

ADMINISTRATIVE COMPLIANCE AGREEMENT

This Administrative Compliance Agreement (“Agreement”) is made between the U.S. Army (“Army”) and Neil Emilfarb, a.k.a. “Naum Emilfarb,” Stratex Hospitality Holdings, A.G., Stratex Limited, Stratex Hospitality, Stratex Management Inc., Stratex F.Z.C. and Shield Security Services (hereafter referred to collectively as “Stratex”).

A. PREAMBLE

1. On June 22, 2017, the Army Suspension and Debarment Official (“SDO”) proposed for debarment Stratex and the other named respondents from future contracting with any agency in the Executive branch of the U.S. government under Section 9.406 of the Federal Acquisition Regulation (FAR). The other named respondents included Baryalai Abdul Saboor, a.k.a. “Barry Gafuri,” and Stratex Logistics and Support, d.b.a. as “Stratex Logistics.”¹ The proposed debarment was based upon a referral from the Office of Special Inspector General for Afghanistan Reconstruction (SIGAR) containing the results of an investigation conducted by the SIGAR, which alleged that between 2010 and 2014, Mr. Gafuri and his co-respondents participated in a bribery scheme, in violation of the Foreign Corrupt Practices Act, whereby they made bribery payments to Afghan government officials to obtain visas for government contractor employees residing at the Green Village compound in Kabul, Afghanistan. Stratex Hospitality operated the Green Village compound.

2. In opposition to the proposed debarment, counsel for Stratex submitted extensive written matters to the SDO on August 15, 2017, and made an oral presentation before the SDO on August 21, 2017. However, neither Mr. Gafuri nor his company, Stratex Logistics, submitted matters in opposition to their proposed debarment. As represented in their written and oral opposition, Stratex argued that the Administrative Record, including the materials it submitted, did not establish by a preponderance of evidence any cause for debarment, and represented the following:

a. Mr. Gafuri is 100% owner of Stratex Logistics, an independent vendor at Green Village, and Stratex did not have any ownership interest, control, management, or supervision of Stratex Logistics.

b. Mr. Gufari has a 20% minority ownership in Shield Security Services, and thus has no control over the company. Stratex is in the process of buying out his 20% ownership in the company. Shield Security Services did not participate in the bribery alleged in the SIGAR referral.

c. Mr. Gafuri was an independent contractor of Stratex, whereby he provided services regarding Afghan government taxes, permits, and licenses etc. Mr. Gafuri has never been an employee of Stratex.

d. Stratex did not participate in obtaining the visas or any alleged bribes, and payments made by the contractors for visas went to Mr. Gafuri’s personal account.

¹ This Agreement does not apply to or address the circumstances of Mr. Gafuri and Stratex Logistics and Support, an Afghan-registered company that is owned and operated by Mr. Gafuri.

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e. Stratex Freedom Services was renamed as Stratex Construction in 2007. Stratex Construction was renamed Stratex Hospitality in 2011. Stratex Freedom Services and Stratex Construction no longer exist, but are now known as Stratex Hospitality.

f. There is no entity known as “Green Village” or “Green Village Hospitality.” Green Village is the compound that is run by Stratex Hospitality.

g. Stratex Hospitality did not participate in the bribery scheme alleged in the SIGAR referral. Mr. Gafuri has never been an employee of Stratex Hospitality.

3. In order to assure its present responsibility, Stratex agrees to take the remedial actions specified in Section C, Contractor Responsibility Program, subject to the terms and conditions described in Section D, General Conditions.

4. The Army has determined that the terms and conditions of this Agreement provide adequate assurance that the interests of the Government will be sufficiently protected to preclude the necessity of Suspension or Debarment of Stratex. Accordingly, upon execution of this agreement, the proposal for debarment of Stratex shall be terminated, and their proposed debarment status shall be removed from the System for Award Management (“SAM”) List to reflect this termination.

NOW THEREFORE, in consideration of the promises set forth herein and for good and valuable consideration, the parties mutually agree as follows.

