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FEDERAL MARITIME COMMISSION

WORLD CHANCE LOGISTICS (HONG KONG), LTD. AND YU, CHI SHING, A.K.A. JOHNNY YU – POSSIBLE VIOLATIONS OF SECTION 10 OF THE SHIPPING ACT OF 1984	Docket No. 09-07

Served: May 20, 2010

BY THE COMMISSION: Richard A. Lidinsky, Jr., *Chairman*; Joseph E. Brennan, Rebecca F. Dye, and Michael A. Khouri, *Commissioners*.

ORDER

Now before the Commission is a "Memorandum and Order Referring Motions to Commission for Decision," in which the Administrative Law Judge assigned to this proceeding "refer[s] to the Commission for clarification" a proposed Settlement Agreement, a Joint Memorandum in Support of the Proposed Settlement, and a Motion to Dismiss Respondent Yu, Chi Shing. Also before the Commission is a Joint Petition for Expedited Consideration and for Approval of Proposed Settlement filed by the Bureau of Enforcement (BOE) and Respondents. For the reasons set forth below, the Commission: 1) reviews the Joint Petition; 2) approves the proposed Settlement Agreement; 3)

grants the Motion to Dismiss Yu, Chi Shing with prejudice; and 4) discontinues this proceeding.

BACKGROUND

By Order of Investigation dated October 22, 2009, the Commission commenced FMC Docket No. 09-07, an investigation to determine whether World Chance and/or Yu, Chi Shing a.k.a. Johnny Yu (Respondents) committed violations of Section 10 of the Shipping Act of 1984 (Shipping Act).[1] The Commission ordered the matter assigned for hearing before an Administrative Law Judge of the Commission's Office of Administrative Law Judges and designated BOE as a party to the proceeding in accordance with 46 C.F.R. § 502.42. On November 13, 2009, the matter was assigned to Clay G. Guthridge, at that time the Commission's Acting Chief Administrative Law Judge, as the presiding officer.

On February 25, 2010, BOE and World Chance filed a signed Settlement Agreement (Settlement Agreement) and Joint Memorandum in Support of the Proposed Settlement (Joint Memorandum), seeking approval of the Settlement Agreement by the presiding officer in accordance with 46 C.F.R. § 502.603(a).

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[1] The Commission issued the Order of Investigation to determine: (1) whether Respondents, violated section 10(a)(1) of the Shipping Act of 1984, 46 U.S.C. § 41102(a), by utilizing Fireworks Logistics Association, Ltd. as an unfair device or means to obtain lower rates and receive volume incentive payments not otherwise applicable; (2) whether Respondents, violated section 10(b)(1) of the Shipping Act of 1984, 46 U.S.C. § 41104(1), by allowing persons to obtain transportation of property at less than the rates and charges in the carrier's tariff or filed contract "by means of false billing, false classification . . . or by any other unjust or unfair device or means;" (3) whether Respondents, violated section 10(b)(2) of the Shipping Act of 1984, 46 U.S.C. § 41104(2), by providing service in the liner trades "not in accordance with" the rates and charges published in a tariff or filed in an NVOCC service arrangement; (4) whether, in the event violations of section 10 of the Shipping Act of 1984 were found, civil penalties should be assessed against Respondentsand if so, the amount of the penalties to be assessed; and (5), whether in the event violations are found, appropriate cease and desist orders should be issued against Respondents. (Order of Investigation, entered October 22, 2009).

With the support of BOE, World Chance and Mr. Yu filed a motion to dismiss Mr. Yu as a respondent in the proceeding with prejudice (Motion to Dismiss), citing the pending Settlement Agreement as support. The Motion to Dismiss also requested that, after approval of the Settlement Agreement, the proceeding be dismissed.

On March 2, 2010, the ALJ issued an Order (March 2, 2010 Order) requiring BOE and World Chance (the Parties) to provide additional information.[2] On March 10, 2010, the ALJ received an e-mail from the Director of BOE stating that the Parties, through counsel, jointly requested a hearing with the ALJ to discuss the March 2, 2010 Order. On March 11, 2010, BOE, through its Director, and Respondents, through counsel, appeared before the ALJ for a hearing that was recorded and transcribed.[3] On March 12, 2010, the ALJ issued an Order construing BOE's March 10, 2010 e-mail as a motion to vacate the March 2, 2010 Order, and thereafter entered an Order vacating his March 2, 2010 Order.

