

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Penalty Assessment  
Against CAVLOGIX CORPORATION  
D/B/A TEMPSTORE MOVING  
COMPANY in the Amount of \$100

DOCKET TV-081091

DECLARATION OF  
SHERI HOYT

SHERI HOYT, under penalty of perjury under the laws of the state of Washington, declares as follows:

1. I am over 18 years of age, a citizen of the United States, a resident of the state of Washington, and competent to be a witness.
2. I am employed by the Washington Utilities and Transportation Commission (Commission) as a Compliance Investigator in the Compliance Investigations Section. I have been employed at the Commission for over 16 years, holding various positions. As a Compliance Investigator, my responsibilities include conducting investigations regarding the business practices of regulated utility or transportation companies. As part of those duties, I investigate household goods companies that may be operating in violation of Commission statute, rule, or tariff.
3. On July 9, 2008, Cavlogix Corporation d/b/a Tempstore Moving Company (Cavlogix) filed with the Commission an Application for Mitigation in Docket TV-081091. On July 11, 2008, Cavlogix filed a Replacement Mitigation Request (Mitigation Request) clarifying that it waived a hearing and asking for an administrative decision on the information it presented. I have read the Mitigation Request.
4. This Mitigation Request arises from a Notice of Penalties Incurred and Due for Violations of Laws and Rules issued by the Commission on June 27, 2008, in Docket TV-081091. In that Notice, the Commission issued a penalty of \$100 for a violation of Washington Administrative Code 480-15-480, which requires household goods companies to file annual reports with the Commission by May 1 each year.
5. Before recommending the Commission issue penalties, as part of my job, I conducted an investigation of Cavlogix's records. My investigation resulted in an investigation report titled, "Staff Investigation - 2007 Annual Reports."<sup>1</sup> I identified the violation in this case from records maintained by the Commission.

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<sup>1</sup> A true and accurate copy of the investigation report is attached to this declaration as Attachment A.

## **Specific Issues Addressed by Cavlogix in its Mitigation Request**

### **Cavlogix states the company was sold and a purchase and sale agreement was signed in February 2008.**

6. Cavlogix states the company was sold and a purchase and sale agreement was signed in February 2008. The Mitigation Request goes on to say that the actual sale of the company was May 7, 2008, and that there was a question as to when and if the annual report form was required.
7. Commission records indicate the 2007 annual report packet was mailed to regulated household goods companies on February 29, 2008. In addition, a reminder notice was mailed to all regulated household goods companies on April 1, 2008. Cavlogix should have received both the annual report packet and the reminder notice before the sale of the company on May 7, 2008. Finally, a notice was sent on May 15, 2008, to all companies that failed to file their annual reports by May 1, 2008, that extended the annual report filing deadline until May 30, 2008. All three mailings included a telephone number and an e-mail address for companies to contact should there be any questions.<sup>2</sup> Cavlogix did not contact Commission Staff to inquire if the company was required to file the report.
8. The Commission received a completed household goods permit application on June 12, 2008, that included a request for authority to transfer control of Cavlogix's household goods permit to the company's purchaser.<sup>3</sup> The Commission granted the application in an order issued June 23, 2008.<sup>4</sup> Because Cavlogix held Commission authority in 2008 it was required to timely file an annual report.
9. On June 16, 2008, the Commission received Cavlogix's 2007 annual report.

### **Cavlogix states in its Mitigation Request that the document was overlooked in the process of the company changing ownership.**

10. In the Mitigation Request, Cavlogix states the annual report was overlooked during the process of the company changing ownership. The company stipulates that it was its error; however, it requests that the amount be mitigated because the report due date was during the sale of the company.

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<sup>2</sup> See Attachment A, Appendices B through D.

<sup>3</sup> Docket TV-080862, In re Application of Gentle Giant Moving Company (West) LLC d/b/a Gentle Giant Moving Co (West) for permanent authority to operate as a motor carrier of household goods.

