

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

|                                      |   |                         |
|--------------------------------------|---|-------------------------|
| <hr/> <b>SECURITIES AND EXCHANGE</b> | § |                         |
| <b>COMMISSION,</b>                   | § |                         |
|                                      | § |                         |
| <b>Plaintiff,</b>                    | § | <b>Civil Action No.</b> |
|                                      | § |                         |
| <b>vs.</b>                           | § |                         |
|                                      | § |                         |
| <b>PANALPINA, INC.,</b>              | § |                         |
|                                      | § |                         |
| <b>Defendant.</b>                    | § |                         |
| <hr/>                                | § |                         |

**COMPLAINT**

Plaintiff Securities and Exchange Commission ("Commission") alleges that:

**SUMMARY**

1. Defendant Panalpina, Inc. is a provider of intercontinental air and ocean freight forwarding and logistics services and supply chain management solutions and a member of the Panalpina Group. Between 2002 and continuing until 2007, Panalpina, Inc. engaged in a series of transactions whereby it directed business to affiliated companies within the Panalpina Group, which then used part of the revenues generated from this business to pay a significant number of bribes to government officials in countries including Nigeria, Angola, Brazil, Russia, and Kazakhstan. These bribes were paid by the Panalpina Group companies in order to assist Panalpina, Inc.'s issuer customers in obtaining preferential customs, duties, and import treatment in connection with international freight shipments. The practice of Panalpina Group companies making these payments was known to certain Panalpina, Inc. employees, including some members of Panalpina, Inc.'s management.

2. Although the reasons for the bribes, and the payment schemes themselves, differed from jurisdiction to jurisdiction and transaction by transaction, most shared several similarities. The issuer customers often used Panalpina, Inc. or other Panalpina Group companies to ship goods from the United States, or elsewhere, to another jurisdiction or sought Panalpina, Inc.'s assistance in obtaining customs or logistics services in the country to which the goods were shipped.

3. However, for various reasons—including delayed departures, insufficient or incorrect documentation, the nature of the goods being shipped and imported, or the refusal of local government officials to provide services without unofficial payments—Panalpina, Inc.'s issuer customers sometimes faced delays in importing the goods. In other cases, Panalpina, Inc.'s issuer customers sought to avoid local customs duties or inspection requirements or otherwise sought to import goods in circumvention of local law.

4. In order to secure the importation of goods under these circumstances, Panalpina, Inc.'s issuer customers often authorized Panalpina, Inc. and the local affiliated Panalpina Group companies (*e.g.*, Panalpina Nigeria) to bribe local government officials. These cash payments to government officials were typically made by employees of the local affiliated Panalpina Group companies.

5. The affiliated Panalpina Group companies generally invoiced the issuer customers for the bribes, along with other legitimate fees, either directly or through an affiliated billing entity ("Affiliated Billing Entity"). These invoices, which contained both legitimate and illegitimate costs incurred by the Panalpina Group companies, inaccurately referred to the payments as "local processing," "special intervention," "special handling," and other seemingly

legitimate fees. In reality, these payments were bribes paid to local government officials in order to secure improper benefits for the issuer customers.

6. By engaging in the conduct described in this Complaint, Panalpina, Inc., while acting as an agent of its issuer customers, violated Section 30A of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78dd-1]. Panalpina, Inc. also aided and abetted its issuer customers’ violations of Sections 30A, 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78dd-1, 78(m)(b)(2)(A), and 78(m)(b)(2)(B)].

7. The Commission brings this action against Panalpina, Inc. seeking disgorgement and injunctive relief to prevent future violations of the federal securities laws.

### **JURISDICTION**

8. This Court has jurisdiction over this action under Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

9. Panalpina, Inc. directly or indirectly made use of the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange in connection with the transactions, acts, practices, and courses of business alleged in this Complaint.

10. Venue in the Southern District of Texas is proper pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa] because certain acts or transactions constituting the violations by Panalpina, Inc. occurred in this district.

### **DEFENDANT**

11. Defendant Panalpina, Inc. is a New York corporation, with its principal place of business located in Morristown, New Jersey. Panalpina, Inc. is a wholly owned subsidiary of Panalpina World Transport (Holding) Ltd. (“PWT”), a global holding company located in Basel,

Switzerland, whose subsidiaries and affiliates (collectively known as the “Panalpina Group”) provide freight forwarding and logistics services. Between 2002 and 2007, Panalpina, Inc. had 38 branches in several states, including Texas, New Jersey, and Michigan. PWT was privately held until September 22, 2005, when its shares began to trade on the SIX Swiss exchange. Neither Panalpina, Inc. nor PWT is an issuer for purposes of the Foreign Corrupt Practices Act of 1977 (“FCPA”).

