

## MEMORANDUM

Agenda Item No. 8(J)(1)

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**TO:** Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

**DATE:** July 6, 2016

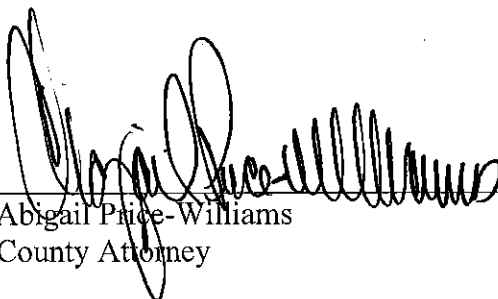
**FROM:** Abigail Price-Williams  
County Attorney

**SUBJECT:** Resolution authorizing the  
County Mayor to issue  
stevedore licenses to  
Robert Moroney and Richard  
Rodriguez in accordance  
with Chapter 28A-6 of the Code

Resolution No. R-635-16

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The accompanying resolution was prepared by the Port of Miami and placed on the agenda at the request of Prime Sponsor Commissioner Jose "Pepe" Diaz.

  
\_\_\_\_\_  
Abigail Price-Williams  
County Attorney

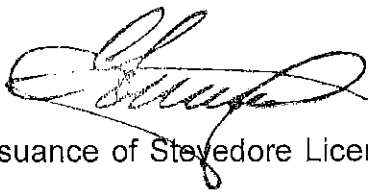
APW/lmp

# Memorandum



Date: July 6, 2016

To: Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

From: Carlos A. Gimenez,  
Mayor 

Subject: Resolution Authorizing Issuance of Stevedore Licenses to Robert Moroney and  
Richard Rodriguez

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## **RECOMMENDATION**

It is recommended that the Board of County Commissioners (Board) approve the accompanying resolution authorizing the issuance of new County stevedore licenses to Robert Moroney and Richard Rodriguez pursuant to Chapter 28A, Section 28A-6, of the Code of Miami-Dade County.

## **SCOPE**

PortMiami is located within District 5, which is represented by Commissioner Bruno A. Barreiro. The impact of this agenda item is countywide, as PortMiami (Port) is a regional asset and generates employment for residents throughout Miami-Dade County.

## **FISCAL IMPACT/FUNDING SOURCE**

This proposed resolution will not have a fiscal impact on Miami-Dade County or the Port.

## **DELEGATED AUTHORITY**

In accordance with Section 2-8.3 of the Code of Miami-Dade County requiring disclosure of delegations of Board authority contained in the body of contracts recommended for competitive award, this item contains no such delegations.

## **TRACK RECORD/MONITOR**

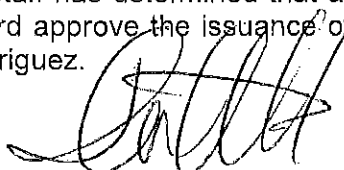
The Port staff members responsible for monitoring this proposed resolution are Kevin Lynskey, Deputy Port Director, and Alissa Peñaloza, Planning Manager.

## **BACKGROUND**

Chapter 28-A, Section 28A-6, of the Miami-Dade County Code (Code), mandates that applications for new County stevedore licenses be presented to the Board by the Mayor, after examination of the qualifications of the applicants by the Port Director and a background investigation by the Miami-Dade Police Department.

Staff has reviewed the qualifications of the applicants and determined they are both qualified in accordance with Code. An investigation of these individuals by the Miami-Dade Police Department has revealed no record of criminal activity as outlined in Chapter 28-A of the Code. Both applicants have submitted the mandatory bond requirement (attached).

As staff has determined that applicable licensure requirements have been met, it is recommended that the Board approve the issuance of new County stevedore licenses to applicants Robert Moroney and Richard Rodriguez.



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Jack Osterholt, Deputy Mayor



**MEMORANDUM**  
(Revised)

**TO:** Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

**DATE:** July 6, 2016

**FROM:** Abigail Price-Williams  
County Attorney

**SUBJECT:** Agenda Item No. 8(J)(1)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_ ) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 8(J)(1)  
7-6-16

RESOLUTION NO. R-635-16

RESOLUTION AUTHORIZING THE COUNTY MAYOR TO  
ISSUE STEVEDORE LICENSES TO ROBERT MORONEY AND  
RICHARD RODRIGUEZ IN ACCORDANCE WITH CHAPTER  
28A-6 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA

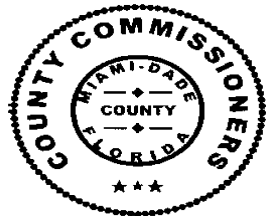
**WHEREAS**, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that this Board hereby authorizes the County Mayor to issue stevedore licenses to Robert Moroney and Richard Rodriguez in accordance with the provisions of Chapter 28A-6 of the Code of Miami-Dade County, Florida.

The foregoing resolution was offered by Commissioner **Dennis C. Moss**, who moved its adoption. The motion was seconded by Commissioner **Rebeca Sosa** and upon being put to a vote, the vote was as follows:

	Jean Monestime, Chairman	<b>aye</b>	
	Esteban L. Bovo, Jr., Vice Chairman	<b>aye</b>	
Bruno A. Barreiro	<b>aye</b>	Daniella Levine Cava	<b>aye</b>
Jose "Pepe" Diaz	<b>aye</b>	Audrey M. Edmonson	<b>aye</b>
Sally A. Heyman	<b>aye</b>	Barbara J. Jordan	<b>aye</b>
Dennis C. Moss	<b>aye</b>	Rebeca Sosa	<b>aye</b>
Sen. Javier D. Souto	<b>aye</b>	Xavier L. Suarez	<b>aye</b>
Juan C. Zapata	<b>aye</b>		

The Chairperson thereupon declared the resolution duly passed and adopted this 6<sup>th</sup> day of July, 2016. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.



MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **Christopher Agrippa**  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.

A handwritten signature in black ink, appearing to read "ABB", is written over a horizontal line.

Steven B. Bass

**RICHARD RODRIGUEZ**

# PERSONAL CHARACTER FORM

**2016 STEVEDORING BUSINESS LICENSE  
PERSONAL CHARACTER FORM**

**PORT MIAMI**

Applicant Name: Richard Rodriguez  
Applicant Age: 52  
Applicant Citizenship: USA  
Date of Birth: November 3, 1963  
Race: Hispanic / American  
Social Security Number: ---  
Home Address: 14665 SW 17th Street  
Miami, FL 33175  
Home Phone: \_\_\_\_\_  
Mobile Phone: 305-302-6688  
E-mail Address: richard.rodriguez@seboardmarine.com

1. Name and address of stevedore firm which applicant will conduct his/her stevedoring activities upon issuance of license:

Seaboard Marine Ltd., 1630 Port Boulevard, Miami, FL 33132

2. Stevedore's Performance Bond: ~~190034341~~ Check # 42092922

3. Has applicant ever been refused such bond? No.



**2016 STEVEDORING BUSINESS LICENSE  
PERSONAL CHARACTER FORM**

**PORT MIAMI**

4. List all connections applicant has had with stevedoring and with shipping industry, giving dates and locations.

Worked in Sea-Land from 1993 - 2000 in various capacities.

Worked in CSX-Lines from 2000-2002 as Port Manager.

Worked in Horizon Lines from 2002-2015 as Port Mgr and VP Terminal Services.

Currently work in Seaboard Marine since 2015 as VP Terminal Services.

5. List all supervisory capacities previously held by applicant in Question No. 4.

Port Manager.

VP of Puerto Rico Trade Lane.

VP of Terminal Services.

6. Describe supervisory duties performed by applicant in No. 5.

Port Mgr - focus on terminal's performance, productivity & safety.

VP PR Trade Lane - overall P&L ensuring market growth, earnings, and reduce costs.

VP Terminal Services - ensure terminals are operating efficiently and safely.

7. List at least 3 local individual references and their addresses, of persons knowing applicant for two years or more.

Name: Gabe Serra, President of SOS Logistics

Address: \_\_\_\_\_

Telephone: 787-420-6272

**2016 STEVEDORING BUSINESS LICENSE  
PERSONAL CHARACTER FORM**

**PORT MIAMI**

Name: Brian Taylor, Jacksonville Port CEO

Address: Jacksonville Port

Telephone: 904-357-3035

Name: Paul Hydock, Ops Mgr LAC

Address: LAC Terminal, San Juan, Puerto Rico

Telephone: 787-447-1188

**8. List all bank business accounts:**

Please contact Mr. Rene Santamaria, Controller, Seaboard Marine Ltd. 305-863-4444

**9. Education: List the name and address of high school, college, or specialty school attended, with dates of attendance and degrees, if any:**

1979-1982 - Deerfield Beach High School

1984 - Fla. Intl. Univ., Business Administration

2000 - Eckerd College, Leadership program.

2006-2007 - Queen's University, No. Carolina, Advance Business.

**2016 STEVEDORING BUSINESS LICENSE  
PERSONAL CHARACTER FORM**

**PORT MIAMI**

10. List any other information which applicants thinks might be of value to the Miami-Dade County Board of Commissioner's regarding this application:

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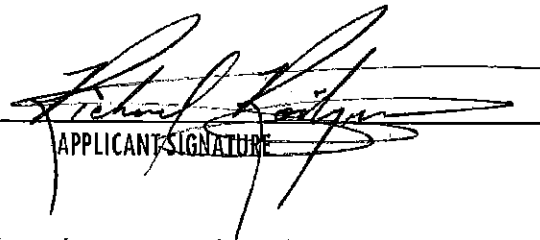
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12-2-15  
DATE

  
APPLICANT SIGNATURE

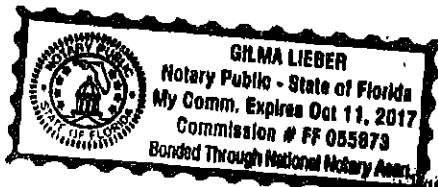
Before me, the undersigned authority, duly authorized to give oaths and take acknowledgments, personally appeared Richard Rodriguez, who being sworn, deposes and says that he is the person who executed the foregoing Application for Stevedoring License, and that the matters and things therein contained are true and correct.

Witness my hand and official seal at Miami, Florida, this 2<sup>nd</sup> day of December, 2015.

  
Notary Public, State of Florida at Large

My commission expires: Oct 11, 2017

(NOTARY SEAL)



# QUESTIONNAIRE

**2016 STEVEDORING BUSINESS LICENSE  
QUESTIONNAIRE**

**PORT MIAMI**

Richard Rodriguez

Completed questionnaires must be turned in by 5:00 PM on December 4, 2015. Failure to turn in a properly completed questionnaire, along with any other information required by this stevedore license solicitation by such deadline may result in your application being denied.

1. Pursuant to Section 28A-6.3, Code of Miami-Dade County, please report any affiliation, as an employee, partner, associate, officer, trustee, director or owner of greater than a twenty (20) percent share (directly or indirectly) of any person, corporation, partnership, joint venture, association, firm, business trust, syndicate, municipal or other governmental body which may directly or indirectly be involved with the shipment or handling of freight. If so affiliated, please provide a written list of such affiliations and the names and addresses of persons or members of any such corporation, partnership, joint venture, association, firm, business trust, or syndicate. Please provide the name and address of each person holding a controlling financial interest in the corporation, partnership, joint venture, association, firm, business trust, or syndicate, according to the definition of "controlling financial interest" contained in section 2-11.1(b)(8), code of Miami-Dade County.

The applicant is an employee of Seaboard Marine Ltd. Seaboard Marine Ltd. is a 100% wholly owned subsidiary of Seaboard Corporation, a public company traded on the American Stock Exchange (symbol: SEB). Seaboard Corporation is located at 9000 West 67th Street, Shawnee Mission, Kansas, 66202.

2. Provide evidence of the applicant's financial strength, including the ability to secure insurance, indemnity and performance bonds.

Insurance, indemnity and performance bonds are provided through Seaboard Marine Ltd.; please see attached Performance Bond #190034341.

*Check # 42092982 in lieu of bond*

**2016 STEVEDORING BUSINESS LICENSE  
QUESTIONNAIRE**

**PORTMIAMI**

3. Disclose the pendency or entry within the last twenty (20) years of any and all proceedings, judgments, and/or orders of any court or regulatory body respecting the ability of the applicant, its affiliates, and/or its principals or operating officers to conduct a stevedoring business.

None.

4. Disclose any outstanding fees, taxes, or charges assessed within the last twenty (20) years by Miami-Dade County, including PortMiami, to the applicant and any and all affiliates, principals or operating officers that remain unpaid at present that were required to be written off, or that remained unpaid for a period of more than six months.

Applicant is not aware of any such charges.

