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BEFORE THE WASHINGTON STATE

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UTILITIES AND TRANSPORTATION COMMISSION

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4 In the Matter of the Penalty Assessment ) Docket TV-140170  
Against ) Pages 1-64  
5 )  
NORTHWEST MOVERS, LLC, )  
6 NORTHWEST MOVERS CENTRAL, LLC, )  
BEKINS NORTHWEST, KRIS AND )  
7 LAURI O'BANNON )  
8 In the Amount of \$7,000 )

9

10

BRIEF ADJUDICATION, VOLUME I

11

Pages 1-64

12

ADMINISTRATIVE LAW JUDGE ADAM E. TOREM

13

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15

2:03 p.m.

16

APRIL 21, 2014

17

18 Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive Southwest, Room 206  
Olympia, Washington 98504-7250

19

20 REPORTED BY: SHELBY KAY K. FUKUSHIMA, CCR #2028

21 Buell Realtime Reporting, LLC

1411 Fourth Avenue

Suite 820

Seattle, Washington 98101

23 206.287.9066 | Seattle

360.534.9066 | Olympia

24 800.846.6989 | National

25 www.buellrealtime.com

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A P P E A R A N C E S

ADMINISTRATIVE LAW JUDGE:

ADAM E. TOREM  
Washington Utilities and  
Transportation Commission  
1300 South Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, Washington 98504  
360.664.1136

FOR WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION:

MICHAEL A. FASSIO  
BRETT P. SHEARER  
Assistant Attorney General  
1400 South Evergreen Park Drive  
Southwest  
Olympia, Washington 98504  
360.664.1192  
360.664.1187  
mfassio@utc.wa.gov  
bshearer@utc.wa.gov

FOR THE RESPONDENT:

KRIS O'BANNON  
LAURI O'BANNON  
Northwest Movers, LLC  
Northwest Movers Central, LLC  
935 Poplar Street Southeast  
Olympia, Washington 98501  
kris.o@olympicmovers.net

\* \* \* \* \*

0003

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OLYMPIA, WASHINGTON, APRIL 21, 2014

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2:03 P.M.

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P R O C E E D I N G S

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JUDGE TOREM: We'll be on the record now. It's a

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little bit after two o'clock in the afternoon on Monday, April

7

21, 2014. This is Docket TV-140170. The hearing today is

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actually what's called a "brief adjudication," and today is the

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time set for oral arguments and oral statements in the case of

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Northwest Movers, LLC, Northwest Movers Central, LLC, Bekins

11

Northwest, and the other captioned parties are Kris and Lauri

12

O'Bannon.

13

According to the record, this started out back in the

14

beginning of February, February 3rd, when the Commission issued

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a penalty assessment in the amount of \$7,000. The Commission

16

had alleged that the companies noted in the caption here and

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operated by the O'Bannons have violated Washington

18

Administrative Code 480-15-187. That requires a moving company

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to apply to UTC in order to transfer a household goods operating

20

permit. And the Commission alleged that a transfer should have

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been applied for back in November of 2013 and they cut off the

22

counting of dates on January 31, 2014, and approximated 70 days

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at \$100 per day and assessed that \$7,000 penalty.

24

The O'Bannons filed a response. It's dated the 17th

25

of February, 2014. And it denied acquiring the company, denied,

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1 therefore, the requirement to file the application, and asked  
2 for the UTC to provide the so-called obtained evidence  
3 supporting the penalty assessment.

4           And my office, the Administrative Law Division of the  
5 Commission, issued a notice of this adjudication back on March  
6 25th, requiring certain writings or other exhibits to be filed  
7 by last week. And I think everybody got those in, and now we've  
8 got paper copies exchanged today.

9           So my name is Adam Torem. I'm an administrative law  
10 judge from the Administrative Law Division. And my job today is  
11 to hear the dispute and issue a written order within ten days of  
12 today so you'll know whether this penalty assessment will be  
13 upheld, modified some way, or dismissed.

14           What I want to do today, so we make sure everybody  
15 knows who's here, is take appearances on the record, go over the  
16 documents that are being proposed, and then we're going to treat  
17 this like a mini hearing where each party has a chance to put on  
18 its case. If there's witness testimony, it'll be under oath,  
19 and I'll swear each witness in. Any witness that testifies can  
20 be cross-examined by the other side.

21           And although sometimes it's easier to have the  
22 Commission explain its case first in these brief adjudications,  
23 the penalty assessments are assumed to be correct, so it puts  
24 the burden on the responding party, on you, Mr. O'Bannon, to  
25 prove why the Commission should not have issued that.

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1                   So even if the Commission does go first, the burden  
2 will be on your company to prove the Commission was wrong in the  
3 action that's proposed here.

4                   MR. O'BANNON: (Nods head.)

5                   JUDGE TOREM: Okay. Let me take appearances from the  
6 Commission.

7                   Mr. Fassio?

8                   MR. FASSIO: Good morning, Your Honor. Michael  
9 Fassio, Assistant Attorney General, representing the Washington  
10 Utilities and Transportation Commission Staff.

11                   I'm also here appearing with Brett Shearer, Assistant  
12 Attorney General. And with me at the table is Lynda Holloway of  
13 Commission Staff.

14                   JUDGE TOREM: And, Mr. O'Bannon, if you could  
15 introduce yourself and the other parties for the record that you  
16 have with you?

17                   MR. O'BANNON: Certainly. My name is Kris O'Bannon.  
18 I'm the owner of Northwest Movers, LLC, and Northwest Movers  
19 Central, LLC. Lauri O'Bannon and Jill Ihly.

20                   JUDGE TOREM: All right. And we have spelled  
21 Ms. Ihly's name previously, but for the record, it's I-h-l-y; is  
22 that correct?

23                   MR. O'BANNON: That is correct.

24                   JUDGE TOREM: All right. So any questions,  
25 Mr. O'Bannon, about the procedure today?

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1 MR. O'BANNON: Not at this time.

2 JUDGE TOREM: Mr. Fassio, I know you have labeled  
3 your documents in the normal way the Commission does business  
4 using the exhibits associated with your witness, Ms. Holloway,  
5 and her initials, LH, and labeled them LH-1, LH-2, LH-3, and  
6 LH-4.

7 I think it might be easier to just admit these all at  
8 once and make sure that Mr. O'Bannon doesn't have any objections  
9 to me considering them.

10 At this point, if you can describe them, and then  
11 we'll go through Mr. O'Bannon's documents as well and get those  
12 marked and labeled.

13 MR. FASSIO: Certainly, Your Honor. I will describe  
14 them for the record.

15 Would you like me to describe these as LH-1, or just  
16 simply Exhibit 1? What's going to be --

17 JUDGE TOREM: Just the numbers would be fine.

18 MR. FASSIO: Okay. Staff's Exhibit 1, these are  
19 printouts from the Bekins Northwest website,  
20 [www.bekinsmovingandstorage.com](http://www.bekinsmovingandstorage.com). This is a six-page exhibit.

21 Exhibit 2 is a screen shot of the Facebook page for  
22 Bekins Northwest. This a one-page exhibit.

23 Exhibit 3 is the penalty assessment in Docket  
24 TE-140170, dated February 3rd, issued to Bekins -- or, I'm  
25 sorry -- issued to Northwest Movers, LLC, Northwest Movers

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1 Central, LLC, Bekins Northwest, Kris and Lauri O'Bannon, in the  
2 amount of \$7,000. This document is provided here, but it is  
3 also, I understand, already in the record in this docket, so we  
4 have included it here for ease of reference.

5 And Exhibit LH-4 is a three-page document. And this  
6 is a Commission Order 01 in Docket TV-131510, Order Denying  
7 Request for Mitigation, in the matter of a penalty assessment  
8 against Olympic Moving & Storage, Incorporated, in the amount of  
9 \$4700. And this is a three-page exhibit.

10 JUDGE TOREM: Okay. Mr. O'Bannon, do you have copies  
11 of all four of those proposed exhibits?

12 MR. O'BANNON: Yes, sir; I do.

13 JUDGE TOREM: Now, the word "admit" is a formal legal  
14 term, so I could admit them into the record, but it doesn't mean  
15 you have to admit anything in them is true.

16 My understanding is that Ms. Holloway's going to be  
17 called to testify and explain the significance of what the  
18 Commission thinks each of these documents stands for, and then  
19 you'll have that chance to ask her questions about that as we go  
20 forward.

21 Do you have any problem with me considering these  
22 documents as potential evidence?

23 MR. O'BANNON: The first three documents have  
24 relevance to this case. I am not clear on the relevance of the  
25 fourth document, which pertains to a request that Olympic Moving



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1 & Storage had submitted on a completely separate violation.

2 JUDGE TOREM: Mr. Fassio?

3 MR. FASSIO: Yes, Your Honor. This document is  
4 relevant. Staff will be briefly addressing the importance of  
5 this document in testimony as to the relevance, but, basically,  
6 at this point for the record, as an offer of proof, Staff will  
7 be testifying that Olympic Moving & Storage, Incorporated, is  
8 also owned by Mr. and Mrs. -- or Kris and Lauri O'Bannon, and so  
9 it is relevant in terms of the penalties and any mitigation that  
10 would be -- it goes towards the mitigation issue as it might  
11 pertain to this matter but nothing more.

12 JUDGE TOREM: So if I understand correctly, you're  
13 suggesting that if the Commission is able to say that a penalty  
14 should be imposed, any argument that it should be reduced for a  
15 lack of knowledge or prior familiarity with this administrative  
16 code provision would be defrayed by this particular exhibit?

