

MINTZ LEVIN

(b)(6)

One Financial Center
Boston, MA 02111
617-542-6000
617-542-2241 fax
www.mintz.com

January 25, 2010

VIA FACSIMILE (202-622-1657)
AND CERTIFIED MAIL

Office of Foreign Assets Control
U.S. Department of the Treasury
Treasury Annex
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Attention: Licensing Division

Re: Requested Modification of License No. ZI-160 (the "License") to Provide
Additional Specific Relief from Zimbabwe Sanctions Regulations ("Sanctions")

Dear Sir/Madam:

Pursuant to 31 C.F.R. §§501.801(b) and 541.501, come again Petitioners Capital Crossing Servicing Company LLC, Federal Taxpayer Identification No. (b)(4), ("Capital Crossing") and Cranberry Financial LLC ("Cranberry"), Federal Taxpayer Identification No. (b)(4), (collectively, the "Petitioners") requesting modification by the Office of Foreign Assets Control ("OFAC") of License ZI-160 (the "License"). OFAC issued the License to Petitioners to permit them to exercise certain contractual rights against (b)(4) (the "Borrower") with respect to a certain Amended and Restated Note, a mortgage evidencing, and certain other agreements relating to, Loan No. (b)(4), Cranberry Account No. (b)(4) (collectively, the "Note"), which Cranberry owns. The Note is secured by (b)(4) described in the License (the "Blocked Premises").

I. Background

The present application (the "2nd Supplemental Application") supplements Petitioners' original application for the License filed on March 5, 2009 (the "Original Application"), the supplemental application dated September 19, 2009, (the "1st Supplemental Application") for a modification of the License on and the letter dated October 26, 2009 providing additional information in support of the 1st Supplemental Application (the "Letter"). The undersigned discussed the current need to modify License with (b)(6) and (b)(6) (b)(6) of OFAC on January 15, 2010. (b)(6) kindly requested that Petitioners file this 2nd Supplemental Application via facsimile. In addition, my colleagues and I have, on behalf of Petitioners, discussed Petitioners' applications and the License with OFAC officials in various prior telephone calls.

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

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Petitioners understand the sole reason their interests in the property have been encumbered, subject to the authorizations in the License, pursuant to the Zimbabwe sanctions program to be that a sanctioned company and individual – Masters International, Inc. and John Arnold Bredenkamp (collectively, the “SDNs”), respectively – have ownership interests in the Borrower and, through the Borrower, in the Blocked Premises. As is discussed in greater detail in the Original Application, the 1st Supplemental Application and the Letter, Capital Crossing’s predecessor entity acquired the Note in (b)(4), years before the designation of the SDNs on November 25, 2008.

The Section I(a) of the License authorizes Petitioners to:

- (1) “Engage in transactions necessary to exercise their contractual or other legal rights with respect to the blocked real property consisting of (b)(4) (b)(4) (the “Blocked Premises”) in which Specially Designated National (“SDN”) Masters International, Inc. has an interest, including rights to the foreclosure and sale of the Blocked Premises.
- (2) “Recover for themselves, and/or reimburse to third parties, from the proceeds of the sale of the Blocked Premises authorized in Section I(a)(1) of [the] License, any taxes, costs, or legal, administrative, or other fees that are necessary and ordinarily incident to the court-authorized foreclosure and sale of the Blocked Premises into conformance with applicable legal requirements or are commercially reasonable for foreclosure and sale.”

The License further requires that “[a]ll proceeds from the authorized sale of the Blocked Premises remaining after the recovery and/or reimbursement of necessary and ordinarily incident taxes, costs, or fees authorized in Section I(a)(2) of this License must be deposited into a separate blocked, interest-bearing account at a U.S. financial institution in the United States, clearing indicating the interest of Masters International, Inc.”

II. Need for Additional Authorizations on Expedited Basis


A. Further Decline in Value of the Blocked Premises

The Blocked Premises that secure Petitioners’ legally-cognizable interests, continue to fall into disrepair. As a result, the Borrower continues to incur liabilities it is unable to satisfy and to suffer losses of revenue, (b)(4) and employees. This circumstance has been significantly aggravated by the fact that (b)(4) (b)(4) (the “Community”) where the Blocked Premises are located. As such, the ongoing harm to Petitioners, the non-sanctioned U.S. owners of the Borrower and the Community worsens each passing day. In this connection, Petitioners direct OFAC’s attention to

and incorporate by reference the discussion in the 1st Supplemental Application of the eroding condition of the Blocked Premises.

Since the 1st Supplemental Application, the situation has only gotten worse. A representative of Petitioners has personally visited and inspected the Blocked Premises on various occasions, including since the blocking became effective. The most recent inspection revealed that the property continues to deteriorate rapidly from its former status as a high-end golf and recreational property. To cite but a few examples of this ongoing deterioration:

- Property taxes owed with respect to the Blocked Premises are now past due, are accruing interest and penalties. The Blocked Premises will soon be subject to tax forfeiture.

- 

- License ZI-118a, which authorizes the Borrower's management company to pay operating expenses and to engage in other transactions necessary to manage the Blocked Property, expires January 31, 2010.
- There is \$ (b)(4) past due to the federal and (b)(4) governments for withholding and other taxes. The IRS sent a Notice to Borrower this month threatening to seize property.
- The Borrower lost \$ (b)(4) for the year (b)(4). The Borrower has accounts payable of \$ (b)(4), as of (b)(4) but less than \$ (b)(4) on hand. The lessor of the (b)(4) equipment has sent a notice that it may repossess such equipment if the past due lease payments totaling \$ (b)(4) are not quickly paid.

Petitioners stand ready to provide additional, detailed information about the deterioration of the physical condition of the Blocked Premises and financial condition of the Borrower if such information would be helpful for OFAC's consideration.

B. Offer to Purchase Note

Cranberry has received a written offer (the "Offer") from (b)(4) ("Prospective Buyer") to purchase the Note from Petitioners for approximately half the amount owed to Petitioners. By information and belief, Petitioners understand that the principals and owners of the Prospective Purchaser are a (b)(6) and a (b)(6) and that both of these individuals are U.S. citizens who reside in (b)(6) and whose property or interests in property are

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not blocked pursuant to any executive order or Chapter V of Title 31 of the Code of Federal Regulations.

The Offer states that it is "contingent upon the U.S. Treasury's approval to allow Cranberry Financial immediate access to the funds." As stated above, Section I(a)(1) of the License authorizes Petitioners to exercise their contractual and other legal rights with respect to the Blocked Premises. The License, however, does not authorize Petitioners to access to the funds derived from the sale of the Note. If an agreement could be reached as to price and other terms of sale, the Petitioners would be potentially interested in selling the Note to the Prospective Buyer in order to access funds and to prevent further loss if they were authorized by OFAC to do so.

The Petitioners understand that the Prospective Buyer will no longer pursue this transaction after (b)(4)

(b)(4)

(b)(4)

III. Specific Additional Authorizations Requested

For the foregoing reasons, Petitioners hereby apply for expedited issuance of a new license that modifies the License by extending its expiration for an additional 12 months (i.e., until April 30, 2011) and adding provisions authorizing Petitioners:

- to negotiate and conclude the sale of the Note to the Prospective Buyer without further notice to the Borrower¹;
- in the event a sale of the Note to the Prospective Buyer cannot be agreed upon and concluded, to sell the Note to one or more other buyers whose property or interests in property are not blocked pursuant to any executive order or Chapter V of Title 31 of the Code of Federal Regulations; and

¹ The Borrower already has notice of a contemplated sale of the Note to the Prospective Buyer. Petitioners have, in accordance with a request from OFAC staff, attached hereto a letter signed by a principal of the Borrower confirming that the Borrower is aware of the contemplated sale of the Note to the Prospective Buyer and requires no additional notice.

- to access proceeds of any sale of the Blocked Premises or Note authorized in the License to offset Petitioners' losses on the Note.

IV. Grounds for Additional Authorizations Requested

A. Granting the Requested Authorizations Would Not Impact the U.S. Government's Interests in Blocking the SDN's Property

Petitioners' request that the additional authorizations described above be added to the License is fully consistent with the purpose of the International Emergency Economic Powers Act ("IEEPA"), the legislative source of OFAC's powers and duties to administer the Zimbabwe sanctions. Petitioners recognize and appreciate that the statutory purpose of the authority to block property and property interests such as those of the SDNs in this matter is "to put control of foreign assets in the hands of the President."² Congress granted the President blocking power to keep blocked assets "at his disposal for use in negotiating" so that such assets can "serve as a 'bargaining chip' ... when dealing with a hostile country."³ Modifying the License by adding the requested authorizations will in no way diminish the U.S. Government's ability to use the Blocked Premises and other property of the Borrower as a "bargaining chip" in its relations with the Zimbabwe regime. On the contrary, the sale of the Note by petitioner to the Prospective Buyer is more likely to preserve value of this bargaining chip than the status quo and as likely to do so as the foreclosure and sale transactions OFAC has already authorized in the License. To the extent the Blocked Premises and the SDNs' ownership interests in the Borrower can be considered bargaining chips at all, (b)(4)

Further, sale of the Note with proceeds to the Petitioners will not interfere with OFAC's continuing efforts under Executive Order 13469 to penalize those who undermine Zimbabwe's democratic processes or institutions and to deter others who might. The sale of the Note by the Petitioners to (b)(4) will not impact any obligation thereunder of the SDNs. Allowing Petitioners to sell the Note to (b)(4) will not allow either of the SDNs to use, enjoy or otherwise benefit from any blocked property or property interest in a way that would undermine the ability of the U.S. to apply economic pressure against the Zimbabwe regime, (b)(4) Entities, or other Specially Designated Nationals found to be complicit in that regime's illicit activities.

² Propper v. Clark, 337 U. S. 472, 337 U. S. 493 (1949).

³ Dames & Moore v. Regan, 453 U.S. 654, 670-74 (1981).

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There is also no danger under the circumstances that allowing Petitioners to sell the Note and use the proceeds (b)(4) will allow Petitioners to profit in any way from the fact that one member and another indirect owner of the Borrower were designated as SDNs after Cranberry's acquisition of the underlying loan. Petitioners will realize no profit from the conveyance and will likely lose significant funds as a result of the proposed transaction.

For these reasons, the Petitioners respectfully maintain that their interests in the closing of an economically feasible sale of the Note sooner rather than later coincide closely with the interests of the U.S. Government in effectively administering the sanctions against the SDNs.

B. Sale of the Note to the Prospective Buyer or Other Entity That Will Operate the Blocked Premises Would (b)(4)

(b)(4)

The designation of the SDNs under IEEPA and Executive Order 13469 prohibits any U.S. person from making or receiving any payments of interest or principal on the Note. Accordingly, the primary purpose for the Prospective Buyer or any other buyer in the marketplace in buying the Note would likely be to allow the buyer to (b)(4) or make other productive use of the Blocked Premises. The sale of the Note to a buyer who would use and maintain the Blocked Premises without encumbrance could be expected to generate more tax revenue and jobs in the Community. (b)(4)

C. Petitioners' Access to Proceeds Is Necessary To Make a Note Sale Feasible

As OFAC is aware,⁴ the Offer comes as part of a contemplated larger transaction to acquire the Blocked Premises. (b)(4)

(b)(4)

⁴ See Letter from (b)(6) on behalf of (b)(4) to Timothy Geithner, Secretary of the Treasury, and Senator Richard Durbin (b)(4).

