

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Penalty Assessment
Against HANSEN BROS. TRANSFER &
STORAGE CO., INC., in the Amount of
\$1,200

DOCKET TV-102032
SETTLEMENT AGREEMENT

1 This Settlement Agreement is entered into by both parties to this proceeding for the purpose
of resolving all issues raised in the above docket.

I. PARTIES

2 The parties to this Settlement Agreement are Hansen Bros. Transfer & Storage Co., Inc.
("Hansen Brothers" or "the Company") and Staff of the Washington Utilities and
Transportation Commission ("Staff") (collectively, "the Parties").

II. BACKGROUND

3 Between 2007 and 2010, Hansen Brothers completed approximately 6,400 moves within
Washington. During that same time period, the Commission received five consumer
complaints against the company. Of those, the Company was upheld in two cases.

4 In 2010, Staff performed a compliance investigation of the business practices of Hansen
Brothers to determine the Company's compliance with state laws and Commission rules. In
particular, Staff reviewed business records for 75 moves performed by Hansen Brothers in
June 2010. Staff found violations of laws and rules enforced by the Commission and
compiled its findings along with technical assistance and recommendations in an
Investigation Report dated January 2011. In conjunction with the report, Staff
recommended that penalties of \$1,200 be assessed against the Company as follows:

1. A penalty of \$100 for failing to provide proper documentation of Hansen Brothers
providing the brochure, "Your Guide to Moving in Washington State" to all
customers during the review period in violation of WAC 480-15-630, for a total
penalty of \$100;
2. A penalty of \$100 each for four violations in which Hansen Brothers failed to obtain
a customer signature on the written estimate in violation of WAC 480-15-630, for a
total penalty of \$400;
3. A penalty of \$100 each for four violations in which Hansen Brothers failed to
provide sufficient detail for the services in the written supplemental estimate in
violation of WAC 480-15, 630, for a total penalty of \$400;

4. A penalty of \$100 for each of two moves in which the Company failed to record the mileage on the bill of lading in violation of WAC 480-15-710, for a total penalty of \$200, and;
5. A penalty of \$100 for failing to provide proper documentation of interruptions in violation of WAC 480-15-710, for a total penalty of \$100.

5 In a Notice of Penalties Incurred and Due for Violations of Laws and Rules issued to Hansen Brothers on January 25, 2011, the Commission assessed penalties of \$1,200 for 12 violations of Commission rules. On February 9, 2011, Hansen Brothers filed a request for a hearing before an administrative law judge. The Commission scheduled a brief adjudicative proceeding for March 30, 2011, which date was later continued to April 26, 2011. Prior to the hearing, the Parties engaged in discussions, including a settlement conference on March 18, 2011, which resulted in this Settlement Agreement.

III. AGREEMENT

6 The parties have reached agreement on the issues raised in the above docket and wish to present their agreement for the Commission's consideration and approval. The Parties therefore adopt the following Settlement Agreement, which the Parties enter into voluntarily, to resolve all matters in dispute before them and to expedite the orderly disposition of this proceeding.

7 Hansen Brothers admits to certain of the violations set forth in Staff's January 2011 Investigation Report and listed above. Namely, Hansen Brothers admits to the following:

1. Item No. 2 - Regarding customer signatures;
2. Item No. 3 - Regarding one supplemental estimate; and
3. Item No. 4 - Regarding recording mileage on bills of lading.

8 Hansen Brothers provided convincing evidence to Staff that the violation, and corresponding \$100 penalty, for item No. 5 was invalid because Company employees are allowed to waive breaks and meal periods if they desire and if the Company agrees. As recommended by the Washington State Department of Labor and Industries, the Company has provided Staff with signed statements by employees documenting their agreement to waive breaks and meal periods.

9 Hansen Brothers provided documentation that three out of the four supplemental estimates at issue in Item No. 3 were ultimately unnecessary, and those three moves could have been completed without a supplemental estimate. Staff acknowledges that in those three cases, the customers were not harmed, and Staff agrees that the penalty for Item No. 3 should therefore be reduced by \$300.

10 Hansen Brothers has stated that it will address item No. 1 by redesigning its estimate and information forms to ensure proper documentation that it provides all customers the

brochure, "Your Guide to Moving in Washington State." The Company also stated that it will print the estimate in duplicate for its estimators' use.

