

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

In the Matter of:

Unicat Catalyst Technologies, LLC
5918 S. Highway 35
Alvin, TX 77511

Respondent

ORDER RELATING TO
UNICAT CATALYST TECHNOLOGIES, LLC

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Unicat Catalyst Technologies, LLC, of Alvin, Texas, as successor to Unicat Catalyst Technologies, Inc., (“Unicat”), of its intention to initiate an administrative proceeding against Unicat pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),¹ through the issuance of a Proposed Charging Letter to Unicat that alleges that Unicat committed three violations of the Regulations.²

Specifically:

¹ The Regulations originally issued under the Export Administration Act of 1979, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“EAA”), which lapsed on August 21, 2001. 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, including the Notice of August 8, 2018 (83 Fed. Reg. 39,871 (Aug. 13, 2018)), has continued the Regulations in full force and effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2012) (“IEEPA”). On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA”). While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

² The Regulations are currently codified in the Code of Federal Regulations (the “Code”) at 15 C.F.R. Parts 730-774 (2024). The regulations governing the violations at issue, which occurred between 2017 – 2020, are found in the 2017 – 2020 versions of the Code (15 C.F.R. Parts 730-774 (2017 – 2020)). The 2024 Regulations govern the procedures that apply to this matter.

Charge 1-3 15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation

On three occasions between on or about October 2017 through on or about September 2020, Unicat Catalyst Technologies, Inc. (“Legacy Unicat”), which was acquired by a private equity firm and converted into the successor entity Unicat, engaged in conduct prohibited by the Regulations when it sold and arranged for the export of items subject to the EAR and designated EAR99, specifically, catalysts, valued at \$391,182.78, with knowledge that these items were intended for export to Iran without the requisite license or other authorization.

By arranging for the export of the items without the required license or other authorization, Legacy Unicat committed three violations of Section 764.2(e) of the Regulations.

WHEREAS, I have taken into consideration the Settlement Agreement between Unicat and the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC Settlement Agreement”) and the Non-Prosecution Agreement entered into between Unicat and the U.S. Department of Justice (“DOJ NPA”);

WHEREAS, BIS and Unicat 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;

WHEREAS, Unicat admits that its predecessor entity, Legacy Unicat, committed the alleged conduct described in the Proposed Charging Letter; and

WHEREAS, I have approved of the terms of such Settlement Agreement;
IT IS THEREFORE ORDERED:

FIRST, Unicat shall be assessed a civil penalty in the amount of \$391,183. Payment of the OFAC civil penalty pursuant to the terms of the OFAC Settlement Agreement shall be credited towards the \$391,183 penalty amount due under this agreement. If Unicat fails to pay the OFAC civil penalty, the \$391,183 shall become immediately due under this agreement.

SECOND, for a period of three (3) years from the date of the Order, Unicat, with a last known address of 5918 S. Highway 35, Alvin, Texas, shall be made subject to a three-year denial of export privileges under the Regulations (“denial”). As authorized by Section 766.18(c) of the Regulations, such denial shall be suspended for a three-year probationary period and shall thereafter be waived, provided that Unicat has not committed another violation of ECRA, the Regulations, or any order, license or authorization issued under ECRA or the Regulations. If Unicat commits another violation of ECRA, the Regulations, or any order, license or authorization issued under ECRA or the Regulations during the three-year suspension period under the Order, the suspension of the denial may be modified or revoked by BIS pursuant to Section 766.17(c) of the Regulations and a denial order (including a three-year denial period) activated against Unicat. If the suspension of the denial is modified or revoked, the activation order may also revoke any BIS licenses in which Unicat has an interest at the time of the activation order.³

THIRD, Unicat shall provide the Office of Export Enforcement, Special Agent in Charge of the Houston Resident Office, copies of the annual certification and written explanation required under the OFAC Settlement Agreement and copies of the annual reports required under the DOJ NPA. Such copies shall be submitted to the Office of Export Enforcement, 15109 Heathrow Forest Pkwy #170, Houston, Texas, 77032.

FOURTH, the timely submission of the reports as 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 Unicat.

³ Such a revocation would include licenses existing at the time of the activation order, whether the license had issued before or after ECRA’s enactment on August 13, 2018. *See* Note 1, *supra*.

FIFTH, should the suspension of the denial be modified or revoked pursuant to Section 766.17(c) of the Regulations, and a denial order (including a three-year denial period) be activated against Unicat, for the duration of such denial order, Unicat, 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 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;
- 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 engaging 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 from any other activity subject to the Regulations.