(b)(4)

V. Withdrawal of Pending Request to Authorize (b)(4) Transaction

Per the request of OFAC Staff, the Petitioners hereby withdraw their request, which they set forth in the 1st Supplemental Application and discussed in the Letter, to modify the License by authorizing (b)(4) transaction of the Promissory Note to (b)(4)

VI. Interpretive Questions

A. Rights to Preserve the Value of the Blocked Premises

Before the Petitioners are able to sell the Note or to foreclose on and sell the Blocked Premises, (b)(4) To that end, the Petitioners may want, and understand that Section I(a)(1) of the License currently authorizes them, to "[e]ngage in transactions necessary to exercise their contractual or other legal rights," including their contractual or other rights to do any of the following:

- participate in the maintenance or management of the Blocked Premises or engage and pay one or more vendors to do so on the Petitioners' behalf;
- make any expenditure reasonably necessary to maintain or (b)(4) (b)(4) Blocked Premises, (b)(4) (b)(4)
- take any action, including engaging in any transaction, to secure the appointment of a receiver for the Blocked Premises.

Petitioners respectfully request that the OFAC staff make us aware of any questions or concerns OFAC might have with Petitioner's understanding as set forth above of the authorizations currently in the License. Assuming that OFAC concurs all that transactions described in this section VI(A) constitute "transactions necessary to exercise [the Petitioners'] contractual or other legal rights with respect to ... the Blocked Premises" currently authorized by the License, the Petitioners respectfully request oral or written confirmation of such concurrence.

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B. Permissibility of Debiting Blocked Funds In Payment of Interest Due

As set forth in the Original Application and the 1st Supplemental Application, a provision in OFAC's Zimbabwe sanctions program regulations, specifically 31 C.F.R. § 541.505, expressly authorizes a "financial institution," as defined in 31 C.F.R. § 542.311, to "debit any blocked account held at that financial institution in payment or reimbursement for normal service charges owed it by the owner of that blocked account. As used in this section, the term *normal service charge* shall include charges in payment or reimbursement for interest due." Cranberry is a "financial institution," as defined in § 542.311, because it is "engaged in the business of ... holding ... loans." As a financial institution for purposes of the Zimbabwe sanctions program regulations, Cranberry is expressly authorized to debit any blocked account to the extent provided in § 541.505. As indicated in the Original Application, the 1st Supplemental Application and various telephone conversations with OFAC staff, the Petitioners maintain that § 541.505 authorizes them to recover "interest due" from an account that they have blocked. In our most recent discussion with OFAC staff, the staff expressed concern that (b)(4)

(b)(4) and that such debit would thus not be authorized by § 541.505.

The OFAC staff has kindly requested that Petitioners reiterate and explain their request to recover blocked funds in payment of interest due pursuant to § 541.505.

(b)(4)

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(b)(4)

(b)(4)

(b)(4)

If OFAC concurs in this analysis, the Petitioners respectfully request oral or written confirmation of such concurrence. If OFAC disagrees with this analysis, then the Petitioners hereby request a modification of the License adding an authorization for Cranberry to

(b)(4)

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We hope that this information is useful to OFAC and furthers your consideration of the requested modifications of the License. Please do not hesitate to contact me if you require further information or clarification.

Respectfully,

**CAPITAL CROSSING SERVICING COMPANY LLC and
CRANBERRY FINANCIAL LLC,**

By their counsel:

(b)(6)

Mintz Levin Cohn Ferris
Glovsky and Popeo, PC

Enclosures

cc: **(b)(6)**

MINTZ LEVIN

(b)(6)

One Financial Center
Boston, MA 02111
617-542-6000
617-542-2241 fax
www.mintz.com

January 18, 2012

**VIA FACSIMILE (202-622-1657)
AND CERTIFIED MAIL**

John E. Smith
Associate Director for Program Policy & Implementation
Office of Foreign Assets Control
U.S. Department of the Treasury
Treasury Annex
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Re: License ZI-160a

Mr. Smith:

I am writing regarding the outstanding request of my clients, Capital Crossing Servicing Company LLC and Cranberry Financial LLC ("Cranberry" and, collectively with Capital Crossing Servicing Company LLC, the "Licensees") that remains outstanding after OFAC's issuance on March 11, 2010 of Amended License Z-160a (the "License").

Background

The License permitted Licensees to sell a certain note owned by Cranberry evidencing Loan No. (b)(4) (the "Note"), which had been extended to (b)(4) (the "Borrower") and, as you may recall, was secured by a (b)(4) owned and operated at the time by the Borrower. After the issuance of the License, Cranberry sold the Note to (b)(4) ("Purchaser"). After sale of the Note to the Purchaser, Licensees' request that has remained, and still remains, outstanding was for OFAC's concurrence by interpretation or, in the alternative, authorization by license that the Applicants may permissibly access certain funds currently blocked by the Applicants pursuant to U.S. sanctions against Zimbabwe (the "Blocked Funds").

The Licensees received the Blocked Funds (b)(4)

(b)(4)
(b)(4) The Blocked Funds consist of the proceeds of: (i) the deposit of a check in the amount of (b)(4) dated October 27, 2008 and drawn on the Borrower's account at (b)(4) (the "Check") and payable to Cranberry for interest and principal due on the loan underlying the Note; (ii) certain

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deposits into an escrow account amounting to (b)(4) (the "Escrow"); and (iii) interest earned on the Blocked Funds since the Licensees blocked them.

The Licensees still seek a supplemental license allowing them to access the Blocked Funds (b)(4)

We understand from our conversations with (b)(6) of OFAC Licensing, (b)(6) of OFAC Compliance and (b)(6) of the OFAC Chief Counsel's Office that OFAC needs answers to three sets of questions before proceeding to consider Licensees' outstanding request for a supplemental license.

Blocked Check

First, (b)(6) inquired as to whether the Check had cleared before the Licensees blocked it. (b)(6) stated that the clearance question is important because OFAC needs to know whether the (b)(4) of property received from the Borrower and blocked by the Licensees is currently in the form of the paper Check (b)(4) (b)(4) or "cash" funds credited to the deposit account in which the other Blocked Funds are held. (b)(6) indicated that OFAC would be less likely to permit access to the Check if it had not yet cleared and any future clearance would entail a potentially problematic disbursement from Borrower's blocked account at (b)(4)

The Licensees have clarified that the Check had indeed cleared and its proceeds had indeed been received (b)(4) before the Licensees received the blocking notice. Accordingly, the blocked property has been since the initial blocking, and remains currently, in the form of "cash" funds that have been credited to the same account in which the other Blocked Funds are held.

The Licensees, (b)(4) has received the Check as (b)(4) (b)(4) of the loan underlying Note, caused it to be cleared and duly took possession of its proceeds prior to blocking such proceeds. The Licensees respectfully submit that permitting them through the issuance of a new or modified license to access the proceeds of the clearance of the Check will in no way benefit the Borrower or any SDN or otherwise undermine the purposes underlying the International Emergency Economic Powers Act (IEEPA), any Executive Order, or OFAC's Zimbabwe sanctions regulations.

Purpose of the Funds in Escrow

(b)(4), (b)(6)

(b)(4)

(b)(4)

The Licensees respectfully submit that permitting them through the issuance of a new or modified license to access the funds in the Escrow will in no way benefit the Borrower or any SDN or otherwise undermine the purposes underlying the IEEPA, any Executive Order, or OFAC's Zimbabwe sanctions regulations.

Treatment of Blocked Funds in Note Sale

Third, (b)(6) inquired as to how the parties to the Note sale accounted for the Blocked Funds in their transaction. As part of her question she wanted to know how the Blocked Funds were accounted for in the Settlement Statement. I have attached a copy of the Settlement Statement. As you will see, the Settlement Statement pertains to the sale of the Note, not the loan underlying the Note, (b)(4)

(b)(4)

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It does not address the Blocked Funds or any other amounts that had been collected from the Borrower or the remaining balance on the Note.

Nonetheless, the Licensees believe that all parties were aware that (b)(4)

(b)(4)

OFAC was considering the Licensee's remaining applications to access the Blocked Funds, and that, when and if OFAC licensed or otherwise permitted the release of the Blocked Funds, the Blocked Funds would remain with the Licensees (b)(4)

(b)(4)

Conclusion

In light of the foregoing, the Licensees respectfully reiterate their request, set forth in the various applications they have submitted over the 34 months, for a license to access the Blocked Funds. The Licensees very much appreciate the issuance of Licenses Z-160 and Z-160a and the careful attention that the Licensing Division, the Compliance Division, and the Chief Counsel's Office have devoted to the remaining questions presented regarding the Blocked Funds. The Licensees stand ready to answer any further questions or to provide any further support needed by OFAC in approving and issuing the additional license sought.

(b)(6) I trust the foregoing information is responsive to the additional questions posed by (b)(6)
(b)(6) Please do not hesitate to call my colleague, (b)(6) or
me if you have further questions or comments on this matter.

Best regards,

(b)(6)

(b)(6)

cc:

(b)(6)

Enclosure: Settlement Statement

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One (1) page withheld in its entirety pursuant to FOIA exemption (b)(4) with FOIA exemption (b)(6) applied in part

Bates page number

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MINTZ LEVIN

(b)(6)

One Financial Center
Boston, MA 02111
617-542-6000
617-542-2241 fax
www.mintz.com

September 18, 2009

(VIA FACSIMILE (202-622-1657)

AND REGISTERED MAIL NO. RE201379599US)

Office of Foreign Assets Control
U.S. Department of the Treasury
Treasury Annex
1500 Pennsylvania Avenue, NW
Washington DC 20220

Attention: Licensing Division

Re: *Supplemental Application of Capital Crossing Servicing Company LLC and Cranberry Financial LLC for Specific License and Relief from Zimbabwe Sanctions Regulations ("Sanctions") concerning (b)(4) (b)(4) Loan No. (b)(4) (Cranberry Financial LLC Account No. (b)(4) pursuant to November 25, 2008 designation (OFAC Case No. 21757), and in relation to License No. ZI-160*

Dear Sir/Madam:

Pursuant to 31 C.F.R. §§501.801(b) and 541.501, come again Petitioners Capital Crossing Servicing Company LLC, Federal Taxpayer Identification No. (b)(4) ("Capital Crossing") and Cranberry Financial LLC ("Cranberry"), Federal Taxpayer Identification No. (b)(4) (collectively, "Petitioners") requesting amendment to the license first issued to Petitioners and allowing them to partially protect, preserve and enforce their contractual rights against (b)(4) in accordance with certain loan agreements.

The undersigned previously discussed this matter with (b)(6) (b)(6) and (b)(6) of your office. (b)(6) previously authorized Petitioners to file this Supplemental Application via facsimile.

The present Application supplements the original Application filed on March 5, 2009. The Office of Foreign Assets Control ("OFAC") issued License No. ZI-160 (attached hereto for ease of reference), allowing Petitioners to "exercise its contractual or other legal rights with respect to the Blocked Premises including any rights to the foreclosure and sale of the Blocked Premises." However, License No. ZI-160 does not provide Petitioners "access [to the] funds derived from the sale of the Blocked Premises." Nor does the current license fully protect and preserve Petitioners' rights.

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Meanwhile, the Blocked Premises, (b)(4)

(b)(4)

(b)(4)

Moreover, OFAC's national security lien against the Blocked Premises and all funds derived there from or related thereto, effectively forestalls any foreclosure and sale of the Blocked Premises and renders the relief granted by License ZI-160 academic.

For these reasons, Petitioners seek the relief requested herein.