17 MR. FASSIO: That is correct, Your Honor. Staff will  
18 be testifying as to the prior familiarity of the principles in  
19 this case.

20 JUDGE TOREM: Okay. Does that make sense,  
21 Mr. O'Bannon, as to why Staff thinks it's relevant?

22 MR. O'BANNON: The basis that there was a penalty  
23 issued on this particular case is a -- my understanding is a  
24 different violation than the current violation that we're  
25 talking about.

0010

1 Is...

2 JUDGE TOREM: Okay. Well, let's --

3 MR. O'BANNON: Is that your understanding as well?

4 JUDGE TOREM: It's a separate case, yes --

5 MR. O'BANNON: A separate case?

6 JUDGE TOREM: -- but I think...

7 MR. O'BANNON: The violations?

8 JUDGE TOREM: The WAC provision is the same,

9 480-15-187. I think that's where the similarity --

10 MR. O'BANNON: Okay.

11 JUDGE TOREM: -- between the two cases is being  
12 suggested.

13 MR. O'BANNON: That is fine.

14 JUDGE TOREM: All right. Let's take a look at the  
15 documents you sent us a note about back on Monday the 14th, and  
16 I think there were three total documents; is that right?

17 MR. O'BANNON: The documents that we submitted,  
18 Document 1 is the asset purchase agreement, front and back page.

19 Document 2 would be a letter from Rick Campbell who  
20 the UTC had a phone interview with or they had some questions  
21 regarding a conversation that Mr. Campbell had with the UTC.

22 JUDGE TOREM: Okay. And that's the letter dated just  
23 last Thursday, the 17th?

24 MR. O'BANNON: The 17th; yes, Your Honor.

25 JUDGE TOREM: Okay.

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1           MR. O'BANNON: 3 would be a similar letter from Steve  
2 Suhre, who is the general manager of the Seattle branch. Again,  
3 the Utilities and Transportation Commission had a conversation  
4 with Mr. Suhre, and so we feel that this response is...

5           JUDGE TOREM: Okay. And that one doesn't have a date  
6 on it, right?

7           MR. O'BANNON: No, sir; it does not.

8           JUDGE TOREM: Okay. All right. The fourth document?

9           MR. O'BANNON: The fourth document is dated February  
10 5th, and it is a letter from Jeff Gish, the owner of Action and  
11 Accountable, requesting that their permit be canceled.

12          JUDGE TOREM: And then you have one more exhibit, it  
13 looks like?

14          MR. O'BANNON: Yes. This is an e-mail conversation  
15 between Tina Leipski and Jill Ihly, confirming that when a  
16 moving company would like to start a second location at another  
17 branch to its current operating area, that there is no  
18 requirement to notify the Utilities and Transportation  
19 Commission of a moving company adding a second branch.

20          JUDGE TOREM: Okay. So there's five documents total.

21          Mr. Fassio, I'm just going to mark these as NW for  
22 the company's initials, Northwest, and 1 through 5, so we can  
23 refer to them that way.

24          (Exhibit Nos. NW-1 - NW-5 were marked for identification.)

25          JUDGE TOREM: I will just keep them in the same order

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1 that Mr. O'Bannon's listed them.

2 Have you had a chance to look these over?

3 MR. FASSIO: We did, Your Honor. We actually -- when  
4 we learned of the -- when we learned of the existence of  
5 documents through that e-mail, we did request on Friday copies  
6 of these, and so we have had a chance to take a look at these.

7 I would like to -- I don't know if it's register an  
8 objection, but on NW-1, it is an asset purchase agreement, but  
9 there is only -- and it says page 1 of 19, and there's only a  
10 page 1 and a page 18. And so I guess I would object to the  
11 relevance of only having these two pages of this document as  
12 part of the record.

13 JUDGE TOREM: Yeah. Typically, Mr. O'Bannon, we like  
14 to have the full document for completeness.

15 Was there something -- I'm unfamiliar with how long  
16 these real estate purchase and sales agreements can be.

17 MR. O'BANNON: Certainly.

18 JUDGE TOREM: Why did you pick just these two pages  
19 to represent the agreement?

20 MR. O'BANNON: The inner workings of the asset  
21 purchase agreement we did not feel that -- because this is going  
22 in the public record that the inner workings of the purchase and  
23 sale agreement we wanted to share with the public. Confidential  
24 information is enclosed in this.

25 JUDGE TOREM: Okay.

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1                   MR. O'BANNON: The relevance is the fact that this  
2     asset purchase and sale agreement is between Bellingham Transfer  
3     and the Gishes, so it's of our opinion that this hearing is  
4     against the wrong company; you know, essentially the penalty  
5     assessment is against Northwest Movers, Northwest Movers  
6     Central, which they had no party to this asset purchase and sale  
7     agreement.

8                   JUDGE TOREM: Okay. So what I'm hearing you say is  
9     that the relevant part to all of this is who bought the  
10    Gishes' --

11                   MR. O'BANNON: Absolutely.

12                   JUDGE TOREM: -- company, and you're saying it wasn't  
13    your company by presenting this?

14                   MR. O'BANNON: And that is the only purpose for the  
15    asset purchase agreement.

16                   JUDGE TOREM: So with that in mind, Mr. Fassio, it  
17    may make it harder for me to give -- until I get the whole  
18    context of it, does that satisfy the inquiry from the Commission  
19    Staff on this exhibit?

20                   MR. FASSIO: For purposes of this we understand that  
21    the company's represented confidential information. And so if  
22    there are any questions that pertain to this that are of a  
23    confidential nature, I would trust that -- that that would be  
24    brought forward if there are, yeah.

25                   JUDGE TOREM: All right. So there may be some

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1 questions posed, whether it's under cross-examination, depending  
2 when you describe this.

3 MR. O'BANNON: Mm-hm.

4 JUDGE TOREM: If it's not obvious in the document,  
5 then clearly Mr. Fassio might be able to ask you some questions  
6 to bring out the full story and hopefully not breach any of that  
7 confidential information whether it's purchase price or  
8 something else going on.

9 MR. O'BANNON: Mm-hm.

10 JUDGE TOREM: Mr. Fassio, any other concerns on  
11 Northwest Movers' exhibits?

12 MR. FASSIO: The only other concerns I would have,  
13 Your Honor, are that the exhibits, NW-2 and NW-3, are not -- are  
14 letters but they are not sworn statements and subject to  
15 cross-examination either so that they be accorded that day.

16 JUDGE TOREM: All right. And I certainly understand.  
17 Let me explain for Mr. O'Bannon.

18 The nature of this concern or objection that  
19 Mr. Fassio is making is that neither Mr. Campbell or Mr. Suhre  
20 are available today to be questioned, and so these are  
21 statements that are made not subject to cross-examination and  
22 might be given lesser weight. They wouldn't be as thoroughly  
23 examined as if they might be here today, so I will accept that,  
24 the letters, as a form of telling me what's happened.

25 But if I have to compare it and give weight to your

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1 sworn testimony or Ms. Holloway's or any other witness that  
2 testifies, they'll get lesser weight.

3 MR. O'BANNON: And I would be in agreeance with that  
4 as long as the, you know, Commission or yourself would  
5 understand that those individuals would not necessarily know the  
6 inner workings of the purchase and sale agreement. So by them  
7 being asked questions by Mrs. -- I believe it's Mrs. Holloway,  
8 they may not understand the inner workings of the asset purchase  
9 and sale agreement, so, therefore, their response may not be  
10 accurate.

11 JUDGE TOREM: Understood. I think I understand what  
12 the -- from the brief skim that I gave them what the letters are  
13 purporting to stand for.

14 All right. Mr. Fassio, any other notes on the  
15 exhibits today?

16 MR. FASSIO: No, Your Honor.

17 JUDGE TOREM: All right. Well, then let's move ahead  
18 into the hearing itself, and, again, the purpose of this is to  
19 give each side a chance to state its cause.

20 I'm going to allow the Commission to give a quick  
21 opening summary of what they expect the evidence to prove, and  
22 then if you would like to take just a few moments to say, Here's  
23 what I think and why I'm here today, we can do that.

24 Then I'll swear in the witness for the Commission,  
25 hear her testimony, any cross-examination you have, and then

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1 we'll have the Company put on your testimony, I presume, and  
2 anyone else that's here with you today.

3 Mr. Fassio?

4 MR. FASSIO: Thank you, Your Honor. It's just a  
5 fairly short preliminary statement.

6 Staff will be presenting evidence today through the  
7 testimony of Ms. Lynda Holloway as to the penalty assessment,  
8 and Staff does intend to make a recommendation in this case.  
9 However, I may be reserving Staff's recommendation or reserving  
10 the right to recall Ms. Holloway after the Company has had an  
11 opportunity to present their case before presenting Staff's  
12 recommendation.

13 At this time, Staff calls Ms. Lynda Holloway.

14 JUDGE TOREM: All right. Before we do that, let me  
15 see if Mr. O'Bannon wants to state an opening first, or do you  
16 want to hear what the Commission witness has to say first?

17 MR. O'BANNON: Well, the opening statement that I  
18 would have is that I would feel that this hearing ought to be  
19 dismissed based on the fact that Northwest Movers and Northwest  
20 Movers Central is not party to this case and that this suit  
21 really should be filed against Bellingham Transfer. They're two  
22 separate ownership; two separate companies.

