

Docket No. TV-200029 - Vol. I

**In the Matter of Determining the Proper Carrier
Classification of Lugg, Inc.**

August 5, 2020



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BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Determining) DOCKET TV-200029
the Proper Carrier Classification)
of, and Complaint for Penalties)
Against:)
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))
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LUGG, INC.)
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TELEPHONIC PREHEARING CONFERENCE, VOLUME I
Pages 1-48
ADMINISTRATIVE LAW JUDGE MICHAEL HOWARD

August 5, 2020
9:30 A.M.

Washington Utilities and Transportation Commission
621 Woodland Square Loop Southeast
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18 ALSO PRESENT:

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JACQUE HAWKINS-JONES
Staff Witness

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1 LACEY, WASHINGTON; AUGUST 5, 2020

2 9:30 A.M.

3 --oOo--

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

5

6 JUDGE HOWARD: Good morning, everyone.

7 Let's be on the record. The time is 9:30 a.m.

8 My name is Michael Howard, and I am an
9 administrative law judge with the Washington Utilities
10 and Transportation Commission.

11 We're here today for a prehearing conference
12 in Docket TV-200029, which is captioned In the Matter of
13 Determining the Proper Carrier Classification of, and
14 Complaint for Penalties Against Lugg, Inc.

15 It appears that we don't have Lugg, Inc.'s
16 representative on the line; is -- is that correct right
17 now? Is anyone on the line for Lugg, Inc.?

18 Okay. Hear -- hearing no responses, we will
19 recess and go off the record for 15 minutes and return
20 at 9:45 a.m. to give the company a chance to appear.
21 Thank you. We are off the record for the moment.

22 (Recess taken from 9:31 a.m.
23 until 9:45 a.m.)

24 JUDGE HOWARD: Let's go back on the record.

25 It is 9:45 a.m. now, and we have waited 15 minutes for

1 Lugg, Inc. to appear at this prehearing conference.
2 Let's take appearances from the parties who are present
3 right now.

4 Could we have an appearance for Staff?

5 MR. ROBERSON: Good morning, Judge Howard.
6 This is Jeff Roberson, AAG, appearing for Commission
7 Staff.

8 JUDGE HOWARD: Thank you. And --

9 MR. TEIMOURI: This is Daniel Teimouri,
10 Assistant Attorney General, appearing on behalf of
11 Commission Staff.

12 JUDGE HOWARD: All right. Thank you. Sorry
13 I cut you off there for a moment.

14 Could we have an appearance from Public
15 Counsel?

16 MS. PAISNER: Yes, this is Ann Paisner,
17 Assistant Attorney General for the Public Counsel unit
18 of the Washington State Attorney General's Office. And
19 with me on the line today is Corey Dahl, regulatory
20 analyst of Public Counsel.

21 JUDGE HOWARD: Thank you.

22 So given -- given that the company has
23 failed to appear today, how do Staff and Public Counsel
24 wish to proceed? Maybe -- we'll start with Staff, but I
25 want to -- I want to hear Public Counsel as well.

1 MR. ROBERSON: Good morning again, Your
2 Honor. This is Jeff Roberson. Staff will be making a
3 motion for default after we settle how you want to
4 proceed. And I would like to put Ms. Hawkins-Jones on
5 the stand a little bit to go to the issue of Lugg's
6 awareness of this hearing before I make that motion
7 formally.

8 JUDGE HOWARD: Okay. Would -- if -- if --
9 if we put on that witness, would you -- would it be
10 focused on the service and the motion for default itself
11 or would you also be doing in the alternative showing on
12 the merits? It sounds like it would be just the former,
13 right?

14 MR. ROBERSON: It is my intention if you
15 grant motion for default to put Ms. Hawkins-Jones back
16 on the stand and proceed with the merits.

17 JUDGE HOWARD: Okay. Okay. How about
18 Public Counsel, what does Public Counsel think on this?

19 MS. PAISNER: Hi. Again, this is Ann
20 Paisner. I would like to express Public Counsel's
21 support for such a motion for default. We also
22 submitted a motion on July 9th to invoke discovery rules
23 precisely because of Lugg's unresponsiveness to our
24 outreach to them. So we would support the same motion
25 if Staff were to make it.

1 JUDGE HOWARD: Okay. Great. And I -- I
2 did -- I did see the motion from Public Counsel, and it
3 does seem that it's -- if the Commission does grant the
4 motion for default judgment, the discovery motion kind
5 of becomes moot.

6 So, Mr. Roberson, would you proceed with
7 your -- your witness and your motion for default
8 judgment and then we'll go from there?

9 MR. ROBERSON: At this time, Staff calls
10 Jacque Hawkins-Jones.

11 JUDGE HOWARD: All right. Ms. -- Ms. Jones,
12 are you on the line? You might need to check your mute
13 button.

14 MR. ROBERSON: One second, Your Honor. I'm
15 Skyping with Ms. Hawkins-Jones. She says she's having
16 technical difficulties.

17 MS. PAISNER: Your Honor, this is Ann
18 Paisner. She may need to hit star 6 to unmute herself
19 rather than just hitting the mute button on the phone.

20 MR. ROBERSON: She's actually Skyped in, so
21 that shouldn't be the issue.

22 MS. PAISNER: Okay.

23 JUDGE HOWARD: Well, let -- let's give
24 Ms. Hawkins-Jones just -- just a moment here. She could
25 also -- I believe there's also the telephone number for

1 calling in to this today.

