

BEFORE THE
FEDERAL MARITIME COMMISSION

Docket No. 14-05

Huntington International, Inc.
JC Horizon Ltd. and Judy Lee-Possible Violations of
Sections 10(a)(1) and 19 of the Shipping Act of 1984

ANSWER TO ORDER OF INVESTIGATION AND HEARING

Respondent Judy Lee ("Respondent" or "Judy Lee") by and through her undersigned counsel, hereby respectfully answers the above-captioned Order of Investigation and Hearing ("Order" or "Order of Investigation"). To the extent not specifically admitted herein, all allegations of the Order are denied, including those in the preamble and unnumbered paragraphs. Further the section headings contained herein are included only for purposes of clarity and organization, and the Respondent does not admit, but rather hereby specifically denies, any factual or legal allegations in the headings used in the Order and repeated below.

Preamble

Respondent believes that the Order is fatally flawed as the Order (p.1) states, as a Preamble "Based on information provided to it, the Commission's Bureau of Enforcement makes the following allegations:" (Emphasis added.) No Order should have been issued, if at all, until a full investigation had been conducted. See, Possible Malpractices in the Trans-Atlantic Trades, 24 SRR 41 (FMC 1987) (Non adjudicatory investigation ordered to see if there is sufficient evidence to either enter into informal settlements or issue a formal investigation). The reliance of BOE "on on information provided to it," rather than on a thorough investigation, with the attendant misstatements of both fact and law, permeates the whole of the Order. Nevertheless, since the Administrative Law Judge, in her Initial Order dated June 6, 2014, requires that Respondent answer the Order in its entirety or at Respondent's peril be deemed to have admitted the allegations stated therein, Respondent will answer the Order subject to Respondent's objections here and as otherwise stated in this Answer.

As to the preamble, Respondent lacks information sufficient to form a belief as to the statements contained in the preamble as to Huntington International, Inc.

("Huntington") and therefore denies these allegations. Respondent further denies that Respondent has violated any part of the Shipping Act of 1984, or that Respondent was owner of JC Horizon Ltd. ("JC Horizon") during the relevant periods to the Order.

Statement of Facts Constituting Basis of Violations

Paragraphs numbered 1 through 9:

These paragraphs pertain exclusively to Huntington. As the only function and responsibility that Respondent had at Huntington was to write checks as permitted by the owner, Respondent lacks knowledge or information sufficient to form a belief as to the truth of these allegations and therefore denies each and every allegation contained in Paragraphs 1-9.

Paragraph 10

Respondent admits the allegations in Paragraph 10.

Paragraph 11

Respondent admits the allegations in Paragraph 11.

Paragraph 12

Respondent admits the allegations in Paragraph 12.

Paragraph 13

Respondent denies that Respondent was a shareholder, much less the sole shareholder, during the times relevant to the Order. Respondent admits that Respondent was President and CEO of JC Horizon.

Paragraphs 14

Respondent admits the allegations in Paragraph 14.

Paragraph 15

Respondent admits the allegations in Paragraph 15.

Paragraph 16

Respondent admits the allegations in Paragraph 16.

Paragraph 17

Respondent denies the allegations in Paragraph 17.

Paragraph 18

Respondent lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 18 and therefore denies each and every allegation contained therein.

Paragraph 19

Respondent lacks knowledge or information as to the records in the Commission's SERVCON database, and therefore denies each and every allegation contained in Paragraph 19.

Paragraph 20

Respondent lacks knowledge or information of the records in the Commission's SERVCON database, and therefore denies each and every allegation contained in Paragraph 20.

Paragraph 21

Respondent admits that Respondent is aware that Zhong Bing International, Inc. ("Zhong Bing") had a bank account at East West Bank during some period of time.

Paragraph 22

Respondent lacks knowledge or information sufficient to form a belief concerning the records of East West Bank and therefore denies each and every allegation contained in Paragraph 22.

Paragraph 23

Respondent lacks the knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 23 and therefore denies each and every allegation contained therein.

Paragraph 24

Respondent lacks the knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 24 and therefore denies each and every allegation contained therein.

Unlicensed Activities of Huntington International, Inc.

Paragraphs 25-30

These paragraphs pertain exclusively to Respondent Huntington. Respondent lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraphs 25-30 and therefore denies each and every allegation contained in those paragraphs.

Paragraph 31

Respondent admits the allegations in Paragraph 31.

Paragraph 32

Respondent admits the allegations in Paragraph 32.

