

RODRIGUEZ O'DONNELL GONZALEZ & WILLIAMS, P.C.

ATTORNEYS AND COUNSELLORS AT LAW
WASHINGTON • CHICAGO • NEW YORK

CITICORP PLAZA
8430 W. BRYN MAWR AVE.
CHICAGO, ILLINOIS 60631
TELEPHONE 773-314-5000
FACSIMILE 773-314-1719

RECEIVED

2009 MAY 22 PM 3:45
OFFICE OF THE CLERK
FEDERAL MARITIME COMMISSION
45 ROCKEFELLER PLAZA
NEW YORK, N.Y. 10111
TELEPHONE 212-332-8136
FACSIMILE 212-332-3401

HENRY P. GONZALEZ, LL.M.

DIRECT DIAL: 202-973-2980
gonzalez@rorfgw.com

Admitted in New York; In D.C.,
practice limited to matters before
federal courts and agencies.

REPLY TO:

1250 CONNECTICUT AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036
TELEPHONE 202-293-3300
FACSIMILE 202-293-3307

May 22, 2009

Via Hand Delivery

Ms. Karen Gregory, Secretary
Federal Maritime Commission
Office of the Secretary
800 N. Capitol Street, NW
Washington, DC 20573-0001

**RE: Norland Industries, Inc., et al. v. Reliable Logistics, LLC and Washington
International Insurance Company
Docket No. 07-04**

Dear Ms. Gregory:

We enclose for filing a Joint Motion for Approval of Settlement Agreement and Dismissal with Prejudice and Memorandum of Points and Authorities in Support of Joint Motion for Approval of Settlement Agreement and Dismissal with Prejudice in the above-referenced action. As required, we enclose an original and fifteen (15) copies. Please kindly date-stamp additional copies for our records.

If you have any questions regarding the aforementioned materials, please contact the undersigned at 202-973-2980.

Very truly yours,

**RODRIGUEZ O'DONNELL
GONZALEZ & WILLIAMS, P.C.**

By:


Henry, P. Gonzalez, LL.M.
Zheng Xie, Esq.

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release is entered and given by NORLAND INDUSTRIES, INC., LINNA TEXTILES MANUFACTURING LIMITED, MEDCORP DISTRIBUTORS, INC., MALAN GARMENT LIMITED and MALAN GARMENT INC. (jointly "Claimants"), with and in favor of WASHINGTON INTERNATIONAL INSURANCE COMPANY ("Surety"), for the matters hereinafter described.

WHEREAS, RELIABLE LOGISTICS, LLC ("Principal") operated as a Non-Vessel-Operating Common Carrier in the waterborne foreign commerce of the United States, and executed Bond No.: W09596 (the "Bond"), as required by the Shipping Act of 1984, as amended by the Ocean Shipping Reform Act of 1998 and the Coast Guard Authorization Act of 1998 ("1984 Act") 46 App. U.S.C. § 1718, and Section 515.21 and 515.22 of the Federal Maritime Commission Regulations, 46 C.F.R. § 515.21 and 515.22, with Surety.

WHEREAS, Claimants initially filed their complaint against Principal with the Federal Maritime Commission (the "FMC") on April 19, 2007, Docket No. 07-04 (the "FMC Proceeding"), alleging an unfair shipping practice on the part of Principal in holding cargo for ransom to obtain payment of freight and other charges not related to the goods withheld.

WHEREAS, Claimants also simultaneously filed an action with the Supreme Court of the State of New York, Index No.: 7039-2007. A default judgment was entered on May 21, 2008 in favor of Claimants and against Principal.

WHEREAS, Claimants presented to Surety a claim in the amount of \$181,375.03 pursuant to the default judgment.

WHEREAS, Claimants filed an Amended and Supplemental Complaint in the FMC Proceeding on December 29, 2009 adding Surety as an additional Respondent.

WHEREAS, Surety filed a Motion to Dismiss for lack of subject jurisdiction and for failure to state a claim in the FMC Proceeding on April 3, 2009.

WHEREAS, Claimants and Surety desire to avoid the costs and delay of proceeding and litigation of Claimants' claim and have agreed to compromise and settle the claim based upon the terms and conditions set forth herein.

NOW, THEREFORE, for the sum of _____ and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Claimants agree as follows:

- 1. Claimants and Surety agree to compromise all the above-referenced claims for _____. It is further agreed that the settlement check is to be made payable to "Hill Rivkins & Hayden LLP, As Attorneys" and delivered to Caspar F. Ewig, Esq. with an address at 45 Broadway, Suite 1500, New York, New York 10006-3739;

Claim against Washington International Insurance Company
Bond No.: W09596
Settlement Amount: _____
Page 1 of 4

