

PENALTY NOTICE

Fac. No.[Text Deleted]

[Text Deleted]

Community Association Manager
Richland Trace Homeowners Association, Inc.
14801 Quorum Drive, Suite 250
Dallas, TX 75254

Dear [Text Deleted]:

On July 28, 2011, the Office of Foreign Assets Control (“OFAC”) issued a Prepenalty Notice (the “Notice”) to Richland Trace Homeowners Association, Inc. (“Richland”), due to its unauthorized use of proceeds from the sale of a property in which [Text Deleted], an individual designated pursuant to Executive Order 13348 of July 22, 2004, had an interest, in apparent violation of the Former Liberian Regime of Charles Taylor Sanctions Regulations (the “Regulations”), promulgated pursuant to the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06. *See* § 593.201 of the Regulations.

The Notice proposed a penalty in the amount of \$9,000, and advised Richland of its right to make a written presentation to OFAC setting forth the reasons why a penalty should not be imposed, or, if imposed, why the amount should be less than that proposed in the Notice.

Richland responded to OFAC by letter from [Text Deleted], counsel for Richland, dated August 5, 2011. In its response, Richland stated that it applied for and received a license from OFAC authorizing it to sell the property described above, and that it complied with the license when distributing the proceeds of the sale.

After a thorough review of the facts and circumstances pertaining to this matter, including Richland’s response to the Notice, OFAC has determined that Richland violated § 593.201 of the Regulations and that no reduction from the proposed penalty amount set forth in the Notice is warranted. Although Richland’s response states that Richland complied with the license it received from OFAC, Section II(b) of License [Text Deleted] which OFAC issued to Richland on December 22, 2008, states that the license’s authorization excludes “any taxes, costs, or legal, administrative, or other fees incurred or accruing prior to the court authorized foreclosure of the Blocked Premises”

Therefore, applying \$9,500 of the proceeds of the sale of the property at issue toward reimbursing Richland for past assessments and late fees was not authorized by License [Text Deleted] because it comprised a reimbursement of fees that accrued prior to the court authorized foreclosure of the property that was expressly prohibited by Section II(b) of the license. As a

result, the reimbursement violated § 593.201 of the Regulations because it was an unauthorized dealing in property in which [Text Deleted] has an interest.

Accordingly, a civil penalty in the amount of \$9,000 is hereby imposed upon Richland pursuant to 31 C.F.R. § 593.704.

Richland must pay this penalty or arrange for installment payment of the penalty within 30 days of the mailing of this Penalty Notice to avoid the imposition of additional charges. Payment by check payable to the “**U.S. Treasury**” in the amount of **\$9,000 and referencing the above FAC No.** can be sent to the U.S. Department of the Treasury, Accounting Services Branch, (Attn: [Text Deleted]), Avery Street A3-G, Bureau of the Public Debt, POB 1328, Parkersburg, WV 26106. Alternatively, Richland may pay through Electronic Funds Transfer (EFT). Instructions for EFT payment are enclosed. Pursuant to 31 U.S.C. § 7701, **you must include a Taxpayer Identification Number or Social Security Number on your payment;** that number will be used for the purpose of collecting and reporting on any delinquent penalty amount. **Pursuant to 31 U.S.C. § 3717, failure to pay this penalty in a timely manner will result in the accrual of appropriate interest, the imposition of an applicable administrative charge, and, if the payment is more than 90 days past due, the imposition of further penalty charges.**

Please note that 31 C.F.R. § 593.705 provides that this matter may be referred either for administrative collection measures or to the United States Department of Justice for appropriate action to recover the penalty in a civil suit in Federal District Court if payment is not made within 30 days of the date of this Penalty Notice.

If you have any questions concerning this matter, you may contact [Text Deleted], Enforcement, Office of Foreign Assets Control, at (202) 622-[Text Deleted]. Please have the FAC number listed at the top of this Notice available when you call.

Sincerely,

{ signature }

Adam Szubin
Director
Office of Foreign Assets Control

Enclosure