## **FACTUAL BACKGROUND**

### **A. The Panalpina Group’s Worldwide Operations**

12. The Panalpina Group provides global freight forwarding and logistics services in approximately 160 jurisdictions through a network of local affiliates. Each affiliate is responsible for providing freight forwarding and logistics services to local companies and for coordinating with other Panalpina Group entities, and partner companies, with respect to the importation of cargo shipped from abroad.

13. The Panalpina Group operates in the United States through PWT’s wholly owned subsidiary, Panalpina, Inc. Panalpina, Inc. provides air freight, ocean freight, and supply chain management services primarily to customers in the oil and gas, healthcare, technology, retail, telecommunications, and chemical industries. Many of Panalpina, Inc.’s customers have a class of securities registered pursuant to Section 12 of the Exchange Act or are required to file reports under Section 15(d) of the Exchange Act. As such, those customers are issuers for purposes of the FCPA (collectively, “issuer customers”).

### **B. Mechanics of Freight Forwarding and Customs Logistics Services**

14. Panalpina, Inc. provided its issuer customers with shipping, freight forwarding, and logistics services, including customs clearance and importation services. The issuer

customers, through Panalpina, Inc. or affiliated Panalpina Group companies, shipped products located in the United States, or elsewhere, to jurisdictions including Nigeria, Angola, Brazil, Russia, and Kazakhstan. Panalpina, Inc. invoiced the issuer customers for these freight forwarding services and the issuer customers typically remitted payment to Panalpina, Inc.

15. In addition to these transportation services, Panalpina, Inc. provided its issuer customers with importation, customs clearance, and ground shipment services once the shipped goods reached their destination jurisdiction. Panalpina, Inc. did so by enlisting the assistance of the local affiliated Panalpina Group companies, including Panalpina Nigeria, Panalpina Angola, Panalpina Brazil, Panalpina Russia, and Panalpina Kazakhstan in providing in-country services, including customs and importation services, which required interaction with customs officials and the payment of any customs duties, fines, and other payments levied on the goods.

**C. Panalpina, Inc.'s Practice of Paying Bribes on Behalf of its Issuer Customers**

16. The goods shipped by Panalpina, Inc. could only be imported into the destination jurisdiction if they satisfied the local statutory and regulatory requirements, which required product inspection, submission of satisfactory paperwork, and payment of customs levies and other taxes. Furthermore, once the items had been imported, they remained subject to local laws or regulations. Because Panalpina, Inc. sought to provide a full range of services to its customers, including the above-described assistance in the destination jurisdiction, a local presence was required. The local affiliated Panalpina Group company was generally responsible for providing these services to the issuer customers.

17. However, due to the urgency of projects for which some goods were being shipped, the issuer customers often sought to avoid local customs and import laws and processes by seeking to import goods without sufficient documentation, without being inspected, or

without paying the required taxes, levies, or fees. In order to help the issuer customers avoid these requirements, Panalpina, Inc. enlisted the assistance of the local affiliated Panalpina Group companies in paying bribes.

18. In order to assist the issuer customers in circumventing these legal requirements, the local affiliated Panalpina Group companies often used a portion of the revenue generated from the issuer customers to make payments to local government officials in order to avoid legal or regulatory requirements. These payments were typically authorized by the issuer customers.

19. Panalpina, Inc. employees, including managers, knew and understood as part of these in-country services that the local affiliated Panalpina Group companies would often need to bribe government officials in order to secure the importation or preferential customs treatment requested by the issuer customers.

20. Typically, the fees for these in-country services as well as any improper payment made by the local affiliated Panalpina Group company would later be charged back to the issuer customer, or its local affiliate, by the local affiliated Panalpina Group company or indirectly through the Affiliated Billing Entity.

#### **1. Pancourier**

21. Panalpina, Inc. provided its customers with a small parcel courier service to Nigeria with the trade name Pancourier. Panalpina Nigeria operated Pancourier through its Nigerian courier license.