23 JUDGE TOREM: All right. Let me swear in the  
24 witness.

25 Thank you, Mr. O'Bannon.



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1                   If you'll stand and raise your right hand,  
2 Ms. Holloway.

3                   Do you, Lynda Holloway, solemnly swear or affirm that  
4 all testimony you'll provide in this proceeding will be the  
5 truth?

6                   MS. HOLLOWAY: Yes.

7

8                                           LYNDA HOLLOWAY,  
9           witness herein, having been first duly sworn on oath, was  
10                                           examined and testified as follows:

11

12                                           D I R E C T   E X A M I N A T I O N

13 BY MR. FASSIO:

14           Q.       Please state your name for the record.

15           A.       Lynda Holloway.

16           Q.       And can you spell that for the record, please.

17           A.       Lynda is spelled L-y-n-d-a; Holloway,  
18 H-o-l-l-o-w-a-y.

19           Q.       Please state the name of your employer.

20           A.       The Washington Utilities and Transportation  
21 Commission.

22           Q.       And in what position are you employed by the  
23 Commission?

24           A.       Currently, I'm employed right now as the damage  
25 prevention program manager for the pipeline safety section.

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1 Prior to that, I was a compliance investigator in consumer  
2 protection communications.

3 Q. And please briefly describe your responsibilities as  
4 they pertain to this matter.

5 A. As it pertains to this matter, I conduct  
6 investigations into the business practices of utilities and  
7 transportation companies regulated by the Utilities and  
8 Transportation Commission. That includes household goods  
9 carriers. I also recommend -- I used to recommend enforcement  
10 actions against companies that violated Commission rules and  
11 laws.

12 Q. Now, I'm going to ask you some preliminary questions  
13 here.

14 First, does Northwest Movers, LLC, and Northwest  
15 Movers Central, LLC, currently hold permits for household goods  
16 authority?

17 A. Yes, they do.

18 Q. Approximately when did they obtain that authority?

19 A. Northwest Movers, LLC, was granted authority on  
20 November 21st of 2013, through a transfer of acquisition of  
21 Bekins Moving & Storage Company, and they were issued  
22 Permit No. HG-908. The application identified equal ownership  
23 by Kris and Lauri O'Bannon, and their application stated they  
24 provide moving services in the Seattle and surrounding areas.

25 Northwest Movers Central, LLC, was granted authority

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1 on October 3rd of 2013, and they were issued a temporary  
2 household goods permit number, 651781. The application  
3 identified equal ownership by Kris and Lauri O'Bannon, and their  
4 application stated that they would be providing moving services  
5 in the Pasco, Yakima, and surrounding areas.

6 Q. According to Commission records, is Bekins Northwest  
7 a trade name of Northwest Movers, LLC, and Northwest Movers  
8 Central, LLC?

9 A. Yes, it is.

10 Q. And those names appear on those permits that you just  
11 described?

12 A. Yes, they do.

13 Q. So -- I'm sorry. Bekins Northwest appears on those  
14 permits?

15 A. Yes, they do.

16 Q. Must a company operate under the name or names listed  
17 on the permit?

18 A. Yes. To be in compliance with WAC 480-15-390, it  
19 states that a carrier must conduct operations under the exact  
20 name shown on its household goods permit. If a carrier does  
21 business under a trade name or an assumed name, that name must  
22 also appear on their permit.

23 Q. And in order to add a trade name to a permit, to an  
24 existing permit, is an application required by the -- with the  
25 Commission?

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1           A.       Yes, it is. In accordance with WAC 480-15-400, a  
2 household goods company must file an application with the  
3 Commission to add a trade name or to change its name on their  
4 permit prior to using that trade name.

5           Q.       And may a carrier advertise or operate under any name  
6 that's not listed on their permit before the Commission approves  
7 that application?

8           A.       No, not before it's been approved.

9           Q.       So at the time of your investigation, the penalty  
10 assessment in this case, which permit holders, to your  
11 understanding, had the trade name Bekins Northwest authorized by  
12 the Commission?

13          A.       Northwest Movers, LLC, and Northwest Movers Central,  
14 LLC.

15          Q.       And corresponding to that, to your knowledge, has the  
16 Commission authorized the addition of this trade name to any  
17 other company?

18          A.       No.

19          Q.       So for purposes of my questions going forward, I'll  
20 be referring to the companies named in the penalty assessment,  
21 Northwest Movers, LLC, d/b/a Bekins North --

22          A.       Can I go back on the last question? The trade name  
23 was used by another moving company that's no longer in business.  
24 It was acquired by the O'Bannons when they started Northwest  
25 Movers, LLC, and that trade name also went with it. But it was

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1 previously used by a different company I had mentioned earlier.

2 Q. Thank you. So just for purposes of my questions  
3 going forward, I will be referring to the companies listed in  
4 the penalty assessment as Bekins Northwest for ease of  
5 reference.

6 A. Okay.

7 Q. Who do you understand the owners of Bekins Northwest  
8 to be?

9 A. Kris and Lauri O'Bannon.

10 Q. And do Mr. -- or do either Kris or Lauri O'Bannon  
11 also own other household goods companies holding permits with  
12 the Commission that are not at issue today -- or I'm sorry --  
13 that are not listed as parties on the penalty assessment?

14 A. Yes, they do. Either one or other of their names are  
15 on Olympic Moving & Storage, Incorporated, Olympic Moving &  
16 Storage II, LLC, Nowadnick and Sons, Incorporated, and then  
17 Bellingham Storage & Transfer, although I don't believe Kris's  
18 name appears on Bellingham.

19 Q. Did you conduct an investigation into Bekins  
20 Northwest that culminated into the penalty assessment issued in  
21 this proceeding?

22 A. Yes, I did.

23 Q. And approximately when did this investigation take  
24 place?

25 A. It started early January 2014.

0022

1 Q. And turning to Exhibit 3, Staff's Exhibit 3, is this  
2 a copy of the penalty assessment that was issued in this  
3 proceeding?

4 A. Yes.

5 Q. And when was that issued?

6 A. It was issued February 3rd of 2014.

7 Q. What statutes and/or rules do you understand are at  
8 issue in this proceeding?

9 A. WAC 480-15-187, which requires a company to file an  
10 application with the Commission prior to transferring or  
11 acquiring control of the household goods permit. The Company  
12 also -- or the Company must file that application with the  
13 Commission prior to acquiring the permit.

14 And then the rule that's related to that statute is  
15 RCW 81.80.270, which sets off that a company shall not acquire  
16 control of a household goods carrier holding a permit without  
17 the approval first of the Commission.

18 Q. Can you briefly describe the importance of these  
19 requirements for Commission regulation? Why are these  
20 requirements important?

21 A. Yes, I can. The Commission needs accurate  
22 information on ownership for purposes of responding to consumer  
23 complaints, about the Company's complaint history, past  
24 violations, permit status. Also for assisting consumers with  
25 informal complaints or inquiries.

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1           It kind of frustrates the Commission's ability to do  
2 their job, helping consumers, when they're unaware of the exact  
3 ownership of a company. For instance, currently, there's an  
4 illegal household goods carrier that's operating under the exact  
5 same name as a permitted carrier. It took a lot of research to  
6 figure out who was the illegal and who was the permitted  
7 carrier, so it's important to have exact information on each  
8 company about their names; their names they'll be using.

9           Q.       I'll ask you a few questions now specifically about  
10 your investigation.

11           What prompted the investigation of Bekins Northwest  
12 that culminated in this penalty assessment?

13           A.       Initially, it started early in January. I received  
14 an e-mail from our regulatory services section asking me to  
15 contact Steve -- and I'm not sure if you say his last Suhre or  
16 Suhre. I'll spell it. S-u-h-r-e -- regarding a Tariff 15-C  
17 question. I called him, and we had a discussion about the  
18 question that he had. And then at the end of the conversation,  
19 as I always do, I asked which company he was from. He told me  
20 he was from Bekins Northwest; however, it used to be Action  
21 Moving.

22           So -- and at that point, the call ended, and then I  
23 had decided to do some research because I was kind -- I had been  
24 familiar with some of the Bekins Northwest/Action -- well, and  
25 from the last penalty assessment, so I basically went to go

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1 check to see if an application had been filed to acquire Action  
2 Moving Services.

3 Q. And when you looked to see if a document had been  
4 filed, did you find any such document?

5 A. No, I didn't.

6 Q. After your call to -- or after your speaking to  
7 Mr. Suhre, what did you and -- and checking to see if an  
8 application had been filed, what did you do next as part of your  
9 investigation?

10 A. Well, I wanted to call him back and see if we could  
11 get a little more information to see if an application was going  
12 to be filed. I called and left him a voice mail, and that voice  
13 mail was never returned.

14 At that point, I had other projects I was working on,  
15 so I just kept the notes and set them aside for a while and put  
16 it on hold to work on a few other projects.

17 Q. And did you mention exactly which day? Do you recall  
18 exactly when it was that you first had spoken to this gentleman?

19 A. I don't recall the exact date. I just know it was  
20 early in January we had our first conversation -- well, the only  
21 conversation, truthfully.

22 Q. Did you have any further -- did you then take any  
23 other action or make any other contacts with Action Moving or  
24 Bekins Northwest to investigate further?

