

Docket No. TE-180351 - Vol. I

In the Matter of: Jake's Hiway 2 Sports LLC

August 8, 2018



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BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Determining) DOCKET NO. TE-180351
the Proper Carrier)
Classification of, and)
Complaint for Penalties)
Against:)
)
)
)
JAKE'S HIWAY 2 SPORTS LLC)

TRANSPORTATION COURT, VOLUME I

Pages 1-21

ADMINISTRATIVE LAW JUDGE LAURA CHARTOFF

August 8, 2018

9:00 A.M.

Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive Southwest
Olympia, Washington 98504

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A P P E A R A N C E S

ADMINISTRATIVE LAW JUDGE:

LAURA CHARTOFF
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Transportation Commission
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ALSO PRESENT:

JAKE SHARPE

MIKE TURCOTT
Compliance Investigations
Supervisor

* * * * *

1 OLYMPIA, WASHINGTON; AUGUST 8, 2018

2 9:00 A.M.

3 --o0o--

4 P R O C E E D I N G S

5
6 JUDGE CHARTOFF: Okay. We'll be on the
7 record. Good morning. My name is Laura Chartoff. I am
8 an administrative law judge with the Washington
9 Utilities and Transportation Commission.

10 Today is August 8th, 2018, and the time is
11 9:00 a.m.

12 There are two charter party or excursion
13 carriers -- excursion service carriers who should be
14 here today, so the first thing we will do is see who is
15 here. There is a court reporter who is recording
16 everything we say, so when I call your name, please
17 raise your hand and also say "here" or "present."

18 Docket 180587, Latin Limousine, LLC, doing
19 business as -- as HR Limousine. I saw a hand go up.

20 Okay. And Docket 180351, Jake's Hiway 2
21 Sports LLC, Jake Sharpe.

22 MR. SHARPE: Present.

23 JUDGE CHARTOFF: Present, thank you.

24 Okay. You are here because the Commission
25 has information that your company is operating or

1 advertising as a charter party or excursion service
2 carrier without a permit. I will explain your choices
3 and then ask you to state your choice.

4 So you can choose to cease and desist
5 providing, offering, or advertising unpermitted charter
6 party or excursion services. If you choose this option,
7 you will need to show what you have done to shut down
8 your business either completely or partially. I am
9 going to want to see proof that you are no longer
10 operating or advertising. For example, you will need to
11 prove that you have taken down or changed your website
12 or other online advertisements for your business.

13 The other option is to ask for a
14 classification hearing to show why you don't need a
15 permit. If you choose a hearing, you are denying that
16 you offer or advertise charter party or excursion
17 services. For this choice, we will schedule a hearing
18 sometime in the next two months with a deadline a week
19 before the hearing for both you and Commission Staff to
20 list your witnesses and file any exhibits.

21 I will call each of you up one at a time in
22 just a moment.

23 Now that we've gone over your choices, I
24 will explain what else will happen today. In a few
25 minutes, I'll call each of you up to make your choice,

1 and at that time, I will swear you in so anything you
2 tell the Court will be under oath. Once you are sworn
3 in, I will ask you if you understand your choices for
4 today's hearing and then ask you to state your choice.
5 If there's anything else you want to explain to me, you
6 will have a chance to do that.

7 You were each served with a complaint that
8 alleges you were providing charter party or excursion
9 services without a permit and ask that the Commission
10 penalize you for it. The law sets the maximum penalty
11 for each violation at \$5,000. Staff will recommend a
12 penalty amount, and you will have a chance to reach an
13 agreement with Staff about the penalty amount. Staff
14 will explain the recommendation, but the Commission will
15 make the final decision about the penalty.

16 If you choose to testify about how you're
17 getting out of the charter party or excursion services
18 business, you can explain how you plan to do that, and
19 depending on what proof you can provide, you should be
20 able to reach an agreement with Staff, and you can speak
21 to Staff about that during the break.

22 Finally, if you deny that you were operating
23 as a charter party or excursion services carrier, we
24 will schedule another hearing. If we're going to set a
25 hearing, it would help if you know your schedule for the

1 next month or two when we review calendars.

2 So after I hear from each of you, we will
3 take a break so you can meet with Staff and talk about
4 your case.

5 So -- okay. So I'm going to call the
6 carriers up now. I'm going to start with Latin
7 Limousine. Can you please come forward, take a seat at
8 the table, and turn on your microphone.