B. DEFINITIONS

1. “Days” refers to “calendar days.”
2. “Effective date” (of this Administrative Compliance Agreement) refers to the date on which the Army’s SDO signs this Agreement on behalf of the Army.
3. “FCPA” refers to the Foreign Corrupt Practices Act.
4. “Government” refers to any department, agency, division, independent establishment, or wholly owned corporation of the U.S. Government.
5. “Independent Cause” for suspension and debarment refers to a reason or basis for such action not directly related to information set forth in the Preamble or any document referred to in the Preamble.
6. “Stratex” shall mean Neil Emilfarb, Stratex Hospitality Holdings, A.G., Stratex Limited, Stratex Hospitality, Stratex Management Inc., Stratex F.Z.C. and Shield Security Services and all other directors, officers, and employees while acting in their capacity as such.
7. “Logistics” shall mean Stratex Logistics and Support, an Afghan-registered company owned by Mr. Barry Gafuri, and all other directors, officers, and employees while acting in their capacity as such.

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C. CONTRACTOR RESPONSIBILITY PROGRAM

1. Business Relationship with Baryalai Abdul Saboor, a.k.a. "Barry Gafuri," and Stratex Logistics and Support, d.b.a. "Stratex Logistics"

a. As of the effective date of this Agreement, Stratex shall sever all business relationships with Mr. Gafuri and his company, Stratex Logistics, including all contractual, sub contractual, vendor-vendee, purchase, managerial, supervisory, or employer-employee relationships.

b. No later than March 1, 2018, Stratex will ensure that Mr. Gafuri is divested of his 20% ownership share of Shield Security Services.

2. Government Contracts and Continued Operation of Green Village. While this Agreement remains in effect, Stratex will not obtain U.S. government contracts. However, Stratex Hospitality may continue to operate Green Village and nothing in this Agreement shall prevent any entity or organization, including the Government, from entering into leases, contracts or other agreements with Stratex in connection with Green Village.

3. Ethics and Compliance Measures. Stratex will ensure that internal controls are effective, procedures are in place to facilitate timely discovery of improper conduct, and ensure corrective measures will take place. To accomplish these objectives, Stratex agrees to take the following actions:

a. Stratex will establish a high level Compliance Officer, who will be responsible for ensuring that the company's policies, procedures and practices are in conformity with the company's Code of Business Ethics and Conduct.

b. The Compliance Officer referenced in paragraph 3(a) will lead a review of existing company policies and procedures to assess the extent of their compliance with applicable requirements of the FCPA, and will revise such policies and procedures to the extent reasonably necessary to implement an appropriate and effective Code of Business Ethics and Conduct. Within 120 days of the effective date of this Agreement, Stratex will complete its review of company policies and procedures and prepare a Code of Business Ethics and Conduct.

c. Stratex will maintain periodic reviews of its compliance program and reporting mechanisms.

4. Training. Stratex shall train its employees in the company's Code of Business Ethics and Conduct, with a special emphasis on anti-bribery and anti-corruption for all employees. The required training shall be completed within 180 days of the effective date of this Agreement.

5. Reporting. Stratex shall submit the following written reports to the SDO to establish compliance with this Agreement:

a. No later than March 15, 2018, Stratex shall submit a written statement notifying the SDO that the sale of Mr. Gafuri's shares in Shield Security Services has been completed.

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b. Within 120 days of the effective date of this Agreement, Stratex shall provide the SDO with a copy of its revised Code of Business Ethics and Conduct.

c. Within 180 days of the effective date of this Agreement, Stratex shall provide the SDO with a written report regarding the completion of the training described in paragraph 4.

D. GENERAL CONDITIONS

1. Costs. All costs incurred by or on behalf of Stratex in responding to the Army's Notice of Proposed Debarment, dated June 22, 2017, and in negotiating, implementing, and abiding by the terms of this Agreement are the responsibility of Stratex.

2. Modifications of this Agreement. Any requirements imposed on Stratex by this Agreement may be discontinued by the SDO in his sole discretion. Other modifications to this Agreement may be made only in writing and upon mutual consent of the parties to this Agreement.

3. Approvals. Where this Agreement requires approval by the Army, or other action or response by the Army, the Chief, Procurement Fraud Division or his/her designee, will normally provide such action. This does not restrict the ability of the SDO to take such action as he may elect.

4. Public Document. This Agreement is a public document. It will be posted on the publicly assessable Army Fraud fighter's Website.

5. Release of Liability. Stratex releases the Government, its instrumentalities, agents and employees in their official and personal capacities, of any and all liability or claim, monetary or equitable, arising out of the investigation and negotiation of this Agreement.

