

Docket No. TE-180587 - Vol. I

**In the Matter of Latin Limousine, LLC d/b/a HR
Limousine**

August 8, 2018



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BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Determining) DOCKET NO. TE-180587
the Proper Carrier)
Classification of, and)
Complaint for Penalties)
Against:)
))
))
LATIN LIMOUSINE, LLC D/B/A)
HR LIMOUSINE)

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
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A P P E A R A N C E S

ADMINISTRATIVE LAW JUDGE:

LAURA CHARTOFF
Washington Utilities and
Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, Washington 98504
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FOR COMMISSION STAFF:

JUSTIN RAUB
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Washington Utilities and
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ALSO PRESENT:

HUGO ROSALES

GLORIA HERRERA
Spanish Interpreter

MIKE TURCOTT
Compliance Investigations
Supervisor

* * * * *

1 OLYMPIA, WASHINGTON; AUGUST 8, 2018

2 9:00 A.M.

3 --o0o--

4 (All proceedings were translated by the interpreter, and
5 all answers were given through the interpreter,
6 unless otherwise noted.)

7
8 P R O C E E D I N G S

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

14 Today is August 8th, 2018, and the time is
15 9:00 a.m.

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

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

24 Okay. And Docket 180351, Jake's Hiway 2
25 Sports LLC, Jake Sharpe.

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1 MR. SHARPE: Present.

2 JUDGE CHARTOFF: Present, thank you.

3 Okay. You are here because the Commission
4 has information that your company is operating or
5 advertising as a charter party or excursion service
6 carrier without a permit. I will explain your choices
7 and then ask you to state your choice.

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

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

25 I will call each of you up one at a time in

1 just a moment.

2 Now that we've gone over your choices, I
3 will explain what else will happen today. In a few
4 minutes, I'll call each of you up to make your choice,
5 and at that time, I will swear you in so anything you
6 tell the Court will be under oath. Once you are sworn
7 in, I will ask you if you understand your choices for
8 today's hearing and then ask you to state your choice.
9 If there's anything else you want to explain to me, you
10 will have a chance to do that.

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

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

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1 Finally, if you deny that you were operating
2 as a charter party or excursion services carrier, we
3 will schedule another hearing. If we're going to set a
4 hearing, it would help if you know your schedule for the
5 next month or two when we review calendars.

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

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

13 So please state your first and last name and
14 spell your last name for the court reporter.

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

16 JUDGE CHARTOFF: And what is your position
17 with the company?

18 MR. ROSALES: (In English) Owner.

19 JUDGE CHARTOFF: Thank you.

20 Okay. Mr. Rosales and Mr. Raub, can you
21 please stand up and be sworn in.

22 (Hugo Rosales and Justin Raub sworn.)

23 JUDGE CHARTOFF: Thank you.

24 Okay. Mr. Rosales, do you understand the
25 choices I explained earlier?

1 MR. ROSALES: Yes.

2 JUDGE CHARTOFF: Have you made a decision?

3 MR. ROSALES: Yes.

4 JUDGE CHARTOFF: Have you decided to cease
5 and desist from providing charter party and -- or
6 excursion carrier services until you get a permit?

7 MR. ROSALES: That's right.

8 JUDGE CHARTOFF: Okay. Does Staff have a
9 position on this?

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

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

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

20 JUDGE CHARTOFF: Okay.

21 MR. ROSALES: (In English) Now?

22 JUDGE CHARTOFF: Yes.

23 MR. ROSALES: In the first place, I stop
24 operating my business is because I had a financial
25 problem. I spoke with the insurance company, and I

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1 asked them for a break because at the time that I had to
2 renew my insurance, I didn't have any -- any work, and
3 my mortgage payments were almost \$2,000. And so I
4 wasn't able to pay the amount, and then it was about
5 four months left for my insurance to be expired.

6 So the jobs that I have gotten in the past
7 via phone, I have given those jobs to other friends who
8 have the same business. They give me a commission of
9 100 or \$200 for these referrals until I was through with
10 my financial problems.

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

19 JUDGE CHARTOFF: Okay.

20 MR. ROSALES: That's it.

21 JUDGE CHARTOFF: Okay. So do you understand
22 that you cannot operate or advertise your services until
23 you get a permit?