- 11 Hansen Brothers has also instructed its employees to: obtain signatures on all estimates and to have operations personnel check signatures before performing moving jobs; expand and detail their written explanations for supplemental estimates; ensure that each bill of lading is completed correctly, including mileage and weight for long-distance moves; ensure that website and email information is included on the Company's bills of lading; improve its documentation of jobs performed, including completion of cube sheets. These corrective actions were completed prior to the settlement conference between the Parties. The company also provides its employees with an in-house formal training program.
- 12 In view of the evidence and proactive corrective action of the Company, Staff recommends, and the Parties agree that the penalty shall be reduced to \$800 and suspended for, and waived after, one year from the date the Commission approves this Settlement Agreement, provided that Hansen Brothers complies with Commission laws and rules set forth in the Commission's Notice of Penalties and in Staff's Investigation Report, and takes the additional step listed below.
- 13 Hansen Brothers agrees that at least one representative from each of its three offices shall attend Commission-conducted rule and tariff training to be held at the Commission's offices in Olympia, Washington, on April 26, 2011.
- 14 Staff will conduct a review of the business practices of Hansen Brothers one year from the date the Commission approves this Settlement Agreement, which will include Staff's recommendation on whether the suspended penalty in paragraph 12 should be waived or imposed.

IV. GENERAL PROVISIONS


- 15 The Parties agree that this Settlement Agreement is a settlement of all contested issues between them in this proceeding. The Parties understand that this Settlement Agreement is not binding unless and until accepted by the Commission.
- 16 The Parties agree to cooperate in submitting this Agreement promptly to the Commission for acceptance. The Parties further agree to support adoption of this Agreement in proceedings before the Commission through testimony or briefing. No party to this Agreement or their agents, employees, consultants, or attorneys will engage in advocacy contrary to the Commission's adoption of this Agreement.
- 17 The Parties agree to: (1) provide each other the right to review in advance of publication, any and all announcements or news releases that the other party intends to make about the Agreement (with the right of review to include a reasonable opportunity to request changes to the text of such announcements); and (2) include in any news release or announcement a statement to the effect that Staff's recommendation to approve the Agreement is not binding on the Commission itself.

- 18 Nothing in this Agreement shall limit or bar any other entity from pursuing legal remedies against Hansen Brothers or Hansen Brothers' ability to assert defenses to such claims.
- 19 The Parties have entered into this Agreement to avoid further expense, inconvenience, uncertainty, and delay of continuing litigation. The Parties recognize that this Agreement represents a compromise of the Parties' positions. As such, conduct, statements, and documents disclosed during negotiations of this Agreement shall not be admissible as evidence in this or any other proceeding, except in any proceeding to enforce the terms of this Agreement or any Commission order fully adopting those terms. This Agreement shall not be construed against either party because it was a drafter of this Agreement.
- 20 The Parties have negotiated this Agreement as an integrated document to be effective upon execution and Commission approval. This Agreement supersedes all prior oral and written agreements on issues addressed herein. Accordingly, the Parties recommend that the Commission adopt this Agreement in its entirety.
- 21 The Parties may execute this Agreement in counterparts and, as executed, shall constitute one Agreement. Copies sent by facsimile are as effective as original documents.
- 22 The Parties shall take all actions necessary, as appropriate, to carry out this Agreement.
- 23 In the event the Commission rejects or modifies any portion of this Agreement, each party reserves the right to withdraw from this Agreement by written notice to the other party and the Commission. Written notice must be served within ten (10) days of the order rejecting all or part of this Agreement. In such event, neither party will be bound or prejudiced by the terms of this Agreement, and either party shall be entitled to seek reconsideration of the order. Additionally, the Parties will jointly request that a prehearing conference be convened for purposes of establishing a procedural schedule to complete the case.

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

HANSEN BROS. TRANSFER &
STORAGE CO., INC.

ROBERT M. MCKENNA
Attorney General


GREGORY J. FRAUTMAN
Assistant Attorney General
Counsel for the Utilities and
Transportation Commission Staff

LARRY A. NELSEN
President

Dated: April 21, 2011

Dated: _____, 2011

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ROBERT M. MCKENNA
Attorney General



GREGORY J. TRAUTMAN
Assistant Attorney General
Counsel for the Utilities and
Transportation Commission Staff

LARRY A. NELSEN
President

Dated: _____, 2011

Dated: 4/21/11, 2011