

FAC No. CU-[text deleted]

Sonida International, Inc.
c/o Mr. Steven Shi Chen
69-04 Groton Street
Forest Hills, NY 11375

PENALTY NOTICE

Dear Mr. Shi Chen:

The Office of Foreign Assets Control (“OFAC”) issued to Sonida International, Inc. (“Sonida”) a Prepenalty Notice (“PPN”) dated November 5, 2007, based on evidence that Sonida engaged in certain transactions prohibited by the Cuban Assets Control Regulations, 31 C.F.R. part 515 (the “CACR”). The PPN proposed a penalty in the amount of \$8,157 and informed Sonida of its right to submit a written response within 60 days explaining why Sonida believes there should be no finding of violation, why a monetary penalty should not be imposed, or why the monetary penalty should be in a lesser amount than proposed. The PPN also informed Sonida that the submission of a written response is a factor that may result in a lower civil penalty absent any aggravating factors and that OFAC may proceed with the issuance of a Penalty Notice in 60 days whether or not Sonida submits a written response.

After consideration of the entire record, OFAC determines that Sonida violated the CACR and that a monetary penalty is warranted. OFAC further determines that some mitigation is warranted to reflect the presence of the following mitigating factors: It is Sonida’s first offense, Sonida submitted a written reply to the PPN, and Sonida has cooperated with OFAC’s investigation of the alleged violation. Accordingly, OFAC determines that the proposed civil penalty amount should be reduced by 75% to \$2,040 which amount is hereby imposed upon Sonida.

Pursuant to § 501.706 of the Reporting, Procedures and Penalties Regulations, 31 C.F.R. Part 501 (the “RPP Regulations”), the PPN informed Sonida of its right to request an administrative hearing and that such requests are only considered after a Penalty Notice has been issued. Accordingly, Sonida is hereby notified that it has 30 days from the service of this Penalty Notice to request an administrative hearing in response to this Penalty Notice.

If Sonida instead wishes to pay the penalty amount at this time, it must submit this full penalty amount by check payable to “U.S. Treasury” postmarked no later than 30 days after the date of service* of this Penalty Notice. Alternatively, Sonida may arrange with the Office of Financial Management of the Department of the Treasury for installment

* The date of service of this Penalty Notice is the date stamped on the first page of this Penalty Notice, unless you submit to OFAC a copy of the envelope in which this Penalty Notice was sent showing a later postmark date, in which case the later date will be the date of service.

payment. Such an arrangement must be completed no later than 30 days after the date of service of this Penalty Notice. Sonida must also provide to OFAC its taxpayer identification number (e.g. Employer Identification Number) pursuant to 31 U.S.C. 7701.

Any submission of payment, or other correspondence concerning this penalty matter should be sent to: Assistant Director, Civil Penalties, Office of Foreign Assets Control, U.S. Treasury Department, 1500 Pennsylvania Avenue, NW, Washington, DC 20220, with the envelope prominently marked "Urgent: Part 501 Action."

For more information on the OFAC civil penalty process and on the consideration of mitigating and aggravating factors, see the RPP Regulations and the OFAC Enforcement Guidelines, which are available on OFAC's web site at www.treas.gov/ofac.

Sincerely,

[signature]
Adam J. Szubin
Director
Office of Foreign Assets Control