<sup>4</sup> Docket TV-080862, Order Granting Temporary Authority Subject to Conditions Pending Decision on Permanent Authority and Permit THG60620.

11. Cavlogix was granted its permanent household goods authority on February 20, 2003. A review of the Commission's Annual Reports Tracking System revealed Cavlogix has filed its annual report timely only once as outlined below.
- The 2006 report was received on May 10, 2007.
  - The 2005 report was received on April 7, 2006.
  - The 2004 report was received on May 6, 2005.
  - The 2003 report was received on May 17, 2004.
  - The 2002 report was received on June 19, 2003.

**Staff Recommendation**

12. The Commission received Cavlogix Corporation's 2007 annual report after the extended deadline of May 30, 2008. The Commission mailed the annual report forms in February 2008 to the address on file with the Commission for Cavlogix. Cavlogix stated the company was not sold until May 7, 2008, after the 2007 annual report was due. The company has filed an annual report every year since it received its household goods authority and only once did it do so by the May 1 deadline. Based on these facts, I do not recommend mitigation.

DATED at Olympia, Washington, and effective July \_\_\_\_, 2008.

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SHERI HOYT

# Attachment A

## Household Goods Carriers Staff Investigation - 2007 Annual Reports June 12, 2008

### Purpose

The purpose of this investigation is to determine if 16 household goods carriers<sup>1</sup> are in violation of Washington Administrative Code (WAC) 480-15-480. WAC 480-15-480 requires household goods carriers to furnish annual reports to the Washington Utilities and Transportation Commission (commission) no later than May 1 each year.

### Background

This investigation was prompted by commission staff's yearly review of annual reports for household goods carriers registered in the state of Washington.

On February 29, 2008, the commission mailed 2007 Annual Report forms and 2008 Regulatory Fee packets to household goods carriers registered with it. A letter from Executive Secretary Carole Washburn instructed companies to file annual reports and pay regulatory fees by May 1, 2008<sup>2</sup>. Further, the letter stated failure to file the annual report by May 1 could result in a penalty. Those companies wishing to request an extension to file the annual report were asked to do so prior to May 1, providing a reason for the requested extension. None of the above listed household goods companies requested an extension.

On April 1, 2008, the commission mailed a notice to all household goods carriers reminding them that 2007 annual reports and 2008 regulatory fees were due by May 1, 2008<sup>3</sup>.

### Investigation

The 16 household goods carriers listed in attached Appendix A failed to file their 2007 annual reports by the May 1 deadline. On May 15, 2008, the commission sent letters to those companies that had not yet filed their reports. The letter, signed by Carole Washburn, gave an extension to companies to file their reports by May 30, 2008<sup>4</sup>. In the letter, Ms. Washburn stated the commission would not seek a fine or move to revoke the registration of any company with a report received by the commission postmarked no later than May 30.

Only one company, Swartz Moving & Storage Co., has filed its report, however, it was received by the commission after the May 30 deadline. The report was received by the commission on June 9, 2008.

Three companies that failed to file their 2007 annual report by the May 30 extended deadline also failed to file their 2005 annual reports timely and previously received a \$100 penalty assessment in 2006. In addition, those same three companies failed to file their 2006 annual reports timely and, as a result, received a \$200 penalty assessment in 2007. Those companies are included in Appendix A, however, they are distinguished by recommended penalty amounts of \$300 for three consecutive years of non-compliance.

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<sup>1</sup> See Appendix A for a list of the household goods carriers.

<sup>2</sup> See Appendix B for a copy of the February 29, 2008, letter sent to household goods carriers.

<sup>3</sup> See Appendix C for a copy of the April 1, 2008, reminder notice sent to household goods carriers.

<sup>4</sup> See Appendix D for a copy of the May 15, 2008, letter sent to delinquent household goods carriers.