Paragraph 33

Respondent lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 33 and therefore denies each and every allegation contained in this paragraph.

Unlawful Collection of Forwarder Compensation by Huntington International, Inc.

Paragraph 34

This allegation is denied. On its face Attachment B states it involves not only alleged shipments by JC Horizon but an entirely separate corporation, JC Horizon Trading Ltd., which is not a respondent in this proceeding.

Paragraph 35

Respondent denies each and every allegation of Paragraph 35. Judy Lee did not own JC Horizon during the period of the alleged shipments contained in Attachment B.

Paragraph 36

Respondent lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 36 and therefore denies each and every allegation contained in this paragraph.

Paragraph 37

Respondent admits the allegations contained in Paragraph 37.

Paragraph 38

Respondent lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 38 and therefore denies each and every allegation contained in this paragraph.

Paragraph 39

Respondent lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 39 and therefore denies each and every allegation contained in this paragraph.

Paragraph 40

Respondent denies that Respondent was the owner of JC Horizon during the period of the shipments subject to the Order and that except for writing checks as permitted by the owner, Respondent denies that Respondent had any other responsibilities at Huntington although in name the chief financial officer and a director. The remainder of the statement calls for a legal conclusion to which Respondent does not have to either admit or deny.

Paragraph 41

Respondent denies that Respondent was the owner of JC Horizon during the period of the shipments subject to the Order. Respondent further denies that Respondent knew or had reason to know anything about Huntington and its alleged interest in the shipments of JC Horizon.

Paragraph 42

Respondent denies that Respondent was the owner of JC Horizon during the period of the shipments subject to the Order. Respondent further denies each and every other allegation in Paragraph 42.

Paragraph 43

Respondent lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 43 and therefore denies each and every allegation contained in this paragraph.

Paragraph 44

Respondent lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 44 and therefore denies each and every allegation contained in this paragraph.

Unlawful Sharing of Forwarder Compensation by Huntington International, Inc.

Paragraph 45

Respondent lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 45 and therefore denies each and every allegation contained in this paragraph.

Paragraph 46

Respondent admits that a company Respondent owns, JC Horizon Trading Ltd, and a company Respondent works for, JC Horizon, received certain loans, not payments, from Huntington during the period noted. Some of those loans have been repaid and some are still outstanding as allowed under the loan agreements in place. Respondent denies Respondent exercised control over Zhong Bing. Respondent admits Respondent is aware that Zhong Bing received loans from Huntington.

Paragraph 47

Respondent lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 47 and therefore denies each and every allegation contained in this paragraph. Respondent further states that Respondent believes that in normal business practice loans may be derived from any source of revenues of a company, and that if a company wants to lend money which is in whole or in part derived from freight forwarder commissions, that no law bars such use of freight forwarder commissions to make loans.

Paragraph 48

Respondent denies that any payments have been received by JC Horizon and JC Horizon Trading Ltd. from Huntington but that instead they received loans, some of which have been repaid. Respondent further states that the remainder of Paragraph 48 calls for a legal conclusion and therefore does not have to be admitted or denied.

Obtaining Transportation at Less Than Applicable Rates by JC Horizon and Judy Lee

Paragraph 49

Respondent admits that JC Horizon or JC Horizon Trading Ltd. are shown as the shipper on certain of the shipments identified in Attachments A and B and was responsible for and paid, the ocean transportation charges.

Paragraph 50

Respondent lacks knowledge and information sufficient to form a belief as to the truth of the allegations of Paragraph 50 and therefore denies each and every allegation contained in this paragraph.

Paragraph 51

Respondent admits that during the period indicated in Attachment C to the Order, that the companies named received loans from Huntington in the amounts attributed to them in Attachment C. Some of those loans have been repaid and others are outstanding pursuant to the loan agreements in place.

Paragraph 52

Respondent lacks sufficient knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 52 and therefore denies the allegations contained in this paragraph.

Paragraph 53

Respondent denies the allegations of Paragraph 53. Respondent did not direct any issuance of the loans but rather was permitted by the owner of Huntington to make some but not all of the loans set forth in Attachment C

Paragraph 54

Respondent lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 54 and therefore denies each and every allegation contained in this paragraph.

Paragraph 55

Respondent admits the allegations of Paragraph 55.

Paragraph 56

Respondent denies that during the period covered by the Order that Judy Lee owned Respondent JC Horizon or that to her knowledge, information and belief, Zhong Bing was an affiliate of JC Horizon. As to each of the remaining allegations in Paragraph 56, Respondent denies each and every allegation.