Specific License/Relief Requested

Capital Crossing and Cranberry originally sought specific license to (1) recover and realize the funds segregated in the blocked account (the "Blocked Funds") and currently in the custody of (b)(4)^{1/} and (2) allow Petitioners to exercise all of their rights and remedies under the Asset Sale Agreement. Petitioner Cranberry also requested that any license specifically acknowledges the validity and priority of Cranberry's security interests in the Property, as granted by the Asset Sale Agreement, free on any encumbrance related to U.S. sanctions, during the time in which any such sanctions are in effect.

Now, Petitioners request license to exercise their rights under the Loan Documents to put the promissory note securing the Loan back to the seller (b)(4)
(b)(4) Petitioners request that any license to this effect explicitly allow for Petitioners' immediate access to and use of the funds realized from such put-back transaction.

Grounds for Specific License/Relief

i. Loan History and Sanctions Compliance

Capital Crossing, a Delaware limited liability company, is a purchaser and servicer in the secondary loan market. Capital Crossing currently services mortgage loan No. (b)(4) (the "Loan") owned by Cranberry, a private investment fund. Cranberry purchased the Loan from (b)(4) and received Assignments of Mortgage, Leases and Assumption Agreement from Capital Crossing (b)(4). The Loan is the successor to, and remainder of, an original loan made to (b)(4).

The original loan was made to (b)(4) in the amount of (b)(4) and provided financing for acquisition and development of (b)(4). (b)(4) The real estate securing the loan consists of (b)(4).

^{1/} Petitioners filed an Application for Release of Blocked Funds contemporaneous with the original Application. OFAC denied the Application.

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(b)(4)

(b)(4)

(b)(4)

(b)(4), (b)(6)

(b)(4)

(b)(4) Capital Crossing began to service the Loan on behalf of Cranberry. Prior to purchasing the Loan, Cranberry had no relationship or business dealings with the (b)(4) Entities.

At the times of these transactions, none of the individuals or entities identified in the (b)(4) Blocking Notice (the (b)(4) Entities”) were designated by OFAC as Specially Designated Nationals. OFAC made its designations on or about November 25, 2008. Since then, Petitioners have established a Blocked Account and otherwise complied with 31 C.F.R. §541.601 an subpart C of part 501.

As of the date of this supplemental application, (b)(4) remains delinquent in its payment obligations to Cranberry.

(b)(4)

ii. Eroding Condition of the Property and Diminution of Petitioners' Secured Interest Favor the Requested Relief

Representatives of Petitioners have personally visited and inspected the Blocked Property three (3) times during the past 18 months. Each inspection revealed that the property continues to rapidly deteriorate from its former status (b)(4)

(b)(4)

In addition, Petitioners have learned that (b)(4) has been billed (b)(4) for property taxes on the various parcels that make up the Blocked Property. (b)(4)

(b)(4)

iii. The Requested Relief Is Equitable

The license amendment will allow Petitioners, bona fide purchasers of the Loan, to (b)(4). However, the remedy sought will not interfere with Executive Order 13469 and OFAC's continuing efforts to limit the actions of those persons who "undermine Zimbabwe's democratic processes or institutions". To the contrary, by allowing Petitioners to exercise their contractual rights to (b)(4) (b)(4) OFAC will ensure that the Blocked Funds and Property will continue to be beyond the reach of the Specially Designated Nationals in question and those assets will not be available to engage in any activities or enjoy any property in a way that would undermine the ability of the

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U.S. to apply economic pressure against the Zimbabwe regime, (b)(4) Entities, and other Specially Designated National found to be complicit in that regime's illicit activities.

Moreover, the relief requested herein is of the type contemplated by 31 C.F.R. §541.505. Cranberry, as a U.S. financial institution, see 31 C.F.R. §311. Section 541.505 provides that "[a] U.S. financial institution is authorized to debit any blocked account held at that financial institution in payment or reimbursement for normal service charges owed it by the owner of that blocked account. As used in this section, the term *normal service charge* shall include charges in payment or reimbursement for interest due..." Petitioner Cranberry qualifies as a "U.S. financial institution" because it is "engaged in the business of ... holding ... loans" (see 31 C.F.R. §541.311) and seeks the ability to debit the Blocked Account to pay for interest due.

For these reasons, Petitioners respectfully request that OFAC issue a specific license allowing Petitioners to exercise their rights under the Loan Documents to put the promissory note securing the Loan back to the seller, (b)(4), at the pre-set price established by the Loan Documents, and allowing Petitioners immediate access to and use of any resulting funds, and interest due as established by 31 C.F.R. §541.505.

In addition to the relief requested above, Petitioners also request that OFAC unblock that portion of the (b)(4) mortgage account in which (b)(4) (b)(4) have any ownership interest. In a September 11, 2009 teleconference with (b)(6) and (b)(6) Petitioners were informed that OFAC has determined that the ownership interests of (b)(4) in (b)(4) do not exceed (b)(4). OFAC also informed Petitioners that the agency may consider releasing a percentage of blocked assets proportionate to the ownership share of (b)(4) not under the control of these Specially Designated Nationals.

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2014-07-070:000021

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

Office of Foreign Assets Control
Supplemental Application of Capital Crossing Servicing Company LLC
and Cranberry Financial LLC for Specific License
September 18, 2009
Page 6

Without waiving the right to dispute any ownership claim by the Specially Designated Nationals, OFAC's determination thereof, or the additional rights or claims identified elsewhere in this Supplemental Application and the original Application, Petitioners request that a license issue allowing Petitioners access to any blocked funds or assets in amounts proportionate to the ownership of (b)(4) not attributable to the Specially Designated Nationals.

Respectfully,

**CAPITAL CROSSING SERVICING COMPANY LLC AND
CRANBERRY FINANCIAL LLC,**

By their counsel

(b)(6)

Mintz Levin Cohn Ferris
Glovsky and Popeo, PC

Enclosures

cc: **(b)(6)**

Three (3) pages withheld in their entirety pursuant to FOIA
exemption (b)(4)

Bates page numbers

2014-07-070:000023 through 2014-07-070:000025

2014-07-070:000023 through 2014-07-070:000025

(b)(6)

From: (b)(6)
Sent: Friday, October 30, 2009 10:37 PM
To: (b)(6)
Subject: Supplemental Documents re: Proposal to Amend License No. ZI-160
Attachments: ASA.pdf; ASA Schedule A.pdf; ASA Schedule A (2).pdf; ASA Schedule A (3).pdf

(b)(6)

Attached please find documents requested by (b)(6) of your office. These documents are offered by Petitioners Capital Crossing/Cranberry Financial and made a part of Petitioners' application for relief from the Blocking Notice issued in connection with Case No. 21757, and in support of Petitioners' request for modifications to License No. ZI-160.

The attached documents are confidential commercial and financial business information that should not be released or otherwise made available to any person or entity. Should OFAC receive a FOIA request related to these documents, Petitioners request that OFAC contact them, through counsel, before making any disclosure determination.

Thank you.

(b)(6)

Member

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

One Financial Center | Boston, MA 02111

Direct: (b)(6) Fax: (617) 542-2241

E-mail: (b)(6)

Web: www.mintz.com<<http://www.mintz.com/>>

[<https://mintzmail.mintz.com/mintzlogo/Mintz-All-Names-170.jpg>]

IRS CIRCULAR 230 NOTICE

In compliance with IRS requirements, we inform you that any U.S. tax advice contained in this communication is not intended or written to be used, and cannot be used, for the purpose of avoiding tax penalties or in connection with marketing or promotional materials.

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The information contained in this electronic message and any attachments to this message are intended for the exclusive use of the addressee(s) and may contain confidential or privileged information. If you are not the intended recipient, or the person responsible for delivering the e-mail to the intended recipient, be advised you have received this message in error and that any use, dissemination, forwarding, printing, or copying is strictly prohibited. Please notify Mintz, Levin, Cohn, Ferris, Glovsky and Popeo immediately at either (617) 542-6000 or at DirectorofIT@Mintz.com, and destroy all copies of this message and any attachments. You will be reimbursed for reasonable costs incurred in notifying us.

MINTZ LEVIN

(b)(6)

One Financial Center
Boston, MA 02111
617-542-6000
617-542-2241 fax
www.mintz.com

March 5, 2009

(VIA FACSIMILE (202-622-1657)

AND REGISTERED MAIL NO. RE201379568US)

Office of Foreign Assets Control
U.S. Department of the Treasury
Treasury Annex
1500 Pennsylvania Avenue, NW
Washington DC 20220

Attention: Licensing Division

Re: Application of Capital Crossing Servicing Company LLC and
Cranberry Financial LLC for Specific License and Relief from Zimbabwe
Sanctions Regulations ("Sanctions") concerning (b)(4)
(b)(4) Loan No. (b)(4) (Cranberry Financial LLC Account
No. (b)(4), pursuant to November 25, 2008 designation
(OFAC Case No. 21757)

Dear Sir/Madam:

Pursuant to 31 C.F.R. §§501.801(b) and 541.501, now come Petitioners Capital Crossing
Servicing Company LLC, Federal Taxpayer Identification No. (b)(4) ("Capital
Crossing") and Cranberry Financial LLC ("Cranberry"), Federal Taxpayer Identification
No. (b)(4) (collectively, "Petitioners") requesting a specific license to protect, preserve
and enforce their contractual rights against (b)(4) in
accordance with certain loan agreements. *The undersigned previously discussed this matter
with (b)(6) of your office. (b)(6) authorized Petitioners to file this
Application via facsimile.*

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

BOSTON | WASHINGTON | NEW YORK | STAMFORD | LOS ANGELES | PALO ALTO | SAN DIEGO | LONDON

2014-07-070:000115

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

Office of Foreign Assets Control
Application of Capital Crossing Servicing Company LLC
and Cranberry Financial LLC for Specific License
March 5, 2009
Page 2

Specific License/Relief Requested

Capital Crossing and Cranberry seek a specific license to (1) release the funds segregated in the blocked account (the "Blocked Funds") and currently in the custody of (b)(4) (b)(4) and (2) allow Petitioners to exercise all of their rights and remedies under the Loan Documents and applicable law, including but not limited to: (a) acceptance and application of monthly debt service payments, (b) foreclosure on the Property, (c) agreement of a deed in lieu of foreclosure settlement with (b)(4) (d) placement of a receiver to manage and secure the Property, (e) any other settlement allowed by the Loan Documents, and (f) to the extent that there is a sale of the Property, acceptance and application of the sales proceeds to the Loan balance in accordance with the Loan Documents. Petitioner Cranberry also requests that any license specifically acknowledges the validity and priority of Cranberry's security interests in the Property, as granted by the Loan Documents, free on any encumbrance related to U.S. sanctions, during the time in which any such sanctions are in effect.

Grounds for Specific License/Relief

i. Loan History

Capital Crossing, a Delaware limited liability company, is a purchaser and servicer in the secondary loan market. Capital Crossing currently services mortgage loan No. (b)(4) (the "Loan") owned by Cranberry, a private investment fund. Cranberry purchased the Loan from (b)(4) and received Assignments of Mortgage, Leases and Assumption Agreement from Capital Crossing in September 2008. The Loan is the successor to, and remainder of, an original loan made to (b)(4)

The original loan was made to (b)(4) in the amount of (b)(4) and provided financing for acquisition and development of the (b)(4) (b)(4). The real estate securing the loan consists of (b)(4)

(b)(4)

(b)(4)

^{1/} Petitioners have filed an Application for Release of Blocked Funds contemporaneous herewith, under separate cover.