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[2] The ALJ required the Parties to provide information about the interests of third parties possibly harmed by Respondents' allegedly unlawful conduct and ordered the parties to provide a substantive discussion regarding the alleged violations. The ALJ based his order in large part on the Commission's recent *sua sponte* review and remand of two settlement agreements between BOE and four respondents after approval of the settlements by one of the Commission's administrative law judges. *See Worldwide Relocations – Possible Violations*, 30 S.R.R. 1208 (F.M.C. 2006).

[3] At the hearing, the Parties argued that the additional information requested by the ALJ was not necessary or appropriate, and that the record in the proceeding was comparable to that in the records of other BOE proceedings for which settlements have been approved in the past. The Parties also discussed the circumstances that led to the Settlement Agreement. The Parties asked that the Settlement Agreement be approved without the ALJ expressing any reservations, suggesting that if the Commission had similar reservations, it could then review the approval on its own motion. The Parties and the ALJ discussed an alternative resolution, whereby the ALJ would state his reservations in an initial decision approving the agreement, thereby increasing the likelihood that the Commission would opt to review the approval. A third alternative resolution discussed by the Parties and the ALJ contemplated the ALJ disapproving the Settlement Agreement and certifying an appeal pursuant to Rule 153 of the Commission's Rules of Practice and Procedure. (Mem. and Order at 29.)

Rather than ruling on the Settlement Agreement and Motion to Dismiss as requested by the Parties, on April 2, 2010, the ALJ issued a Memorandum and Order Referring Motions to Commission for Decision (Memorandum and Order) seeking clarification of the level of scrutiny that the Commission expects its administrative law judges to give to settlement agreements between BOE and respondents in proceedings commenced by the Commission pursuant to 46 U.S.C. § 41302(a). The ALJ stated that he was not persuaded by the Parties' arguments that sufficient information exists in the record on which to base a settlement determination. The ALJ also sought guidance from the Commission on whether such a determination should be based on information beyond what currently resides in the record. (Mem. and Order at 1). The ALJ did not believe that the statements made by the Parties during the March 11, 2010 hearing were "a full articulation of the [P]arties' positions," and suggested additional briefing on the issues. (Memorandum and Order at 17). In referring the Settlement Agreement and the Motion to Dismiss to the Commission, the ALJ referenced Rule 153 (46 C.F.R. § 502.153, Appeal of a Ruling), and Rule 73(a) (46 C.F.R. § 502.73(a), Referral of Motions beyond the authority of the ALJ), while at the same time recognizing that neither rule "fit precisely." (Memorandum and Order at 29). On April 16, 2010, the Parties submitted a Joint Petition for Expedited Consideration and for Approval of Proposed Settlement (Joint Petition) which provided additional briefing and requested that the Settlement Agreement "be approved on an expedited basis by action of the Commission itself." (Joint Petition at 12).

DISCUSSION

The Commission has determined to review the Joint Petition in order to avoid undue delay, instead of issuing clarification and guidance and referring the proceeding back to the ALJ for an initial decision on the Settlement Agreement and the

Motion to Dismiss.[4] The Commission's regulations provide support for a petition being filed directly with the Commission under extremely rare circumstances.[5] *See* Rule 73(a) ("If the proceeding is not before the presiding officer, motions shall be designated as 'petitions' and shall be addressed to and passed upon by the Commission."). Likewise, the Commission's regulations provide that the Commission can hear a proceeding at the outset. *See* 46 C.F.R. § 502.145(b) (stating that "an administrative law judge will be designated . . . unless the Commission or one or more members thereof shall preside"). Even when a proceeding has previously been assigned to an ALJ and an initial decision has been rendered, the Commission nevertheless reviews a proceeding *de novo*.[6]

As noted by the Parties in their Joint Petition, the Commission's rules are to be "construed to secure the just, speedy and inexpensive determination of every proceeding." 46 C.F.R. § 502.1. This matter will be resolved more expeditiously if the Commission reviews the matter itself, without the benefit of a recommended decision from the ALJ. We therefore vacate the assignment of this proceeding to the Office of Administrative Law

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[4] The Commission relies on its ALJs to guide it with initial decisions on the issues presented in a case, despite what difficulties those cases might entail. *See* Rule 73(a) ("After the assignment of a presiding officer to a proceeding . . . *all motions shall be . . . ruled upon* by the presiding officer unless the subject matter of the motion is beyond his or her authority."); *see also* Rule 223 (delegating to ALJs "the authority to make and serve initial or recommended decisions").