25 A. Yes, I did. Well, I had another interaction with



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1 another employee of Bekins -- well, he said he was from Bekins.  
2 A few weeks after I had talked to Mr. Suhre, I received a call  
3 from a Bekins' employee by the name of Rick Campbell. He was  
4 asking also for technical assistance. We spoke for some time,  
5 and I believe he initially called and left a voice mail. Then  
6 when I called him back, the telephone line was answered Bekins  
7 Northwest. And then as we spoke, he told me he was located in  
8 Spokane, and we spoke about his technical assistance.

9           And I then inquired if -- if he was Bekins  
10 Northwest's employee, and he had mentioned that Bekins had  
11 recently acquired Action Moving Services in the Spokane area.

12       Q.     Did Mr. Campbell indicate, or did you ask when  
13 this -- when this acquisition had taken place?

14       A.     Not initially. I didn't ask them. I ended the call.  
15 And then since it had been a few weeks since I had talked to the  
16 other gentleman, I went back and looked at the database to see  
17 if something had then been filed and still found nothing, so I  
18 attempted to call him back. Actually, I made several calls. I  
19 called the Seattle office and then the Spokane offices just  
20 waiting for the phone to be picked up. And then when they would  
21 answer Bekins Northwest, I would say, Oh, I thought I had called  
22 Action. And each person I spoke to said it used to be Action,  
23 but now it's Bekins Northwest. Bekins Northwest has acquired  
24 this company in both Seattle and Spokane. I got the same  
25 reaction -- or the same response from their employees.

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1 Q. I would like to ask you to clarify.

2 When you say you called the phone numbers, which  
3 phone numbers were you dialing? Were you calling specific --  
4 which phone numbers were you calling to?

5 A. I called several different phone numbers. I called  
6 phone numbers that were left by Rick Campbell. Obviously, I  
7 called the phone number that Steve Suhre had left. I also did  
8 Internet searches and used those phone numbers from the  
9 websites, too.

10 Q. But were you calling any phone numbers that the  
11 Commission had recognized were phone numbers belonging to Action  
12 Moving Services, or were you calling phone numbers that --

13 A. Yes. I also went to our company database and got the  
14 number for Action Moving Services and called that number  
15 directly, and it was also answered Bekins Northwest.

16 I then looked up company information on Action Moving  
17 Services and saw that it was owned by, it appeared to be, Jeff  
18 and John Gish and Melissa Gish. And so I called back asking if  
19 they still work there, and I was told yes, or at least --  
20 actually, I just asked for Jeff Gish at that time, and I was  
21 told, yes, he was an employee there and offered to transfer on  
22 to speak to him. At that point I just ended the call.

23 Q. So you've testified as to a number of conversations  
24 that you had with employees.

25 Can you recall generally -- and these were in late

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1 January?

2 A. Yes. I think I -- I had documented that around  
3 January 29th was when I spoke to Rick Campbell initially, and  
4 then I called him back again on January 30th for more specific  
5 questions.

6 Q. Approximately how many different conversations did  
7 you probably have with employees when you dialed these numbers?

8 A. Over six, I would say.

9 Q. And?

10 A. At one point I -- because there was just -- I wasn't  
11 sure of the ownership of the company. And like I said, it's  
12 frustrating to not be able to figure out when a company owns or  
13 is using a trade name. Like I said, just because of the fact  
14 that illegal movers will do that sometimes, I just decided to  
15 call Rick Campbell back directly and talk to him.

16 And I just said point-blank, I need to ask you. Did  
17 Bekins Northwest acquire Action Moving?

18 And he said yes.

19 And I said, Bekins Northwest owned by Kris and Lauri  
20 O'Bannon?

21 He said yes.

22 I then said, Okay.

23 And, actually, he offered that they had bought, you  
24 know, locations in Yakima and Pasco and Mountlake Terrace, which  
25 I was already aware of that from our last penalty assessment, so

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1 I thanked him for his time and hung up.

2 Q. And just to clarify, did you mention when -- did he  
3 mention at all when that had occurred?

4 A. Yes. I asked him if he knew the date, and he said it  
5 was November 22nd. He was very precise about it.

6 Q. In the course of your investigation, did you  
7 investigate the status of Action Moving with any other State  
8 agencies?

9 A. Yes. I looked up the registrations on the Secretary  
10 of State's corporate registration and then also the Department  
11 of Revenue registration.

12 Q. Did the Commission receive any other information from  
13 the moving industry, for example, regarding this issue?

14 A. Yes. Not myself directly, but other Commission Staff  
15 had received an e-mail from the executive director of the  
16 Washington Movers Conference, and he was concerned about  
17 possible acquisition of Action Moving Services by Bekins.

18 And he has access to our database, too, so I'm  
19 assuming that he didn't find that they had filed the application  
20 for the acquisition at that point. He also in the e-mail  
21 provided a couple of e-mail links back to websites operated by  
22 Bekins Northwest.

23 Q. Did you prepare an exhibit that shows parts of the  
24 Bekins Northwest website that were links provided to you?

25 A. Yes.

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1 Q. And if you could, turn to Exhibit 1.

2 Can you please explain this exhibit?

3 A. It's a copy of Bekins Northwest's website showing  
4 locations. Actually, in particular, I was interested in the  
5 location in Spokane because I was unaware that they had a  
6 location in Spokane.

7 And then, additionally, on page 2 -- well, let me  
8 see. I'm sorry -- page 3, there was a review that was completed  
9 by a consumer that noted that he had worked with Mr. John Gish  
10 to arrange the move, and so it gave me another indication that  
11 the Gishes were then involved with Bekins Northwest or was still  
12 employed -- been employed by Bekins Northwest.

13 Q. And John Gish, again, was -- and who is John Gish  
14 again?

15 A. He was one of the original owners of Action Moving,  
16 Accountable Moving Services.

17 Q. Are you aware of any other informal inquiries by any  
18 members of the public to the Commission?

19 A. Yes, I was. Well, I wasn't prior to -- prior to the  
20 penalty assessment I wasn't, but as of a few weeks ago, I did  
21 find an inquiry. A consumer called and was not comfortable  
22 opening a complaint but had questions to our complaint Staff  
23 regarding Bekins Northwest and Action. He, in his inquiry, said  
24 that he had hired Action to move his stuff from one home, put it  
25 in storage, and then from storage it was supposed to go to his

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1 new home. In the middle of it, when it got -- when it's time  
2 for him to move to his new home, he was told that the Company  
3 had been -- in his words he said bought out by Bekins Northwest,  
4 and his household goods were moved to a different storage  
5 facility.

6 Q. And at the time of the penalty assessment in this  
7 case, were you aware whether Action Moving Services had ever  
8 notified the Commission that it had ceased operations and its  
9 desire to relinquish its permit --

10 A. No.

11 Q. -- at the time of the penalty assessment?

12 So what did you -- what did Staff conclude as a  
13 result of your investigation?

14 A. Staff concluded that Action Moving Services' permit  
15 number was still effective and in effect, and that Bekins  
16 Northwest was operating using that permit number out of the  
17 Spokane office.

18 Q. And did you primarily base your conclusions in your  
19 investigation on representations of people that you had spoke  
20 with who had identified themselves as being with Bekins  
21 Northwest?

22 A. Yes.

23 Q. And how many violations did your investigation find?

24 A. The investigation resulted in 70 violations.

25 Q. And how did you calculate those violations?

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1           A.       Those were calculated a hundred dollars a day from  
2 November 22nd to January 31, 2014.

3           Q.       Since the penalty assessment has been issued, have  
4 you had any further contacts with Bekins, with individuals from  
5 Bekins Northwest?

6           A.       Yes.

7           Q.       Can you describe those?

8           A.       Since the penalty assessment was issued, I have  
9 called the number several times and actually identified myself  
10 as looking for Action Moving Services, and, again, the employee  
11 said the same thing, Oh, we're not -- We're not Action anymore.  
12 We were acquired by Bekins Northwest, so the words of their own  
13 employees.

14          Q.       And when you say you "called the number," what  
15 numbers? What number or numbers was that?

16          A.       The numbers listed on the website and the number  
17 that's in the Commission database for Action Moving Services.

18          Q.       So the number is listed on the Bekins Northwest  
19 website?

20          A.       Yes.

21          Q.       And the numbers listed in the Commission's database  
22 for Action Moving --

23          A.       Yes.

24          Q.       -- Services?

25          A.       Yes.

0032

1 Q. Other than looking at their website prior to the  
2 investigation's conclusion, have you researched any other  
3 aspects of Bekins Northwest's online presence?

4 A. Yes. I pulled up a website -- or not a -- I'm  
5 sorry -- website. -- a Facebook page for Bekins Northwest and  
6 found -- and we didn't use it as an exhibit, but found that the  
7 Facebook page was most likely a Facebook page for Action Moving  
8 Services.

9 Q. Well, let me pause there for a moment.  
10 We do have that as an exhibit -- or, actually, we  
11 have Exhibit LH-2.

12 A. Okay. Sorry.

13 Q. If you don't have a copy of that, I can...  
14 Yeah. And is this document something that you  
15 produced?

16 A. Yes.

17 Q. And I guess at this point, can you explain what this  
18 shows or can you explain the exhibit, please?

19 A. The exhibit is, like I said just a moment ago, Bekins  
20 Northwest's Facebook page. However, I think something to note  
21 on is the web address. On the top line of the page, it shows  
22 the [www.facebook.com/#!](http://www.facebook.com/#!), but then it says Action Moving  
23 Services, so I think this could cause some confusion to maybe a  
24 consumer looking at this Facebook page.

