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

In the Matter of:

Plexon, Inc.
6500 Greenville Ave
Suite 730
Dallas, TX 75206

Respondent.

ORDER RELATING TO PLEXON, INC.

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has notified Plexon, Inc. of Dallas, Texas ("Plexon" or "Respondent"), of its intention to initiate an administrative proceeding against Plexon pursuant to Section 766.3 of the Export Administration Regulations (the "Regulations"),[1] through the issuance of a Proposed Charging Letter to Plexon that alleges that Plexon committed eight (8) violations of the Regulations.[2] Specifically:

GENERAL ALLEGATIONS

1. As described further below, on or about February 10, 2022, through August 30, 2023, Plexon violated the Regulations when it exported items subject to the EAR to parties in China listed on the BIS Entity List, without the required license or authorization from BIS. Specifically, Plexon exported eight Neural Recording Data Acquisition Systems ("Omniplex systems") and accessories to the Academy of Military Medical Sciences (AMMS), a party on the BIS Entity List. At all relevant times, pursuant to § 744.11 of the Regulations, a license was required for the export, reexport or transfer (in-country) of items subject to the EAR to this end user.

[1] The Regulations are issued under the authority of the Export Control Reform Act of 2018, Title XVII, Subtitle B of Pub. L. 115-232, 132 Stat. 2208 ("ECRA," 50 U.S.C. §§ 4801–4852).

[2] The EAR are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2026). The Regulations governing the violations at issue are found in the 2022-2023 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2022-2023)). The 2026 Regulations set forth the procedures that apply to this matter.

2. Plexon, Inc. is a small U.S. neuroscience technology company headquartered in Dallas, Texas. Although the company's sole U.S. facility is in Dallas, Texas, the company has authorized distributors in China, Russia, South Korea, and Japan. Plexon's Asian distributor acts as its sales branch in Asia (except Japan) and has offices in Hong Kong, Beijing, Shanghai, Nanjing, and Guangzhou.

3. The OminiPlex system, manufactured at Plexon's U.S. facility in Dallas, Texas, is a machine that uses electrodes placed in the brains of animals to acquire data and to identify and categorize spikes made by individual neurons in the brain. The OmniPlex system is a combination of the OmniPlex chassis, OmniPlex Software, and a Digital Headstage Processor (DHP) acquisition subsystem.

4. Section 1758 of the Export Control Reform Act of 2018 authorizes Commerce to establish appropriate controls on the export, reexport, or transfer (in-country) of emerging technologies essential to the national security of the United States. In an Advance Notice of Proposed Rulemaking (ANPRM) in 2018, BIS identified brain-computer interfaces (BCI), artificial intelligence for brain modelling, and other items as potential emerging technologies that could be determined to be essential to the national security of the United States.[3] Subsequently, BIS requested comments from the public on the imposition of export controls on certain BCI in 2021, and held a February 2023 conference intended to further both BIS's and the public's understanding of advancements in BCI technology and anticipated future developments in research and applications.[4]

<u>STATEMENT OF CHARGES</u>

Charges 1-8 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct

5. Between on or about February 10, 2022 and August 30, 2023, Plexon engaged in conduct prohibited by the EAR on 8 occasions when it exported Neural Recording Data Acquisition Systems ("Omniplex systems") and accessories, valued at approximately $178,721 and classified under Export Control Classification Number (ECCN) 4A994.k, to AMMS, a party on the BIS Entity List, without the required license or other authorization from BIS.

6. Pursuant to an existing sales relationship, AMMS ordered the Omniplex systems through Plexon Inc's Asia distributor. Plexon Inc. then manufactured the systems at its plant in Dallas, Texas and shipped them through its Asian distributor to AMMS.

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[3] *Review of Controls for Certain Emerging Technologies*, 83 Fed. Reg. 58201 (Nov. 19, 2018).