[5] As the ALJ recognized, the rules do not contemplate "referrals" of this sort. Neither Rule 153, which governs appeals from rulings of the presiding officer other than orders of dismissal in whole or in part, nor Rule 73(a), which governs motions whose subject matter is beyond the presiding officer's authority, provides support for an interim "referral" at this point in the proceeding.

[6] 46 C.F.R. § 502.227 provides that "where exceptions are filed to, or the Commission reviews, an initial decision, the Commission . . . will have all powers which it would have in making the initial decision." *See also Unapproved Sec. 15 Agreements – S. African Trade*, 1 S.R.R. 855, 862 (F.M.C. 1962); *Dixie Forwarding Co., Inc., Applic. For License*, 3 S.R.R. 927, 930 (F.M.C. 1964).

Judges and review the Joint Petition, and therefore address the Settlement Agreement and the Motion to Dismiss.

A. Standard for Approving Settlement Agreements

The Commission has routinely held that negotiated settlement agreements should be approved unless the agreements present one of a few defects requiring disapproval. *See Old Ben Coal Company v. Sea-Land Service, Inc.,* 18 S.R.R. 1085, 1092-1094 (ALJ 1978) (listing factors court must review when determining whether to approve a settlement); *see also Far Eastern Shipping Co. – Possible Violations of Section 16, Second Paragraph, 18(b)(3) and 18(c), Shipping Act, 1916,* 21 S.R.R. 743, 759 (ALJ 1982) (*FESCO*). "The Commission has consistently adhered to a policy of 'encouraging settlements and engaging in every presumption which favors a finding that they are fair, correct, and valid.'" *Inlet Fish Producers, Inc. v. Sea-Land Service, Inc.*, 29 S.R.R. 975, 978 (ALJ 2002) (quoting *Old Ben Coal*, 18 S.R.R. at 1091) (brackets omitted). Despite the general preference for approval of settlement agreements, "the Commission does not merely rubber stamp any proffered settlement." *Old Ben Coal*, 18 S.R.R. at 1092. Instead, the Commission typically reviews a settlement agreement to ensure that it does not contravene law or public policy. *Old Ben Coal* at 1093. Such review typically includes evaluating factors to determine that the settlement agreement was not a product of fraud, duress, undue influence, or mistake. *Id.* The Commission also reviews the terms of settlement agreements to ensure that the terms are fair, reasonable, and adequate. *Id.* The review process frequently involves a balancing of the likelihood of success on the merits against the cost and complexity of proceeding to final judgment. *Id.*

B. Distinctions Between the Present Case and *Worldwide Relocations*

In failing to rule on the Settlement Agreement and the

Motion to Dismiss, the ALJ stated that he was not persuaded by the Parties' arguments that there is sufficient information in the record on which to base a determination that approval of the settlement would be in the public interest. In making that determination, the ALJ relied primarily on the Commission's review and remand of two settlement agreements involving four respondents in *Worldwide Relocations – Possible Violations*, 30 S.R.R. 1208 (F.M.C. 2006) (remanding case to ALJ for further proceedings). For the reasons discussed below, we find that there is sufficient information in the record to approve the settlement. We also find that the Commission's concerns that prompted its remand of the two settlement agreements in *Worldwide Relocations* are not present in this proceeding.

Without prejudicing the ultimate disposition of *Worldwide Relocations*, which is still pending before an ALJ, we note several differences with the instant case. The *Worldwide Relocations* proceeding was instituted to investigate possible violations of Sections 8, 10, and 19(a) of the Shipping Act by nine corporate and fourteen individual respondents. The Order of Investigation initiating the proceeding did not specify which respondent may have violated what section of the Shipping Act. 30 S.R.R. 902, 905 (2006). The ALJ approved two settlements between BOE and two individual respondents, along with their two respective companies. 30 S.R.R. 1004, 1005 (ALJ 2006). In those settlement agreements, the respondents admitted violations of Sections 8 and 19(a) of the Shipping Act, among other provisions. The settlement agreements, however, did not address the alleged violations of Section 10 and did not address whether the respondents admitted violating Section 10, whether the investigation had developed evidence to support violations of Section 10, or whether the investigation proved fruitless on violations of Section 10. Similarly, the joint memoranda submitted by BOE and the four respondents in *Worldwide Relocations* in support of the settlement agreements made no mention of any Section 10 violations. (Settlement Agreement and Joint Mem. in Supp., Docket 06-01 (May 2, 2006)).