25 And then as you -- I know you didn't print off the



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1 rest of the Facebook page, but if you scroll down through it,  
2 it's apparent that a lot of the posts refer to Action Moving  
3 Services, including a sign in the lobby basically identifying,  
4 We just got our new sign.

5           So although the -- the Facebook page says Bekins  
6 Northwest, but a lot of the stuff within it identifies Action.

7       Q.     So in reviewing the page, did it appear to you -- I  
8 guess to summarize your testimony that this was -- that this  
9 perhaps was originally a Facebook page for Action Moving  
10 Services that is now a Facebook page identifying Bekins  
11 Northwest?

12       A.     Yes, I believe so.

13       Q.     And that's based on your reviewing of just looking at  
14 different posts historically and seeing the name of Action  
15 Moving Services mentioned in earlier posts?

16       A.     Yes.

17       Q.     I'm going to ask you about the status of Action  
18 Moving Services' permit now.

19           As of the date of the penalty assessment, was Action  
20 Moving's permit active?

21       A.     Yes, it was.

22       Q.     Did anything happen after the penalty assessment to  
23 change the status of that permit?

24       A.     Yes. After the penalty assessment was issued, the  
25 Commission received a letter from, I believe, Jeff Gish, asking

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1 that the permit be canceled.

2 Q. And, for the record, can you refer to a docket number  
3 for that request?

4 A. (Witness reviews document.)

5 I believe it's TV-140198.

6 Q. And approximately when did that filing come in?

7 A. February 10th of 2014.

8 Q. Let me ask you this: Is a carrier who ceases  
9 operations and abandons the rights under a permit required to  
10 notify the Commission within 30 days of cessation?

11 A. Yes.

12 Q. And do you happen to know the authority for that?  
13 Actually, you don't have to testify to that, unless you're aware  
14 of what authority directly that falls under.

15 A. Not off the top of my head.

16 Q. Okay. Has either Bekins Northwest, as I have  
17 explained, or its owners, either Mr. -- or Kris or Lauri  
18 O'Bannon, ever been subject to an enforcement action for  
19 violations of WAC 480-15-187?

20 A. Yes.

21 Q. Can you explain that?

22 A. On August 16th, the O'Bannons were assessed a penalty  
23 of \$4,700 for 47 violations of WAC 480-15-187, which requires  
24 carriers to file an application prior to acquiring control of a  
25 company. Staff discovered these violations when the O'Bannons

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1 acquired Bekins Moving & Storage.

2 Q. And if I could ask you to refer to Exhibit LH-4, is  
3 this a copy of -- actually, let me ask: Can you refer to  
4 Exhibit LH-4, please?

5 A. (Witness reviews document.)

6 Q. Is this a copy of an order in the docket for that  
7 penalty assessment?

8 A. Yes, it is.

9 Q. And, for the record, who is the -- who is that  
10 penalty assessment issued against specifically?

11 A. Specifically on the order it says Olympic Moving &  
12 Storage, Incorporated.

13 Q. But who do you understand to be the owner of Olympic  
14 Moving & Storage, Incorporated?

15 A. Kris and/or Lauri O'Bannon.

16 Q. And did this company subsequently file an application  
17 to acquire the Company that was at issue in that proceeding?

18 A. That particular company did not. They created a new  
19 company, Northwest Movers, LLC.

20 Q. Okay. So that formed the basis for the -- for the  
21 permit that is now in their -- under their control?

22 A. Yes.

23 Q. And have -- other than -- let's see.

24 In your opinion, are the owners of Northwest Movers,  
25 LLC, and Northwest Movers Central, LLC, doing business as Bekins

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1 Northwest, particularly Kris and Lauri O'Bannon, familiar with  
2 the Commission's requirements to submit an application prior to  
3 acquiring control of a permitted company?

4 A. Yes.

5 MR. FASSIO: Thank you. That concludes my questions  
6 of Ms. Holloway at this time. Staff would like to reserve its  
7 recommendation regarding the recommendation until after the  
8 Company's presented its case.

9 May I have permission to recall Ms. Holloway after  
10 the Company has presented its case?

11 JUDGE TOREM: All right. That would be fine,  
12 Mr. Fassio. We'll see if that's necessary at the end of  
13 cross-examination and then Northwest Movers' case.

14 Mr. O'Bannon, this a chance for you to cross-examine  
15 Ms. Holloway. She's under oath.

16 If you want to take a minute to gather your thoughts  
17 or you just have questions you want to ask her, this is a good  
18 time to do it.

19 MR. O'BANNON: Okay. Yeah. I appreciate that, Your  
20 Honor.

21

22 C R O S S - E X A M I N A T I O N

23 BY MR. O'BANNON:

24 Q. Mrs. Holloway, you've made contact with several  
25 employees at -- you've called many times --

0037

1 A. Several.

2 Q. -- during your investigation to try to find out --  
3 try to have some clarity to who the actual ownership is; is that  
4 correct? You've made several telephone calls to employees?

5 A. Yes. Well, not to employees in particular, but to  
6 the Company.

7 Q. To the Company?

8 A. Yes.

9 Q. At any time, did any of the employees represent  
10 themselves as Action?

11 A. No. They represented themselves as working for  
12 Bekins Northwest.

13 Q. Okay. At any time, did you ask for -- during your  
14 investigation to talk with the owners directly? Yeah. Sorry.

15 At any time, did you ask to talk to the owners  
16 directly --

17 A. No.

18 Q. -- Kris or Lauri?

19 A. No.

20 Q. And were you aware that Kris or Lauri O'Bannon were  
21 the owners of the Mountlake Terrace location, as well as the  
22 Spokane location?

23 A. I was aware that they were owners of the Mountlake  
24 Terrace location but not Spokane.

25 Q. Not Spokane. When you called -- when you talked to

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1 Rick and he represented himself as an employee of Bekins  
2 Northwest, did that -- did you identify Bekins Northwest with  
3 Mountlake Terrace or Kris and Lauri O'Bannon at that point? Did  
4 that thought come across your mind that maybe there's a  
5 correlation there?

6 A. I asked him directly.

7 Q. Mm-hm.

8 A. I asked him, Bekins Northwest? Does that mean the  
9 Bekins Northwest is owned by Kris and Lauri O'Bannon?

10 He said yes.

11 Q. At that time, was there a reason that you didn't  
12 contact Kris and Lauri O'Bannon directly to get the information  
13 directly from them versus relying on employees who may not have  
14 a good understanding of the asset purchase and sale agreement?

15 A. At that point, we decided not to and go with the  
16 penalty assessment since we had just went through it with the  
17 earlier penalty assessment.

18 Q. Mm-hm.

19 A. And you were found in violation of those rules.

20 Q. Is there any physical evidence that you have that  
21 showed that either Bekins Northwest, Northwest Movers, LLC,  
22 Bellingham Transfer, or any of the entities provided moving  
23 service under Action and/or Accountable's UTC permit number?

24 A. "Physical"? How do you mean "physical"?

25 Q. A bill of lading. Talking with a customer that was

0039

1 moved by Action during the point that we controlled their  
2 assets.

3 A. I can get a bill of lading if you would like me to  
4 produce one. I have one from the gentleman that called about  
5 the inquiry who first had a bill of lading from Action Moving  
6 Services and then a bill of lading from Bekins Northwest.

7 Q. What would be the approximate date on that?

8 A. Probably October, November.

9 Q. Is there a reason why that wasn't supplied? Because  
10 that would seem like pretty strong evidence.

11 Is there a reason that it wasn't supplied today?

12 A. It wasn't part of the original penalty assessment.  
13 It was what -- it was -- it actually came in after the penalty  
14 assessment was issued. He filed his inquiry.

15 Q. No offense, but I find that hard to believe that we  
16 would actually -- okay. I would challenge that.

17 JUDGE TOREM: And you'll have a chance when you  
18 testify.

19 MR. O'BANNON: Okay. Okay.

20 BY MR. O'BANNON:

21 Q. So -- all right.

22 A. I would say maybe -- you also talked about physical  
23 evidence. I mean, we're looking at the website, and there's a  
24 dot for Spokane showing that you have an office in Spokane  
25 providing services. We're calling that office, and they're

0040

1 answering Bekins Northwest --

2 Q. Right.

3 A. -- and we have no record of Bekins Northwest being  
4 there.

5 Like I said, it could have been an illegal moving  
6 company using your name, too, so we have to investigate it.

7 Q. Sure. Sure. And doing an investigation is not my  
8 concern. My concern is assessing a penalty without doing a  
9 thorough investigation by contacting, you know, the owners.

10 Is there a -- is there a WAC code that requires a  
11 buyer of assets to force the seller of those assets to file with  
12 the UTC a -- an asset sale?

13 A. Let me ask my counsel.

14 MR. FASSIO: I believe that he's asking a legal  
15 question perhaps that the witness is not qualified to answer.

16 JUDGE TOREM: Ms. Holloway, you either know the  
17 answer or you don't.

18 THE WITNESS: I don't know the answer.

19 BY MR. O'BANNON:

20 Q. Okay. Are you aware of anybody filing a document  
21 or -- or notifying the UTC -- let me scratch that.

22 So to clarify, as far as you're aware, there's no  
23 requirement for a seller to force the buyer to file notification  
24 with the UTC of them selling their assets as far as you're  
25 aware?



0041

1 A. As far as I'm aware.

2 Q. Okay. Are you aware of a WAC code or a law that --  
3 that would not allow us to hire previous owners of a moving  
4 company? For example, you had mentioned that you had called and  
5 asked for Jeff Gish, and they mentioned that he was an employee.

