

## Re: Baikal Determination (Sanctions)

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**From:** [REDACTED] (b)(6)  
**To:** "Blackborow, Davin" [REDACTED] (b)(6)  
**Cc:** [REDACTED] (b)(6)  
**Date:** Tue, 17 Mar 2015 19:45:06 -0400

---

Davin,

That makes sense to me. I will reply with your proposed response.

Thanks,  
(b)(6)

---

**From:** Blackborow, Davin  
**Sent:** Tuesday, March 17, 2015 06:10 PM  
**To:** [REDACTED] (b)(6)  
**Cc:** [REDACTED]  
**Subject:** RE: Baikal Determination (Sanctions)

(b)(6),

Thanks for the heads up.

[REDACTED] (b)(5)

Let me know what you think.

Thanks,  
Davin

---

**From:** [REDACTED] (b)(6)  
**Sent:** Tuesday, March 17, 2015 4:19 PM  
**To:** Blackborow, Davin  
**Subject:** FW: Baikal Determination (Sanctions)

Hi Davin,

Another request from ATF is below, along with a draft Response. Please let me know if this looks okay to you; I would be fine with either me or you sending something like this depending on your preference.

Thanks,  
(b)(6)

\*\*\*\*\*  
DRAFT

[REDACTED] (b)(5), (b)(6)

---

**From:** [REDACTED] ATF (b)(6)  
**Sent:** Tuesday, March 17, 2015 3:49 PM  
**To:** [REDACTED] (b)(6)  
**Cc:** [REDACTED] ATF (b)(6)  
**Subject:** RE: Baikal Determination (Sanctions)

Hello [REDACTED] (b)(6)

[REDACTED] ATF (b)(5)

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and research of John Greenewald, Jr., creator of:

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responsible for the declassification of hundreds of thousands of pages  
released by the U.S. Government & Military.

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(b)(5)

Please let us know if OFAC approves this language so that ATF may respond to importer inquiries pending the OFAC Baikal determination.

Thank you for all of your help!

ATF (b)(6)

ATF (b)(6) | [Attorney](#) | [Law & Policy Division](#) | [Office of Chief Counsel](#) | [Bureau of Alcohol, Tobacco, Firearms & Explosives](#) | ATF (b)(6) |  
ATF (b)(6)

---

**From:** (b)(6)  
**Sent:** Friday, March 13, 2015 5:46 PM  
**To:** ATF (b)(6)  
**Cc:** (b)(6)  
**Subject:** RE: Baikal Determination (Sanctions)

Duplicative of content in Bates No. 2018-08-116: 001041

Bates Nos. 2018-08-116:  
001049-001050

Duplicate Content in  
Bates Nos. 2018-08-116:  
001042-001043



## RE: Baikal Determination (Sanctions)

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**From:** "Blackborow, Davin" (b)(6)  
**To:** (b)(6)  
**Cc:** (b)(6)  
**Date:** Wed, 18 Mar 2015 09:43:05 -0400

---

Thanks (b)(6).

---

**From:** (b)(6)  
**Sent:** Wednesday, March 18, 2015 9:37 AM  
**To:** Blackborow, Davin  
**Cc:** (b)(6)  
**Subject:** FW: Baikal Determination (Sanctions)

Just fyi.

---

**From:** (b)(6)  
**Sent:** Wednesday, March 18, 2015 9:37 AM  
**To:** ATF (b)(6)  
**Cc:** (b)(6); ATF (b)(6)  
**Subject:** RE: Baikal Determination (Sanctions)

ATF (b)(6)

Thanks for sending this proposed response to us. We have consulted with OFAC. OFAC suggests (b)(5)

(b)(5)

(b)(5)

Kind regards,

(b)(6)

---

**From:** ATF (b)(6)  
**Sent:** Tuesday, March 17, 2015 3:49 PM  
**To:** (b)(6)  
**Cc:** ATF (b)(6)  
**Subject:** RE: Baikal Determination (Sanctions)

Duplicative of content in Bates Nos. 2018-08-116: 001047-001048

Bates Nos. 2018-08-116:  
001052-001054

Duplicate Content in  
Bates Nos. 2018-08-116:  
001048-001050

(b)(6)

Weekly Report for March 12 to March 18, 2015

Upcoming Significant Matters

[None]

Activities for the Week Ending March 18, 2015 to be Reported to E&I

Licensing:

Ukraine.

(b)(5)

(b)(6)

Enforcement:

Sudan.

(b)(5)

(b)(6)

Other Activities for the Week Ending March 18, 2015

(b)(5)

(b)(5)

(b)(6)

(b)(6)

(b)(5)

(b)(5)

(b)(6)

I reviewed and responded to a Compliance question regarding whether

(b)(5)

(b)(6).

I discussed with Enforcement comments I made to a web posting

(b)(5)

(b)(5)

(b)(5) (b)(6)

(b)(5)

(b)(6)

(b)(5)

(b)(6)

I attended the OCC Licensing and Enforcement and Compliance trainings.

## RE: Baikal/ Kalashnikov info

---

**From:** (b)(6)  
**To:** (b)(6)  
**Cc:** "Blackborow, Davin" (b)(6)  
**Date:** Thu, 19 Mar 2015 17:54:52 -0400  
**Attachments:** 165.pdf (310.82 kB); 124754-k.pdf (371.36 kB); 4514671.pdf (263.33 kB); 4515158.pdf (460.75 kB); 183675583.pdf (198.58 kB); http\_\_\_kalashnikovconcern.pdf (135.63 kB)

---

Hi (b)(6):

I've referred the revised IG letter for RWC (Ukraine-EO13661-2014-311648-1) to Counsel for review and I've requested that it be assigned to you. I also added (b)(6)'s email below to the case file in OASIS. Please let me know if you have any questions.

Thanks,

(b)(6)

---

**From:** (b)(6)  
**Sent:** Thursday, March 19, 2015 5:14 PM  
**To:** Blackborow, Davin; (b)(6)  
**Cc:** Tuchband, Matthew (b)(6)  
**Subject:** Baikal/ Kalashnikov info

All, apologies for the delay. The pdfs attached are of the websites Counsel reviewed. Some of them printed out a bit wonky. I have the hard copy if you need. Thanks

(b)(6)  
Sanctions Investigator  
Office of Foreign Assets Control  
U.S. Department of the Treasury  
(b)(6)

## Re: Baikal/ Kalashnikov info

---

**From:** "Blackborow, Davin" (b)(6)  
**To:** (b)(6)  
**Date:** Thu, 19 Mar 2015 18:20:28 -0400

---

Thanks (b)(6).

---

**From:** (b)(6)  
**Sent:** Thursday, March 19, 2015 05:54 PM  
**To:** (b)(6)  
**Cc:** (b)(6) Blackborow, Davin  
**Subject:** RE: Baikal/ Kalashnikov info

Duplicative of content in Bates No. 2018-08-116: 001060



## Re: Baikal/ Kalashnikov info

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**From:** (b)(6)  
**To:** (b)(6)  
**Cc:** "Blackborow, Davin" (b)(6)  
**Date:** Thu, 19 Mar 2015 21:13:23 -0400

---

Thanks, (b)(6). I will try to review first thing tomorrow.

---

**From:** (b)(6)  
**Sent:** Thursday, March 19, 2015 05:54 PM  
**To:** (b)(6)  
**Cc:** Blackborow, Davin  
**Subject:** RE: Baikal/ Kalashnikov info

Duplicative of content in Bates No. 2018-08-116: 001060



## RE: Baikal/ Kalashnikov info

---

From:

To:

Cc:

Date: Fri, 20 Mar 2015 12:17:00 -0400

Attachments: 835130\_Draft\_Interpretive\_Guidance 03192015.docx (81.68 kB)

(b)(6)

Blackborow, Davin"

(b)(6)

---

Hi (b)(6):

This should be it.

(b)(6)

---

From: (b)(6)

Sent: Friday, March 20, 2015 10:50 AM

To: (b)(6)

Cc: Blackborow, Davin

Subject: RE: Baikal/ Kalashnikov info

(b)(6),

Can you send me the draft letter on this one by email? The review function of Oasis is acting up this morning.

Also, whenever you get a chance could you add the following two websites to the record in Oasis:

<http://kalashnikovconcern.ru/en/baikal/concern/>

<http://kalashnikovconcern.ru/en/Baikal/history> (the 2013 entry about Izhevsk Mechanical Factory becoming part of Concern Kalashnikov)

Thanks,

(b)(6)

---

From: (b)(6)

Sent: Thursday, March 19, 2015 5:55 PM

To: (b)(6)

Cc: Blackborow, Davin

Subject: RE: Baikal/ Kalashnikov info

Duplicative of content in Bates No. 2018-08-116: 001060



## RE: Baikal/ Kalashnikov info

---

**From:** (b)(6)  
**To:** (b)(6)  
**Cc:** "Blackborow, Davin" (b)(6)  
**Date:** Fri, 20 Mar 2015 12:22:19 -0400

---

Thanks, (b)(6). I'll review and return to you all as soon as I can.

---

**From:** (b)(6)  
**Sent:** Friday, March 20, 2015 12:17 PM  
**To:** (b)(6)  
**Cc:** Blackborow, Davin  
**Subject:** RE: Baikal/ Kalashnikov info

Duplicative of content in Bates No. 2018-08-116: 001109



Duplicative of content in Bates No. 2018-08-116: 001109

**RE: Baikal/ Kalashnikov info - Livelink 97 KB**

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**From:**

**To:**

**Cc:**

**Date:** Fri, 20 Mar 2015 13:59:42 -0400

**Attachments:** 835130\_Draft\_Interpretive\_Guidance 03192015 - (b)(6) Comments.docx - 86 KB (0 bytes)

(b)(5)

Thanks everyone for your patience in going through this a few times.

Thanks,  
(b)(6)

---

**From:** (b)(6)

**Sent:** Friday, March 20, 2015 12:17 PM

**To:** (b)(6)

**Cc:** Blackborow, Davin

**Subject:** RE: Baikal/ Kalashnikov info

Duplicative of content in Bates No. 2018-08-116: 001109



## Re: Baikal/ Kalashnikov info

---

**From:** "Blackborow, Davin" (b)(6)  
**To:** (b)(6)  
**Cc:** (b)(6)  
**Date:** Fri, 20 Mar 2015 15:01:36 -0400

Thanks all - I'll take a look but I think (b)(5)

---

**From:** (b)(6)  
**Sent:** Friday, March 20, 2015 02:42 PM  
**To:** (b)(6)  
**Cc:** (b)(6) Blackborow, Davin  
**Subject:** RE: Baikal/ Kalashnikov info

Thank you, (b)(6), (b)(6) and I appreciate your quick review.

Davin:

I've loaded the final version in OASIS and placed it in your queue for final review and signature. Please let me know if you have any questions.

Thanks

(b)(6)

Duplicative of content in Bates No. 2018-08-116: 001112





## RE: Baikal/ Kalashnikov info

---

**From:** "Blackborow, Davin" (b)(6)  
**To:** (b)(6)  
**Date:** Mon, 23 Mar 2015 10:21:26 -0400

---

I'm hoping to get it signed today – I just want to brief John on it before I sign though.

---

**From:** (b)(6)  
**Sent:** Monday, March 23, 2015 9:55 AM  
**To:** Blackborow, Davin  
**Subject:** RE: Baikal/ Kalashnikov info

Hi Davin,

Just in case I get questions from ATF or internally, would you mind passing on any update you might have on this one?

Thanks,

(b)(6)

Duplicative of content in Bates No. 2018-08-116: 001114







## FW: RWC license request

---

**From:** "Smith, Bradley" (b)(6)  
**To:** (b)(6)  
**Date:** Mon, 23 Mar 2015 15:59:14 -0400

---

FYI

---

**From:** Blackborow, Davin  
**Sent:** Monday, March 23, 2015 3:49 PM  
**To:** Smith, John; Gacki, Andrea  
**Cc:** Smith, Bradley; (b)(6)  
**Subject:** RWC license request

John and Andrea,

Following up on this morning's discussion, we are prepared to respond to RWC's request regarding the status of Baikal and

(b)(4), (b)(5)

If you need any additional information or would like to discuss, please let me know.

Thanks,  
Davin

## RE: RWC license request - Livelink 95 KB

---

**From:** "Blackborow, Davin" (b)(6)  
**To:** (b)(6)  
**Date:** Tue, 24 Mar 2015 13:45:27 -0400  
**Attachments:** RWC response.docx - 84 KB (0 bytes)

---

Here's the draft response – let me know if you'd like to discuss.

Thanks,  
Davin

---

**From:** (b)(6)  
**Sent:** Tuesday, March 24, 2015 1:08 PM  
**To:** Blackborow, Davin  
**Subject:** RE: RWC license request

Perfect – I'll call you then.

Thanks,  
(b)(6)

---

**From:** Blackborow, Davin  
**Sent:** Tuesday, March 24, 2015 12:21 PM  
**To:** (b)(6)  
**Subject:** Re: RWC license request

Sure - do you want to talk around 130?

---

**From :** (b)(6)  
**Sent:** Tuesday, March 24, 2015 12:12 PM  
**To:** Blackborow, Davin  
**Subject:** RE: RWC license request

Hi Davin –

Wanted to loop with you on this. (b)(5)  
(b)(5)

---

Thanks,  
(b)(6)

---

**From:** Blackborow, Davin  
**Sent:** Monday, March 23, 2015 4:06 PM  
**To:** Feddo, Thomas  
**Subject:** FW: RWC license request

Tom – just more background info.

---

**From:** Smith, John  
**Sent:** Monday, March 23, 2015 4:00 PM  
**To:** Szubin, Adam  
**Cc:** Gacki, Andrea; Smith, Bradley; Blackborow, Davin; (b)(6); Chemali, Hagar; Carson, Cheryl  
**Subject:** FW: RWC license request

Adam – fwi. Licensing intends to (b)(5)  
(b)(5) Thanks!

---

John

---

**From:** Blackborow, Davin  
**Sent:** Monday, March 23, 2015 3:49 PM  
**To:** Smith, John; Gacki, Andrea  
**Cc:** Smith, Bradley; (b)(6)  
**Subject:** RWC license request

Duplicative of content in Bates No. 2018-08-116: 001118

Duplicative of content in Bates No. 2018-08-116: 001118



## RE: RWC license request

---

**From:** "Blackborow, Davin" (b)(6)  
**To:** (b)(6)  
**Date:** Tue, 24 Mar 2015 14:41:37 -0400

---

Great – thanks.

---

**From:** (b)(6)  
**Sent:** Tuesday, March 24, 2015 2:37 PM  
**To:** Blackborow, Davin  
**Subject:** RE: RWC license request

---

This looks great, Davin – thanks.