2 MR. ROBERSON: Yeah, I advised her to quit
3 out of the meeting and come back in and see if that
4 solves the problem.

5 JUDGE HOWARD: Okay.

6 MR. ROBERSON: If that doesn't, then we can
7 just have her dial in.

8 MS. HAWKINS-JONES: Hello, can you hear me?

9 MR. ROBERSON: We can indeed.

10 MS. HAWKINS-JONES: Okay. Sorry about that.

11 JUDGE HOWARD: Not a problem.

12 Ms. Hawkins-Jones, this is Judge Howard. So I would --
13 this is a telephonic hearing, but I would -- I would
14 swear you -- swear you in and then Mr. Roberson can ask
15 you questions to support Staff's motion. Would you mind
16 standing and raising your right hand?

17 (Jacque Hawkins-Jones sworn.)

18 JUDGE HOWARD: All right. Thank you.

19 Mr. Roberson, you may proceed.

20

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

22 BY MR. ROBERSON:

23 Q. Good morning. Would you state your full name
24 and spell your last name for the record, please?

25 A. My name is Jacque Hawkins-Jones. Last name is

1 H-a-w-k-i-n-s, hyphen, J-o-n-e-s.

2 Q. Who employs you?

3 A. The Washington State Utilities and
4 Transportation Commission.

5 Q. What position do you hold at the Commission?

6 A. I am a compliance investigator in the consumer
7 protection division.

8 Q. How long have you worked for the Commission as a
9 compliance investigator?

10 A. I have been with the Commission as an
11 investigator for almost one year.

12 Q. And what are your duties as a compliance
13 investigator?

14 A. As an investigator, I investigate the business
15 practices of Commission-regulated utility and
16 transportation companies. I also investigate companies
17 including household good carriers who may be operating
18 without a Commission-issued permit.

19 Q. Would you please provide a summary of your
20 educational background?

21 A. Sure. I have an associate's degree from Olympic
22 College and have seven years' experience as a
23 state-certified investigator in the state of Washington.
24 I completed numerous trainings including advanced
25 courses in fraud training.

1 Q. With regard to this particular hearing, did
2 Staff contact Lugg after the Commission served Order 01?

3 A. Yes, Staff did.

4 Q. Were you the Staff member who made that
5 outreach?

6 A. No, my assistant director made the outreach. I
7 was copied on the communication to the company.

8 Q. When did Staff attempt to contact Lugg?

9 A. Staff made an outreach to Lugg on
10 July 27th, 2020.

11 Q. So that's roughly a week ago?

12 A. Correct.

13 Q. And how did Staff reach out to Lugg?

14 A. The consumer protection assistant director
15 emailed Jordan Brown who is the founder/CEO of Lugg,
16 Inc. and we included the Order 01, the investigative
17 report, and the appendices as attachments to the email
18 as well as the prehearing conference meeting
19 information, date, and time.

20 Q. When you emailed Mr. Brown, what email address
21 did you use?

22 A. For Mr. Brown, we used the email address of
23 Jordan@lugg.com.

24 Q. Why did Staff choose that particular email
25 address?

1 A. We have had communication with Mr. Brown using
2 this same exact email address.

3 Q. So does that mean you've both sent emails to
4 Mr. Brown and had Mr. Brown send emails back to Staff
5 from that email address?

6 A. Correct.

7 Q. Okay. And when Staff sent the email roughly a
8 week ago, did it receive a bounce back or other message
9 notifying Staff that the email could not be delivered?

10 A. No.

11 Q. So as far as Staff knows, Lugg got that message?

12 A. Correct.

13 Q. What did Staff say in its email to Lugg or did
14 it just include the attachments?

15 A. It said that this is a reminder of the
16 prehearing conference scheduled for today's date at 9:30
17 a.m. with the Washington Utilities and Transportation
18 Commission in the matter of determining the proper
19 carrier classification and the complaint.

20 We gave them the order, the investigative
21 report, appendices, as well as the docket number, and I
22 was included as the contact with my email address, my
23 UTC email address, and phone number.

24 MR. ROBERSON: Your Honor, that's all the
25 questions I have for Ms. Hawkins-Jones at this time.

1 JUDGE HOWARD: Thank you, Mr. Roberson. I'm
2 just considering for a moment if I have any questions
3 myself.

4 Ms. Paisner, do you have any questions for
5 the witness?

6 MS. PAISNER: No, I have no further
7 questions.

8 JUDGE HOWARD: Mr. Roberson, I -- I don't
9 have any questions for Ms. Hawkins-Jones myself. If
10 Staff would like to make a motion for default judgment,
11 I'd certainly entertain it.

12 MR. ROBERSON: Then I will do so. I believe
13 it's paragraph 70 of Order 01 orders Lugg to appear at
14 this time and place for this prehearing conference and
15 notifies Lugg that if it fails to do so, it could be
16 held in default. I mean, technically, the notice
17 provides that for all parties, but Lugg is one of them,
18 so it was on notice.

19 Both the APA, I believe it's RCW 34.05.440,
20 and the Commission's rules, I believe which are WAC
21 480-07-450 provide for default when a party fails to
22 appear at a time and place for hearing. Lugg has failed
23 to do so. The evidence you just heard provides the
24 factual basis for Lugg having actual notice of this
25 hearing.

1 The service -- that affidavit of service is
2 in the docket. Lugg is a foreign corporation that
3 failed to register in Washington, so the Commission
4 served its registered agent that's in the record. The
5 testimony provided by Ms. Hawkins-Jones indicates that
6 Lugg had actual notice of this hearing. Staff took the
7 extra step of reaching out to Lugg at an email address
8 that Lugg is known to communicate from. Nothing
9 indicates that that email bounced back. As far as
10 anyone knows, Lugg got it. Lugg has just failed to
11 appear. So Staff asks that the Commission find Lugg in
12 default.