**2016 STEVEDORING BUSINESS LICENSE  
QUESTIONNAIRE**

**PORTMIAMI**

5. Provide details of the stevedoring experiences of the applicant, principals, affiliates, and operating officers, including, but not limited to, (i) experience at PortMiami and (ii) experience with the equipment present at PortMiami.

Applicant has worked with cargo handling, loading and discharging for 31 years (1983 - 2015), and currently serves as Seaboard Marine's Vice President of Terminal Services at PortMiami.

6. Pursuant to section 28A-6.5, disclose whether the applicant, the firm on behalf of which the applicant has applied, or any officer, member or shareholder of greater than twenty (20) percent share thereof has within the last ten (10) years (i) been convicted of a felony or (ii) had a finding of guilt entered against him, her, or it (including, but not limited to, a withhold of adjudication).

None as to applicant.

**2016 STEVEDORING BUSINESS LICENSE  
QUESTIONNAIRE**

**PORTMIAMI**

7. Has the applicant or any of its employees, contractors, or affiliates, in the State of Florida, within the past 5 years, been a party to or subject of any civil, criminal, administrative, or disciplinary proceeding, action, investigation before, or had fines or citations imposed or issued upon or against it by any Federal, or State, local court, administrative, regulatory or licensing agency including, without limitation, OSHA and any environmental agencies, or any other governmental agencies. If yes, please provide details and outcomes, and attach copies of any identified citations and complaints. Attach supplemental pages as needed.

No.

8. Identify: (A) all work related accidents, injuries and deaths that occurred as part of, related to, or arose out of the applicant's operations at the PortMiami or Miami-Dade County within the last five (5) years; and (B) any citations, judgments, consent decrees, notices of violations or other rulings or fines issued or imposed by OSHA or other regulatory agencies to applicant (or applicant's stevedoring firm or employer), or any employee or affiliate of applicant, relating to or arising from stevedoring operations at the Port of Miami, in Miami-Dade County, or elsewhere during the last five (5) years. For each identified citation, fine, injury, and/or accident, please describe the incident giving rise thereto, including the nature of any injuries arising therefrom or relating thereto and provide copies of all citations and related inspection or investigative reports and any attachments thereto, any appeal of same, and the final judgment, settlement or other disposition of such citations or fines. Attach supplemental pages as needed.

None as to applicant.

9. Please report total stevedoring labor hours worked by your stevedoring company at PortMiami for the last year (including hours for direct employees and any retained ILA or other labor).

N/A.

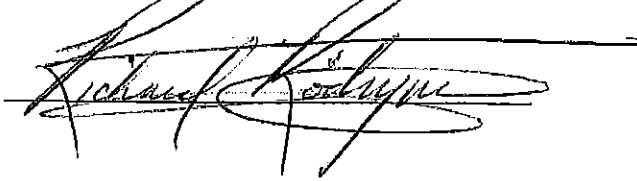
The foregoing responses are limited to the requested information for the applicant individually. Seaboard Marine Ltd. will submit its response to these questions as part of its Stevedore Permit Application.



**2016 STEVEDORING BUSINESS LICENSE  
QUESTIONNAIRE**

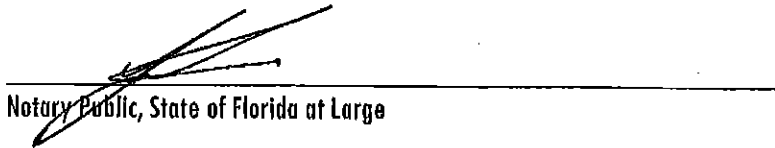
**PORT MIAMI**

The undersigned stevedoring license applicant hereby swears or affirms that all answers and information provided above are true and correct.



Before me, the undersigned authority, duly authorized to give oaths and take acknowledgments, personally appeared Richard Rodriguez, who being sworn, deposes and says that he is the person who executed the foregoing Stevedoring License Questionnaire, and that the matters and things therein contained are true and correct.

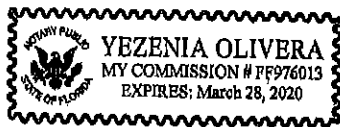
Witness my hand and official seal at Miami, Florida, this 21 day of April, 2016.



Notary Public, State of Florida at Large

My commission expires: March 28, 2020

(NOTARY SEAL)



# BOND

**SEABOARD MARINE, LTD.**

INVOICE NUMBER	INVOICE DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT	NET AMOUNT
BOND 03/09	030916	RICHARD RODRIGUEZ BO	1,000.00		1,000.00
CHECK NO. 42092922		TOTALS	1,000.00		1,000.00

2016 MAR 14 A 8:25  
 SEAPORT FINANCE

THE SECURITY FEATURES ON THIS DOCUMENT INCLUDE A COLORED BACKGROUND, MICRO-PRINT SIGNATURE LINES, BLEED THRU NUMBERING, A TRUE WATERMARK AND VISIBLE FIBERS.



**SEABOARD MARINE, LTD.**  
 8001 NW 79th Avenue  
 Medley, FL 33166

Citibank Delaware  
 A Subsidiary of Citicorp  
 One Penn's Way  
 New Castle, DE 19720

62-20  
 311

**42092922**

CHECK DATE: 03/10/16  
 CHECK NUMBER: 42092922

ONE THOUSAND AND 00/100 \*\*\*\*\*

CHECK AMOUNT

\$ \*\*\*\*\*1,000.00

PAY TO THE ORDER OF MIAMI DADE COUNTY  
 1001 NORTH AMERICA WAY  
 SUITE 115  
 MIAMI FL 33132

*Stuart...*  
 AUTHORIZED SIGNATURE  
*...*  
 AUTHORIZED SIGNATURE  
 VOID AFTER 90 DAYS

⑈ 4 2092922 ⑈ ⑆03⑆1⑆00⑆209⑆ 38741904⑈

19

# SEABOARD

M A R I N E

www.seaboardmarine.com

March 24, 2016

Susel Ferrer – Port Miami  
1001 North America Way  
Suite 115  
Miami, FL 33132

RE: Stevedore License Application  
Applicant: Richard Rodriguez  
MDC AO 4-50 Bond

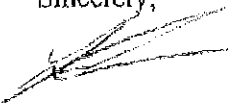
Dear Susel,

Seaboard Marine Ltd. issued check number 42092922 payable to Miami-Dade County in the amount of \$1,000 (USD), representing the performance bond required pursuant to Miami-Dade County Administrative Ordinance 4-50 (A.O. 4-50) in connection with Mr. Rodriguez's license application (hereinafter the "Cash Bond"). The Cash Bond is solely for use in connection with a payment obligation to Miami-Dade County arising pursuant to AO 4-50 for failure of Mr. Rodriguez to properly perform as a stevedore.

We would appreciate you acknowledging receipt of the funds to be held in satisfaction of the bonding requirements of AO 4-50.

This letter replaces the prior transmittal referencing the Cash Bond. Please do not hesitate to contact me if you have any questions.

Sincerely,



Yezenia Olivera

8001 N.W. 79th Avenue  
Miami, Florida 33166  
Phone: (305) 863-4414  
Fax: (305) 863-4400

1630 Port Boulevard  
Miami, Florida 33132  
Phone: (305) 530-5737  
Fax: (305) 579-9162

1100 Circle 75 Parkway, Suite 205  
Atlanta, Georgia 30339  
Phone: (770) 859-9050  
Fax: (770) 859-0933

77 Brant Avenue, Suite 300  
Clark, New Jersey 07066  
Phone: (732) 574-3555  
Fax: (732) 574-1114

16398 Jacintoport Boulevard  
Houston, Texas 77015  
Phone: (713) 821-7400  
Fax: (713) 821-7478

# INITIAL APPLICATION FEE

SEABOARD MARINE, LTD.

INVOICE NUMBER	INVOICE DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT	NET AMOUNT
LICENSE HO	010616	LICENSE HOLDER P.O.M	50.00		50.00
			<i>New Stevedoring License Application (over) Mr. Richard Rodriguez</i>		
CHECK NO. 42091564		TOTALS	50.00		50.00

SEAPORT FINANCE  
 1015 JAN 10 A 12:33

THE SECURITY FEATURES ON THIS DOCUMENT INCLUDE A COLORED BACKGROUND, MICRO-PRINT SIGNATURE LINES, BLEED THRU NUMBERING, A TRUE WATERMARK AND VISIBLE FIBERS.



**SEABOARD MARINE, LTD.**  
 8001 NW 79th Avenue  
 Medley, FL 33166

Citibank Delaware  
 A Subsidiary of Citicorp  
 One Penn's Way  
 New Castle, DE 18720

82-20-311

42091564

CHECK DATE CHECK NUMBER

01/12/16 42091564

FIFTY AND 00/100 \*\*\*\*\*

CHECK AMOUNT

\$ \*\*\*\*\*50.00

PAY TO THE ORDER OF  
 PORT OF MIAMI PERMIT SECTION  
 1001 NORTH AMERICAN WAY  
 MIAMI FL 33132

*Stuart Parks* \_\_\_\_\_ MP  
 AUTHORIZED SIGNATURE

*RSA* \_\_\_\_\_ MP  
 AUTHORIZED SIGNATURE  
 VOID AFTER 90 DAYS

⑈ 42091564 ⑈ ⑈ 011002091⑈ ⑈ 101728⑈

*22*

# BACKGROUND CHECK

# Memorandum



**Date:** December 10, 2015

**To:** Juan Kuryla  
Port Director

**From:** *for* Larry L. Rogers, Chief  
Safety and Security Division *JLR*

**Subject:** Background Checks for Stevedoring License Applicants

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In response to your request regarding the above captioned subject, the Miami-Dade Police Department conducted a criminal background check pursuant to Section 28A-6.4, of the Miami-Dade County Code, for the following individuals:

<u>NAME</u>	<u>DOB</u>
Robert Moroney	11/21/1969
Richard Rodriguez	11/03/1963

Based on the aforementioned, the Safety and Security Division found no disqualifying factors for the Stevedoring Licenses not to be issued to the applicants.

If you have further questions, please contact me directly at (305) 347-4901.

c: Ray Mauri, Chief Financial Initiative  
Port Miami



**ROBERT MORONEY**

MIAMI-DADE COUNTY, FLORIDA



MIAMI-DADE POLICE DEPARTMENT  
Seaport Operations Bureau  
903 S. America Way  
MIAMI, FLORIDA 33032

Date: January 19, 2016

A name search of the Miami-Dade Police Department (MDPD) arrest records under the name of:

Name: Richard Rodriguez

Race/ Sex: W/M

AKA: \_\_\_\_\_

Date of Birth: 11/03/1963

MDPD Criminal Identification Number: \_\_\_\_\_

No Local Records

Copy of File

Copy Not File

For Case Disposition Contact: (306)276-1155

Felony Division

1351 NW 12 Street

Miami, Florida 33125

Local Misdemeanor Arrest Record(s)

Copy of File

Copy Not File

For Case Disposition Contact: (306)275-1155

Misdemeanor Division

1351 NW 12 Street

Miami, Florida 33125

Local Traffic Arrest Record(s)

Copy of File

Copy Not File

For Case Disposition Contact: (305) 275-1111

Traffic Division

1351 NW 12 Street, Room 124

Miami, Florida 33125

Other Local Agency Arrest Record(s)

Civil Division (306)275-1155

73 W. Flagler Street

Miami, Florida 33125

Case Numbers: \_\_\_\_\_

Comments: \_\_\_\_\_

OFFICIAL RECORD

Miami-Dade Police Department

TRUE COPY OF ORIGINAL

REDACTED COPY OF ORIGINAL

By: J. Madrigal

I.D. 7521

Dist./Burr: North/Seaport

Date: 1/19/16

Date 01/19/2016 Researched by (Name/Title): OFC. J. MADRIGAL 7521

Print and Sign

Date: 01/19/2016 Prepared by (Name/Title): OFC. J. MADRIGAL 7521

Print and Sign

NOTE: The Miami Dade Police Department is prohibited from disclosing the existence of juvenile criminal history information, as well as records that have been sealed or expunged. Therefore, if "No Local Records" is indicated, there remains a possibility that juvenile, sealed or expunged records may be associated with the above name that cannot be disclosed. There is also a possibility that an adult or juvenile may have been arrested in a jurisdiction other than Miami-Dade County. The Florida Department of Law Enforcement may disclose information related to criminal history for certain licensing and employment purpose as provided by law. They may contacted at 1-800-342-0820.

# SUPPORTING DOCUMENTATION

## RESUME AND STEVEDORING-RELATED WORK HISTORY

Richard F. Rodriguez  
Miami, FL

### EDUCATION:

1979-1982 Deerfield Beach High School, Florida  
1984 Florida International University, Miami, Florida  
2000 Eckerd College, St. Petersburg, Florida  
2006-2007 Horizon Institute – Queens University, Charlotte, N.C.