(b)(5)

(b)(6)

---

**From:** Blackborow, Davin  
**Sent:** Tuesday, March 24, 2015 1:45 PM  
**To:** (b)(6)  
**Subject:** RE: RWC license request

Duplicative of content in Bates No. 2018-08-116: 001119





## RE: Baikal Determination (Sanctions)

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**From:** "Blackborow, Davin" (b)(6)  
**To:** (b)(6)  
**Date:** Tue, 24 Mar 2015 16:49:47 -0400

---

Sure – and just a heads up that I moved offices. I'm in the corner, under Brad's office.

---

**From:** (b)(6)  
**Sent:** Tuesday, March 24, 2015 4:49 PM  
**To:** Blackborow, Davin  
**Subject:** RE: Baikal Determination (Sanctions)

---

Sure. Do you want me to drop by your office?

---

**From:** Blackborow, Davin  
**Sent:** Tuesday, March 24, 2015 4:49 PM  
**To:** (b)(6)  
**Subject:** RE: Baikal Determination (Sanctions)

---

Hey – do you have one minute on this.

---

**From:** (b)(6)  
**Sent:** Tuesday, March 24, 2015 4:20 PM  
**To:** Blackborow, Davin  
**Cc:** (b)(6)  
**Subject:** FW: Baikal Determination (Sanctions)

---

Davin,

Just passing on this status inquiry. Whenever we have a final signed determination please let me know.

Thanks,  
(b)(6)

---

**From:** ATF (b)(6)  
**Sent:** Tuesday, March 24, 2015 2:10 PM  
**To:** (b)(6) ATF (b)(6)  
**Cc:** (b)(6) ATF (b)(6)  
**Subject:** RE: Baikal Determination (Sanctions)

---

Hello (b)(6)

ATF (b)(5)

Thank you!  
ATF (b)(6)

ATF (b)(6) | Attorney | Law & Policy Division | Office of Chief Counsel | Bureau of Alcohol, Tobacco, Firearms & Explosives | ATF (b)(6)  
ATF (b)(6)

---

**From:** (b)(6)  
**Sent:** Wednesday, March 18, 2015 9:37 AM  
**To:** ATF (b)(6)  
**Cc:** (b)(6) ATF (b)(6)  
**Subject:** RE: Baikal Determination (Sanctions)

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Duplicative of content in Bates No. 2018-08-116: 001051

Bates Nos. 2018-08-116:

001124-001126

Duplicate Content in

Bates Nos. 2018-08-116:

001051-001054

## Re: RWC license request

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**From:** (b)(6)  
**To:** "Blackborow, Davin" (b)(6) "Chemali, Hagar" (b)(6)  
**Cc:** "Gacki, Andrea" (b)(6) "Smith, Bradley" (b)(6)  
<cheryl.carson@treasury.gov>, "Smith, John" (b)(6) Carson, Cheryl"  
**Date:** Tue, 24 Mar 2015 17:33:00 -0400

---

Thanks for the heads-up.

---

**From:** Blackborow, Davin  
**Sent:** Tuesday, March 24, 2015 05:32 PM  
**To:** Chemali, Hagar  
**Cc:** Gacki, Andrea; Smith, Bradley; (b)(6); Carson, Cheryl; Smith, John  
**Subject:** RE: RWC license request

Dropping Adam.

Hagar,

Just a heads up that this denial was signed and should be going out today (or early tomorrow). I think we should (b)(5)  
(b)(5) but please let me know if you (or anyone else) feels

Thanks,  
Davín

---

**From:** Smith, John  
**Sent:** Monday, March 23, 2015 4:00 PM  
**To:** Szubin, Adam  
**Cc:** Gacki, Andrea; Smith, Bradley; Blackborow, Davin; (b)(6); Chemali, Hagar; Carson, Cheryl  
**Subject:** FW: RWC license request

Duplicative of content in Bates Nos. 2018-08-116: 001119-001120





## Signed denial

---

**From:** "Blackborow, Davin" (b)(6)  
**To:** (b)(6)  
**Cc:** "Smith, Bradley" (b)(6)  
**Date:** Tue, 24 Mar 2015 17:41:19 -0400  
**Attachments:** Ukraine-EO13661-2014-311648-1.pdf (78.58 kB)

---

(b)(6),

Here's the final denial for RWC. I would (b)(5)  
(b)(6) I hanks again for all your help on this, and  
please let me know if you need anything else.

Thanks,  
Davin

**RE: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1 - Livelink 115 KB**

---

**From:** "Blackborow, Davin" (b)(6)  
**To:** Michael Faucette <michael.faucette@mbassociateslaw.com>  
**Date:** Tue, 24 Mar 2015 21:46:58 -0400  
**Attachments:** UKRAINE-EO13661-2014-311648-1.pdf - 80 KB (0 bytes)

---

Mike,

It's not a problem at all. Attached is a .pdf of the response.

Regards,  
Davin

---

**From:** Michael Faucette [mailto:michael.faucette@mbassociateslaw.com]  
**Sent:** Tuesday, March 24, 2015 5:49 PM  
**To:** Blackborow, Davin  
**Subject:** Re: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

Thank you, Davin.

Is it possible to have an unofficial copy emailed to myself?

Kind Regards,

Mike Faucette  
Attorney at Law

Mark Barnes & Associates

1350 I St. N.W., Suite 260  
Washington, D.C. 20005  
Tel. (202) 626-0085  
Fax (202) 626-0088

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On Mar 24, 2015, at 5:37 PM, <[Davin.Blackborow](mailto:Davin.Blackborow@mbassociateslaw.com) (b)(6)> wrote:

Mr. Faucette,

A response to your request was signed today, which you should be receiving shortly. Thank you again for your patience, and please let me know if you need anything else.

Sincerely,  
Davin

---

**From:** Michael Faucette [mailto:michael.faucette@mbassociateslaw.com]  
**Sent:** Tuesday, March 24, 2015 4:11 PM  
**To:** Blackborow, Davin  
**Cc:** (b)(6); [mark.barnes@mbassociateslaw.com](mailto:mark.barnes@mbassociateslaw.com); Smith, John  
**Subject:** Re: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

Dear Mr. Blackborow,

We would greatly appreciate an update on the status of RWC's advisory opinion request. Thank you.

Kind Regards,  
Mike Faucette

2018-08-116: 001129

Attorney at Law

Mark Barnes & Associates

1350 1 St. N.W. , Suite 260  
Washington, D.C. 20005  
Tel. (202) 626-0085  
Fax (202) 626-0088

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On Mar 10, 2015, at 11:32 AM, Michael Faucette <[michael.faucette@mbassociateslaw.com](mailto:michael.faucette@mbassociateslaw.com)> wrote:

Dear Mr. Blackborow,

I hope you are doing well. I am following up with you on the status of our advisory opinion request. It has now been over 7 months since we submitted our request to Licensing. We would like to reiterate our interest in a face-to-face meeting to discuss OFAC's concerns regarding Baikal. (b)(4)

(b)(4)

Thank you for your cooperation on this matter.

Kind Regards,

Mike Faucette  
Attorney at Law

Mark Barnes & Associates

1350 1 St. N.W. , Suite 260  
Washington, D.C. 20005  
Tel. (202) 626-0085  
Fax (202) 626-0088

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On Feb 2, 2015, at 5:49 PM, [Davin.Blackborow](#) (b)(6) wrote:

Mr. Faucette,

I apologize for the delay in responding to your latest email. I think we are moving towards a resolution on this case, and so I do not think that a meeting will be necessary at this time. However, I appreciate your offer and will follow up with you if we end up needing additional information. Thanks again for your patience,

Davin

---

**From:** Michael Faucette [mailto:[michael.faucette@mbassociateslaw.com](mailto:michael.faucette@mbassociateslaw.com)]

**Sent:** Monday, February 02, 2015 3:32 PM

**To:** Blackborow, Davin

**Cc:** (b)(6) [mark.barnes@mbassociateslaw.com](mailto:mark.barnes@mbassociateslaw.com); Barnes; Smith, John

**Subject:** Re: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

Mr. Blackborow,

I just wanted to follow up with you regarding my previous email on arranging a brief meeting to discuss our advisory

2018-08-116: 001130

opinion request for Baikal. We understand that you are busy, but we would really appreciate a chance to hear OFAC's questions and concerns on the matter. Thank you very much.

Kind Regards,

Mike Faucette  
Attorney at Law

Mark Barnes & Associates

1350 I St. N.W. , Suite 260  
Washington, D.C. 20005  
Tel. (202) 626-0085  
Fax (202) 626-0088

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On Jan 26, 2015, at 4:34 PM, Michael Faucette <[michael.faucette@mbassociateslaw.com](mailto:michael.faucette@mbassociateslaw.com)> wrote:

Mr. Blackborow,

We would greatly appreciate an opportunity to schedule a meeting with you and your staff to discuss this matter, as we believe this would be beneficial to both OFAC and our client, RWC. As you are aware, (b)(4)

(b)(4) (b)(4) Thank you again for your prompt response and your understanding of the urgency associated with this matter.

Kind Regards,

Mike Faucette  
Attorney at Law

Mark Barnes & Associates

1350 I St. N.W. , Suite 260  
Washington, D.C. 20005  
Tel. (202) 626-0085  
Fax (202) 626-0088

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On Jan 14, 2015, at 8:34 PM, [Davin.Blackborow](#) (b)(6) wrote:

Duplicative of content in Bates No. 2018-08-116: 000637

Bates Nos. 2018-08-116:  
001132-001133

Duplicate Content in  
Bates Nos. 2018-08-116:  
000637-000638





DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

**Case No. UKRAINE-EO13661-2014-311648-1**

Michael Faucette, Esq.  
Mark Barnes & Associates  
1350 I Street, NW, Suite 260  
Washington, DC 20005

Dear Mr. Faucette:

This responds to your request dated July 30, 2014 as supplemented on August 19, 2014, August 20, 2014, August 21, 2014, October 15, 2014, December 12, 2014, and December 17, 2014 (collectively, the "Application"), on behalf of RWC Group, LLC (RWC) to the Office of Foreign Assets Control (OFAC), seeking guidance as to whether Izhevsky Mekhanichesky Zavod JSC ("Baikal"), a Russian arms manufacturer that deals in sporting shotguns and air rifles, would be considered a blocked entity pursuant to the Ukraine-Related Sanctions Regulations, 31 C.F.R. Part 589 (the "Regulations"). In addition, you are seeking guidance as to whether (b)(4) (b)(4) may be sold by RWC. According to the Application, RWC imports (b)(4) from Baikal to sell in the United States. You state in the Application that Baikal is not on OFAC's Specially Designated Nationals and Blocked Persons List (the "SDN List") but does have a relationship with Kalashnikov Concern (KC), a named blocked entity on the SDN List.

According to your Application, Baikal provided RWC with documents indicating that Baikal's stock is 100 percent owned by Rostec, an entity that was added to the Sectoral Sanctions Identifications List on September 12, 2014. You characterize the relationship between Baikal and KC as strictly a marketing one in which KC and Baikal share booths at trade shows and KC assists Baikal with its advertising and other promotional media. Therefore, you do not believe Baikal is owned, directly or indirectly, by KC. (b)(4)

(b)(4)

The Regulations prohibit all transactions prohibited pursuant to Executive Order 13660 of March 6, 2014 (E.O. 13660), Executive Order 13661 of March 16, 2014 (E.O. 13661), and Executive Order 13662 of March 20, 2014 (E.O. 13662). On July 16, 2014, KC was designated pursuant to E.O. 13661; accordingly, all of KC's property and interests in property are blocked. Property blocked pursuant to an Executive order or regulations administered by OFAC is broadly defined to include any property or interest in property, tangible or intangible, including present, future or contingent interests. Regulations, § 589.308. A property interest subject to blocking includes interests of any nature whatsoever, direct or indirect. Regulations, § 589.304.



In addition, persons whose property and interests in property are blocked pursuant to an Executive order or regulations administered by OFAC ("blocked persons") are considered to have an interest in all property and interests in property of an entity in which such blocked persons own, whether individually or in the aggregate, directly or indirectly, a 50 percent or greater interest. Consequently, any entity owned in the aggregate, directly or indirectly, 50 percent or more by one or more blocked persons is itself considered to be a blocked person. The property and interests in property of such an entity are blocked, regardless of whether the entity itself is listed in the annex to an Executive order or otherwise placed on OFAC's list of Specially Designated Nationals. Please see OFAC's "Revised Guidance on Entities Owned by Persons whose Property and Interests in Property are Blocked" at [http://www.treasury.gov/resource-center/sanctions/Documents/licensing\\_guidance.pdf](http://www.treasury.gov/resource-center/sanctions/Documents/licensing_guidance.pdf).

Although you have provided information suggesting that Baikal is not owned by KC, according to additional information obtained by OFAC, including KC's 2014 Product Catalog found on RWC's website, KC manufactures the Baikal line of (b)(4). Baikal merged with the company formally known as Izhmash in 2012 to create what is now called KC; and Baikal continues to be identified as part of KC. Based on this and other information available to OFAC, KC therefore has a property interest in Baikal's (b)(4) and RWC requires authorization from OFAC before dealing in such goods from Baikal. In particular, KC has an interest in the (b)(4) and would have an interest in other goods to be imported by RWC from Baikal. Please be advised that it would be against current OFAC licensing policy to authorize RWC or other U.S. persons to deal in goods in which KC maintains an interest, including the (b)(4). (b)(4) Accordingly, your request to sell the (b)(4) is denied.

If you have any further questions regarding the Ukraine-Related sanctions program, please contact OFAC's Licensing Division at (202) 622-2480 or OFAC's Compliance Division at (202) 622-2490. Additional information about U.S. sanctions programs may be found on OFAC's website at [www.treasury.gov/ofac](http://www.treasury.gov/ofac).

Sincerely,

(b)(6)

March 24, 2015

Davin J. Blackborow.  
Assistant Director for Licensing  
Office of Foreign Assets Control

## RE: Baikal Determination (Sanctions) - Livelink 114 KB

---

**From:** (b)(6)  
**To:** ATF (b)(6)  
**Cc:** (b)(6) ATF (b)(6) (b)(6)  
**Date:** Wed, 25 Mar 2015 11:28:42 -0400  
**Attachments:** Ukraine-EO13661-2014-311648-1.pdf - 80 KB (0 bytes)

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ATF (b)(6)

Attached for your internal reference at ATF is a copy of the OFAC response to RWC's request for a license and interpretive guidance regarding Baikal (b)(4). We would request that you not share this letter or RWC-related information from the letter outside of ATF.