9 So please state your first and last name and
10 spell your last name for the court reporter.

11 MR. ROSALES: (In English) Hugo Rosales.

12 JUDGE CHARTOFF: And what is your position
13 with the company?

14 MR. ROSALES: (In English) Owner.

15 JUDGE CHARTOFF: Thank you.

16 Okay. Mr. Rosales and Mr. Raub, can you
17 please stand up and be sworn in.

18 (Hugo Rosales and Justin Raub sworn.)

19 JUDGE CHARTOFF: Thank you.

20 Okay. Mr. Rosales, do you understand the
21 choices I explained earlier?

22 MR. ROSALES: Yes.

23 JUDGE CHARTOFF: Have you made a decision?

24 MR. ROSALES: Yes.

25 JUDGE CHARTOFF: Have you decided to cease

1 and desist from providing charter party and -- or
2 excursion carrier services until you get a permit?

3 MR. ROSALES: That's right.

4 JUDGE CHARTOFF: Okay. Does Staff have a
5 position on this?

6 MR. RAUB: No, Your Honor. That's -- we're
7 good with that.

8 JUDGE CHARTOFF: Okay. Okay. So when we
9 take a break, you can talk with Staff and see if you can
10 assign -- you can sign an agreed order. The order will
11 say that you agree you were operating without a permit,
12 that you advertised without a permit, and that you agree
13 to stop operating until you get a permit.

14 MR. ROSALES: I am agreeing to this, but I
15 also would like to explain why.

16 JUDGE CHARTOFF: Okay.

17 MR. ROSALES: (In English) Now?

18 JUDGE CHARTOFF: Yes.

19 MR. ROSALES: In the first place, I stop
20 operating my business is because I had a financial
21 problem. I spoke with the insurance company, and I
22 asked them for a break because at the time that I had to
23 renew my insurance, I didn't have any -- any work, and
24 my mortgage payments were almost \$2,000. And so I
25 wasn't able to pay the amount, and then it was about

1 four months left for my insurance to be expired.

2 So the jobs that I have gotten in the past
3 via phone, I have given those jobs to other friends who
4 have the same business. They give me a commission of
5 100 or \$200 for these referrals until I was through with
6 my financial problems.

7 Eight days before I received a letter from
8 the State, I was already making arrangements and
9 negotiating with the insurance company so I could renew
10 my insurance. I'm still waiting for the company to
11 resolve this for me. There were two companies that
12 didn't approve me to get insurance through them, but
13 there is another company that is still working to give
14 me a new policy.

15 JUDGE CHARTOFF: Okay.

16 MR. ROSALES: That's it.

17 JUDGE CHARTOFF: Okay. So do you understand
18 that you cannot operate or advertise your services until
19 you get a permit?

20 MR. ROSALES: That's what I'm understanding
21 now.

22 JUDGE CHARTOFF: Okay.

23 MR. ROSALES: I -- I thought that if I
24 didn't use my car for the services and I just send these
25 services to the other person instead, it would be okay.

1 But now I understand that I cannot do that either.

2 JUDGE CHARTOFF: Okay. Is --

3 MR. TURCOTT: I'm sorry, Your Honor.

4 JUDGE CHARTOFF: It's okay.

5 MR. TURCOTT: So, Your Honor, that's

6 acting --

7 This is Mike Turcott for the record.

8 -- that's acting as a broker, which includes
9 advertising and/or agreeing to provide services, which
10 is prohibited without a certificate.

11 JUDGE CHARTOFF: Okay. So...

12 MR. ROSALES: I understand that now.

13 JUDGE CHARTOFF: Okay. So, Mr. Raub, so
14 advertising services, even if he's just referring it,
15 would also be not permitted without a permit?

16 MR. RAUB: Yes, Your Honor.

17 JUDGE CHARTOFF: Okay. Thank you.

18 Okay. So please take a seat in the -- in
19 the back and wait for the recess, and at that point,
20 you'll have an opportunity to talk with Staff and see if
21 you can enter an agreed order. Okay?

22 MR. ROSALES: Thank you.

23 JUDGE CHARTOFF: Okay. I call Jake's Hiway
24 2 Sports LLC, Jake Sharpe.

25 Hi. Please state your first and last name

1 and spell your last name for the court reporter.