[4] *See Request for Comments Concerning the Imposition of Export Controls on Certain Brain-Computer Interface (BCI) Emerging Technology*, 86 Fed. Reg. 59070 (Oct. 26, 2021); *Imposition of Export Controls on Certain Brain-Computer Interface Emerging Technology*, *available at* https://www.regulations.gov/document/BIS-2021-0032-0001; *Meetings: Brain Computer Interface; Conference*, *available at* https://www.regulations.gov/document/BIS-2021-0032-0020.

7. AMMS and eleven of its research institutes were added to the BIS Entity List effective December 17, 2021, due to its "use [of] biotechnology processes to support Chinese military end uses and end users, to include purported brain-control weaponry."[5] At all times relevant to this conduct, exports to AMMS required a BIS license pursuant to Section 744.11 and Supplement No. 4 to Part 744 of the EAR. Plexon did not seek or obtain BIS authorization for these transactions.

WHEREAS, BIS and Plexon 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, Plexon admits committing 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, Plexon shall be assessed a civil penalty in the amount of $1,700,000, the payment of which shall be suspended for a period of five years. As authorized by Section 766.18(c) of the Regulations, such civil penalty shall be suspended in full for a five-year period and shall thereafter be waived, provided that Plexon has timely completed and submitted the audit in Paragraph 2.b of the Settlement Agreement and committed no additional violations of the EAR during the five-year period following issuance of the Order. If, during the five-year period of the Order, Plexon has not timely completed and submitted the audit or commits an additional violation of the EAR, the suspension may be modified or revoked by BIS and the civil penalty may be activated against Plexon.

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[5] *See Addition of Certain Entities to the Entity List and Revision of an Entry on the Entity List*, 86 Fed. Reg. 71558 (2021).

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2012)), if activated, 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, Plexon 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, in accordance with the schedule below, Plexon shall complete an external audit of its export controls compliance program. The audit shall cover Plexon's compliance with U.S. export control laws (including recordkeeping requirements), with respect to exports, reexports, or transfers (in country) of Neural Recording Data Acquisition Systems to or within China that are subject to the Regulations. The results of the audit, including any relevant supporting materials, shall be submitted to the Department of Commerce, Bureau of Industry and Security, Office of Export Enforcement, 227 E. John Carpenter Freeway, Suite 820, Irving, TX 75062 ("BIS Dallas Field Office"). The audit shall cover the 12-month period beginning on January 1, 2026, and the related report shall be due to the BIS Dallas Field Office no later than July 1, 2027. This audit shall be in substantial compliance with the Export Compliance Program (ECP) sample audit module and shall include an assessment of Plexon's compliance with the Regulations. The ECP sample audit module is available on the BIS web site at https://media.bis.gov/sites/default/files/documents/ECP_0.pdf, page 35. In addition, where this audit identifies actual or potential violations of the Regulations, Plexon shall promptly provide copies of the relevant export control documents and supporting documentation to the BIS Dallas Field Office. Plexon may voluntarily disclose violations identified through the audits, copying the BIS Dallas Field Office

FOURTH, for a period of five (5) years from the date of this Order, Plexon shall be made subject to a 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 five-year period and shall thereafter be waived, provided that Plexon has made full and timely payment of the civil penalty (if activated) in accordance with the paragraphs above and has timely completed and submitted the audits in accordance with the paragraphs above. If, during the five-year period of this Order, Plexon does not make full and timely payment or has not timely completed and submitted the audit, the suspension may be modified or revoked by BIS and a denial order (including a five-year denial period) activated against Plexon. If the suspension is modified or revoked, the activation order may also revoke any BIS licenses in which Plexon has an interest at the time of the activation order.

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 five-year denial period) be activated against Plexon, for the duration of such denial order, Plexon, with a last known address of 6500 Greenville Ave, Suite 730, Dallas, TX 75206, and when acting for or on its behalf, its successors, assigns, representatives, agents, or employees (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:

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.

SIXTH, compliance with the terms of the Settlement Agreement and this Order, including the full and timely payment of the civil penalty (if activated), and the timely completion of the audit and submission of the audit results as set forth above, 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 Plexon.