In case questions arise, we also wanted to bring your attention to OFAC's existing FAQs on Kalashnikov Concern products, at FAQ 374 and 375, which cover resales of KC products. Those FAQs can be accessed here: <http://www.treasury.gov/resource-center/faqs/Sanctions/Pages/answers2.aspx#374>

If you have questions about the letter or OFAC's response to RWC please feel free to give us a call. For other questions related to the working group feel free to contact (b)(6)

Kind regards,

(b)(6)

(b)(6)

sor

Office of the Chief Counsel (Foreign Assets Control)  
United States Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, DC 20220  
Email: (b)(6)  
Office Tel: 202-622-2410

---

**From:** (b)(6)  
**Sent:** Tuesday, March 24, 2015 5:53 PM  
**To:** ATF (b)(6)  
**Cc:** (b)(6) ATF (b)(6)  
**Subject:** RE: Baikal Determination (Sanctions)

ATF (b)(6)

Thanks for checking in. OFAC today issued its interpretive guidance and denial for a license regarding the Baikal matter that was pending here. I should be able to forward a copy of that to you tomorrow for internal reference at ATF.

Thanks,

(b)(6)

---

**From:** ATF (b)(6)  
**Sent:** Tuesday, March 24, 2015 2:10 PM  
**To:** (b)(6)  
**Cc:** ATF (b)(6)  
**Subject:** RE: Baikal Determination (Sanctions)

Duplicative of content in Bates No. 2018-08-116: 001123





Bates Nos. 2018-08-116:  
001137-001139

Duplicate Content in  
Bates Nos. 2018-08-116:  
001123-001126

## RE: RWC license request

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**From:** (b)(6)  
**To:** "Chemali, Hagar" (b)(6)  
**Cc:** "Blackborow, Davin" (b)(6)  
**Date:** Thu, 26 Mar 2015 15:23:16 -0400

---

FYI

---

**From:** Blackborow, Davin  
**Sent:** Tuesday, March 24, 2015 5:36 PM  
**To:** Chemali, Hagar  
**Cc:** Gacki, Andrea; Smith, Bradley; (b)(6) Carson, Cheryl; Smith, John  
**Subject:** RE: RWC license request

Sorry – Russian Weapons Company.

---

**From:** Chemali, Hagar  
**Sent:** Tuesday, March 24, 2015 5:35 PM  
**To:** Blackborow, Davin  
**Cc:** Gacki, Andrea; Smith, Bradley; (b)(6); Carson, Cheryl; Smith, John  
**Subject:** Re: RWC license request

Yup!

What does RWC stand for?

---

**From :** Blackborow, Davin  
**Sent:** Tuesday, March 24, 2015 05:32 PM  
**To:** Chemali, Hagar  
**Cc:** Gacki, Andrea; Smith, Bradley; (b)(6); Carson, Cheryl; Smith, John  
**Subject:** RE: RWC license request

Duplicative of content in Bates No. 2018-08-116: 001127





## RE: Items for weekly report

From: "Blackborow, Davin" (b)(6)  
To: (b)(6)  
Date: Thu, 26 Mar 2015 17:44:24 -0400

Great – thank you (b)(6)!

From: (b)(6)  
Sent: Thursday, March 26, 2015 5:02 PM  
To: Blackborow, Davin  
Subject: Items for weekly report

Hi Davin,

Please see below short summaries of the (b)(6) and RWC Group applications for the weekly report.

Thanks,  
(b)(6)

# Non-responsive, separate record

### OFAC denies RWC Group's request to transact with a Russian arms manufacturer owned by Kalashnikov Concern

OFAC provided RWC Group LLC with interpretive guidance related to the status of Izhevsky Mekhanichesky Zavod JSC ("Baikal"), a Russian arms manufacturer of sporting shotguns and air rifles in which OFAC has determined that Kalashnikov Concern, a named blocked entity on the SDN list, has a property interest. OFAC also denied RWC Group's request to unblock (b)(4)

(b)(6)  
Sanctions Licensing Officer  
Licensing Division  
Office of Foreign Assets Control  
U.S. Department of the Treasury

## RE: Weekly Report Items Due - COB Thursday

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**From:** (b)(6)  
**To:** "Blackborow, Davin" (b)(6)  
**Cc:** (b)(6)  
**Date:** Thu, 26 Mar 2015 17:48:42 -0400  
**Attachments:** Unnamed Attachment (129 bytes)

---

Thanks.

(b)(6)  
Tel: (b)(6)  
Dir: (b)(6)  
Fax: 202-622-1759  
(b)(6)

---

**From:** Blackborow, Davin  
**Sent:** Thursday, March 26, 2015 5:48 PM  
**To:** (b)(6)  
**Cc:** (b)(6)  
**Subject:** RE: Weekly Report Items Due - COB Thursday

(b)(6)

Below are two items for the weekly. Please let us know if you need anything else.

Thanks,  
Davin

# Non-responsive, separate record



## OFAC denies RWC Group's request to transact with a Russian arms manufacturer owned by Kalashnikov Concern

OFAC provided RWC Group LLC with interpretive guidance related to the status of Izhevsky Mekhanichesky Zavod JSC ("Baikal"), a Russian arms manufacturer of sporting shotguns and air rifles in which OFAC determined that Kalashnikov Concern, a named blocked entity on the SDN list, has a property interest. OFAC also denied RWC Group's request to unblock (b)(4)

[Applications received by OFAC and OFAC licensing determinations are generally not for public disclosure.]

---

**From:** (b)(6)  
**Sent:** Thursday, March 26, 2015 9:42 AM  
**To:** Galianis, Gregory; Smith, John; Gacki, Andrea; Samara, Mark; Baheri, Leila; (b)(6) Feddo, Thomas; (b)(6)  
(b)(6) Demske, Susan; Battle, John; Manfull, Alexandre; (b)(6)  
(b)(6) Blackborow, Davin  
**Subject:** RE: Weekly Report Items Due - COB Thursday

All,

The weekly report is generally prepared and forwarded across to MT on **Tuesdays by NOON**. Items should be sent to me by the end

2018-08-116: 001147

of the prior week, definitely by Monday.

OFAC is somewhat of the exception on what we report and when. We provide the designations etc., "after the fact" Using Tuesday mornings as the cut-off, designations happening say this week on Wednesday or after will go on next weeks report. Designations on Monday or Tuesday mornings, can go on that current week.

In summary, folks should be preparing items today and tomorrow so that I can prepare the report that will go over on next Tuesday morning.

Everyone, please note, OFAC is routinely late with providing info over to MT. Please help us end this trend by submitting items by Friday.

Thanks.

(b)(6)

---

**From:** Gatjanis, Gregory  
**Sent:** Thursday, March 26, 2015 8:41 AM  
**To:** (b)(6)  
**Sub** Weekly Report Items Due - COB Thursday

(b)(6)

Is this still due today? (b)(5)  
(b)(5)

-----Original Appointment-----

**From:** (b)(6)  
**Sent:** Wednesday, January 16, 2013 1:09 PM  
**To:** (b)(6) Smith, John; Gacki, Andrea; (b)(6) mas; Battle, John; (b)(6)  
(b)(6) Gatjanis, Gregory; Baheri, Leila; (b)(6) Fisch, Eytan; (b)(6)  
**Cc:** (b)(6)  
**Subject:** Weekly Report Items Due - COB Thursday  
**When:** Thursday, March 26, 2015 8:00 AM-8:10 AM (UTC-05:00) Eastern Time (US & Canada).  
**Where:**

**FYI – I have not received any weekly report items for last week's actions (week of May 26). If you have anything to report to TFI, please submit to me ASAP. Thanks!**

Items for the OFAC weekly report are due to (b)(6) (copy (b)(6) ) by COB on Thursdays.

The items should include upcoming/future significant actions, announcements, conferences, speeches, and meetings.

Our report is due to TFI by COB Mondays.

Thank you!



**RE: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1**

---

**From:** (b)(6)  
**To:** (b)(6)  
**Cc:** (b)(6)  
**Date:** Tue, 31 Mar 2015 10:31:07 -0400

Thank you, (b)(6). I'll talk to Davin to see which approach he favors.

(b)(6)

---

**From:** (b)(6)  
**Sent:** Tuesday, March 31, 2015 10:22 AM  
**To:** (b)(6)  
**Cc:** (b)(6)  
**Subject:** RE: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

Attorney-Client Privilege  
Predecisional and Deliberative

+(b)(6)

Hi (b)(6),

(b)(5)  
(b)(5)

We think (b)(5)  
(b)(5)

Thanks,  
(b)(6)

---

**From:** (b)(6)  
**Sent:** Monday, March 30, 2015 7:33 PM  
**To:** (b)(6)  
**Cc:** (b)(6)  
**Subject:** RE: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

Hi (b)(6) and (b)(6):

(b)(5) ?

Thank you,

(b)(6)

---

**From:** Michael Faucette [<mailto:michael.faucette@mbassociateslaw.com>]  
**Sent:** Monday, March 30, 2015 9:31 AM  
**To:** Blackborow, Davin  
**Cc:** (b)(6); [mark.barnes@mbassociateslaw.com](mailto:mark.barnes@mbassociateslaw.com); Barnes; [bobby.malek@mbassociateslaw.com](mailto:bobby.malek@mbassociateslaw.com); Smith, John; Gacki, Andrea; (b)(6)  
**Subject:** Re: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

Mr. Blackborow,

Thank you for your response. In making your determination about the relationship between Baikal and KC, you refer to "other information available to OFAC." Could we please see the full administrative record relating to OFAC's determination of Baikal as owned by KC and accordingly, (b)(4) as blocked property?

Kind Regards,

Mike Faucette  
Attorney at Law

2018-08-116: 001149

Mark Barnes & Associates

1350 1 St. N.W. , Suite 260  
Washington, D.C. 20005  
Tel. (202) 626-0085  
Fax (202) 626-0088

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On Mar 24, 2015, at 5:37 PM, [Davin.Blackborow](#) (b)(6) wrote:

Duplicative of content in Bates Nos. 2018-08-116: 001129-001130





Bates Nos. 2018-08-116:  
001151-001153

Duplicate Content in  
Bates Nos. 2018-08-116:  
001130-001133

**RE: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1**

---

**From:** "Blackborow, Davin" (b)(6)  
**To:** (b)(6)  
**Date:** Tue, 31 Mar 2015 14:20:33 -0400

[In the Licensing context. I don't think](#)

(b)(5)

Let me know what you think.

---

**From:** (b)(6)  
**Sent:** Tuesday, March 31, 2015 10:31 AM  
**To:** Blackborow, Davin  
**Subject:** RE: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

Hi Davin:

(b)(5) ?

(b)(6)

---

**From:** (b)(6)  
**Sent:** Tuesday, March 31, 2015 10:22 AM  
**To:** (b)(6)  
**Cc:** (b)(6)  
**Subject:** RE: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

**Duplicative of content in Bates No. 2018-08-116: 001149**

Bates Nos. 2018-08-116:

001155-001158

Duplicate Content in

Bates Nos. 2018-08-116:

001149-001153

**Re: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1 - Livelink 2199 KB**

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**From:** Michael Faucette <michael.faucette@mbassociateslaw.com>  
**To:** "Blackborow, Davin" (b)(6)  
**Cc:** (b)(6) "mark.barnes@mbassociateslaw.com Barnes" om>, bobby.malek@mbassociateslaw.com, "Smith, John" (b)(6) Gacki, Andrea" (b)(6)  
**Date:** Mon, 06 Apr 2015 17:42:25 -0400  
**Attachments:** RWC-Baikal (b)(4) Letter.pdf - 266 KB (0 bytes); ATT00001.htm - 2 KB (0 bytes); RWC-Baikal Attachment A.pdf - 2 MB (0 bytes); ATT00002.htm - 49 KB (0 bytes)

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Good afternoon, Mr. Blackborow:

Please find attached our letter requesting reconsideration of the status of (b)(4) as blocked property and a formal request for the full administrative record used by OFAC in determining that Baikal is more than 50% owned by KC. Please do not hesitate to contact me if you have any further questions.

Kind Regards,

Mike Faucette  
Attorney at Law

Mark Barnes & Associates

1350 I St. N.W. , Suite 260  
Washington, D.C. 20005  
Tel. (202) 626-0085  
Fax (202) 626-0088

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On Mar 30, 2015, at 9:31 AM, Michael Faucette <[michael.faucette@mbassociateslaw.com](mailto:michael.faucette@mbassociateslaw.com)> wrote:

Duplicative of content in Bates Nos. 2018-08-116: 001149-001150



Bates Nos. 2018-08-116:  
001164-001169

Duplicate Content in  
Bates Nos. 2018-08-116:  
001150-001153

MARK BARNES\*  
CHRISTOPHER THOMAS\*  
TERRI BARSTIS\*\*  
REGINA GONZALEZ†  
JOANNA C. LEWIS\*\*  
MICHAEL FAUCETTE††

\* Also Admitted in Arizona and Alaska  
\* Also Admitted in Arizona



**Mark Barnes & Associates**  
**A T T O R N E Y S**

HEATHER HAMILTON \*\*  
OF COUNSEL

\*\* Also Admitted in Virginia  
† Only Admitted in Ohio  
†† Only Admitted in Maryland

April 6, 2015

Davin J. Blackborow  
Assistant Director for Licensing  
Office of Foreign Assets Control  
U.S. Department of the Treasury

**Re: UKRAINE-EO13661-2014-311648-1: (b)(4)**

Dear Mr. Blackborow,

This letter serves as a response to your March 24, 2015 letter regarding the (b)(4) your client, RWC Group, LLC (RWC) purchased from Izhevsky Mekhanichesky Zavod JSC (Baikal), a Russian sporting shotguns and air rifles manufacturer, in April 2014. For the reasons stated herein, we are not filing a notice of blocked property because we do not believe the property to be subject to an OFAC blocking order.

In your letter, you mentioned that on July 16, 2014, Kalashnikov Concern (KC) was formally placed on the Specially Designated Nationals and Blocked Persons List (SDN list) pursuant to Executive Order 13661, and consequently, its interests in property in the United States were blocked. You also stated that KC has an interest in Baikal, effectively blocking all goods in which Baikal has an interest.

In this letter, we maintain that Baikal has no ownership interest whatsoever in the (b)(4) at the time the sanctions were imposed on July 16, 2014. Instead, the (b)(4) belonged entirely to RWC, a United States corporation in good standing with no affiliation to prohibited SDN list persons or entities. Should OFAC argue that the (b)(4) were only partially owned by RWC and partially owned by Baikal at the time of the sanctions, we nevertheless maintain that the part owned by RWC at the time of the sanctions (b)(4) should be released to RWC.

Additionally, we hereby formally request a copy of the full administrative record used in making the determination that 50% or more of Baikal is owned by KC.