One company that failed to file its 2007 annual report by the May 30 extended deadline also failed to file its 2006 annual report timely and previously received a \$100 penalty assessment in 2007. That company is included in Appendix A, however, it is distinguished by a recommended penalty amount of \$200 for two consecutive years of non-compliance.

**Recommendation:**

Staff recommends the commission issue a \$100 penalty assessment each to the 12 household goods carriers which failed to file a 2007 annual report by May 30, 2008. In addition, staff recommends the commission issue a \$200 penalty assessment to the one household goods carrier that received a \$100 penalty assessment in 2007 and a \$300 penalty assessment each to the three household goods carriers that received \$200 penalty assessments in 2007. Staff finds it appropriate that the carriers receive escalating penalties due to continued violations of WAC 480-15-480. RCW 81.04.405 allows penalties of \$100 for every such violation. Each and every such violation is a separate and distinct offense and in case of a continuing violation every day's continuance shall be and be deemed to be a separate and distinct violation.

**APPENDIX A**

	<b>Company Name</b>	<b>Report Received Yes or No</b>	<b>If yes, Date Received</b>	<b>Recommended Penalty Amount</b>
1.	All America Moving, Inc.	No		\$100
2.	Arays Moving Service, LLC	No		\$100
3.	Becker Trucking, Inc.	No		\$100
4.	Cavlogix Corporation	No		\$100
5.	Cook, Gregory Allen	No		
6.	Cotton, Timothy J.	No		
7.	EBP, Inc.	No		
8.	Help-U-Move, Inc.	No		\$100
9.	Pride Van Lines, Inc.	No		\$100
10.	Swan's moving & Storage Co., Inc.	No		\$100
11.	Swartz Moving & Storage Co.	Yes	June 9, 2008	\$100
12.	T & S Transportation & Installation, Inc.	No		\$100
13.	Great West Moving and Storage, Inc.	No		\$200
14.	Bumblebee Moving North, Inc.	No		\$300
15.	Clarke, Peter A.	No		\$300
16.	Stewart, Eric	No		\$300

## APPENDIX B



STATE OF WASHINGTON

### WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250  
(360) 664-1160 • TTY (360) 586-8203

February 29, 2008

Dear Regulated Company:

**Subject: Your 2007 Annual Report and 2008 Regulatory Fees are Due May 1, 2008**

State law requires you to file an annual report and pay regulatory fees to the Washington Utilities and Transportation Commission (UTC).

**What is required of me?**

By May 1, you must:

- Complete and file the enclosed 2007 annual report form
- Pay your 2008 regulatory fees

**What happens if I do not file my annual report by May 1?**

If you do not file your company's annual report by May 1 commission staff will recommend a financial penalty and may recommend revocation of your authority to operate in Washington.

**What happens if I do not pay my regulatory fees by May 1?**

If you do not pay your company's regulatory fee by May 1, you will incur:

- a 2 percent penalty on the amount due; and
- a 1 percent monthly interest charge on the unpaid balance.

**May I request an extension of time if I am unable to file the annual report by May 1?**

Yes, however, you must provide the request in writing, including a valid reason for the extension no later than May 1. We will notify you whether your request is approved or denied. You will still be liable for penalty and interest payments if you fail to pay your regulatory fees by May 1. If you are late filing your annual report or fail to file, you could incur additional penalties up to \$100 a day.

**May I designate any information that I submit in my annual report as confidential?**

Yes, however, you must follow the strict legal guidelines outlined in WAC 480-07-160 (3). You may find a copy of this rule at the UTC Website, [www.utc.wa.gov](http://www.utc.wa.gov). Locate "Quick Links" on the right side of the home page then select "2007 annual reports."



**Where do I mail my completed annual report form and regulatory fee payment?**

Washington Utilities and Transportation Commission  
PO Box 47250  
Olympia, WA 98504-7250

**Where may I obtain an electronic version of the annual report form?**

Forms are available on our website at [www.utc.wa.gov](http://www.utc.wa.gov). Locate "Quick Links" on the right side of the home page and then select "2007 annual reports."