SIXTH, should the suspension of the denial be modified or revoked, and a denial order be activated against Unicat, for the duration of the denial order, no person may, directly or indirectly, do any of the following:

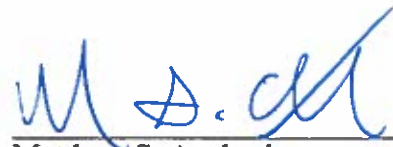
- A. Export or reexport to or on behalf of the Denied Person any item subject to the Regulations;
- B. Take any action that facilitates the acquisition or attempted acquisition by the Denied Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be 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.

SEVENTH, 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 ownership, control, position of responsibility, affiliation, or other

connection in the conduct of trade or business may also be made subject to the provisions of this Order.

EIGHTH, 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.



Matthew S. Axelrod
Assistant Secretary of Commerce
for Export Enforcement

Issued this 20th day of December, 2024.

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

In the Matter of:

Unicat Catalyst Technologies, LLC
5918 S. Highway 35
Alvin, TX 77511

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Unicat Catalyst Technologies, LLC, of Alvin, Texas, as successor to Unicat Catalyst Technologies, Inc., (“Unicat”), 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

WHEREAS, Unicat filed a voluntary self-disclosure with BIS’s Office of Export Enforcement in accordance with Section 764.5 of the Regulations concerning the transactions at issue herein;

¹ The Regulations originally issued under the Export Administration Act of 1979, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“EAA”), which lapsed on August 21, 2001. 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, including the Notice of August 8, 2018 (83 Fed. Reg. 39,871 (Aug. 13, 2018)), has continued the Regulations in full force and effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2012) (“IEEPA”). On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA”). While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

WHEREAS, BIS has notified Unicat of its intentions to initiate an administrative proceeding against Unicat pursuant to the Regulations;²

WHEREAS, BIS has issued a Proposed Charging Letter to Unicat that alleges that Unicat committed three violations of the Regulations, specifically:

Charges 1-3 15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation

On three occasions between on or about October 2017 through on or about September 2020, Unicat Catalyst Technologies, Inc. (“Legacy Unicat”), which was acquired by a private equity firm and converted into the successor entity Unicat, engaged in conduct prohibited by the Regulations when it sold and arranged for the export of items subject to the EAR and designated EAR99, specifically, catalysts, valued at \$391,182.78, with knowledge that these items were intended for export to Iran without the requisite license or other authorization.

By arranging for the export of the items without the required license or other authorization, Legacy Unicat committed three violations of Section 764.2(e) of the Regulations.

WHEREAS, Unicat 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, Unicat has reviewed the terms of this Agreement, 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, and the Proposed Charging Letter, and understands the terms of all three documents;

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

² The Regulations are currently codified in the Code of Federal Regulations (the “Code”) at 15 C.F.R. Parts 730-774 (2024). The regulations governing the violations at issue, which occurred between 2017 – 2020, are found in the 2017 – 2020 versions of the Code (15 C.F.R. Parts 730-774 (2017 – 2020)). The 2024 Regulations govern the procedures that apply to this matter.

WHEREAS, the Parties enter into this Agreement having taken into consideration the Settlement Agreement entered into between Unicat and the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC Settlement Agreement") and the Non-Prosecution Agreement entered into between Unicat and the U.S. Department of Justice ("DOJ NPA");

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

WHEREAS, Unicat admits that its predecessor entity, Legacy Unicat, committed the alleged conduct described in the Proposed Charging Letter; and

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

NOW THEREFORE, the Parties hereby agree, for purposes of this Agreement, as follows:

1. BIS has jurisdiction over Unicat, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.
2. The following sanctions shall be imposed against Unicat:
 - a. FIRST, Unicat shall be assessed a civil penalty in the amount of \$391,183. Payment of the OFAC civil penalty pursuant to the terms of the OFAC Settlement Agreement shall be credited towards the \$391,183 penalty amount due under this agreement. If Unicat fails to pay the OFAC civil penalty, the \$391,183 shall become immediately due under this agreement.
 - b. Compliance with the terms of this Agreement and the Order, including the full and timely payment of the civil penalty agreed to in Paragraph 2.a, above, and compliance with the terms of the OFAC Settlement Agreement and the DOJ NPA

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 Unicat.

c. For a period of three (3) years from the date of the Order, Unicat shall be made subject to a three-year denial of its export privileges under the Regulations (“denial”). As authorized by Section 766.18(c) of the Regulations, such denial shall be suspended during this three-year probationary period and shall thereafter be waived, provided that Unicat has not committed another violation of ECRA, the Regulations, or any order, license or authorization issued under ECRA or the Regulations. If Unicat commits another violation of ECRA, the Regulations, or any order, license or authorization issued under ECRA or the Regulations during the three-year suspension period under the Order, the suspension of the denial may be modified or revoked by BIS pursuant to Section 766.17(c) of the Regulations and a denial order (including a three-year denial period) activated against Unicat. If the suspension of the denial is modified or revoked, the activation order may also revoke any BIS licenses in which Unicat has an interest at the time of the activation order.³

b. Should the suspension of the denial be modified or revoked pursuant to Section 766.17(c) of the Regulations, and a denial order (including a three-year denial period) be activated against Unicat, for the duration of such denial order, Unicat, and when acting for or on its behalf, its successors, assigns, directors, officers, employees, representatives, or agents (hereinafter collectively referred to

³ Such a revocation would include licenses existing at the time of the activation order, whether the license had issued before or after ECRA’s enactment on August 13, 2018. *See* Note 1, *supra*.

