan Airways, Mahan Tower, No. 21, Azadegan St., M.A. Jenah Exp. Way, Tehran, Iran

(hereinafter collectively referred to as “Respondents”) for 180 days.

In its request, BIS has presented evidence that Respondents knowingly engaged in conduct prohibited by the EAR by reexporting three U.S. origin aircraft to Iran and that Respondents are preparing to reexport three additional U.S. origin aircraft to Iran without the U.S. Government authorization required by Section 746.7 of the EAR.

Additionally, Respondents have made false statements to BIS regarding the ultimate destination and end-user of the aircraft, and have failed to comply with a BIS order to return three aircraft to the U.S. False statements made to BIS directly or indirectly constitute violations of the EAR.

Specifically, BIS has produced evidence that in or about 2006 the Balli Group PLC, a United Kingdom company, and Blue Sky One Ltd., Blue Sky Two Ltd. and Blue Sky Three Ltd., all of which fall under the same parent corporation, Balli Holdings, acquired three U.S. origin aircraft, items subject to the EAR and classified under Export Control Classification Number (“ECCN”) 9A991.b. Respondents allege Blue Sky One Ltd., Blue Sky Two Ltd. and Blue Sky Three Ltd. are used as investment vehicles that each own one aircraft for long term leases to airlines. Respondents have stated to BIS that the aircraft were leased to Blue Airways, located in Armenia, and have not and would not be subleased or otherwise reexported to Mahan Air or any other Iranian entity. Multiple open sources contradict these statements and show that the aircraft, identifiable by serial number and tail number, are now controlled and/or operated by Mahan Airways, an Iranian company. No U.S. Government authorization was obtained for the reexport of these three aircraft.

Further, BIS’s investigation has revealed that Respondents are attempting to divert three additional U.S. origin aircraft of the same type to Mahan Airways. The aircraft are currently located outside the United States and are owned by Blue Sky Four Ltd., Blue Sky Five Ltd. and Blue Sky Six Ltd. No U.S. Government authorization has been obtained for the reexport of these three aircraft to Iran. When questioned by BIS, Respondents claimed that the aircraft are not destined for Mahan Airways or any other Iranian entity. On February 22, 2008, BIS ordered the redelivery of these three additional aircraft to the United States in accordance with Section 758.8(b) of the EAR. The Respondents have not complied with this order and have indicated that they will not cooperate. Respondents’ failure to obey this order is a violation of the EAR and is further evidence that an imminent violation is likely to occur absent the issuance of a TDO.

I find that the evidence presented by BIS demonstrates that the Respondents have knowingly violated the EAR and that such violations are significant, deliberate, covert and likely to occur again absent the issuance of a TDO. I also find that BIS has produced evidence demonstrating that additional violations are imminent in time as well. As such, a TDO is needed to give notice to persons and companies in the United States and abroad that they should cease dealing with the Respondents in export transactions involving items subject to the EAR. Such a TDO is consistent with the public interest to preclude future violations of the EAR.

Accordingly, I find that a TDO naming Balli Group PLC, Balli Aviation, Balli Holdings, Vahid Alaghband, Hassan Alaghband, Blue Sky One Ltd., Blue Sky Two Ltd., Blue Sky Three Ltd., Blue Sky Four Ltd., Blue Sky Five Ltd., Blue Sky Six Ltd., Blue Airways, and Mahan Airways as Respondents is necessary, in the public interest, to prevent an imminent violation of the EAR. This Order is issued on an ex parte basis without a hearing based upon BIS's showing of an imminent violation.

**IT IS THEREFORE ORDERED:**

FIRST, that the Respondents, BALLI GROUP PLC, 5 Stanhope Gate, London, UK, W1K 1AH; BALLI AVIATION, 5 Stanhope Gate, London, UK, W1K 1AH; BALLI HOLDINGS, 5 Stanhope Gate, London, UK, W1K 1AH; VAHID ALAGHBAND, 5 Stanhope Gate, London, UK, W1K 1AH; HASSAN ALAGHBAND, 5 Stanhope Gate, London, UK, W1K 1AH; BLUE SKY ONE LTD., 5 Stanhope Gate, London, UK, W1K 1AH; BLUE SKY TWO LTD., 5 Stanhope Gate, London, UK, W1K 1AH; BLUE SKY THREE LTD., 5 Stanhope Gate, London, UK, W1K 1AH; BLUE SKY FOUR LTD., 5 Stanhope Gate, London, UK, W1K 1AH; BLUE SKY FIVE LTD., 5 Stanhope Gate, London, UK, W1K 1AH; BLUE SKY SIX LTD., 5 Stanhope Gate, London, UK, W1K 1AH; BLUE AIRWAYS, 8/3 D Angaght Street, 376009

Yerevan, Armenia; and MAHAN AIRWAYS, Mahan Tower, No. 21, Azadegan St., M.A. Jenah Exp.Way, Tehran, Iran (each a “Denied Person” and collectively the “Denied Persons”) 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 that is subject to the Export Administration Regulations ("EAR"), or in any other activity subject to the EAR including, but not limited to:

- A. Applying for, obtaining, or using any license, license exception, or export control document;
- 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 EAR, or in any other activity subject to the EAR;
- or
- C. Benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the EAR, or in any other activity subject to the EAR.

SECOND, that no person may, directly or indirectly, do any of the following:

- A. Export or reexport to or on behalf of any Denied Person any item subject to the EAR;
- B. Take any action that facilitates the acquisition or attempted acquisition by any Denied Person of the ownership, possession, or control of any item subject to the EAR that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby any 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 any Denied Person of any item subject to the EAR that has been exported from the United States;

D. Obtain from any Denied Person in the United States any item subject to the EAR 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 EAR that has been or will be exported from the United States and which is owned, possessed or controlled by any Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by any Denied Person if such service involves the use of any item subject to the EAR that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

THIRD, that after notice and opportunity for comment as provided in section 766.23 of the EAR, any other person, firm, corporation, or business organization related to any of the Respondents 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 this Order.

FOURTH, that this Order does not prohibit any export, reexport, or other transaction subject to the EAR where the only items involved that are subject to the EAR are the foreign-produced direct product of U.S.-origin technology.

In accordance with the provisions of Section 766.24(e) of the EAR, the Respondents may, at any time, appeal this Order by filing a full written statement in support of the appeal with the Office of the Administrative Law Judge, U.S. Coast Guard ALJ Docketing Center, 40 South Gay Street, Baltimore, Maryland 21202-4022.

In accordance with the provisions of Section 766.24(d) of the EAR, BIS may seek renewal of this Order by filing a written request not later than 20 days before the expiration date. The Respondents may oppose a request to renew this Order by filing a written submission with the Assistant Secretary for Export Enforcement, which must be received not later than seven days before the expiration date of the Order.

A copy of this Order shall be served on the Respondents and shall be published in the *Federal Register*.

This Order is effective upon date of publication in the *Federal Register* and shall remain in effect for 180 days.

  
DARRYL W. JACKSON  
Assistant Secretary of Commerce  
for Export Enforcement

Entered this 17<sup>th</sup> day of March, 2008.