

UNITED STATES DEPARTMENT OF STATE  
BUREAU OF POLITICAL MILITARY AFFAIRS  
WASHINGTON, D.C. 20520

In the Matter of:

Marc Turi,

and

Turi Defense Group, Inc.,

A Nevada Corporation

Respondents

CONSENT AGREEMENT

WHEREAS, the Directorate of Defense Trade Controls, Bureau of Political-Military Affairs, U.S. Department of State ("Department") has notified Marc Turi and Turi Defense Group, Inc. (individually and collectively "Respondents") of its intent to institute an administrative proceeding pursuant to section 38 of the Arms Export Control Act, (AECA) (22 U.S.C. 2751 *et seq.*), and its implementing regulations, the International Traffic in Arms Regulations (ITAR) (22 CFR Parts 120-130);

WHEREAS, Respondents have reviewed the Proposed Charging Letter and this Consent Agreement, fully understand these documents, and enter into this Consent Agreement voluntarily and with full knowledge of their rights;

WHEREAS, Respondents, without admitting or denying the allegations, wish to settle and dispose of all potential civil charges, penalties and

sanctions arising from the Proposed Charging Letter, and from facts disclosed in writing to the Department, by entering into this Consent Agreement;

WHEREAS, Respondents agree that this Consent Agreement will remain in effect for a period of four (4) years from the effective date of the related administrative order (Order), subject to the terms and conditions set forth below;

WHEREAS, Respondents agree that if the Department finds that this Consent Agreement was negotiated based on Respondents' knowingly providing materially false or misleading information to the Department, the Department may revoke this Consent Agreement and the Order, and bring additional charges against Respondents. Additionally, Respondents understand that a violation of this Consent Agreement is considered a violation of the Order; and

WHEREAS, the Department and Respondents agree to be bound by this Consent Agreement and the Order to be entered by the Assistant Secretary of State for Political-Military Affairs.

Now, WHEREFORE, the Department and Respondents agree as follows:

#### Parties

(1) The Parties to this Consent Agreement are the Department, Turi Defense Group, Inc., its assignees and successors, and Marc Turi.

#### Jurisdiction

(2) The Department has jurisdiction over Respondents under the AECA and the ITAR in connection with the matters identified in the Proposed Charging Letter.

### General Remedial Measures

(3) Respondents agree to refrain from participating in activities subject to the ITAR for the term of this Consent Agreement; such activities include but are not limited to applying for, obtaining, or using any license or other approval, or taking any action on behalf of another to facilitate the manufacture, export, permanent import, transfer, reexport, or retransfer of a U.S. or foreign defense article or defense service, regardless of its origin; Respondents agree not to submit a Statement of Registration pursuant to ITAR parts 129 or 122, nor will Respondents assume the role of or be included as senior officer, subsidiary, or affiliate on the Statement of Registration of any other registrant or intending registrant.

### Penalty

(4) Respondents agree to the assessment of a civil penalty of two hundred thousand dollars (\$200,000) in complete settlement of alleged civil violations pursuant to section 38 of the AECA and the ITAR, as set forth in the Proposed Charging Letter, which penalty shall be suspended for the term of the Consent Agreement. In the event of a determination by the Director, Office of Defense Trade Controls Compliance (DTCC), of a material violation of the Consent Agreement by Respondent, the suspension of the penalty will be terminated and the assessed penalty shall be payable within 90 days of the determination. Any such determination may be appealed in accordance with the terms of paragraph nine (9) of this Consent Agreement. Respondents agree that the Statute of Limitations shall be tolled until the term of the Consent Agreement is complete. Respondents also agree that such civil penalty shall be a nondischargeable debt in accordance with section 523(a)(7) of the Federal Bankruptcy Code. At the completion of the term of the Consent Agreement, and in the absence of a material breach of the Consent Agreement by Respondents, the assessed penalty of two hundred thousand dollars (\$200,000) shall be waived by the Department.

### Debarment

(5) Respondents have acknowledged the seriousness of the alleged violations cited in the Proposed Charging Letter and cooperated with the Department's review. Respondents have agreed to the assessment of a suspended cash penalty and to refrain from activities subject to the ITAR for the duration of this Consent Agreement. For these reasons, the Department has determined not to impose administrative debarment of Respondents in accordance with section 127.7 of the ITAR based on the civil charges in the Proposed Charging Letter. The Department reserves all rights to impose additional sanctions, including debarment under the ITAR, against Respondents, any subsidiary or other affiliate over which Respondents exercise control, if they do not fulfill the provisions of the Consent Agreement or are responsible for other compliance or law enforcement issues under the AECA, or under other statutes enumerated in section 120.27 of the ITAR.

### Understandings

(6) No agreement, understanding, representation or interpretation not contained in this Consent Agreement may be used to vary or otherwise affect the terms of this Consent Agreement or the Order, when entered, nor shall this Consent Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed in the Proposed Charging Letter. Respondents acknowledge and accept that there is no understanding expressed or implied through this Consent Agreement with respect to a final decision by the Department of State concerning export licenses or other U.S. Government authorizations.

(7) If this Consent Agreement is not approved pursuant to an Order entered by the Assistant Secretary for Political-Military Affairs, the Department and Respondents agree that they may not use this Consent Agreement in any administrative or judicial proceeding, and that the parties shall not be bound by the terms contained in this Consent Agreement.

(8) The Department agrees that, upon signing of the Order, this Consent Agreement resolves with respect to Respondents the civil penalties or

administrative sanctions with respect to civil violations of the AECA or the ITAR arising from facts described in the Proposed Charging Letter and in writing to and by the Department in its DTCC Case Number 16-0000909.

Waiver

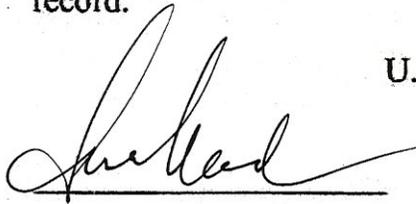
(9) Respondents waive, upon the signing of the Order, all rights to further action in this matter, including an administrative hearing pursuant to Part 128 of the ITAR. Respondents also waive any such rights with respect to any additional monetary penalty assessed by the Director/DTCC in connection with an alleged material violation of this Consent Agreement (any such additional monetary penalty imposed will be limited to twenty thousand dollars (\$20,000)) except as follows: In the event that the Director, DTCC determines that Respondents have materially violated this Consent Agreement and imposes such additional monetary penalty, and Respondents dispute such determination, Respondents may appeal such determination to the Assistant Secretary for Political-Military Affairs, and the decision of the Assistant Secretary for Political-Military Affairs shall be the final determination in the matter, which may not be appealed. Respondents also agree that any such additional monetary penalty shall be nondischargeable under Section 523(a)(7) of the Federal Bankruptcy Code. Respondents also waive the right to contest the validity of this Consent Agreement or the Order, including in any action that may be brought for the enforcement of any civil fine, penalty or forfeiture in connection with this Consent Agreement or Order.

Documents to be made public

(10) Respondents understand that the Department will make this Consent Agreement, the Proposed Charging Letter and the Order, when entered, available to the public.

When Order Becomes Effective

(11) This Consent Agreement shall become binding on the Department only when the Assistant Secretary for Political-Military Affairs approves it by entering the Order, which will have the same force and effect as a decision and Order issued after a full administrative hearing on the record.



U.S. Department of State

10/5/16

Date

Marc Turi  
and  
Turi Defense Group, Inc.



Marc Turi

10/3/16  
Date