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

i. Export or reexport to or on behalf of the Denied Person any item subject to the Regulations;

ii. 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;

iii. 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;

iv. 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

v. 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.

EIGHTH, 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.

NINTH. Plexon shall provide training on applicable export control requirements as provided in the Settlement Agreement.

TENTH, 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.

David A. Peters
Assistant Secretary of Commerce
for Export Enforcement

Issued this 14th day of August, 2026.

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

In the Matter of:

Plexon, Inc.
6500 Greenville Ave
Suite 730
Dallas, TX 75206

Respondent.

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Plexon, Inc. of Dallas, Texas ("Plexon" or "Respondent") 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, BIS has notified Plexon of its intentions to initiate an administrative proceeding against Plexon, pursuant to the Regulations;[2]

WHEREAS, BIS has issued a Proposed Charging Letter to Plexon that alleges that Plexon committed 8 violations of the Regulations, specifically:

GENERAL ALLEGATIONS

1. As described further below, on or about February 10, 2022, through August 30, 2023, Plexon violated the Regulations when it exported items subject to the EAR to parties in China listed on the BIS Entity List, without the required license or authorization from BIS. Specifically, Plexon exported eight Neural Recording Data Acquisition Systems ("Omniplex systems") and accessories to the Academy of Military Medical Sciences

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(AMMS), a party on the BIS Entity List. At all relevant times, pursuant to § 744.11 of the Regulations, a license was required for the export, reexport or transfer (in-country) of items subject to the EAR to this end user.

2. Plexon, Inc. is a small U.S. neuroscience technology company headquartered in Dallas, Texas. Although the company's sole U.S. facility is in Dallas, Texas, the company has authorized distributors in China, Russia, South Korea, and Japan. Plexon's Asian distributor acts as its sales branch in Asia (except Japan) and has offices in Hong Kong, Beijing, Shanghai, Nanjing, and Guangzhou.

3. The OminiPlex system, manufactured at Plexon's U.S. facility in Dallas, Texas, is a machine that uses electrodes placed in the brains of animals to acquire data and to identify and categorize spikes made by individual neurons in the brain. The OmniPlex system is a combination of the OmniPlex chassis, OmniPlex Software, and a Digital Headstage Processor (DHP) acquisition subsystem.

4. Section 1758 of the Export Control Reform Act of 2018 authorizes Commerce to establish appropriate controls on the export, reexport, or transfer (in-country) of emerging technologies essential to the national security of the United States. In an Advance Notice of Proposed Rulemaking (ANPRM) in 2018, BIS identified brain-computer interfaces (BCI), artificial intelligence for brain modelling, and other items as potential emerging technologies that could be determined to be essential to the national security of the United States.[3] Subsequently, BIS requested comments from the public on the imposition of export controls on certain BCI in 2021, and held a February 2023 conference intended to further both BIS's and the public's understanding of advancements in BCI technology and anticipated future developments in research and applications.[4]

STATEMENT OF CHARGES

Charges 1-8 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct

5. Between on or about February 10, 2022 and August 30, 2023, Plexon engaged in conduct prohibited by the EAR on 8 occasions when it exported Neural Recording Data Acquisition Systems ("Omniplex systems") and accessories, valued at approximately $178,721 and classified under Export Control Classification Number (ECCN) 4A994.k, to AMMS, a party on the BIS Entity List, without the required license or other authorization from BIS.

6. Pursuant to an existing sales relationship, AMMS ordered the Omniplex systems through Plexon Inc's Asia distributor. Plexon Inc. then manufactured the systems at its plant in Dallas, Texas and shipped them through its Asian distributor to AMMS.

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[3] *Review of Controls for Certain Emerging Technologies*, 83 Fed. Reg. 58201 (Nov. 19, 2018).

[4] *See Request for Comments Concerning the Imposition of Export Controls on Certain Brain-Computer Interface (BCI) Emerging Technology*, 86 Fed. Reg. 59070 (Oct. 26, 2021); *Imposition of Export Controls on Certain Brain-Computer Interface Emerging Technology, available at* https://www.regulations.gov/document/BIS-2021-0032-0001; *Meetings: Brain Computer Interface; Conference, available at* https://www.regulations.gov/document/BIS-2021-0032-0020.