**I. The (b)(4) were owned by RWC before and at the time of the July 16, 2014 sanctions**

In your March 24, 2015 letter, you asserted that Baikal has an ownership interest in the (b)(4) and it was therefore subject to blockage pursuant to Executive Order 13661. We maintain that the entirety of (b)(4) belonged to RWC at the time the U.S. sanctions were imposed and that none of the (b)(4) were subject to a lawful seizure or blockage by the United States Government, as they were paid for prior to July 16, 2014, as discussed below.

**a. The title to (b)(4) were transferred to RWC on (b)(4) before the sanctions were imposed pursuant to the RWC-Baikal contract agreement and the CISG**

Pursuant to the contract between RWC and Baikal, the title and risk of loss to the goods had passed to RWC as soon as (b)(4) moves over the ship's rail at the named port of shipment. In this case, transfer occurred on (b)(4) (b)(4) As the contract specified:

the date of customs declaration in (b)(4) is considered to be the moment of fulfillment of the Seller's obligation on the goods batch delivery. In case of any differences arising on the goods . . . the parties give preferences to FOB- (b)(4)

(See Delivery Dates Clause 4 on Page 2 of RWC-Baikal Contract attached hereto as **Exhibit A**).

With FOB- (b)(4) applying to contract, title to the goods passed to the buyer, RWC, in Russia. Likewise, once (b)(4) was on the Atlantic Ocean en route to the United States, it already belonged to RWC.

The Convention for the International Sale of Goods (CISG), which governs the contract between RWC and Baikal, also confirms our position that RWC was the owner of (b)(4) before and at the time of the sanctions. Article 31(a) of the CISG is the equivalent of clause 4 of the RWC-Baikal contract and states:

[i]f the seller is not bound to deliver the goods at any other particular place, his obligation to deliver consists . . . if the contract of sale involves carriage of the goods - in handing the goods over to the first carrier for transmission to the buyer . . .

(See CISG Art. 31(a)).

Delivery therefore takes place when the seller tenders the goods to the first carrier for transmission to the buyer. In this case, the first carrier was the Maersk shipping line and the goods were delivered to Maersk in Russia at the port of (b)(4) by the



seller, Baikal, on (b)(4). Thus, RWC took delivery of (b)(4) before the sanctions were imposed on July 16, 2014.

**b. RWC owned the (b)(4) because it had already paid in full for the value of its (b)(4)**

Furthermore, the (b)(4) were contracted for in (b)(4) and full payment for them was remitted by RWC on (b)(4). (b)(4) RWC had remitted (b)(4) payments totaling (b)(4) while the value of the (b)(4) was only (b)(4). Thus, RWC had already paid for the (b)(4) before the July 16, 2014 sanctions were imposed. (b)(4) never left Russia as of the date of the sanctions and therefore the payments made towards the (b)(4) originally contracted for were reassocated towards (b)(4) only.

In other words, RWC took delivery of (b)(4) which represented a combined value of (b)(4). At the time the sanctions were imposed, RWC had already remitted (b)(4) to Baikal – an overpayment of (b)(4).

Accordingly, RWC was the outright owner of the (b)(4) before and at the time the July 16 sanctions were imposed, as full payment.

**c. Assuming arguendo that RWC's payment of (b)(4) was to be applied evenly towards (b)(4) RWC nonetheless owned (b)(4)**

In the event OFAC argues that RWC did not entirely own the (b)(4) (b)(4) at the time of the sanctions because it only remitted (b)(4) towards the total (b)(4) purchase price (to be evenly applied towards (b)(4) (b)(4) we maintain that (b)(4) were nonetheless owned by RWC before and at the time of the July 16, 2014 sanctions.

(b)(4)	Value	Arrival in U.S.
(b)(4)		Prior to July, 2014
		(b)(4)
Total for	(b)(4)	

(b)(4)	Never left Russia
Total for	(b)(4)

RWC's Payments to Baikal	Payment Towards
(b)(4)	
Total	(b)(4)

As displayed in the chart provided directly above, as of (b)(4) RWC had remitted a total of (b)(4) towards the purchase of (b)(4). (b)(4) was remitted evenly towards (b)(4) and another (b)(4) was remitted solely towards (b)(4). The calculations bring the total payment towards (b)(4). (b)(4) payment made on July (b)(4) added to that equals (b)(4). Consequently, RWC had paid for and owned outright no less than (b)(4) as of the date of the sanctions (the total value of the (b)(4)).

Accordingly, (b)(4) are not subject to the blockage and should be released to RWC.

### III. Conclusion

Accordingly, we respectfully request OFAC provide us with a full copy of the administrative record related to "other information obtained by OFAC" in which the determination on Baikal and (b)(4) was made. Furthermore, for all the aforementioned reasons, we ask that OFAC reconsiders its position and holds that (b)(4) is no longer subject to seizure or blockage.

Respectfully,

(b)(6)

Michael Faucette  
Mark Barnes & Associates  
Outside Counsel to  
RWC Group, LLC

<sup>1</sup> Although one could attempt to argue that RWC still owes (b)(4) and (b)(4) the remaining obligations of both RWC and Baikal are mutually cancelled due to the force majeure clause in the parties' agreement. It states in pertinent part that "[i]n case of circumstances like . . . acts or actions of state authorities . . . resulting in complete or partial non-performance of obligations by any Party under the present contract . . . any Party has the right to refuse to carry out obligations under the present contract and neither Party shall have the right to claim for compensation of losses, the other party might bear." (See Force Majeure Clause 15 on Page 7 of RWC-Baikal contract attached hereto as Exhibit B). Accordingly, RWC owns (b)(4) (b)(4) with no remaining obligations to tender the outstanding balance of (b)(4) and any monies already remitted towards (b)(4) are merely lost (i.e. Baikal does not have to ship any (b)(4) since its contractual obligations are reneged).



КОНТРАКТ №

(b)(4)

CONTRACT No.

(b)(4)

Ижевск

27.03.2014

Izhevsk

27.03.2014

Открытое акционерное общество "Ижевский механический завод", г. Ижевск, Россия, именуемое в дальнейшем "Продавец", в лице в лице коммерческого директора Управляющей организации Открытого акционерного общества «Концерн «Калашников» Колегова Павла Валерьевича, действующего на основании доверенности № 131 от 06.12.2013 года и Договора передачи полномочий единоличного исполнительного органа ОАО «ИМЗ» управляющей организации ОАО «Концерн «Калашников» № 00328091 от 16.08.2013г., с одной стороны, и компания "РВС Групп ЛЛС", Туллитан, США, именуемая в дальнейшем "Покупатель", в лице директора Эльдада Оза, с другой стороны, заключили заключили настоящий Контракт о нижеследующем:

#### 1. ПРЕДМЕТ КОНТРАКТА

Продавец продает, а Покупатель приобретает на условиях FOB – (b)(4) или FCA – (b)(4) (понимаемых в соответствии с «ИНКОТЕРМС 2010») товар на сумму в количестве, ассортименте, по ценам, указанным в Приложении № 1, являющемся неотъемлемой частью настоящего Контракта.

Покупатель имеет право обращаться к Продавцу с целью внесения поправок в Приложение №1 к контракту. В этом случае обе стороны обязуются должным образом подготовить необходимые дополнительные документы, при условии, что производственные возможности Продавца позволяют достичь намеченных показателей по производству продукции.

Дальнейшее изменение суммы, количества, ассортимента и цен, указанных в Приложении №1 к Контракту, оговаривается сторонами в последующих приложениях/дополнительных соглашениях к настоящему Контракту, которые также являются неотъемлемой частью Контракта.

#### 2. УСЛОВИЯ ПОСТАВКИ

Покупатель обязуется продавать поставляемый по настоящему Контракту товар на территории США и Канады. Продажа Покупателем товара на иной территории, разрешается только с письменного согласия Продавца. Ежемесячно, до 10 числа каждого месяца, Покупатель обязуется предоставлять подробный план поставок на три

Joint-Stock Company "Izhevsky Mekhanichesky Zavod", Izhevsk, Russia, hereinafter referred to as The Sellers, in the person of Pavel V. Kolegov, commercial director of the Managing Organization - the Open Joint-Stock Company "Concern "Kalashnikov", acting under the Letter of Authorization № 131 dd. 06.12.2013 and the Contract of delegation of the Power of a Sole Executive Body of JSC "IMZ" to the Managing Organization - OJSC "Concern "Kalashnikov" № 00328091 dd.16.08.2013, on the one hand, and Company "RWC Group LLC", Tullytown, USA, hereinafter referred to as The Buyers, in the person of Eldad Oz, President, on the other hand, the present contract regarding the following:

#### 1. SUBJECT OF A CONTRACT

The Sellers will sell and the Buyers will purchase the goods, subject to FOB – (b)(4) or FCA – (b)(4) terms of delivery (in compliance with «INCOTERMS 2010»), to the total amount, in quantity, assortment, at the prices, stipulated in the Appendix №1, which is the integral part of the present Contract.

The Buyers shall have the right to approach the Sellers for the purpose of amending the Appendix № 1 to the contract. In this case both parties shall diligently prepare necessary amendment documents to the extent the Sellers' production capabilities permit it to meet new production goals.

Further alteration of the total amount, quantity, assortment and prices stipulated in the Appendix №1 to the Contract, are to be specified by the Parties in consequential appendixes/ additional agreements to the present Contract considered to be its integral part as well.

#### 2. TERMS OF DELIVERY

The Buyers commit to sell the goods, shipped under the present Contract within the USA and Canada.

Sales by the Buyers in the other territories are allowed only by the written authority of the Sellers.

Every month before the 10<sup>th</sup> day of each month the Buyers shall submit the detailed delivery plan for the next three months, where first,

последующих месяца, где первый, второй и третий месяцы считаются фиксированным заказом, а четвертый и последующие месяцы могут быть скорректированы.

### 3. ЦЕНА И ОБЩАЯ СУММА КОНТРАКТА

Стороны устанавливают следующий механизм формирования цены и порядок исполнения денежного обязательства:

3.1. Цены на товары устанавливаются в долларах США и включают согласно условиям FOB – (b)(4) стоимость тары, упаковки, маркировки, доставки до г. (b)(4) и расходы в порту (b)(4).

Цены на товары согласно условиям FCA – (b)(4) стоимость тары, упаковки, маркировки и доставки до г. (b)(4). Оплату услуг экспедитора и расходов в аэропорту г. (b)(4) экспедитору по счету, выставленному экспедитором.

3.2. На дату подписания контракта общая (b)(4)

Цены на товары установлены Сторонами на дату подписания настоящего контракта. Продавец может изменить цены по согласованию с Покупателем, о чем предупредит Покупателя за 60 дней до планируемого поднятия цены.

### 4. СРОКИ ПОСТАВКИ

Поставка товара по настоящему Контракту должна быть произведена в срок до (b)(4)

Моментом исполнения обязательств Продавца по поставке партии Товара считается дата таможенного оформления в г. (b)(4). В случае возникновения разногласий по вопросу перехода права собственности на Товар, стороны отдадут предпочтение условиям FOB – (b)(4) (b)(4) или FCA – (b)(4) (понимаемым в соответствии с «ИНКОТЕРМС 2010»).

### 5. КАЧЕСТВО ТОВАРА

Качество товара должно соответствовать техническим условиям завода-изготовителя или образцам, согласованным с (b)(4)

(b)(4) в течение 12 (двенадцати) месяцев с даты приобретения ружей конечным покупателем, зарегистрированной в форме BATF 4473 (передачи от розничного продавца конечному покупателю) (b)(4) (b)(4) в течение 12 (двенадцати) месяцев с даты приобретения

second and third months are considered to be firm orders and the fourth month and beyond can be further adjusted.

### 3. PRICES AND TOTAL OF THE CONTRACT

The Parties are establishing the following mechanism of forming the prices and the procedure of fulfilling the monetary obligation:

3.1. Prices for the goods are established in USD, and include on FOB – (b)(4) terms of delivery the cost of the tare, packaging, marking, delivery to (b)(4) and charges in (b)(4).

Prices on FCA – (b)(4) terms of delivery include the cost of the tare, packaging, marking and transportation to (b)(4). The Buyer should pay to the forwarder for the forwarder services and charges in (b)(4) (b)(4) under the invoice issued by the forwarder.

3.2. For the moment of signing the contract the total of the contract amounts (b)(4)

The prices for the goods are established by the Parties for the date of signing the Contract. In case of probable price indexation within the validity period of the Contract the Sellers may change the prices to its increase if agreed by the Buyers and will inform the Buyers about price change 60 days prior to the price change.

### 4. DELIVERY DATES

Shipment of goods is to be effected till (b)(4)

The date of customs declaration (b)(4) is considered to be the moment of fulfillment of the Sellers obligation on the goods batch delivery. In case of any differences arising on the Goods property, passing the Parties give preference to FOB – (b)(4) or FCA – (b)(4) terms of delivery (in compliance with «Incoterms 2010»).

### 5. QUALITY OF GOODS

The quality of goods should conform to the technical specification of the manufacturing factory or samples approved by the Buyers. The Sellers guarantee the quality of (b)(4)

(b)(4) within 12 (twelve) months from the date any gun is purchased by its end-user as documented by a BATF Form 4473 (from retailer to end-user), and of (b)(4) (b)(4) within 12 (twelve) months from the date any product is purchased by its end-user as documented by proof of purchase.



товара конечным покупателем в соответствии с документом, подтверждающим покупку. Гарантийный период 12 (двенадцать) месяцев сохраняется в случае расторжения контракта по любой причине.

The 12 (twelve) months warranty survives the termination of this contract for any reason.

(b)(4)  
(b)(4) 12 (двенадцать) месяцев с даты приобретения товара конечным покупателем, зарегистрированной в форме BATF 4473 (передачи от розничного продавца конечному покупателю).

For the goods with (b)(4)  
(b)(4) is 12 (twelve) months from the date any product is purchased by its end-user as documented by a BATF Form 4473 (from retailer to end-user).