13 JUDGE HOWARD: Thank you, Mr. Roberson.

14 Is there any additional comments from Public
15 Counsel besides the ones you -- you gave earlier?

16 MS. PAISNER: Yes, if -- if I may. This is
17 Ann Paisner again. First, I just wanted to state,
18 reiterate as we discussed in our motion that we
19 submitted on July 9th, we reached out through email to
20 the same email address, Jordan@lugg.com. We reached out
21 through email on June 11th, 2020, and reached out again
22 after receiving no response on July 7th, 2020, and again
23 received no response from Lugg.

24 We submitted our motion on July 9th and we
25 also received no response from Lugg to that motion, and,

1 again, they are not here today, so we support the
2 Staff's motion for default. We also would ask -- well,
3 I suppose on the same basis, we would urge that the
4 Commission impose the -- the maximum penalties discussed
5 in the order and also order Lugg to cease and desist
6 their activities under -- that are regulated under Title
7 81 RCW.

8 JUDGE HOWARD: Thank you, Ms. Paisner.

9 And, Mr. Roberson, circling back to you, the
10 complaint does request penalties that are given as a
11 range, and I went through just briefly and added them
12 up. I believe it was \$62,000. I would have to -- I
13 would have to double-check is that -- is that -- is
14 that -- am I correct on that and would Staff seek the
15 full penalty amount as Public Counsel does?

16 MR. ROBERSON: I think it's ten violations
17 at 5,000 and then 12 -- yeah, it should be 62,000. Yes,
18 Staff would seek the imposition of the full penalties,
19 but I'm -- here I'm concerned only with the motion for
20 default. If you choose to grant that motion, Staff
21 intends to ask the Commission to allow Staff to present
22 its case on the merits as allowed by both Commission
23 rule and the APA.

24 JUDGE HOWARD: Certainly. I intend to grant
25 the motion for default. I -- I -- it -- it really does

1 seem from what's -- what's been alleged in Order 01 and
2 in Public Counsel's motion and what's happening today
3 that this company has a real pattern of -- of
4 noncompliance. So I -- I intend to grant it in the --
5 in the order that I will be issuing. And, Mr. Roberson,
6 if you'd like to continue on and present a -- a merits
7 case, then please continue to do so. Would it be the
8 same witness?

9 MR. ROBERSON: It would.

10 JUDGE HOWARD: Okay. You may proceed.

11

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

13 BY MR. ROBERSON:

14 Q. So good morning again, Ms. Hawkins-Jones. I'll
15 remind you that you're still under oath.

16 A. Yes.

17 Q. So we were just discussing your interactions
18 with Lugg, is it fair to say that you're familiar with
19 Lugg?

20 A. Yes, I am.

21 Q. And how did you become familiar with Lugg?

22 A. We became aware of Lugg through reaching
23 searches for nonpermitted carriers.

24 Q. And "we" in that sense being Staff?

25 A. Yes, Staff.

1 Q. Which Staff investigator was ultimately assigned
2 the Lugg investigation?

3 A. I was.

4 Q. And you performed an investigation of Lugg's
5 activities?

6 A. Yes.

7 Q. When you completed your investigation, did you
8 write a report detailing your findings about those
9 activities?

10 A. Yes, I did.

11 Q. Does Staff generally draft those kinds of
12 reports as a matter of course when it finishes an
13 investigation?

14 A. Yes.

15 Q. And does Staff draft those reports
16 contemporaneously with the completion of an
17 investigation?

18 A. Yes.

19 Q. Did you draft the Lugg report contemporaneously
20 with the completion of your investigation of the
21 company?

22 A. Yes, I did.

23 Q. And is it report -- is it important that reports
24 of this type are accurate?

25 A. Yes.

1 Q. Why is that?

2 A. It is important because we are the regulatory
3 agency that ensures the protection of the Washington
4 State consumers who use these companies.

5 Q. And official action would be taken on the basis
6 of your report, correct?

7 A. Correct.

8 MR. ROBERSON: Oh, one -- actually, Your
9 Honor, if I may, can I have a second? I'm going to send
10 out some exhibits. I will send them to you,
11 Ms. Paisner, Mr. Dahl, if he would like a copy, and
12 Ms. Hawkins-Jones and Mr. Teimouri. These are marked
13 exhibits for purposes of this hearing.

14 JUDGE HOWARD: Certainly. Should we --
15 should we take a brief recess for Ms. Paisner and -- and
16 I to look at them?

17 MR. ROBERSON: We certainly can -- I'm
18 sorry.

19 JUDGE HOWARD: And what's the -- what's the
20 volume on these?

21 MR. ROBERSON: There are five exhibits.
22 They're marked Exhibits JH-1 through 5. The first two
23 are the investigation and the appendices that are
24 already in the record, but I figured we should be all
25 working off the same marked copies.

1 JUDGE HOWARD: Yes, let's -- let's -- let's
2 take a brief recess and go off the record.

3 (A break was taken from
4 10:04 a.m. to 10:12 a.m.)

5 JUDGE HOWARD: So let's be back on the
6 record. The -- Staff has circulated its proposed
7 exhibits and given Public Counsel an opportunity to
8 review them, and the -- the parties have stipulated to
9 the entry of these exhibits into evidence. So I would
10 therefore admit Staff's Exhibits JHJ-1 through JHJ-5 in
11 evidence.

12 (Exhibits JHJ-1 through JHJ-5 admitted.)

13 JUDGE HOWARD: Mr. Roberson, you may
14 continue with your examination.

15 MR. ROBERSON: Thank you, Judge Howard.

16 BY MR. ROBERSON:

17 Q. So, Ms. Hawkins-Jones, again, could you turn to
18 the exhibit marked JHJ-1?

19 A. I'm there.

20 Q. Can you identify that document?

21 A. Yes, this is the investigative report for Lugg,
22 Inc.

23 Q. Is that a true and correct copy of your
24 investigative report?

25 A. Yes, it is.

1 Q. Turning back to your investigation, did you look
2 to see whether Lugg had a Commission-issued household
3 goods carrier permit when performing your investigation?

