

CONTRACT

This contract is entered into between Henry E. Kloch & Co. Inc. , a customs broker (hereafter referred to as Broker), licensed by the U.S. Customs and Border Protection (hereafter referred to as Customs); and _____, an importer of products into the United States (hereafter referred to as the Importer). The Importer issued to Broker a limited power of attorney to conduct customs business on its behalf, and retained its services for the purpose of the Customs clearance of its import shipments after they arrive into the United States.

RECITATIONS

For national security, pursuant to Section 203 of the Security and Accountability for Every Port Act of 2006 (Pub. L. 109-347, 120 Stat 1884 (SAFE Port Act)) and section 343(a) of the Trade Act of 2002, as amended, Customs published an Interim Final Rule on November 25, 2008, requiring that Customs receive, by way of a Customs approved electronic data interchange system, information pertaining to cargo destined to the United States by vessel. Under this program, vessels are required to submit two data elements - a vessel stow plan and container status messages relating to containers loaded on vessels destined to the United States - in addition to the elements they are already required to transmit in advance. Importers are generally required to submit an “**Importers Security Filing**” (ISF) containing 11 Data elements relating to cargo destined to arrive within the limits of a port in the United States by vessel. The 11 Data elements are as follows:

1. **Seller.** Name and address of the last known entity by whom the goods are sold or agreed to be sold. If the goods are to be imported otherwise than in pursuance of a purchase, the name and address of the owner of the goods must be provided.
2. **Buyer.** Name and address of the last known entity to whom the goods are sold or agreed to be sold. If the goods are to be imported otherwise than in pursuance of a purchase, the name and address of the owner of the goods must be provided.

3. **Importer of record number/FTZ applicant identification number.** Internal Revenue Service (IRS) number, Employer Identification Number (EIN), Social Security Number (SSN), or CBP assigned number of the entity liable for payment of all duties and responsible for meeting all requirements incurred as a result of importation. For goods intended to be delivered to an FTZ, the IRS number, EIN, SSN or CBP assigned number of the party filing the FTZ documentation with CBP must be provided.
4. **Consignee number(s).** Internal Revenue Service (IRS) number, Employer Identification Number (EIN), Social Security Number (SSN), or CBP assigned number of the individual(s) or firm(s) in the United States on whose account the merchandise is shipped.
5. **Manufacturer (or supplier).** Name and address of the entity that last manufactures, assembles, produces, or grows the commodity or name and address of the party supplying the finished goods in the country from which the goods are leaving. In the alternative, the name and address of the manufacturer (or supplier) that is currently required by the import laws, rules and regulations of the United States may be provided (this is the information that is used to create the existing manufacturer identification (MID) number for entry purposes).
6. **Ship to party.** Name and address of the first deliver-to party scheduled to physically receive the goods after the goods have been released from customs custody.
7. **Country of Origin.** Country of manufacture, production or growth of the article, based upon the import laws, rules and regulations of the United States.
8. **Commodity HTSUS Number.** Duty/statistical reporting number under which the article is classified in the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS number must be provided to the 6 digit level. The HTSUS number may be provided up to the 10 digit level.
9. **Container stuffing location.** Name and address(es) of the physical location(s) where the goods were stuffed into the container. For break bulk shipments, the name and address(es) of the physical locations where the goods were made “ship ready” must be provided.
10. **Consolidator (stuffer).** Name and address of the party who stuffed the container or arranged for the stuffing of the container. For “break bulk” shipments, the name and address of the party who made the goods “ship ready” or the party who arranged for the goods to be made “ship ready” must be provided.
11. **Bill of Lading.** The bill of lading of the shipment must be provided.

Customs has also published guidelines for the assessment and cancellation of claims for

liquidated damages incurred by carriers and ISF Importers for their failure to provide the required advance electronic information to Customs within the time period and manner prescribed by the regulations or for providing inaccurate or invalid information. Claims for liquidated damages for ISF violations will be assessed against importers after January 26, 2010, when the flexible enforcement period expires.

AGREEMENT

Broker has the electronic means to file the ISF on behalf of the Importer and is willing to provide the Importer this additional service under the following conditions:

1. Time is of the essence in ISF filings. Importer must provide the ISF Data elements described above to Broker in a timely manner during Broker's business hours between 9:00AM to 5:00 PM Pacific Standard Time or Pacific Daylight Time, when applicable, on week days. Broker does not conduct business on Saturdays, Sundays and Holidays.
2. To eliminate problems regarding the timeliness of ISF Data elements sent to Customs, all electronic and facsimile correspondence which the Importer uses to transmit the ISF Data elements to Broker for any import shipment must have imprinted on them the date and time they were transmitted to the Broker.
3. Importer **WILL NOT LOAD** any import shipment on board a vessel until Broker notifies Importer electronically or by facsimile that Customs issued a "may load" notice in response to the ISF filing.
4. Broker will provide the Importer with a copy of the ISF Data elements it transmitted to Customs. The Importer must review these Data elements to ensure they are accurate. In the event the Importer detects any error in the Data elements, it will immediately notify the Broker so it can transmit the corrections to Customs.
5. Importer will pay Broker the sum of \$ _____ per entry for its ISF services;
6. Customs may issue claims for liquidated damages against the Importer in the sum of \$5,000.00 for any of the following violations:
 - (a) Late filing of an ISF;
 - (b) Inaccurate filing of an ISF;

- (c) Inaccurate updates of an ISF; and
- (d) Failure to withdraw an ISF.

The Importer will hold Broker harmless from any claim for liquidated damages that Customs may assess against the Importer for any ISF violation. In order to avoid any claims for liquidated damages, the Importer must ensure that the ISF data elements it provides the Broker are accurate in all respects. If any error is discovered in the ISF data elements, Importer must notify Broker immediately so that the appropriate correction can be transmitted to Customs.

- 6. Importer must identify to Broker all of its employees and/or agents, domestic and foreign, who are authorized by Importer to provide information and/or ISF data elements that are to be presented to Customs. Broker will not accept any ISF information from persons who are not identified by Importer.

IN WITNESS WHEREOF, the parties hereto have each approved and executed this Agreement on the dates set forth opposite their signatures.

Dated: (Name of Importer Company)

By (Signature of principal)
(Typed name and position of Importer)

Dated: **HENRY E. KLOCH & CO. INC.**

By Signature of principal
(Typed name and position of Customs broker)