7. AMMS and eleven of its research institutes were added to the BIS Entity List effective December 17, 2021, due to its "use [of] biotechnology processes to support Chinese military end uses and end users, to include purported brain-control weaponry."[5] At all times relevant to this conduct, exports to AMMS required a BIS license pursuant to Section 744.11 and Supplement No. 4 to Part 744 of the EAR. Plexon did not seek or obtain BIS authorization for these transactions.

WHEREAS, Plexon has reviewed, with the assistance of counsel, the terms of this Agreement, the Proposed Charging Letter and is aware of the allegations made against it and the administrative sanctions that could be imposed against it;

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

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

WHEREAS, Plexon admits committing the alleged conduct described in the Proposed Charging Letter; and

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

2. The following sanctions shall be imposed against Plexon:

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[5] *See Addition of Certain Entities to the Entity List and Revision of an Entry on the Entity List*, 86 Fed. Reg. 71558 (2021).

a. Plexon shall be assessed a civil penalty in the amount of $1,700,000, the payment of which shall be suspended for a period of five years. As authorized by Section 766.18(c) of the Regulations, such civil penalty shall be suspended in full for a five-year period and shall thereafter be waived, provided that Plexon has timely completed and submitted the audit in Paragraph 2.b and committed no additional violations of the EAR during the five-year period following the issuance of the Order. If, during the five-year period following the issuance of the Order, Plexon has not timely completed and submitted the audit or commits an additional violation of the EAR, the suspension may be modified or revoked by BIS and the civil penalty may be activated against Plexon.

If the civil penalty is activated, payment shall be made to the U.S. Department of Commerce within 30 days of the date of the activation Order. Payment shall be made in the manner specified in the instructions attached to the activation Order. Pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2012)), the civil penalty owed under the activation Order, if issued, accrues interest as more fully described in the attached Notice, and if payment is not made by the due date specified therein, Respondent 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.

b. In accordance with the schedule below, Plexon shall complete an external audit of its export controls compliance program. The audit shall cover Plexon's compliance with U.S. export control laws (including recordkeeping requirements), with respect to exports, reexports, or transfers (in country) of Neural Recording Data Acquisition Systems to or within China that are subject to the Regulations. The results of the audit, including any relevant supporting materials, shall be submitted to the Department of Commerce, Bureau of Industry and Security, Office of Export Enforcement, 227 E. John Carpenter Freeway, Suite 820, Irving, TX 75062 ("BIS Dallas Field Office"). The audit shall cover the 12-month period beginning on January 1, 2026, and the related report shall be due to the BIS Dallas Field Office no later than July 1, 2027. This audit shall be in substantial compliance with the Export Compliance Program (ECP) sample audit module and shall include an assessment of Plexon's compliance with the Regulations. The ECP sample audit module is available on the BIS web site at https://media.bis.gov/sites/default/files/documents/ECP_0.pdf, page 35. In addition, where this audit identifies actual or potential violations of the Regulations, Plexon shall promptly provide copies of the relevant export control documents and supporting documentation to the BIS Dallas Field Office. Plexon may voluntarily disclose violations identified through the audits, copying the BIS Dallas Field Office.

c. For a period of five (5) years from the date of the Order, Plexon shall be made subject to a 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 five-year period and shall thereafter be waived, provided that Plexon has made full and timely payment (if activated) in accordance with Paragraph 2.a above and has timely completed and submitted the audit in Paragraph 2.b. If, during the five-year period of the Order, Plexon does not make full and timely payment (if activated) or has not timely completed and submitted the audit, the suspension may be modified or revoked by BIS and a denial order (including a five-year denial period) activated against Plexon. If the suspension is modified or revoked, the activation order may also revoke any

BIS licenses in which Plexon has an interest at the time of the activation order.