### WORK HISTORY:

1984-1993 Meteor Express, Inc. NVOCC, Miami, FL  
General Manager

1993-1999 Sea-Land Service, Inc., San Juan, Puerto Rico  
1993-1994 - Equipment Control Supervisor  
1994-1995 – Special Commodities Supervisor  
1995-1997 – Equipment Control Manager  
1997-1999 – Terminal Shift Manager

1999-2015 Horizon Lines of PR, Inc., San Juan, Puerto Rico  
1999-2012 - Port Manager, San Juan Terminal  
2013-2015 – Vice President of Terminal Services

June 2015 -Present Seaboard Marine, Miami, Florida  
Vice President of Terminal Services

## RESUME AND STEVEDORING-RELATED WORK HISTORY

Richard F. Rodriguez  
Miami, FL

### EDUCATION:

1979-1982 Deerfield Beach High School, Florida  
1984 Florida International University, Miami, Florida  
2000 Eckerd College, St. Petersburg, Florida  
2006-2007 Horizon Institute – Queens University, Charlotte, N.C.

### WORK HISTORY:

1984-1993 Meteor Express, Inc. NVOCC, Miami, FL  
General Manager

1993-1999 Sea-Land Service, Inc., San Juan, Puerto Rico  
1993-1994 - Equipment Control Supervisor  
1994-1995 – Special Commodities Supervisor  
1995-1997 – Equipment Control Manager  
1997-1999 – Terminal Shift Manager

1999-2015 Horizon Lines of PR, Inc., San Juan, Puerto Rico  
1999-2012 - Port Manager, San Juan Terminal  
2013-2015 – Vice President of Terminal Services

June 2015 -Present Seaboard Marine, Miami, Florida  
Vice President of Terminal Services

# PERSONAL CHARACTER FORM

2016 STEVEDORING BUSINESS LICENSE  
PERSONAL CHARACTER FORM

PORT MIAMI

Applicant Name: Robert Moroney  
Applicant Age: 46  
Applicant Citizenship: U.S. Citizen  
Date of Birth: 11/21/1969  
Race: White  
Social Security Number: [REDACTED]  
Home Address: 17978 SW 30th Court  
Miramar, FL 33029  
Home Phone: None  
Mobile Phone: (954) 648-8159  
E-mail Address: rmoroney@ceresglobal.com

1. Name and address of stevedore firm which applicant will conduct his/her stevedoring activities upon issuance of license:

Ceres Marine Terminals, Inc

1931 Cordova Road, Suite 502

Ft. Lauderdale, FL 33316

2. Stevedore's Performance Bond: 09141500

3. Has applicant ever been refused such bond? No

**2016 STEVEDORING BUSINESS LICENSE  
PERSONAL CHARACTER FORM**

**PORT MIAMI**

4. List all connections applicant has had with stevedoring and with shipping industry, giving dates and locations.

Please see resume attached.

5. List all supervisory capacities previously held by applicant in Question No. 4.

Please see resume attached.

6. Describe supervisory duties performed by applicant in No. 5.

Please see resume attached.

7. List at least 3 local individual references and their addresses, of persons knowing applicant for two years or more.

Name: Michael Fettes

Address: 1050 Caribbean Way, Miami, FL 33132

Telephone: (305) 609-6813



2016 STEVEDORING BUSINESS LICENSE  
PERSONAL CHARACTER FORM

PORT MIAMI

Name: Nelson Rengifo

Address: 1001 North American Way Suite 208, Miami, FL 33132

Telephone: (305) 323-9586

Name: Rick Welch

Address: 222 N. Federal Highway, Suite 104, Dania Beach, FL 33004

Telephone: (954) 290-6026

8. List all bank business accounts:

Wells Fargo Ceres Marine Terminals, Inc. [REDACTED]

Wells Fargo Ceres Marine Terminals, Inc. [REDACTED]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Education: List the name and address of high school, college, or specialty school attended, with dates of attendance and degrees, if any:

Please see attached resume.  
\_\_\_\_\_  
\_\_\_\_\_

2016 STEVEDORING BUSINESS LICENSE  
PERSONAL CHARACTER FORM

PORT MIAMI

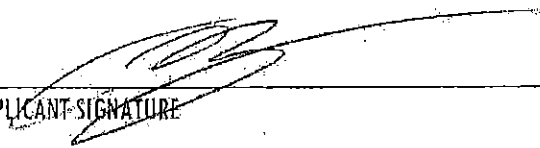
10. List any other information which applicants think might be of value to the Miami-Dade County Board of Commissioner's regarding this application:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

11/24/15

DATE

APPLICANT SIGNATURE

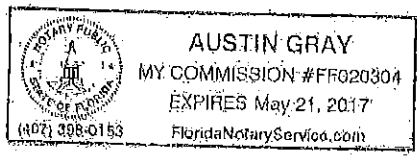


Before me, the undersigned authority, duly authorized to give oaths and take acknowledgments, personally appeared Robert J. Macosney, who being sworn, deposes and says that he is the person who executed the foregoing Application for Stevedoring License, and that the matters and things therein contained are true and correct.

Witness my hand and official seal at Pembroke Pines, Florida, this 24th day of November, 2015.

  
\_\_\_\_\_  
Notary Public, State of Florida at Large

My commission expires: May 21, 2017



(NOTARY SEAL)

# QUESTIONNAIRE

**2016 STEVEDORING BUSINESS LICENSE  
QUESTIONNAIRE**

**PORT MIAMI**

Completed questionnaires must be turned in by 5:00 PM on December 4, 2015. Failure to turn in a properly completed questionnaire, along with any other information required by this stevedore license solicitation by such deadline may result in your application being denied.

1. Pursuant to Section 20A-6.3, Code of Miami-Dade County, please report any affiliation, as an employee, partner, associate, officer, trustee, director or owner of greater than a twenty (20) percent share (directly or indirectly) of any person, corporation, partnership, joint venture, association, firm, business trust, syndicate, municipal or other governmental body which may directly or indirectly be involved with the shipment or handling of freight. If so affiliated, please provide a written list of such affiliations and the names and addresses of persons or members of any such corporation, partnership, joint venture, association, firm, business trust, or syndicate. Please provide the name and address of each person holding a controlling financial interest in the corporation, partnership, joint venture, association, firm, business trust, or syndicate, according to the definition of "controlling financial interest" contained in section 2-11.1(b)(8), code of Miami-Dade County.

None

2. Provide evidence of the applicant's financial strength, including the ability to secure insurance, indemnity and performance bonds.

Ceres Marine Terminals, Incorporated is a current Port of Miami Stevedore permit holder, and as a part of the renewal will provide Evidence of Insurance, Indemnity and Performance Bond (attached).

2016 STEVEDORING BUSINESS LICENSE  
QUESTIONNAIRE

PORTMIAMI

3. Disclose the pendency or entry within the last twenty (20) years of any and all proceedings, judgments, and/or orders of any court or regulatory body respecting the ability of the applicant, its affiliates, and/or its principals or operating officers to conduct a stevedoring business.

None.

4. Disclose any outstanding fees, taxes, or charges assessed within the last twenty (20) years by Miami-Dade County, including PortMiami, to the applicant and any and all affiliates, principals or operating officers that remain unpaid at present that were required to be written off, or that remained unpaid for a period of more than six months.

None

2016 STEVEDORING BUSINESS LICENSE  
QUESTIONNAIRE

PORT MIAMI

5. Provide details of the stevedoring experiences of the applicant, principals, affiliates, and operating officers, including, but not limited to, (i) experience at PortMiami and (ii) experience with the equipment present at PortMiami.

See attached resumes for:

Patrick Burgoyne  
Timothy Touzet  
Robert Moroney

6. Pursuant to section 28A-6.5, disclose whether the applicant, the firm on behalf of which the applicant has applied, or any officer, member or shareholder of greater than twenty (20) percent share thereof has within the last ten (10) years (i) been convicted of a felony or (ii) had a finding of guilt entered against him, her, or it (including, but not limited to, a withhold of adjudication).

None

2016 STEVEDORING BUSINESS LICENSE  
QUESTIONNAIRE

PORTMIAMI

7. Has the applicant or any of its employees, contractors, or affiliates, in the State of Florida, within the past 5 years, been a party to or subject of any civil, criminal, administrative, or disciplinary proceeding, action, investigation before, or had fines or citations imposed or issued upon or against it by any Federal, or State, local court, administrative, regulatory or licensing agency including, without limitation, OSHA and any environmental agencies, or any other governmental agencies. If yes, please provide details and outcomes, and attach copies of any identified citations and complaints. Attach supplemental pages as needed.

No

8. Identify: (A) all work-related accidents, injuries and deaths that occurred as part of, related to, or arose out of the applicant's operations at the PortMiami or Miami-Dade County within the last five (5) years; and (B) any citations, judgments, consent decrees, notices of violations or other rulings or fines issued or imposed by OSHA or other regulatory agencies to applicant (or applicant's stevedoring firm or employer), or any employee or affiliate of applicant, relating to or arising from stevedoring operations at the Port of Miami, in Miami-Dade County, or elsewhere during the last five (5) years. For each identified citation, fine, injury, and/or accident, please describe the incident giving rise thereto, including the nature of any injuries arising therefrom or relating thereto and provide copies of all citations and related inspection or investigative reports and any attachments thereto, any appeal of same, and the final judgment, settlement or other disposition of such citations or fines. Attach supplemental pages as needed.

None

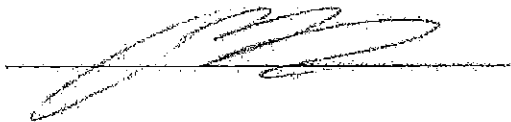
9. Please report total stevedoring labor hours worked by your stevedoring company at PortMiami for the last year (including hours for direct employees and any retained IIA or other labor).

2014 total labor hours worked	60,930
2015 total labor hours worked (through 3rd qtr)	27,527

2016 STEVEDORING BUSINESS LICENSE  
QUESTIONNAIRE

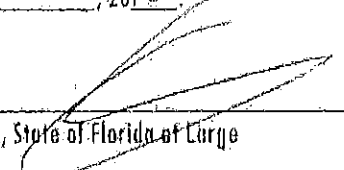
PORT MIAMI

The undersigned stevedoring license applicant hereby swears or affirms that all answers and information provided above are true and correct.



Before me, the undersigned authority, duly authorized to give oaths and take acknowledgments, personally appeared Robert Blacores, who being sworn, deposes and says that he is the person who executed the foregoing Stevedoring License Questionnaire, and that the matters and things therein contained are true and correct.

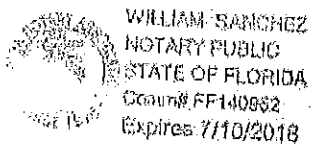
Witness my hand and official seal at Miramar, Florida, this 23 day of April, 2016.



Notary Public, State of Florida at Large

My commission expires: 7/10/2018

(NOTARY SEAL)





# BOND

# Fidelity and Deposit Company

HOME OFFICE OF MARYLAND BALTIMORE, MD. 21203

## License and/or Permit Bond

KNOW ALL MEN BY THESE PRESENTS:

That we, Robert Moroney  
as Principal, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND, incorporated under the laws of the State of Maryland, with principal office in Baltimore, Maryland, as Surety, are held and firmly bound unto Miami-Dade County, as Obligee, in penal sum of One Thousand Dollars and 00/100 (\$ 1,000.00 ) Dollars, lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly, by these presents.

WHEREAS, the above bounden Principal has obtained or is about to obtain from the said Obligee a license or permit for Stevedoring; and the term of said license or permit is as indicated opposite the block checked below:

- Beginning the..... day of..... and ending the..... day of.....
- Continuous, beginning the 15th day of December 2015

WHEREAS, the Principal is required by law to file with Miami-Dade County a bond for the above indicated term and conditioned as hereinafter set forth.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, That if the above bounden Principal as such licensee or permittee shall indemnify said Obligee against all loss, costs, expenses or damage to it caused by said Principal's non-compliance with or breach of any laws, statutes, ordinances, rules or regulations pertaining to such license or permit issued to the Principal, which said breach or non-compliance shall occur during the term of this bond, then this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, that if this bond is for a fixed term, it may be continued by Certificate executed by the Surety hereon; and

PROVIDED FURTHER, that regardless of the number of years this bond shall continue or be continued in force and of the number of premiums that shall be payable or paid the Surety shall not be liable hereunder for a larger amount, in the aggregate, than the amount of this bond, and

PROVIDED FURTHER, that if this is a continuous bond and the Surety shall so elect, this bond may be cancelled by the Surety as to subsequent liability by giving thirty (30) days notice in writing to said Obligee.