2 MR. SHARPE: Jake Sharpe, S-h-a-r-p-e.

3 JUDGE CHARTOFF: Can you please speak into
4 the microphone?

5 MR. SHARPE: Jake Sharpe, S-h-a-r-p-e.

6 THE COURT REPORTER: I don't think it's on.

7 JUDGE CHARTOFF: Can you hit the button and
8 see --

9 MR. SHARPE: I got a little red light.

10 JUDGE CHARTOFF: Oh, you do?

11 MR. SHARPE: S-h-a-r-p-e.

12 JUDGE CHARTOFF: Okay. Thank you. And what
13 is your position with the company?

14 MR. SHARPE: I own it.

15 JUDGE CHARTOFF: Okay. Mr. Sharp and
16 Mr. Braun, can you please stand and raise your right
17 hand to be sworn.

18 (Jake Sharpe and Brian Braun sworn.)

19 JUDGE CHARTOFF: Thank you.

20 Okay. Mr. Sharp, do you understand the
21 choices I explained earlier?

22 MR. SHARPE: I do.

23 JUDGE CHARTOFF: Do you have a -- have you
24 made a decision?

25 MR. SHARPE: Well, yeah, because I've

1 already ceased operation. Where I failed to understand
2 was I should have just taken my website down. So I
3 haven't operated so I -- but I still had advertised
4 and -- yeah, I was unaware of that part. Reason being
5 was I'm on Stevens Pass's website for my businesses. I
6 didn't want to lose that advertising because I rent ski
7 gear and I sell lift tickets, and just part of what I
8 offer is a ride to the ski area.

9 So I wasn't closing my whole business down,
10 so to tear my website down, I didn't even think of it to
11 be honest with you. I mean, I just -- I got two other
12 businesses, and it was the time of year -- one's a
13 nursery, spring comes, you've got a ton of work. So
14 upon compliant with this, it came to an issue where I
15 should actually separate my bus from my other commercial
16 vehicle policy.

17 I was busy with my nursery. I do the
18 Seattle Home Show, I get out of the home show, I am
19 swamped until June. So I just stopped providing the
20 service of driving people up the hill and went to work
21 doing my other work and -- but I didn't stop the
22 website. I didn't stop Stevens Pass from advertising
23 it.

24 JUDGE CHARTOFF: Okay.

25 MR. SHARPE: Not at all. So I have full

1 intentions. I've had the paperwork filled out since I
2 was originally speaking with him, but when it came to
3 end of the season and separating the insurance policy
4 and was like I might as well wait until my policy renews
5 in the fall when the season is going to pick up again
6 and I will need to provide the service.

7 So I was just taking a time lapse because it
8 was -- you know, I only offer, at this time, rides to
9 the ski area. So if there's no skiing, there's no
10 reason for me to be concerned about it. So I just
11 stopped, and like I said, I didn't -- I kind of left him
12 in the dark, because he was expecting some paperwork and
13 it never arrived because I just stopped. Flat out
14 stopped.

15 JUDGE CHARTOFF: Okay.

16 MR. SHARPE: So I don't even have an
17 employee since March. So I mean, it's just me, so
18 there's no way I could even provide a service.

19 JUDGE CHARTOFF: So are you intending to
20 restart the business in the ski season?

21 MR. SHARPE: Well, yeah, totally. And then
22 I'll have my -- all my insurance policies will be
23 separated from my other commercial vehicles and then --
24 because the way I read the paperwork in the insurance,
25 see, all my cars are insured under one policy through my

1 other company, but it looked to me like in this
2 paperwork, I should have a separate policy for this bus
3 just separate of all my other entity. And like I said,
4 it was end of March and I was busy. You know, spring
5 comes and you got a nursery, you gotta work. I mean,
6 that's just the way it goes. And the shuttle business
7 was not lucrative anyway, so it was really easy to walk
8 away from.

9 JUDGE CHARTOFF: Okay. Mr. Braun, do you
10 have anything to add?

11 MR. BRAUN: No, Your Honor. Not at this
12 time.

13 JUDGE CHARTOFF: Okay. So when we take a
14 break, you can talk with Staff and see if you can sign
15 an agreed order, and that order will say that you
16 agree -- oh, so let me -- do you agree that you were
17 operating without a permit?