6 A. (Witness nods head.)

7 Q. Is there a rule against -- are you aware of a rule of  
8 us hiring a seller to work for a company that purchased a  
9 seller's assets? What is the correlation?

10 A. I think that --

11 MR. FASSIO: I'm going to object to this. I believe  
12 that she merely testified that she understood that Ms. -- that  
13 Mr. Gish worked for the new company. These questions are  
14 being -- she's being asked to speculate as to various different  
15 rules and also to perhaps testify as to speculate.

16 We don't know what the Company is going to be  
17 testifying himself, so I would sort of object or ask  
18 Mr. O'Bannon to focus his question perhaps to what she actually  
19 testified about.

20 JUDGE TOREM: Mr. O'Bannon, I think I'm going to have  
21 you rephrase the question.

22 MR. O'BANNON: Understood.

23 JUDGE TOREM: You were asking about the hiring of  
24 Mr. Gish.

25 MR. O'BANNON: Yeah. Let me rephrase my question.

0042

1 I'll move on.

2 BY MR. O'BANNON:

3 Q. So the only question I have remaining is, again, at  
4 this point, there's no physical evidence being presented that  
5 showed that the Company, either Northwest Movers, Northwest  
6 Movers, LLC, or Bellingham Transfer has utilized the permit?  
7 There's no physical evidence being presented; is that correct?

8 A. I think we went on the fact that the permit was still  
9 effective and viable.

10 Q. But there's no physical evidence at this point  
11 that has been presented today?

12 A. That you actually were using that permit?

13 Q. That proves, that substantiate that these companies  
14 have used the permit.

15 A. Well, the Company was in the facility apparently  
16 operating that location using that telephone number, so at that  
17 point, we thought that the Company was also using that permit.

18 Q. But there's no physical evidence at this point?

19 A. By "physical evidence," I'm not sure what you mean.

20 Q. A bill of lading.

21 A. No, I don't have a bill of lading.

22 MR. O'BANNON: Okay. That's all I have, Your Honor.

23 JUDGE TOREM: Mr. Fassio, additional follow-up  
24 questions?

25 MR. FASSIO: No, Your Honor.

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1

E X A M I N A T I O N

2

BY JUDGE TOREM:

3

Q. Ms. Holloway, you said -- earlier you mentioned a complaint that came up since the penalty assessment. This was the gentleman who had goods moved to storage by Action Moving Company?

7

A. (Witness nods head.)

8

Q. And you said that perhaps there was a bill of lading that would show two different permits: one with Action Moving and one with Bekins Northwest after they moved it out of storage.

11

12

Can you clarify that?

13

A. I would have to go look at the exact documents, but he started his move hiring Action, his move went into storage, and then when it was time to move it out, then I believe there's also a bill of lading by Bekins Northwest to move it out of storage.

17

18

MR. O'BANNON: Your Honor, may I comment on that?

19

JUDGE TOREM: Hang on just one second.

20

MR. O'BANNON: Sure.

21

THE WITNESS: But that he didn't -- he wasn't comfortable filing a complaint; that I believe it was also an issue of damage. He didn't want to file a complaint. He was calling for clarification. And everything was recorded, including PDFs of the documents --

25

0044

1 BY JUDGE TOREM:

2 Q. All right. Well --

3 A. -- and that was after the penalty assessment was  
4 issued.

5 Q. I think the issue that's here is just whether this is  
6 evidence supporting the Commission's argument that Bekins  
7 Northwest acquired this permit, so I'm not going to focus on  
8 what his claim may or may not have been.

9 A. Okay.

10 Q. But that's the one example you referred to with two  
11 different household goods permit numbers affixed to one move?

12 A. Mm-hm.

13 Q. And do you have any other evidence of Action Moving's  
14 permit being utilized once the O'Bannons apparently came into  
15 the picture on the Spokane or the Mountlake Terrace location?

16 A. I believe we're a little mixed up. It shouldn't be  
17 the Mountlake Terrace. It should be at the Seattle area  
18 location; Seattle area.

19 Q. Oh, I'm sorry. Seattle.

20 A. No.

21 JUDGE TOREM: Okay.

22 Mr. O'Bannon, if you have another question, I'll  
23 allow it now. But if you want to make a comment on the  
24 situation, we'll get your testimony under oath in just a few  
25 moments.

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1 MR. O'BANNON: Okay.

2 JUDGE TOREM: All right. Not seeing any further  
3 questions for Ms. Holloway, you can stay in the room and remain  
4 under oath in case Mr. Fassio has follow-up questions for you.

5 Mr. Fassio, any other witness or evidence you want to  
6 present with the Commission?

7 MR. FASSIO: No, Your Honor.

8 JUDGE TOREM: Okay. Let's shift, Mr. O'Bannon, to  
9 your case.

10 I'm going to ask you to stand and raise your right  
11 hand.

12 Do you, Mr. Kris O'Bannon, solemnly swear or affirm  
13 that all testimony you'll provide in this proceeding will be the  
14 truth?

15 MR. O'BANNON: I do.

16

17 KRIS O'BANNON,  
18 witness herein, having been first duly sworn on oath, was  
19 examined and testified as follows:

20

21 JUDGE TOREM: Can you state and spell your first and  
22 last name for the court reporter?

23 THE WITNESS: My name is Kris, K-r-i-s; last name  
24 O'Bannon, O-b-a-n-n-o-n.

25 JUDGE TOREM: All right. You don't have to ask

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1 yourself questions and answer them, but if you just want to give  
2 us a narrative as to your side of things and why you asked for  
3 this hearing and why you think the penalty assessment, as you  
4 said, should be dismissed, then Mr. Fassio may have some  
5 questions for you and so may I.

6 MR. O'BANNON: Certainly. In my opinion, the penalty  
7 assessment hearing should be based on -- should be dismissed  
8 based on a couple of different factors: One is that Northwest  
9 Movers -- Northwest Movers, LLC, named, in fact, never  
10 committed -- or never violated the WAC code.

11 The correct purchaser was Bellingham Transfer, the  
12 purchaser of the assets. The permit was never -- was never  
13 transferred. The permit was never purchased. We were very --  
14 because of the last incident that we had that was made reference  
15 to, I believe the Commission's document, LH-4, we were very much  
16 aware of the requirement to notify the Commission of an  
17 acquisition of control.

18 We were very -- we're aware of that and we made  
19 every -- every effort to make sure that the consumer knew that  
20 they were dealing with Bekins Northwest or Bellingham  
21 Transfer -- Bekins -- Bellingham Transfer, doing business as  
22 Bekins Northwest, to the point where any storage that was  
23 delivered out, the storage that we took over, the customer  
24 received a new estimate for the delivery out of storage on our  
25 estimate order for service, as well as our bill of lading, so

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1 every move was treated as two separate companies.

2 I understand there's been some communication that the  
3 UTC has had with staff, and it's unfortunate the staff didn't --  
4 did not represent themselves correctly. However, they're just  
5 not familiar with the inner workings of the asset purchase and  
6 sale agreement, but I challenge the UTC to provide evidence to  
7 support their claim, physical evidence. It is merely hearsay.  
8 And I think that's really what the case is about is, is -- is  
9 this a bunch of telephone calls, conversations with folks, or  
10 did the violation actually occur, and I'm stating the violation  
11 did not occur.

12 I know there's some testimony that Mrs. Holloway had  
13 some conversation with some employees, and it almost sounds like  
14 as Mrs. Holloway had some conversation with the employees,  
15 they -- they mentioned that Action was either bought out by  
16 Northwest Movers, or one of the other companies mentioned, but  
17 I'm sure they never represented themselves as Action, or doing  
18 business as Action.

19 I think that was pretty clear that -- any customers  
20 that called in, it was very clear that Bekins Northwest had  
21 purchased the assets of Action and/or Accountable, so -- so  
22 based on that, I think that the case ought to be dismissed.  
23 That's all I have.

24 JUDGE TOREM: Mr. Fassio, questions?

25

0048

1 C R O S S - E X A M I N A T I O N

2 BY MR. FASSIO:

3 Q. Mr. O'Bannon, Bellingham Transfer & Storage had not  
4 obtained any Commission approval to add Bekins Northwest as a  
5 trade name to their permit; is that correct?

6 A. Without having the physical document in front of me,  
7 I am not aware of whether that is a fact or not.

8 Q. Oh, okay. I'm sorry. Are you not -- you're not  
9 affiliated with Bellingham Transfer & Storage?

10 A. No, sir; I am not.

11 Well, let me rephrase that.

12 I am not an owner of Bellingham Transfer & Storage.

13 Q. Okay. So because you're not an owner, you don't --  
14 you're not able to testify as to what specifically Bellingham  
15 Transfer & Storage, how they're involved at all in this; is that  
16 correct?

17 A. Could you rephrase your question for me, please?

18 Q. I'll withdraw it.

19 Do you have any knowledge of -- you have testified as  
20 to the employees and what they may or may not have known, but  
21 you are not an owner of Bellingham Transfer & Storage, and so,  
22 therefore, you're not a party to any transfer agreements or  
23 anything that would have taken place between that company and  
24 Action Moving; is that correct?

25 A. I have quite a bit of knowledge of the inner



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1 workings. I have quite a bit of knowledge of the management of  
2 Bellingham Transfer, so, in fact, I do have quite a bit of  
3 knowledge regarding Bellingham Transfer.

