

ORIGINAL

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(JANUARY 11, 2006)
(FEDERAL MARITIME COMMISSION)

FEDERAL MARITIME COMMISSION

DOCKET NO. 06-01

Worldwide Relocations, Inc., All-in-One Shipping, Inc., Boston Logistics Corp., Around the World Shipping, Inc., Tradewind Consulting, Inc., Global Direct Shipping, Megan K. Karpick (a.k.a. Catherine Kaiser, Kathryn Kaiser, Catherine Kerpick, Megan Kaiser and Alexandria Hudson), Martin J. McKenzie, Patrick John Costadoni, Elizabeth F. Hudson, Sharon Fachler, and Oren Fachler, et al. -- Possible Violations of Sections 8, 10 and 19 of the Shipping Act of 1984 and the Commission's Regulations at 46 C.F.R. §§ 515.3, 515.21 and 520.3

ORDER OF INVESTIGATION AND HEARING

The Commission has received over 250 consumer complaints from shippers alleging that they hired one of nine apparently related household goods moving companies to transport their personal effects and vehicles from various locations in the United States to foreign destinations. It appears that as early as the year 2002, a core group of individuals began to form a series of corporations for the purpose of providing ocean transportation services. The companies and their owners or primary corporate officers are: Moving Services, L.L.C.; Worldwide Relocations, Inc.; International Shipping Solutions, Inc.; Dolphin International Shipping, Inc.; All-in-One Shipping, Inc.; Boston Logistics Corp.; Around the World Shipping, Inc.; Tradewind Consulting, Inc.; Global Direct Shipping; Sharon Fachler; Oren Fachler; Lucy Norry; Patrick J. Costadoni; Steve Kuller; Megan K. Karpick (a.k.a. Catherine

Kaiser, Kathryn Kaiser, Catherine Kerpick, Megan Kaiser and Alexandria Hudson); Barbara Deane (a.k.a. Barbara Fajardo); Baruch Karpick; Martin J. McKenzie; Joshua S. Morales; Elizabeth F. Hudson; Daniel E. Cuadrado (a.k.a. Daniel Edward); Ronald Eaden; and Robert Bachs (collectively “the Respondents”).

Each of the individuals, using the nine company names, dispatched shipments via ocean common carriers and arranged for the ocean transportation of full container load (“FCL”) and less than full container load (“LCL”) cargo on behalf of shippers. Shipments were contracted with licensed ocean transportation intermediaries (“OTIs”) under the names of the actual shippers as well as under the names of the various corporate entities. In all cases, the actual shipper paid the respondent company directly for the marked-up ocean freight and the licensed OTI would in turn look to the respondent company and individual for payment of its invoiced freight amount.

The shipper complaints include allegations that the company hired to provide the transportation: failed to deliver the cargo and refused to return the pre-paid ocean freight; lost the cargo; charged the shipper for marine insurance but never obtained insurance coverage for the shipment; misled the shipper as to the whereabouts of the cargo; charged the shipper a significantly inflated rate after the cargo was tendered and threatened to withhold the shipment unless the increased freight was paid; or failed to pay the common carrier engaged by the company as another intermediary. In many cases, the shipper was forced to pay another carrier or warehouse a second time in order to have the cargo released.

Information provided by complainants indicates that the shippers looked to the individuals and their respective companies for the delivery of their shipments. Therefore, it appears the named individuals and their companies have held themselves out to perform ocean transportation to the public and accepted responsibility for the transportation of these shipments. None of the companies or individuals are licensed as OTIs by the Federal Maritime Commission nor have they provided proof of

financial responsibility. It further appears that each of the named individuals and corporations knowingly and willfully operated as a common carrier without publishing a tariff showing its rates and charges. It also appears, based on complaints received from shippers, that the named individuals and their companies failed to establish, observe, and enforce just and reasonable regulations and practices relating to or connected with receiving, handling, storing or delivering property. The nine corporate respondents are further identified and described below. The 14 named individual respondents are identified along with the corporation with which they are or were associated.

Moving Services, L.L.C. (“Moving Services”) was incorporated in the State of Florida on September 18, 2001 by Sharon Fachler. Fachler acted as the company’s Manager and was its sole owner and corporate officer. The corporation employed at least nine other individuals, including Sharon Fachler’s brother, Oren Fachler, and two “International Relocation Specialists” named Barbara Deane and Joe Gonzalez (a.k.a. Jose Gonzalez). It appears that from at least March 2004 until December 2004, Fachler and Moving Services knowingly and willfully provided ocean transportation services to the public for shipments from the U.S. to foreign countries.