Signed, sealed and dated the 29th day of January 2016

Robert Moroney  
Principal

By..... Individual.....

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

By Debbie Lindstrom  
Attorney-in-Fact

Surety Phone No.

**ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Maryland, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Maryland (herein collectively called the "Companies"), by THOMAS O. MCCLELLAN, Vice President, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint Kathleen M. MITCHELL, Debbie LINDSTROM, John DRUMMEY, JR., Scott ALDERMAN, Timothy S. BUHITE and Simone R. FREDERICK, all of Seattle, Washington, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed; any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York, the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland, and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland, in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice President has hereunto subscribed his/her names and affixed the Corporate Seals of the said ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 26th day of August, A.D. 2015.

ATTEST:

**ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**



By: *Michael McKibben*  
Secretary  
Michael McKibben

*Thomas O. McClellan*  
Vice President  
Thomas O. McClellan

State of Maryland  
County of Baltimore

On this 26th day of August, A.D. 2015, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, THOMAS O. MCCLELLAN, Vice President, and MICHAEL MCKIBBEN, Secretary, of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, deposed and said; that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

*Maria D. Adamski*  
Maria D. Adamski, Notary Public  
My Commission Expires: July 8, 2019



EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney... Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this 20th day of January, 2000.



Gerald F. Haley

Gerald F. Haley, Vice President

# INITIAL APPLICATION FEE

INVOICE #	INVOICE DATE	REMARKS	VOUCHER	AMOUNT	DISCOUNT	NET AMOUNT
CK121015	12/10/15	APP FEE ROBERT MORONEY	30970186	50.00		50.00
<b>TOTAL</b>						50.00

VOID VOID VOID VOID VOID

Bank of Tokyo-Mitsubishi UFJ 00123114  
63-992/113

Ceres Terminals Inc.  
565 Marriott Drive Suite 400  
Nashville, TN 37214  
(615) 232-7800

DATE 12/10/15

FIFTY AND 00/100

AMOUNT  
\$\*\*\*\*\*50.00

To: PORT OF MIAMI  
Order Of: 1001 NORTH AMERICAN WAY  
SUITE 100B  
MIAMI FL 33132-2081

N. Nishin  
AUTHORIZED SIGNATURE

VOID VOID VOID VOID VOID

⑈00123114⑈ 090360⑈

*Initial Application Fee*

# BACKGROUND CHECK

# Memorandum



**Date:** December 10, 2015

**To:** Juan Kuryla  
Port Director

**From:** *for* Larry L. Rogers, Chief  
Safety and Security Division *LLR*

**Subject:** Background Checks for Stevedoring License Applicants

In response to your request regarding the above captioned subject, the Miami-Dade Police Department conducted a criminal background check pursuant to Section 28A-6.4, of the Miami-Dade County Code, for the following individuals:

NAME

DOB

Robert Moroney

11/21/1969

Richard Rodriguez

11/03/1963

Based on the aforementioned, the Safety and Security Division found no disqualifying factors for the Stevedoring Licenses not to be issued to the applicants.

If you have further questions, please contact me directly at (305) 347-4901.

c: Ray Mauri, Chief Financial Initiative  
Port Miami



MIAMI-DADE COUNTY, FLORIDA



MIAMI-DADE POLICE DEPARTMENT  
Seaport Operations Bureau  
903 S. America Way  
MIAMI, FLORIDA 33032

Date: January 19, 2016

A name search of the Miami-Dade Police Department (MDPD) arrest records under the name of:

Name: Robert Moroney

Race/ Sex: W/M

AKA: \_\_\_\_\_

Date of Birth: 11/21/1969

MDPD Criminal Identification Number: \_\_\_\_\_

No Local Records  
 Copy of File  
 Copy Not File

For Case Disposition Contact: (305)275-1155  
Felony Division  
1351 NW 12 Street  
Miami, Florida 33125

Local Misdemeanor Arrest Records(s)  
 Copy of File  
 Copy Not File

For Case Disposition Contact: (305)275-1155  
Misdemeanor Division  
1351 NW 12 Street  
Miami, Florida 33125

Local Traffic Arrest Record(s)  
 Copy of File  
 Copy Not File

For Case Disposition Contact: (305) 275-1111  
Traffic Division  
1351 NW 12 Street, Room 124  
Miami, Florida 33125

Other Local Agency Arrest Record(s)

Civil Division (305)275-1155  
73 W. Flagler Street  
Miami, Florida 33125

Case Numbers: \_\_\_\_\_

Comments: \_\_\_\_\_

OFFICIAL RECORD  
Miami-Dade Police Department  
TRUE COPY OF ORIGINAL  
REPACKED COPY OF ORIGINAL  
By: J. Madrigal  
I.D. 7521  
Dist./Burr: North/Seaport  
Date: 1/19/16

Date 01/19/2016 Researched by (Name/Title): OFC. J MADRIGAL 7521  
Print and Sign

Date: 01/19/2016 Prepared by (Name/Title): OFC. J. MADRIGAL 7521  
Print and Sign

NOTE: The Miami Dade Police Department is prohibited from disclosing the existence of juvenile criminal history information, as well as records that have been sealed or expunged. Therefore, if "No Local Records" is indicated, there remains a possibility that juvenile, sealed or expunged records may be associated with the above name that cannot be disclosed. There is also a possibility that an adult or juvenile may have been arrested in a jurisdiction other than Miami-Dade County. The Florida Department of Law Enforcement may disclose information related to criminal history for certain licensing and employment purpose as provided by law. They may contacted at 1-800-342-0820.

# SUPPORTING DOCUMENTATION

# Robert Moroney

107978 SW 30<sup>th</sup> Court  
Miramar, FL 33029

[rmoroney@ceresglobal.com](mailto:rmoroney@ceresglobal.com)

Mobile (954) 648-8159

## QUALIFICATIONS PROFILE

Self-motivated and energetic **Port Operations Director** offering a 20-year career reflecting consistent performance-based progression and contribution. Blends strong leadership and problem solving skills with core operations management qualifications to improve efficiency, productivity, and internal communications. Offers exceptional work ethics and a bottom-line focus: committed to achieving corporate objectives. Areas of proven strength include:

- Operations Management
- Strategic Business Planning
- Strong Guest Service Focus
- Productivity/Efficiency Improvement
- Contract Negotiations
- Policy and Procedure Development
- Staff Supervision and Leadership
- Personnel Training and Development
- Committee Collaboration
- Fiscal Responsibility

## PROFESSIONAL EXPERIENCE

### **Ceres Terminals Inc., East Brunswick, NJ**

**2014 - Present**

*Ceres Terminals Inc. is one of the largest stevedores and marine terminal operators in North America handling cruise line, containers, ro/ro cargo, and general cargo business. Ceres has built a reputation in the Cruise Industry on delivering high performance standards - from Canada's most prestigious cruise port in Vancouver, B.C. and throughout major cruise ports in the United States.*

#### **Director Cruise Services (2014 - Present):**

Responsible for overseeing all of the business development of Ceres Cruise Services in North America. Functions as the primary contact for the company's cruise clients, implementing cruise contracts for current and new business and assisting senior management in the development of marketing/sales objectives and strategies.

### **Royal Caribbean Cruises Ltd., Miami, FL**

**2003 - 2014**

*Royal Caribbean Cruises Ltd. (NYSE, OSE: RCL) is a global cruise vacation company that operates Royal Caribbean International, Celebrity Cruises, Pullmantur, Croisieres de France and Azamara Club Cruises as well as TUI Cruises through a 50 percent joint venture. Together these brands operate a combined total of 43 ships globally.*

#### **Manager Worldwide Operations Guest Port Services (2013 - 2014)**

Responsible for the management of the overall guest experience in the 53 turnaround ports utilized worldwide by our 3 RCCL North American brands. Accountable for the global maintenance of our brand image and reputation through the management of all third-party contracted ground handler companies. Plan and supervise the activities and operations of 5 RCCL Account Managers tasked with the management of thousands of contracted ground handler staff worldwide. Operational responsibility for all airport meet and greet, guest transportation, as well as the management of the entire check-in process for every one of our cruise guests. Oversee a hotel coordination staff of 6 direct reports who are responsible for the loading and booking of our hotel properties in operation throughout the world. Create and manage an annual G & A Operating Plan of \$13 million through a quarterly financial review process ensuring that each port achieves the desired financial goals and objectives. Solicits and negotiates applicable contracts annually, preparing detailed financial competitive analysis and executive recommendations for each port. Reviews ratings information as it pertains to pier and airport experiences and implements the necessary corrective action plans for continuous improvement. Monitors and benchmarks industry best practices for turn operations and identifies opportunities to enhance guest satisfaction and further reduce operating expenses. Represents the corporation at selected governmental meetings, association functions, cruise industry events, as well as travel industry conventions and other meetings as required.

#### **Key Results Include:**

- Delivered a 13 point increase in Pier Check-in Experience for Royal Caribbean International brand in 2013. This significant YOY improvement was not matched by any other department in the company and was the highest YOY improvement in the past 10 years. Currently on track to exceed our targets in 2014.

- Successful collaboration with the Cape Liberty Cruise Port and Port Canaveral, FL on the design of their two new cruise ship terminals currently under construction at this time. Both terminals are slated for an on schedule completion in November of 2014.

**Manager Worldwide Port Operations (2010 - 2013)**

Executed operational and financial responsibility for port operations globally, including management of all port agencies, stevedore companies, port and union relationships on a regional basis. Ensured that all port and ship services for every brand were achieved in a timely and professional manner according to established departmental and company standards. Adhered to a tight financial budget, while controlling the negative financial exposure related to ship requests, abnormal operations, and/or stevedoring/port manning levels. Collaborated closely with an extensive array of shoreside departments and stakeholders, both locally and across offices in multiple time zones. Managed relationships with multiple Port Authorities, including contract negotiation, cost benefit analysis, operational effectiveness, future deployment impact, brand image considerations, marine operations, land operations, facilities management, and port modifications. Controlled vendor relationships and identified opportunities to leverage these relationships to be in alignment with our corporate strategy. Interfaced daily with Deployment and Itinerary planning on matters pertaining to berthing, operations, and execution of port operations. Monitored berthing requests and assignments for all brands to ensure maximum operational and service benefits for the company. Managed financial performance vs. Plan and Forecasts for operations and G&A; Making recommendations to meet or exceed targets. Participated in the analysis and development of accurate forecasts for all expenses associated with Port Operations. Responded to all crisis involving ships operations including, but not limited to, weather, health, geo-political, disasters, and legal events or emergencies. Participated in the planning and execution of crisis response plans which included interaction with and briefing of RCCL senior executives.

**Key Results Include:**

- Successfully contributed to the creation and management of an annual operating Port Operations budget of \$500+ million dollars.
- Identified and implemented process improvement, process automation, and creation of department knowledge base to improve operational efficiencies and controls.

**Guest Port Services Account Manager (2003 - 2010)**

Responsible for the complete guest service operation from planning to final implementation in all assigned turnaround ports. Managed all aspects of the ground handler relationship including the competitive bid process, vendor contracting, financial analysis, operational planning, training and quality assurance. Partnered with port authorities, port agents, ship staff, security vendors, and all internal corporate departments to ensure that smooth guest service operations were delivered on a consistent basis. Maintained an operational budget for each assigned turnaround port while developing forecasts to maintain future expenses accordingly. Developed and administered detailed operational and contingency plans for all vessel turnarounds. Ensured all turnaround port operations meet the established standards and metrics for each company brand. Performs operational analysis projects to improve the efficiency of the core operations and guest service functions.

**Key Results Include:**

- Successfully managed the highest volume turnaround region for the company for a full 3 seasons.
- Participated in the successful 18 month collaboration with the Port Everglades team to deliver the \$65 million Port Everglades Terminal 18 construction project. Currently, this 240,000 square foot structure is largest single-ship cruise terminal in the world. Project was delivered on time for the scheduled arrival of the Oasis of the Seas.
- Prepared and implemented all operational functions for this newly constructed facility. Have met and exceeded all goals set by the executive committee during the design phase of the project.

**Bed Bath & Beyond, Inc., Union, NJ**

1993 - 2003

Rapid advancement through a series of progressive corporate, regional, and site-level management positions with this \$11 billion+ corporation (Nasdaq: BBBY) operating a nationwide superstore chain.

**New Store Project Operations Manager (2001 - 2003)**

Coordinated and managed the extensive new store opening process through a team of regional and district Operations managers. Assigned to remotely manage the operational construction timeline through a continual oversight and feedback process which ensured the project remained on schedule and under budget.