24 MR. ROSALES: That's what I'm understanding
25 now.

1 JUDGE CHARTOFF: Okay.

2 MR. ROSALES: I -- I thought that if I
3 didn't use my car for the services and I just send these
4 services to the other person instead, it would be okay.
5 But now I understand that I cannot do that either.

6 JUDGE CHARTOFF: Okay. Is --

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

8 JUDGE CHARTOFF: It's okay.

9 MR. TURCOTT: So, Your Honor, that's
10 acting --

11 This is Mike Turcott for the record.

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

15 JUDGE CHARTOFF: Okay. So...

16 MR. ROSALES: I understand that now.

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

20 MR. RAUB: Yes, Your Honor.

21 JUDGE CHARTOFF: Okay. Thank you.

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

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1 MR. ROSALES: Thank you.

2 JUDGE CHARTOFF: Okay. I call Jake's Hiway
3 2 Sports LLC, Jake Sharpe.

4 Hi. Please state your first and last name
5 and spell your last name for the court reporter.

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

7 JUDGE CHARTOFF: Can you please speak into
8 the microphone?

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

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

11 JUDGE CHARTOFF: Can you hit the button and
12 see --

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

14 JUDGE CHARTOFF: Oh, you do?

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

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

18 MR. SHARPE: I own it.

19 JUDGE CHARTOFF: Okay. Mr. Sharp and
20 Mr. Braun, can you please stand and raise your right
21 hand to be sworn.

22 (Jake Sharpe and Brian Braun sworn.)

23 JUDGE CHARTOFF: Thank you.

24 Okay. Mr. Sharp, do you understand the
25 choices I explained earlier?

1 MR. SHARPE: I do.

2 JUDGE CHARTOFF: Do you have a -- have you
3 made a decision?

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

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

21 I was busy with my nursery. I do the
22 Seattle Home Show, I get out of the home show, I am
23 swamped until June. So I just stopped providing the
24 service of driving people up the hill and went to work
25 doing my other work and -- but I didn't stop the

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1 website. I didn't stop Stevens Pass from advertising
2 it.

3 JUDGE CHARTOFF: Okay.

4 MR. SHARPE: Not at all. So I have full
5 intentions. I've had the paperwork filled out since I
6 was originally speaking with him, but when it came to
7 end of the season and separating the insurance policy
8 and was like I might as well wait until my policy renews
9 in the fall when the season is going to pick up again
10 and I will need to provide the service.

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

19 JUDGE CHARTOFF: Okay.

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

23 JUDGE CHARTOFF: So are you intending to
24 restart the business in the ski season?

25 MR. SHARPE: Well, yeah, totally. And then

1 I'll have my -- all my insurance policies will be
2 separated from my other commercial vehicles and then --
3 because the way I read the paperwork in the insurance,
4 see, all my cars are insured under one policy through my
5 other company, but it looked to me like in this
6 paperwork, I should have a separate policy for this bus
7 just separate of all my other entity. And like I said,
8 it was end of March and I was busy. You know, spring
9 comes and you got a nursery, you gotta work. I mean,
10 that's just the way it goes. And the shuttle business
11 was not lucrative anyway, so it was really easy to walk
12 away from.

13 JUDGE CHARTOFF: Okay. Mr. Braun, do you
14 have anything to add?

15 MR. BRAUN: No, Your Honor. Not at this
16 time.

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

22 MR. SHARPE: Well, I can't deny it because,
23 yeah, I didn't have -- I don't have a permit and my
24 website is still functioning today. So yeah, I
25 cannot --

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1 JUDGE CHARTOFF: And you agree --

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

3 JUDGE CHARTOFF: Okay. And so the order
4 will say that you agree to stop operating until you get
5 a permit if you decide to apply for one, and it sounds
6 like you are.

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

11 JUDGE CHARTOFF: You know, at the break, you
12 can talk to Mr. Braun and he -- he will be able to talk
13 to you about what you need to do to the website to be in
14 compliance.

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

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

24 Okay. So at this point, we are going to
25 take a break, and as soon as you have a chance to review

1 the cease and desist orders with Staff, we can talk
2 about the -- you can talk about the penalty.

