

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of Determining the Proper
Carrier Classification of, and Complaint
for Penalties against:

STARVING STUDENTS, INC.

DOCKET TV- 200309

ORDER 01

ORDER INSTITUTING SPECIAL
PROCEEDING; COMPLAINT
SEEKING TO IMPOSE
PENALTIES; NOTICE OF BRIEF
ADJUDICATIVE PROCEEDING
(Set for July 27, 2020,
at 9:30 a.m.)

1 The Washington Utilities and Transportation Commission (Commission), on its own
motion, and through its regulatory staff (Staff), alleges as follows:

I. PARTIES

2 The Commission is an agency of the state of Washington authorized by statute to regulate
the rates, services, facilities, and practices of public service companies, including
household goods carriers.

3 Starving Students, Inc., (Starving Students or Company) is a Washington household
goods carrier subject to Commission regulation.

II. BACKGROUND

4 On January 23, 2020, Staff visited Starving Students' website, www.ssmovers.com, and
found the Company offered to provide household goods moving services in Seattle and
Tacoma, Washington. The website stated: "Call (888) 931-6683 to book a move in
Seattle, WA."

5 On January 23, 2020, Staff searched the Washington State Department of Revenue's
website and found a company name of Starving Students, Inc., a contact name/governing
individual of Ethan Margalith, and an associated registered trade name of Starving
Students of Seattle.

6 On January 23, 2020, Staff searched Commission records and verified that neither
Starving Students, Inc., Ethan Margalith, nor Starving Students of Seattle are a permitted
household goods carrier.

- 7 The search of Commission records produced docket TV-160441. The docket showed that Starving Students was previously permitted as a household goods carrier (HG041035). The Company was notified on April 23, 2016, that its permit was canceled due to insufficient proof of insurance. The notification stated: “You must immediately CEASE all operations associated with this permit.”
- 8 On February 6, 2020, Staff called (888) 931-6683 using an assumed name to obtain a quote for moving services to occur on March 12, 2020, between Kent and Seattle, Washington. The person answering the phone identified themselves as Jay and indicated the caller had reached Starving Students. Jay offered a rate of \$104.99 an hour for workers, a truck, and equipment.
- 9 Staff requested a copy of the offer. The top of the emailed quote displayed “Washington HG41035.”

III. JURISDICTION

- 10 The Commission has jurisdiction over the subject matter of this complaint under chapter 34.05 RCW, RCW 80.01.040, RCW 80.01.060, RCW 81.01.010, RCW 81.04.010, RCW 81.04.020, RCW 81.04.110, RCW 81.04.380, RCW 81.04.460, RCW 81.04.510, RCW 81.80.075, and WAC 480-15-180.

IV. APPLICABLE LAW

- 11 The Commission regulates public service companies pursuant to a delegation of authority from the legislature. *See* RCW 80.01.040(2); RCW 81.01.010. This includes household goods carriers. RCW 81.80.075(1).
- 12 A household goods carrier is defined as “a person who transports for compensation, by motor vehicle within this state, or who advertises, solicits, offers, or enters into an agreement to transport household goods as defined by the commission.” RCW 81.80.010(6).
- 13 Commission rules define household goods as “The personal effects and property used, or to be used, in a residence when transported or arranged to be transported between residences or between a residence and a storage facility with the intent to later transport to a residence or when referenced in connection with advertising, soliciting, offering, or entering into an agreement for such transportation. Transportation of the goods must be arranged and paid for by the customer or by another individual, company or organization on behalf of the customer.” WAC 480-15-020.
- 14 Under RCW 81.80.075(1) “No person shall engage in business as a household goods carrier without first obtaining a household goods carrier permit from the commission.”

- 15 Under RCW 81.80.075 (4) “Any person who engages in business as a household goods carrier in violation of subsection (1) of this section is subject to a penalty of up to five thousand dollars per violation.” This includes advertising as a household goods carrier. RCW 81.80.075(4)(a).
- 16 The Commission may file a complaint upon its own motion setting forth any act or omission by any public service company that violates any law or any order or rule of the Commission. RCW 81.04.110.
- 17 The Commission may institute a special proceeding to determine whether a person is conducting business requiring operating authority, or has performed or is performing any act requiring Commission approval without first securing that approval. RCW 81.04.510. Whether the person has done so is a question of fact for the Commission. RCW 81.04.510.
- 18 If the Commission determines at a special proceeding that a person is operating or has operated without the necessary authority, it must order them to cease and desist. RCW 81.04.510.

V. CAUSE OF ACTION

- 19 The Commission re-alleges paragraphs 2 through 18, above.
- 20 The Commission alleges that Starving Students violated RCW 81.80.075 at least twice by operating and advertising as a household goods carrier without a proper permit from the Commission.

VI. REQUEST FOR RELIEF

- 21 Staff requests that the Commission classify Starving Students as a household goods carrier.
- 22 Staff requests that the Commission, pursuant to its authority under RCW 81.80.075, assess penalties of up to \$5,000 for each violation of RCW 81.80.075.
- 23 Staff further requests that the Commission order such other or further relief as is appropriate under the circumstances.

