

**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 02

INITIAL ORDER GRANTING  
DEFAULT; CLASSIFYING  
RESPONDENT AS A HOUSEHOLD  
GOODS CARRIER; ORDERING  
RESPONDENT TO CEASE AND  
DESIST; IMPOSING PENALTIES

**BACKGROUND**

- 1 **NATURE OF PROCEEDING.** On June 16, 2020, the Washington Utilities and Transportation Commission (Commission) issued Order 01 in this docket, which instituted a special proceeding against Starving Students, Inc. (Starving Students or Company). Order 01 alleged that the Company violated RCW 81.80.075 at least twice by engaging in business as a household goods carrier without first having obtained a permit from the Commission. Order 01 also noticed a Brief Adjudicative Proceeding (BAP) for July 27, 2020.
- 2 On June 30, 2020, the Commission issued a notice cancelling the BAP due to insufficient service of process.
- 3 On September 30, 2020, the Commission issued Revised Order 01 and noticed a BAP for January 20, 2021.
- 4 **APPEARANCES.** Nash Callaghan, Assistant Attorney General, Olympia, Washington, represents Commission staff (Staff).<sup>1</sup> Starving Students did not appear at the BAP.

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<sup>1</sup> In formal proceedings such as this, the Commission’s regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners’ policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

**Pursuant to RCW 80.01.060(3)  
This packet is the final  
Order in this docket.**

- 5 **Motion for Default.** At the January 20, 2021, BAP, Staff moved for default. Staff explained that Starving Students was properly served and that Order 01 informed the Company that it could be held in default for failing to appear at the hearing.
- 6 Staff presented testimony from compliance investigator Jacque Hawkins-Jones. Hawkins-Jones testified that investigator Brian Braun previously handled this case, and she reviewed Braun's declarations and understood them to be correct.<sup>2</sup>
- 7 Hawkins-Jones testified that Staff accomplished service on Starving Students by serving the Washington Secretary of State (SOS).<sup>3</sup> Staff submitted an affidavit of service indicating that the Company was properly served with Revised Order 01 through the SOS on September 30, 2020.<sup>4</sup>
- 8 Before attempting service through the SOS, Staff attempted to serve the Company's registered agent.<sup>5</sup> On June 16, 2020, the registered agent, CT Corporation System, wrote to the Commission indicating that it was no longer able to accept service on behalf of the Company.
- 9 Staff next attempted to serve the Company by certified mail. Hawkins-Jones testified that there were multiple addresses listed for the Company.<sup>6</sup> Staff attempted to serve the Company by certified mail at various addresses, including the 12675 Mountain Crest Lane, Los Angeles, California, 90049-6831.<sup>7</sup>
- 10 The process server also attempted to serve the Company by handing the relevant documents to an individual in charge of the Company's offices in Tacoma, Seattle, and Bellevue, Washington.<sup>8</sup> However, the Company no longer operates at these locations, and those attempts were unsuccessful.<sup>9</sup>

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<sup>2</sup> Hawkins-Jones, TR 7:14-8:8.

<sup>3</sup> Hawkins-Jones, TR 9:11-16.

<sup>4</sup> Hawkins-Jones, Exh. JHJ-3 (Declaration of Service)

<sup>5</sup> Hawkins-Jones, TR 10:4-8, 14:4-7. *See also* Hawkins-Jones, Exh. JHJ-2 (Declaration of Service).

<sup>6</sup> Hawkins-Jones, TR 13-14-17.

<sup>7</sup> Hawkins-Jones, TR 10:4-10.

<sup>8</sup> Hawkins-Jones, TR 12:6-21, 13:14-14:7.

<sup>9</sup> *See id.*

- 11 **Staff's Request for a Ruling on the Merits.** Staff also requested that the Commission resolve the substantive issues in this proceeding. Starving Students previously held Commission permit HG041035. The Commission canceled this permit due to insufficient proof of insurance on April 26, 2016, in Docket TV-160441.
- 12 Staff submits that the Company continued to operate as a household goods carrier even after its permit was cancelled. Hawkins-Jones described Staff's investigation of Starving Students, which occurred in January and February 2020, as documented in Braun's declaration.<sup>10</sup> Hawkins-Jones testified that Starving Students does not possess a household goods carrier permit or any other required authority from the Commission.<sup>11</sup>
- 13 In his declaration, Braun states that he visited the Starving Students' website, [www.ssmovers.com](http://www.ssmovers.com), on January 23, 2020.<sup>12</sup> The Company offered household goods moving services in Tacoma and Seattle, Washington.<sup>13</sup>
- 14 Braun then called Starving Students at 888-931-6683 on February 6, 2020.<sup>14</sup> He obtained a quote for moving services to occur on March 12, 2020, between Kent and Seattle, Washington, and the Company emailed Braun the same day following the call.<sup>15</sup>
- 15 Hawkins-Jones maintained that the Company still offered household goods moving services in the state without the required permit and that she was able to obtain a quote for moving services the week prior to the BAP.<sup>16</sup>
- 16 Staff requests the Commission impose a penalty of up to \$5,000 per violation.