22. Normally, a Form M was required for all items imported into Nigeria, although document shipments below 50 kilograms were exempt from this process. Nigerian authorities used the Form M to verify the price of the imported products and to assess whether and to what extent duties should be imposed upon the imported goods. Commercial products shipped into

Nigeria without sufficient documentation would be delayed in the Form M review process. Shipments into Nigeria were also required to undergo a pre-inspection process, which at times could take weeks to complete. However, goods shipped by Pancourier were not subject to the pre-inspection or the Form M requirements and, accordingly, shipments sent by Pancourier could be completed much quicker than shipments through normal channels.

23. Panalpina, Inc.'s issuer customers confronted with time constraints, or that otherwise sought to import goods into Nigeria without complying with Nigerian customs law, routinely shipped commercial products into Nigeria through Pancourier. In order to assist the issuer customers avoid these legal requirements, Panalpina, Inc. would ship the product to Nigeria wrapped in a distinctive manner so that the customs officials would recognize it as a Pancourier shipment and not inspect it, require a Form M, or otherwise subject it to normal customs procedures. In order to secure this preferential treatment, Panalpina Nigeria made regular improper cash payments to Nigerian customs officials.

24. Specifically, Panalpina Nigeria paid "local processing fees," or "LPFs," on behalf of its issuer customers to Nigerian customs and other government officials in order to avoid compliance with the Form M requirements, avoid or reduce import duties, avoid customs inspections, import goods that exceeded the 50 kilogram weight limitation, and on some occasions import prohibited items, primarily food and clothing.

## **2. Additional Bribes Paid on Behalf of the Issuer Customers in Nigeria, Angola, and Brazil**

25. In addition to Pancourier, Panalpina, Inc.'s issuer customers shipped commercial goods into Nigeria, Angola, and Brazil through Panalpina, Inc.'s standard freight forwarding service. Once the goods arrived at their destination, a representative of the local affiliated Panalpina Group company would ensure that the goods cleared customs. The clearance process

typically included inspection of the product being shipped, submission of the required shipping papers and related documentation, and the payment of any customs and other fees associated with the importation of that product.

26. The goods shipped by Panalpina, Inc.'s issuer customers at times encountered delays in clearing customs for various reasons, including insufficient or missing documentation or delays due to a legally required inspection process. In order to circumvent these legally mandated processes, or to obtain other improper advantages, the local affiliated Panalpina Group companies made improper payments to local government officials in order to expedite customs clearance, avoid the required cargo inspections, avoid fines, duty, and tax payments, and circumvent permit requirements, temporary importation regulations or other legal requirements.

**a. Nigeria – Temporary Importation Payments**

27. The largest category of customs-related payments made by Panalpina Nigeria on behalf of the issuer customers were payments made in connection with temporary importation ("TI"). Under Nigerian law during the relevant period, a TI authorization allowed a party to import high value special equipment not otherwise available in Nigeria for an initial period of one year, with the possibility of two six month extensions. Significantly, product imported under a TI authorization could not remain in Nigeria longer than this period. Furthermore, product imported under a TI authorization could not be exported and re-imported without obtaining another TI authorization.

28. Panalpina Nigeria employees bribed Nigerian government officials to process otherwise legitimate TI authorization requests, as well as to assist its issuer customers in improperly importing goods into Nigeria under, or in circumvention of, the TI regime. Specifically, Panalpina Nigeria employees made payments on behalf of the issuer customers to



Nigerian customs officials to expedite TI approvals according to the issuer customers' time requirements or to extend TIs without complying with Nigerian TI regulations. Panalpina Nigeria also made TI "recycling" payments to secure false documentation stating that goods imported by issuer customers under TI authorizations had been exported from and then re-imported into Nigeria, when in reality they remained in Nigeria without the payment of duties or otherwise complying with Nigerian law. Panalpina Nigeria also made "intervention" payments to Nigerian officials in order to permit the product shipped by the issuer customers to enter and exit Nigeria multiple times under the same TI permit, which violated Nigerian TI regulations. Finally, in cases where cargo arrived in Nigeria without a properly granted TI permit or without import authorization, Panalpina Nigeria made "special intervention" payments to customs officials in order to secure the importation of this product for the issuer customers.

**b. Nigeria – Pre-Release, Intervention, Evacuation, and Special Payments**

29. Panalpina Nigeria also made payments to Nigerian government officials on behalf of the issuer customers to secure the release of goods from customs prior to the completion of the inspection process. Under Nigerian law during the relevant period, a party importing goods into Nigeria could secure the "pre-release" of goods from customs provided it submitted the required shipping documentation and completed the importation of the goods, including the payment of customs duties, within a certain period of time. Nigerian customs officials exercised complete discretion in determining whether to award a pre-release.