FEDERAL MARITIME COMMISSION

RECEIVED MAY 28 PM 3:18

RECEIVED

2. Upon receipt of the settlement amount of _____ Claimants agree to dismiss the FMC proceeding with prejudice and within ten (10) days of receipt of the settlement amount
3. To release and discharge Surety, its successors, and assigns from all actions, causes of action, suits, debts, sums, accounts, bonds, bills, specialties, contracts, controversies, agreements, promises, damages, judgments, executions, claims, and demands whatsoever, in law, admiralty or equity, which Claimants, their successors, and assigns ever had, or now have, for, upon, or by reason of any matter, cause, or thing whatsoever, whether known or unknown, asserted or unasserted, liquidated or un-liquidated, actual or contingent, relating to, arising under, or as a consequence of the transportation-related activities of Principal or the Bond;
4. Upon Claimants' receipt of _____ Claimants, including but not limited to, their assigns, heirs, successors, subrogees, executors, factors, and trustees, shall terminate any past, present, or future, collection efforts, claims, or actions against Surety with respect to Claimants' claim against Principal and the Bond;
5. The Surety is subrogated to all of the Claimants' rights of recovery related to their claim on account of any and all loss or damage for the shipment subject of the claim from any carriers or other persons, corporations (including municipal or sovereign corporations), or vessels that may be liable to Claimants, up to the amount of _____ with respect to the claim. Claimants agree to provide the Surety, at the expense of Surety, with any documents or testimony, if necessary, in the event Surety pursues any cause of action against Principal or any third party that may be liable for the damages subject to Claimants' claim.
6. The settlement payment made pursuant to this Settlement Agreement and Release represents a full and final payment to Claimants on its claim against Surety and the subject Bond;
7. In no event shall Claimants or Surety reveal the terms of this Agreement or discuss any aspect of the dispute or negotiations between Claimants and Surety, unless required by law or court order to do so.
8. With this Settlement Agreement and Release, Claimants' entire claim against Surety and the subject Bond are dismissed with prejudice but without costs to either party;
9. This Settlement Agreement and Release shall be interpreted under the laws of the State of New York and the organic and statutory laws of the United States of America, including but not limited to the Shipping Act of 1984, as amended by the Ocean Shipping Reform Act of 1998 and the Coast Guard Authorization Act of 1998 ("1984 Act") 46 App. U.S.C. § 1718, and Section 515.21 and 515.22 of the Federal Maritime Commission Regulations, 46 C.F.R. § 515.21 and 515.22;
10. This Settlement Agreement and Release reflects the entire Settlement Agreement and

Claim against Washington International Insurance Company

Bond No.: W09596

Settlement Amount: _____

Page 2 of 4

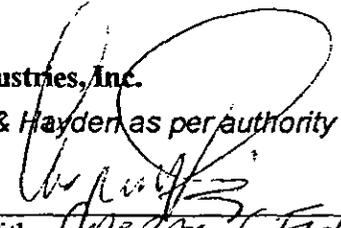
Release between Claimants and Surety;

11. This Settlement Agreement and Release shall not be construed as an admission of liability on the part of Surety on the claim presented herein or on any future, unrelated bonds or claims;
12. Claimants and Surety agree that this Settlement Agreement is entered into knowingly and voluntarily, after having the opportunity to fully discuss it with an attorney. Having had the opportunity to obtain the advice of legal counsel to review, comment upon, and redraft the agreement, the parties agree that the Agreement shall be construed as if the parties jointly prepared it so that any uncertainty or ambiguity shall not be interpreted against any one party and in favor of the other;
13. This Agreement supersedes all prior agreements and understandings between Claimants and Surety. No cancellation, modification, amendment, deletion, addition, or other changes in this Agreement or any provision hereof or any right herein provided shall be effective for any purpose unless specifically set forth in a subsequent written agreement signed by both Claimants and Surety;
14. The transmission of facsimile signatures on this Settlement Agreement and Release shall be legally binding on the parties; and
15. This Settlement Agreement and Release may be executed in counterparts that together shall constitute one original Settlement Agreement and Release.
16. By executing this Agreement pursuant to e-mail authority obtained from Claimants, Hill Rivkins & Hayden warrants it has authority to execute this Agreement and indemnifies and holds Surety harmless from any loss or expenses that may arise by reason of a breach of said.

IN WITNESS WHEREOF, the Claimant and Surety, under penalty of perjury, have caused this Settlement Agreement and Release to be executed by their duly authorized officers and/or representatives on the dates shown below.

Norland Industries, Inc.

Hill Rivkins & Hayden as per authority

By: 

Print Name/Title: *CRISPIN F. Everts*

Signed on the 22 day of May, 2009

Claim against Washington International Insurance Company

Bond No.: W09596

Settlement Amount: ...

Page 3 of 4

Linna Textiles Manufacturing Limited
Hill Rivkins & Hayden as per authority

By: [Signature]
Print Name/Title: CASPAR FEUER
Signed on the 22 day of May, 2009

Medcorp Distributors, Inc.
Hill Rivkins & Hayden as per authority

By: [Signature]
Print Name/Title: CASPAR FEUER
Signed on the 22 day of May, 2009

Malan Garment Limited
Hill Rivkins & Hayden as per authority

By: [Signature]
Print Name/Title: CASPAR FEUER
Signed on the 22 day of May, 2009

Malan Garment Inc.
Hill Rivkins & Hayden as per authority

By: [Signature]
Print Name/Title: CASPAR FEUER
Signed on the 22 day of May, 2009

Washington International Insurance Company

By: [Signature]
Print Name/Title: CASPAR FEUER
Signed on the 22 day of May, 2009