In remanding the case, the Commission stated that the

initial decision and proposed settlements lacked a substantive discussion regarding the alleged Section 10 violations. 30 S.R.R. 1208, 1211 (2006). In fact, the initial decision and proposed settlement agreement lacked any discussion of the alleged Section 10 violations. As the Commission noted, it was "unclear whether All-in-One, Mr. Morales, Around the World or Mr. Cuadrado committed any of the alleged violations outlined in the Order of Investigation." 30 S.R.R. 1208, 1211 (2006). In order to dispose of all the allegations in the Order of Investigation, the Commission therefore remanded the settlement agreements so that the record could be supplemented.[7] Without any information pertaining to the alleged Section 10 violation in the Order of Investigation, the Commission determined in *Worldwide Relocations* that it could not determine whether the settlement agreement contravened law or public policy, or whether it was fair, reasonable, and adequate.

The Settlement Agreement in the instant case does not present such defects. Here, the Order of Investigation directed an investigation into whether the Respondents violated Sections 10(a)(1), 10(b)(1), and 10(b)(2) of the Shipping Act. 31 S.R.R. 1054 (2009). In both the Settlement Agreement and the Joint Memorandum, BOE states that it was prepared to submit a compelling case that Respondents knowingly and willfully violated all three sections of the Shipping Act. (Settlement Agreement at 2, (Feb. 25, 2010).) Respondents state that they would have strong defenses against BOE's allegations.[8] We do not find the instant case analogous to the situation in *Worldwide Relocations* because

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[7] On remand in *Worldwide Relocations*, BOE and the settling respondents submitted a supplemental joint memorandum in support of the settlement agreements indicating that BOE's investigation did not uncover evidence that would support a determination that the settling respondents committed any acts that violated Section 10. 30 S.R.R. 1354, 1361 (2007).

[8] Unlike in *Worldwide Relocations*, Respondents have not admitted violations of the Shipping Act. This is not an impediment to the approval of a settlement agreement. The Commission has often approved settlement agreements where respondents do not admit violations of the Shipping Act. *See APM Terminals North America, Inc. v. Port Authority of New York and New Jersey*, 31 S.R.R. 623, 626 (2009) ("[A]pproving a settlement . . . does not mandate either party to admit liability.").

the Settlement Agreement addresses all of the violations alleged in the Order of Investigation.

On the question of third-party complaints received concerning Respondents' conduct, we again do not find that the instant case presents the concerns that arose in *Worldwide Relocations*. In that case, the Order of Investigation stated that the Commission had received over 250 complaints against the various respondents. The Commission had also filed a complaint in District Court under Section 11(h) of the Shipping Act, 46 U.S.C. § 41307(a), and sought injunctive relief against several respondents identified in the order of investigation – including the four respondents who entered into settlement agreements reviewed by the Commission. *See Federal Maritime Commission v. All-In-One Shipping, Inc.*, Docket No. 06-60054 (S. D. Fla., filed Jan. 12, 2006). The *Worldwide Relocations* Order of Investigation did not indicate how many complaints had been received against each respondent but merely stated that 250 complaints had been received against all of the respondents. 30 S.R.R. 902 (2006). The settlement agreements made no mention of how many complaints were filed against the settling respondents, and did not address whether they had been resolved. Therefore, it was unclear from the record whether the settling respondents were responsible for a small number or the majority of the complaints.

In contrast to *Worldwide Relocations*, as the ALJ notes in his "referral" of the instant case to the Commission, nothing in the record indicates that any third parties filed complaints with the Commission claiming that they were harmed as a result of Respondents' allegedly unlawful conduct. Similarly, no third party has come forward to contest approval of the proposed settlement, such as occurred in *APM Terminals North America Inc. v. Port Authority of New York and New Jersey*, 31 S.R.R. 623 (F.M.C. 2009). There are no allegations of harm to shippers that would entail violations of Section 10(d)(1), 46 U.S.C. § 41102(c), which caused the Commission in *Worldwide Relocations* to seek immediate injunctive relief in a District Court. In sum, we find that the Commission's concerns regarding complaints filed against settling parties in *Worldwide Relocations* as expressed in the Order

remanding the case to the ALJ for review are not present in this proceeding.

