

SAO (Rev. 3/01) Judgment in a Criminal Case for Organizational Defendants (USAO 10/02/2003)
 Sheet 1

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 JUN 29 2004
 CLERK U.S. DISTRICT COURT
 DISTRICT OF WASHINGTON AT TACOMA
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UNITED STATES DISTRICT COURT

WESTERN District of WASHINGTON

UNITED STATES OF AMERICA
 V.

JUDGMENT IN A CRIMINAL CASE
 (For Organizational Defendants)

HØEGH FLEET SERVICES, A/S

CASE NUMBER: CR03-5764-RBL-001
 CR04-40030 (N.D. Cal.)
 CR04-00195 (C.D. Cal.)

IRWIN SCHWARTZ

Defendant Organization's Attorney

THE DEFENDANT ORGANIZATION:

X pleaded guilty to count(s) 2, 3 and 4 (W.D. Wa.) and counts 1 and 2 (C.D. Cal. and N.D. Cal.) (Plea Date: March 12, 2004)

pleaded nolo contendere to count(s) _____
 which was accepted by the court.

was found guilty on count(s) _____
 after a plea of not guilty.

ACCORDINGLY, the court has adjudicated that the organizational defendant is guilty of the following offense(s):

Title & Section	Nature of Offense	Date Offense Concluded	Count Number(s)
18 U.S.C. §§ 1519 & 2	Obstruction of Agency Matter	9/11/03	2
18 U.S.C. §§ 1001 & 2	False Statements	9/11/03	3 *
33 U.S.C. §§ 1908(a); 151.25(a) (h) & 2	Failure to Maintain Accurate Oil Record Book	9/11/03	4 **

* Counts 1 of Informations filed in W.D. Cal and C.D. Cal.
 ** Count 2 of Informations filed in N.D. Cal and C.D. Cal.
 The defendant organization is sentenced as provided in pages 2 through _____ of this judgment.

The defendant organization has been found not guilty on count(s) _____

X Count(s) 1 of the W.D. Wa Indictment X is are dismissed on the motion of the United States.

IT IS ORDERED that the defendant organization shall notify the United States attorney for this district within 30 days of any change of name, principal business address, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant organization shall notify the court and United States attorney of any material change in the organization's economic circumstances.

Defendant Organization's
 Federal Employer I.D. N/A

Defendant Organization's Principal Business Address:

HØEGH FLEET SERVICES, A/S

Dronningensgt, 40


0160 Oslo, NORWAY

Defendant Organization's Mailing Address:

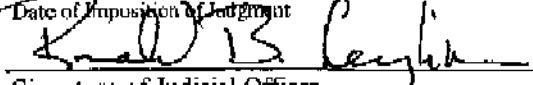
HØEGH FLEET SERVICES, A/S

Dronningensgt, 40

P.O. Box 777, Sentrum 0160 Oslo, Norway


 JAMES D. OESTERLE
 Signature of Assistant United States Attorney

June 29, 2004
 Date of Imposition of Judgment


 Signature of Judicial Officer
 THE HONORABLE RONALD B. LEIGHTON
 United States District Judge
 Name and Title of Judicial Officer

June 29, 2004
 Date



DEFENDANT ORGANIZATION: HÖEGH FLEET SERVICES, A/S
CASE NUMBER: CR03-5765-RBL

PROBATION

The defendant organization is hereby sentenced to probation for a term of Four (4) YEARS

The defendant organization shall not commit another federal, state or local crime.

If this judgment imposes a fine or a restitution obligation, it shall be a condition of probation that the defendant organization pay any such fine or restitution in accordance with the Schedule of Payments set forth in the Criminal Monetary Penalties sheet of this judgment.

The defendant organization shall comply with the standard conditions that have been adopted by this court (set forth below). The defendant organization shall also comply with the additional conditions on the attached page (if indicated below).

STANDARD CONDITIONS OF SUPERVISION

- 1) within thirty days from the date of this judgment, the defendant organization shall designate an official of the organization to act as the organizations's representative and to be the primary contact with the probation officer;
- 2) the defendant organization shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 3) the defendant organization shall notify the probation officer ten days prior to any change in principal business or mailing address;
- 4) the defendant organization shall permit a probation officer to visit the organization at any of its operating business sites;
- 5) the defendant organization shall notify the probation officer within seventy-two hours of any criminal prosecution, major civil litigation, or administrative proceeding against the organization;
- 6) the defendant organization shall not dissolve, change its name, or change the name under which it does business unless this judgment and all criminal monetary penalties imposed by this court are either fully satisfied or are equally enforceable against the defendant's successors or assignees;
- 7) the defendant organization shall not waste, nor without permission of the probation officer, sell, assign, or transfer its assets.