(b)(4)

(b)(4)

(b)(4)

(b)(4)

(b)(4) Capital Crossing began to service the Loan on behalf of Cranberry.

At the times of these transactions, none of the individuals or entities identified in the (b)(4) were designated by OFAC as Specially Designated Nationals. OFAC made its designations on or about November 25, 2008.

ii. Petitioners' Relationship to (b)(4) Entities is Contractual and Limited

Cranberry maintains contractual relationships with the (b)(4) Entities. There are no other relationships among the parties to the Loan.

Prior to purchasing the Loan, Cranberry had no relationship or business dealings with the (b)(4) Entities. Prior to receiving the Blocking Notice on or about (b)(4) Capital Crossing processed one Loan payment from (b)(4) for the benefit of Cranberry in the amount of (b)(4) (the "Payment"). The Payment was sent to (b)(4) and deposited into account (b)(4) (the "Servicing Account"), which (b)(4) maintains for Cranberry.

(b)(4)

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

Office of Foreign Assets Control
Application of Capital Crossing Servicing Company LLC
and Cranberry Financial LLC for Specific License
March 5, 2009
Page 4

The Payment consisted of a then outstanding debt service payment on the Loan due (b)(4) of (b)(4) plus an additional (b)(4) Or (b)(4) Capital Crossing instructed (b)(4) to establish and maintain a blocked interest-bearing account under the name "Cranberry Financial, LLC blocked account for (b)(4) (the "Blocked Account"). Capital Crossing further instructed (b)(4) to place in the Blocked Account: (i) the funds in the Servicing Account from the Payment and (ii) certain other funds in the amount of (b)(4) (the "Escrow Funds") held by (b)(4) in escrow and in connection with the Loan. (b)(4) acting pursuant to Capital Crossing's instructions, has established and maintains the Blocked Account, which has been assigned account number (b)(4). Shortly thereafter, Capital Crossing and Cranberry jointly filed a blocking report with OFAC in accordance with 31 C.F.R. §541.601 an subpart C of part 501.

As of the date of this petition, (b)(4) is delinquent in its payment obligations to Cranberry. In total, Cranberry is due (b)(4) inclusive of outstanding principal, interest, late fees, and other fees on the Loan. This amount does not include costs associated with this petition or anticipated costs for the disposition of the Property.

iii. License Allowing Petitioners' Contractual Rights Against (b)(4) Is Equitable and Does Not Undermine OFAC's Purposes

Under the terms of the Loan documents, Petitioners may declare (b)(4) in default for, among other things;

(b)(4)

See Amended and Restated Commercial Promissory Note, dated (b)(4) at 2 (attached hereto).

OFAC's designation of the (b)(4) Entities triggered each of these conditions. Because of the designation and Blocking Nature, (b)(4) has failed to make any debt service payment since the attempted payment in (b)(4). This Payment is subject to the Blocking Notice, maintained in the Blocked Account and beyond the reach of the Petitioners. As

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

Office of Foreign Assets Control
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Page 5

a result, (b)(4) is in arrears in the amount of (b)(4). This delinquency constitutes an act of default.

Petitioners also are within their contractual rights to declare (b)(4) because OFAC's designation and related orders will continue to have "an adverse material effect on the business, operations, revenues, financial condition of the property, or business prospects" of (b)(4). Thus, Petitioners will be at risk due to (b)(4)'s inability to satisfy its contractual obligations.

There is no dispute that the prospect of (b)(4)'s payment or performance against the debt is impaired indefinitely and, as a result, Petitioners are insecure without the relief requested.

Petitioners are aware that (b)(4) applied for, and received, a limited specific license in December 2008, Zimbabwe Sanctions Regulations License No. ZI-118 ("(b)(4) License"). On information and belief, the (b)(4) License granted (b)(4) limited ability to "engage in all transactions necessary to manage the Blocked Property ... and to debit the Account to pay ordinary operating expenses of the Blocked Property such as ... debt service" Nonetheless, (b)(4) continues to stand in arrears to Petitioners. Moreover, the (b)(4) License, which expired on (b)(4), expressly did "not authorize transfers of interests in the Blocked Property."

Petitioners understand that the (b)(4) License has been amended, extended, and identified as Zimbabwe Sanctions Regulations Amended License No. ZI-118a ("(b)(4) Amended License"). At the time of this application Petitioners do not know the specific transactions and activities delineated in the (b)(4) Amended License. However, Petitioners do know that the (b)(4) Amended License has not resulted in payments or attempted payments of the debt owed by (b)(4).

Furthermore, Petitioners are concerned that, even if (b)(4) is granted a license to service debt and does so, Petitioners will not be able to access the funds as a permitted "transaction incidental to a licensed transaction authorized" due to the exceptions set forth in 31 C.F.R. §§ 501.404(a) and/or 501.404(b). As a result, Petitioners will continue to suffer harm unless they are granted the specific license requested herein.

Absent the Sanctions, Petitioners would be able to exercise all available remedies against (b)(4), including, but not limited, foreclosure on the Property, enter into a deed in lieu of foreclosure with (b)(4), place a receiver to manage and secure the Property, and any other means to settle (b)(4)'s debt and preserve Cranberry's security interests. Further, absent the Sanctions, if (b)(4) were to sell the Property, the Petitioners would be allowed to accept and apply the sales proceeds to the debt owed to Cranberry in accordance with the Loan Documents. These are the equitable remedies that Petitioners ask OFAC to license in the instant matter.

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

Office of Foreign Assets Control
Application of Capital Crossing Servicing Company LLC
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March 5, 2009
Page 6

These remedies will not interfere with Executive Order 13469 and OFAC's continuing efforts to limit the actions of those persons who "undermine Zimbabwe's democratic processes or institutions". To the contrary, by allowing Petitioners to exercise their contractual rights against (b)(4) OFAC will ensure that the Blocked Funds and Property will be well beyond the reach of the Specially Designated Nationals in question and those assets will not be available to engage in any activities or enjoy any property in a way that would undermine the ability of the U.S. to apply economic pressure against the Zimbabwe regime, the (b)(4) Entities, and other Specially Designated National found to be complicit in that regime's illicit activities.

Moreover, the relief requested herein is of the type contemplated by 31 C.F.R. §541.505. Cranberry, as a U.S. financial institution, see 31 C.F.R. §311.

For these reasons, Petitioners respectfully request that OFAC issue a specific license allowing Petitioners to: (1) access the Blocked Funds, (2) foreclose on the Property securing (b)(4) debt, and/or (3) enter into a deed in lieu of foreclosure with (b)(4), free of any OFAC-related encumbrance.

Respectfully,

**CAPITAL CROSSING SERVICING COMPANY LLC AND
CRANBERRY FINANCIAL LLC,**

By their counsel

(b)(6)

Mintz Levin Cohn Ferris
Glovsky and Popeo, PC

Enclosure

cc:

(b)(6)

Four (4) pages withheld in their entirety pursuant to FOIA
exemption (b)(4)

Bates page numbers

2014-07-070:000121 through 2014-07-070:000124

2014-07-070:000121 through 2014-07-070:000124



OFAC

Office of Foreign Assets Control

License Application

Reference Number: Cotswold 2

Generated on 7/2/2014

Application Information

Application Type: Transactional
Application Reason: New Application
Program(s): Zimbabwe
Category: Transactional
Subcategory: Commercial Transactions
Previous Case ID:

Description of Subject Matter:

Cotswold Reinsurance Company (Pty) Ltd is an South African registered company - registration number 2006/033703/07. The sole director is (b)(6). The company's business activity includes Reinsurance Brokers and is approved by the South African Financial Services Board to trade. Reinsurance is the practice of insurers transferring portions of risk portfolios to other parties by some form of agreement in order to reduce the likelihood of having to pay a large obligation resulting from an insurance claim. The intent of reinsurance is for an insurance company to reduce the risks associated with underwritten policies by spreading risks across alternative institutions. Cotswold Reinsurance Company deals with various insurance and reinsurance companies and plays an intermediary function between these parties. Some of their clients include: (b)(4)

(b)(4)
One of their clients is a company based in Zimbabwe called (b)(4). Cotswold deals with (b)(4)

(b)(4) Agreements have been established between (b)(4) with these two reinsurance companies.
(b)(4)

In this instance (b)(4). These funds are paid to companies such as Cotswold who facilitate the placement of the risk with the Reinsurance company and the management of the accounts for the underlying clients. The funds are then transferred to the respective Reinsurance company. The funds belong to the underlying companies i.e. the insured parties covered by the contract and not (b)(4).

A license application is requested to allow Cotswold to engage with the business of receiving funds from the insured parties via (b)(4).

Contact Information

Applicant

Contact Category: Institution
Organization Name: Cotswold Reinsurance Company
Point of Contact Name: (b)(6)
Address: Line1: 170 Renasa House
Line2: Melrose
Line3:
City: Johannesburg
Zip: 2196
State: Gauteng
Country: South Africa
Email Address: (b)(6)
Phone: (b)(6) Office
Principal Place of Business: Johannesburg
Place where Business is Incorporated: South Africa

Applicant

Contact Category: Institution
Organization Name: Cotswold Reinsurance Company
Point of Contact Name: (b)(6)
Address: Line1: 170 Renasa House
Line2: Melrose
Line3:
City: Johannesburg
Zip: 2196
State: Gauteng
Country: South Africa
Email Address: (b)(6)
Phone: (b)(6) Mobile
Principal Place of Business: Johannesburg

Place where Business is Incorporated: South Africa

Correspondent

Contact Category: Institution

Organization Name: Cotswold Reinsurance Company

Point of Contact Name: (b)(6)

Address: Line1: 170 Renasa House

Line2: Melrose

Line3:

City: Johannesburg

Zip: 2196

State: Gauteng

Country: South Africa

Email Address:

(b)(6)

Phone:

Office

Principal Place of Business: Johannesburg

Place where Business is Incorporated: South Africa

Correspondent

Contact Category: Institution

Organization Name: Cotswold Reinsurance Company

Point of Contact Name: (b)(6)

Address: Line1: 170 Renasa House

Line2: Melrose

Line3:

City: Johannesburg

Zip: 2196

State: Gauteng

Country: South Africa

Email Address:

(b)(6)

Phone:

Mobile

Principal Place of Business: Johannesburg

Place where Business is Incorporated: South Africa

AttachmentsName

Company Registration Details for Cotswold

Example of Insured covered - claim

Agreement with sanctions clause on page 17

Document Type

Supplemental Information

Supplemental Information

Supplemental Information

Certification

Signature:

(b)(6)

Date:

7/2/2014

Email Address:

Lexis[®] *Diligence*

Check Name: ((2006/033703/07))

Report Created: Wednesday, July 02, 2014 09:10:46 (GMT) by (b)(6)

Source: Company Reports

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McGregor-CIPRO (SA Companies)

January 2014

COTSWOLD REINSURANCE SERVICES

Renasa House
170 Oxford Road
Melrose 2196
South Africa

POSTAL ADDRESS: P O BOX 1531, HOUGHTON, 2041

***** COMPANY IDENTIFIERS *****

Registration No.: 2006/033703/07

Tax No.: 9221402168

***** COMPANY INFORMATION *****

FOUNDED: 27 October, 2006

OPERATING STATUS: In Business

Financial Effective Date: | 27 October, 2006

***** EXECUTIVES *****

DIRECTORS:

Name	Appoint- ment Date	Resigna- tion Date	Date of Birth	Nationality Code	Director Type	Director Status
(b)(6)			(b)(6)	ZA	Director	Resigned
				ZA	Director	Resigned
				ZA	Director	Resigned
				UK	Both Direc- tor/Officer	Active