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 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 engaging 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 from any other activity subject to the Regulations.
- c. Unicat shall provide the Office of Export Enforcement, Special Agent in Charge of the Houston Resident Office, copies of the annual certification and written explanation required under the OFAC Settlement Agreement and copies of the annual reports required under the DOJ NPA. Such copies shall be submitted to the Office of Export Enforcement, 15109 Heathrow Forest Pkwy #170, Houston, Texas, 77032.

d. The timely submission of the reports in paragraph 2.c 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 Unicat.

3. Subject to the approval of this Agreement pursuant to Paragraph 7 hereof, Unicat hereby waives all rights to further procedural steps in this matter 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; (c) appeal this matter under Part 756 of the Regulations, consistent with the limitations set forth in Section 766.18(e) of the Regulations; and (d) seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued. Unicat 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 enforcement of this Agreement and the Order, if issued, from the date of the Order until the three-year suspension period under the Order has successfully run.

4. BIS agrees that upon successful compliance in full with the terms of this Agreement and the Order, if issued, BIS will not initiate any further administrative proceeding against Unicat in connection with any violation of 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/she has authority to enter into this Agreement and to bind his/her respective party to the terms and conditions set forth herein.

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

JOHN
SONDERMAN

Digitally signed by
JOHN SONDERMAN
Date: 2024.12.20
16:18:53 -05'00'

John Sonderman
Director of Export Enforcement

UNICAT CATALYST TECHNOLOGIES,
LLC



Edward Davis
Manager

Date: 12/20/2024

Date: December 20, 2024

Reviewed and approved by:



Jamie Joiner
Lindsey Roskopf
McGinnis Lochridge LLP

Counsel for Unicat Catalyst Technologies,
LLC

Date: December 20, 2024

PROPOSED CHARGING LETTER

U.S. CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Unicat Catalyst Technologies, LLC
5918 S. Highway 35
Alvin, TX 77511

Attention: Mark Stuckey, Chief Executive Officer

Dear Mr. Stuckey,

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Unicat Catalyst Technologies, Inc. (“Legacy Unicat”) has committed three violations of the Export Administration Regulations (the “Regulations” or “EAR”).¹ Specifically, BIS alleges and charges the following:²

GENERAL ALLEGATIONS

As described in further detail below, from on or about October 2017 through on or about September 2020, Legacy Unicat violated the Regulations by arranging for the export of items subject to the EAR from the United States to Iran via an entity in Dubai, United Arab Emirates (the “UAE Intermediary”). Specifically, on three occasions, Legacy Unicat arranged for unauthorized exports of U.S.-origin, EAR99 items,³ catalysts used in the petrochemical industry, to parties in Iran via the UAE Intermediary.

¹ The Regulations originally issued under the Export Administration Act of 1979, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“EAA”), which lapsed on August 21, 2001. 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, including the Notice of August 8, 2018 (83 Fed. Reg. 39,871 (Aug. 13, 2018)), has continued the Regulations in full force and effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2012) (“IEEPA”). On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA”). While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

² The Regulations are currently codified in the Code of Federal Regulations (the “Code”) at 15 C.F.R. Parts 730-774 (2024). The regulations governing the violations at issue, which occurred between 2017 – 2020, are found in the 2017 – 2020 versions of the Code (15 C.F.R. Parts 730-774 (2017 – 2020)). The 2024 Regulations govern the procedures that apply to this matter.

³ EAR99 is a designation for items subject to the EAR but not listed on the Commerce Control List. *See* Section 734.3(c) of the EAR.

Key Parties

A. Legacy Unicat

Legacy Unicat was a petrochemical company based in Alvin, Texas, that provided catalyst products and technical services to the petrochemical refining and steel mill industries. Catalysts are substances that change the rate of or conditions for a chemical reaction and are essential in the petrochemical and steel industries.

B. UNICAT Catalyst Technologies, LLC

In September 2020, Legacy Unicat was acquired by a private equity firm based in Houston, Texas (the “PE Firm”), which converted Legacy Unicat into the successor entity Unicat Catalyst Technologies, LLC (“Unicat”), and merged Unicat’s operations with a later-acquired British ceramics and catalyst manufacturing company (the “British Company”) in April 2021.