3 The penalty may be small or there may be a
4 reason why Staff asked for a larger penalty. For
5 example, if you have been in front of a judge here
6 before or you used to have a permit with the Commission
7 that was cancelled, a penalty recommendation will be
8 higher. Usually part of the penalty is suspended and
9 you will not have to pay it unless you break the law
10 again.

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

14 So is there anything else before we take a
15 break?

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

17 JUDGE CHARTOFF: Okay. We are in recess.

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

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

24 So I will call Latin Limousine, doing
25 business as HR Limousine, Hugo Rosales. Please come

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1 forward.

2 Mr. Rosales, do you understand the order
3 that was presented to you?

4 MR. ROSALES: Yes.

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

13 MR. ROSALES: Yes.

14 JUDGE CHARTOFF: Okay. And for the record,
15 you are agreeing to shut down unless you get a permit or
16 until you get a permit?

17 MR. ROSALES: I didn't understand the
18 question.

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

21 MR. ROSALES: Yes.

22 JUDGE CHARTOFF: Okay.

23 MR. ROSALES: I understood.

24 JUDGE CHARTOFF: Okay. And the \$9,000 is
25 suspended for two years from today's date, and that

1 means that if Staff finds an advertisement or you offer
2 services during that time, you will have to pay the
3 \$9,000 penalty; do you understand that?

4 MR. ROSALES: Yes.

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

10 MR. ROSALES: All right.

11 JUDGE CHARTOFF: So it is very important
12 that you follow the law.

13 MR. ROSALES: Okay.

14 JUDGE CHARTOFF: Thank you.

15 Are there any additional questions about the
16 order?

17 MR. ROSALES: No.

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

21 MR. ROSALES: Thank you.

22 JUDGE CHARTOFF: Okay. Thank you.

23 Okay. Next I'll call Jake Sharpe.

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

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1 MR. SHARPE: I did.

2 JUDGE CHARTOFF: Do you understand it?

3 MR. SHARPE: I do.

4 JUDGE CHARTOFF: Okay. And I see that both
5 you and Mr. Braun have signed it. It looks like there
6 are two violations in this case; one for --

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

14 JUDGE CHARTOFF: Mr. Sharpe, I can't discuss
15 the other --

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

21 JUDGE CHARTOFF: Okay. Do you --

22 MR. TURCOTT: Your Honor, should I comment
23 or no?

24 MR. SHARPE: It doesn't matter.

25 JUDGE CHARTOFF: Are -- are you -- you've

1 signed this order. Are you willing to -- do you want me
2 to --

3 MR. SHARPE: I just want to pay so I'm free
4 to go.

5 JUDGE CHARTOFF: Okay.

6 MR. SHARPE: Yeah, I want to pay so I can be
7 free to go.

8 JUDGE CHARTOFF: Okay. Okay. So it looks
9 like a \$10,000 penalty will be imposed, but \$8,500 of
10 the penalty is suspended for a period of two years from
11 the date of the order, and you will pay, according to a
12 payment plan, with \$500 due today, \$500 due September
13 10th, and \$500 due October 8th.

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

20 MR. SHARPE: I do.

21 JUDGE CHARTOFF: Okay. And also, the order
22 to cease and desist is permanent. It never expires. So
23 if Staff discovers you are still operating, even after
24 the two years, without a permit, Staff can go straight
25 to superior court and ask for much higher penalties. So

Page 20

1 it is very important that you follow the law.

2 MR. SHARPE: Correct.

3 JUDGE CHARTOFF: Okay. And you have a
4 payment schedule. If you miss a payment, you will have
5 to pay the entire amount including the \$8,500 suspended
6 penalty. So if, for some reason, you're going to be
7 late making a payment, you must contact Staff and make
8 arrangements so you don't end up having to pay the
9 entire amount, okay?

10 MR. SHARPE: Mm-hmm.

11 JUDGE CHARTOFF: And do you understand
12 legally what you can and can't do?

13 MR. SHARPE: (Nodding head.)

14 JUDGE CHARTOFF: "Yes"?

15 MR. SHARPE: Yes.

16 JUDGE CHARTOFF: Okay. Remember that
17 Commission Staff is always available to assist you if
18 you have any questions. Do you have any questions about
19 the order?

20 MR. SHARPE: (Shaking head.)

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

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

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

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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