***** MARKET AND INDUSTRY *****

SIC:

88 - OTHER BUSINESS ACTIVITIES

***** FINANCIALS *****

FISCAL YEAR END: February

***** SECURITIES INFORMATION *****

Authorized Capital Stock: | 1000.00

2014-07-070:000130

McGregor-CIPRO (SA Companies), 1/28/2014, COTSWOLD REINSURANCE SERVICES

Authorized Capital Shares:	1000.00
Company Issued Capital:	100.00
Company Shared Issues:	100.00

Type	No. of Shares	Parri Value	Capital Amount	Capital Premium
ISSUED ORDINARY	100.00	0	1.00	0

***** SERVICE FIRMS *****

AUDITOR:

- . B K BHANA AND COMPANY
- . Physical Address: 2nd Floor,central House, 70 Central Avenue, Mayfair, 2092
- . Postal Address: P O Box 42368, Fordsburg, 2033
 - . Profession No.: 932450
 - . Profession Code: The South African Institute of Chartered Accountant (SAICA)
 - . Type: Auditor
 - . Status: Current

LOAD-DATE: January 28, 2014

One (1) page withheld in its entirety pursuant to FOIA exemption (b)(4) with FOIA exemption (b)(6) applied in part

Bates page number

2014-07-070:000132

2014-07-070:000132

Four (4) pages withheld in their entirety pursuant to FOIA
exemption (b)(4)

Bates page numbers

2014-07-070:000133 through 2014-07-070:000136

2014-07-070:000133 through 2014-07-070:000136

ARNOLD & PORTER LLP

John P. Barker
John.Barker@aporter.com
202.942.5328
202.942.5999 Fax
301.775.2962 Mobile
555 Twelfth Street, NW
Washington, DC 20004-1206

January 14, 2014

VIA COURIER

Licensing Division
Office of Foreign Assets Control
U.S. Department of the Treasury
Treasury Annex
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Re: Licensing Request

At the request of our client, Fosbel, Inc., we have attached a request for an OFAC license.

We appreciate your help on this matter. I can be reached at 202-942-5328 if you have any questions.

Sincerely,

(b)(6)

John P. Barker

Enclosure

CONTAINS FOSBEL INC. BUSINESS CONFIDENTIAL AND PROPRIETARY INFORMATION. This document and its attachments contain business confidential and proprietary information of Fosbel. It is exempt from public disclosure pursuant to the Freedom of Information Act (5 U.S.C. § 552(b)(4)) and the Trade Secrets Act (18 U.S.C. § 1905). Fosbel requests that this disclosure and its attachments be withheld in the event of a demand for disclosure and that, in the event of such a demand, we request prompt notice of such a request and an opportunity to be heard prior to taking any action to disclose.

2014-07-070:000192



January 14, 2014

Licensing Division
Office of Foreign Assets Control
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

FOSBEL, INC.

20600 Sheldon Road, Brook Park, Ohio 44142
Telephone: 216-362-3900 Fax: 216-362-3901
Internet: <http://www.fosbel.com>

Re: License Application for Authorization to Receive Payments from Zimbabwe Iron and Steel Company (SDN -- Zimbabwe)

Dear Sir or Madam:

Fosbel, Inc., a U.S. company ("Fosbel") seeks authorization from the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") for U.S. persons to facilitate the payment to Fosbel and its affiliates of outstanding amounts owed by Zimbabwe Iron and Steel Company ("ZISCO") and its successors for goods and services Fosbel and Fosbel's South African subsidiary Fosbel South Africa (Pty) Ltd. ("Fosbel South Africa") provided to ZISCO. ZISCO is designated on OFAC's List of Specially Designated Nationals and Blocked Persons ("SDN List") under the Zimbabwe sanctions program.

(b)(4)

Background

Fosbel provides ceramic welding and furnace refractory maintenance services. ZISCO (now known as New Zim Steel) is the largest steel manufacturer in Zimbabwe. Fosbel's South African subsidiary has provided goods and services to ZISCO. This relationship predated the ZISCO SDN designation.

(b)(4)

ZISCO is in serious financial difficulty, and published reports indicate that it has not produced steel since approximately 2007.¹ ZISCO has also had difficulty meeting its payroll obligations. However, ZISCO may be prepared to pay some or all of its debt to Fosbel.

(b)(4)

¹ See Aman Sethi, *A Steel Deal Not Yet Sealed*, The Hindu, Oct. 7, 2013, available at <http://www.thehindu.com/business/Industry/a-steel-deal-not-yet-sealed/article5204743.ece>.

(b)(4)

Fosbel seeks authorization to receive up to (b)(4) from ZISCO in the form of monetary payments or payments in kind in the form of raw materials or byproducts. To the extent required, Fosbel also seeks authorization for U.S. persons to assist with the claim including engaging and supervising local counsel.

(b)(4)

(b)(4)

License Request

Fosbel seeks a license authorizing it to facilitate payment of, and receive up to (b)(4) payment from ZISCO, an SDN, for services Fosbel South Africa and Fosbel provided to ZISCO and to the extent necessary, authorize facilitation of payments for legal counsel to collect the amounts due.

If you have questions, please contact me at 609-865-4009 or our outside counsel, Arnold & Porter LLP, including attorneys John Barker (202-942-5328, john.barker@aporter.com), or Michael Ginsberg (202-942-5585, michael.ginsberg@aporter.com).

Thank you for your consideration of this license request.

Sincerely,

(b)(6)

Eric Yaszemski
Chief Operating Officer

One (1) page withheld in its entirety pursuant to FOIA exemption (b)(4) with FOIA exemption (b)(6) applied in part

Bates page number

2014-07-070:000195

2014-07-070:000195

2009 SEP -9 PM 3:04

TREASURY DEPARTMENT
FOREIGN ASSETS CONTROL

S PAGET-BROWN
PAGET-BROWN (UK) (A FIRM)
50 Broadway
LONDON
SW1H 0RG
Tel: +44 207 152 4064
Fax: +44 207 000 1338
Email: spb@paget-brown.co.uk

VIA COURIER

September 4, 2009

Licensing Division
Office of Foreign Assets Control
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Treasury Annex – Second Floor
Washington, D.C. 20220
United States of America

Our Reference: SPB/TAS/1/1

**REQUEST FOR LICENSE TO PROVIDE AND
RECEIVE PAYMENT FOR LEGAL SERVICES**

Dear Madam/Sir:

To the extent required, I hereby request that the Office of Foreign Assets Control ("OFAC") issue a license to authorize me to provide and receive payment for legal services that I intend to provide to Mr. Thamer Al Shanfari¹ in connection with the following matters:

1. the matters set forth in § 541.507 of the Zimbabwe Sanctions Regulations, specifically assisting an American law firm; The Eren Law Firm, in connection with a pending petition before OFAC for the removal of Mr. Al Shanfari's name from the OFAC SDN List;
2. assisting an English law firm in connection with a pending petition for the removal of Mr. Al Shanfari's name from the EU Sanctions List; and

¹ Mr. Al Shanfari was designated as an SDN of Zimbabwe pursuant to Executive Order 13469, issued on July 25, 2008.

Principal Mr S. Paget-Brown – Solicitors Regulation No. 514075

3. advising and otherwise assisting Mr. Al Shanfari with respect to legal proceedings in the Cayman Islands involving claims against certain shareholders of (b)(4) (b)(4) (in liquidation).

I am a U.S. green card holder and thus a U.S. person. However, I currently reside and work in London, and the services for which I seek authorization will be provided through the UK law firm of Paget-Brown (UK), of which I am the principal and sole employee.

The payment of fees and reimbursable expenses by Mr. Al Shanfari for the foregoing services that I intend to provide to Mr. Al Shanfari will be to the Paget-Brown (UK) law firm. Furthermore, Mr. Al Shanfari's payments to the Paget-Brown (UK) law firm will originate from sources outside of U.S. jurisdiction, and thus will not involve any blocked funds or other property within U.S. jurisdiction.

Your office asked me to confirm the duration of the retainer for Mr. Al Shanfari as well as the expected remuneration (should a license be granted). The proposed duration of the retainer for Mr. Al Shanfari will largely depend upon whether or not the application to have him removed from OFAC's SDN and the EU sanction's list is successful or not. This process may well take months or for that matter years. The proposed remuneration is set out below:-

- a) first ten (10) hours of work undertaken in any one (1) month, the charge will be (b)(4) per hour (plus VAT if applicable) or approximately US(b)(4); and
- b) thereafter the hourly charges will be reduced to (b)(4) per hour (plus VAT if applicable) or approximately US(b)(4) for the remainder of the month.

It is anticipated that the work involved will range from between (b)(4) to (b)(4) hours per month, depending upon what documentation needs to be prepared.

A letter evidencing Mr. Al Shanfari's retention of the Paget-Brown (UK) law firm is enclosed.

Please do not hesitate to contact me if you have any questions regarding this request. OFAC's prompt favorable action on this request would be greatly appreciated. Thank you for your consideration.

Yours faithfully

(b)(6)

SIMON PAGET-BROWN
PAGET-BROWN (UK) (A FIRM)

Enclosure: Letter from Mr. Al Shanfari.

THAMER AL SHANFARI
Muscat, OMAN

September 4, 2009

Simon Paget-Brown
Principal
PAGET-BROWN (UK)
50 Broadway
LONDON
SW1H 0RG
Tel: +44 207 152 4064
Fax: +44 207 000 1338
Email: spb@paget-brown.co.uk

Dear Mr. Paget-Brown:

This is to confirm that I have retained your firm to provide legal services to me in connection with the following matters:

1. the matters set forth in § 541.507 of the Zimbabwe Sanctions Regulations, specifically assisting and liaising with an American law firm, The Eren Law Firm, in connection with a pending petition before OFAC for the removal of my name from the OFAC SDN List;
2. assisting and liaising with an English law firm that I have retained in connection with a pending petition for the removal of my name from the EU Sanctions List; and
3. advising and otherwise assisting me with respect to legal proceedings in the Cayman Islands involving claims against certain shareholders of (b)(4) (in liquidation).

Yours sincerely

(b)(6)

Thamer Al-Shanfari

FAX COVER SHEET

TO	Office of Foreign Assets Control
COMPANY	Licensing Division - Zimbabwe
FAX NUMBER	12026221657
FROM	Simon Paget-Brown
DATE	2009-10-21 16:56:16 GMT
RE	Z1 - 251 Mr Thamer Al Shanfari

COVER MESSAGE

Please see attached.

PAGET-BROWN (UK)
50 Broadway
LONDON
SW1H 0RG
Tel: +44 207 152 4064
Fax: +44 207 000 1338
Email: spb@paget-brown.co.uk

By Courier and by Fax: 001 202 622 1657

Licensing Division
Office of Foreign Assets Control
US Treasury Department
1500 Pennsylvania Avenue NW
Washington DC 20220
United States of America

21 October 2009

Our Ref: SPB/TAS/1/1

Your Ref: Z1-251

Dear Sirs,

MR THAMER AL SHANFARI – ZIMBABWE SANCTIONS

I write further to the kind License that was issued for this firm to act for Mr Thamer Al Shanfari on 7 October 2009.

I wrote under cover of my e-mails dated 7 and 12 October 2009 seeking clarification as to the ambit of the License. In particular, I wish to ask that you re-consider excluding from the License permission to assist Mr Thamer Al Shanfari with the proposed litigation in the Cayman Islands.