DEFENDANT ORGANIZATION: HÖEGH FLEET SERVICES, A/S
CASE NUMBER: CR03-5765-RBL

ADDITIONAL PROBATION TERMS

1. The defendant organization is placed on probation for a period of four (4) years, ~~subject to the conditions of probation for organizations outlined in Chapter 8, Part D for Organizational Probation and the terms of the plea agreement entered March 12, 2004.~~
2. Additional conditions of probation, as set forth in U.S.S.G. § 8D1.4(c), are encompassed in the Rule 11(c)(1)(C) Plea Agreement. These conditions include provisions that the defendant organization commit no further violations of federal, state, or local law and shall conduct all its operations in accordance with the MARPOL Protocol; develop, adopt, implement, and fund a comprehensive Environmental Management System/Compliance Plan (EMS) filed as set forth in Exhibit A to the Plea Agreement; provide the United States with full access to its vessels listed in the EMS; and pay a fine in the amount of \$3.5 million.
4. The defendant shall pay a special assessment in the amount of \$2,800.00 as to Counts 2, 3, & 4 (CR03-5765RBL), Cts 1 and 2 (CR04-40030, NDCA) and Cts 1 and 2 (CR04-00195, CDCA), which shall be due immediately.

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Sheet 2B — Probation

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SPECIAL CONDITIONS OF SUPERVISION

DEFENDANT ORGANIZATION: HÖEGH FLEET SERVICES, A/S
CASE NUMBER: CR03-5765-RBL

ADDITIONAL TERMS FOR CRIMINAL MONETARY PENALTIES

1. The total criminal fine of Three Million Five Hundred Thousand Dollars (\$3.5 million) shall be divided equally between the seven counts to which the defendant has pled guilty.
2. Pursuant to Title 33, United States Code, Section 1908(a), the Court, in its discretion, hereby awards the sum of Three Hundred Thousand Dollars (\$300,000) to Emmanuel Farnacio for information he provided to the United States that led to the conviction of defendant Höegh Fleet Services, A/S. The Three Hundred Thousand Dollar (\$300,000) award shall be deducted in equal One Hundred Thousand Dollar (\$100,000) allotments from each of the three separate Title 33, United States Code, Section 1908(a) violations. The United States shall provide the clerk of this court with contact information for Mr. Farnacio to facilitate his receipt of this payment.
3. The Court agrees that one-half of the net criminal fine (following deduction of the award in paragraph 2 above) owing in each of the three judicial districts shall be suspended for the express purpose of applying this amount to performing community service pursuant to U.S.S.G. § 8B1.3, and in furtherance of the sentencing principles provided in 18 U.S.C. § 3553(a). Specifically, the suspended fines shall be applied as follows:
 - A. Western District of Washington
Seven Hundred Thousand Dollars (\$700,000) shall be deposited into the Columbia River Estuarine Coastal Fund to be administered by the National Fish and Wildlife Federation, a Congressionally created organization. The deposited funds shall be used to finance projects that benefit, preserve, and restore the environment and ecosystems in the waters of the United States adjoining the coastline of Washington State.
 - B. Northern District of California
Four Hundred Fifty Thousand Dollars (\$450,000) shall be deposited into the Northern Coastal California Restoration Fund to be administered by the National Fish and Wildlife Federation. The deposited funds shall be used to conserve and protect marine resources in and near the Port of San Francisco, improve public access and information/education projects to benefit the Fish and Wildlife National Refuge System, encourage environmentally and economically sustainable solutions for natural resource management, and fund research related to improving the San Francisco Bay's and Northern Coastal California's natural resources management.
 - C. Central District of California
Four Hundred Fifty Thousand Dollars (\$450,000) shall be paid to the Channel Islands National Park headquartered in Ventura, California. The funds shall be used to fund environmental projects and initiatives designed to benefit, preserve and restore the environment and ecosystems in the Central District of California, particularly those along the Channel Islands.

The United States shall provide the clerk of this court with contact information for each of the recipients of the community service funds.

DEFENDANT ORGANIZATION: HÖEGH FLEET SERVICES, A/S
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SCHEDULE OF PAYMENTS

Having assessed the organization's ability to pay, payment of the total criminal monetary penalties shall be due as follows:

PAYMENT IS DUE IMMEDIATELY. Any unpaid amount shall be paid:

- During the period of imprisonment, pursuant to the Bureau of Prison's Inmate Financial Responsibility Program.
- During the period of supervised release, in monthly installments amounting to not less than _____% of the defendant's gross monthly household income, to commence 30 days after the release from imprisonment.
- During the period of probation, in monthly installments amounting to not less than _____% of the defendant's gross monthly household income, to commence 30 days after the date of this judgment.