18 MR. SHARPE: Well, I can't deny it because,
19 yeah, I didn't have -- I don't have a permit and my
20 website is still functioning today. So yeah, I
21 cannot --

22 JUDGE CHARTOFF: And you agree --

23 MR. SHARPE: I'm not going to lie to you.

24 JUDGE CHARTOFF: Okay. And so the order
25 will say that you agree to stop operating until you get

1 a permit if you decide to apply for one, and it sounds
2 like you are.

3 MR. SHARPE: So that means I should just
4 call the guy and say, hey, can you stop my website from
5 advertising at this time? Because it's advertising a
6 couple other items besides the bus.

7 JUDGE CHARTOFF: You know, at the break, you
8 can talk to Mr. Braun and he -- he will be able to talk
9 to you about what you need to do to the website to be in
10 compliance.

11 MR. SHARPE: Yeah, because I intend to be
12 full complaint for the rest of my life with this. So
13 yeah, this isn't a short-term thing for me. Just the
14 starting point.

15 JUDGE CHARTOFF: Okay. And so the order
16 will also most likely include an agreement about the
17 penalty amount, but if not, you can explain why the
18 penalty should be different than what Staff is
19 recommending. Do you have any questions at this time?

20 Okay. So at this point, we are going to
21 take a break, and as soon as you have a chance to review
22 the cease and desist orders with Staff, we can talk
23 about the -- you can talk about the penalty.

24 The penalty may be small or there may be a
25 reason why Staff asked for a larger penalty. For

1 example, if you have been in front of a judge here
2 before or you used to have a permit with the Commission
3 that was cancelled, a penalty recommendation will be
4 higher. Usually part of the penalty is suspended and
5 you will not have to pay it unless you break the law
6 again.

7 So -- yeah, after the recess, I will call
8 each of you back up, make sure you understand the order,
9 and I will sign it, and you can leave with a copy.

10 So is there anything else before we take a
11 break?

12 MR. BRAUN: No, Your Honor. Not from Staff.

13 JUDGE CHARTOFF: Okay. We are in recess.

14 (Recess taken from 9:22 a.m. to 10:16 a.m.)

15 JUDGE CHARTOFF: Okay. Let's be back on the
16 record at 10:16 a.m. So I understand the cease and
17 desist orders have been explained to each company, so I
18 will call you back up one at a time at the order we went
19 in before.

20 So I will call Latin Limousine, doing
21 business as HR Limousine, Hugo Rosales. Please come
22 forward.

23 Mr. Rosales, do you understand the order
24 that was presented to you?

25 MR. ROSALES: Yes.

1 JUDGE CHARTOFF: Okay. And I see that you
2 and Mr. Raub have both signed it. It looks like there
3 are two violations in this case; one for offering
4 charter party or excursion services and one for
5 advertising. And there is a \$10,000 penalty, a 9,000
6 portion of the penalty is suspended for a period of two
7 years, and the company will pay \$1,000 today; is that
8 correct?

9 MR. ROSALES: Yes.

10 JUDGE CHARTOFF: Okay. And for the record,
11 you are agreeing to shut down unless you get a permit or
12 until you get a permit?

13 MR. ROSALES: I didn't understand the
14 question.

15 JUDGE CHARTOFF: Oh, okay. You agree that
16 you will not operate until you get a permit?

17 MR. ROSALES: Yes.

18 JUDGE CHARTOFF: Okay.

19 MR. ROSALES: I understood.

20 JUDGE CHARTOFF: Okay. And the \$9,000 is
21 suspended for two years from today's date, and that
22 means that if Staff finds an advertisement or you offer
23 services during that time, you will have to pay the
24 \$9,000 penalty; do you understand that?

25 MR. ROSALES: Yes.

1 JUDGE CHARTOFF: And also, the order to
2 cease and desist is permanent. It never expires. So if
3 Staff discovers you are still operating, even after two
4 years, Staff can go straight to superior court and ask
5 for much higher penalties.

6 MR. ROSALES: All right.

7 JUDGE CHARTOFF: So it is very important
8 that you follow the law.

9 MR. ROSALES: Okay.

10 JUDGE CHARTOFF: Thank you.

11 Are there any additional questions about the
12 order?

13 MR. ROSALES: No.

14 JUDGE CHARTOFF: Okay. Then I will sign it.
15 Staff will make a copy for it and give you a copy, and
16 you will be free to go at that time.