6. Scope of This Agreement - Suspension and Debarment for Independent Cause. This Agreement in no way restricts the authority, responsibility, or legal duty of the Army, or any other federal agency to consider and institute suspension or debarment proceedings against Stratex based upon information constituting independent cause for suspension or debarment concerning events related or unrelated to the facts and circumstances set out herein, including, but not restricted to, any substantive allegations of wrongdoing under any past, present, or future hotline complaint or security program investigations. The Army or any other federal agency may, in its sole discretion, initiate such proceedings in accordance with the FAR Subpart 9.4.

a. The Army reserves the right to require additional protective measures or modifications of this Agreement if an independent cause for suspension or debarment should arise. Failure to institute such proposed measures may constitute an independent cause for debarment of the Stratex in accordance with FAR Subpart 9.4.

b. Suspension and/or debarment may be initiated at any time under the same facts and circumstances underlying this Agreement should further information become available that indicates such action is necessary to protect the Government's interests.

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c. Upon reliable evidence that Stratex has materially misrepresented any aspect of its submission that has been made part of the Administrative Record, the Army may take suspension or debarment action as appropriate. Any such misrepresentation or material breach of this Agreement will be regarded as cause for debarment

7. Survival of This Agreement. This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective successors and assigns. Bankruptcy proceedings shall not prevent or stay the enforcement of this Agreement or any debarment proceedings the Army deems to be appropriate should the parties fail to comply with the terms of this Agreement, or engage in such other conduct that is a cause for suspension or debarment.

8. Truth and Accuracy of Submissions. By this agreement, Stratex commits that all written materials and other information supplied to the Army by its authorized representatives pursuant to paragraph C(5) are in accordance with the terms of this Agreement, true and accurate in all material respects, to the best of the Stratex's information and belief. In case of any misrepresentation or fraudulent activity by Stratex, the SDO may consider that in making his decision under paragraph D(9) of this Agreement.

9. Violations of This Agreement. Any violation of this Agreement that is not corrected within ten days from the date of receipt of notice from the Army may constitute an independent cause for debarment. If correction is not possible within ten days, Stratex shall present an acceptable plan for correction within that ten-day period. The Army may, at its sole discretion, initiate suspension or debarment proceedings in accordance with FAR Subpart 9.4. Alternatively, in the event of any noncompliance, the Army may in its sole discretion extend this Agreement for a period equal to the period of noncompliance. Stratex does not, by this Agreement or otherwise, waive its right to oppose such action under FAR Subpart 9.4, or any other substantive, procedural, or due process rights it may have under the Constitution or other applicable laws or regulations of the United States.

10. Press Releases. The contractor agrees that it will cooperate in good faith with the Army regarding any press release related to this Agreement. The contractor will not unilaterally release any press release related to this Agreement without first obtaining Army approval, which the Army agrees to timely review and not to unreasonably withhold.

11. Entire Agreement. This Agreement constitutes the entire agreement between the Army and Stratex and supersedes all prior agreements or understandings, oral or written, with respect to the subject matter of this action.

E. ADMINISTRATION OF AGREEMENT

1. Addresses for Agreement Correspondence. All submission required by this Agreement shall be delivered to the following addresses, or such other addresses as the parties may designate in writing.


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If to the Army:
ATTN: Wayne S. Wallace
Procurement Fraud Division
9275 Gunston Road, Building 1450
Fort Belvoir, Virginia 22060-5546

If to Stratex:
ATTN: Frances S. Emilfarb, Esq.
USA General Counsel
Stratex Group
233 Needham Street, Suite 300
Newton, Massachusetts 02464

2. Expiration. This Agreement shall expire at midnight not later than 3 years after the effective date of the Agreement, unless terminated by the SDO in accordance with the provisions of paragraph E(3), below.

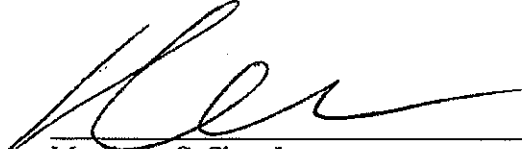
3. Early Expiration. Upon the completion of the first year of this Agreement, Stratex may request a review of its performance under the Agreement, and request the SDO to determine if it has fulfilled its obligations under the Agreement. If the SDO determines that Stratex has fulfilled its obligations under the Agreement, the SDO may terminate this Agreement.



Ms. Frances S. Emilfarb
USA General Counsel
For Stratex and Neil Emilfarb

8/25/2017

Date



Mortimer C. Shea Jr.
Suspension and Debarment Official
U.S. Army

25 AUGUST 17

Date