Worldwide Relocations, Inc. (“Worldwide”) was incorporated in the State of Florida on February 3, 2003. The original director of Worldwide was Lucy Norry. Patrick Costadoni succeeded her as the President and Chief Executive Officer of Worldwide in 2004. Two former employees of Moving Services, Joe Gonzalez and Barbara Deane, joined Worldwide after leaving Moving Services. Other Worldwide officers and employees included: Steve Kuller, as Vice President for Operations; Joshua S. Morales, as Sales Manager; and Daniel Edward Cuadrado (a.k.a. Daniel Edward), as Exports Manager. Alexandria Hudson served both as Worldwide’s Vice President for Customer Coordination and Vice President for Imports/Exports. The Commission has reason to believe that ‘Alexandria Hudson’ is an alias used by Megan K. Karpick. Megan Karpick is also believed to have used the aliases

of 'Catherine Kaiser,' 'Kathryn Kaiser,' 'Catherine Kerpick,' and 'Megan Kaiser'. It appears that from at least January 2004 until May 2005, Worldwide and the individuals identified above knowingly and willfully provided ocean transportation services to the public for shipments from the U.S. to foreign countries.

International Shipping Solutions, Inc. ("ISS") was incorporated in the State of Florida on September 8, 2003, by its sole officer Baruch Karpick. It appears that from at least February 2004 until October 2004, Baruch Karpick and ISS knowingly and willfully provided ocean transportation services to the public for shipments from the U.S. to foreign countries.

Dolphin International Shipping, Inc. ("Dolphin") was incorporated in the State of Florida on February 2, 2004 by its only director, Megan Kaiser. Other Dolphin employees included: Daniel Cuadrado, as Export Manager; and Martin McKenzie. It appears that Megan Kaiser and Dolphin knowingly and willfully provided ocean transportation services to the public for shipments from the U.S. to foreign destinations between February and November 2004.

All-In-One Shipping, Inc. ("All-in-One") was incorporated in the State of Florida on November 16, 2004 by its sole corporate officer, Joshua S. Morales, the former Sales Manager at Worldwide. The corporation holds itself out via internet advertisements as an international shipping company and solicits business on its website to provide full door-to-door delivery services on international moves of both FCL and LCL cargo shipments. It appears that Morales and All-in-One knowingly and willfully provided ocean transportation services to the public for shipments from the U.S. to foreign destinations between November 2004 and September 2005.

Boston Logistics Corporation ("Boston Logistics") was incorporated in the State of Florida on March 29, 2005 by its sole director Elizabeth F. Hudson. Boston Logistics also employs Joe Gonzalez, the former Logistics Coordinator at both Moving Services and Worldwide. The corporation holds itself

out via internet advertisements as an international shipping company and solicits business on its website to provide full door-to-door delivery services on international moves of both FCL and LCL cargo shipments. It appears that from June 2005 until September 2005, Hudson and Boston Logistics knowingly and willfully provided ocean transportation services to the public for shipments from the U.S. to foreign countries.

Around the World Shipping, Inc. (“Around the World”) was incorporated in the State of Florida on April 14, 2005 by its sole director, Daniel Cuadrado, who serves as the President, Secretary and Treasurer. Cuadrado is a former employee of ISS, Dolphin and Worldwide. The corporation holds itself out via internet advertisements as an international shipping company and solicits business on its website to provide full door-to-door delivery services on international moves of both FCL and LCL cargo shipments. Cuadrado and Around the World appear to have knowingly and willfully provided international ocean transportation services between May and September 2005.

Tradewind Consulting Inc. (“Tradewind”) was incorporated in the State of New York on April 20, 2005. The Executive Manager of Tradewind is Barbara Fajardo, a known alias for Barbara Deane, the former Moving Services and Worldwide employee. Elizabeth Hudson, the Director of Boston Logistics, has claimed to hold the title of President and CEO at Tradewind. Fajardo, Hudson and Tradewind appear to have knowingly and willfully provided international ocean transportation services between April and September 2005 to the public for shipments from the U.S. to foreign destinations.

Global Direct Shipping, Inc. (“GDS”) holds itself out via internet advertisements as an international shipping company and solicits business on its website to provide full door-to-door delivery services on international moves of both FCL and LCL cargo shipments. GDS advertises a U.S. office in Delaware and a second office in the United Kingdom. The company’s President is Ronald Eaden.

Eaden and GDS appear to have provided ocean transportation services for shipments between the U.S. and foreign destinations between January and September 2005. It appears that an individual named Robert Bachs also provided ocean transportation services in the name of GDS during this same time.

GDS appears to conduct business in the U.S. utilizing a Delaware corporation named Billing and Payment Systems, Inc. ("BPS"). BPS maintains a primary business address in Florida and collects and remits ocean freight payments on behalf of GDS. The Commission has reason to believe that BPS is operated by Oren Fachler, Sharon Fachler's brother.

Section 19 of the Shipping Act of 1984 ("the Act"), 46 App. U.S.C. § 1718, prohibits any person from providing OTI services prior to being issued a license from the Commission and obtaining a bond, proof of insurance or other surety in a form and amount determined by the Commission to ensure financial responsibility. An OTI is defined as either a freight forwarder or a non-vessel-operating common carrier ("NVOCC"). 46 App. U.S.C. § 1702(17). Any person operating as an NVOCC in the United States must provide evidence of financial responsibility in the amount of \$75,000. 46 C.F.R. § 515.21.

