

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

In the Matter of:

Bright Lights USA, Incorporated

A New Jersey Corporation

Respondent

CONSENT AGREEMENT

WHEREAS, the Directorate of Defense Trade Controls, Bureau of Political-Military Affairs, U.S. Department of State ("Department") has notified Bright Lights USA, Inc., ("Respondent") via Proposed Charging Letter of its intent to institute an administrative proceeding pursuant to 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, Respondent, without admitting or denying the allegations, wishes to settle and dispose of all potential civil charges, penalties and sanctions arising from the Proposed Charging Letter, and the facts that Respondent has disclosed in writing to the Department in its voluntary disclosures dated April 3, 2013, and June 8, 2016, assigned Office of Defense Trade Controls Compliance (DTCC) case numbers 13-0001229 and 16-0000811 respectively, and all subsequent correspondence in each matter, by entering into this Consent Agreement;

WHEREAS, the Department acknowledges that Respondent described these matters in voluntary disclosures submitted to the Department

pursuant to 22 CFR § 127.12, and cooperated fully with the Department's review;

WHEREAS, Respondent has made significant improvements to its compliance program, including through self-initiated remedial measures, that reduce the likelihood of future violations and render the imposition of additional compliance measures or enhanced oversight unnecessary at this time;

WHEREAS, Respondent has reviewed the Proposed Charging Letter and this Consent Agreement, fully understands these documents, and enters into this Consent Agreement voluntarily and with full knowledge of its rights;

WHEREAS, Respondent agrees that if the Department finds that this Consent Agreement was negotiated based on Respondent's knowingly providing materially false or misleading information to the Department, the Department may revoke this Consent Agreement and the related administrative order ("Order"), and bring additional charges against Respondent. Additionally, Respondent understands that a violation of this Consent Agreement is considered a violation of the Order; and

WHEREAS, the Department and Respondent 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 Respondent agree as follows:

Parties

(1) The Parties to this Consent Agreement are the Department and Respondent.

Jurisdiction

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

Penalty

(3) Respondent agrees that it shall pay a civil penalty of four hundred thousand dollars (\$400,000) in complete settlement of alleged civil violations pursuant to the AECA and the ITAR, as set forth in the Proposed Charging Letter. 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 this Consent Agreement, and that the Statute of Limitations shall be tolled until full payment is made. Respondent also agrees that such civil penalty shall be a nondischargeable debt in accordance with section 523(a)(7) of the Federal Bankruptcy Code. Payment of the civil penalty shall be made within twenty-four (24) months of the date of the Order.

Debarment

(4) Respondent has acknowledged the seriousness of the violations cited in the Proposed Charging Letter. Respondent has cooperated with the Department's review, expressed regret for these activities and taken steps to improve its compliance programs. It is willing to make amends by paying a cash penalty. For these reasons, the Department has determined not to impose an administrative debarment of Respondent 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 Respondent, including any subsidiary or other affiliate over which it exercises control, if Respondent does not fulfill the provisions of the Consent Agreement or is responsible for other compliance or law enforcement issues under the AECA, or under other statutes enumerated in § 120.27 of the ITAR.

Understandings

(5) 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 U. S. government with respect to the facts and circumstances addressed in the Proposed Charging Letter. Specifically, Respondent acknowledges and accepts 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.

(6) Respondent acknowledges the nature and seriousness of the offenses charged in the Proposed Charging Letter. If this Consent Agreement is not approved pursuant to an Order entered by the Acting Assistant Secretary for Political-Military Affairs, the Department and Respondent 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.

(7) The Department agrees that, upon signing of the Order, this Consent Agreement resolves with respect to Respondent the civil penalties or administrative sanctions with respect to violations of the AECA and the ITAR arising from facts Respondent has disclosed in writing to the Department in DTCC cases 13-0001229 and 16-0000811, or that have been otherwise identified in the Proposed Charging Letter.

Waiver

(8) Respondent waives, upon the signing of the Order, all rights to seek any further steps in this matter, including an administrative hearing pursuant to Part 128 of the ITAR. Respondent also waives 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

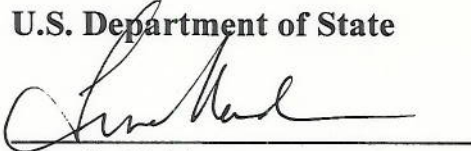
(9) Respondent understands that the Department will make this Consent Agreement, the Proposed Charging Letter and the Order, when entered, available to the public.

When Order Becomes Effective

(10) This Consent Agreement shall become binding on the Department only when the Acting 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

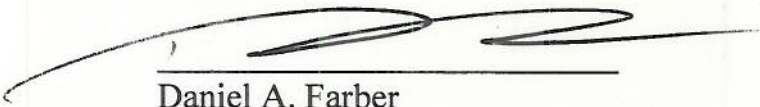


Tina S. Kaidanow
Acting Assistant Secretary
Bureau of Political-Military Affairs

9/11/17

Date

Bright Lights USA, Inc.



Daniel A. Farber
President

9/6/17

Date