4 A. Yes, I did.

5 Q. How did you do that?

6 A. I went to the company's SharePoint site. It's a
7 Commission-managed database that contains current
8 information about regulated and nonregulated companies
9 including whether a company is permitted to operate in
10 the state of Washington.

11 Q. Did Lugg have a household goods carrier permit
12 at the time of your investigation?

13 A. No, it did not.

14 Q. Did you look to see whether Lugg had a permit
15 authorizing it to engage in business as a motor freight
16 common carrier at the time of your investigation?

17 A. Yes, I did.

18 Q. How did you do that?

19 A. I used the same Commission-managed companies
20 database.

21 Q. Did Lugg have a motor freight common carrier
22 permit at the time of your investigation?

23 A. No, it did not.

24 Q. Did you look to see whether Lugg had a
25 certificate of convenience and public necessity

1 authorizing it to operate for the hauling of solid waste
2 at the time of your investigation?

3 A. Yes, I did.

4 Q. How did you do that?

5 A. I used the Commission companies website.

6 Q. And did Lugg have a certificate of convenience
7 and public necessity?

8 A. No, it did not.

9 Q. Have you tried to see whether Lugg has
10 subsequently applied for a household goods carrier
11 permit, a motor freight common carrier permit, or a
12 certificate of convenience and public necessity?

13 A. Yes, I checked this morning before the hearing
14 and Lugg, Inc. has not applied for any permit with the
15 Commission.

16 Q. How did you go about checking to see if it
17 applied?

18 A. I went to the company's website where it would
19 show the company's application for permit.

20 Q. And it's -- it's not filed any?

21 A. Correct, it has not filed.

22 Q. Did Staff contact Lugg in the course of
23 performing this investigation?

24 A. Yes.

25 Q. When did Staff first contact Lugg?

1 A. Staff first contacted Lugg through a cease and
2 desist letter that was signed by the assistant director
3 of the consumer protection division.

4 Q. Would you please now turn to the exhibit marked
5 JHJ-2?

6 A. I'm there.

7 Q. Could you please turn to pages 10 and 11 of that
8 exhibit?

9 A. I'm there.

10 Q. Would you please identify that document?

11 A. Yes, this is the cease and desist letter sent on
12 September 12th that was signed by the assistant director
13 of the consumer protection division.

14 Q. Is that a true and correct copy of the cease and
15 desist letter that Staff sent to Lugg?

16 A. Yes, it is.

17 Q. What did Staff say in the letter?

18 A. Staff notified Lugg, Inc. that we were aware of
19 their advertisements and their website and how to apply
20 for the proper permit through the Commission, and we
21 also said that they must cease operating and cease
22 advertising and to get a permit before beginning again.

23 Q. Did Lugg respond to that letter?

24 A. No, it did not.

25 Q. Did Staff follow up in any way?

1 A. Yes, Staff sent a second letter.

2 Q. Would you please turn now to pages 12 and 13 of
3 Exhibit JHJ-2?

4 A. I'm there.

5 Q. Can you identify that document?

6 A. Yes, this is the second cease and desist letter
7 sent to Lugg, Inc.

8 Q. Is that a true and correct copy of the second
9 cease and desist letter that Staff sent to Lugg?

10 A. Yes, it is.

11 Q. What did Staff say in the second letter?

12 A. Staff stated that we sent the first letter on
13 September 12th. We also informed them that they must
14 obtain a Commission-issued permit and they must cease
15 and desist operating and advertising in the state of
16 Washington until they receive that permit.

17 Q. Did Lugg respond to this second letter?

18 A. No, they did not.

19 Q. Did Staff follow up, then, on the second letter?

20 A. Yes, Staff did.

21 Q. How did it do so?

22 A. Staff sent an email from the assistant director
23 of the consumer protection division to Jordan Brown.

24 Q. Would you please turn to pages 16 and 17 of
25 Exhibit JHJ-2?

1 A. I'm there.

2 Q. Would you please identify that document?

3 A. This is the email that was sent to Jordan Brown
4 from the assistant director of the consumer protection
5 division.

6 Q. Is that a true and correct copy of the email
7 that Staff sent to Lugg?

8 A. Yes, it is.

9 Q. And what did Staff say in the email that it
10 sent?

11 A. The email includes the date of the first cease
12 and desist letter. It also informs them that state law
13 requires them to have a valid permit to operate in the
14 state of Washington. It notifies them of the potential
15 penalty per violation for each and every advertisement
16 and every move every day that they operate without the
17 required permit, and it gives contact information for
18 them to contact the Commission.

19 Q. Did Lugg respond to that email?

20 A. Lugg did respond to this email, yes.

21 Q. Who responded on behalf of Lugg?

22 A. Jordan Brown.

23 Q. And you testified earlier that Mr. Brown is
24 Lugg's president and cofounder, correct?

25 A. Correct.

1 Q. Would you now please turn to pages 18 and 19 of
2 Exhibit JHJ-2?

3 A. I'm there.

4 Q. Would you please identify that document?

5 A. This is the email response from Jordan Brown to
6 the assistant director of the consumer protection
7 division.

8 Q. Is that a true and correct copy of Mr. Brown's
9 response email?

10 A. Yes, it is.

11 Q. What did Mr. Brown say in his email to Staff?

12 A. He said that they have received our notice, that
13 they stopped accepting any household goods waste removal
14 common carrier requests from customers in Washington
15 State, and they have stopped advertising on their
16 Seattle web page. He also said they are currently in
17 the process of becoming compliant with the proper
18 permit.