**6. МАРКИРОВКА**  
«RWC GROUP LLC»  
911 WILLIAM LEIGH DR., TULLYTOWN, PA  
19007 USA  
Made in Russia  
"IZHEVSKY MEKHANICHESKY ZAVOD"  
Baikal  
8, Promyshlennaya Str.  
Izhevsk, Russia. 426063

**6. MARKING**  
«RWC GROUP LLC»  
911 WILLIAM LEIGH DR., TULLYTOWN, PA  
19007 USA  
Made in Russia  
"IZHEVSKY MEKHANICHESKY ZAVOD"  
Baikal  
8, Promyshlennaya Str.  
Izhevsk, Russia. 426063

Упаковочный лист, (b)(4)

Packing list indicating (b)(4)

(b)(4)  
Номер короба в соответствии с упаковочным листом.  
Все изделия должны иметь маркировку на стволе и/или на ствольной коробке:  
RWC GROUP LLC TULLYTOWN PA USA  
Наименование модели Товара на английском языке  
Concern Kalashnikov  
(b)(4)  
IMZ RUSSIA  
Серийный номер

(b)(4)  
Carton number, in accordance with packing list.  
All products are to have the following markings on the barrel and/or on the receiver:  
RWC GROUP LLC TULLYTOWN PA USA  
Model Name in English  
Concern Kalashnikov  
(b)(4)  
IMZ RUSSIA  
Serial #

(b)(4)  
коробке должна быть отчетливой, читаемой, на английском языке, глубина маркировки – не менее .003" высота букв – не менее .125".  
(b)(4) оружие должно иметь маркировку "Read Owners Manual before use".  
Маркировка индивидуальной упаковки должна включать:  
MODEL: (наименование модели Товара на английском языке)  
SERIAL NUMBER: \_\_\_\_\_  
(серийный номер)

(b)(4)  
shall be clear and legible and in English. Depth to be as a minimum .003" and height as a minimum .125".  
Every (b)(4) should have marking "Read Owners Manual before use".  
Individual box marking should include:  
MODEL: (denomination of the Goods model in English)  
SERIAL NUMBER \_\_\_\_\_

#### 7. СДАЧА И ПРИЕМКА ТОВАРА

Товар считается сданным Продавцом и принятым покупателем:  
По количеству – согласно количеству мест и весу, указанным в авианакладной или коносаменте, инвойсе, упаковочном листе.  
Продавец работает с экспедитором, одобренным Покупателем.

#### 7. DELIVERY AND ACCEPTANCE OF GOODS

The goods are considered to be delivered by the Sellers and accepted by the Buyers:  
Per quantity - in accordance with the number of packages and weight stated in the Airway Bill or Bill of Lading, Invoice, Packing list.  
The Sellers shall work with a forwarding agent, approved by the Buyers.

#### 8. ФОРМА РАСЧЕТОВ

Платеж за отгружаемый товар производится банковским переводом на счет Продавца с обязательным подтверждением этого факта копией платежного поручения:

INTERMEDIARY BANK:

(b)(4)

#### 8. TERMS OF PAYMENT

Payment for the goods shipped shall be made by the bank transfer to the Seller's account with obligatory confirmation of this fact by a copy of payment order:

INTERMEDIARY BANK:

(b)(4)

(b)(4)

(a) В течение 5 (пяти) рабочих дней после направления Продавцом уведомления о начале производства продукции в соответствии с планом поставок Покупателя Покупатель производит оплату (b)(4) от стоимости отгружаемой партии товара;

(b) В течение 5 (пяти) рабочих дней после направления Продавцом уведомления о готовности партии товара в соответствии с планом поставок Покупателя Покупатель производит дополнительно оплату (b)(4) от стоимости отгружаемой партии товара. Партия товара должна быть готова к отгрузке не позднее, чем через 8 (восемь) недель с момента произведения первоначального платежа (b)(4) если в заказ не вносилось изменений;

(c) В течение 3 (трех) рабочих дней после направления Продавцом уведомления о Продавца о таможенном декларировании и помещении на борт судна (что подтверждается отгрузочной ведомостью и коносаментом) партии товара в соответствии с планом поставок Покупателя Покупатель производит оплату оставшихся (b)(4) от стоимости отгружаемой партии товара;

(d) В течение 3 (трех) рабочих дней с момента произведения каждого платежа Покупатель направляет Продавцу электронной почтой копию платежного документа с отметкой банка о перечислении денежных средств;

(e) Все банковские комиссии и сборы, взимаемые при осуществлении платежа, относятся на Покупателя и оплачиваются за его счет.

Моментом исполнения обязательства по оплате считается дата поступления на расчетный счет Продавца (b)(4) суммы, указанной в инвойсе.

Покупатель обязан в платежных документах указывать номер и дату Контракта, номер и

(a) Within 5 (five) business days after the Seller's notification that the Sellers have commenced the manufacture of goods, corresponding to the Buyers' delivery plan, the Buyers shall prepay (b)(4) of the price of goods to be shipped;

(b) Within 5 (five) business days after the Seller's notification that the goods corresponding to the Buyers' delivery plan have been completed, the Buyers shall pay an additional (b)(4) of the price of goods to be shipped. Completion should occur no later than 8 (eight) weeks after the date of initial (b)(4) payment unless there has been a state order;

(c) Within 3 (three) business days after the Seller's notification that the goods corresponding to the Buyers' delivery plan have cleared customs and have been placed on board (as evidenced by the shipping list and bill of lading), the Buyers shall pay the remaining (b)(4) of the price of shipped goods.

(d) Within 3 (three) business days following the date of each payment, the Buyers shall forward to the Sellers by electronic mail the copy of payment document with the bank mark of money transfer.

(e) All the bank commissions and duties charged while paying are effected at the Buyers' expense.

Date of entry of (b)(4) of payment amount, indicated in the invoice, to the Seller's account is considered as the moment of fulfillment of payment liabilities.

The Buyers shall stipulate the number and date of the Contract, number and date of invoice in



дату инвойса

payment documents

#### 9. ИЗВЕЩЕНИЕ ОБ ОТГРУЗКЕ

За 24 часа до отправки товара из (b)(4) Продавец направляет Покупателю по факсу или электронной почтой (b)(4) и данные о грузе, по согласованному инвойсу. Продавец направляет Покупателю по электронной почте в течение 48 часов с даты отправки товара из г. (b)(4) следующие документы:

- сертификат происхождения товара GSP;
- экспортную лицензию;
- Продавец при поставке Товара обязуется передать с Товаром следующие документы:
  - транспортная накладная - 1 оригинал, 2 копии;
  - отгрузочная спецификация — 1 оригинал;
  - сертификат качества — 1 оригинал;
  - подтвержденный инвойс — 1 оригинал;
  - список (b)(4) (b)(4) 1 оригинал;
  - подтверждение происхождения товара, выданное Продавцом - 1 оригинал;

#### 10. ЛИЦЕНЗИЯ НА ИМПОРТ

Покупатель обязан получить импортную лицензию, если таковая необходима. Если Покупатель не получит импортную лицензию в течение двух месяцев с даты подписания контракта, Продавец имеет право аннулировать эту сделку без каких-либо обязательств со своей стороны.

Покупатель обязан информировать Продавца о получении импортной лицензии немедленно.

Для оформления разрешения на вывоз из России в ДООП МВД РФ Покупатель предоставляет не менее чем за 45 дней до отгрузки следующие документы:

- свидетельство о регистрации фирмы;
- лицензия на торговлю;
- импортная лицензия.

#### 11. ГАРАНТИИ

Продавец гарантирует, что товар будет изготовлен в соответствии с характеристиками данного контракта и стандартами ПМК.

#### 12. РЕКЛАМАЦИИ

Претензии по внутритарной недостатке могут быть заявлены в течение 180 дней с даты поступления на склад покупателя или его клиента и должны быть подтверждены актом,

#### 9. SHIPMENT NOTIFICATION

24 hours prior to dispatch of goods from (b)(4) the Sellers shall send to the Buyers by fax or by e-mail (b)(4) and cargo information, as per the confirmed invoice. The Sellers shall send to the Buyers the following documents within 48 hours prior to delivery of goods from (b)(4)

- Certificate of origin GSP;
- Export license;

Together with the Goods the Sellers should forward the originals of the following documents to the Buyer:

- Way Bill- 1 original, 2 copies;
- Shipping Specification – 1 original;
- Quality Certificate – 1 original;
- Confirmed Invoice – 1 original;
- List of (b)(4) – 1 original;
- Confirmation of Origin issued by the Sellers – 1 original;

#### 10. IMPORT LICENSE

The Buyers shall obtain the Import License, if necessary. Should the Buyers fail to obtain the Import License in the course of two months from the date of signing the Contract, the Sellers have the right to cancel the transaction without any obligations on their part.

The Buyers shall immediately inform the Sellers on obtaining the Import License.

For obtaining the Russian export permit, issued by the Ministry of Internal Affairs of RF the Buyers submit the following documents at least 45 days prior to shipment:

- company's registration certificate;
- trade license;
- import license

#### 11. GUARANTEES

The Sellers guarantee, that goods under the present contract shall be manufactured in accordance with specifications of the present contract and to CIP standards.

#### 12. CLAIMS

Claims for shortage in packages can be made in the course of 180 days from the delivery date of delivery of goods to the Buyers' or their client's warehouse and shall be confirmed by a Report by an independent expert organization.

составленным независимой экспертной организацией.

Предъявление претензии, связанной с отправкой товара не является для Покупателя основанием для отказа от продукции той отправки, по которой предъявлена претензия, а также других отправок по данному Контракту, если Продавец устранил причину претензии. Если Продавец не примет окончательного решения в отношении претензии в течение 60 дней с даты её получения, Продавец должен предоставить импортную лицензию, а Покупатель имеет право вернуть некачественный товар с оплатой фрахта и страховки Продавцом на адрес, указанный Продавцом во время рассмотрения претензии.

После возвращения некачественного товара Покупателем, Продавец обязан возместить Покупателю сумму за возвращенный товар, но в таком случае Продавец не освобождается от своих обязательств по поставке товара требуемого качества на сумму инвойса. Все расходы по проверке качества и количества товара на месте назначения за счет Покупателя. Рекламационные акты должны составляться на каждую отдельную партию товара. Под партией товара понимается товар, поступивший по одному транспортному документу.

Продавец не несет ответственности за изменения качества и недостачу, которые могут возникнуть во время транспортировки товара.

### 13. УРЕГУЛИРОВАНИЕ СПОРОВ С УЧАСТИЕМ ПОСРЕДНИКА И АРБИТРАЖ

13.1 Все споры, разногласия или требования, возникающие из настоящего контракта или в связи с ним, в том числе касающиеся его исполнения, нарушения, прекращения или недействительности, подлежат разрешению с участием посредника в (b)(4)

(b)(4) в соответствии с предусмотренными правилами. После направления предварительного уведомления о необходимости разрешения спора одной из сторон, Покупатель организует процедуру урегулирования споров с участием посредника и сообщает Продавцу о месте и времени её проведения. Вся процедура должна быть конфиденциальной, а все решения, предложенные посредником, не являются обязательными к исполнению. В требуемых случаях, посредник может обратиться к материальному праву Российской Федерации. Язык процедуры урегулирования споров с участием

The submission of a claim in connection with a shipment of goods shall not be the ground for the Buyers' refusal to accept the goods under the claimed delivery, as well as of other deliveries under this Contract.

If the Sellers do not make a final decision regarding the claim within 60 days upon its receipt, the Sellers must supply an import license and the Buyers are authorized to return the rejected goods, with the cost of freight and insurance at the Sellers' expenses to the address specified by the Sellers during consideration of the claim.

After the Buyers return the improper goods, the Sellers are obliged to return the funds for the returned goods, however in such case the Sellers shall not be released from their obligations to supply goods of proper quality to the amount of the invoice. All expenses for checking quality and quantity of goods at the destination are for the Buyers' account. Claim Reports shall be made up for each individual lot of the goods. The goods received under a single transport document are considered as a lot of the goods

The Sellers bear no responsibility for any change in quality or shortage, which may occur during the transportation of the goods.

### 13. MEDIATION AND ARBITRATION

13.1 All disputes, disagreements or demands, arising out of or in connection with this Contract, as well as connected with its performance, violation, termination or invalidity shall be resolved by mediation conducted in (b)(4) utilizing a local mediation organization in accordance with rules and procedures thereof. Upon notice of dispute by any party, the Buyers shall initiate mediation and shall notice the Sellers of the place and time of the proposed mediation. All proceedings in mediation shall be confidential and no finding or recommendation by mediation shall be binding on the parties hereto. To the extent necessary, mediator shall apply substantive law of Russian Federation. The language of mediation shall be English.



посредника — английский.

13.2 В случае, если споры не удастся разрешить с участием посредника, они подлежат разрешению с помощью арбитражного разбирательства в Международном коммерческом арбитражном суде, в Торгово-промышленной палате РФ в соответствии с предусмотренными правилами. Для урегулирования любых споров, возникающих из настоящего контракта или по поводу настоящего контракта, стороны применяют материальное право Российской Федерации. Язык арбитражного разбирательства — русский.

#### 14. САНКЦИИ

В случае отказа от заявленного и изготовленного по контракту товара, либо невыборки товара в сроки, предусмотренные контрактом, Покупатель обязан выплатить неустойку в размере (b)(4) от стоимости товара, не полученного в связи с отказом или невыборкой.

Действия Покупателя не будут рассматриваться как несоблюдение обязательств по настоящему контракту, если в течение срока действия настоящего контракта (а) Продавец не поставяляет товар в достаточных объемах в соответствии с планом поставок, описанным в разделе 2 настоящего контракта или (б) Продавец не в состоянии поставить товар, запрошенный Продавцом в заказе на поставку.

#### 15. ФОРС-МАЖОР

При наступлении обстоятельств невозможности полного или частичного исполнения любой из сторон обязательств по настоящему Контракту, а именно: пожара, стихийных бедствий, войны, военных операций любого характера, блокады, актов или действий государственных органов, или других не зависящих от сторон обстоятельств, в том числе существенное изменение экономической ситуации, что приведет к неприбыльности контракта, срок исполнения обязательств отодвигается соразмерно времени, в течение которого будут действовать такие обстоятельства. Если такие обстоятельства будут продолжаться более 3 месяцев, каждая из сторон будет иметь право отказаться от дальнейшего исполнения обязательств по контракту, и в этом случае ни одна из сторон не будет иметь права на возмещение другой стороной возможных убытков. Сторона, для которой создалась невозможность исполнения обязательств по контракту, должна о наступлении и прекращении

13.2 To the extent any dispute is not resolved through mediation, it shall be subject to binding arbitration at the International Commercial Arbitration Court at the RF Chamber of Commerce and Industry in accordance with its rules. For settling any disputes, arising out of the present Contract or in connection therewith, the Parties shall apply the substantive law of the Russian Federation. The language of arbitration shall be Russian.

#### 14. PENALTIES

In case the Buyers refuse of the offered goods manufactured under the Contract or will not purchase the goods within the dates stipulated by the Contract, the Buyers are obliged to pay the penalty at the rate of (b)(4) from the cost not received in connection with refusal or non-acceptance of the goods.