4 I believe your question was whether or not Bellingham  
5 Transfer had -- the original question was whether or not  
6 Bellingham Transfer was approved to use the d/b/a Bekins  
7 Northwest?

8 Q. Yes.

9 A. Okay. My response is that without looking at the  
10 permit itself, I would not be able to answer that, although you  
11 probably have a copy of the permit.

12 Q. Well, I guess I should ask perhaps. Maybe this is  
13 the time to ask the Company.

14 Is the Company intending to present any other  
15 witnesses today, other than yourself to testify as to this case?

16 MS. IHLY: I can testify.

17 (Mr. O'Bannon confers with Ms. Ihly.)

18 MR. O'BANNON: I'll be with you in one second, if  
19 that's okay?

20 JUDGE TOREM: Let's just take a brief recess --

21 MR. FASSIO: Sure.

22 JUDGE TOREM: -- while they confer as to whether they  
23 intend to present any other witness testimony.

24 (Pause in the proceedings.)

25 MR. O'BANNON: No, we're not going to. There will be

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1 no other witnesses.

2 MR. FASSIO: Okay.

3 BY MR. FASSIO:

4 Q. In your testimony you discussed -- or you -- and in  
5 some of your cross-examination you discussed the Northwest -- or  
6 Bekins Northwest representing themselves as Action.

7 Staff has not alleged that this company actually  
8 represented themselves as Action Moving at all; is that correct?

9 A. No; that is correct.

10 Q. But as you've testified, there was a purchase that  
11 occurred, and in that purchase, the assets were purchased; is  
12 that right?

13 A. Could you rephrase your question for me, please?

14 Q. Yeah. In fact, Bekins Northwest has appeared to at  
15 least taken over the locations of Action Moving Services and  
16 purchased other assets; is that correct?

17 A. It sounded like a statement versus a question.

18 Q. Well, I guess, perhaps, you're asserting that your  
19 company did not do any -- is not affiliated at all with Action  
20 Moving Services, and so you...

21 A. At this point, sir, I'm asserting that the UTC  
22 doesn't have any physical evidence that shows that either one of  
23 the companies that -- that are mentioned here either in the  
24 complaint or part of the asset purchase and sale agreement  
25 violated the WAC Code, 480-15-187. And that is -- in my

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1 opinion, all of this hearsay stuff really doesn't -- the  
2 question is: Did any of our companies or affiliate companies  
3 violate the WAC code, and we have not.

4 Q. As the president or owner of Northwest Movers, LLC,  
5 Northwest Movers Central, LLC, your trade name is Bekins  
6 Northwest.

7 Isn't it correct that representatives of your company  
8 have represented, as Ms. Holloway has testified, that they  
9 acquired -- that Bekins Northwest acquired, to use that  
10 terminology, Action Moving Services?

11 A. That's hearsay. They do not have -- these are  
12 employees that maybe do not have the knowledge of an asset  
13 purchase agreement.

14 And if Mrs. Holloway asked if -- and really the  
15 question should be -- should have been -- and then this is  
16 really the ultimate question, is did any of Kris and Lauri  
17 O'Bannon's companies purchase the operating authority of Action  
18 and/or Accountable? And if that question would have been asked,  
19 the answer would have been no to any of these employees because  
20 they -- they have gone through the process of changing, you  
21 know, bill of ladings and estimates. And they know that -- that  
22 Action and Accountable no longer existed, or that company -- the  
23 Gishes closed down that company, so any estimates that may be  
24 were -- were in the queue, so to speak, so let's say that folks  
25 over in Spokane went out and did an estimate. Then in order

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1 for -- for that move to be completed, a new estimate would have  
2 to be given on Bekins Northwest, Bellingham Transfer's estimate  
3 order for service, so staff was aware that the permit was not an  
4 asset that was transferred.

5 Q. Rick Campbell and Steve Suhre are general managers of  
6 Northwest Movers, LLC?

7 A. That is correct. I'm sorry. Let me rephrase that.  
8 That is -- that's incorrect. I'm sorry.

9 Q. Can you clarify what their positions are with the  
10 Company?

11 A. I can. Steve Suhre is the general manager of  
12 Northwest Movers, LLC, and Rick Campbell is the general manager  
13 of Bellingham Transfer, Bekins Northwest, in Spokane.

14 Q. Bellingham Transfer, doing business as Bekins  
15 Northwest?

16 A. That is correct. It's my understanding that  
17 Bellingham Transfer put in an application to have a d/b/a as  
18 Bekins Northwest and because of this hearing, it has been held.

19 Q. Have they filed with the -- any other State agencies  
20 to add a d/b/a to their name?

21 A. It is my understanding that they have.

22 Q. Although, I guess, you're not the president -- you're  
23 here representing Northwest Movers, LLC, not Bellingham  
24 Transfer?

25 A. That is correct. As though I mentioned earlier, I do

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1 have quite a bit of working knowledge of Bellingham Transfer.

2 Q. But you haven't testified as to any other  
3 documentation either today other than your testimony that you  
4 have brought with you?

5 A. Could you rephrase the question for me, please?

6 Q. I'll withdraw that.

7 MR. FASSIO: Your Honor, there's no exhibits that  
8 have been testified to in the record, so I don't have any  
9 further questions to -- at this time based on the actual  
10 testimony of Mr. O'Bannon because I -- I believe we don't have  
11 exhibits entered into the record as of yet.

12 With that clarification -- I guess I would ask that  
13 the clarification is: Do we have any exhibits entered into the  
14 record at this point?

15 JUDGE TOREM: My understanding is that you had voiced  
16 some concerns about the proposed exhibits, Northwest -- NW-1  
17 through NW-5. I don't think we've formally admitted any --

18 MR. FASSIO: Right.

19 JUDGE TOREM: -- of the Commission's or the Northwest  
20 exhibits and said they're admitted to the record. We went over  
21 objections. We can make sure we take care of the housekeeping,  
22 but I think there's been some reference to all of the exhibits.  
23 Clearly LH-1 through LH-4 have been directly referred to. These  
24 other ones haven't been referred to by number.

25 Are you waiting for that formality to occur?

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1                   MR. FASSIO: Well, I don't know, Your Honor. I'm  
2 trying to limit my cross-examination to the testimony of  
3 Mr. O'Bannon and not exceed that testimony.

4                   And so I'm referring to any other exhibits that the  
5 Company has today, whether those are actually -- whether there's  
6 any foundation for those exhibits at this point.

7                   JUDGE TOREM: Well, I can direct Mr. O'Bannon to go  
8 over them one more time. He has explained not under oath what  
9 he intended to present.

10                  If you want him to go through these and testify about  
11 them, I'll give him an opportunity now.

12                  MR. O'BANNON: Your Honor, I would like to withdraw  
13 our documents.

14                  JUDGE TOREM: Okay. You want to withdraw all the  
15 documents?

16                  MR. O'BANNON: Yes, sir.

17                  JUDGE TOREM: And not offer them?

18                  MR. O'BANNON: And not offer them.

19                  JUDGE TOREM: Okay. So we're not going to admit,  
20 based on the Company's request, these exhibits that were  
21 previously marked as NW-1 through NW-5.

22                  (Exhibit Nos. NW-1 through NW-5 were withdrawn.)

23                  JUDGE TOREM: Mr. Fassio, does that mean that you  
24 have any other additional questions, or now that we have gone  
25 through what you wanted in his testimony?

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1 MR. FASSIO: Can I have one moment, Your Honor --

2 JUDGE TOREM: Go ahead.

3 MR. FASSIO: -- just to confer with my client? Thank  
4 you.

5 (Pause in the proceedings.)

6 MR. FASSIO: I have no further questions at this  
7 time, Your Honor.

8 JUDGE TOREM: All right. Mr. O'Bannon, I just have  
9 one question.

10

11 E X A M I N A T I O N

12 BY JUDGE TOREM:

13 Q. So if I understand your case presentation, it's  
14 essentially that the penalty assessment is against the wrong  
15 company. It shouldn't have been against Northwest Movers, LLC,  
16 or any other company with the Northwest Mover's prefix. It  
17 should have gone against Bellingham Transfer & Storage, if  
18 anyone?

19 A. Actually, Your Honor, my argument is because -- I do  
20 not have any documentation to substantiate that, that I'm  
21 putting in as evidence, what I'm challenging the Utilities and  
22 Transportation Commission to do is provide physical evidence  
23 that any -- anyone named on this complaint has violated the WAC  
24 code.

25 Q. Okay. And if I go back to looking at the penalty

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1 assessment, it's Northwest Movers, LLC, Northwest Movers  
2 Central, LLC, Bekins Northwest, and Kris and Lauri O'Bannon that  
3 you're referring to as the named parties?

4 A. That's correct.

5 JUDGE TOREM: Okay. Anything else you want to  
6 provide this afternoon?

7 MR. O'BANNON: No, sir.

8 JUDGE TOREM: Mr. Fassio, you had a witness held for  
9 recall, if necessary.

10 Is that going to be --

11 MR. FASSIO: Yes, and may I be permitted to ask one  
12 follow-up clarifying question about ownership, if I could --

13 MR. O'BANNON: Certainly.

14 MR. FASSIO: -- of Bellingham Transfer and Storage?

15 MR. O'BANNON: Certainly.

16

17 FURTHER CROSS - EXAMINATION

18 BY MR. FASSIO:

19 Q. For the record to be clear, who are the owners of  
20 Bellingham Transfer & Storage, Incorporated?

21 A. The owners of Bellingham Transfer & Storage,  
22 Incorporated, are Lauri O'Bannon and Jill Ihly and Mandy --  
23 Mandy Beale, B-e-a-l-e.