19 Q. So he specifically said that they were seeking
20 out permit?

21 A. Correct.

22 Q. Did Staff attempt to verify the representations
23 made by Mr. Brown in this email?

24 A. Yes, Staff did.

25 Q. And what did Staff do?

1 A. Staff visited the Lugg website to confirm
2 whether or not they had stopped advertising, and we also
3 visited the Commission-managed database to see if they
4 submitted an application for permit.

5 Q. And did Staff determine that Mr. Brown's
6 representations were accurate?

7 A. We found that they were not accurate.

8 Q. Did Staff attempt to respond to Mr. Brown's
9 response?

10 A. Yes, Staff responded to Mr. Brown on February
11 7th via email.

12 Q. Would you please turn to page 20 of Exhibit
13 JHJ-2?

14 A. I'm there.

15 Q. Would you please identify that document?

16 A. Yes, this is the email from the assistant
17 director of the consumer protection division to Jordan
18 Brown, and it says that as of February 7th, 2020, the
19 Lugg website still lists Seattle and surrounding areas
20 as the place that the company services as well as we
21 were able to obtain an estimate for a small move and a
22 junk removal between two points in Washington State. We
23 also notified them of the penalties that can happen
24 should they continue to operate in the state of
25 Washington without a Commission-issued permit.

1 Q. Is this a true and correct copy of the email
2 that you sent to Mr. Brown?

3 A. Yes, it is.

4 Q. Did Mr. Brown or Lugg respond to this -- this
5 email in any way?

6 A. No, they did not.

7 Q. Now, in the course of your investigation, did
8 you discover evidence that Lugg had received venture
9 capital funding?

10 A. Yes, I did.

11 Q. What evidence did you find of that funding?

12 A. I found a blog post from -- on the Y Combinator
13 website.

14 Q. Would you please turn to pages 1 through 6 of
15 Exhibit JHJ-2?

16 A. I'm there.

17 Q. Can you identify this document?

18 A. This is the blog post that I located regarding
19 Lugg's seed funding they received.

20 Q. And is that a true and accurate copy of the Y
21 Combinator post that you found about Lugg?

22 A. Yes, it is.

23 Q. Did you find any other blog posts about Lugg's
24 receipt of venture capital funding?

25 A. Yes, I did. I received -- or I found another

1 blog post on TechCrunch regarding Lugg's funding.

2 Q. Would you please turn to pages 7 through 9 of
3 Exhibit JHJ-2?

4 A. I'm there.

5 Q. Would you please identify this document?

6 A. Yes, this is the blog post from the TechCrunch
7 website regarding Lugg.

8 Q. And is this a true and accurate copy of the
9 TechCrunch blog post that you found?

10 A. Yes, it is.

11 Q. I'd like to switch gears now and talk about
12 Lugg's website.

13 Did Lugg have a website?

14 A. Yes, it does.

15 Q. Had you ever visited that website?

16 A. Yes, I have.

17 Q. Did you take screenshots of the website when you
18 visited it?

19 A. Yes, I did.

20 Q. Would you please turn to pages 25 through 46 of
21 Exhibit JHJ-2?

22 A. I'm there.

23 Q. Would you please identify those documents?

24 A. These are screen captures that I took from the
25 Lugg, Inc.'s website.

1 Q. And are those true and accurate copies of the
2 screen captures that you took when you visited Lugg's
3 website?

4 A. Yes, they are.

5 Q. Did you ever take other screenshots of Lugg's
6 website?

7 A. Yes.

8 Q. Would you please turn to what is marked as
9 Exhibit JHJ-3?

10 A. I'm there.

11 Q. Can you please identify this document?

12 A. These are screen captures, additional screen
13 captures of the Lugg's website.

14 Q. And are those true and accurate copies of the
15 screenshots that you took of the services page on Lugg's
16 website?

17 A. Yes, it is.

18 Q. With regard to the website, have you ever
19 personally used Lugg's website?

20 A. Yes, I have.

21 Q. And how did you use the website?

22 A. During the course of my investigation, I used
23 the website to determine the services offered by Lugg,
24 Inc. to residents of the state of Washington.

25 Q. Did you -- well, fair enough.

1 Does Lugg's website state that it offers
2 services in Washington?

3 A. Yes, it does.

4 Q. Where does it do that?

5 A. It shows in the cities -- on the top bar under
6 cities, it shows Seattle and lists other cities
7 surrounding the Seattle area as cities it provides
8 service to as well as in under the Lugg's FAQ portion of
9 the website.

10 Q. And now, turning back to Exhibit JHJ-3, I'd like
11 to talk about the services Lugg offers.

12 What services does the company advertise on its
13 web page?

14 A. It offers store delivery, small moves, storage
15 moves, Craigslist delivery, donations, and junk removal.

16 Q. And what service does Lugg advertise as its
17 store delivery service?

18 A. It offers to pick up items that customers have
19 purchased at stores and deliver it from the store to the
20 customer's home.

21 Q. What service does Lugg advertise on this small
22 moves page?

23 A. Lugg offers to move a customer through movers
24 and a truck from -- they can move their apartment or
25 home rooms.

1 Q. And so that page gives examples of the type of
2 things that it will move?

3 A. Yes, it does.

4 Q. And what are they? You just -- I think you just
5 mentioned two of them.

6 A. Sure, it says that they can move it all, they
7 can move anything from your sofa to your whole place.

8 Q. Okay. And what service does Lugg advertise on
9 its storage moves page?

10 A. It offers to pick up and deliver to and from a
11 customer's storage unit.

12 Q. What service does Lugg advertise on the
13 Craigslist pickup service page?

14 A. It offers to pick up Craigslist purchases for a
15 customer and deliver it to the customer's home or
16 specified location.