Paragraph 57

Respondent denies each and every allegation contained in this paragraph.

The Commission's Jurisdiction and Requirements of Law

Paragraphs 58-65

The Shipping Act of 1984 as amended and the Commission's regulations speak for themselves. To the extent that anything said in these paragraphs deviates from or changes the language and scope of the statute or regulations, Respondent denies those allegations.

Violations of the Shipping Act and Commission Regulations

Paragraphs 66-69

Respondent specifically incorporates its prior answers to the preamble and paragraphs 1-65 of the Order as responses to Paragraphs 66-69 as if fully set forth herein. To the extent that the allegations pertain to Respondent, Respondent denies them as Respondent had no knowing and willful intent to attempt or to violate either the Shipping Act or the Commission regulations and used no unjust or unfair means or device to obtain ocean transportation at less than the rates and charges in tariffs and service contracts. Respondent JC Horizon paid all applicable rates and charges for every shipment made. To the extent that the allegations pertain solely to Huntington and not to Respondent or to JC Horizon, Respondent lacks sufficient knowledge or information sufficient to form a belief as to the allegations and therefore denies each and every such allegation.

Order

The Order section sets forth the various steps to be taken in the proceeding, names the respondent parties, appoints BOE as an additional party, and assigns an administrative law judge to preside in the proceeding. It does not need to be admitted or denied. Respondent agrees to utilize the alternative dispute resolution procedures and the Commission's dispute resolution specialist.

Attachments A, B and C

Respondent incorporates herein its responses in the specific paragraphs to the contentions set forth in Attachments A, B and C as if specifically set forth herein. In addition, Respondent does not have specific knowledge of what freight forwarder commissions may or may not have been paid to Huntington and because of that lack of knowledge specifically denies these allegations.

Affirmative Defenses

Respondent asserts the following affirmative defenses to the Order. Respondent does not concede that it has the burden of proof as to any of the defenses.

1. The Order has failed to state a claim upon which violations of the Shipping Act of 1984 as amended may be found against Respondent.
2. The conduct of JC Horizon in accepting loans from Huntington has been previously determined by the FMC to be lawful conduct.

WHEREFORE, Respondent prays that after due hearing, an order be made dismissing this Order. Respondent requests an oral hearing in this matter in Los Angeles, CA.

Respectfully submitted,

Paul D. Coleman

Neal M. Mayer

Paul D. Coleman

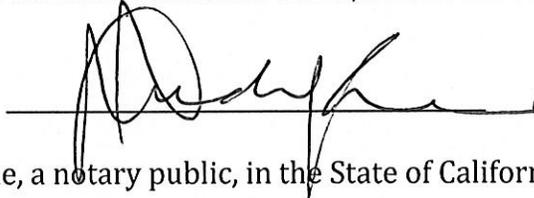
Hoppel, Mayer & Coleman
1050 Connecticut Avenue, NW
10th Floor

July 7, 2014

Washington, DC 20036
Attorneys for:
Ms. Judy Lee

VERIFICATION

I, Judy Lee, have read the foregoing Answer to the Order of Investigation and Hearing and I verify that the facts stated therein either (a) upon information known by me or (b) which are stated to be on information and belief, affiant believes to be true and correct.



Subscribed and sworn to be fore me, a notary public, in the State of California, this day of 18th 2014.

day of July 2014

Please see
attached
notary jurat.

CALIFORNIA JURAT WITH AFFIANT STATEMENT

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-5 to be completed only by document signer[s], *not* Notary)

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

State of California

County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this

14 day of July, 2014, by
Date Month Year

(1) Judy Lee
Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me (.) (.)

(and

(2) _____
Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me.)

Signature

Marie Palacios
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Further Description of Any Attached Document

Title or Type of Document: Before the Federal Maritime Commission

Document Date: 07/11/2014 Number of Pages: 11

Signer(s) Other Than Named Above: none

RIGHT THUMBPRINT OF SIGNER #1

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RIGHT THUMBPRINT OF SIGNER #2

Top of thumb here

Certificate of Service

I, Paul D. Coleman, hereby certify that on this 7th day of July, 2014 I have served by electronic mail the foregoing document on the Secretary of the Federal Maritime Commission and on the FMC Bureau of Enforcement, with a courtesy copy to the Office of Administrative Law Judges. I further certify that the requisite original and five paper copies are being delivered by courier or by first class mail, postage prepaid, to the Office of the Secretary and to the BOE.

Paul D. Coleman