24 MR. FASSIO: Okay. Thank you.

25 JUDGE TOREM: Mr. Fassio, do you have additional



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1 question for Ms. Holloway?

2 MR. FASSIO: Yes. If I may, though, be permitted to  
3 take a brief recess to discuss with not just the witness, but my  
4 client, before going back on the record with our recommendation?  
5 I would like that opportunity.

6 JUDGE TOREM: All right. Let's come back at 25 till,  
7 so we'll take about a seven- or eight-minute recess.

8 MR. FASSIO: Thank you, Your Honor.

9 (A break was taken from 3:28 p.m.  
10 to 3:41 p.m.)

11 JUDGE TOREM: All right. Let's be back on the  
12 record.

13 Mr. Fassio, are you prepared to either recall your  
14 witness or make a Commission recommendation?

15 MR. FASSIO: Yes, Your Honor. Just a couple. I have  
16 a couple of questions for Ms. Holloway.

17 JUDGE TOREM: Ms. Holloway, again, you remain under  
18 oath, as I said. I just want to put that formally on the  
19 record.

20 MS. HOLLOWAY: Yes.

21 JUDGE TOREM: Go ahead, Mr. Fassio.

22

23 FURTHER DIRECT EXAMINATION

24 BY MR. FASSIO:

25 Q. You have heard the testimony today from the Company.

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1                   Does Bellingham Transfer & Storage have a d/b/a or  
2 trade name registered with the Commission of Bekins Northwest?

3           A.       No.

4           Q.       Did Action Moving Services request cancellation of  
5 their permit before or after the penalty assessment was served?

6           A.       They requested cancellation after the penalty was  
7 served, and it was effective February 7th. The letter, I  
8 believe, was dated or received on February 5th.

9           Q.       And has any requests for -- to add a trade name of  
10 Bekins Northwest to the permit of Bellingham Transfer & Storage,  
11 none of that occurred before the penalty assessment either; is  
12 that correct?

13          A.       No, it didn't. We received a request after the  
14 penalty assessment was issued.

15          Q.       And that is still in process?

16          A.       Yes, it is.

17          Q.       What does Staff recommend in this proceeding?

18          A.       Staff recommends the Commission uphold the penalty  
19 and deny mitigation.

20                   MR. FASSIO: No further questions.

21                   JUDGE TOREM: Mr. O'Bannon, you can ask additional  
22 cross-examination of Ms. Holloway, if you wish. You don't have  
23 to, but you can.

24                   MR. O'BANNON: Yeah. I don't have any further  
25 questions, Your Honor.

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1                   JUDGE TOREM: Okay. Then I'm going to allow both  
2 sides to give me a brief closing summation, if you wish, as to  
3 what you think the evidence brought in today proved or didn't  
4 prove. And we'll start first with the Commission, and I'll come  
5 back to you, Mr. O'Bannon.

6                   MR. FASSIO: Your Honor, Staff has established the  
7 basis for the penalty assessment and has recommended that it be  
8 upheld and mitigation -- pending mitigation of that penalty be  
9 denied.

10                   Staff contacted numbers for Action Moving Services on  
11 numerous occasions speaking to two general managers of the  
12 Company that have been identified at these locations in Spokane  
13 and Seattle. People answered the phone to the name of Bekins  
14 Northwest when she called numbers for Action Moving Services,  
15 and these people represented to Ms. Holloway as -- in her  
16 capacity as with the Commission, as well as just calling as a  
17 potential customer, that Bekins Northwest had acquired Action  
18 Moving Services, and their general manager represented that this  
19 took place on November 22nd of 2013.

20                   Based on these multiple representations, Staff -- one  
21 of the basis for Staff moving forward with the penalty  
22 assessment, the penalty assessment in this case was issued  
23 against entities with the trade name of Bekins Northwest on  
24 their permit and as well as their owners, Kris and Lauri  
25 O'Bannon. Bellingham Transfer & Storage has never had authority

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1 to use the name Bekins Northwest, only the companies listed on  
2 the penalty assessment have that authority.

3 Under WAC 480-15-187 and RCW 81.80.270, transfer of a  
4 permit or acquisition of control of a household goods moving  
5 company holding a permit requires approval by the Commission.

6 As Staff testified, there is potential harm to the  
7 public, and it is of regulatory interest that companies file  
8 proper transfers. And there's potential harm to the public as a  
9 result of the Commission not having accurate information about  
10 company ownership to be able to respond to customer complaints.

11 The owners of this company are aware of the  
12 requirements of WAC 480-15-187 having been penalized very  
13 recently for that fact. And they have also filed previous  
14 applications for acquisition of control of household goods  
15 moving companies, so they're aware of the requirements that the  
16 Commission has for filing application.

17 This case is not about Action Moving or Bekins  
18 Northwest using the name of Action Moving Services after the  
19 fact as the Company testified. This is about them acquiring  
20 control over that -- of the operations. And as Staff has  
21 testified, they believe that has occurred, and the Company has  
22 not rebutted that.

23 RCW 81.04.405 authorizes the Commission to assess  
24 penalties of \$100 per violation. Based on that, the Commission  
25 assessed 70 violations, one for each day after November 22nd

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1 when it was represented that this acquisition had taken place,  
2 70 violations, and so Staff recommends, as you have heard today,  
3 that the penalty be sustained.

4 JUDGE TOREM: Thank you, Mr. Fassio.

5 Mr. O'Bannon, any closing comments or...

6 MR. O'BANNON: Yes, Your Honor. I just want to  
7 acknowledge that Northwest Movers, LLC, Bekins Northwest,  
8 Northwest Movers Central, Kris and Lauri O'Bannon, we all are  
9 aware of the WAC 480-15-187, and respect the UTC's  
10 responsibility to protect consumers.

11 I just want to note that the Gishes' permit was never  
12 acquired by Kris and Lauri O'Bannon, or any of its affiliate  
13 companies. And if that permit was acquired, the UTC would have  
14 been notified.

15 We are not -- we did not know of any requirement and  
16 have checked to see if there is a requirement for any one of our  
17 affiliate companies to open another branch, in this case, in  
18 particular in Spokane.

19 There is -- we are not aware of a requirement to  
20 notify the UTC when an existing permit holder opens up a branch  
21 in another city. Had we been aware of that requirement, we  
22 certainly would have notified the UTC, especially since our  
23 recent penalties that were assessed by the Company.

24 When the UTC contacted staff at the different  
25 locations and received conflicting information and the

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1 information was not correct information nor -- nor would staff  
2 understand the inner workings of an asset purchase and sale  
3 agreement, the UTC, through their due diligence, in our opinion,  
4 should have contacted the owners directly to get the -- to get  
5 the correct information.

6 With regards to the Gishes not notifying the UTC of a  
7 permit cancellation, as far as we're aware, there's no  
8 requirement -- there should not be a requirement for us to  
9 notify the UTC of the Gishes when they canceled their permit.  
10 That is completely out of our control.

11 So with that being said, we ask that these charges be  
12 dropped; the penalty assessment be dropped.

13 JUDGE TOREM: Okay. Thank you, Mr. O'Bannon.

14 What I'm going to do at this point is withhold the  
15 ruling. I'm not going to make an oral ruling today. I want to  
16 have a little bit more time to review the evidence that was  
17 admitted, and I am going to admit Exhibits LH-1, 2, 3, and 4 to  
18 the record and consider those.

19 (Exhibit Nos. LH-1 through LH-4 were admitted into the record.)

20 JUDGE TOREM: And, Mr. O'Bannon, on your request, I'm  
21 not going to consider the documentation or refer to it as a  
22 basis for my decision that you had brought with you today.  
23 Solely I will base it on Ms. Holloway's testimony, your  
24 testimony, and the four documents that the UTC brought and I  
25 have admitted now into the record.

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1           The obligation under our procedural rules requires me  
2 to issue a written decision within the next ten days. So today  
3 is the 21st. By the 1st of May, there should be a decision  
4 going out from the Commission ruling on this appeal of the  
5 penalty assessment and whether it will be upheld or dismissed.  
6 It doesn't sound like there's any room for anything in between,  
7 so it'll be one or the other.

8           Mr. Fassio, any questions?

9           MR. FASSIO: No, Your Honor.

10          JUDGE TOREM: Okay. Mr. O'Bannon?

11          MR. O'BANNON: Yes, I do have one other question.

12          In that closing statement, I did not mention -- may I  
13 add to that closing statement?

14          JUDGE TOREM: If you have something in clarification,  
15 this is your last chance really, so...

16          MR. O'BANNON: Okay. That the Utilities and  
17 Transportation Commission does not show any proof that the  
18 violation occurred.

19          JUDGE TOREM: Okay. Anything else?

20          MR. O'BANNON: No, sir.

21          JUDGE TOREM: Okay. Then this hearing is adjourned  
22 at ten minutes to four. Thank you for your time.

23          MR. O'BANNON: Thank you.

24                   (Proceeding concluded at 3:51 p.m.)

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C E R T I F I C A T E

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

I, SHELBY KAY K. FUKUSHIMA, a Certified Shorthand Reporter and Notary Public in and for the State of Washington, do hereby certify that the foregoing transcript is true and accurate to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 30th day of April, 2014.

\_\_\_\_\_  
SHELBY KAY K. FUKUSHIMA, CCR

My commission expires:  
June 29, 2017



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