17 Q. Does anything on that page indicate the type of
18 items that Lugg thinks it might move using that service?

19 A. Yeah, as an example, there are little cartoon
20 characters on the website and it shows the customer
21 paying for a couch and it shows two movers hauling the
22 couch away.

23 Q. What service does Lugg advertise on the donation
24 service page?

25 A. It offers the service of picking up a customer's

1 donation and delivering it to, for example, the Goodwill
2 or Salvation Army.

3 Q. And what service does Lugg advertise on its junk
4 removal service page?

5 A. It offers to send a truck and movers to remove
6 and haul away a customer's junk and deliver it to the
7 nearest transfer station.

8 Q. Have you ever used Lugg's website to obtain
9 quotes for the transport of goods?

10 A. Yes, I have.

11 Q. How many times did you obtain quotes from Lugg?

12 A. Two.

13 Q. What date did you obtain the first quote?

14 A. I obtained the first quote on
15 December 23rd, 2019.

16 Q. And what date was the move set for?

17 A. The move was scheduled for January 6th, 2020, at
18 9:00 a.m.

19 Q. What information did you provide to Lugg so that
20 it could generate the quote?

21 A. I provided Lugg with a date and time. Also I
22 provided them the two residential points within the
23 state of Washington that I wanted to move to and from.
24 I also included items that would be included in my move.

25 Q. How did you ensure that the two points were

1 residential addresses?

2 A. I located apartment complexes in the Tacoma area
3 and ensured to use those addresses.

4 Q. And what items did you tell Lugg that you wanted
5 the company to move for you?

6 A. For that move, I requested that the company move
7 a two-bedroom, two-bath apartment. It included a couch,
8 a 55-inch TV, a queen mattress with headboard, and other
9 standard items.

10 Q. Did Lugg indicate that the move would involve
11 vehicle transport?

12 A. Yes, it did.

13 Q. How did it do so?

14 A. In the quote that they provided me, it showed a
15 character -- cartoon character picture of a ten-foot by
16 seven-foot van.

17 Q. Did Lugg quote you a price?

18 A. Yes, they did.

19 Q. What was that price?

20 A. They quoted me \$194 plus \$2 per labor minute.

21 Q. And I believe you said you obtained a second
22 quote, correct?

23 A. That is correct.

24 Q. What date did you obtain the second quote?

25 A. The second quote was obtained on

1 March 30th, 2020.

2 Q. And what date did you set for that move?

3 A. I set the date of April 7th, 2020, at 1:00 p.m.

4 Q. And what information did you provide to Lugg so
5 that it could generate the quote?

6 A. I provided Lugg the same two points in
7 Washington that were used in the first quote. I also
8 included information regarding a one-bedroom apartment
9 move.

10 Q. And you testified previously that those two
11 addresses were residential addresses, correct?

12 A. Correct.

13 Q. Did Lugg quote you a price for that move or that
14 quote -- did Lugg give you a price to that quote?

15 A. Yes, they did.

16 Q. What was that price?

17 A. They quoted me \$190 plus \$2.30 per labor minute.

18 Q. I'd like now to turn to your investigation
19 concerning Lugg's other electronic advertising.

20 Did you ever visit the Seattle Craigslist page
21 in the course of your investigation?

22 A. Yes, I did.

23 Q. Did you search for postings by Lugg on that
24 page?

25 A. Yes, I did.

1 Q. Did you find any?

2 A. Yes, I did find a Lugg advertisement on
3 Seattle's Craigslist page.

4 Q. Did you take a screen capture of what you found
5 there?

6 A. Yes, I did.

7 Q. Would you please turn to page 51 of Exhibit
8 JHJ-2?

9 A. I'm there.

10 Q. Would you please identify that document?

11 A. This is a screen capture that I took of Lugg's
12 advertisements on the Seattle Craigslist web page.

13 Q. Is that a true and accurate copy of what you saw
14 on that Seattle Craigslist page?

15 A. Yes, it is.

16 Q. And what do Lugg's Craigslist postings
17 advertise?

18 A. It advertises affordable professional movers on
19 demand. It also says that they can provide same-day
20 store deliveries, Craigslist pickups, storage moves,
21 apartment moves, muscle only, junk removal, and
22 donations to Goodwill or Salvation Army.

23 Q. So largely the same services it advertises on
24 its website?

25 A. Yes.

1 Q. Did you visit Lugg's Facebook page in the course
2 of your investigation?

3 A. Yes, I did.

4 Q. And did you take screen captures of what you
5 visited when you went there?

6 A. Yes, I did.

7 Q. Can you please turn to page 47 of Exhibit JHJ-2?

8 A. I'm there.

9 Q. Would you please identify that document?

10 A. This is the screen capture of Lugg's Facebook
11 page.

12 Q. And is that a true and accurate copy of what you
13 saw on Lugg's Facebook page?

14 A. Yes, it is.

15 Q. Would you please turn to Exhibit JHJ-4?

16 A. I'm there.

17 Q. Would you please identify that document?

18 A. These are additional web page captures of Lugg's
19 Facebook page.

20 Q. And is that a true and correct copy of the
21 screen captures you took when you went to Lugg's
22 Facebook page?

23 A. Yes, it is.

24 Q. How does Lugg identify itself on its Facebook
25 page?

1 A. It identifies itself as a home mover.

2 Q. And does Lugg target advertisements for the
3 transportation of items towards Washingtonians on its
4 Facebook page?

5 A. Yes, it does.

6 Q. How does it do that?

7 A. On its Facebook page, it posted on
8 October 13th, 2017, that they are now moving and
9 delivering in the Seattle area.

