FAC No.: SU-[text deleted]

The Newman Group Computer Services Corp.
Attn: Allan Newman, President and CEO
7400 Newman Blvd.
Dexter, MI 48130

PENALTY NOTICE

Dear Mr. Newman:

A Prepenalty Notice ("Notice") dated October 1, 2007, copy enclosed, was issued by the Office of Foreign Assets Control ("OFAC") to The Newman Group Computer Services Corp. ("Company"), for a prohibited transaction relating to Sudan, involving an attempted export on or about March 30, 2007 of goods in the form of computer equipment to Ceder Info Sys/Svc ("Ceder"), an entity located in Khartoum, Sudan, in violation of §§ 538.205 and 538.210 of the Sudanese Sanctions Regulations, 31 C.F.R. Part 538 (63 FR 35809, July 1, 1998 – the "Regulations") which implement Executive Order 13067 of November 3, 1997 (62 FR 59989, November 5, 1997) and Executive Order 13412 of October 13, 2006 (71 FR 61369, October 16, 2006) ("Executive Orders"), promulgated pursuant to the International Emergency Economic Powers Act, 50 U.S.C. 1701 *et seq*. ("IEEPA"). Inasmuch as no license or authorization was issued by OFAC prior to the transactions, they apparently violated the prohibitions set forth in the Executive Orders. See, §§ 538.205 and 538.210 of the Regulations.

On the date of the issuance of the PPN, Section 206 of IEEPA, 50 U.S.C. § 1705, provided, in part, for a civil penalty not to exceed $50,000 for each such violation.[1] The Notice proposed a penalty in the amount of $3,714 and advised Company of the right to make a written presentation to OFAC setting forth reasons why a penalty should not be imposed, or if imposed, why it should be less than that proposed. Such written response was required to be made within thirty (30) days of the mailing of the Notice.

To date, no such response has been received from Company by OFAC.

After a careful review of the entire file, it is determined that Company did violate the Executive Orders and IEEPA. However, it is recognized that Company has maintained an OFAC compliance program and has no other violations on file with OFAC. Accordingly, the proposed civil penalty in the amount of $3,714 is hereby reduced by 35% to $2,414.10 which amount is hereby imposed upon Company pursuant to the Regulations.

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1. On October 16, 2007, the President signed into law an amendment to IEEPA which raised the maximum civil penalty for violations and attempted violations of any license, order, regulation or prohibition issued under IEEPA from $50,000 to the greater of $250,000 or an amount which is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed. See 50 U.S.C. § 1705. As indicated in the Interim Policy issued by OFAC on November 28, 2007, in general, when a Pre-Penalty Notice has been issued prior to October 16, 2007, the penalty will continue to be processed in accordance with the Pre-Penalty Notice.

A check payable to the **"U.S. Treasury"** in the amount of $2,414.10 should be sent within 30 days of the mailing of this Penalty Notice to U.S. Treasury Department, Financial Management Division, 1500 Pennsylvania Avenue, N.W., (Attn: Brad Keiser, Met Square, 6th Floor), Washington, D.C. 20220. In the alternative, an electronic funds transfer to the Department can be arranged with OFAC Civil Penalties. Please note that interest, administrative charges and late fees will commence to accrue after 30 days of the mailing of the Penalty Notice. Under Public Law 97-365, 31 U.S.C. § 3717, interest at an annual rate of 5% and an administrative charge of $12.00 will be added monthly if the amount is not paid by the due date. Should the amount not be paid within ninety (90) days, an additional late charge of 6% will be added.

Please note that the Regulations provide that this matter shall be referred for administrative collection measures or to the United States Department of Justice for collection if the penalty is not paid within 30 days of the mailing of the Penalty Notice.

Please further note that 31 U.S.C. § 7701 requires that a person assessed a penalty by a Federal agency furnish a taxpayer identification number/Social Security Number and also requires the agency to disclose that the agency intends to use such number for the purposes of collecting and reporting on any delinquent penalty amount in the event of a failure to pay the penalty imposed.

Sincerely,

[signature]

Adam Szubin
Director
Office of Foreign Assets Control

Enclosure: Prepenalty Notice