This litigation concerns assisting the liquidator of (b)(4) (In Liquidation) (b)(4) as well as Mr Thamer Al Shanfari in preparing a corporate malfeasance claim against those who were in charge of (b)(4)

The reason for my request is that although it may appear that the (b)(4) proposed proceedings have nothing to do with the application for Mr Thamer Al Shanfari to be de-listed from the US SDN list, that is in fact not the case.

Were Mr Thamer Al Shanfari to be successful in proving that others were in control of (b)(4) (b)(4) and that they were responsible for corporate mismanagement, he would be able to show OFAC via a Cayman Court judgment that he had had nothing to do with (b)(4). The Court process should also lead to the discovery of documentation under the control of those who managed (b)(4) which will help show what (b)(4) was doing (if anything) in relation to the diamond mine in the Democratic Republic of Congo and as is alleged in relation to Mugabe's regime.

Principal Mr S. Paget-Brown – Solicitors Regulation No. 514075

It is as a direct result of Mr Thamer Al Shanfari's lack of control over (b)(4) affairs that he wishes to issue proceedings against those who were in charge, namely (b)(6) and (b)(6) all of whom represented (b)(4). It would certainly assist Mr Thamer Al Shanfari's case were he able to have the benefit of my knowledge of the case (obtained prior to his placement on the SDN list).

The (b)(4) proceedings will in my view greatly assist proving to OFAC that Mr Thamer Al Shanfari has not been involved in whatever (b)(4) is alleged to have done in support of the Mugabe regime. That is why I ask that your decision is re-considered.

I have told Mr Thamer Al Shanfari that all that I can do is ask for you to re-consider the terms of the License and in the interim, I am not able to act in relation to the (b)(4) proceedings (somewhat difficult to do anyway even if permission were granted as there currently are not any issued).

Thank you in advance for your time.

Yours faithfully

Simon Paget-Brown

(Signed electronically)

SIMON PAGET-BROWN

PAGET-BROWN (UK)

Page 1 of 2

spb@paget-brown.co.uk

From: spb@paget-brown.co.uk **Sent:** Mon 12/10/2009 15:46
To: OFAC_Feedback@do.treas.gov
Cc:
Subject: Case No. Z1-251 RE: Mr Thamer Al Shanfari and (b)(4) (In Liquidation)
Attachments:

Case No. Z1-251**Zimbabwe sanctions**

Dear Sir/Madam,

I write further to my e-mail of 7 October 2009 and was wondering if you were able to re-consider the request for a licence to act for Mr Thamer Al Shanfari in relation to the Cayman proceedings (which have yet to be issued).

I have already told Mr Thamer Al Shanfari that I am unable to assist him with the Cayman proceedings and he will need to instruct other attorneys in that regard.

Were you able to re-consider your decision for the reasons set out in my e-mail of 7 October 2009, then Mr Thamer Al Shanfari may be minded to continue to retain me and my firm in respect of the Cayman proceedings. This would greatly assist with seeking to prove to the US and EU authorities that he was not using (b)(4) to fund and/or assist Mr Mugabe regime in Zimbabwe as the Cayman proceedings will help prove that (b)(4) was controlled by third parties, who acted to (b)(4) detriment.

I have been asked by Mr Thamer Al Shanfari to provide a Court in Oman with a report or summary of what has happened in relation to the liquidation of (b)(4). My understanding is that I am unable to do so as my licence is confined solely to seeking to remove Mr Thamer Al Shanfari from the US and EU Sanctions lists, so that even though the matters may well be related, it is not possible for me to assist the Omani Court as that is outside the scope of the US and EU Sanctions list work. I would be grateful if you could please confirm the position.

Yours faithfully

Simon Paget-Brown

Paget-Brown (UK) is regulated by the Solicitors Regulation Authority (No. 514075). Principal Simon Paget-Brown, 50 Broadway, London SW1H 0RG.

The contents of this e-mail and any attachments are confidential to the intended recipient and may be legally privileged. If you are not the intended recipient please do not use or publish its contents and contact Paget-Brown (UK) immediately on +44 (0)20 7152 4064 and then delete it.

This email has been scanned for Viruses but it is your full responsibility for Virus Checking.

From: spb@paget-brown.co.uk
Sent: Wed 07/10/2009 19:53
To: OFAC_Feedback@do.treas.gov
Subject: RE: Case No. Z1-251 RE: Mr Thamer Al Shanfari and (b)(4) (In Liquidation)

Case No. Z1-251**Zimbabwe sanctions**

Dear Sir/Madam,

I write to thank you for granting me permission to act for Mr Thamer Al Shanfari in

[https://webmail.easyxchange.co.uk/exchange/spb_paget-brown.co.uk/Inbox/\(b\)\(4\)Case...](https://webmail.easyxchange.co.uk/exchange/spb_paget-brown.co.uk/Inbox/(b)(4)Case...) 21/10/2009

2014-07-070:000324

Page 2 of 2

relation to the efforts to have him removed from both the US and the EU Sanctions lists.

I realise that you have not given me permission to assist Mr Thamer Al Shanfari in relation to his case (the "Cayman Litigation") which has yet to be issued against those who controlled (b)(4) (In Liquidation) (b)(4) from December 2002 onwards and therefore I will not do so.

I see that pursuant to 541.507(5)(b) "The provision of any other legal services to persons whose property or interests in property are blocked pursuant to §541.201(a), not otherwise authorized in this part, requires the issuance of a specific license" I need a specific license to assist Mr Thamer Al Shanfari in relation to the Cayman Litigation.

My question is as follows:-

Is it the case that my request for this license is already refused or is it that I need to make a further separate application for a specific license to assist with the Cayman Litigation?

The reason for my question is that through the Cayman Litigation it is hoped that it will be possible to show the US authorities as well as the EU authorities that (b)(4)

Thereafter it was managed (against Mr Thamer Al Shanfari's wishes which will be proven by the Cayman Litigation) by others including (b)(6) and (b)(4) this is documented in Mr Thamer Al Shanfari's submission to OFAC dated 31 January 2009).

It is the aim of the Cayman Litigation to show through Mr Thamer Al Shanfari not having (b)(4) that he could not have used (b)(4) as a vehicle to support the Mugabe regime. It is for that reason that a claim is being made for corporate malfeasance against those who were in control of (b)(4) in the Cayman Litigation.

In short, the Cayman Litigation will assist greatly with helping prove Mr Thamer Al Shanfari's innocence of the charges that have been made against him. It should also provide a great deal of evidence through the disclosure of documentation held by those who were running (b)(4) which may be of interest to the US and EU authorities.

My inability to assist Mr Thamer Al Shanfari with the Cayman Litigation will have an adverse impact upon my ability to assist him in his case of seeking removal from the US and EU Sanctions Lists as the former will have a huge bearing upon the obtaining of evidence showing that (b)(4) could not have been used by Mr Thamer Al Shanfari (at least from December 2002 onwards) to support the Mugabe regime.

I am sorry to burden you with this request, however given the importance to Mr Thamer Al Shanfari to prove his innocence, I thought it prudent to seek to clarify that the Cayman Litigation is intrinsically linked with seeking to remove Mr Thamer Al Shanfari from the OFAC SDN list and that in turn will greatly assist with this removal from the EU sanctions list.

My sincere thanks for your assistance in this matter.

Yours faithfully

Simon Paget-Brown

Paget-Brown (UK) is regulated by the Solicitors Regulation Authority (No. 514075). Principal Simon Paget-Brown, 50 Broadway, London SW1H 0RG.

The contents of this e-mail and any attachments are confidential to the intended recipient and may be legally privileged. If you are not the intended recipient please do not use or publish its contents and contact Paget-Brown (UK) immediately on +44 (0)20 7152 4064 and then delete it.

This email has been scanned for Viruses but it is your full responsibility for Virus Checking.

COVINGTON & BURLING LLP

1201 PENNSYLVANIA AVENUE NW
WASHINGTON, DC 20004-2401
TEL 202 682 8000
FAX 202 682 6291
WWW.COV.COM

BEIJING
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WASHINGTON

FACSIMILE

DATE

July 29, 2011

TOTAL PAGES W/COVER

7

FROM	EMAIL	FAX	TEL
(b)(6)	(b)(6)	202-778-5534	(b)(6)
TO		FAX	TEL
Office of Foreign Assets Control		202-622-0447	202-622-2480

A hard copy was also hand-delivered today.

THIS FACSIMILE TRANSMISSION IS INTENDED ONLY FOR THE ADDRESSEE SHOWN ABOVE. IT MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL OR OTHERWISE PROTECTED FROM DISCLOSURE. ANY REVIEW, DISSEMINATION OR USE OF THIS TRANSMISSION OR ITS CONTENTS BY PERSONS OTHER THAN THE ADDRESSEE IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS TRANSMISSION IN ERROR, PLEASE NOTIFY US IMMEDIATELY AND MAIL THE ORIGINAL TO US AT THE ABOVE ADDRESS.

USER NUMBER:

2014-07-070:000326



Universal Leaf Tobacco Company, Inc.

Richmond, Virginia 23260

July 28, 2011

BY FACIMILE AND HAND DELIVERY

Ms. Andrea Gacki
Assistant Director for Licensing
U.S. Department of the Treasury
Office of Foreign Assets Control
1500 Pennsylvania Ave., NW
Washington, DC 20220

**EMERGENCY
REQUEST TO RENEW
LICENSE RELATING
TO THE U.S.
SANCTIONS AGAINST
ZIMBABWE**

Re: Emergency Request to Renew License No. ZI-120a

Dear Ms. Gacki:

For the reasons set forth below, Universal Leaf Tobacco Company, Inc. respectfully requests that the Office of Foreign Assets Control ("OFAC") promptly renew and extend License No. ZI-120a, a copy of which is attached, on the same terms and conditions as the expiring license.

License No. ZI-120a authorized ULT to

(b)(4)

(b)(4)

Pursuant to the OFAC license

(b)(4)

(b)(4)

(b)(4)

Because regrettably ULT had not appreciated that License No. ZI-120a expired at the end of June 2011,

(b)(4)

(b)(4)

If you or your staff have any questions about this license application, please contact our counsel, (b)(6) of Covington & Burling LLP, who will arrange for a prompt response.

* * * * *

Ms. Andrea Gacki
July 28, 2011
Page 2

Please be advised that this letter contains commercial and financial information about ULT and its business that is privileged and confidential and which is, therefore, exempt from the public access provisions of the Freedom of Information Act, 5 U.S.C. § 522. Such information, if disclosed, could adversely affect the financial and competitive position of ULT and the normal conduct of its business operations. Accordingly, ULT requests that this letter be withheld in the event of a demand for its disclosure. ULT understands that in the event of such a demand your Office will give it prompt notice and opportunity to be heard prior to taking any action to disclose.

Sincerely,

(b)(6)

Vice President, General
Counsel and Chief
Compliance Officer



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

License No. ZI-120a

(b)(6)

Vice President, General Counsel, and Chief Compliance Officer
Universal Leaf Tobacco Company, Inc.
P.O. Box 25099
Richmond, VA 23260

Dear (b)(6):

This letter responds to your correspondence of November 24, 2009 (the "Application"), on behalf of Universal Leaf Tobacco Company, Inc. ("ULT"), to the Office of Foreign Assets Control ("OFAC"), requesting an amendment to License No. ZI-120, which authorized ULT to

(b)(4)

(b)(4)

You write that ULT received License No. ZI-120 in January

2009.

