

UNITED STATES DEPARTMENT OF STATE
BUREAU OF POLITICAL-MILITARY AFFAIRS
WASHINGTON, DC 20520

In the Matter of:)

AEROFLEX INCORPORATED)

Respondent)

ORDER

WHEREAS, the Directorate of Defense Trade Controls, Bureau of Political-Military Affairs, United States Department of State ("Department"), has notified Aeroflex Incorporated ("Respondent") of its intention to initiate an administrative proceeding against it pursuant to section 38(e) of the Arms Export Control Act, as amended, (the "AECA") (22 U.S.C. 2778(e)), and its implementing regulations, the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130) (the "ITAR");

WHEREAS, the proposed charges are based on allegations that the Respondent violated section 38 of the AECA and section 127 of the ITAR as set forth in the Proposed Charging Letter, attached hereto and incorporated by reference herein, in connection with violations related to the unauthorized export, retransfer, and re-export of defense articles, to include technical data, including to proscribed destinations;

WHEREAS, pursuant to section 128.11 of the ITAR, the Department and the Respondent have entered into a Consent Agreement (attached hereto and incorporated by reference herein), whereby the Department and the

Respondent have agreed to settle this matter in accordance with the terms and conditions set forth therein;

IT IS THEREFORE ORDERED:

FIRST, that the Respondent shall pay in fines and in remedial compliance measures a civil penalty of eight million dollars (\$8,000,000) comprised of the amounts and payable, as stipulated below, in complete settlement of the civil violations contained in the Department's Proposed Charging Letter and other information identified in the Consent Agreement.

SECOND, two million dollars (\$2,000,000) of this civil penalty shall be paid to the Department within ten (10) days of signing of the Order, and one million dollars (\$1,000,000) shall be paid in installments to the Department by the Respondent on the first and second anniversary of the signing of the Order. Such payments to be made by cashiers or certified check payable to the Department of State.

THIRD, four million dollars (\$4,000,000) of this civil penalty will be suspended as set forth in paragraph (19)(b) of the Consent Agreement on the condition that Respondent applies this amount to self-initiated, pre-Consent Agreement remedial compliance measures undertaken prior to the date of this Order and to Consent Agreement-authorized remedial compliance costs, in all instances determined as set forth in paragraph (19)(c) of the Consent Agreement.

FOURTH, that any failure by the Respondent to apply suspended penalty funds appropriately for remedial compliance measures or provide satisfactory accounting may result (in accordance with Paragraph (21) of the Consent Agreement) in the Respondent being required to pay immediately to the Department the amount specified, less credit for amounts the Department deems to have been properly applied and accounted for as expenditures in compliance with the Consent Agreement.

FIFTH, the Department recognizes that the Respondent agrees to waive its rights to raise the defense of Statute of Limitations with regard to the collection of the civil penalty imposed by the Consent Agreement and this Order, and that the Statute of Limitations shall be tolled until the last payment is made and all terms of the Consent Agreement are satisfied.

SIXTH, that the Respondent, and its assignees and successors, and in the event of reorganization all affected entities or units, shall comply with the compliance measures and its obligations under the provisions of the Consent Agreement and shall do so within the deadlines established therein.

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

This Order becomes effective on the day it is signed.



Tom Kelly
Acting Assistant Secretary
Bureau of Political-Military Affairs
Department of State

Entered this 6th day of August 2013