C. Review of the Settlement Agreement between BOE and World Chance Logistics (Hong Kong) Ltd.

A review of the record in this proceeding provides no reason to disapprove the Settlement Agreement. Here, the proposed Settlement Agreement lacks any indicia of fraud, duress, undue influence, or mistake. *Cf. Old Ben Coal* at 1092-93. To the contrary, it appears to reflect nothing more than an arms-length negotiation of the case. Respondent was represented by counsel who reviewed the case prospects, and BOE provided its view that settlement would not contravene law or public policy. (Joint Pet. at 10-11.) The terms of the Settlement Agreement appear to be fair, reasonable and adequate. In this case, the Parties appear from the record to have balanced the likelihood of success on the merits against the cost and complexity of proceeding to final judgment, and there is no evidence to the contrary.[9] In the Joint Memorandum, the Parties indicate their confidence in their respective cases were the issue to move forward. Due to timing of contractual negotiations, and balancing the cost for the Respondents of proceeding to final judgment, the Parties have presumably weighed their respective chances of success against the cost of achieving such success, and entered into terms that reflect such risk. *See, e.g., Delhi Petroleum Pty. Ltd. v. U.S. Atlantic & Gulf/Australia - New Zealand Conference and Columbus Line, Inc.*, 24 S.R.R. 1129, 1134 (ALJ 1998); *Freeman v. Mediterranean Shipping Co. S.A.*, 31 S.R.R. 336, 337 (ALJ 2008). Such calculations are common and promote efficient use of adjudicatory resources.

The amount Respondents have agreed to pay in settlement does not appear to be insubstantial, and "will have the desired

[9] At the hearing conducted by the ALJ on March 11, 2010, the Parties had an extensive discussion of their respective cases and the strengths thereof. *See* Joint Petition at 10.

effect on Respondent and others because it would serve as a disincentive to future unlawful activity." *FESCO*, 21 S.R.R. at 759. The Settlement Agreement in this case states that Respondent World Chance has "instituted and indicated its willingness to institute and to maintain measures designed to eliminate the practices by Respondent which are the basis for the alleged violations" and also indicates that the shippers association which may have been operating in violation of the Shipping Act will be disbanded. As noted in *FESCO*, such provisions "serve the Commission's enforcement policy." *Id.* at 760. We find that the Settlement Agreement is just and reasonable, does not violate any law or policy, and indeed fully accords with the principles of law and Commission policy to encourage settlements. For the foregoing reasons, we therefore approve the Settlement Agreement.

D. Grant of Motion to Dismiss Yu, Chi Shing as a Respondent

With the support of BOE, World Chance and Mr. Yu filed a Motion to Dismiss Yu, Chi Shing as a Respondent, citing the pending Settlement Agreement as support. The Motion to Dismiss also requested that, after approval of the Settlement Agreement, the proceeding be dismissed. The Motion to Dismiss noted that Mr. Yu is the Chief Executive Officer of World Chance. The Motion to Dismiss further noted that BOE's support of the Motion to Dismiss was part of the Parties' determination to resolve this proceeding via compromise rather than through litigation. We note that the Commission has, on previous occasions, dismissed individual respondents as part of the resolution of an enforcement proceeding. *Direct Container Line and Owen Glenn – Possible Violations of the 1984 Act*, 28 S.R.R. 964, 966 (1999). We find that, as discussed above, dismissal of Respondent Mr. Yu is appropriate.

CONCLUSION

THEREFORE, IT IS ORDERED, That the Assignment of this Proceeding to the Office of Administrative Law Judges is VACATED.

IT IS ORDERED, That the Joint Petition for Expedited Consideration and for Approval of Proposed Settlement is GRANTED.

IT IS FURTHER ORDERED, That the Settlement Agreement entered into between the Bureau of Enforcement and World Chance Logistics (Hong Kong) Ltd. is APPROVED, and a copy of the Settlement Agreement is attached to this Order as Appendix A.

IT IS FURTHER ORDERED, That the Motion to Dismiss World Chance Logistics (Hong Kong) Ltd. and Yu Chi Shing with prejudice as a Respondent in this proceeding is GRANTED.

IT IS FURTHER ORDERED, That the Memorandum and Order Referring Motions to Commission for Decision is VACATED.

FINALLY, IT IS FURTHER ORDERED, That this Proceeding is discontinued.

By the Commission.