(b)(4)

(b)(4)

(b)(4)

Enclosed please find License No. ZI-120a, which again authorizes ULT

(b)(4)

(b)(4)

(b)(4)

not require further authorization

(b)(4)

ULT does

Should you have any further questions, you may refer to OFAC's website at <http://www.treas.gov/offices/enforcement/ofac/> or telephone the Licensing Division at +1(202) 622-2480.

Sincerely,

(b)(6)

Andrea Gacki
Assistant Director for Licensing
Office of Foreign Assets Control

July 20, 2010
Date



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

License No. ZI-120a

ZIMBABWE SANCTIONS REGULATIONS

AMENDED LICENSE

(Granted under the authority of 50 U.S.C. §§ 1701 *et seq.*; 50 U.S.C §§ 1601 *et seq.*; Executive Orders 13288, 13391, and 13469; and 31 C.F.R. Parts 501 and 541.)

To: **Universal Leaf Tobacco Company, Inc.**
P.O. Box 25099
Richmond, VA 23260

ATTN: **(b)(6)**, Vice President, General Counsel, and Chief Compliance Officer

1. Based on correspondence of November 24, 2009, from Universal Leaf Tobacco Company, Inc., to the Office of Foreign Assets Control (the "Application"), and information otherwise available to the Office of Foreign Assets Control, License No. ZI-120 is hereby amended, and the transactions and activities delineated herein are hereby authorized.

2. This License is granted upon the statements and representations made in the Application, otherwise filed with or made to the Treasury Department as a supplement to the Application, or based on information available to the Treasury Department, and is subject to the condition, among others, that the Licensees comply in all respects with all regulations, rulings, orders and instructions issued by the Secretary of the Treasury under the authority of the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 *et seq.*), the National Emergencies Act (50 U.S.C. §§ 1601 *et seq.*), Executive Order 13288 of March 6, 2003, Executive Order 13391 of November 22, 2005, Executive Order 13469 of July 25, 2008, and the terms of this License.

3. The Licensees shall furnish and make available for inspection any relevant information, records, or reports requested by the Secretary of the Treasury or any other duly authorized officer or agency.

4. This License expires on June 30, 2011, is not transferable, and is subject to the provisions of Executive Orders 13288, 13391, and 13469, 31 C.F.R. Parts 501 & 541, and any regulations and rulings issued pursuant thereto. This License may be revoked or modified at any time at the discretion of the Secretary of the Treasury. If this License was issued as a result of willful misrepresentation, it may, at the discretion of the Secretary of the Treasury, be declared void from the date of its issuance or from any other date.

5. This License does not excuse compliance with any law or regulation administered by the Office of Foreign Assets Control or another agency (including reporting requirements) applicable to the transactions herein licensed, nor does it release Licensees or third parties from civil or criminal liability for violation of any law or regulation.

Issued on behalf of the Secretary of the Treasury:

OFFICE OF FOREIGN ASSETS CONTROL

By: **(b)(6)** Date July 20, 2010
Andrea Gacki
Assistant Director for Licensing

Attention is directed to 18 U.S.C. § 1001, 50 U.S.C. § 1705, and 31 C.F.R. § 541.701 for provisions relating to penalties.

2014-07-070:000330

License No. ZI-120a

Page 2 of 3

SECTION I - AUTHORIZATION: Subject to the conditions and limitations stated herein, and in accordance with their contractual rights and any applicable laws and court orders, Universal Leaf Tobacco Company, Inc., and its officers, directors, and employees (the "Licensees") are hereby authorized to (b)(4)

(b)(4)
(b)(4) as described in the Application. Subject to the conditions and limitations herein and in accordance with their contractual rights and any applicable laws and court orders, the Licensees are further authorized (b)(4)

(b)(4)
(b)(4) as described in the Application.

SECTION II - CONDITIONS: (a) Any transfer of funds through the U.S. financial system pursuant to the authority set forth above should reference License No. ZI-120a to avoid the blocking or rejection of the transfer.

(b) Any proceeds remaining from the sale of the Equipment after the reimbursement of storage fees, as authorized in Section 1 hereof, must be placed in a blocked account.

SECTION III - WARNINGS: (a) Except as specifically and expressly authorized by the terms of this License, nothing in this License authorizes the transfer of any blocked property, the debiting of any blocked account, the entry of any judgment or order that effects a transfer of blocked property, or the execution of any judgment against property which is blocked pursuant to any Executive order or Chapter V of Title 31 of the C.F.R.

(b) Except as specifically and expressly authorized by the terms of this License, nothing authorizes the transfer to or receipt of funds or other property, directly or indirectly, from any entity or individual whose property or interests in property are blocked pursuant to any Executive order or Chapter V of Title 31 of the C.F.R.

(c) The authorization set forth in this License permits certain transactions that are otherwise prohibited by laws or regulations administered by the Office of Foreign Assets Control and should not be interpreted to (i) excuse the Licensees or the authorized transactions from compliance with other laws or regulations to which they may be subject, (ii) confer any rights or property interests on any party with respect to the Equipment, or (iii) construe any agreements relating to the Equipment.

(d) This License does not authorize transactions that occurred prior to its issue date.

SECTION IV - RECORDKEEPING AND REPORTING REQUIREMENTS: (a) The Licensees are subject to the recordkeeping and reporting requirements of, *inter alia*, 31 C.F.R. §§ 501.601 and 501.602, including the requirement to maintain full and accurate records concerning the transactions undertaken pursuant to this License for a period of five years from the date of each transaction. All records of transactions conducted pursuant to this License must be made available to the Office of Foreign Assets Control upon request. Such records shall clearly demonstrate the applicability of the authorization set forth in Section 1 hereof.

(b) The Licensees shall submit a report (b)(4)

(b)(4)

License No. ZI-120a

Page 3 of 3

(b)(4) The report is to be mailed to: Licensing Division, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, N.W., Annex, Washington, D.C. 20220, and to refer to this License No. ZI-120a.

SECTION V – PRECEDENTIAL EFFECT: The authorization contained in this License is limited to the facts and circumstances specific to the Application.



Universal Leaf Tobacco Company, Inc.

Richmond, Virginia 23260

November 24, 2009

BY FACSIMILE AND OVERNIGHT MAIL

Ms. Jodi Kouts
Assistant Director of Licensing
Office of Foreign Assets Control
U.S. Department of the Treasury
Treasury Annex
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Re: Request to Amend License No. ZI-120 to Authorize Universal Leaf to
Offset (b)(4)

Dear Ms. Kouts:

In February 2009, the Office of Foreign Assets Control ("OFAC") issued License No. ZI-120, a copy of which is attached as Exhibit 1, authorizing Universal Leaf Tobacco Company, Incorporated ("ULT"), a company organized under the laws of the Commonwealth of Virginia, to engage in transactions (b)(4)

(b)(4)

(b)(4)

Following the issuance of the OFAC license

(b)(4)

(b)(4)

One (1) page withheld in its entirety pursuant to FOIA
exemption (b)(4)

Bates page number
2014-07-070:000334

2014-07-070:000334

(b)(4)

(b)(4)

(b)(4)

(b)(4)

III.

(b)(4)

(b)(4)

(b)(4)

If you or your staff should have any questions about this license application, please contact our counsel, (b)(6) of Covington & Burling LLP, who will arrange for a prompt response.

*

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*

*

*

Please be advised that this letter contains commercial and financial information about ULT and its business that is privileged and confidential and which is, therefore, exempt from the public access provisions of the Freedom of Information Act, 5 U.S.C. § 522. Such information, if disclosed, could adversely affect the financial and competitive position of ULT and the normal conduct of its business operations. Accordingly, ULT requests that this letter be withheld in the event of a demand for its disclosure. ULT understands that in the event of such a demand your Office will give it prompt notice and opportunity to be heard prior to taking any action to disclose.

Sincerely,

(b)(6)

Vice President, General Counsel and
Chief Compliance Officer

EXHIBIT 1

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

License No. ZI-120

ZIMBABWE SANCTIONS REGULATIONS

LICENSE

(Granted under the authority of 50 U.S.C. §§ 1701 *et seq.*; 50 U.S.C §§ 1601 *et seq.*; 3 U.S.C. 301; Executive Order 13288, Executive Order 13391, Executive Order 13469; and 31 C.F.R. Parts 501 and 541.)

To: Universal Leaf Tobacco Company, Inc.

Richmond, VA 23260

ATTN: (b)(6), Vice President, General Counsel, and Chief Compliance Officer

1. Based on the letter dated December 2, 2008, from Universal Leaf Tobacco Company, Inc., to the Office of Foreign Assets Control (the "Application"), and information otherwise available to the Office of Foreign Assets Control, the transactions and activities delineated herein are hereby authorized.

2. This License is granted subject to the condition, among others, that the Licensees comply in all respects with all regulations, rulings, orders and instructions issued by the Secretary of the Treasury under the authority of the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 *et seq.*), the National Emergencies Act (50 U.S.C. §§ 1601 *et seq.*), section 301 of title 3 of the United States Code, Executive Order 13288 of March 7, 2003, Executive Order 13391 of November 25, 2005, Executive Order 13469 of July 25, 2008, and the terms of this License.

3. The Licensees shall furnish and make available for inspection any relevant information, records, or reports requested by the Secretary of the Treasury or any other duly authorized officer or agency.

4. This License expires on January 31, 2010, is not transferable, and is subject to the provisions of Executive Order 13288, Executive Order 13391, Executive Order 13469, and any regulations and rulings issued pursuant thereto. This License may be revoked or modified at any time at the discretion of the Secretary of the Treasury. If this License was issued as a result of willful misrepresentation, it may, at the discretion of the Secretary of the Treasury, be declared void from the date of its issuance or from any other date.

5. This License does not excuse compliance with any law or regulation administered by the Office of Foreign Assets Control or another agency (including reporting requirements) applicable to the transactions herein licensed, nor does it release Licensees or third parties from civil or criminal liability for violation of any law or regulation.

Issued on behalf of the Secretary of the Treasury:

OFFICE OF FOREIGN ASSETS CONTROL

By John E. Smith Date 2/12/09
John E. Smith
Associate Director
Program Policy & Implementation

Attention is directed to 18 U.S.C. § 1001 and 50 U.S.C. § 1705 for provisions relating to penalties.

License No. ZI-120

Page 2 of 2

SECTION I - AUTHORIZATION: Subject to the conditions and limitations stated herein and pursuant to applicable law, Universal Leaf Tobacco Company, Inc. and its officers, directors, and employees (the "Licensees") are hereby authorized to

(b)(4)

(b)(4)

described in the Application.

SECTION II - WARNING: Except as expressly authorized by the terms of this License, or otherwise by the Office of Foreign Assets Control, this License does not authorize the transfer of any blocked property, the debiting of any blocked account, the entry of any judgment or order that effects a transfer of blocked property, or the execution of any judgment against property blocked pursuant to any Executive order or Chapter V or Title 31 of the C.F.R.

SECTION III - RECORDKEEPING REQUIREMENT: (a) The Licensees are subject to the recordkeeping and reporting requirements of, *inter alia*, 31 C.F.R. §§ 501.601 and 501.602, including the requirement to maintain full and accurate records concerning the transactions undertaken pursuant to this License for a period of five years from the date of each transaction.

(b) The Licensees shall submit a report

(b)(4)

(b)(4)

(b)(4)

The report is to be mailed to: Licensing Division, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, N.W., Annex, Washington, D.C. 20220, and to refer to this License No. ZI-120.

SECTION IV - PRECEDENTIAL EFFECT: The authorization contained in this License is limited to the facts and circumstances specific to the Application.

