

**EXHIBIT B**



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

PENALTY NOTICE

AUG 29 2014

[REDACTED]

Hosein Zarab  
Managing Director  
Al Nafees Exchange LLC  
Naif Resident Building, North Sabkha Road  
P.O. Box 28944  
Dubai, United Arab Emirates

Dear Mr. Zarab:

On April 25, 2013, the Office of Foreign Assets Control (OFAC) issued a Prepenalty Notice (the Notice) to Al Nafees Exchange LLC (Al Nafees or you) due to your processing of funds transfers through the United States where the benefits of such financial services were received in Iran, in apparent violation of the Iranian Transactions and Sanctions Regulations (the Regulations or the ITSR), 31 C.F.R. part 560,<sup>1</sup> promulgated pursuant to the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06. See § 560.204 of the ITSR.

The Notice proposed a penalty in the amount of \$9,103,960 and advised you of the right to make a written presentation to OFAC setting forth the reasons why a penalty should not be imposed, or, if imposed, why the amount should be less than that proposed in the Notice.

You responded to OFAC by letters dated May 8, 2013, June 4, 2013, July 7, 2013, and August 26, 2013. In your June 4, 2013 and August 26, 2013 responses, you stated that, with respect to the transactions identified by the Notice, Al Nafees “never omitted or falsified information,” and you denied that Al Nafees had violated § 560.204 of the ITSR. You did not otherwise deny your involvement in the 25 funds transfers identified as apparent violations in the Notice, but you provided additional information regarding the nature of the transactions and the size and financial condition of Al Nafees. Based upon your response, OFAC concluded the following:

- Al Nafees is a small company with one location in the United Arab Emirates and is not a sophisticated or complex financial entity;
- Al Nafees cooperated with OFAC’s investigation upon receipt of the Notice; and
- Al Nafees’ small size and low profitability suggest that it would be unlikely to survive were OFAC to impose the full amount of the proposed civil monetary penalty against the firm.

<sup>1</sup> On October 22, 2012, OFAC changed the heading of 31 C.F.R. part 560 from the Iranian Transactions Regulations to the Iranian Transactions and Sanctions Regulations (ITSR), amended the renamed ITSR, and reissued them in their entirety. See 77 Fed. Reg. 64,664 (Oct. 22, 2012). For the sake of clarity, all references herein to the ITSR shall mean the regulations in 31 C.F.R. part 560 in effect at the time of the activity, regardless of whether such activity occurred before or after the regulations were renamed.

After a thorough review of the facts and circumstances pertaining to this matter, including your response to the Notice, OFAC has determined that you have violated § 560.204 of the ITSR and that an approximate 70 percent reduction of the proposed penalty amount set forth in the Notice<sup>2</sup> is warranted.

Accordingly, a civil monetary penalty in the amount of \$2,330,151 is hereby imposed upon Al Nafees pursuant to 31 C.F.R. § 560.704.

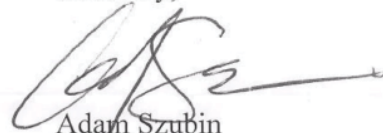
You must pay this penalty or arrange for installment payment of the penalty within 30 days of the mailing of this Penalty Notice to avoid the imposition of additional charges. Payment by check payable to the "U.S. Treasury" in the amount of \$2,330,151 and referencing the above COMPL number can be sent to the U.S. Department of the Treasury, Accounting Services Branch [REDACTED]

[REDACTED] Alternatively, you may pay through Electronic Funds Transfer (EFT). Instructions for EFT payment are enclosed. If you have any questions regarding payment by check or the EFT instructions, please contact us directly. **Pursuant to 31 U.S.C. § 3717, failure to pay this penalty in a timely manner will result in the accrual of appropriate interest, the imposition of an applicable administrative charge, and, if the payment is more than 90 days past due, the imposition of further penalty charges.**

Please note that 31 C.F.R. § 560.705 provides that this matter may be referred either for administrative collection measures or to the U.S. Department of Justice for appropriate action to recover the penalty in a civil suit in Federal District Court if payment is not made within 30 days of the date of this Penalty Notice.

If you have any questions concerning this matter, you may contact Michael Dondarski, Chief of Regulated Industries Oversight & Evaluation, at telephone number +1 (202) [REDACTED] or at [REDACTED]. Please have the COMPL number listed at the top of this Notice available when contacting OFAC.

Sincerely,



Adam Szubin  
Director  
Office of Foreign Assets Control

Enclosure: EFT Instructions

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<sup>2</sup> Note that the statute of limitations related to five of the transactions identified in the Notice has expired. As such, the remaining proposed penalty amount of that which was described in the Notice is \$7,767,170. No further statute of limitations expirations will occur as of the date of this Penalty Notice.