The Buyers shall not be deemed in breach of this Contract if, during the validity period of this Contract (a) the Sellers do not allocate sufficient quantities of Products to the Buyers in accordance with the delivery plan described in the section 2 of the present contract or (b) the Sellers fail to deliver the goods requested in purchase orders of the Buyers.

#### 15. FORCE MAJEUR

In case of circumstances like fire, natural disasters, wars, military operations of any kind, blockage, including significant changes of economic situation, that leads to unprofitability of this contract, acts or actions of state authorities or any other circumstances beyond the Parties' control resulting in complete or partial non-performance of obligations by any Party under the present contract, performance of obligations is extended correspondingly for the period of time of action of these circumstances. If such circumstances last for more than 3 months, any Party has the right to refuse to carry out obligations under the present contract and neither Party shall have the right to claim for compensation of losses, the other Party might bear.

The Party for which the performance of obligations under the present contract became impossible shall immediately notify in writing the

обстоятельств, препятствующих исполнению обязательств, немедленно извещать другую сторону. Надлежащим доказательством наличия указанных выше обстоятельств и их продолжительности будут служить справки, выдаваемые соответственно торговой палатой страны Продавца или Покупателя.

#### 16. ПРОЧИЕ УСЛОВИЯ

Продавец обязан предоставить Покупателю по его просьбе и за его счет сертификат страны происхождения товара. Товаросопроводительная и эксплуатационная документация должна быть выполнена на английском языке.

16.1. Все сборы, налоги, таможенные сборы и банковские комиссии на территории РФ оплачивает Продавец, а вне РФ оплачивает Покупатель.

16.2 Разгрузка в порту назначения, включая выгрузку из трюма, лихтеровку и укладку на причал производится Покупателем и за его счет.

При перевозке грузов в контейнерах доставка контейнеров на терминал в порту назначения, их распаковка и возврат порожних контейнеров к борту судна, а также погрузка их на борт судна оплачивается грузополучателем.

16.3 Ни одна из сторон не имеет право передавать свои права и обязанности по настоящему контракту третьим лицам без письменного на то согласия другой стороны.

16.4. Все изменения и дополнения к настоящему Контракту действительны, если они совершены в письменной форме и подписаны обеими сторонами. С момента подписания настоящего Контракта все предыдущие переговоры и переписка по нему теряют силу.

16.5. По данному Контракту возможен обмен документами по факсу и электронной почте, при этом факсимильные копии будут иметь такую же юридическую силу, что и оригинальные.

16.6 Местом заключения контракта является г. (b)(4). Настоящий Контракт составлен на русском и английском языках, причем оба варианта идентичны по значению и не имеют никаких различий за исключением языка, оба имеют одинаковую юридическую силу. В случае возникновения разногласий при толковании условий настоящего контракта, преимущественную силу имеют условия контракта, изложенные на русском языке.

16.7 Настоящий контракт вступает в силу с момента подписания и действует до (b)(4)

16.8. Покупатель или продавец имеют право

other Party of the beginning and cessation of the above circumstances. Certificate of Chamber of Commerce of the respective country shall be a sufficient proof of commencement and cessation of the above circumstances.

#### 16. OTHER CONDITIONS

The Sellers are obliged to submit to the Buyers on their request and account the Certificate of Origin of the goods.

The shipping documents and user manuals shall be made in English language.

16.1. All dues, taxes, custom duties and bank commissions levied in the territory of the Russian Federation - are paid by The Sellers, outside of Russian Federation by The Buyers.

16.2. Discharging at the port of destination, including unloading from the holds, lighterage and stowage on the wharf are effected by the Buyers and at their expense.

If the shipment is made in containers: delivery of containers to the terminal at the port of destination, their unpacking and return of empty containers to board of vessel and loading aboard are paid by the consignee.

16.3. Neither Party has the right to assign its rights and obligations under the present Contract to any third Party without written consent thereto of the other Party.

16.4. Any amendments and supplements to the present Contract are valid only if made in written and signed by both Parties. From the moment of signing the present Contract all preceding negotiations and correspondence in reference to this contract become null and void.

16.5. Documents regarding the present contract can be exchanged via fax or by e-mail, both facsimile copies and originals being equally legally effective.

16.6. City of (b)(4) is regarded as the place of conclusion of the Contract. The present Contract is made up in Russian and in English, both texts being equally valid, and have no differences except language. In case of disagreements in interpretation of the Contract terms, the preference have the terms of Contract exposed in Russian.

16.7. The present contract comes into force from the date of signing and is valid till (b)(4)

16.8. The Buyers or The Sellers can cancel the



расторгнуть контракт по любой причине, известив об этом другую сторону за 6 месяцев до даты расторжения контракта без возмещения понесенных убытков.

16.9. В случае намерения аннулировать настоящий Контракт, по какой-либо причине и в соответствии с установленными выше процедурами, одна из сторон должна уведомить другую за 30 дней, а также сообщить причину аннулирования. В течение этих 30 дней, обе стороны должны проводить работы по устранению причины аннулирования. Сторона, послужившая инициатором аннулирования, не имеет права необоснованного отказа от возможного решения по устранению причины аннулирования в течение этих 30 дней.

#### 17. ЮРИДИЧЕСКИЕ АДРЕСА И РЕКВИЗИТЫ СТОРОН

##### ПРОДАВЕЦ:

ОАО «Ижевский Механический Завод»,  
426063, г. Ижевск, Россия  
ул. Промышленная, 8  
Тел.: + 7 3412 66 11 51  
Факс.: + 7 3412 66 58 30

##### ПОКУПАТЕЛЬ:

RWC Group LLC  
Адрес: 911 William Leigh Dr., Tullytown,  
PA 19007 USA  
Тел.: +1-215-949-9944,  
Факс: +1-215-949-9191

ПРОДАВЕЦ/THE SELLERS:

(b)(6)



contract for any reason with a six month notice before the date of cancellation without recovering losses.

16.9. In case of intention to terminate this contract for any reason and as allowed by the above procedures, either party must give the other party 30 days notice and the reason for termination. During this 30-day period, both parties must work toward a remedy of the termination. The terminating party may not unreasonably refuse a resolution to the termination during the 30-day period.

#### 17. REGISTERED ADDRESSES AND REQUISITES OF THE PARTIES

##### SELLERS:

"Izhevsky Mekhanichesky Zavod" JSC,  
8, Promyshlennaya Str.  
Izhevsk, 426063, Russia  
Tel.: + 7 3412 66 11 51  
Fax: + 7 3412 66 58 30

##### BUYERS:

RWC Group LLC  
Address: 911 William Leigh Dr., Tullytown,  
PA 19007 USA  
Tel.: +1-215-949-9944,  
Fax: +1-215-949-9191

ПОКУПАТЕЛЬ/THE BUYERS:

(b)(6)

*Eldred Oz*

*3/30/14*



Bates Nos. 2018-08-116:  
001183-001185  
Withheld in Full  
Pursuant to (b)(4)

ДОПОЛНИТЕЛЬНОЕ СОГЛАШЕНИЕ № 1  
ОТ (b)(4) К КОНТРАКТУ № (b)(4)  
между  
ОАО «Ижевский Механический Завод» и  
компанией "RWC Групп ЛЛС"

Открытое акционерное общество "Ижевский механический завод", г. Ижевск, Россия, именуемое в дальнейшем "Продавец", в лице в лице коммерческого директора Управляющей организации Открытого акционерного общества «Концерн «Калашников» Колегова Павла Валерьевича, действующего на основании доверенности № 131 от (b)(4) года и Договора передачи полномочий единоличного исполнительного органа ОАО «ИМЗ» управляющей организации ОАО «Концерн «Калашников» № 00328091 от (b)(4) с одной стороны, и компания "RWC Групп ЛЛС", Туллиттаун, США, именуемая в дальнейшем "Покупатель", в лице директора Эльдада Оза, с другой стороны, заключили настоящее дополнительное соглашение о нижеследующем:

1. Изменить Раздел 6 «Маркировка» Контракта на «Маркировка и упаковка», изложив его в следующей редакции:

Упаковка — стандартная картонная тара.

Маркировка на ярлыке общего картонного короба и индивидуального короба всех изделий должна включать:

«RWC Group LLC»  
911 William Leigh Dr., Tullytown,  
PA 19007 USA  
Made in Russia  
Concern Kalashnikov  
Izhevsky Mekhanichesky Zavod  
Baikal  
8, Promyshlennaya Str.  
Izhevsk, Russia 426063  
Штрих-коды (b)(4)

(b)(4)

(b)(4)

(b)(4) оружие должно иметь

(b)(4)

RWC TULLYTOWN PA  
(b)(4)  
Concern Kalashnikov  
Baikal  
(b)(4)  
IMZ RUSSIA  
(b)(4)

ADDITIONAL AGREEMENT № 1 OF  
TO THE CONTRACT No (b)(4)  
between  
JSC «Izhevsky Mekhanichesky Zavod» and "RWC  
Group LLC"

Joint-Stock Company "Izhevsky Mekhanichesky Zavod", Izhevsk, Russia, hereinafter referred to as The Sellers, in the person of Pavel V. Kolegov, commercial director of the Managing Organization - the Open Joint-Stock Company "Concern "Kalashnikov", acting under the Letter of Authorization № 131 dd. (b)(4) and the Contract of delegation of the Power of a Sole Executive Body of JSC "IMZ" to the Managing Organization - JSC "Concern "Kalashnikov" № 00328091 (b)(4) on the one hand, and Company "RWC Group LLC", Tullytown, USA, hereinafter referred to as The Buyers, in the person of Eldad Oz, President, on the other hand, have concluded this Additional Agreement to the following effect:

1. To change the Chapter 6 «Marking» of the Contract to «Marking and Packing», setting it as follows:

Package — standard carton boxes.

Marking of master carton label and individual box of all products should include:

«RWC Group LLC»  
911 William Leigh Dr., Tullytown,  
PA 19007 USA  
Made in Russia  
Concern Kalashnikov  
Izhevsky Mekhanichesky Zavod  
Baikal  
8, Promyshlennaya Str.  
Izhevsk, Russia 426063  
Bar-codes (with (b)(4)

(b)(4)

(b)(4) are to have the following markings on

(b)(4)

RWC TULLYTOWN PA  
(b)(4)  
Concern Kalashnikov  
Baikal  
(b)(4)  
IMZ RUSSIA  
(b)(4)

Маркировка «Concern Kalashnikov» и «Baikal»

(b)(4)

Для нижеуказанных нарезных ружей должна быть предусмотрена двойная маркировка

(b)(4)

(b)(4) огнестрельного оружия должна быть отчетливой, читаемой, на английском языке, глубина маркировки – не менее .003", высота букв – не менее .125".

Все (b)(4) должно иметь маркировку:

Наименование модели  
Concern Kalashnikov *Baikal*

(b)(4)

Read Owners Manual before use  
Made in Russia

2. Сумма контракта не изменится.

3. Данное соглашение считать неотъемлемой частью контракта (b)(4) от 27.03.2014г.

ПРОДАВЕЦ  
THE SELLERS

«Concern Kalashnikov» and «Baikal» (b)(4)  
(b)(4) should be placed along (b)(4)  
(b)(4)

The dual marking of model should be provided for the following (b)(4)

(b)(4)

The marking on the (b)(4)  
(b)(4) shall be clear and legible and in English. Depth to be as a minimum .003" and height as a minimum .125".

Every (b)(4) should have marking:

Model Name  
Concern Kalashnikov *Baikal*

(b)(4)

Read Owners Manual before use  
Made in Russia

2. The Contract amount will remain unchanged.

3. This Agreement is an integral part of the contract (b)(4) of 27.03.2014.

ПОКУПАТЕЛЬ  
THE BUYERS

(b)(6)



✓ Pres.  
5/21/14



## RWC Group LLC

911 William Leigh Dr.  
Tullytown, PA 19007  
Tel 215 949-9944  
Fax 215 949-9191

# Purchase Order



DATE:  
Purchase  
Order #

(b)(4)

Bill To &  
Ship To: RWC Group LLC  
911 William Leigh Dr  
Tullytown, PA 19007  
215 949-9944

Vendor: Izhevsky Mekhanichesky Zavod  
8 Promyshlennaya Str  
Izhevsk 426063

Comments or Special Instr

Purchaser	P.O. NUMBER	SHIP DATE	SHIP VIA	F.O.B. POINT	TERMS
JP	(b)(4)	(b)(4)	Ocean	See Below	See Below

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
----------	-------------	------------	--------

(b)(4)

	SUBTOTAL	(b)(4)
	TAX RATE	
	SALES TAX	-
	SHIPPING & HANDLING	
	TOTAL	

Incoterms 2010

Ship to:

FOB:

Payment terms:

(b)(4)

(b)(4)

(b)(4)

## RWC Group LLC

911 William Leigh Dr  
Tullytown, PA 19007  
Tel 215 949-9944  
Fax 215 949-9191

# Purchase Order



DATE:  
Purchase  
Order #

(b)(4)

Bill To &  
Ship To: RWC Group LLC  
911 William Leigh Dr  
Tullytown, PA 19007  
215 949-9944

Vendor: Izhevsky Mekhanichesky Zavod  
8 Promyshlennaya Str  
Izhevsk 426063

Comments or Special Instr

Purchaser	P.O. NUMBER	SHIP DATE	SHIP VIA	F.O.B. POINT	TERMS
JP	(b)(4)	(b)(4)	Ocean	See Below	See Below

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
(b)(4)			
		SUBTOTAL	(b)(4)
		TAX RATE	
		SALES TAX	-
		SHIPPING & HANDLING	
		TOTAL	

Incoterms 2010  
Ship to (b)(4)  
FOB: (b)(4)  
Payment terms: (b)(4)



# RWC Group LLC

911 William Leigh Dr.  
Tullytown, PA 19007  
Tel 215 949-9944  
Fax 215 949-9191

## Purchase Order



DATE:  
Purchase  
Order #

(b)(4)

Bill To &  
Ship To: RWC Group LLC  
911 William Leigh Dr  
Tullytown, PA 19007  
215 949-9944

Vendor: Izhevsky Mekhanichesky Zavod  
8 Promyshlennaya Str  
Izhevsk 426063

Comments or Special Instr

Purchaser	P.O. NUMBER	SHIP DATE	SHIP VIA	F.O.B. POINT	TERMS
JP		(b)(4)	Ocean	See Below	See Below

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
(b)(4)			

Incoterms 2010  
768 Ship to:  
FOB:  
Payment terms:

(b)(4)  
(b)(4)

SUBTOTAL  
TAX RATE  
SALES TAX  
SHIPPING & HANDLING  
TOTAL

(b)(4)

OT : BAIKAL

DRAK NO. : (b)(4)

100238-00  
H001. 02 2013 12:50 CTP2Joint-Stock Company "IZHEVSKY MEKHANICHESKY  
ZAVOD"  
426063, RUSSIA, IZHEVSK  
PROMYSHLENNAYA 8

INVOICE № (b)(4)

(b)(4)

Consignee:  
"RWC Group LLC"  
911 William Leigh Dr., Tullytown, PA 19007 USA  
USABuyer:  
"RWC Group LLC"  
911 William Leigh Dr., Tullytown, PA 19007 USA  
USA

Port of Loading

(b)(4)

Port of discharge

(b)(4)

- within 5 business days after  
the Seller's notification that the goods are ready (b)(4)  
within 3 business days after the Seller's notification that the  
goods corresponding to the Buyers' delivery plan have  
cleared customs and have been placed on board.