Karen V. Gregory
Secretary

Appendix A: Settlement Agreement

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BEFORE THE

FEDERAL MARITIME COMMISSION

WORLD CHANCE LOGISTICS (HONG KONG) LTD. AND YU, CHI SHING, A.K.A. JOHNNY YU – POSSIBLE VIOLATIONS OF SECTION 10 OF THE SHIPPING ACT OF 1984	Docket No. 09-07

SETTLEMENT AGREEMENT

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

1) the Federal Maritime Commission's Bureau of Enforcement ("BOE")

and

2) World Chance Logistics (Hong Kong) Ltd. ("World Chance" or "Respondent");

WHEREAS, the Commission alleged that Respondents World Chance and Yu, Chi Shing:

1. Violated section 10(b)(1) of the Shipping Act of 1984, 46 U.S.C. 41104(1), by permitting unrelated entities to utilize the rates in its service contract;

2. Violated section 10(b)(2) of the 1984 Act, 46 U.S.C. 411104(2), by providing service in the liner trades at rates not in accordance with a published tariff or filed in an NVOCC service arrangement; and,

3. Violated section 10(a)(1) of the 1984 Act by utilizing Fireworks Logistics Association, Ltd. ("FLA") as an unfair device or means to obtain lower rates and receive higher incentive payments than otherwise applicable.

WHEREAS, the Commission has acted on said beliefs by instituting FMC Docket No. 09-07 *World Chance Logistics (Hong Kong) Ltd. and Yu, Chi Shing, a.k.a. Johnny Yu-- Possible Violations of Section 10 of the Shipping Act of 1984*;

WHEREAS, Respondents do not admit that they violated any provision of the Shipping Act of 1984;

WHEREAS, the Bureau of Enforcement asserts that it would submit a compelling case in support of its allegations that Respondents did knowingly and willfully violate sections 10(a)(1), 10(b)(1) and 10(b)(2) of the Shipping Act of 1984;

WHEREAS, Respondents assert that they would have strong defenses against the Bureau of Enforcement's allegations;

WHEREAS, the Bureau of Enforcement and the Respondents believe it is in the best interests of the parties and the shipping public to resolve the above referenced proceedings rather than engage in litigation;

WHEREAS, Respondents have requested, and BOE has agreed to support, dismissal of Yu, Chi Shing as a Respondent in FMC Docket No. 09-07; and

WHEREAS, Respondent World Chance has instituted and indicated its willingness to institute and to maintain measures designed to eliminate the practices by Respondent which are the basis for the alleged violations set forth herein;

NOW, THEREFORE, in consideration of the premises herein, and in compromise of all civil penalties arising from the alleged violations set forth and described herein, Respondent and the Commission's Bureau of Enforcement herby agree upon the following terms of the settlement;

1) On or before March 1, 2010 Respondent shall make monetary payment to an escrow account, in the total amount of $110,000 (One Hundred Ten Thousand Dollars) for the benefit of the Federal Maritime Commission. No later than March 5, 2010, Respondents shall provide written verification to the Commission that the total monetary payment of $110,000 was placed in such escrow account.

2) Upon the Commission's approval of the Motion to Dismiss Respondent Mr. Yu and the Motion to Approve the Settlement, the $110,000 shall be paid to the Commission within five business days.

3) BOE agrees that Respondent World Chance can continue to operate as an NVOCC provided that it complies with the tariff filing and bonding requirements of the Shipping Act and Federal Maritime Commission regulations.

4) Within 30 days following approval by the Commission of the settlement, Respondent World Chance agrees to cease FLA as a shippers association; provided that FLA can continue in existence for the limited purpose of winding down the business affairs of FLA.

5) 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 alleged violations of the Shipping Act of 1984 and the Commission's regulations as set forth in FMC Docket No. 09-07, including the period from November 2004 to the date when this Agreement is executed by BOE and World Chance.

6) Nothing in this Agreement is to be understood as an admission of wrongdoing or liability by Respondent, or a violation of the Shipping Act and/or the Commission regulations.

7) This agreement is subject to approval by the Commission in accordance with 46 C.F.R. §502.603.

ON BEHALF OF RESPONDENT World Chance Logistics (Hong Kong), Ltd.

Signature: _____

Printed Name: YU CHI SHING

Date: 24 FEBRUARY 2010

ON BEHALF OF THE FEDERAL MARITIME COMMISSION

By: _____

Peter J. King, Director
Bureau of Enforcement

Date: 2-24-2010