**Key Results:**

- Successfully supervised the store opening process of 30+ superstore operations while improving cost savings and decreasing the necessary time requirements for each site.
- Maintained an annual capital expenditure budget ensuring timely project completion and budgetary compliance.
- Implemented process improvements as well as an improved communications schedule with field personnel to better suit their needs and work environment. Facilitated an increased work load through better operational planning.

**Store Renovations Project Manager (1999 - 2001)**

Promoted and charged with control over the coordination of total store renovations and supervision of corporate-wide fixture operations for existing store locations. Tracked recurring issues and formulated prevention plans while acting as a liaison between corporate departments and field personnel during the renovation process. Coordinated the activities of numerous personnel in 5 corporate departments to ensure the timely implementation of new fixtures in more than 325 locations nationwide.

**Key Results:**

- Developed new methods to improve the store renovation process while maintaining the necessary day to day operations of all impacted store locations. Coordinated all purchasing, construction, inventory management, and logistics functions to decrease the necessary installation timeline. Resulting in minimal impact to store productivity and revenue loss.
- Initiated outsourcing of renovation projects to 3<sup>rd</sup> party consolidation and installation vendors. This new approach delivered a positive return on investment while cutting costs and improving store productivity.
- Opened new lines of inter-departmental communication and served as primary corporate liaison to site level personnel; successfully expedited the procurement, delivery, and installation of fixtures to meet and exceed the aggressive corporate deadlines

**District Operations Manager (1997 - 1999)**

Advanced into this newly created position based on extensive experience with operational processes. Challenged to improve poor communications between store personnel and the management in corporate headquarters. Oversaw a 2 state region, which included up to 10 site locations. Performed monthly audits at each site, correcting all operational issues with each reporting operations manager. Responsible for planning and conducting each of the 10 store's annual inventories

**Key Results:**

- Performed one-on-one training with each reporting operations manager, store manager, and all other key personnel; substantially improved alignment between corporate goals and actual site operations. Achieved top operational audit ratings at all site locations within one year.
- Spearheaded development and implementation of new computer systems/programs, procedures, and corporate initiatives to better service site locations.
- Performed financial analyses to prioritize corporate projects and reduce costs while maintaining a high sense of urgency in the district.

**EDUCATION**

B.S., Business Economics, Minors in Personnel Administration and Finance  
State University College at Oneonta, NY, 1991

NYK Terminals  
(North America) Inc.

(A Wholly Owned Subsidiary of NYK Group  
Americas Inc.)

Consolidated Financial Statements as of and for the  
Years Ended March 31, 2014 and 2013, and  
Independent Auditors' Report



# NYK TERMINALS (NORTH AMERICA) INC.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder of  
NYK Terminals (North America) Inc.  
East Brunswick, New Jersey

We have audited the accompanying consolidated financial statements of NYK Terminals (North America) Inc. (the "Company"), a wholly owned subsidiary of NYK Group Americas Inc., which comprise the consolidated balance sheets as of March 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, stockholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NYK Terminals (North America) Inc. as of March 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Deloitte & Touche LLP*

May 23, 2014

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**NYK TERMINALS (NORTH AMERICA) INC.**  
**(A Wholly Owned Subsidiary of NYK Group Americas Inc.)**

**CONSOLIDATED BALANCE SHEETS**  
**AS OF MARCH 31, 2014 AND 2013**

	2014	2013
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 8,688,155	\$ 16,976,644
Restricted cash and marketable securities	432,500	452,042
Accounts receivable — net	47,185,180	53,648,275
Cash-pooling loan receivable from affiliate	30,253,613	24,251,110
Other receivables	704,131	444,776
Deferred income taxes	6,479,257	7,842,595
Prepaid expenses and other current assets	<u>1,020,012</u>	<u>1,172,595</u>
Total current assets	94,782,848	104,788,037
PROPERTY AND EQUIPMENT — Net	40,387,359	51,333,283
INVESTMENT IN JOINT VENTURES	51,052,657	53,948,516
INTANGIBLE ASSETS — Net	14,793,801	16,967,628
GOODWILL	46,387,616	47,269,966
DEFERRED INCOME TAXES	6,022,418	4,805,471
OTHER ASSETS	<u>204,238</u>	<u>274,013</u>
<b>TOTAL</b>	<b><u>\$253,630,937</u></b>	<b><u>\$279,386,915</u></b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt	\$ 3,487,500	\$ 3,681,750
Cash overdraft	2,181,660	3,476,955
Accounts payable and accrued expenses	21,340,162	22,679,437
Accrued income taxes	800,853	1,848,182
Accrued workers' compensation	10,800,000	10,084,000
Related-party payables	<u>4,152,252</u>	<u>9,032,539</u>
Total current liabilities	42,762,427	50,802,863
LONG-TERM DEBT — Net of current portion	22,690,625	39,578,813
DERIVATIVE LIABILITY	309,195	1,024,210
ACCRUED WORKERS' COMPENSATION — Net of current portion	34,274,196	34,980,473
DEFERRED INCOME TAXES	<u>13,121,567</u>	<u>14,811,637</u>
Total liabilities	113,158,010	141,197,996
<b>COMMITMENTS AND CONTINGENCIES (Notes 9, 10, and 13)</b>		
<b>STOCKHOLDER'S EQUITY:</b>		
Common stock, no par value — 10,000 shares authorized; one share issued and outstanding at March 31, 2014 and 2013	1,000	1,000
Additional paid-in capital	72,000,000	72,000,000
Retained earnings	26,099,517	16,775,604
Accumulated other comprehensive income	<u>42,372,415</u>	<u>49,412,325</u>
Total stockholder's equity	140,472,927	138,188,919
<b>TOTAL</b>	<b><u>\$253,630,937</u></b>	<b><u>\$279,386,915</u></b>

See notes to consolidated financial statements.

**NYK TERMINALS (NORTH AMERICA) INC.**  
 (A Wholly Owned Subsidiary of NYK Group Americas Inc.)

**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

	2014	2013
REVENUE	<u>\$ 347,739,097</u>	<u>\$ 361,088,033</u>
COSTS AND EXPENSES:		
Operating costs	314,795,096	325,695,427
General and administrative	<u>23,176,619</u>	<u>22,025,391</u>
INCOME FROM OPERATIONS	9,767,382	13,367,215
OTHER INCOME (EXPENSE):		
Interest income	160,010	209,932
Interest expense	(1,107,408)	(1,175,428)
Foreign currency transaction loss — net	(45,647)	(2,218)
Equity income in joint ventures	<u>5,690,842</u>	<u>3,620,524</u>
INCOME BEFORE PROVISION FOR INCOME TAXES	14,465,179	16,020,025
PROVISION FOR INCOME TAXES	<u>5,141,361</u>	<u>5,830,249</u>
NET INCOME	<u>\$ 9,323,818</u>	<u>\$ 10,189,776</u>

See notes to consolidated financial statements.

**NYK TERMINALS (NORTH AMERICA) INC.**  
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**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

	2014	2013
NET INCOME	<u>\$ 9,323,818</u>	<u>\$ 10,189,776</u>
OTHER COMPREHENSIVE INCOME (LOSS) — Net of tax:		
Unrealized gain (loss) on interest rate swap contracts (net of income tax provision/benefit of \$142,534 and \$98,204 at at March 31, 2014 and 2013, respectively)	572,481	(501,376)
Foreign currency translation (loss)	<u>(7,612,291)</u>	<u>(1,838,452)</u>
Total other comprehensive income (loss)	<u>(7,039,810)</u>	<u>(2,339,828)</u>
COMPREHENSIVE INCOME	<u>\$ 2,284,008</u>	<u>\$ 7,849,948</u>

See notes to consolidated financial statements.

**NYK TERMINALS (NORTH AMERICA) INC.**  
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**CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY  
 FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholder's Equity
BALANCE — March 31, 2012	1	\$ 1,000	\$ 72,000,000	\$ 6,585,919	\$ 51,752,053	\$ 130,338,972
Comprehensive income (loss):						
Net income				10,189,776		10,189,776
Other comprehensive income (loss):						
Unrealized loss on interest rate swap contracts — net of taxes of \$98,204					(501,376)	(501,376)
Foreign currency translation losses					(1,838,452)	(1,838,452)
BALANCE — March 31, 2013	1	1,000	72,000,000	16,775,694	49,412,225	138,188,919
Comprehensive income (loss):						
Net income				9,323,818		9,323,818
Other comprehensive income (loss):						
Unrealized gain on interest rate swap contracts — net of taxes of \$142,534					572,481	572,481
Foreign currency translation losses					(7,612,291)	(7,612,291)
BALANCE — March 31, 2014	1	\$ 1,000	\$ 72,000,000	\$ 26,099,512	\$ 42,372,415	\$ 140,472,927

See notes to consolidated financial statements.

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**NYK TERMINALS (NORTH AMERICA) INC.**  
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**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 9,323,818	\$ 10,189,776
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,981,342	8,646,951
Decrease in allowance for doubtful accounts	(8,619)	(498,226)
Gain on disposal of fixed assets	(1,376,462)	(221,379)
Foreign currency transaction loss (gain) — net	9,448	(38,334)
Distributions from equity method joint ventures	4,445,278	11,672,550
Equity income in joint ventures	(5,690,842)	(3,620,524)
Deferred income taxes	(1,650,016)	(1,760,179)
Changes in operating assets and liabilities:		
Accounts receivable	6,421,942	3,540,322
Related-party receivables	(490,196)	(616,118)
Other receivables	(291,814)	(77,805)
Prepaid expenses and other current assets	(154,871)	(46,524)
Other assets	69,776	25,965
Accounts payable and accrued expenses	(1,070,085)	(477,500)
Income taxes payable, including those to a related party	(5,914,021)	7,348,209
Accrued workers' compensation	11,919	1,808,076
Other related-party payables	(11,587)	(182,719)
Net cash provided by operating activities	<u>11,605,010</u>	<u>35,692,541</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(1,477,638)	(7,635,731)
Proceeds from sale of property and equipment	5,356,018	858,664
Advances to affiliate under cash pooling agreement — net	(6,002,502)	(14,031,694)
Purchases of marketable securities	(1,810,000)	(874,603)
Proceeds from sale of marketable securities	<u>1,773,800</u>	<u>823,805</u>
Net cash used in investing activities	<u>(2,160,322)</u>	<u>(20,859,559)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Change in overdraft	(1,244,961)	1,113,316
Repayments on long-term debt	<u>(15,591,103)</u>	<u>(3,721,529)</u>
Net cash used in financing activities	<u>(16,836,064)</u>	<u>(2,608,213)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(897,113)</u>	<u>(272,204)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(8,288,489)</u>	<u>11,952,565</u>
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	<u>16,976,644</u>	<u>5,024,079</u>
End of year	<u>\$ 8,688,155</u>	<u>\$ 16,976,644</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH-FLOW INFORMATION:</b>		
Interest paid	<u>\$ 1,148,968</u>	<u>\$ 1,252,859</u>
Income taxes paid	<u>\$ 12,705,966</u>	<u>\$ 438,616</u>

See notes to consolidated financial statements.

**NYK TERMINALS (NORTH AMERICA) INC.**  
(A Wholly Owned Subsidiary of NYK Group Americas Inc.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

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**1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION**

**Organization of the Company** — NYK Terminals (North America) Inc. (“NYK Terminals”) was incorporated in the state of Delaware on October 10, 2002, and is a wholly owned subsidiary of NYK Group Americas Inc. (“Parent” or “NGA”). The Parent is a wholly owned subsidiary of Nippon Yusen Kabushiki Kaisha (NYK), a Japanese company.

**Description of Business** — NYK Terminals and its subsidiaries are engaged in providing stevedoring and terminal operating services at 22 ports along the Atlantic, Gulf, and Pacific coasts and on the Great Lakes in the United States of America and at three ports in Canada.

**Principles of Consolidation** — The consolidated financial statements include the accounts of NYK Terminals and its wholly owned subsidiaries Ceres Terminals Incorporated (CTI), Cerescorp Company (“Cerescorp”), Ceres Terminals Canada Company, and Cerescorp FOREX Company (collectively, the “Company”). The equity method of accounting is used for investments in joint ventures that the Company owns at least 20% and not more than 50% of the common stock, and has the ability to exercise significant influence over operating and financial policies of the affiliate, but does not control the joint venture. All significant intercompany balances and transactions have been eliminated in consolidation.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES**

**Cash and Cash Equivalents** — Cash and cash equivalents consist of cash balances and highly liquid investments with an original maturity of less than 90 days.