## DISCUSSION

- 17 **Motion for Default.** RCW 34.05.440(2) allows the presiding officer discretion to enter a "default or other dispositive order" if a party fails to appear at the hearing: "If a party fails to attend or participate in a hearing or other stage of an adjudicative proceeding ... the presiding officer may serve upon all parties a default or other dispositive order, which

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<sup>10</sup> Hawkins-Jones, TR 8:3 *et seq.*, *see also* Hawkins Jones, Exh. JHJ-1.

<sup>11</sup> Hawkins-Jones, TR 8:21-24.

<sup>12</sup> Hawkins-Jones, Exh. JHJ-1 at 1, 3-5.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.* at 2, 9-11.

<sup>15</sup> *Id.*

<sup>16</sup> Hawkins-Jones, TR 11:1-8.

shall include a statement of the grounds for the order.” WAC 480-07-450(1) similarly provides that that the Commission may find a party in default if the party fails to appear at the time and place set for a hearing.

18 We grant Staff’s motion for default based on Starving Students’ failure to appear at the January 20, 2021, BAP. Revised Order 01 advised the Company that it may be held in default in accordance with the terms of RCW 34.05.440 and WAC 480-07-450 for failing to attend the hearing.

19 Under the circumstances of this case, it was appropriate for Staff to serve the Company through the SOS. Pursuant to RCW 23.95.450, a plaintiff seeking to serve a company through the SOS must establish that the company cannot be served through other means. The plaintiff must establish that the company cannot be served through its registered agent, by certified mail at its principal place of business, or by serving an individual in charge of any of the company’s regular places of business.<sup>17</sup>

20 Consistent with RCW 23.95.450, Staff first attempted service through the Company’s registered agent, by certified mail at its principal place of business, and by serving an individual in charge of a place of business. When these methods failed, Staff served the Company through the SOS. The affidavit of service indicates that Starving Students was served a copy of Revised Order 01 through the secretary of state on September 30, 2020.<sup>18</sup> Starving Students has not contacted the presiding officer or otherwise shown good cause for its failure to attend since the BAP.

21 **Ruling on the Merits.** In light of the Commission’s decision to find Starving Students in default, we grant Staff’s request to resolve the case on its merits. Starving Students has operated as a household goods carrier without first obtaining required authority. Because the Commission finds Starving Students in default, the Commission may resolve the issues in this proceeding without Starving Students’s participation.<sup>19</sup>

**A. Operating as a household goods carrier**

22 Household goods carriers, freight carriers, and solid waste collection companies are common carriers. RCW 81.04.010(11). For the purposes of Title 81 RCW, every

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<sup>17</sup> *See id.*

<sup>18</sup> Hawkins-Jones, Exh. JHJ-3.

<sup>19</sup> *See* RCW 34.04.440(3).

common carrier is a public service company, and therefore subject to Commission regulation.<sup>20</sup>

- 23 Under state law, the definition of “household goods carrier” includes a person who “advertises, solicits, offers, or enters into an agreement to transport household goods” as defined by the Commission within the state of Washington.<sup>21</sup> The term “person” encompasses firms as well as an individuals.<sup>22</sup> Specifically included in this term are companies, corporations, and partnerships.<sup>23</sup>
- 24 The Commission defines household goods as “the personal effects and property used, or to be used, in a residence” in the context of transportation from one residence to another, or to a storage facility.<sup>24</sup> No person may engage in business as a household goods carrier within the state of Washington without first obtaining a household goods carrier permit from the Commission.<sup>25</sup>
- 25 Any person who engages in business as a household goods carrier in the state of Washington without the required permit is subject to a penalty of up to \$5,000 per violation.<sup>26</sup> If the basis for the violation is advertising, each advertisement reproduced, broadcast, or displayed via a particular medium constitutes a separate violation.<sup>27</sup>
- 26 As noted above, investigator Braun visited the Starving Student’s website, [www.ssmovers.com](http://www.ssmovers.com), on January 23, 2020.<sup>28</sup> The Company’s website offered household goods moving services in Tacoma and Seattle, Washington.<sup>29</sup>

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<sup>20</sup> See RCW 80.01.040(2); RCW 81.01.010.