17 MR. ROSALES: Thank you.

18 JUDGE CHARTOFF: Okay. Thank you.

19 Okay. Next I'll call Jake Sharpe.

20 Okay. Mr. Sharpe, did you have a chance to
21 read the whole order?

22 MR. SHARPE: I did.

23 JUDGE CHARTOFF: Do you understand it?

24 MR. SHARPE: I do.

25 JUDGE CHARTOFF: Okay. And I see that both

1 you and Mr. Braun have signed it. It looks like there
2 are two violations in this case; one for --

3 MR. SHARPE: How come my violations cost
4 more than the other guy's violations when I can
5 guarantee you this guy's making a living off of his
6 violations and I ain't making nothing off of mine? I
7 mean, is there prejudice there? I mean, they're both
8 the same violations, but he's making a living off of
9 his.

10 JUDGE CHARTOFF: Mr. Sharpe, I can't discuss
11 the other --

12 MR. SHARPE: Yeah, I was just curious.
13 Since I got to hear it, I thought I would ask. You
14 asked me if I understood, so I guess I have a
15 misunderstanding there. But I'm willing to pay my fee
16 so I can be free to go, that's for sure.

17 JUDGE CHARTOFF: Okay. Do you --

18 MR. TURCOTT: Your Honor, should I comment
19 or no?

20 MR. SHARPE: It doesn't matter.

21 JUDGE CHARTOFF: Are -- are you -- you've
22 signed this order. Are you willing to -- do you want me
23 to --

24 MR. SHARPE: I just want to pay so I'm free
25 to go.

1 JUDGE CHARTOFF: Okay.

2 MR. SHARPE: Yeah, I want to pay so I can be
3 free to go.

4 JUDGE CHARTOFF: Okay. Okay. So it looks
5 like a \$10,000 penalty will be imposed, but \$8,500 of
6 the penalty is suspended for a period of two years from
7 the date of the order, and you will pay, according to a
8 payment plan, with \$500 due today, \$500 due September
9 10th, and \$500 due October 8th.

10 Okay. So the 8,500 is suspended for two
11 years from today's date, and that means that if Staff
12 finds an advertisement or you offer charter party or
13 excursion carrier services during this time without a
14 permit, you will have to pay the \$8500 penalty; do you
15 understand?

16 MR. SHARPE: I do.

17 JUDGE CHARTOFF: Okay. And also, the order
18 to cease and desist is permanent. It never expires. So
19 if Staff discovers you are still operating, even after
20 the two years, without a permit, Staff can go straight
21 to superior court and ask for much higher penalties. So
22 it is very important that you follow the law.

23 MR. SHARPE: Correct.

24 JUDGE CHARTOFF: Okay. And you have a
25 payment schedule. If you miss a payment, you will have

1 to pay the entire amount including the \$8,500 suspended
2 penalty. So if, for some reason, you're going to be
3 late making a payment, you must contact Staff and make
4 arrangements so you don't end up having to pay the
5 entire amount, okay?

6 MR. SHARPE: Mm-hmm.

7 JUDGE CHARTOFF: And do you understand
8 legally what you can and can't do?

9 MR. SHARPE: (Nodding head.)

10 JUDGE CHARTOFF: "Yes"?

11 MR. SHARPE: Yes.

12 JUDGE CHARTOFF: Okay. Remember that
13 Commission Staff is always available to assist you if
14 you have any questions. Do you have any questions about
15 the order?

16 MR. SHARPE: (Shaking head.)

17 JUDGE CHARTOFF: Okay. So I'm going to go
18 ahead and sign it, and Staff will make a copy of it for
19 you, and you'll be free to go.

20 Okay. Thank you. We are off the record.

21 (Adjourned at 10:24 a.m.)

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C E R T I F I C A T E

STATE OF WASHINGTON

COUNTY OF THURSTON

I, Tayler Garlinghouse, a Certified Shorthand Reporter in the State of Washington, do hereby certify that the foregoing transcript is true and accurate to the best of my knowledge, skill and ability.



Tayler Garlinghouse

Tayler Garlinghouse, CCR 3358

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