**Restricted Cash and Marketable Securities** — At March 31, 2014 and 2013, the Company’s restricted cash is required under its union payroll agreements with Cerescorp. Restricted cash equivalents are primarily invested in Bankers’ Acceptances and Canadian Treasury Bills.

The Company’s marketable securities are all A-rated or better, consisting primarily of debt instruments with maturities of less than one year purchased at a discount. Investments are held to maturity and are recorded at amortized cost. Income earned on these securities is reflected as interest income. Due to the relatively short maturities of these securities, the carrying amounts approximate fair value.

**Cash Pooling Arrangement** — The Company participates in a cash pooling arrangement with NYK International, a subsidiary of the Parent (see Note 15). Under the arrangement, excess cash is loaned to other NYK affiliates on a short-term basis. The Company maintains an account with a bank from which the affiliate sweeps surplus cash on a daily basis. Activity under the arrangement, while the Company is in a receivable position, is included within cash flows from investing activities. If the Company is in a payable position, activity is included within cash flows from financing activities. For the years ended March 31, 2014 and 2013, the Company was in a receivable position.

**Property and Equipment — Net** — Property and equipment are stated at cost. Depreciation is computed utilizing the straight-line method over the estimated useful lives, or with respect to improvements over the term of the lease, if shorter, as follows:

Buildings and improvements	30 years
Handling and transportation equipment	3–25 years
Furniture, fixtures, and computer software	3–11 years

Maintenance and repair costs are charged to operations as incurred while expenditures for major improvements are capitalized. Upon sale or disposition of property and equipment, the cost and related accumulated depreciation or amortization are removed from the accounts and any gain or loss is reflected in the consolidated statements of operations.

**Impairment of Long-Lived Assets** — The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When facts and circumstances indicate that the carrying values of long-lived assets may be impaired, an evaluation of recoverability is performed by comparing the carrying value of the assets to projected future undiscounted cash flows in addition to other quantitative and qualitative analyses. If such review indicates an asset's carrying value may not be recoverable, an impairment loss is recognized for the excess of the carrying value over the fair value. The Company did not identify any indicators of impairment for its long-lived assets during the years ended March 31, 2014 and 2013.

**Investment in Joint Ventures** — The Company owns membership interests in several limited liability companies and also owns common stock in Termont Terminal, Inc. ("Termont"). These investments are accounted for under the equity method as the Company does not control these entities. The underlying investment balances include the cost of acquisition, plus the Company's equity in undistributed earnings or losses since the date of acquisition. If the Company's share of cumulative losses exceed the investment, the Company does not record its portion of earnings until such time the investment is no longer in a cumulative loss position.

**Goodwill and Intangible Assets** — Goodwill represents the excess of the purchase price over the fair value of net assets of the acquired business at the date of acquisition. Goodwill and intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually (December 31 for the CTI reporting unit; June 30 for the Cerescorp reporting unit), or when events or circumstances indicate that impairment may have occurred. The Company uses a two-step process whereby the first step identifies potential impairment by comparing the fair value of the Company's reporting unit to its carrying value. If the fair value is less than the carrying value, the second step measures the amount of impairment, if any. The impairment loss is the amount by which the carrying amount of goodwill exceeds the implied fair value of that goodwill.

Intangible assets are recorded at cost. Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

**Derivative Financial Instruments** — The Company recognizes all derivatives as either assets or liabilities, measures those instruments at fair value, and recognizes the changes in fair value of the derivative in net income or other comprehensive income, as appropriate. The Company hedges variable-rate interest payments on debt using interest rate swap contracts to convert variable payments into fixed payments. These derivative instruments qualify for hedge accounting as the Company does not hold or issue derivative instruments for trading purposes. Changes in the fair value of the cash flow hedges are reported as a component of other comprehensive income (loss).

**Accrued Workers' Compensation** — The Company is self-insured for claims relating to employee workers' compensation benefits, and maintains third-party excess insurance coverage for such claims. It is the Company's accounting policy to record a self-insurance liability, as determined actuarially on a consistent basis, based on the facts and circumstances of each individual claim filed and an estimate of claims incurred but not yet reported (IBNR), at a discounted risk-free interest rate. All claims and their related liabilities are reviewed and monitored on an ongoing basis. Any actuarial projection of losses concerning such claims is subject to variability primarily due to external factors affecting future inflation rates, litigation trends, benefit levels, and claim settlement patterns. Such self-insured claims liabilities are recorded at the present value of the projected payout of the underlying claims.

**Revenue Recognition** — The Company earns revenue through the supply of stevedoring and terminal operating services. Revenue is recognized when services are performed, persuasive evidence of an arrangement exists, the price to the buyer is fixed or determinable, and collectability is reasonably assured. Unbilled receivables represent services that have been provided, which were not billed at March 31, 2014 and 2013. Unbilled receivables of \$5,388,785 and \$7,435,874 have been included in accounts receivable at March 31, 2014 and 2013, respectively.

**Comprehensive Income** — Comprehensive income consists of net income, foreign currency translation adjustments, and unrealized gains (losses) on derivatives and is presented in the accompanying consolidated statements of comprehensive income.

**Income Taxes** — Income taxes, including the treatment for uncertain tax positions, are accounted for in accordance with authoritative guidance issued by the Financial Accounting Standards Board (FASB). Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities and are measured at the enacted tax rates that will be in effect when these differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred income tax assets to the amounts expected to be realized.

The Company is included in the consolidated U.S. federal income tax return of NGA and the combined tax returns of NGA for various states. For federal income tax purposes, the provision for income taxes is calculated on a separate return basis. State, local and foreign income taxes are also provided on a separate company basis. Accordingly, all income tax receivables or payables in the accompanying consolidated balance sheets for federal and combined state income taxes are ultimately due to or from NGA. Income tax payments are made whereby NGA credits or charges the Company for the corresponding increase or decrease (not to exceed the separate return-basis calculation) in NGA's current taxes resulting from the inclusion of the Company in NGA's consolidated return. For combined state income tax purposes, NGA allocates the combined state income tax provision among the member companies based on each member's relative contribution to the group's tax liability. Intercompany payments are made when such taxes are due or tax benefits are recognized by NGA.

**Use of Estimates** — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. The more significant estimates include the evaluation of the potential impairment of goodwill, intangible assets, and the investments in joint ventures, as well as the determination of self-insurance reserves, and uncertain tax positions. Actual results could differ from those estimates.



**Fair Value of Financial Instruments** — The Company follows the guidance contained in Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. The carrying value of cash and cash equivalents, accounts receivable, other receivables, and accounts payable approximate fair value based on the short-term nature of the accounts. The carrying values of the Company's long-term debt approximate their fair values, based on interest rates available to the Company for debt with comparable maturities. The fair value of the cash pooling loan receivable and amounts due from and due to NYK and its affiliates are not determinable due to their related-party nature.

Fair value is generally defined as the exit price at which an asset or liability could be exchanged in a current transaction between willing unrelated parties, other than in a forced liquidation or sale. The guidance establishes a fair value hierarchy, giving the highest priority to quoted prices in active markets and the lowest priority to unobservable data, and requires disclosures for assets and liabilities measured at fair value based on their level in the hierarchy.

The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions used to value the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

*Level 1* — Unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

*Level 2* — Observable inputs other than those included in Level 1, for example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets

*Level 3* — Unobservable inputs reflecting management's own assumption about the inputs used in pricing the asset or liability at the measurement date

**Concentration of Credit Risk** — Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of cash and cash equivalents, restricted cash and marketable securities, and accounts receivable (see Note 3). The Company places its cash investments with high-credit quality financial institutions and currently invests primarily in Bankers' Acceptances and Canadian Treasury Bills placed with major banks and financial institutions. The Company believes no significant concentration of credit risk exists with respect to these investments.

**Business Concentration** — The Company's primary line of business is providing stevedoring and terminal operating services in North America. This business relies heavily on the shipping industry. Significant changes in the shipping industry could have a material impact on the Company's business.

The Company also relies heavily on unionized workers who are covered under union agreements, the majority of which expire in September of 2018. The Company's ability to successfully negotiate union agreements could have a material impact on the Company's business.

**Foreign Currency Translation** — The financial position and results of operations of the Company's foreign subsidiaries are measured using the local currency as the functional currency. Assets and liabilities of the foreign subsidiaries are translated into the U.S. dollar at the exchange rates in effect at the balance sheet date. Income and expenses are translated at the average exchange rate during the year. Translation gains and losses are reported in accumulated other comprehensive income within stockholder's equity in the accompanying consolidated balance sheets. Foreign currency transaction gains and losses are included in net income.

**Subsequent Events** — The Company follows the authoritative guidance in ASC 855, *Subsequent Events*, and evaluates events that occur after the balance sheet date, but before the consolidated financial statements are issued or are available to be issued, for proper accounting recognition and disclosure.

**Recent Accounting Pronouncements** — In February 2013, the FASB issued Accounting Standards Update (ASU) No. 2013-02, *Other Comprehensive Income*, which requires entities to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under U.S. generally accepted accounting principles (GAAP) to be reclassified in its entirety to net income. For other amounts that are not required under GAAP to be reclassified in their entirety to net income in the same reporting period, an entity is required to cross-reference other disclosures required under GAAP that provide additional detail about those amounts. This ASU is effective for annual periods beginning after December 15, 2013 for nonpublic entities. The Company is currently evaluating the effects of adopting this guidance in fiscal 2015.

In July 2013, the FASB issued ASU No. 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*, which provides guidance on financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. This guidance should be applied to all unrecognized tax benefits that exist as of the effective date which is fiscal years beginning after December 15, 2014, and interim periods within those years. The Company is currently evaluating the provisions of the guidance and effects of adopting this guidance in fiscal 2016.

In December 2013, the FASB issued ASU No. 2013-12 defining a public business entity. Business entities that meet this definition are not eligible to elect certain accounting and reporting alternatives in U.S. GAAP, including those developed by the Private Company Council and subsequently endorsed by the FASB. The Company is assessing the impact of this update.

### 3. ACCOUNTS RECEIVABLE — NET

Credit is extended to customers based upon management's evaluation of their creditworthiness. The Company's credit risk is limited to its customer base in various countries. At March 31, 2014 and 2013, the top three customer accounts receivable balances accounted for 37.8% and 40.7%, respectively, of total accounts receivable. For the years ended March 31, 2014 and 2013, revenues from these three customers accounted for 26.3% and 27.6%, respectively, of total revenue.

The Company's trade receivables are presented net of the allowance for bad debts. The Company generally does not require collateral. The Company performs ongoing evaluations of its outstanding accounts receivable balances and maintains allowances for probable losses based on historical experience and for specific credit issues when they arise. At March 31, 2014 and 2013, the Company's recorded allowance for bad debts was \$487,141 and \$499,645, respectively.

### 4. INVESTMENT IN JOINT VENTURES

Cerescorp owns 50% of the common stock of Termont, which is being accounted for under the equity method. During fiscal 2007, Termont transferred substantially all of its operations and certain of its assets to a newly formed subsidiary, Termont Montreal, Inc. ("Montreal"), which then entered into a long-term service contract with a shipping company. Under the contract, the shipping company guaranteed certain minimum volumes. Concurrent with the signing of the contract, a company acquired a 33% interest in Montreal with Termont owning the remaining 67%. During fiscal 2012, Termont sold a portion of its interest in Montreal to the aforementioned shipping company. The transaction resulted in

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both Termont and the shipping company having a 50% interest in Montreal. The difference between the recorded investment amount and the Company's underlying net equity at March 31, 2014, of \$9,870,892 represents goodwill, which is not amortized for accounting purposes. The total dividends received for the years ended March 31, 2014 and 2013, were \$4,072,500 and \$11,301,050, respectively. The Company records its share of earnings through March. A summary of selected financial information for Termont as of March 31, 2014 and 2013, and for the years then ended is as follows:

	2014	2013
Current assets	\$ 1,606,722	\$ 3,484,610
Total assets	27,949,685	31,465,755
Current liabilities	51,791	262,822
Total liabilities	51,791	262,822
Stockholders' equity	27,897,894	31,202,933
Company's recorded investment in Termont	48,324,459	52,953,687
Revenues	2,159,373	2,606,996
Termont's share of income of Montreal	5,877,282	6,264,628
Net income	7,185,160	7,753,305
Company's share of Termont's net income	3,821,949	3,948,047

The Company also owns a 49% membership interest in New Orleans Terminal LLC (NOT), which is also accounted for under the equity method. NOT was formed on July 16, 2007, at which time it entered into a long-term contract with a shipping company for stevedoring and marine container yard services. The Company provides labor and other administrative services to NOT at contractually agreed-upon rates. The Company records its share of earnings based on a one month lag. A summary of selected financial information for NOT as of December 31, 2013 and 2012, and for the years then ended is as follows:

