

S E R V E D

September 26, 2007

FEDERAL MARITIME COMMISSION

FEDERAL MARITIME COMMISSION

WASHINGTON, D.C.

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 DISMISSING RESPONDENT ELIZABETH HUDSON

The Bureau of Enforcement (BOE) has filed a Motion to Dismiss Respondent Elizabeth Hudson. (Motion to Dismiss). For the reasons stated below, the motion will be granted.

By Order of Investigation and Hearing dated January 11, 2006, the Commission commenced an investigation into the activities of nine corporations (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.; and Global Direct Shipping) and fourteen individuals (Sharon Fachler; Oren Fachler; Lucy Norry; Patrick J. Costadoni; Steven 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) for 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. The Order of Investigation states that "[t]he 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." *Worldwide Relocations, Inc., 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*, FMC No. 06-01, 30 S.R.R. 902 (Jan. 11, 2006) (*Worldwide Relocations*).

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.

Id. at 903. The Order of Investigation does not allege that any particular respondent committed any particular act. The Commission ordered the investigation to determine:

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.

Id. at 905.

After the Commission issued the Order of Investigation, BOE commenced discovery and engaged in other investigation techniques. With regard to Elizabeth Hudson, BOE has learned the following:

Boston Logistics Corporation (“Boston Logistics”) was incorporated in the State of Florida on March 29, 2005 with a sole director, [Hudson]. [Hudson] agreed, in consultation with Patrick Costadoni and Lucy Norry, to serve as president. [Hudson] had no background in shipping prior to serving as president of Boston Logistics. Lucy Norry invested \$10,000 to start Boston Logistics. [Hudson] signed a lease for office space on behalf of Boston Logistics and opened bank accounts. [Hudson] did not see the office space operational. [Hudson] did not have access to the corporation’s bank accounts. Lucy Norry had control of the corporation’s bank accounts by virtue of possession of the debit card linked to the accounts as well as a signature stamp in [Hudson’s] name which was used to sign checks. Lucy Norry served as the accountant for the corporation and along with other employees, issued invoices, produced shipping instructions and dispatched shipments. [Hudson] did not participate in any of those activities. [Hudson] did make telephone calls to shippers attempting to collect balances and in several instances (including one in which she incorrectly identified herself as President and CEO of Tradewind Consulting, Inc.) attempted to resolve problems with vendors.

(Motion to Dismiss at 2-3.)

Based on the results of its investigation, BOE asserts that dismissal of Elizabeth Hudson is “appropriate given the particular facts outlined above and moves for her dismissal without prejudice. The dismissal of this Respondent will not prejudice the ongoing proceeding.” (Motion to Dismiss at 3.) In other words, the evidence gathered by BOE supports a determination that Elizabeth Hudson has not violated the Shipping Act. Accordingly, BOE moves to dismiss Elizabeth Hudson as a respondent.

As BOE acknowledges, the Commission does not have a specific rule that governs a voluntary motion to dismiss. Commission Rule 12 provides that “[i]n proceedings under this part, for situations which are not covered by a specific Commission rule, the Federal Rules of Civil

Procedure will be followed to the extent that they are consistent with sound administrative practice.”

46 C.F.R. § 502.12. The Federal Rules of Civil Procedure govern the voluntary dismissal of an action by a plaintiff. See Fed. R. Civ. P. 41(a)(1) (“an action may be dismissed by the plaintiff without order of court (i) by filing a notice of dismissal at any time before service by the adverse party of an answer or of a motion for summary judgment, whichever first occurs Unless otherwise stated in the notice of dismissal or stipulation, the dismissal is without prejudice); Fed. R. Civ. P. 41(a)(2) (“Except as provided in paragraph (1) of this subdivision of this rule, an action shall not be dismissed at the plaintiff’s instance save upon order of the court and upon such terms and conditions as the court deems proper.”).

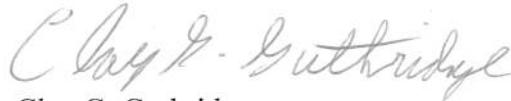
Hudson has not filed the equivalent of an answer or a motion for summary judgment. Therefore, if this were district court, BOE would have the right to dismiss this proceeding against Hudson without filing a motion. Since the Commission does not have a comparable rule, BOE has quite rightly filed a motion seeking this result.

I find that the information gathered by BOE justifies its assertion that evidence does not support a finding that Hudson has violated the Shipping Act. Therefore, the motion to dismiss should be granted and Elizabeth Hudson be dismissed as a respondent.

ORDER

Upon consideration of the Motion to Dismiss Respondent Elizabeth Hudson filed by the Bureau of Enforcement, and for the reasons stated above, it is hereby

ORDERED that the Motion to Dismiss Respondent Elizabeth Hudson be **GRANTED**. Elizabeth Hudson is dismissed as a respondent in this proceeding. In accordance with Rule 227, Rules of Practice and Procedure, 46 C.F.R. § 502.227, this Order dismissing respondent Elizabeth Hudson will become final unless it is reviewed by the Commission.



Clay G. Guthridge
Administrative Law Judge