30. Panalpina, Inc.'s issuer customers were able to secure the pre-release of their goods, without complying with the legal and regulatory requirements associated with this regime, through pre-release payments made by Panalpina Nigeria to Nigerian customs officials. In exchange for these payments, the issuer customers obtained the approval of the pre-release

request without satisfying all of the statutory and regulatory requirements, without paying customs duties within the appropriate period, and sometimes with incomplete, inaccurate, or late documentation.

31. Panalpina Nigeria also made other types of payments to Nigerian government officials in order to secure improper benefits for the issuer customers. Panalpina Nigeria made “intervention” payments to Nigerian government officials on behalf of the issuer customers in order to obtain improper advantages for them in connection with a variety of customs and immigration matters. Panalpina Nigeria also made “evacuation” payments on behalf of the issuer customers to obtain the expedited release of goods delayed in customs for various reasons, including discrepancies or deficiencies in the import documentation. Finally, Panalpina Nigeria made “special” payments to customs officials to secure the expedited processing of customs paperwork or otherwise obtain improper advantages for the issuer customers.

**c. Angola Immigration and Customs Matters**

32. Panalpina Angola made payments to Angolan government officials in order to assist the issuer customers to import goods into Angola without complying with Angolan law.

33. Panalpina Angola made “special intervention” payments to customs officials, Economic Police, Port Authority officials, and other Angolan government officials on behalf of its issuer customers in order to avoid fines, expedite or facilitate the approval or correction of incomplete or inaccurate documentation, avoid customs duties, or avoid other legal requirements in connection with shipments sent by Panalpina, Inc. These payments were also referred to as “agency fees” or “special arrangement fees.” For example, in 2006 an issuer customer illegally imported food products into Angola. Angola customs authorities notified Panalpina Angola that the issuer customer was subject to fines in the amount of several hundred thousand dollars.

Panalpina Angola then notified the issuer that Panalpina Angola would be able to resolve the fine by making an unreceipted \$25,000 “special arrangement” payment to the local customs director. The issuer customer approved the “special arrangement.”

34. In addition to the customs-related payments, Panalpina Angola also made payments to Angolan Immigration and/or Ministry of Petroleum officials in order to obtain visas for the issuer customers on an emergency basis, often requesting that the visa be issued same-day, in contravention of Angolan law. Panalpina Angola typically submitted the emergency visa request to Angolan immigration authorities along with a payment to a government official in order to obtain that official’s approval of the visa application on an expedited basis.

35. Panalpina Angola also made other types of payments to Angolan government officials in order to assist the issuer customers to circumvent Angolan immigration law. These included payments to Angolan immigration officials designed to simulate the exit and re-entrance of an issuer customer employee into Angola and to avoid the inspection of visas by Immigration officials. Panalpina Angola also made improper payments to Angolan immigration officials in order to avoid fines or deportation being imposed upon the issuer customers or their employees as a result of the issuer customer’s employees overstaying their visas.

**d. Angola – Other Payments**

36. Panalpina Angola also made unofficial payments to Angolan military officials on behalf of the issuer customers in order to permit them to use military cargo aircraft to transport their commercial goods. Panalpina Angola personnel seeking to secure the use of an Angolan military aircraft for the issuer customers’ commercial purposes would typically make an improper payment to the Angolan military official responsible for overseeing the military air

fleet in order to secure the use of the military aircraft. These payments were made in cash and not supported by invoices issued by the Angolan government.

**e. Payments in Brazil**

37. From 2002 to 2007, Panalpina Brazil made improper payments to Brazilian government officials on behalf of its issuer customers in order to expedite the customs clearance process and, where necessary, to resolve customs and import-related issues. Many of the improper payments made by Panalpina Brazil on behalf of the issuer customers were effected in connection with shipments originating with Panalpina, Inc. in the United States.

38. Upon the arrival of the shipments in Brazil, Panalpina Brazil employees would determine whether an illicit payment to Brazilian officials was necessary to ensure that the goods could be imported and cleared in compliance with deadlines imposed by the issuer customers. In certain circumstances, Panalpina Brazil made what it called “KK” cash payments to customs officials on behalf of its issuer customers in order to expedite the customs clearance process, as well as to avoid the imposition of fines and penalties, to circumvent Brazilian legal requirements for customs declaration of courier shipments, to permit shipments to be imported in Brazil without an import license, or to allow exports from Brazil of goods originally imported without accurate and complete documentation.