“Legacy Unicat CEO” was the co-founder of Legacy Unicat and chief executive officer of Unicat until April 2021, when the chief executive officer of the British Company was named the new Unicat CEO, and the Legacy Unicat CEO transitioned into the role of chief technical officer of the new combined company. Before Legacy Unicat’s acquisition by the PE Firm, the Legacy Unicat CEO owned 51% of Legacy Unicat’s equity, was a member of Legacy Unicat’s board of directors, and directed Legacy Unicat’s sales, technical assistance, and operations functions as well as personnel in those functions.

C. The UAE Intermediary

Beginning in approximately 2014, the Legacy Unicat CEO began working with a company based in Iran and the UAE, the UAE Intermediary, that Legacy Unicat appointed as its exclusive sales representative for Iran. Pursuant to that exclusive sales agent agreement, which the Legacy Unicat CEO renewed multiple times, Legacy Unicat submitted commercial proposals and bids to sell catalyst products and services to customers in Iran.

STATEMENT OF CHARGES

Charges 1-3 15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation

As detailed in the attached schedule of violations, between on or about October 2017 through on or about September 2020, Legacy Unicat engaged in conduct prohibited by the Regulations on three occasions when it sold and arranged for the export of items subject to the EAR and designated EAR99, specifically, catalysts, valued at \$391,182.78, with knowledge that these items were intended for export to Iran without the requisite license or other authorization.

BACKGROUND OF CHARGES

1. Before the acquisition of Legacy Unicat closed, the PE Firm hired outside legal counsel to perform pre-closing due diligence of Legacy Unicat's international operations. During that diligence process, the PE Firm did not learn of Legacy Unicat's violations of the EAR and Legacy Unicat's sellers provided representations and warranties to the PE Firm about Legacy Unicat's compliance with U.S. export controls and sanctions laws. Unknown to the PE Firm at the time the transaction closed, however, at least one of the historical sales agent agreements between Legacy Unicat and the UAE Intermediary had been provided to the PE Firm during the pre-closing due diligence process but was not identified by the PE Firm's counsel during the due diligence review.
2. The PE Firm discovered Unicat's business with Iranian customers in August 2021 when Unicat's new CEO traveled to the United States to visit Unicat's Alvin, Texas headquarters for the first time following the relaxation of COVID-19 pandemic international travel restrictions. During his visit, Unicat's new CEO was told of a pending transaction with an Iranian customer by an employee with responsibilities for logistics. Immediately upon learning of the pending transaction, the new CEO ordered its cancellation and consulted the PE Firm board, who retained new outside counsel to investigate. One month after learning of the violations, the PE Firm and Unicat disclosed the matter to BIS.

* * * * *

Accordingly, Unicat 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 sanctions⁴, including, but not limited to any or all of the following:

- The maximum civil penalty allowed by law of up to the greater of \$364,992 per violation,⁵ or twice the value of the transaction that is the basis of the violation;

⁴ For violations that occurred prior to August 13, 2018, the date of enactment of ECRA, the potential sanctions are provided for in IEEPA. In situations involving alleged violations that occurred on or after August 13, 2018, the potential sanctions are specified in Section 1750(c) of ECRA.

⁵ See 15 C.F.R. §§ 6.3(c)(4), 6.3(c)(6), 6.4. This amount is subject to annual increases pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Sec. 701 of Public Law 114-74, enacted on November 2, 2015. See 88 Fed. Reg. 89,300 (Dec. 27, 2023) (adjusting for inflation the maximum civil monetary penalty under ECRA from \$353,534 to \$364,992, and under IEEPA, which applies for violations occurring prior to August 13, 2018, from \$356,579 to \$368,136, effective January 15, 2024).; note 1, *supra*.

- Denial of export privileges;
- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

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

Unicat 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. Unicat 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.

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

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

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

Mr. Berry is the attorney representing BIS in this case; any communications that Unicat may wish to have concerning this matter should occur through him. He may be contacted by email at ABerry1@doc.gov.

Sincerely,

John Sonderman
Director
Office of Export Enforcement

SCHEDULE OF VIOLATIONS					
SHIPMENT NO.	EAR SECTION	EXPORT DATE	COMMODITY/ ECCN	VALUE	COUNTRY
1	Section 764.2(e)	10/11/2017	Catalysts / EAR99	\$97,146.28	Iran
2	Section 764.2(e)	1/4/2020	Catalysts / EAR99	\$141,961.50	Iran
3	Section 764.2(e)	9/18/2020	Catalysts / EAR99	\$152,075.00	Iran