VII. PROBABLE CAUSE

- 24 Based on a review of the Declaration of Staff Investigator Brian Braun and all supporting documents, and consistent with RCW 80.01.060 and WAC 480-07-307, the Commission finds probable cause exists to issue this complaint.

VIII. ORDER AND NOTICE OF BRIEF ADJUDICATIVE PROCEEDING

- 25 The Commission has jurisdiction to institute a special proceeding to determine whether Starving Students is conducting business requiring operating authority, or has performed or is performing any act requiring Commission approval without securing such approval pursuant to RCW 80.01.040, RCW 81.01.010, and RCW 81.04.510. In addition to the foregoing statutes, this matter involves Title 81 RCW, including but not limited to RCW 81.04.020; RCW 81.04.380, RCW 81.77.010, RCW 81.77.040, RCW 81.77.090, and RCW 81.80.010. This matter also involves the administrative rules set forth in chapters 480-07 and 480-70 WAC.
- 26 Pursuant to RCW 34.05.482 and WAC 480-07-610, the Commission determines that a brief adjudicative proceeding is appropriate for resolving the issues in this docket.
- 27 **THE COMMISSION ORDERS Starving Students to appear by telephone or Skype for Business before the Commission in this special proceeding conducted under the authority of RCW 81.04.510 at 9:30 a.m. on July 27, 2020, to give testimony and evidence under oath as to its operations. To attend the brief adjudicative proceeding by telephone, call (360) 407-3810 and enter the Conference ID 8416462. To attend via the Skype for Business application, please use the following link: <https://lync.wa.gov/utc.wa.gov/meet/aldcalendar/TVGJVGMG>. The burden of proving that the alleged operations are not subject to the provisions of Title 81 RCW shall be upon Starving Students as provided by RCW 81.04.510.**
- 28 **THE COMMISSION GIVES NOTICE That it will conduct a telephonic brief adjudicative proceeding concurrently with the special proceeding noticed above in this matter at 9:30 a.m. on July 27, 2020. To attend the brief adjudicative proceeding by telephone, call (360) 407-3810 and enter the Conference ID 8416462. To attend via the Skype for Business application, please use the following link: <https://lync.wa.gov/utc.wa.gov/meet/aldcalendar/TVGJVGMG>.**
- 29 **THE COMMISSION GIVES NOTICE that any party who fails to attend or participate in the hearing or any other state of this proceeding may be held in default in accordance with RCW 34.05.440 and WAC 480-07-450.**
- 30 If a limited English-speaking or hearing-impaired party needs an interpreter, a form is attached to this notice to be filled out and returned as indicated, so that the Commission may appoint a qualified interpreter at no cost to the party or witness.
- 31 The names and mailing addresses of all known parties and their known representatives are as follows:

Respondent: Ethan Margalith
Starving Students, Inc.
9330 Corbin Ave.
Northridge, CA 91324

Complainant: Washington Utilities and Transportation Commission
621 Woodland Park Loop SE
P.O. Box 47250
Olympia, WA 98504-7250
(360) 664-1160

Representative: Nash Callaghan
Office of the Attorney General
621 Woodland Park Loop SE
P.O. Box 40128
Olympia, WA 98504-7250
(360) 664-1188
nash.callaghan@utc.wa.gov

- 32 Administrative Law Judge Michael Howard, from the Commission's Administrative Law Division, will preside during this proceeding.¹
- 33 The Commission will give parties notice of any other procedural phase of the proceeding in writing or on the record, as appropriate during this proceeding.

DATED at Lacey, Washington, and effective May 19, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Rayne Pearson
RAYNE PEARSON
Director, Administrative Law Division

Inquiries may be addressed to:
Mark L. Johnson
Executive Director and Secretary
621 Woodland Square Loop S.E.
P.O. Box 47250
Olympia, WA 98504-7250
(360) 664-1160

¹ Judge Howard can be reached by email at michael.howard@utc.wa.gov or by phone at (360) 664-1139.

NOTICE

Hearing facilities are accessible to persons with disabilities. Smoking is prohibited. If limited English-speaking, hearing-impaired parties or witnesses are involved in a hearing and need an interpreter, a qualified interpreter will be appointed at no cost to the party or witness.

If you need an interpreter, or have other special needs, please fill out and return this form to:

Washington Utilities and Transportation Commission
Attention: Mark L. Johnson
P.O. Box 47250
Olympia, WA 98504-7250

(PLEASE SUPPLY ALL REQUESTED INFORMATION)

Docket: _____

Case Name: _____

Hearing Date: _____ Hearing Location: _____

Primary Language: _____

Hearing Impaired: (Yes) _____ (No) _____

Do you need a certified sign language interpreter:

Visual _____ Tactile _____

Other type of assistance needed: _____

English-speaking person who can be contacted if there are questions:

Name: _____

Address: _____

Phone (_____) _____