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 five-year denial period) be activated against Plexon, for the duration of such denial order, Plexon, and when acting for or on its behalf, its successors, assigns, representatives, agents, or employees (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:

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.

d. Compliance with the terms of this Agreement and the Order, including the full and timely payment of the civil penalty (if activated) agreed to in Paragraph 2.a, above, and the timely completion of the audit and submission of the audit results in Paragraph 2.b, 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 Plexon.

e. Plexon shall provide training on applicable export control requirements to its leadership, management, employees, and contractors over which it has control worldwide. Within twelve (12) months from the date of the Order, if issued, Plexon shall certify that it has provided such training, including by providing a list of participating functions and any training materials used to the Dallas Field Office.

3. Subject to the approval of this Agreement pursuant to Paragraph 6 hereof, Plexon 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; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued. Plexon 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 Plexon pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement, has completed the audit and submitted the audit results in Paragraph 2.b, or the five-year suspension period under the Order has successfully run.

4. 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.

5. This Agreement constitutes and contains the entire agreement and understanding among the parties, and the terms of this Agreement, or the Order, if issued, may not be varied or otherwise altered or affected by any agreement, understanding, representation, or interpretation not contained in this Agreement; 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.

6. 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.

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

8. Each signatory affirms that they have authority to enter into this Settlement Agreement and to bind their respective party to the terms and conditions set forth herein.

9. If any provision of this Settlement Agreement is found to be unlawful, only the specific provision in question shall be affected and the other provisions shall remain in full force and effect.

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

STEVEN FISHER Digitally signed by STEVEN FISHER
Date: 2026.08.14 07:21:46 -04'00'

Steven Fisher
Acting Director of Export Enforcement

Date: ______________________

PLEXON, INC.

Harvey W. Wiggins
Chief Executive Officer

Date: 13-Aug-2026

Reviewed and approved by:

Michael J. Smith

John H. Kester, Esq.
Oliver M. Krischik, Esq.
Michael J. Smith, Esq.

GKG Law, P.C.

Date: August 13, 2026

UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Industry and Security
Office of Export Enforcement
1401 Constitution Avenue, Suite 4508
Washington, DC 20230

PROPOSED CHARGING LETTER

Plexon, Inc.
ATTN: Harvey W. Wiggins, CEO
6500 Greenville Ave.
Suite 730
Dallas, TX 75206

Dear Mr. Wiggins,

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Plexon, Inc. ("Plexon" or "Respondent") has committed eight violations of the Export Administration Regulations (the "EAR" or "Regulations").[1] Specifically, BIS alleges the following:

GENERAL ALLEGATIONS

1. As described further below and in the attached Schedule of Violations, on or about February 10, 2022, through August 30, 2023, Plexon violated the Regulations when it exported items subject to the EAR to parties in China listed on the BIS Entity List, without the required license or authorization from BIS. Specifically, Plexon exported eight Neural Recording Data Acquisition Systems ("Omniplex systems") and accessories to the Academy of Military Medical Sciences (AMMS), a party on the BIS Entity List. At all relevant times, pursuant to § 744.11 of the Regulations, a license was required for the export, reexport or transfer (in-country) of items subject to the EAR to this end user.

2. Plexon, Inc. is a small U.S. neuroscience technology company headquartered in Dallas, Texas. Although the company's sole U.S. facility is in Dallas, Texas, the company has authorized distributors in China, Russia, South Korea, and Japan. Plexon's Asian distributor acts as its sales branch in Asia (except Japan) and has offices in Hong Kong, Beijing, Shanghai, Nanjing, and Guangzhou.

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combination of the OmniPlex chassis, OmniPlex Software, and a Digital Headstage Processor (DHP) acquisition subsystem.