10 Q. Did you have occasion to visit Lugg's Instagram
11 page in the course of your investigation?

12 A. Yes, I did.

13 Q. And did you take a screen capture of that page
14 when you visited?

15 A. Yes, I did.

16 Q. Would you please turn to page 48 of Exhibit
17 JHJ-2?

18 A. I'm there.

19 Q. Would you please identify this document?

20 A. Yes, this is the web -- or page capture of
21 Lugg's Instagram account.

22 Q. Is that a true and correct copy of what you saw
23 on Lugg's Instagram page?

24 A. Yes, it is.

25 Q. How does Lugg identify itself on its Instagram

1 page?

2 A. It identifies itself as a home mover.

3 Q. And does Lugg target advertisements for the
4 transportation of items towards Washingtonians on its
5 Instagram page?

6 A. Yes, it does.

7 Q. How does it do that?

8 A. It lists Seattle as a city where Lugg is
9 available to move anything.

10 Q. And it says it will move anything?

11 A. Correct, it says it will move anything anywhere
12 anytime.

13 Q. In the course of your investigation, did you
14 visit Lugg's Twitter page?

15 A. Yes, I did.

16 Q. Did you take screen captures of what you saw on
17 the Twitter page when you visited?

18 A. Yes, I did.

19 Q. Would you please turn to page 50 of Exhibit
20 JHJ-2?

21 A. I'm there.

22 Q. Could you identify that document?

23 A. This is the page capture of Lugg's Twitter page.

24 Q. Is that a true and correct copy of what you saw
25 on Lugg's Twitter page?

1 A. Yes, it is.

2 Q. Would you now please turn to Exhibit JHJ-5?

3 A. I'm there.

4 Q. Would you please turn to pages 1 and 2 of that
5 exhibit?

6 A. I'm there.

7 Q. Could you please identify that document?

8 A. These are additional page captures from Lugg's
9 Twitter account.

10 Q. And is that a true and correct copy of what you
11 saw when you went back to Lugg's Twitter page?

12 A. Yes, it is.

13 Q. How does Lugg characterize its services that it
14 provides on its Twitter page?

15 A. It characterizes itself in its description that
16 says they will move anything, anytime, anywhere.

17 Q. And does Lugg's Twitter page target
18 advertisements concerning the transport of items towards
19 Washingtonians?

20 A. Yes, it does.

21 Q. How does it do that?

22 A. On October 13th, 2017, Lugg tweeted that they
23 are now Lugging in the Seattle area and available in the
24 Pacific Northwest.

25 Q. Did you visit Lugg's Pinterest page in the

1 course of your investigation?

2 A. Yes, I did.

3 Q. Did you take screen captures of what you saw on
4 the page when you visited?

5 A. Yes, I did.

6 Q. Would you please turn to page 49 of Exhibit
7 JHJ-2?

8 A. I'm there.

9 Q. Can you please identify that document?

10 A. This is the page capture of Lugg's Pinterest
11 page.

12 Q. And is that a true and correct copy of what you
13 saw when you visited Lugg's Pinterest page?

14 A. Yes, it is.

15 Q. Would you please now turn to page 3 of Exhibit
16 JHJ-5?

17 A. I'm there.

18 Q. Can you identify that document?

19 A. Yes, this is a screen capture of Lugg's
20 Pinterest page.

21 Q. And is that also a true and correct copy of what
22 you saw when you went to Lugg's Pinterest page?

23 A. Yes, it is.

24 Q. How does Lugg identify itself on its Pinterest
25 page?

1 A. On its Pinterest page, it says that it is an
2 on-demand mover and you can request Lugg and instantly
3 connect to a truck and two movers.

4 Q. Did you visit the Apple Store in the course of
5 your investigation?

6 A. Yes, I did.

7 Q. What did you find there?

8 A. I found that Lugg offers an app through the
9 Apple Store.

10 Q. Would you please turn to page 52 of Exhibit
11 JHJ-2?

12 A. I'm there.

13 Q. Would you please identify this document?

14 A. This is the screen capture of Lugg's app offers
15 through the Apple Store.

16 Q. And is that a true and correct copy of what you
17 saw on Lugg's Apple Store page?

18 A. Yes, it is.

19 JUDGE HOWARD: Mr. Roberson, sorry to jump
20 in here. Judge Howard, that -- could you give me that
21 citation again?

22 MR. ROBERSON: Page 52 of Exhibit JHJ-2.

23 JUDGE HOWARD: Thank you.

24 BY MR. ROBERSON:

25 Q. And would you now please turn back to exhibit

1 JHJ-5?

2 A. I'm there.

3 Q. And would you turn to pages 4 through 6 of that
4 exhibit?

5 A. I'm there.

6 Q. Would you please identify this document?

7 A. Sure. This is the web page captured of Lugg's
8 app offered through the Apple Store.

9 Q. And is this a true and accurate copy of that
10 page as you saw it?

11 A. Yes, it is.

12 Q. What services does Lugg advertise on its Apple
13 Store page?

14 A. On its Apple Store page, it offers to -- just a
15 moment. It offers to provide services such as small
16 apartment moves, retail store delivery, Craigslist,
17 small business moves, junk removal, donation drop-off,
18 and storage moves.