EXHIBIT 2



Universal Leaf Tobacco Company, Inc.

Richmond, Virginia 23260

December 2, 2008

BY FACSIMILE AND OVERNIGHT MAIL

Elizabeth W. Farrow
Assistant Director for Licensing
Office of Foreign Assets Control
U.S. Department of the Treasury
Treasury Annex
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Re: **Urgent Request for Authorization**

(b)(4)

(b)(4)

Dear Ms. Farrow:

Universal Leaf Tobacco Company, Incorporated ("ULT"), a company organized under the laws of the Commonwealth of Virginia, on its behalf and on behalf of its German subsidiary, Gebrüder Kulenkampff A.G. ("GK"), seeks authorization from the Office of Foreign Assets Control ("OFAC"), to the extent such authorization is required, to

(b)(4)

(b)(4)

(b)(4)

(b)(4)

Two (2) pages withheld in their entirety pursuant to FOIA
exemption (b)(4)

Bates page numbers

2014-07-070:000341 through 2014-07-070:000342

2014-07-070:000341 through 2014-07-070:000342

GIBSON, DUNN & CRUTCHER LLP
LAWYERS

A REGISTERED LIMITED LIABILITY PARTNERSHIP
INCLUDING PROFESSIONAL CORPORATIONS

1050 Connecticut Avenue, N.W. Washington, D.C. 20036-5306

(202) 955-8500

www.gibsondunn.com

jalee@gibsondunn.com

August 26, 2008

CONFIDENTIAL TREATMENT REQUESTED

BY OVERNIGHT MAIL

Direct Dial

(202) 887-3591

Fax No.

(202) 530-9680

Client No.

C 98420-00022

The Honorable Adam J. Szubin
Director
Office of Foreign Assets Control
United States Department of the Treasury
Treasury Annex
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Re: *Western Union Financial Services, Inc. – Request for Advisory Opinion,
or, in the Alternative, for Authorization*

Dear Mr. Szubin:

This letter is filed on behalf of Western Union Financial Services, Inc. ("Western Union") concerning a possible independent agent relationship with (b)(4), Zimbabwe.¹ (b)(4) is not on OFAC's Specially Designated Nationals and Block Parties List. However, as part of its due diligence, Western Union has learned that the (b)(4).

¹ This letter contains trade secrets and confidential commercial information exempt from disclosure under 5 U.S.C. § 552(b)(4). Accordingly, Western Union requests that your office treat the information in this letter, any additional information provided subsequently, and the fact of the submission of this letter, as except from disclosure, and we also request that you notify us of any request received by your office for disclosure of this letter or the information contained therein. We further request advance notice prior to any decision to disclosure so that we consider withdrawal of the letter or the use of judicial remedies.

GIBSON, DUNN & CRUTCHER LLP

The Honorable Adam J. Szubin
August 26, 2008
Page 2

(b)(4), is included on the SDN List. Western Union requests an advisory opinion that it is not prohibited from entering into an agent relationship with (b)(4). In the event that OFAC determines that the agent relationship would require authorization, Western Union hereby requests a license authorizing Western Union to establish and maintain an agent relationship with (b)(4).

I. BACKGROUND

A national emergency with respect to Zimbabwe was declared by Executive Order 13288 on March 6, 2003. Executive Order 13288 was superseded by Executive Order 13391 (Nov. 22, 2005), the Annex to which identified individuals and entities whose assets were blocked pursuant to that order. Among the named individuals was (b)(4). (b)(4) itself was not listed in the Annex.

According to its website,² the (b)(4) traces its origins to the (b)(4) (b)(4) and currently operates pursuant to the

(b)(4)

(b)(4)

(b)(4)

² (b)(4) website may be found at (b)(4)

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(b)(4)

(b)(4)

(b)(4)

We understand that

(b)(4)

(b)(4)

(b)(4)

(b)(4)

is not a

member of (b)(4) Board. None of the members of (b)(4) Board and none of its senior management, as listed on (b)(4) homepage, is a Specially Designated National.

II. ADVISORY OPINION REQUEST

Western Union hereby requests an advisory opinion that the United States sanctions laws administered by the United States Department of the Treasury's Office of Foreign Assets Control do not prohibit Western Union from engaging as a local agency (b)(4)

(b)(4)

First, (b)(4) is not "owned or controlled" by an SDN. OFAC's "Guidance On Entities Owned By Persons Whose Property And Interests In Property Are Blocked" (hereinafter

³ (b)(4) website may be found at

(b)(4)

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"OFAC's Guidance on Blocked Property")⁴ is not implicated in this instance because the (b)(4) does not exercise control over the (b)(4) within the meaning of the Executive Order.

(b)(4)

Second, Western Union would not be dealing with any blocked property by reason of the agency relationship. Executive Order 13391 states that "all property and interests in property of {the listed persons}, that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, including their overseas branches, are blocked . . ." Among those to be blocked are persons determined "by the Secretary of the Treasury, in consultation with the Secretary of State . . . to be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to this order." E.O. 13391 Section 1(a)(ii)(D). In this instance, (b)(4) has not been determined to own or control the (b)(4) (b)(4)

Further, (b)(4) does not appear to create an "interest" in the (b)(4) within the meaning of the sanctions. OFAC's Guidance on Blocked Property indicates that blocking may extend to an entity, even if the entity is not itself listed, if the SDN has an ownership interest:

A person whose property and interests in property are blocked pursuant to an Executive order or regulations administered by OFAC (a "blocked person") is considered to have an interest in all property and interest in property of an entity in which it owns, directly or indirectly, a 50% or greater interest.

Thus, for (b)(4) interest in (b)(4) to cause (b)(4) to be blocked, (b)(4) must have an ownership interest of 50 percent or more. There is no indication that (b)(4) has any ownership interest in the (b)(4) much less a 50 percent interest that would extend the blocked status to (b)(4) and its property (including Homelink). Accordingly, OFAC should conclude that (b)(4) does not have an interest in

⁴ This guidance is available at http://www.treas.gov/offices/enforcement/ofac/programs/common/licensing_guidance.pdf.

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(b)(4) for purposes of Executive Order 13391, that (b)(4) should not be treated as an SDN because of its indirect relationship with (b)(4) and that no license is required to establish and maintain an agency relationship.

III. AUTHORIZATION REQUEST

Should OFAC determine, however, that a license is required, Western Union hereby requests authorization to engage (b)(4) as an agent, and to undertake all transactions incidental to the agency relationship. The parties to the transaction would include Western Union Financial Services, Inc., Richview Office Park, Unit 9, Clonskeagh, Dublin 14, Ireland and (b)(4) Zimbabwe.⁵

There are sound reasons for establishing an agency relationship between Western Union and (b)(4)

Second, Western Union has established relationships with other local agents and has established and implemented precautions to minimize the possibility of a violation of OFAC's sanctions on Zimbabwe.

* * *

Thank you for your consideration of this matter. Please do not hesitate to contact me at (202)887.3591 or jalee@gibsondunn.com, or my colleague Andrea Farr who may be reached at (202)955.8680 or afarr@gibsondunn.com, with any questions or comments.

Sincerely,

(b)(6)

Judith A. Lee

Counsel to Western Union Financial Services, Inc.

(b)(6)

JAL/aff/pm
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⁵ Although this application is filed on behalf of Western Union, a subsidiary of Western Union would sign any agent agreement with (b)(4)



DLA Piper US LLP
500 8th Street, NW
Washington, DC 20004
www.dlapiper.com

R. Richard Newcomb

(b)(6)

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(b)(6)

F 202.799.5434

August 8, 2008

BUSINESS CONFIDENTIAL

Ms. Elizabeth Farrow
Assistant Director, Licensing Division
Office of Foreign Assets Control
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Re: Zimbabwe – (b)(4)
Request for a license on behalf of The Coca-Cola Company and its wholly owned
bottler in Zimbabwe, Schweppes Zimbabwe Limited

Dear Ms. Farrow:

On behalf of The Coca-Cola Company ("TCCC" or "the Company") of Atlanta, Georgia
and its wholly owned bottler, Schweppes Zimbabwe Limited ("SZL" or "the bottler") of Harare,
Zimbabwe, this is an application for a license pursuant to the Zimbabwe Sanctions Regulations,
31 CFR § 541.501 and 31 CFR § 501.801 to (b)(4)

(b)(4) an entity that the Office of Foreign Assets Control ("OFAC")
(b)(4) included on the list of Specially Designated Nationals ("the SDN list"). The
proposed (b)(4) for which a license from OFAC is requested is in the amount of
approximately (b)(4) value dated as of Tuesday, August 5, 2008. The purpose for (b)(4)
(b)(4)
(b)(4) as of (b)(4) of approximately (b)(4)
Zimbabwe dollars (which is approximately (b)(4) USD).¹

¹ Exhibit 1 contains a summary (b)(4) of SZL's account balance from July 2008 to date. Please note that
as the current exchange rate is approximately ZWD (b)(4) that the summary table should be read
with six additional digits (000,000) inserted to the left of the decimal point. Thus, for example, the exchange
rate shown as (b)(4) should be read as (b)(4) and so forth.



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SZL, TCCC's wholly owned bottler in Zimbabwe, wants to (b)(4)
(b)(4) and it believes the best way to achieve this objective (b)(4)

(b)(4)

SZL and the Company want to (b)(4) as quickly as possible and they
believe the most effective way to achieve that goal is (b)(4)

(b)(4) The
objective is to be in compliance with OFAC regulations without getting caught up in the
"politics" of being branded as an actor/participant in what the current government has
characterized as "unjust" sanctions being imposed on the country by the U.S. Government.

We have learned from SZL that the recent addition by OFAC of various corporate entities
to the SDN list has generated a great deal of media coverage and political controversy
domestically in Zimbabwe. SZL and the Company are committed to being in compliance with
OFAC regulations (b)(4)

(b)(4)

(b)(4) Economic meltdown is rapidly
occurring in Zimbabwe. With currency devaluation and interest rates at astronomical levels,
there is uncertainty about (b)(4)

For the reasons stated, SZL and TCCC request a license from OFAC to authorize it to

(b)(4)

(b)(4) Given the economic collapse that is taking place
and the speed with which it is occurring, we ask for an expedited decision on this license
application so that this matter can be closed and this financial uncertainty put to rest.



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This letter and the enclosures contain commercial information about TCCC and its foreign affiliates that is privileged and confidential and therefore exempt from the access provisions of the Freedom of Information Act 5 U.S.C. § 552. Such information, if disclosed, could affect the commercial and competitive positions of the Company and the conduct of its business operations. Accordingly, TCCC requests that this letter be withheld in the event of a demand for disclosure and that it be provided notice in the event of such a demand so that it has the opportunity to be heard prior to any disclosure action by OFAC.

Sincerely,

DLA Piper US LLP

(b)(6)

(b)(6)

R. Richard Newcomb

Enclosure

**Schweppes zimbabwe Ltd
ZB Bank July 08 to Date**

Opening Balance	(b)(4)	(b)(4)	(b)(4)
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July 2008 Transactions

Intrest charges	(b)(4)	(b)(4)
Account Funding	(b)(4)	(b)(4)
July 08 Closing Balance		(b)(4)

August 08 Transactions

Service Charge	(b)(4)	(b)(4)
Intrest charges	(b)(4)	(b)(4)
Service Charge	(b)(4)	(b)(4)

August 08 Closing Balance		(b)(4)
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Interest Rates	(b)(4)
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Exchange rate	(b)(4)	(b)(4)
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USD Equivalent	(b)(4)
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