Bill of Lading

Contract № (b)(4)

Model No	Description of goods	Quantity, pcs	Unit Price, USD	Amount, USD
-------------	----------------------	------------------	--------------------	----------------

(b)(4)

(b)(4)

Total amount, USD  
Advance payment

(b)(4)

WE KINDLY ASK YOU TO TRANSFER:  
TO THE ACCOUNT OF Joint-Stock Company "IZHEVSKY MEKHANICHESKY ZAVOD"

(b)(4)

(b)(4)

(b)(4)

(b)(4)

(b)(4)

Total amount, USD

Chief financial officer

(b)(6)

K. M. Merkushev

(b)(5)

**From:** Michael Faucette [mailto:michael.faucette@mbassociateslaw.com]

**Sent:** Monday, April 06, 2015 5:42 PM

**To:** Blackborow, Davin

**Cc:** (b)(6) mark.barnes@mbassociateslaw.com Barnes; bobby.malek@mbassociateslaw.com; Smith, John; Gacki, Andrea; (b)(6)

**Subject:** Re: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

Good afternoon, Mr. Blackborow:

Please find attached our letter requesting reconsideration of the status of (b)(4) as blocked property and a formal request for the full administrative record used by OFAC in determining that Baikal is more than 50% owned by KC. Please do not hesitate to contact me if you have any further questions.

Kind Regards,

Mike Faucette  
Attorney at Law

Mark Barnes & Associates

1350 I St. N.W. , Suite 260  
Washington, D.C. 20005  
Tel. (202) 626-0085  
Fax (202) 626-0088



**RE: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1**

---

**From:** "Fields, Marshall Jr" (b)(6)

**To:** "Blackborow, Davin" (b)(6)

**Date:** Tue, 07 Apr 2015 09:40:45 -0400

---

~~FOR OFFICIAL USE ONLY~~

Davin,

I think that the benefit of (b)(5) is:

(b)(5)

The down side is:

(b)(5)

(b)(5)

It would be good to see how (b)(5)  
(b)(5)

This is my 2 cents.

*Marshall*

Marshall Fields  
Assistant Director  
Information Disclosure and Records Division  
Office of Resource Management  
Office of Foreign Assets Control  
U.S. Department of the Treasury

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~~FOR OFFICIAL USE ONLY~~

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**From:** Blackborow, Davin

**Sent:** Tuesday, April 07, 2015 9:26 AM

**To:** Fields, Marshall Jr; (b)(6)

**Subject:** RE: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

Marshall,

2018-08-116: 001194

(b)(5)

Thanks,  
Davin

---

**From:** Fields, Marshall Jr  
**Sent:** Tuesday, April 07, 2015 7:45 AM  
**To:** (b)(6) Blackborow, Davin  
**Subject:** RE: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1  
**Importance:** High

(b)(6),

Interesting question.

(b)(5)

I would recommend that you

(b)(5)

I hope that this answers your question.

*Marshall*

Marshall Fields  
Assistant Director  
Information Disclosure and Records Division  
Office of Resource Management  
Office of Foreign Assets Control  
U.S. Department of the Treasury

**Confidentiality Notice:**

This email may contain privileged, confidential and or law enforcement sensitive information which is exempt from disclosure under applicable law. If you have received this communication in error, you are hereby notified that any dissemination, distribution or copying of the communication is strictly prohibited. If you have received this communication in error, please notify the sender.

---

**From:** (b)(6)  
**Sent:** Monday, April 06, 2015 7:37 PM  
**To:** Fields, Marshall Jr; Blackborow, Davin  
**Subject:** RE: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

Hi Marshall:

Greetings. The Licensing Division has received a request from RWC for a full administrative record with respect to a recent determination that Licensing made regarding the status of Baikal, a Russian firearms manufacturer, under the Ukraine-related sanctions program.

(b)(5)

(b)(5)

Thank you,

(b)(6)

---

**From:** Michael Faucette [<mailto:michael.faucette@mbassociateslaw.com>]  
**Sent:** Monday, April 06, 2015 5:42 PM  
**To:** Blackborow, Davin  
**Cc:** (b)(6) [mark.barnes@mbassociateslaw.com](mailto:mark.barnes@mbassociateslaw.com) Barnes; [bobby.malek@mbassociateslaw.com](mailto:bobby.malek@mbassociateslaw.com); Smith, John; Gacki, Andrea; (b)(6)  
**Subject:** Re: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

2018-08-116: 001195

Duplicative of content in Bates No. 2018-08-116: 001162





**RE: PLEASE PROCESS RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1**

---

**From:** "Blackborow, Davin" (b)(6)  
**To:** (b)(6)  
**Date:** Thu, 09 Apr 2015 10:58:49 -0400

Thanks (b)(6)

---

**From:** (b)(6)  
**Sent:** Wednesday, April 08, 2015 6:50 PM  
**To:** (b)(6)  
**Cc:** Blackborow, Davin; (b)(6)  
**Subject:** RE: PLEASE PROCESS RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

I'll take care of that. Thanks.

Regards,

(b)(6)  
Program Specialist  
Office of Foreign Assets Control  
U.S. Department of the Treasury  
Ph (b)(6)  
Fx 202.622.1657

---

**From:** (b)(6)  
**Sent:** Wednesday, April 08, 2015 6:26 PM  
**To:** (b)(6)  
**Cc:** Blackborow, Davin; (b)(6)  
**Subject:** RE: PLEASE PROCESS RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

Hi (b)(6):

I'll be out of the office from April 9 – April 22, but please let (b)(6) and Davin know when this case is ready to be assigned.

Thanks,

(b)(6)

---

**From:** (b)(6)  
**Sent:** Monday, April 06, 2015 7:19 PM  
**To:** OFACFaxMainLine  
**Cc:** (b)(6)  
**Subject:** RE: PLEASE PROCESS RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

**Duplicative of content in Bates No. 2018-08-116: 001162**



**RE: PLEASE PROCESS RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1**

---

**From:** "Blackborow, Davin" (b)(6)  
**To:** (b)(6)  
**Date:** Thu, 09 Apr 2015 13:40:29 -0400

Thanks (b)(6).

(b)(6) – reassigning the reconsideration to yourself sounds good. (b)(5)  
(b)(5)

Thanks,  
Davin

---

**From:** (b)(6)  
**Sent:** Thursday, April 09, 2015 12:59 PM  
**To:** (b)(6)  
**Cc:** Blackborow, Davin  
**Subject:** RE: PLEASE PROCESS RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

Thanks, (b)(6).

Davin, I can assign #766491 to myself and treat it as their reconsideration request involving (b)(4) (b)(5)  
(b)(5)

Thanks,  
(b)(6)

---

**From:** (b)(6)  
**Sent:** Thursday, April 09, 2015 12:33 PM  
**To:** (b)(6)  
**Cc:** Blackborow, Davin; (b)(6)  
**Subject:** RE: PLEASE PROCESS RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

I put them under Fac # 766491 766492.

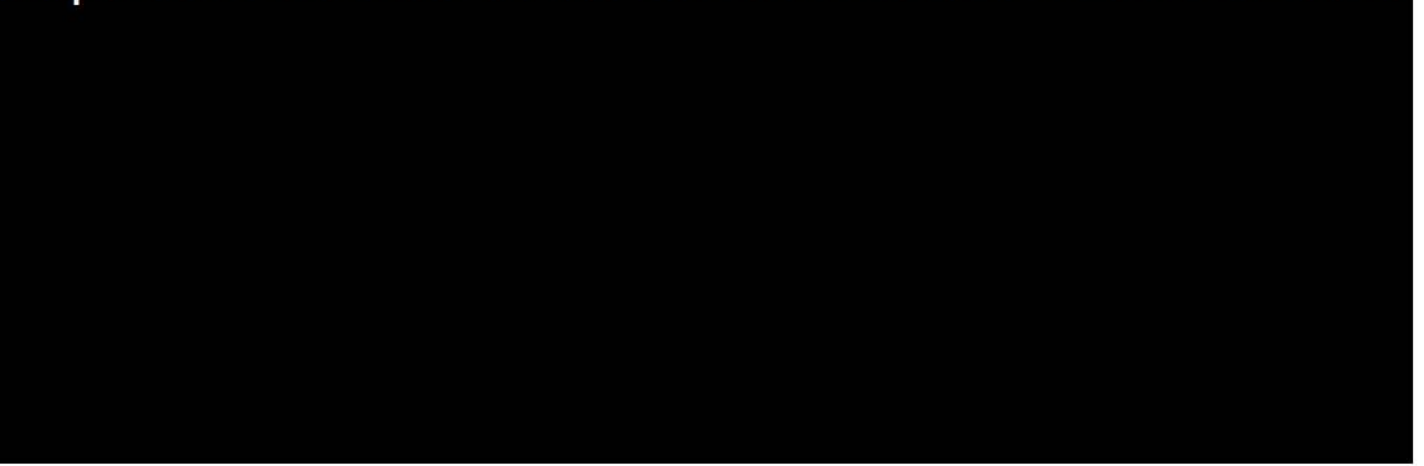
Regards,

(b)(6)  
Program Specialist  
Office of Foreign Assets Control  
U.S. Department of the Treasury  
Ph (b)(6)  
Fx 202.622.1657

---

**From:** (b)(6)  
**Sent:** Wednesday, April 08, 2015 6:26 PM  
**To:** (b)(6)  
**Cc:** Blackborow, Davin; (b)(6)  
**Subject:** RE: PLEASE PROCESS RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

**Duplicative of content in Bates No. 2018-08-116: 001197**



Duplicative of content in Bates No. 2018-08-116: 001197



## FW: DRAFT: For Your Review: OFAC Baikal Determination (Sanctions)

**From:** "Blackborow, Davin" (b)(6)  
**To:** "Smith, John" (b)(6) "Gacki, Andrea" (b)(6)  
**Cc:** (b)(6)  
**Date:** Thu, 09 Apr 2015 17:53:43 -0400

FYI.

**From:** (b)(6)  
**Sent:** Thursday, April 09, 2015 12:24 PM  
**To:** ATF (b)(6)  
**Cc:** ATF (b)(6) Blackborow, Davin; Smith, Bradley; Bahen, Lella (b)(6)  
**Subject:** RE: DRAFT: For Your Review: OFAC Baikal Determination (Sanctions)

Hi ATF (b)(6)

(b)(5)

(b)(5)

(b)(5) We can discuss on a call as needed. I am copying a couple of others at OFAC for their awareness.

Kind regards,

(b)(6)

(b)(6)

Attorney-Advisor  
Office of the Chief Counsel (Foreign Assets Control)  
United States Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, DC 20220  
Email: (b)(6)  
Office Tel: 202-622-2410

**From:** ATF (b)(6)  
**Sent:** Wednesday, April 08, 2015 12:19 PM  
**To:** (b)(6)  
**Cc:** ATF (b)(6)  
**Subject:** DRAFT: For Your Review: OFAC Baikal Determination (Sanctions)

(b)(6)

ATF (b)(5), Treasury (b)(4)

ATF (b)(5), Treasury (b)(4)

ATF (b)(5)

ATF (b)(5)

ATF (b)(6)

Division Chief, FESD

Bureau of ATF, F & E Services Division

Office: ATF (b)(6)

Direct: ATF (b)(6)

Nextel/Cell: ATF (b)(6)

---

From: (b)(6)

Sent: Wednesday, March 25, 2015 11:29 AM

To: ATF (b)(6)

Cc: (b)(6) ATF (b)(6) (b)(6)

Subject: RE: Baikal Determination (Sanctions)

Duplicative of content in Bates No. 2018-08-116: 001136

Bates Nos. 2018-08-116:  
001202-001204

Duplicate Content in  
Bates Nos. 2018-08-116:  
001136-001139



## RE: ATF Issues

---

**From:** [REDACTED] (b)(6)  
**To:** "Baheri, Leila" [REDACTED] (b)(6)  
**Date:** Tue, 14 Apr 2015 14:38:22 -0400

Thanks, Leila.

---

**From:** Baheri, Leila  
**Sent:** Tuesday, April 14, 2015 2:36 PM  
**To:** [REDACTED] (b)(6)  
**Subject:** RE: ATF Issues

(b)(6), I can make that offer. [REDACTED] Treasury, State (b)(5)  
Treasury, State (b)(5); State (b)(6) I will call my counterpart to get a sense.

---

**From:** [REDACTED] (b)(6)  
**Sent:** Tuesday, April 14, 2015 2:23 PM  
**To:** Baheri, Leila  
**Subject:** RE: ATF Issues

Leila,

Brad and I discussed the below. [REDACTED] Treasury, State (b)(5)  
Treasury, State (b)(5)

As always, thanks for your help.

Thanks,  
[REDACTED] (b)(6)

---

**From:** [REDACTED] (b)(6)  
**Sent:** Tuesday, April 14, 2015 1:40 PM  
**To:** Baheri, Leila  
**Subject:** RE: ATF Issues

Great, thanks for the update Leila.

---

**From:** Baheri, Leila  
**Sent:** Tuesday, April 14, 2015 1:40 PM  
**To:** [REDACTED] (b)(6)  
**Subject:** RE: ATF Issues

(b)(6)  
[REDACTED] (b)(5) Treasury, State (b)(5)  
[REDACTED] I will keep you updated as we go along. I understand the urgency and will  
try and speed up the process as much as possible.  
Leila

---

**From:** [REDACTED] (b)(6)  
**Sent:** Tuesday, April 14, 2015 1:13 PM  
**To:** Baheri, Leila  
**Subject:** FW: ATF Issues

Hi Leila,

I am writing to ask if you have any sense about [REDACTED] (b)(5) I know we  
just talked about this on Friday, but I understand [REDACTED] (b)(5) so any  
information you can pass on would be welcome.