**3. Improper Payments Made to Government Officials in Russia, Kazakhstan, and Other Central Asian Countries**

39. Between 2002 and 2007, Panalpina Kazakhstan and Panalpina Russia made or authorized the making of several types of improper payments on behalf of the issuer customers to government officials in Russia, Kazakhstan, and other parts of Central Asia, in order to assist the issuer customers improperly to import goods into these jurisdictions or to obtain other types of improper benefits. These payments were made by Panalpina Russia and Panalpina

Kazakhstan in order to, among other reasons, secure an improper advantage for the issuer customers with respect to customs, internal transportation, taxation, and labor-related matters.

40. Goods transported by the issuer customers into Russia, Kazakhstan, and other jurisdictions often encountered obstacles or delays during the importation and customs process. Panalpina Kazakhstan and Panalpina Russia made “special intervention” payments to Kazakh, Russian, and other Central Asia customs officials. These “special intervention” payments were in order to avoid delays, administrative fines, and other legal actions as a result of missing, incomplete, or erroneous documentation, to avoid the misclassification of goods, to avoid problems arising out of the improper use of a temporary import permit, and to bypass customs.

**D. Issuer Customers’ Authorization of, and Panalpina, Inc.’s Knowledge of, the Bribes Paid by the Local Affiliated Panalpina Group Companies**

41. The issuer customers that shipped commercial goods to Nigeria through Pancourier often knew, or were aware of facts indicating a high probability, that Pancourier was used to circumvent Nigerian customs requirements and that the fees paid by the issuer customers in connection with a Pancourier shipment included amounts reserved for bribing Nigerian government officials in order to import these goods into Nigeria. The issuer customers also often knew, or were aware of facts indicating a high probability, that a portion of the fees paid by the issuer customers in connection with the in-country services were used to make other improper payments to government officials in destination jurisdictions, including Nigeria, Angola, Brazil, Russia, and Kazakhstan on their behalf, in order to obtain the improper benefits referenced above.

42. For example, a Houston-based employee of an issuer customer emailed a Panalpina, Inc. employee stating that “it looks to me that the use of Pan Courier is to circumvent Import Legislation in Nigeria.” Nevertheless, he instructed the Panalpina, Inc. employee that

while his goal was to minimize the use of Pancourier, the issuer customer wanted to use Pancourier for that particular shipment in order to “take advantage of the expedited clearance.” In addition, a Panalpina, Inc. representative in Houston emailed an employee of another issuer customer and stated that the price for Pancourier was higher because Panalpina Nigeria made payments to customs officials in order to permit the goods to be imported without inspection and without needing to comply with the usual customs formalities. The issuer customer’s representative responded by saying that certain items were “EMERGENCY priority and must ship ASAP . . . via Pancourier . . .”

43. In addition, in one case, in an email ultimately forwarded to a Panalpina, Inc. executive, a representative of an issuer customer in the oil and gas industry acknowledged that while he anticipated that some type of “sunshine” payment would need to be made to customs officials, he was surprised at the amount that was actually paid. In response, this Panalpina, Inc. executive confirmed that in making this payment Panalpina Nigeria acted in a manner consistent with what had been explained to management of the issuer customer.

44. Certain Panalpina, Inc. employees, including some managers and employees with direct responsibility for oil and gas industry customers, were aware that the issuer customers used Pancourier to circumvent Nigerian law and that Panalpina Nigeria made payments to Nigerian officials in order to secure the importation of the goods via Pancourier. Certain Panalpina, Inc. employees also knew that the local affiliated Panalpina Group companies regularly made payments to government officials in order to secure beneficial treatment for the issuer customers.

45. For example, in one email Panalpina Group managers, including a Global Key Account Manager for an issuer customer in the oil and gas industry, discussed how they would

respond to the customer questioning the large price difference between Pancourier and Panalpina, Inc.'s standard freight forwarding service. The Global Key Account Manager stated that the "[o]nly difference is the extra cost for Pancourier to circumvent the Form M and inspection process" and further questioned how Panalpina, Inc. would respond if the issuer customer asked if the process was illegal.

**E. Invoicing of Bribes**

46. Panalpina, Inc., through the local affiliated Panalpina Group companies, knowingly and substantially assisted the issuer customers' violations of the FCPA's books and records and internal controls provisions. Panalpina, Inc. employees were aware of the bribes paid by the local affiliated Panalpina Group companies, as well as the need to disguise the true nature of these payments in the invoices provided to issuer customers in order to avoid detection of the improper nature of the payments by certain representatives of the issuer customers.