	2013	2012
Current assets	\$ 8,289,654	\$ 9,505,618
Total assets	18,284,171	21,192,590
Current liabilities	9,522,415	13,904,784
Total liabilities	13,653,580	19,818,276
Members' equity	4,630,591	1,374,314
Company's recorded investment	2,268,990	673,414
Revenues	44,163,320	41,035,966
Net (loss) income	3,256,277	(1,362,194)
Company's share of net (loss) income	1,595,576	(667,475)

The Company owns a 25% membership interest in Houston Terminal LLC (HT), which is accounted for under the equity method. HT was formed on June 1, 2007, at which time it entered into a long-term contract with a shipping company for stevedoring and marine container yard services. The Company provides labor and other administrative services to HT at contractually agreed-upon rates. Because of cumulative losses and no requirement for the Company to fund those losses, the Company does not record its portion of the earnings of the investment until such time the investment is no longer in a cumulative loss position. A summary of selected financial information for HT as of December 31, 2013 and 2012, and for the years then ended is as follows:

	2013	2012
Current assets	\$ 5,749,542	\$ 10,668,337
Total assets	8,503,399	12,905,633
Current liabilities	8,214,251	12,890,837
Total liabilities	9,180,071	14,273,345
Members' (deficit)	(676,672)	(1,367,712)
Company's recorded investment		
Revenues	34,584,709	36,408,378
Net income	691,040	1,291,465
Company's share of net income (not recognized by the Company)	172,760	322,868

The Company owns a 25% membership interest in Charleston Gate LLC, which is accounted for under the equity method. The Company's share of undistributed earnings is based on a percentage of operating results as opposed to the ownership percentage. During fiscal 2011, the Company made the initial contribution of \$48,500. The purpose of the LLC is to hire and manage labor to perform terminal interchange receipts (TIR) functions at the Charleston Port. These TIR functions primarily involve checking containers into and out of the Port and assigning temporary storage locations for each container, as well as inspecting and making necessary repairs to containers. The Company records its share of earnings based on a two-month lag. A summary of selected financial information for Charleston Gate as of January 31, 2014 and 2013, and for the years then ended is as follows:

	2014	2013
Current assets	\$ 1,403,371	\$ 1,022,370
Total assets	1,403,371	1,022,370
Current liabilities	387,521	371,255
Total liabilities	387,521	371,255
Members' surplus	1,015,850	651,115
Company's recorded investment	220,952	149,765
Net income	953,400	836,482
Company's share of net income	206,719	168,147
Distributions to Company	(135,532)	(188,430)

## 5. PROPERTY AND EQUIPMENT — NET

Property and equipment as of March 31, 2014 and 2013, are as follows:

	2014	2013
Vehicles	\$ 3,443,768	\$ 3,387,287
Machinery and equipment	79,826,362	95,728,911
Buildings and structure	1,165,823	1,237,286
Furniture and fixtures	822,273	852,920
Other tangible fixed assets	1,960,552	2,015,928
Construction in progress	<u>501,803</u>	<u>297,184</u>
Total property and equipment	87,720,581	103,519,516
Less accumulated depreciation	<u>47,333,222</u>	<u>52,186,233</u>
Property and equipment — net	<u>\$ 40,387,359</u>	<u>\$ 51,333,283</u>

Depreciation expense for the years ended March 31, 2014 and 2013, was \$6,377,933 and \$6,935,822, respectively. During October of 2012, certain machinery and equipment was damaged by Hurricane Sandy at two of the Company's port locations. A gain related to insurance settlement proceeds received during fiscal 2013 in the amount of \$1,825,000 has been reflected within general and administrative expenses in the consolidated statement of operations for the year ended March 31, 2013. Additionally, during fiscal 2014, the Company sold equipment and machinery at two port locations resulting in a gain of approximately \$1,385,484 that has been reflected in operating costs in the consolidated statement of operations for the year-end March 31, 2014.

## 6. INTANGIBLE ASSETS AND GOODWILL

**Intangible Assets** — The Company's intangible assets with finite lives are being amortized using the straight-line method over the estimated useful lives of the assets and have a weighted-average remaining amortization period of 10 years as of March 31, 2014.

Intangible assets as of March 31, 2014 and 2013, are as follows:

	Useful Life	2014	2013
Customer relationships	15-25	\$ 27,460,155	\$ 28,787,507
Legal fees — Halifax lease	20	237,238	257,607
Computer software	11	7,800,339	7,834,134
Covenant not to compete		<u>50,000</u>	<u>50,000</u>
		35,547,732	36,929,248
Less accumulated amortization		<u>(20,753,931)</u>	<u>(19,961,620)</u>
Intangible assets — net		<u>\$ 14,793,801</u>	<u>\$ 16,967,628</u>

Amortization expense for the years ended March 31, 2014 and 2013, was \$1,603,410 and \$1,711,129, respectively. The estimated aggregate amortization expense for each of the five succeeding years is \$1,486,302.

The Company did not identify any indicators of impairment for its intangible assets with finite useful lives during the years ended March 31, 2014 and 2013.

**Goodwill** — The changes in goodwill for the years ended March 31, 2014 and 2013, are as follows:

	2014	2013
Gross balance — beginning of year	\$ 67,100,966	\$ 67,323,541
Effect of exchange rate on goodwill balances	<u>(882,350)</u>	<u>(222,575)</u>
Gross balance — end of year	66,218,616	67,100,966
Accumulated impairment losses	<u>(19,831,000)</u>	<u>(19,831,000)</u>
Balance — end of year	<u>\$ 46,387,616</u>	<u>\$ 47,269,966</u>

In years prior to 2013, as a result of its impairment assessments, the Company identified and recorded an impairment loss related to goodwill totaling \$19,831,000. The Company performed its annual goodwill assessment during the years ended March 31, 2014 and 2013, which did not result in an impairment loss.

#### 7. LONG-TERM DEBT

Long-term debt as of March 31, 2014 and 2013, is as follows:

	2014	2013
Loan payable in equal quarterly installments of \$306,250 through August 2018, with the balance due in November 2018. The loan bears interest at the London InterBank Offered Rate (LIBOR) (0.2344% and 0.2881% as of March 31, 2014 and 2013, respectively) plus .55% as of March 31, 2014 and 2013, respectively.	<u>\$13,168,750</u>	<u>\$14,393,750</u>
Loan payable (denominated in Canadian dollars) in equal quarterly installments of \$625,000 through August 2018 with the balance due in November 2018. The loan bears interest at the Canadian Dealer Offered Rate (CDOR) (1.266% and 1.285% as of March 31, 2014 and 2013, respectively) plus .55% as of March 31, 2014 and 2013, respectively.	<u>13,009,375</u>	<u>28,866,813</u>
Total long-term debt	26,178,125	43,260,563
Less current portion	<u>3,487,500</u>	<u>3,681,750</u>
Long-term debt — net of current portion	<u>\$22,690,625</u>	<u>\$39,578,813</u>

The Company made an additional unscheduled principal payment on the Canadian denominated loan in the amount of \$12,500,000 during the year ended March 31, 2014.

NYK has issued a letter of understanding that essentially provides a guarantee of loan repayment upon demand for both loans presented above.

Maturities of long-term debt at March 31, 2014, are as follows:

Years Ending March 31	
2015	\$ 3,487,500
2016	3,487,500
2017	3,487,500
2018	3,487,500
2019	<u>12,228,125</u>
Total	<u>\$26,178,125</u>

#### 8. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses interest rate swaps to manage interest rate exposure. These derivatives have been designated as cash flow hedges. During the year ended March 31, 2014, as a result of the unscheduled principal payment discussed in Note 7 above, the Company modified the interest rate swap related to the Canadian denominated loan to incorporate the reduced principal outstanding. The remaining terms were not changed. As a result of the modification, amounts were reclassified and appropriately recognized in earnings.

At March 31, 2014 and 2013, the Company was paying a fixed rate of interest and receiving a floating rate of interest on \$26,178,125 and \$43,260,563 of outstanding debt, respectively. The Company has recorded a liability for the fair value of the interest rate swap contracts of \$309,195 and \$1,024,210 at March 31, 2014 and 2013, respectively. The cumulative unrealized loss associated with the fair value of the interest rate swap contracts is included in accumulated other comprehensive income (AOCI) in the accompanying consolidated balance sheets at March 31, 2014 and 2013. Gains and losses on derivative instruments reported in AOCI are reclassified as income (loss) in the periods in which income is affected by the hedged item. At March 31, 2014 and 2013, the derivative liability is presented separately in other long term liabilities in the accompanying consolidated balance sheets.

The following table presents information about the derivative liabilities recorded at fair value at March 31, 2014 and 2013, in the accompanying consolidated balance sheets:

	Fair Value Measurements Using							
	Balance as of March 31,		Quoted Prices In Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
			2014	2013	2014	2013	2014	2013
Derivative Instruments	\$ 309,195	\$ 1,024,210	\$ -	\$ -	\$ 309,195	\$ 1,024,210	\$ -	\$ -
Total	\$ 309,195	\$ 1,024,210	\$ -	\$ -	\$ 309,195	\$ 1,024,210	\$ -	\$ -

The Company determined the fair value of its derivatives using model derived valuations in which all significant inputs are observable for the full term of the derivative instruments.

**9. REDEEMABLE PREFERRED SHARES AND SHARE PURCHASE LOAN**

In fiscal year 2006, as part of an arrangement with a consultant, Cerescorp made a CDN\$3,894,000 noninterest bearing share purchase loan to a company controlled by the consultant and that company subscribed for 3,894,000 Class A preferred shares. The shares are redeemable and can be withdrawn by the Company under certain conditions contained in the Share Subscription Agreement and the Shareholder Agreement at the greater of CDN\$3,894,000 and an amount calculated with reference to the economic performance of Cerescorp's operations at the Port of Halifax. At March 31, 2014 and 2013, the redemption price as determined by management was CDN\$3,894,000. The loan is only repayable at such time as the company controlled by the consultant no longer holds the shares. Cerescorp holds an irrevocable direction to apply the loan as payment for the repurchase of the shares.

The Class A preferred shares are redeemable at the option of the shareholder. However, as Cerescorp has both the right and the intent to offset the loan against the shares, the loan has been presented net of the shares, with no amount shown in the accompanying consolidated balance sheets.

**10. OPERATING LEASES**

The Company leases various dock, storage, and administrative facilities under operating leases expiring at various dates. Rental expense for the years ended March 31, 2014 and 2013, was \$11,372,250 and \$11,535,991, respectively.

Cerescorp's 20-year lease obligation with Halifax Port Authority that expires on December 31, 2022, has been guaranteed by NYK.

Future minimum lease payments under noncancelable operating leases, including all option renewal periods that management currently intends to exercise at March 31, 2014, were as follows:

Years Ending March 31	
2015	\$ 9,825,599
2016	9,282,391
2017	9,099,054
2018	8,490,471
2019	7,921,721
Thereafter	<u>29,370,578</u>
Total minimum payments	73,989,814
Less total minimum sublease rentals	<u>(232,168)</u>
Net minimum rental commitments	<u>\$73,757,646</u>



## 11. INCOME TAXES

The provision for income taxes for the years ended March 31, 2014 and 2013, consists of the following:

	2014	2013
Current:		
Federal	\$ 5,757,677	\$ 6,205,375
Foreign		(5,689)
State	<u>1,033,700</u>	<u>1,390,742</u>
Current tax expense	<u>6,791,377</u>	<u>7,590,428</u>
Deferred:		
Federal	(1,636,008)	(2,292,090)
Foreign	255,012	316,424
State	<u>(269,020)</u>	<u>215,487</u>
Deferred tax benefit	<u>(1,650,016)</u>	<u>(1,760,179)</u>
Provision for income taxes	<u>\$ 5,141,361</u>	<u>\$ 5,830,249</u>

Income tax expense differed from the amounts computed by applying the U.S. federal income tax rate at 35% of pretax income due primarily to permanent items, state and local income taxes, and the impact of foreign tax credits.

