

**COMPROMISE AGREEMENT**  
**FMC File No. 17194**

This Compromise Agreement is entered into between:

- (1) the Federal Maritime Commission, hereinafter referred to as Commission, and
- (2) LF Logistics (China) Co., Ltd. (LF China), and LF Logistics USA LLC (LF USA)  
referred to collectively as Respondents.

WHEREAS, the Commission is considering the institution of an assessment proceeding against Respondents for recovery of civil penalties for alleged violations of section 10(a)(1) of the Shipping Act of 1984 (Shipping Act), 46 U.S.C. § 41102(a); and

WHEREAS, such proceeding would be based on the Commission's allegations that Respondents engaged in certain practices violative of the Shipping Act, to wit:

Between May 1, 2014 and May 31, 2016, LF Logistics (China) Co., Ltd. and LF Logistics USA LLC knowingly and willfully obtained ocean transportation for property at less than the rates and charges that would otherwise be applicable by the device or means of improperly utilizing rates limited to certain "named accounts" in service contracts with United Arab Shipping Company (UASC), CMA CGM, and Hapag-Lloyd AG (Hapag), among other carriers; and

During the same time period stated above, LF Logistics (China) Co., Ltd. and LF Logistics USA LLC knowingly and willfully improperly allowed other ocean transportation intermediaries (OTIs) to access certain service contracts with UASC, CMA CGM, and Hapag, among other carriers, to which such other OTIs were not signatories or affiliates and, pursuant to such device or means, said OTIs obtained ocean transportation for property from such ocean carriers at less than the rates or charges otherwise applicable.

WHEREAS, the Commission is authorized under section 13(c) of the Shipping Act, 46 U.S.C. § 41109 (a)-(b), and Part 502 of the Commission's Regulations, 46 C.F.R. Part 502, to compromise and collect civil penalties;

WHEREAS, Respondents have cooperated by conducting a self-audit and disclosing violations in addition to those alleged by the Bureau of Enforcement;

WHEREAS, Respondents have terminated the practices that are the basis of the alleged violations set forth herein, and has instituted and committed to maintain measures designed to eliminate these practices by Respondents, their officers, directors, or employees in the future.

NOW, THEREFORE, in consideration of the premises herein, and in compromise of all civil penalties arising from the Commission's investigation of the alleged violations described above, Respondents and the Commission hereby agree upon the following terms of compromise and settlement:

1. Respondents shall make payment on or before November 23, 2016 to the Commission by certified check, cashier's check, or wire transfer in the total amount of \$180,000 (One Hundred Eighty Thousand Dollars).
2. This instrument shall forever bar the commencement or institution of any assessment proceeding or other claim for recovery of civil penalties from Respondents, their officers, directors, or employees arising from the Commission's investigation of Respondents for the alleged violations set forth above that occurred between May 1, 2014 and May 31, 2016.
3. It is expressly understood that this Agreement is not, and is not to be construed as, an admission by Respondents to the alleged violations set forth above.
4. This agreement is subject to approval by the Commission's Managing Director in accordance with 46 C.F.R. §502.604.

**LF Logistics (China) Co., Ltd.**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**LF Logistics USA LLC**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVAL AND ACCEPTANCE OF COMPROMISE AGREEMENT**

FMC File No. 17194

The above Terms and Conditions and Amount of Consideration are hereby approved and accepted:

By the Federal Maritime Commission:

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Brian L. Troiano, Deputy Director (Date)  
Bureau of Enforcement

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Peter J. King, (Date)  
Deputy Managing Director