**Who do I contact if I have questions?**

You may call 360-664-1152 or e-mail us at: [annualreports@utc.wa.gov](mailto:annualreports@utc.wa.gov). If you need this information in an alternate format, please call 360-664-1133. The TTY Toll Free phone number is 1-800-416-5289.

Sincerely,



Carole J. Washburn  
Executive Secretary

Enclosures



APPENDIX C

**Reminder!**  
**Annual Reports and Regulatory Fees are due May 1, 2008**

On February 29, we sent you a 2007 annual report form and 2008 regulatory fee form. This is just a friendly reminder that your company's completed annual report and regulatory fees are due, postmarked, no later than May 1.

If you already mailed your annual report and regulatory fees, **thank you!** Please disregard this notice. If you have not yet filed, please be sure not to miss this deadline

You may mail your completed annual report form and regulatory fee payment to:

Washington Utilities and Transportation Commission  
PO Box 47250  
Olympia, WA 98504-7250

You may obtain an electronic version of the annual report and regulatory fee sheet at our website, [www.utc.wa.gov](http://www.utc.wa.gov). Locate "Quick Links" then select "2007 annual reports".

If you have questions about your report or fee or need assistance, please contact staff for your industry, listed below:

Industry	Contact
Bus – Nonprofit Special Needs	Carolyn Caruso at (360) 664-1244 or e-mail at <a href="mailto:ccaruso@utc.wa.gov">ccaruso@utc.wa.gov</a>
Electric	Roland Martin at (360) 664-1304 or e-mail at <a href="mailto:rmartin@utc.wa.gov">rmartin@utc.wa.gov</a>
Gas	Roland Martin at (360) 664-1304 or e-mail at <a href="mailto:rmartin@utc.wa.gov">rmartin@utc.wa.gov</a>
Railroad	Lori Halstead at 360-664-1262 or email at <a href="mailto:lhalstea@utc.wa.gov">lhalstea@utc.wa.gov</a>
Auto-Transportation - Bus, Commercial Ferry, Household Goods, Low-level Radioactive Waste, Pipelines, Solid Waste, Telecommunications or Water	Jeff Schmidlkofer at (360) 664-1152 or e-mail at <a href="mailto:annualreports@utc.wa.gov">annualreports@utc.wa.gov</a>

Annual Report Reminder  
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If you fail to pay your regulatory fee or file your company's annual report, postmarked by May 1, commission staff will recommend the commission issue a financial penalty. Staff may also recommend that the commission cancel your authority to operate in Washington.

Please don't let either happen. If you have questions or needed assistance, please contact us at the numbers listed above.

Sincerely,

Carole J. Washburn  
Executive Secretary

APPENDIX D

May 15, 2008

Attention:

Your annual report to the Utilities and Transportation Commission (commission) was due by May 1 as required by law. You are now subject to enforcement action by the commission, including financial penalties. This letter tells you what you can do to avoid this. **If you have already submitted your annual report, please disregard this notice.**

Commission staff mailed you a 2007 annual report form and fee calculation sheet on February 29, 2008. On April 1, 2008, staff mailed a reminder to file your report and pay your fees. Commission records indicate that you have not yet filed the completed report form.

**Commission staff will file for enforcement action against your company unless we receive your completed report postmarked no later than May 30.** Enforcement action in this matter may include penalties of up to \$100 for each day it is late and cancellation of your authority to provide household goods moving services in Washington.

If the commission receives the report postmarked no later than May 30, commission staff will not seek a fine or move to revoke your registration.

Annual report forms are available on the commission's Web site at [www.utc.wa.gov](http://www.utc.wa.gov). If you have questions or require additional information, please contact Sheri Hoyt, Compliance Investigator, at (360) 664-1149 or [shoyt@utc.wa.gov](mailto:shoyt@utc.wa.gov).

Sincerely,



Carole J. Washburn  
Executive Secretary