47. The local affiliated Panalpina Group companies billed the issuer customers for the bribes as well as for legitimate costs associated with the in-country services. For example, Panalpina Nigeria and Panalpina Angola invoiced the improper payments, along with other local legitimate costs, to the Affiliated Billing Entity, and the Affiliated Billing Entity would invoice the issuer customer. Between 2002 and 2006, Panalpina Russia and Panalpina Kazakhstan also used the Affiliated Billing Entity to invoice the improper payments and other legitimate costs to the issuer customers. Panalpina Kazakhstan, starting in 2003, and Panalpina Russia, starting in 2006, ceased using the Affiliated Billing Entity and substituted additional mechanisms for making the improper payments, including a structure in Dubai similar to the Affiliated Billing Entity for the same purposes. Panalpina Brazil often directly invoiced the local subsidiaries or affiliates of the issuer customers for the improper payments it made on behalf of the issuer

customers. In other cases, Panalpina Brazil invoiced issuer customers through Panalpina, Inc. or through another foreign subsidiary of PWT.

48. The invoices often contained a discrete line-item charge for the improper payments. The invoices issued by the local affiliated Panalpina Group companies often described the improper payments as “local processing fees,” “TI Application” payments, “TI Extension” payments, “intervention” payments, and “pre-release” payments, among others. These invoices did not accurately describe that some or all of the costs reflected in these invoices represented bribes paid by the local affiliated Panalpina Group companies to government officials.

**F. Panalpina, Inc.’s Ill-Gotten Gains**

49. Panalpina, Inc. obtained improper benefits totaling at least \$11,329,369 from the illegal conduct described above.

**FIRST CLAIM**  
**Violations of Section 30A of the Exchange Act**  
**(Anti-Bribery)**

50. Paragraphs 1 through 49 are realleged and incorporated herein by reference.

51. As described above, Panalpina, Inc., as agent of its issuer customers and acting on their behalf, made use of the mails or other means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value, to companies affiliated with Panalpina, Inc. while knowing that some or all of that money or thing of value would be provided by these affiliated companies, directly or indirectly, to foreign officials for the purposes of influencing their acts or decisions, securing an improper advantage, or inducing them to use their influence, to assist the issuer customers in obtaining or retaining business.



52. In addition, Panalpina, Inc. at all relevant times was a U.S. person as that term is defined in Section 30A(g)(2) of the Exchange Act and acted as an agent of its issuer customers on their behalf. Panalpina, Inc. corruptly committed acts inside and outside the United States in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value, to foreign officials for the purposes of influencing their acts or decisions, securing an improper advantage, or inducing them to use their influence, to assist the issuer customers in obtaining or retaining business.

53. By reason of the foregoing, Panalpina, Inc. violated, and unless restrained and enjoined will continue to violate, Section 30A of the Exchange Act [15 U.S.C. § 78dd-1].

**SECOND CLAIM**  
**Aiding and Abetting Violations of Section 30A of the Exchange Act**  
**(Anti-Bribery)**

54. Paragraphs 1 through 49 above are realleged and incorporated by reference herein.

55. As described above, Panalpina, Inc. knowingly provided substantial assistance to its issuer customers that made use of the mails or other means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value while knowing that some or all of that money or thing of value would be provided, directly or indirectly, to foreign officials for the purposes of influencing their acts or decisions, securing an improper advantage, or inducing them to use their influence, to assist the issuer customers in obtaining or retaining business.

56. By reason of the foregoing, Panalpina, Inc. aided and abetted, and unless restrained and enjoined will continue to aid and abet, its issuer customers' violations of Section 30A of the Exchange Act [15 U.S.C. § 78dd-1].

**THIRD CLAIM**  
**Aiding and Abetting Violations of Sections 13(b)(2)(A)**  
**and 13(b)(2)(B) of the Exchange Act**  
**(Books and Records and Internal Controls)**

57. Paragraphs 1 through 49 above are realleged and incorporated by reference herein.

58. Section 13(b)(2)(A) of the Exchange Act requires companies to keep accurate books, records, and accounts which reflect fairly the transactions entered into by companies and the disposition of its assets. Panalpina, Inc. knowingly provided substantial assistance to its issuer customers' violations of Section 13(b)(2)(A) of the Exchange Act.

