

U.S. Department of Justice

National Security Division

Counterintelligence and Export Control Section

950 Pennsylvania Avenue, N.W. Washington, D.C. 20530

December 19, 2024

Jeffery B. Vaden Bracewell LLP 711 Louisiana Street, Suite 2300 Houston, TX 77002

Jamie Joiner Lindsey Roskopf McGinnis Lochridge L.L.P. 609 Main Street, Suite 2800 Houston, TX 77002

Re: White Deer Management LLC, et al.

Dear Counsel:

Consistent with the National Security Division (NSD) Enforcement Policy for Business Organizations, and pursuant to the provisions of that Policy that apply to Voluntary Self-Disclosures in Connection with Acquisitions (the NSD M&A Policy), the Department of Justice, National Security Division, Counterintelligence and Export Control Section and the United States Attorney's Office for the Southern District of Texas have declined prosecution of your clients, private equity firm White Deer Management LLC, and its affiliates, WDE Unicat Aggregate LLC, Unicat Catalyst Holdings LLC, and Unicat Catalyst LLC (collectively, the "Unicat Acquirors") for violations of the International Emergency Economic Powers Act, 50 U.S.C. § 1705; the Trading with the Enemy Act, 50 U.S.C. § 4303; the Export Control Reform Act, 50 U.S.C. § 4819; 13 U.S.C. § 305; and 18 U.S.C. §§ 545, 554, 1956, and 1957. We have reached this determination despite the criminal wrongdoing committed by certain employees of the entity acquired by the Unicat Acquirors – Alvin, Texas-based Unicat Catalyst Technologies, LLC ("Unicat").

Our investigation found evidence that from approximately 2014 through 2021, the former chief executive officer of Unicat who co-founded the company conspired with others, including at least one other Unicat employee, to cause Unicat to make a total of 23 unlawful sales of chemical catalysts used in oil refining and steel production to customers in Iran, Venezuela, Syria, and Cuba. The sales of these products violated economic sanctions imposed under the International Emergency Economic Powers Act, see 50 U.S.C. § 1705, and the Trading with the Enemy Act, see 50 U.S.C. § 4303. Some of the sales were effected through exports of catalysts from the United States and violated the Export Control Reform Act, see 50 U.S.C. § 4819, and the Export Administration Regulations, see 15 C.F.R. Parts 730–774. The conspirators made

false statements in export documents and financial records about the true identities and locations of Unicat's customers, and falsely assured some employees of Unicat that the company's business with Iranian, Venezuelan, Syrian, and Cuban customers was lawful. Unicat obtained approximately \$3.33 million in revenue from its sales in violation of U.S. sanctions and export control laws. In addition, the investigation found evidence that Unicat's co-founder/former chief executive officer falsified invoices to reduce the tariffs assessed on catalysts that Unicat imported from China. Through these fraudulent imports, Unicat avoided the payment of approximately \$1.66 million in tariffs.

We have determined that the Unicat Acquirors' voluntary self-disclosure to the National Security Division satisfies the requirements of the NSD M&A Policy, and accordingly, have decided to decline prosecution of this matter. Specifically: (1) the Unicat acquisition was a lawful bona fide acquisition; (2) no pre-existing disclosure obligation required the Unicat Acquirors to disclose the misconduct they discovered at Unicat; (3) although the Unicat Acquirors made their disclosure to NSD approximately 10 months after the Unicat acquisition closed, the disclosure was timely under all of the circumstances, which include that (a) the Unicat acquisition was the first stage of the Unicat Acquirors' two-stage investment strategy to merge Unicat's operations with those of a later-acquired business, and the disclosure was made to NSD just three months after the acquisition of the second business closed and efforts to integrate the two businesses had begun; (b) post-acquisition integration efforts were significantly delayed by the COVID-19 pandemic; (c) the Unicat Acquirors acted to mitigate the imminent threat of any further national security harm by immediately canceling a pending transaction with Iran upon learning of the misconduct; and (d) the Unicat Acquirors acted promptly to disclose the misconduct to NSD just one month after discovering the misconduct during post-acquisition integration activity, and before obtaining a complete understanding of the nature and full extent of the misconduct; (4) the Unicat Acquirors provided and caused Unicat to provide exceptional and proactive cooperation, including by (a) disclosing all known relevant facts about the misconduct and the individuals involved in the misconduct; (b) proactively identifying relevant records retained by Unicat employees and agents on personal electronic devices and messaging accounts both inside and outside the United States; (c) proactively and lawfully disclosing relevant foreign-located records in accordance with disclosure restrictions imposed by foreign data privacy laws; and (d) agreeing to continue to cooperate with any ongoing government investigations and any resulting prosecutions; and (5) the Unicat Acquirors timely and appropriately remediated the misconduct in less than one year from the date of its discovery including by terminating culpable employees, disciplining other employees involved in the misconduct, and designing and implementing a comprehensive and robust internal controls and compliance program that has proven effective in practice at identifying and preventing similar potential misconduct.

Consistent with the NSD M&A Policy, we have reached this determination despite the presence of aggravating factors at the acquired entity, which include the involvement of certain members of Unicat's previous upper management in the misconduct, because the causes of those aggravating factors are no longer present at either Unicat or the Unicat Acquirors.

Under this letter agreement, the Unicat Acquirors agree to continue to fully cooperate with our ongoing investigation, including by continuing to disclose relevant information and by making available for interviews and testimony those officers, employees, or agents who have

relevant information, as determined in our sole discretion, and by consenting to our public disclosure of the facts and circumstances of this matter and the Unicat Acquirors' cooperation.

This letter agreement does not provide any protection against prosecution of any individuals regardless of their affiliation with Unicat or the Unicat Acquirors. If we learn information that changes our assessment of any of the factors outlined above, we may reopen our investigation.

Sincerely,

JENNIFER KENNEDY GELLIE

Chief

Counterintelligence and Export Control Section National Security Division

ALAMDAR S. HAMDANI United States Attorney Southern District of Texas

Adam P. Barry

Yifei Zheng

Trial Attorneys

Assistant United States Attorney

I have read this letter agreement and carefully reviewed every part of it with outside counsel for White Deer Management LLC, WDE Unicat Aggregate LLC, Unicat Catalyst Holdings LLC, and Unicat Catalyst LLC. The Managers of White Deer Management LLC, WDE Unicat Aggregate LLC, Unicat Catalyst Holdings LLC, and Unicat Catalyst LLC have been advised of the terms of this letter agreement. I understand the terms of this letter agreement and, on behalf of White Deer Management LLC, WDE Unicat Aggregate LLC, Unicat Catalyst Holdings LLC, and Unicat Catalyst LLC, voluntarily agree and consent to the facts and conditions set forth herein, including to continue to cooperate with the government.

Date: 12/19/2024

James K. Meneely III

Managing Partner

White Deer Management LLC