Many thanks,  
[REDACTED] (b)(6)

---

**From:** [REDACTED] (b)(6)  
**Sent:** Monday, April 13, 2015 3:05 PM  
**To:** Baheri, Leila; Blackborow, Davin  
**Cc:** [REDACTED] (b)(6)  
**Subject:** FW: ATF Issues



Leila and Davin,

A brief update on the ATF issues we discussed late last week:

Treasury, State (b)(5)

Treasury, State (b)(5)

State has suggested a call tomorrow at 3:00, which you are welcome to join if you would like.

(b)(5)

Treasury, State (b)(5)

Treasury, State (b)(5)

Please let us know if you have

Thanks,

(b)(6)

---

**From:** State (b)(6)

**Sent:** Monday, April 13, 2015 2:14 PM

**To:** State (b)(6)

(b)(6)

**Subject:** RE: ATF Issues

I'll start the bidding at 3:00 tomorrow (Tuesday, April 14). Does that work for a quick conference call?

SBU

This email is UNCLASSIFIED.

---

**From:** State (b)(6)

**Sent:** Monday, April 13, 2015 2:10 PM

**To:** State (b)(6)

(b)(6)

**Subject:** RE: ATF Issues

Happy to!

SBU

This email is UNCLASSIFIED.

---

**From:** State (b)(6)

**Sent:** Monday, April 13, 2015 11:41 AM

**To:** State (b)(6)

(b)(6)

**Subject:** ATF Issues

Ukrainians,

State (b)(5)

State (b)(5)

State (b)(5)

Any chance we could have a quick call on this sometime in the next couple of days?

Best,

State (b)(6)

Attorney-Adviser

U.S. Department of State

State (b)(6)

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SBU

This email is UNCLASSIFIED.

2018-08-116: 001207

**FW: Baikal/ Kalashnikov info - Livelink 1728 KB**

---

**From:**

**To:**

**Cc:**

**Date:** Tue, 14 Apr 2015 15:56:18 -0400

**Attachments:** 165.pdf - 307 KB (0 bytes); 124754-k.pdf - 366 KB (0 bytes); 4514671.pdf - 261 KB (0 bytes); 4515158.pdf - 453 KB (0 bytes); 183675583.pdf - 197 KB (0 bytes); http\_\_\_kalashnikovconcern.pdf - 136 KB (0 bytes)

---

Hi (b)(6),

(b)(5)

I am emailing with Leila separately on (b)(5)

(b)(5)

Many thanks,

(b)(6)

---

**From:** (b)(6)

**Sent:** Thursday, March 19, 2015 5:55 PM

**To:** (b)(6)

**Cc:** Blackborow, Davin

**Subject:** RE: Baikal/ Kalashnikov info

Duplicative of content in Bates No. 2018-08-116: 001060

RE: FW:

---

From: (b)(6)  
To: ATF (b)(6)  
Cc: (b)(6)  
Date: Tue, 14 Apr 2015 16:14:12 -0400

---

Hi ATF (b)(6)

(b)(5)

Thanks,  
(b)(6)

---

From: ATF (b)(6)  
Sent: April 14, 2015 4:04 PM  
To: (b)(6) ATF (b)(6)  
Cc: ATF (b)(6)  
Subject: FW:

Hi (b)(6) this is what the importer is explaining to me. Please see below, thank you!

ATF (b)(6)

ATF  
Firearms and Explosives Imports Branch  
244 Needy Road  
Martinsburg, WV 25405  
Office ATF (b)(6)  
Fax ATF (b)(6)  
Cell ATF (b)(6)

---

From: ATF (b)(6)  
Sent: Tuesday, April 14, 2015 3:55 PM  
To: ATF (b)(6)  
Subject: RE:

Thanks ATF (b)(6)

I know it is a bit confusing, but "IZHEVSKIY MASHINOSTROITEL'NYI ZAVOD OAO" = IZHMASH = KALASHNIKOV

"Izhevsky Mekhanichesky Zavod" = IMZ = IZHMEKH

Thanks!

ATF (b)(6)

---

From: ATF (b)(6)  
Sent: Tuesday, April 14, 2015 10:39 PM  
To: ATF (b)(6)  
Subject: RE:

Hi ATF (b)(6) let me check with Treasury, thanks!

ATF (b)(6)

IOI/Industry Liaison  
ATF  
Firearms and Explosives Imports Branch  
244 Needy Road  
Martinsburg, WV 25405  
Office ATF (b)(6)  
Fax ATF (b)(6)  
Cell ATF (b)(6)

2018-08-116: 001209

---

From: [REDACTED] ATF (b)(6)

Sent: Friday, April 10, 2015 10:04 AM

To: ATF (b)(6)

Cc: [REDACTED]

Subject: RE:

Hi ATF (b)(6)

Just checking in to see the status...as I looked again at the State letter you provided again. I do NOT see where Izhevsky Mekhanichesky Zavod (IMZ or Izhevsk Mechanical Plant) is listed in the letter. Only references to IZHMAH. Two different companies. And the products that I requested an import permit from are from the first IMZ/ IzhMEKH.

Please review and advise. IMZ is not under sanctions IZMAH is.

Thanks!

ATF (b)(6)

---

From: [REDACTED] ATF (b)(6)

Sent: Thursday, March 19, 2015 6:38 PM

To: ATF (b)(6)

Cc: [REDACTED]

Subject: RE:

Hi ATF (b)(6) we will need to take a look at that. Thanks for letting me know.

ATF (b)(6)

IOI/Industry Liaison

ATF

Firearms and Explosives Imports Branch

244 Needy Road

Martinsburg, WV 25405

Office ATF (b)(6)

Fax ATF (b)(6)

Cell [REDACTED]

---

From: [REDACTED] ATF (b)(6)

Sent: Thursday, March 19, 2015 11:31 AM

To: ATF (b)(6)

Cc: [REDACTED]

Subject: RE:

Strike that.... I see in the letter where State puts IMZ under Kalashnikov. It is incorrect however. Also I know that other existing permits that have not been suspended, so what's differentiator?

Thanks again!

ATF (b)(6)

---

From: [REDACTED] ATF (b)(6)

Sent: Thursday, March 19, 2015 5:24 PM

To: ATF (b)(6)

Cc: [REDACTED]

Subject: RE:

Hi ATF (b)(6) will send you the disapproval letter and the State guidance ATF received. The manufacturer is part of Kalishnikov Concern according to the State guidance. Thank you!

ATF (b)(6)

IOI/Industry Liaison

ATF

Firearms and Explosives Imports Branch

244 Needy Road

Martinsburg, WV 25405

Office ATF (b)(6)

Fax ATF (b)(6)

Cell [REDACTED]

---

From: [REDACTED] ATF (b)(6)

2018-08-116: 001210

Sent: Thursday, March 19, 2015 10:16 AM

To: ATF (b)(6)

Subject: RE:

Hi ATF (b)(6)

Well, I got the Form6 Disapproved and it says for reasons in the attached letter. As the e-form system doesn't have the letters is there any chance you can email me a copy?

Thanks!

ATF (b)(6)

---

From: ATF (b)(6)

Sent: Tuesday, February 10, 2015 10:16 PM

To: ATF (b)(6)

Subject: RE:

ATF (b)(6) I am reluctant to give an affirmative without an actual Form 6 in front of me but as long as the manufacturer name and/or address does not match one of the sanctioned companies and the gun is on the VRA there should not be an issue.

We are aware of the caliber issue with NFA. The problem is with the NFRTR and not e-forms. We have to have those caliber distinctions with imported guns but issues do arise when they are NFA. Hopefully the new eforms system will have some kind of work around, thanks.

ATF (b)(6)

IOI/Industry Liaison

ATF

Firearms and Explosives Imports Branch

244 Needy Road

Martinsburg, WV 25405

Office ATF (b)(6)

Fax ATF (b)(6)

Cell

---

From: ATF (b)(6)

Sent: Tuesday, February 10, 2015 12:59 PM

To: ATF (b)(6)

Subject: RE:

Cool. Thanks ATF (b)(6)

So, if I was to apply for a permit for goods from Izhevskiy Mekhanicheskiy Zavod with the correct address etc, and the items are on the VRA and ok to import in all other ways, then I should expect a favorable decision on the permit? Asking because there is some business there I could do, but I was told by different importers their situations on the permits, so I wanted to see if I am wasting my time and effort or not on it.

Again...appreciate it.

One last thing...I promise...not a question, but an observation...and I am only telling you this as when discussing with others about the eform system your name keeps coming up too....lol

Apparently the eForm system and imports do things differently than the NFA branch....the only reason this matters is that I had done and eForm 2 and it had (very nicely I might add) drop downs to select the make, models, and calibers of the firearms that were to be registered (5.56x45 in this case), and I believe this also matched with what was on the Form 6. Everything was clean and nice...until NFA rejected the eForm 2 because in their system the caliber was supposed to be ONLY "5.56" and they weren't happy to see "5.56x45". In the end they took it and fixed it by inputting it in their system their way...but it might be something worth "fixing" internally....getting everyone using the same caliber descriptions etc...

Thank you again and again....

ATF (b)(6)

p.s. I'll have to remember to bring a bottle of my favorite vodka from here for you (I don't like vodka generally...but this stuff is pretty good.)

---

From: ATF (b)(6)

Sent: Tuesday, February 10, 2015 8:46 PM

To: ATF (b)(6)

Subject: RE:

2018-08-116: 001211

Hi. I cannot speak to any specific permits but importers must describe manufacturer's consistently and correctly. We receive permits with many types of variations of manufacturer's names. No permits were "terminated." Valid permits were suspended and new applications were denied. If anyone believes that a permit was suspended or denied incorrectly they have the option to appeal. I would encourage you to give us the complete name and address of the manufacturer so there is no confusion, thanks!

**ATF (b)(6)**

IOI/Industry Liaison  
ATF  
Firearms and Explosives Imports Branch  
244 Needy Road  
Martinsburg, WV 25405  
Office **ATF (b)(6)**  
Fax **ATF (b)(6)**  
Cell **ATF (b)(6)**

---

From: **ATF (b)(6)**  
Sent: Tuesday, February 10, 2015 12:38 PM  
To: **ATF (b)(6)**  
Subject: RE:

Sorry....one last question:

I have heard of ATF terminating import licenses for goods from Izhevskiy Mekhanicheskii Zavod (which is NOT on the sanctions list) is this true and on what basis? Also it appears that this termination has been sporadic as some I know with permits have been terminated and others not. Why would that be?

Ok...more than one question.... ☺

---

From: **ATF (b)(6)**  
Sent: Tuesday, February 10, 2015 6:03 PM  
To: **ATF (b)(6)**  
Subject:

**ATF (b)(6)**

IOI/Industry Liaison  
ATF  
Firearms and Explosives Imports Branch  
244 Needy Road  
Martinsburg, WV 25405  
Office **ATF (b)(6)**  
Fax **ATF (b)(6)**  
Cell **ATF (b)(6)**



## FW: Baikal/ Kalashnikov info - Livelink 1730 KB

---

**From:** (b)(6)  
**To:** (b)(6) "Baheri, Leila"  
**Date:** Wed, 15 Apr 2015 14:00:32 -0400  
**Attachments:** 165.pdf - 307 KB (0 bytes); 124754-k.pdf - 366 KB (0 bytes); 4514671.pdf - 261 KB (0 bytes); 4515158.pdf - 453 KB (0 bytes); 183675583.pdf - 197 KB (0 bytes); http\_\_\_kalashnikovconcern.pdf - 136 KB (0 bytes)

---

Adding Leila and (b)(6) to this.

(b)(5)

(b)(5)

Thanks

(b)(6)

---

**From:** (b)(6)  
**Sent:** Tuesday, April 14, 2015 3:56 PM  
**To:** (b)(6)  
**Cc:** (b)(6)  
**Subject:** FW: Baikal/ Kalashnikov info

Duplicative of content in Bates No. 2018-08-116: 001208



## RE: Baikal/ Kalashnikov info

---

**From:** (b)(6)  
**To:** (b)(6) (b)(6) "Baheri, Leila" (b)(6)  
(b)(6) (b)(6) (b)(6) "Feddo, Thomas" (b)(6) "Blackborow, Davin"  
**Date:** Wed, 15 Apr 2015 17:39:04 -0400

---

Thanks, (b)(6) Copying Davin and Tom in TSDN for their awareness.

---

**From:** (b)(6)  
**Sent:** Wednesday  
**To:** Baheri, Leila; (b)(6)  
**Subject:** RE: Baikal/ Kalashnikov info

Please see TSDN for an email coming shortly.

---

**From:** Baheri, Leila  
**Sent:** Wednesday, April 15, 2015 3:05 PM  
**To:** (b)(6)  
**Subject:** RE: Baikal/ Kalashnikov info

Thank you (b)(6).  
(b)(5)  
Leila

---

**From:** (b)(6)  
**Sent:** April 15, 2015 2:01 PM  
**To:** (b)(6) Baheri, Leila; (b)(6)  
**Subject:** FW: Baikal/ Kalashnikov info

Duplicative of content in Bates No. 2018-08-116: 001213



Duplicative of content in Bates No. 2018-08-116: 001213



## FOR FOLLOW UP

---

When: Mon Apr 20 11:30:00 2015 (America/New\_York)

Until: Mon Apr 20 12:00:00 2015 (America/New\_York)

Organiser: (b)(6)

Required Attendee:

(b)(6)

Attachments:

Re Licensing Application involving (b)(4)

(b)(4)

<<...>>

**Re: Licensing Application involving** (b)(4)  
(b)(4)

---

**From:** (b)(6)  
**To:**  
**Date:** Wed, 28 Jan 2015 10:39:59 -0500

Hi (b)(6) I'm sorry I'm out until next monday. Can I answer you then. If not, let me know and it can be assigned to someone else on team. Thanks!

(b)(6)

---

**From:** (b)(6)  
**Sent:** Tuesday, January 27, 2015 06:06 PM Eastern Standard Time  
**To:** (b)(6)  
**Cc:** (b)(6)  
**Subject:** RE: Licensing Application involving (b)(4)

Hi (b)(6) – Just curious if you have had a chance to look at this entity/my request. This is not an urgent request, but I wanted to make sure it was still on your radar. Let me know if you have any questions or concerns.

V/r  
(b)(6)

---

**From:** (b)(6)  
**Sent:** Friday, January 23, 2015 11:10 AM  
**To:** (b)(6)  
**Subject:** RE: Licensing Application involving (b)(4)

Morning (b)(6) I will respond to this one. I have to run around all this morning but I promise to respond by 5pm today. Will you bother me later if I don't do it. Thanks!

---

**From:** (b)(6)  
**Sent:** Thursday, January 22, 2015 2:19 PM  
**To:** (b)(6) (b)(6)  
(b)(6)  
**Cc:**  
**Subject:** Licensing Application involving (b)(4)

Duplicative of content in Bates No. 2018-08-116: 000684