59. Section 13(b)(2)(B) requires companies to devise and maintain a system of internal controls sufficient to provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for such assets. Panalpina, Inc. knowingly provided substantial assistance to its issuer customers' violations of Section 13(b)(2)(B) of the Exchange Act.

60. By reason of the foregoing, Panalpina, Inc. aided and abetted, and unless restrained and enjoined will continue to aid and abet, its issuer customers' violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)].

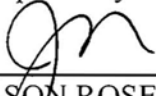
**RELIEF REQUESTED**

The Commission respectfully requests that this Court:

- (1) enter an order permanently enjoining Defendant Panalpina, Inc. from violating Section 30A of the Exchange Act [15 U.S.C. §§ 78dd-1] and from aiding and abetting violations of Sections 30A, 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78dd-1, 78m(b)(2)(A), and 78m(b)(2)(B)];
- (2) enter a final judgment ordering Defendant Panalpina, Inc. to disgorge ill-gotten gains wrongfully obtained as a result of its illegal conduct; and
- (3) grant the Commission such other and further relief as is just and appropriate.

DATED: November 4, 2010

Respectfully submitted,

  
\_\_\_\_\_  
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## CIVIL COVER SHEET

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

### I.(a) PLAINTIFF

**SECURITIES AND EXCHANGE COMMISSION**

### DEFENDANTS

**PANALPINA, INC.**

(b) COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF \_\_\_\_\_  
(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant: Morris, New Jersey  
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

(c) ATTORNEY (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)

Jason J. Rose  
U.S. Securities & Exchange Commission, Burnett Plaza, Ste. 1900,  
801 Cherry Street, Unit #18, Fort Worth, TX 76102-6882  
(817) 978-1408

ATTORNEYS (If known):

### II. BASIS OF JURISDICTION (PLACE AN "X" IN ONE BOX ONLY)

- ☒ 1 U.S. Government Plaintiff  
☐ 2 U.S. Government Defendant  
☐ 3 Federal Question (U.S. Government Not a Party)  
☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

### III. CITIZENSHIP OF PRINCIPAL PARTIES (For Diversity Cases Only)

(PLACE AN "X" IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT)

- |   | PTF                        | PTF                        |   | PTF                        | PTF                        |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State                   | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business in This State     | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State                | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation  | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