19 Q. So, again, largely the same services it
20 advertises on its website, web page?

21 A. Yes.

22 Q. And does Lugg's Apple Store page state that it
23 operates in Washington?

24 A. Yes, it does.

25 Q. How does it do that?

1 A. It lists Seattle as an area in which the company
2 services.

3 Q. Did you go to the website Yelp in the course of
4 your investigation?

5 A. Yes, I did.

6 Q. Did you find a page for Lugg on Yelp?

7 A. Yes, I did.

8 Q. Did you take a screen capture of that page when
9 you visited?

10 A. Yes, I did.

11 Q. Would you please turn back to Exhibit JHJ-2?

12 A. I'm there.

13 Q. And if you could go to page 53 of that exhibit.

14 A. I'm there.

15 Q. Would you please identify that document?

16 A. It is the screen capture of Lugg's Yelp page.

17 Q. And is that a true and accurate copy of Lugg's
18 Yelp page?

19 A. Yes, it is.

20 Q. Has Lugg claimed its Yelp page?

21 A. Yes, it has.

22 Q. And what does it mean when a business claims its
23 Yelp page?

24 A. It means that the owner or representative of the
25 company has claimed the page and that has gone through

1 Yelp's verification process.

2 Q. How does the Yelp page identify Lugg?

3 A. It identifies Lugg as a junk removal and
4 hauling, movers, carriers, and delivery services.

5 Q. What services does the Yelp page identify Lugg
6 is offering?

7 A. The services offered on Lugg's Yelp page are
8 furniture assembly, furniture removal, large and heavy
9 item moving, mattress removal, furniture moving,
10 international relocations, local moving, and residential
11 services.

12 Q. Did Lugg verify that it offers those services on
13 its Yelp page?

14 A. Yes, it is verified by the business.

15 Q. And does the Yelp page identify Lugg as
16 operating in Washington?

17 A. Yes, it does.

18 Q. How does it do that?

19 A. Under the location and hours portion of the Yelp
20 page, it shows Seattle, Washington, as the area of
21 location.

22 MR. ROBERSON: Thank you. And, Judge
23 Howard, at this point, I have no more questions for
24 Ms. Hawkins-Jones.

25 JUDGE HOWARD: Thank you.

1 Ms. Paisner, any questions for the witness?

2 MS. PAISNER: No, we have no questions.

3 JUDGE HOWARD: Would -- does Public Counsel
4 intend to offer any evidence in -- in addition to what
5 Staff has offered?

6 MS. PAISNER: No, Your Honor. We would have
7 nothing else to provide other than what we already have
8 on the record in our motion. We have received
9 absolutely no communications from Lugg despite reaching
10 out.

11 JUDGE HOWARD: Certainly. And -- and I know
12 you had indicated earlier that Public Counsel supports
13 imposing the full penalty amount. So would it -- would
14 it be fair to say that Public Counsel supports the
15 Commission ruling on the merits here?

16 MS. PAISNER: We would. We -- we feel that
17 the record contains ample material and ample basis to --
18 for the Commission to issue such a motion -- or sorry,
19 issue such an order. So we -- we support this motion
20 for default and to impose maximum penalties and cease
21 and desist.

22 JUDGE HOWARD: Thank you.

23 Sorry, give me just one moment here.

24 Mr. Roberson, would -- would Staff like to
25 offer any more evidence or argument in support of its

1 request for a ruling on the merits?

2 MR. ROBERSON: I can make a closing if that
3 would be helpful.

4 JUDGE HOWARD: You know, I leave that -- I
5 leave that to you. I do follow Staff's case pretty
6 well, but if there's anything you'd like to highlight or
7 add, certainly feel free to do so.

8 MR. ROBERSON: There's only one kind of
9 point of clarification. Ms. Hawkins-Jones' testimony
10 references three separate quotes. One of them was not
11 charged. The first cause of action lists ten violations
12 of RCW 81.80.075, eight of them are advertisement, two
13 are quotes. The two quotes that Staff is seeking
14 penalties for are the ones specifically described in the
15 testimony about the website. I believe it was a move
16 booked for January and a move booked for April. If you
17 give me a second, I can verify that.

18 JUDGE HOWARD: Okay. That -- that would
19 be -- that would be great.

20 MR. ROBERSON: I just want to be very
21 specific about where the penalties would be coming from.
22 Yeah, so the first violation involving a quote was the
23 quote on December 23rd and for a move on January 6th and
24 the second violation involving a quote was the quote
25 obtained on March 30th for a move on April 7th.

1 JUDGE HOWARD: Okay. In that case, that --
2 I believe that brings us to the end of the hearing
3 today. And normally, with a prehearing conference
4 order, I would have five days to issue my order. Would
5 the parties be willing to waive that five-day
6 requirement given that this is a bit more of a detailed
7 order?

8 MR. ROBERSON: Staff will definitely waive
9 that requirement.

10 JUDGE HOWARD: Okay. Ms. -- Ms. Paisner, do
11 you have any concern there?

12 MS. PAISNER: I'm sorry, I -- I didn't hear
13 a bit of what just -- what you just said. Can you
14 please repeat that?

15 JUDGE HOWARD: Sure. Just that normally I
16 would have five days to issue my order after a
17 prehearing conference, so I'm asking if the parties will
18 waive that five-day requirement. I hope to have it out
19 soon, but I think I might take more than five days given
20 some other cases I have.

21 MS. PAISNER: Yes, absolutely, Your Honor.

22 JUDGE HOWARD: Thank you.

23 MS. PAISNER: We can do that.

24 JUDGE HOWARD: Is there anything else that
25 we should address today?

1 MR. ROBERSON: I probably should put this on
2 the record. I am on vacation until the week after this
3 Friday, so it's almost better for me if it takes you
4 more than a week to get the order out, but that
5 shouldn't hinder anything, I guess.

6 JUDGE HOWARD: Okay. Okay. Well, have a
7 good vacation in that -- in that event.

8 MR. ROBERSON: Thank you.

9 JUDGE HOWARD: Well, hearing no other issues
10 we need to address today, we are adjourned. Thank you,
11 everyone.

12 (Adjourned at 10:54 a.m.)

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C E R T I F I C A T E

STATE OF WASHINGTON
COUNTY OF THURSTON

I, Tayler Garlinghouse, a Certified Shorthand Reporter in 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.

Tayler Garlinghouse

Tayler Garlinghouse, CCR 3358



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