Components of deferred income tax assets (liabilities) as of March 31, 2014 and 2013, are as follows:

	2014	2013
Deferred income tax assets (liabilities) — current:		
Allowance for doubtful accounts	\$ 192,593	\$ 214,958
Accrued vacation	67,870	81,169
Accrued bonus	481,758	583,043
Other accrued expenses	4,778,485	5,044,481
Legal expense reserve	117,830	646,171
Reserve for damage claims	872,753	1,211,116
Deferred state taxes	<u>(32,032)</u>	<u>61,657</u>
 Total deferred income tax assets — current	 <u>\$ 6,479,257</u>	 <u>\$ 7,842,595</u>
Deferred income tax assets (liabilities) — noncurrent:		
Property and equipment	\$ (14,619,895)	\$ (18,630,713)
Reserve for workers compensation	13,708,573	15,321,552
Intangible assets	(846,192)	(2,536,683)
Investments in joint venture	(19,132,205)	(19,797,863)
Unrealized loss on interest rate swap	113,998	375,850
Foreign tax credit benefit	12,438,067	13,152,569
Foreign operating loss	1,245,205	2,102,243
Foreign non-deductible reserves	16,760	19,687
Other	<u>(23,460)</u>	<u>(12,808)</u>
 Total deferred income tax liabilities — noncurrent	 <u>\$ (7,099,149)</u>	 <u>\$ (10,606,166)</u>

In determining the need for a valuation allowance, management reviews the evidence pursuant to the requirements of ASC 740, *Income Taxes*. Based upon management's assessment of all available evidence and the requirements of ASC 740, the Company has concluded that it is more likely than not that the Company will realize the benefit of its deferred tax assets, and accordingly, the Company determined that a valuation allowance was not necessary as of March 31, 2014 and 2013.

The Company also follows the provisions of ASC 740 related to uncertain tax positions. At March 31, 2014 and 2013, and during the years then ended, the Company did not recognize any liabilities related to uncertain tax positions. The Company also does not expect that the amount of unrecognized tax benefits will significantly change within the next 12 months. In the event liabilities are recorded in the future, the Company's policy is to recognize interest and penalties related to unrecognized tax benefits in the income tax provision in the accompanying consolidated statement of operations.

The Company is subject to taxation in the U.S. federal jurisdiction, several state jurisdictions, and Canada. As of March 31, 2014, the Company is subject to U.S. federal income tax examinations for fiscal year ended March 31, 2010, and forward and is generally subject to state examinations for fiscal year ended March 31, 2010, and forward.

## 12. ACCRUED WORKERS' COMPENSATION CLAIMS

The Company is self-insured for U.S. Longshoremen and Harbor Workers' Compensation coverage. The liability is based upon known claims and estimates of claims IBNR. The liability is periodically adjusted based upon the experience of each claim, actuarial estimates, advice of independent adjusters, and legal advice, as necessary. At March 31, 2014 and 2013, the Company had insurance coverage for claims exceeding \$1,000,000 per occurrence. At March 31, 2014 and 2013, the estimated claims and IBNR liability was \$29,411,196 and \$35,586,473, respectively, using a discount rate of 3.9% for both years.

Additionally, the Company is subject to an annual insurance-related assessment for a "second injury" fund administered by the U.S. Department of Labor. At March 31, 2014 and 2013, the Company estimated its liability of approximately \$15,663,000 and \$9,478,000, respectively, using a discount rate of 3.9% for both years.

The estimated amounts to be paid within one year related to both insurance arrangements discussed above are classified as a current liability in the accompanying consolidated balance sheets.

## 13. COMMITMENTS AND CONTINGENCIES

**Litigation** — The Company is party to various legal and administrative disputes and claims arising in the normal course of business. Management believes that the ultimate resolution of such disputes and claims will not have a material impact on the Company's consolidated financial statements.

In 1993, an insurance company filed a complaint seeking damages between \$3 million and \$3.8 million from the Company and two other companies alleging liability resulting from an indemnification agreement, executed by a subsidiary of the Company prior to its acquisition by the Parent. The Company filed objections to the complaint stating several legal and factual deficiencies. In 1997, a Standstill and Tolling Agreement ("Agreement") was entered into by the Company and the plaintiff. Under the Agreement, the Company and the plaintiff reserve their respective rights as the plaintiff continues its efforts to collect damages from other parties. At March 31, 2014, the Company has not been notified by the plaintiffs of its intent to pursue the Company. No provision has been recorded.

## 14. BENEFIT PLANS

**Defined Contribution Plans** — The Company has a defined contribution 401(k) plan for all of its eligible employees not covered by collective bargaining agreements. The plan enables eligible participants to contribute up to statutory limitations. The Company makes matching contributions equal to 50% of the first 6% of employee's eligible compensation on an annual basis. The Company expensed contributions of \$286,247 and \$311,176 for the years ended March 31, 2014 and 2013, respectively.

In April 2005, the Company adopted a defined contribution pension plan for all its eligible employees not covered by collective bargaining agreements. The Company expensed contributions of \$677,386 and \$719,281 or 5% of regular and bonus wages into the plan for the years ended March 31, 2014 and 2013, respectively.

**Multiemployer Benefit Plans** — The Company participates in various multiemployer plans for substantially all union employees. The Company is required to make contributions to these plans in amounts established under collective bargaining agreements. Pension expense for these plans is recognized as contributions are funded. Benefits are generally based upon a fixed amount for each year of service. Contributions expensed for the years ended March 31, 2014 and 2013, were \$21,296,783 and \$20,460,981, respectively.

These plans generally provide for vacation, holiday, welfare, retirement, and/or death benefits for eligible employees within the applicable collective bargaining units, based on specific eligibility/participation requirements, vesting periods and benefit formulas. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the multiemployer plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If a company chooses to stop participating in some of its multiemployer plans, the Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability. However, cessation of participation in a multiemployer plan and subsequent payment of any withdrawal liability is subject to the collective bargaining process.

Several factors could cause the Company to make significantly higher future contributions to these plans, including unfavorable investment performance, changes in demographics and increased benefits to participants. However, all surcharges are subject to the collective bargaining process. At this time, the Company is unable to determine the amount of additional future contributions, if any, or whether any material adverse effect on its financial condition, results of operations or liquidity would result from its participation in these plans.

The following table outlines the Company's participation in multiemployer pension plans. The "EIN/Pension Plan Number" column provides the employer identification number (EIN) and the three-digit plan number. The most recent Pension Protection Act zone status available in 2013 and 2012 relates to the plans' two most recent fiscal year-ends. The zone status is based on information received from the plans' administrators and is certified by each plan's actuary. Among other factors, the zone indicates the funding status of the plan as follows:

- Plans certified in the red zone are generally less than 65% funded
- Plans certified in the yellow zone are less than 80% funded
- Plans certified in the green zone are at least 80% funded

The "FIP/RP Status Pending/Implemented" column indicates whether a financial improvement plan (FIP) for yellow zone plans, or a rehabilitation plan (RP) for red zone plans, is either pending or has been implemented. As of March 31, 2013, all plans that have either a FIP or RP requirement have had the respective FIP or RP implemented. The Company's collectively bargained contributions satisfy the requirements of all implemented FIPs and RPs. Some plans require the payment of a surcharge.

For the plans detailed in the following table, the last column lists the expiration date of the associated collective bargaining agreements:

Pension Fund	EIM Pension Plan Number	Pension Protection Act Zone Status Plan Year 2013	Plan Year 2012	FIRRP Status Pending/Implemented	Contribution:		Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
					FY 2013	FY 2012		
International Longshoremen's Association (AFL-CIO) Employees Pension Fund, Southeast Florida Ports (1)	59-6130114-001	Red as of 10/1/2013	Red as of 10/1/2012	Yes / Implemented	\$ 996,325	\$ 1,384,254	Yes	9/30/2018
Waikiki Employees --- I.L.A. in the Ports of South Carolina Pension Plan (1)	57-6027499-001	Green as of 10/1/2013	Green as of 10/1/2012	No	720,066	802,290	No	9/30/2018
Duluth-Superior I.L.A. Marine Association Pension Plan * (1)	41-6043906-001	Yellow as of 4/1/2013	Yellow as of 4/1/2012	Yes / Implemented	508,853	530,906	No	12/31/2017
Georgia Stevedore Association --- International Longshoremen's Association Pension Plan (1)	58-5106340-001	Green as of 10/1/2013	Green as of 10/1/2012	No	1,917,994	1,714,886	No	9/30/2018
Hampton Roads Shipping Association --- International Longshoremen's Association Pension Plan (1)	54-0506055-001	Yellow as of 10/1/2013	Yellow as of 10/1/2012	Yes / Implemented	4,502,591	3,676,584	No	9/30/2018
T.M.A. --- I.L.A. Pension Plan (1)	59-6145175-001	Red as of 10/1/2013	Red as of 10/1/2012	Yes / Implemented	1,045,144	742,668	Yes	9/30/2018
Steamship Trade Association of Baltimore, Incorporated --- International Longshoremen's Association (AFL-CIO) Pension Plan (1)	52-6036829-001	Green as of 10/1/2013	Green as of 10/1/2012	No	2,450,887	2,133,361	No	9/30/2018
N.Y.S.A.-I.L.A. Pension Trust Fund and Plan	13-5652028-001	Yellow as of 12/31/2013	Yellow as of 12/31/2012	Yes / Implemented	464,141	662,903	No	9/30/2018
I.L.W.U.-P.M.A. Pension Plan	94-6068676-001	Yellow as of 6/30/2013	Yellow as of 6/30/2012	Yes / Implemented	554,148	386,150	No	7/1/2014
Jacksonville Maritime Association/International Longshoremen's Association Pension Plan	59-0834277-001	Green as of 10/1/2013	Green as of 10/1/2012	No	359,615	324,346	No	9/30/2018
Maritime Association --- I.L.A. Pension Plan	74-1721447-001	Green as of 10/1/2013	Green as of 10/1/2012	No	-	-	No	9/30/2018
New Orleans Employers --- International Longshoremen's Association (AFL-CIO) Pension Plan (1)	72-6023317-001	Red as of 10/1/2013	Red as of 10/1/2012	Yes / Implemented	5,482,489	3,739,214	No	9/30/2018

(1) The Company's multi-employer contributions to these respective funds represent more than 3% of the total contributions received by the pension funds for plan years 2013 and 2012.  
 \* As for the Duluth-Superior I.L.A. Marine Association Pension Plan, the Company makes additional minimum contributions outside of the agreed upon contractual rate.

**15. RELATED-PARTY TRANSACTIONS**

The Company provides terminal services, as well as other services, to NYK and its affiliates. Additionally, the Company incurs certain costs and participates in certain cash management activities with NYK and its affiliates. In the past, the Company also participated in a services agreement with NYK Services (NYKS), a shared service center, whereby NYKS provided certain administrative and accounting services. During the year ended March 31, 2013, the Company ended the agreement with NYKS and now performs these functions.

Receivables and payables with related parties as of March 31, 2014 and 2013, are as follows:

	2014	2013
Related-party receivables:		
NYK, trade accounts receivable	\$ 4,678,967	\$ 4,078,284
NYKS	-	6,615
Houston Terminal, LLC/New Orleans Terminal, LLC, trade	10,118,863	13,313,820
YLA, subsidiary of NYK	1,988	-
Yusen Terminals (YTI), subsidiary of the Parent	<u>45,078</u>	<u>-</u>
 Total related-party receivables reflected in accounts receivable in the accompanying consolidated balance sheets	 <u>\$ 14,844,896</u>	 <u>\$ 17,398,719</u>
 Cash pooling loan receivable with NYK International	 <u>\$ 30,253,613</u>	 <u>\$ 24,251,110</u>
Related-party payables:		
Federal income taxes payable to NGA	\$ (4,077,674)	\$ (8,944,252)
NGA	(32,457)	(4,752)
NYK guarantee fees	-	(83,535)
NYK Line (NA), Inc., (NYK Line), subsidiary of NYK	<u>(42,121)</u>	<u>-</u>
 Total related-party payables	 <u>\$ (4,152,252)</u>	 <u>\$ (9,032,539)</u>

CERES MARINE TERMINALS INC.

CONFIDENTIAL CREDIT APPLICATION

TRADE REFERENCES

1. Name: GEORGIA PORT AUTHORITY  
Address: \_\_\_\_\_  
Phone No. 912-964-3902 Fax No. 912-964-3942  
Acct. No. \_\_\_\_\_ Contact: Jim Barker

2. Name: BARRETT OIL  
Address: \_\_\_\_\_  
Phone No. 912-234-7231 Fax No. 912-233-5609  
Acct. No. \_\_\_\_\_ Contact: Tonya

3. Name: BROOKS AUTO  
Address: \_\_\_\_\_  
Phone No. 912-384-7175 Fax No. 912-384-8180  
Acct. No. \_\_\_\_\_ Contact: Alisha

4. Name: SOS TIRE  
Address: \_\_\_\_\_  
Phone No. 912-964-5511 Fax No. 912-964-5566  
Acct. No. \_\_\_\_\_ Contact: Carla

5. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone No. \_\_\_\_\_ Fax No. \_\_\_\_\_  
Acct. No. \_\_\_\_\_ Contact: \_\_\_\_\_