4. Section 1758 of the Export Control Reform Act of 2018 authorizes Commerce to establish appropriate controls on the export, reexport, or transfer (in-country) of emerging technologies essential to the national security of the United States. In an Advance Notice of Proposed Rulemaking (ANPRM) in 2018, BIS identified brain-computer interfaces (BCI), artificial intelligence for brain modelling, and other items as potential emerging technologies that could be determined to be essential to the national security of the United States.[2] Subsequently, BIS requested comments from the public on the imposition of export controls on certain BCI in 2021, and held a February 2023 conference intended to further both BIS's and the public's understanding of advancements in BCI technology and anticipated future developments in research and applications.[3]

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6. Pursuant to an existing sales relationship, AMMS ordered the Omniplex systems through Plexon Inc's Asia distributor. Plexon Inc. then manufactured the systems at its plant in Dallas, Texas and shipped them through its Asian distributor to AMMS.

7. AMMS and eleven of its research institutes were added to the BIS Entity List effective December 17, 2021, due to its "use [of] biotechnology processes to support Chinese military end uses and end users, to include purported brain-control weaponry."[4] At all times relevant to this conduct, exports to AMMS required a BIS license pursuant to Section 744.11 and Supplement No. 4 to Part 744 of the EAR. Plexon did not seek or obtain BIS authorization for these transactions.

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[2] *Review of Controls for Certain Emerging Technologies*, 83 Fed. Reg. 58201 (Nov. 19, 2018).
[3] *See Request for Comments Concerning the Imposition of Export Controls on Certain Brain-Computer Interface (BCI) Emerging Technology*, 86 Fed. Reg. 59070 (Oct. 26, 2021); *Imposition of Export Controls on Certain Brain-Computer Interface Emerging Technology*, *available at* https://www.regulations.gov/document/BIS-2021-0032-0001; *Meetings: Brain Computer Interface; Conference*, *available at* https://www.regulations.gov/document/BIS-2021-0032-0020.
[4] *See Addition of Certain Entities to the Entity List and Revision of an Entry on the Entity List*, 86 Fed. Reg. 71558 (2021).

* * * * *

Accordingly, Plexon 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, but not limited to, any or all of the following:

- The maximum civil penalty of an amount not to exceed the greater of $374,474 per violation or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed;[5]
- Denial of export privileges;
- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

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

Plexon is further notified that it is entitled to an agency hearing on the record if it files a written demand for one with any answer. *See* 15 C.F.R. § 766.6. Plexon 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 Plexon have a proposal to settle this case, it should transmit it to the attorney representing BIS named below.

Respondents are further notified that under the Small Business Regulatory Enforcement Flexibility Act, Respondents 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, Plexon's answer must be filed in accordance with the instructions in § 766.5(a) of the Regulations with:

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[5] *See* 50 U.S.C. § 4819 (prescribing civil monetary penalty amount for ECRA violation); 15 C.F.R. §§ 6.3(c)(6), 6.4 (adjusting civil monetary penalty amount for inflation).

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

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

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

B. Kathryn Debrason is the attorney representing BIS in this case; any communications that Plexon may wish to have concerning this matter should occur through her. Ms. Debrason may be contacted at Kdebrason1@doc.gov or 240-805-7018.

Sincerely,

STEVEN FISHER

Digitally signed by STEVEN FISHER
Date: 2026.05.04 16:10:24 -04'00'

Steven Fisher
Acting Director
Office of Export Enforcement

Schedule of Violations

Charge No.	Export Date	Item Description	Item Classification	End User	Value Per Item
1	February 10, 2022	Omniplex System & accessories	4A994.k	AMMS	$35,286
2	March 25, 2022	Omniplex System & accessories	4A994.k	AMMS	$4,167
3	May 9, 2022	Omniplex System & accessories	4A994.k	AMMS	$11,666
4	August 28, 2022	Omniplex System & accessories	4A994.k	AMMS	$6,765
5	October 5, 2022	Omniplex System & accessories	4A994.k	AMMS	$7,127
6	October 5, 2022	Omniplex System & accessories	4A994.k	AMMS	$3,563
7	August 28, 2022	Omniplex System & accessories	4A994.k	AMMS	$945
8	August 30, 2023	Omniplex System & accessories	4A994.k	AMMS	$109,202
Total Value of Shipments:					**$178,721**