

United States Department of State

*Bureau of Political-Military Affairs
Directorate of Defense Trade Controls
Office of Defense Trade Controls Compliance
Compliance & Registration Division
Washington, D.C. 20522-0112*

May 27, 2011

GHANSHYAM R. SANGANI, V.P.
PNC2, INC.
115 E CENTRE STREET
NUTLEY, NJ 07110

REGISTRANT CODE: M23036
EXPIRATION DATE: 06/30/2012

Reference: Manufacturer Registration Statement, Transmittal Letter and Fee Submission

Dear Mr. Sangani:

The Office of Defense Trade Controls Compliance, Compliance and Registration Division (CRD), received your registration statement, transmittal letter and fee to register as a manufacturer. Our review is now completed. Your registration code is M23036. It expires on 06/30/2012.

Any person who engages in the United States in the business of either manufacturing or exporting defense articles or furnishing defense services is required to register and keep their registration current with this Office pursuant to the Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (ITAR Part 122). Registration serves as a precondition to submitting an application for an export license or other approval from the Directorate of Defense Trade Controls (DDTC), or to use of export exemptions. This registration does not satisfy the requirements for registering as a broker pursuant to ITAR Part 129.

As you are the senior officer who has been empowered to sign the registration statement and transmittal letters, we ask you to confirm which key senior officer listed on the registration will oversee the export compliance program and be responsible for designating the full-time employees who will serve as "empowered officials" at their place of employment. We further request that you provide us with a list of qualified, full-time employees who will serve as "empowered officials" by name, position, business unit, phone and fax. Please provide this information by fax to the attention of Compliance and Registration at (202) 261-8695. Please note that third parties (individuals who are not full-time employees, such as consultants, subcontractors or outside counsel, for example) cannot serve as "empowered officials."

ITAR Section 122.5 requires you to maintain records concerning your registration and the manufacture, acquisition and disposition of defense articles; the provision of defense

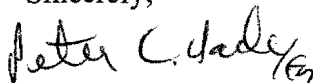
services; and information on political contributions, fees, or commissions furnished or obtained, as required by ITAR Part 130. Records maintained shall be available at all times for inspection and copying by this Office or by Customs officials. To maintain such records, managers, supervisors and employees need appropriate training on AECA and ITAR requirements and understand the individual and organizational ramifications for failure to comply. Ramifications may include shipment delay and/or shipment seizure by Customs and Border Protection, loss of export privileges, or criminal charges.

We refer you to our website for a copy of the ITAR and to keep abreast of changes to the regulations at <http://www.pmdtc.state.gov/>. The site also includes explanations of export licensing procedures, how to submit a license application, country sanctions, individuals/companies debarred by the Department of State and other export matters. The website also includes procedures for requesting a commodity jurisdiction determination (ITAR Section 120.4) should you have questions on whether an article, services or technical data is covered by the ITAR Part 121 (U.S. Munitions List).

Please include your registration code and the following statement on all Registration correspondence to this Office: "Under penalty according to federal law (22 CFR 127.2; 22 USC 2778; 18 USC 1001) I, [insert your name], as authorized by [name of company, if applicable] warrant the truth of the statements made herein." Again, your registration must be submitted at least thirty days prior to this new expiration date. Registration must be current to apply for export licenses or other approvals, or to use export exemptions. Current also means notifying this Office of any changes to your transmittal letters or material change in the information contained in your Registration Statement (ITAR Section 122.4).

If you have any questions regarding registration, please contact us at (202) 632-2159.

Sincerely,



Daniel Cook

Chief

Compliance and Registration Division

Attachment:

Compliance Guide