### IV. NATURE OF SUIT (PLACE AN "X" IN ONE BOX ONLY)

| CONTRACT   | TORTS  | FORFEITURE/PENALTY   | BANKRUPTCY  | OTHER STATUTES   |
|--|--|--|---|--|
| <input type="checkbox"/> 110 Insurance<br><input type="checkbox"/> 120 Marine<br><input type="checkbox"/> 130 Miller Act<br><input type="checkbox"/> 140 Negotiable Instrument<br><input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment<br><input type="checkbox"/> 151 Medicare Act<br><input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans)<br><input type="checkbox"/> 153 Recovery OF Overpayment of Veteran's Benefits<br><input type="checkbox"/> 160 Stockholders' Suits<br><input type="checkbox"/> 190 Other Contract<br><input type="checkbox"/> 195 Contract Product Liability | <b>PERSONAL INJURY</b><br><input type="checkbox"/> 310 Airplane<br><input type="checkbox"/> 315 Airplane Product Liability<br><input type="checkbox"/> 320 Assault, Libel & Slander<br><input type="checkbox"/> 330 Federal Employers' Liability<br><input type="checkbox"/> 340 Marine<br><input type="checkbox"/> 345 Marine Product Liability<br><input type="checkbox"/> 350 Motor Vehicle<br><input type="checkbox"/> 355 Motor Vehicle Product Liability<br><input type="checkbox"/> 360 Other Personal Injury<br><b>PERSONAL INJURY</b><br><input type="checkbox"/> 362 Personal Injury - Med. Malpractice<br><input type="checkbox"/> 365 Personal Injury - Product Liability<br><input type="checkbox"/> 368 Asbestos Personal Injury Product Liability<br><b>PERSONAL PROPERTY</b><br><input type="checkbox"/> 370 Other Fraud<br><input type="checkbox"/> 371 Truth in Lending<br><input type="checkbox"/> 380 Other Personal Property Damage<br><input type="checkbox"/> 385 Property Damage Product Liability | <input type="checkbox"/> 610 Agriculture<br><input type="checkbox"/> 620 Other Food & Drug<br><input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881<br><input type="checkbox"/> 630 Liquor Laws<br><input type="checkbox"/> 640 R.R. & Truck<br><input type="checkbox"/> 650 Airline Regs.<br><input type="checkbox"/> 660 Occupational Safety/Health<br><input type="checkbox"/> 690 Other<br><b>LABOR</b><br><input type="checkbox"/> 710 Fair Labor Standards Act<br><input type="checkbox"/> 720 Labor/Mgmt. Relations<br><input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act<br><input type="checkbox"/> 740 Railway Labor Act<br><input type="checkbox"/> 790 Other Labor Litigation<br><input type="checkbox"/> 791 Empl. Ret. Inc. Security Act | <input type="checkbox"/> 422 Appeal 28 USC 156<br><input type="checkbox"/> 423 Withdrawal 28 USC 157<br><b>PROPERTY RIGHTS</b><br><input type="checkbox"/> 820 Copy rights<br><input type="checkbox"/> 830 Patient<br><input type="checkbox"/> 840 Trademark<br><b>SOCIAL SECURITY</b><br><input type="checkbox"/> 861 HIA (1395FF)<br><input type="checkbox"/> 862 Black Lung (923)<br><input type="checkbox"/> 863 DIWC/DIWW (405(g))<br><input type="checkbox"/> 864 SSID Title XVI<br><input type="checkbox"/> 865 RSI (405(g))<br><b>FEDERAL TAX SUITS</b><br><input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)<br><input type="checkbox"/> 871 IRS - Third Party 26 USC 7609 | <input type="checkbox"/> 400 State Reapportionment<br><input type="checkbox"/> 410 Antitrust<br><input type="checkbox"/> 430 Banks and Banking<br><input type="checkbox"/> 450 Commerce/ICC Rates/etc.<br><input type="checkbox"/> 460 Deportation<br><input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations<br><input type="checkbox"/> 810 Selective Service<br><input checked="" type="checkbox"/> 850 Securities Commodities/ Exchange<br><input type="checkbox"/> 875 Customer Challenge 12 USC 3410<br><input type="checkbox"/> 891 Agricultural Acts<br><input type="checkbox"/> 892 Economic Stabilization Act<br><input type="checkbox"/> 893 Environmental Matters<br><input type="checkbox"/> 894 Energy Allocation Act<br><input type="checkbox"/> 895 Freedom of Information Act<br><input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice<br><input type="checkbox"/> 950 Constitutionality of State Statutes<br><input type="checkbox"/> 890 Other Statutory Actions |
| <b>REAL PROPERTY</b><br><input type="checkbox"/> 210 Land Condemnation<br><input type="checkbox"/> 220 Foreclosure<br><input type="checkbox"/> 230 Rent Lease & Ejectment<br><input type="checkbox"/> 240 Torts to Land<br><input type="checkbox"/> 245 Tort Product Liability<br><input type="checkbox"/> 290 All Other Real Property   | <b>CIVIL RIGHTS</b><br><input type="checkbox"/> 441 Voting<br><input type="checkbox"/> 442 Employment<br><input type="checkbox"/> 443 Housing/ Accommodations<br><input type="checkbox"/> 444 Welfare<br><input type="checkbox"/> 440 Other Civil Rights   | <b>PRISONER PETITIONS</b><br><input type="checkbox"/> 510 Motions to Vacate Sentence<br><b>Habeas Corpus:</b><br><input type="checkbox"/> 530 General<br><input type="checkbox"/> 535 Death Penalty<br><input type="checkbox"/> 540 Mandamus & Other<br><input type="checkbox"/> 550 Civil Rights  |   |  |

### V. ORIGIN

(PLACE AN "X" IN ONE BOX ONLY)

- ☒ 1 Original Proceeding  
☐ 2 Removed from State Court  
☐ 3 Remanded from Appellate Court  
☐ 4 Reinstated or Reopened

### VI. CAUSE OF ACTION (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE BRIEF STATEMENT OF CAUSE. DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY.)

Sections 13(b)(2)(A), 13(b)(2)(B), and 30A of the Securities Exchange Act of 1934 [15 U.S.C. §§ 78m(b)(2)(A),

78m(b)(2)(B), and 78dd-1]

### VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION

DEMAND \$

CHECK YES only if demanded in complaint:

☐ UNDER F.R.C.P. 23

JURY DEMAND ☐ YES ☒ NO

### VIII. RELATED CASE(S) (See Instructions):

IF ANY H-10-CR-pending, Panalpina, Inc. and Palapina World Transport (Holding) Ltd.

DATE 11/4/10

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

Receipt #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE