

FEDERAL MARITIME COMMISSION

DOCKET NO. 14-13

**METRO FREIGHT SERVICES, INC. d/b/a MARITIME EXPRESS LINES –
POSSIBLE VIOLATIONS OF
SECTION 19(e)(3) OF THE SHIPPING ACT
AND 46 C.F.R. Part 515**

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the Agreement) is entered into between:

- 1) the Federal Maritime Commission's Bureau of Enforcement (BOE), and
- 2) Metro Freight Services, Inc. d/b/a Maritime Express Lines (Respondent);

WHEREAS, BOE alleged that Respondent, a corporation, violated (a) the Commission's regulations at 46 C.F.R. § 515.18(a)(6) and (c) by failing to promptly notify the Commission of the death of its Qualifying Individual (QI), and to timely seek and obtain approval of a replacement QI; and

WHEREAS, BOE alleged that Respondent also violated section 19(e)(3) of the Shipping Act, 46 U.S.C. § 40904(c), and the Commission's regulations at 46 C.F.R. §515.42(i), by receiving freight forwarder compensation for shipments in which Metro Freight had a direct or indirect beneficial interest;

WHEREAS, the Commission acted on said allegations by instituting FMC Docket No. 14-13, *Metro Freight Services, Inc. d/b/a Maritime Express Lines – Possible Violations of Section 19(e)(3) of the Shipping Act and 46 C.F.R. Part 515*, to determine whether Respondent violated Section 19 of the Shipping Act and the Commission’s regulations at 46 C.F.R. Part 515; whether, in the event such violations are found, civil penalties should be assessed; whether Respondent’s Ocean Transportation Intermediary (OTI) license should be suspended or revoked; and whether appropriate cease and desist orders should be entered.

WHEREAS, BOE and Respondent agree that the Commission has jurisdiction over Respondent and over the conduct of Respondent constituting the violations as alleged;

WHEREAS, Respondent has submitted an application to the Commission seeking approval of a replacement QI;

WHEREAS, Respondent has admitted the violations described in the Commission’s Order of Investigation in Docket No. 14-13, served September 29, 2014, and desires to finally resolve all issues in this proceeding by entering this Agreement;

WHEREAS, BOE and Respondent believe it is in the best interests of the parties and the shipping public to resolve this proceeding under the conditions stated herein rather than engage in continued litigation;

NOW, THEREFORE, in consideration of the premises herein, and in compromise of all civil penalties arising from the violations set forth and described herein, Respondent and the Commission’s Bureau of Enforcement hereby agree upon the following terms:

- 1) On or before March 16, 2015, Respondent shall make monetary payment to an escrow account maintained by Respondent’s legal counsel, in the total amount of \$100,000.00 (One Hundred Thousand Dollars) for the benefit of the Federal Maritime Commission. No later than March 17, 2015, Respondent shall, by counsel, provide written verification to the Commission that the total monetary payment of \$100,000

was placed in the escrow account. Compliance with the requirements of this paragraph is a condition precedent to the effectiveness of all other provisions of this Agreement. Should Respondent fail to comply with the requirements of this paragraph in its entirety as of March 17, 2015, the Agreement shall be deemed withdrawn by Respondent as of that date.

- 2) BOE and Respondent shall jointly submit to the Administrative Law Judge a motion seeking approval of this Agreement.
- 3) Within five business days of the date that a Commission order approving this Agreement in its entirety becomes administratively final, the \$100,000 held in escrow shall be paid to the Commission.
- 4) As an integral part of this Agreement, Respondent has agreed to a suspension of its OTI license (Lic. No. 002885NF). In effectuation of this suspension, Respondent consents to entry of a Commission Order suspending its OTI license for a period to commence on the date that a Commission Order approving this Agreement in its entirety becomes administratively final and terminating on the later of 90 days from the commencement date, or the date of approval of an application by Respondent for a replacement QI.
- 5) Following approval by the Administrative Law Judge, Commission staff shall review Respondent's application for a replacement Qualifying Individual ("QI") during the period this Agreement is under consideration by the Commission and make reasonable efforts to complete processing of Respondent's application within 90 days of the date that a Commission Order approving this Agreement becomes administratively final.
- 6) Within 30 days of the date that a Commission Order approving this Agreement becomes administratively final, Respondent shall effect the dissolution of G & M Export Corporation, pursuant to the applicable state laws, and provide documentation to BOE of such efforts;

- 7) This Agreement may be terminated by either party if the Commission approves less than the entirety of this Agreement. If so terminated, or in the event this Agreement is disapproved by the Commission, all escrow funds, including accrued interest, shall be returned to Respondent. The Commission shall have no right or claim to such funds, and neither party shall be prejudiced by having entered into this Agreement.
- 8) Respondent hereby waives any requirement that the Commission's decision or order contain a statement of findings of fact and conclusions of law.
- 9) Respondent hereby waives all rights to seek judicial review or otherwise challenge or contest the validity of the order entered pursuant to this Agreement.
- 10) BOE and Respondent agree that the order entered pursuant to this Agreement will have the same force and effect as Commission orders issued on a litigated or stipulated record;
- 11) Upon approval of the terms set forth in this Agreement by the Administrative Law Judge and the Commission, this instrument shall forever bar the commencement or institution by the Commission of any civil penalty assessment proceeding or other claim for recovery of civil penalties against Respondent for the alleged violations of the Shipping Act of 1984 and the Commission's regulations as set forth in FMC Docket No. 14-13, including the period from January 2010 through such date when this Agreement is executed by BOE and Respondent.
- 12) Respondent is represented by counsel, has reviewed the terms of the Agreement with counsel, and understand the terms and conditions stated herein.
- 13) This Agreement is subject to approval by the Commission in accordance with 46 C.F.R. §502.603.

ON BEHALF OF RESPONDENT Metro Freight Services, Inc. d/b/a Maritime Express Lines

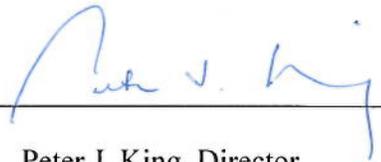
Signature: 

Printed Name: Carlos Rodriguez

Title: Counsel for Respondent

Date: January 30, 2015

ON BEHALF OF THE FEDERAL MARITIME COMMISSION

By: 

Peter J. King, Director
Bureau of Enforcement

By: 

Brian L. Troiano, Deputy Director
Bureau of Enforcement

By: 

Brenda Doty, Attorney
Bureau of Enforcement

Date: Feb. 2, 2015