Special instructions regarding the payment of criminal monetary penalties:

MAKE CHECK(S) FOR ALL CRIMINAL MONETARY PENALTIES, INCLUDING SPECIAL ASSESSMENTS, FINES, AND RESTITUTION, PAYABLE TO:

United States District Court Clerk, Western District of Washington. For restitution payments, the Clerk of the Court is to forward money to the party(ies) designated to receive restitution specified at page ____ of this Judgment.

1. The payment schedule above is the minimum amount that the defendant is expected to pay towards the monetary penalties imposed by the Court. The defendant shall pay more than the amount established whenever possible.

2. The defendant must notify the Court, the United States Probation Office, and the United States Attorney's Office of any material change in the defendant's financial circumstances that might affect the ability to pay restitution.

All criminal monetary penalties are made to the clerk of the court, unless otherwise directed by the court, the probation officer, or the United States attorney.

The defendant organization shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

Joint and Several

Defendant Name, Case Number, and Joint and Several Amount:

- The defendant organization shall pay the cost of prosecution.
- The defendant organization shall pay the following court cost(s):
- The defendant organization shall forfeit the defendant organization's interest in the following property to the United States:

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) community restitution, (6) fine interest (7) penalties, and (8) costs, including cost of prosecution and court costs.

DEFENDANT ORGANIZATION: HÖEGH FLEET
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STATEMENT OF REASONS

The court adopts the factual findings and guideline application in the presentence report.

OR

The court adopts the factual findings and guideline application in the presentence report, except (see attachment, if necessary):

Guideline Range Determined by the Court:

The defendant organization is a criminal purpose organization pursuant to U.S.S.G. §8C1.1.

OR

The calculation of the guideline fine range is unnecessary because the defendant organization cannot pay restitution pursuant to U.S.S.G. §8C2.2(a).

OR

Total Offense Level: _____

Base Fine: _____

Total Culpability Score: _____

Fine Range: \$ _____ to \$ _____

Disgorgement amount of \$ _____ is added to fine pursuant to U.S.S.G. §8C2.9.

Fine offset amount of \$ _____ is subtracted from fine pursuant to U.S.S.G. §8C3.4.

Fine waived or below the guideline range because of inability to pay pursuant to U.S.S.G. §8C.3.3.

Amount of Restitution Ordered: \$ _____

Discretionary restitution is not ordered because the complication and prolongation of the sentencing process resulting from the fashioning of a restitution order outweighs the need to provide restitution to any victims, pursuant to 18 U.S.C. § 3663(a)(B)(ii) (or in offenses committed before April 23, 1996, pursuant to 18 U.S.C. § 3663(d)).

Restitution pursuant to the mandatory victim restitution provisions is not ordered in this title 18 property offense because the number of identifiable victims is so large as to make restitution impracticable, pursuant to 18 U.S.C. § 3663A(c)(3)(A).

Restitution pursuant to the mandatory victim restitution provisions is not ordered in this title 18 property offense because determining complex issues of fact and related to the cause of amount of the victim's losses would complicate or prolong the sentencing process to a degree that the need to provide restitution to any victim is outweighed by the burden on the sentencing process, pursuant to 18 U.S.C. § 3663A(c)(3)(B).

For offenses committed on or after September 13, 1994 but before April 23, 1996 that require the total amount of loss to be stated, pursuant to Chapters 109A, 110, 110A, and 113A of Title 18, restitution is not ordered because the economic circumstances of the defendant do not allow for the payment of any amount of a restitution order, and do not allow for the payment of any or some portion of a restitution order in the foreseeable future under any reasonable schedule of payments.

Partial restitution is ordered, pursuant to 18 U.S.C. § 3553(c), for the following reason(s):

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STATEMENT OF REASONS

The sentence is within the guideline range and the court finds no reason to depart from the sentence called for by the application of the guidelines.

OR

- The sentence departs from the guideline range:
 - upon motion of the government, as a result of a defendant's substantial assistance, or
 - for the following specific reason(s):

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ADDITIONAL FINDINGS AND GUIDELINE APPLICATIONS EXCEPTIONS

DEFENDANT ORGANIZATION: HÖEGH FLEET SERVICES, A/S
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ADDITIONAL REASONS FOR DEPARTURE FROM THE GUIDELINE RANGE