Furthermore, section 8(a) of the Act, 46 App. U.S.C. § 1707(a), requires NVOCCs to maintain open to public inspection in an automated tariff system, tariffs showing its rates, charges, classifications and practices. The Commission's regulations at 46 C.F.R. § 520.3 affirm this statutory requirement by directing each NVOCC to notify the Commission, prior to providing transportation services, of the location of its tariffs, as well as the publisher used to maintain those tariffs by filing a Form FMC-1. A person is subject to a civil penalty of not more than \$30,000 for each violation knowingly and willfully committed and not more than \$6,000 for other violations. 46 App. U.S.C. § 1712. Finally, under section 10(d)(1), no common carrier or ocean transportation intermediary may fail to establish, observe, and enforce just and reasonable regulations and practices

relating to or connected with receiving, handling, storing or delivering property. 46 App. U.S.C. § 1709(d)(1).

NOW THEREFORE, IT IS ORDERED, That pursuant to section 11(c) of the Shipping Act of 1984, 46 App. U.S.C. § 1710(c), an investigation is instituted to determine:

1) Whether the Respondents violated sections 8, 10 and 19 of the Shipping Act of 1984 and the Commission's regulations at 46 C.F.R. Parts 515 and 520 by operating as non-vessel-operating common carriers in the U.S. trades without obtaining licenses from the Commission, without providing proof of financial responsibility, without publishing an electronic tariff, and by failing to establish, observe, and enforce just and reasonable regulations and practices relating to or connected with receiving, handling, storing, or delivering property;

2) Whether, in the event one or more violations of sections 8, 10 and 19 of the Shipping Act of 1984 and 46 C.F.R. Parts 515 and 520 are found, civil penalties should be assessed and, if so, the identity of the persons and/or corporations to whom the penalties should be assessed and the amount of the penalties to be assessed;

3) Whether, in the event violations are found, appropriate cease and desist orders should be issued;

IT IS FURTHER ORDERED, That a public hearing be held in this proceeding and that this matter be assigned for hearing before an Administrative Law Judge of the Commission's Office of Administrative Law Judges at a date and place to be hereafter determined by the Administrative Law Judge in compliance with Rule 61 of the Commission's Rules of Practice and Procedure, 46 C.F.R. § 502.61. The hearing shall include oral testimony and cross-examination in the discretion of the presiding Administrative Law Judge only after consideration has been given by the parties and the presiding Administrative Law Judge to the use of alternative forms of dispute resolution, and upon a

proper showing that there are genuine issues of material fact that cannot be resolved on the basis of sworn statements, affidavits, depositions, or other documents or that the nature of the matters in issue is such that an oral hearing and cross-examination are necessary for the development of an adequate record;

IT IS FURTHER ORDERED, That the following corporate entities and individuals be designated as Respondents in this proceeding:

Moving Services, L.L.C.; Worldwide Relocations, Inc.; International Shipping Solutions, Inc.; Dolphin International Shipping, Inc.; All-in-One Shipping, Inc.; Boston Logistics Corp.; Around the World Shipping, Inc.; Tradewind Consulting, Inc.; Global Direct Shipping; Sharon Fachler; Oren Fachler; Lucy Norry; Patrick J. Costadoni; Steve Kuller; Megan K. Karpick (a.k.a. Catherine Kaiser, Kathryn Kaiser, Catherine Kerpick, Megan Kaiser and Alexandria Hudson); Barbara Deane (a.k.a. Barbara Fajardo); Baruch Karpick; Martin J. McKenzie; Joshua S. Morales; Elizabeth F. Hudson; Daniel E. Cuadrado (a.k.a. Daniel Edward); Ronald Eaden; and Robert Bachs;

IT IS FURTHER ORDERED, That the Commission's Bureau of Enforcement be designated a party to this proceeding;

IT IS FURTHER ORDERED, That notice of this Order be published in the Federal Register, and a copy be served on the parties of record;

IT IS FURTHER ORDERED, That other persons having an interest in participating in this proceeding may file petitions for leave to intervene in accordance with Rule 72 of the Commission's Rules of Practice and Procedure, 46 C.F.R. § 502.72;

IT IS FURTHER ORDERED, That all further notices, orders, or decisions issued by or on behalf of the Commission in this proceeding, including notice of the time and place of hearing or prehearing conference, shall be served on parties of record;

IT IS FURTHER ORDERED, That all documents submitted by any party of record in this proceeding shall be directed to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, in accordance with Rule 118 of the Commission's Rules of Practice and Procedure, 46 C.F.R. § 502.118, and shall be served on parties of record; and

IT IS FURTHER ORDERED, That in accordance with Rule 61 of the Commission's Rules of Practice and Procedure, the initial decision of the Administrative Law Judge shall be issued by January 11, 2007 and the final decision of the Commission shall be issued by May 11, 2007.

A handwritten signature in black ink, appearing to read "Bryant L. VanBrakle". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Bryant L. VanBrakle
Secretary