<sup>21</sup> RCW 81.80.010(5).

<sup>22</sup> RCW 81.04.010(6), accord RCW 1.16.080(1).

<sup>23</sup> WAC 480-15-020.

<sup>24</sup> WAC 480-15-020.

<sup>25</sup> RCW 81.80.075(1).

<sup>26</sup> RCW 81.80.075(4).

<sup>27</sup> RCW 81.80.075(4)(a).

<sup>28</sup> Hawkins-Jones, Exh. JHJ-1 at 1, 3-5.

<sup>29</sup> *Id.*

27 Braun then called Starving Students at 888-931-6683 on February 6, 2020.<sup>30</sup> He obtained a quote for moving services to occur on March 12, 2020, between Kent and Seattle, Washington.<sup>31</sup>

28 We therefore find that the Company violated RCW 81.80.075(1) on at least two occasions by engaging in business as a household goods carrier after the Commission cancelled its permit for insufficient proof of insurance.

### **B. Consideration of the appropriate penalty**

29 The Commission considers several factors when deciding the level of penalty to impose, including, *inter alia*, how harmful or serious the violation is to the public, whether the violation was intentional, whether the company promptly corrected the violation, the likelihood of recurrence, the company's past performance, and the size of the company.<sup>32</sup>

30 We are concerned that Starving Students is harming consumers. By operating without the required permit and without the requisite proof of insurance on file with the Commission, the Company may be denying Washington consumers the protections afforded by RCW Chapter 81.80 and the Commission's rules in WAC Chapter 480-15. It is not clear whether Starving Students' customers are protected by public liability and property damage insurance, cargo insurance, equipment safety requirements, driver safety requirements, employee criminal background checks, and numerous other consumer protections.

31 Starving Students also has a history of violating Commission rules. In 2003, the Commission assessed a \$50,000 penalty and suspended the Company's permit for repeated violations, including violations of settlement agreements.<sup>33</sup> The Commission observed:

The carrier's history of repeated violations, broken promises to comply, requests for mitigation, risks to the safety of the public and its employees, and the abuse of its customers would seem to demonstrate an inability or unwillingness to meet its

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<sup>30</sup> *Id.* at 2, 9-11.

<sup>31</sup> *Id.*

<sup>32</sup> Docket A-120061, Enforcement Policy for the Washington Utilities and Transportation Commission ¶ 15. (January 7, 2013).

<sup>33</sup> *WUTC v. Starving Students, Inc.*, Docket TV-000695 Fourth Suppl. Order (April 23, 2003).

responsibilities. **Even the name “Starving Students” demonstrates its disdain for its customers and the larger community. Its owners and management are neither starving nor students**, even as the public may be left with the misimpression that the use of the carrier’s services will benefit the needy.<sup>34</sup>

32 Even after this significant penalty and admonition, the Company continued to violate a number of Commission rules. In 2009, the Commission assessed a \$1,600 penalty against Starving Students for using a driver with a suspended license.<sup>35</sup> In 2015, the Commission approved a settlement agreement that assessed a \$7,300 penalty and required the Company to refund improper chargers to customers.<sup>36</sup> The Commission has also assessed penalties for Starving Students’ failure to provide required annual reports.<sup>37</sup> Most recently, in Docket TV-160441, the Commission cancelled the Company’s permit for insufficient proof of insurance.

33 We note that Starving Students is a relatively large company. The quote Starving Students provided to Braun indicates that the Company operates in Arizona, California, Nevada, Texas, Virginia, and Washington.<sup>38</sup>

34 Finally, we are troubled that Starving Students has frustrated Staff’s attempts at perfecting service. Although Starving Students continues to advertise and offer quotes for services in Washington, the Company’s own registered agent was not able to accept service, and the Company did not operate at the various addresses listed with the Washington State Department of Revenue.<sup>39</sup> Although these actions do not conclusively demonstrate that the Company is intentionally avoiding service of process, the Company’s evasiveness is consistent with its lengthy history of disregarding Commission rules.

35 Each of these factors weighs in favor of imposing the full penalty amount, which is the Commission’s standard practice when a Company is held in default and Staff presents

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<sup>34</sup> *Id.* ¶ 25 (emphasis added).

<sup>35</sup> See Penalty Assessment, Docket TV-021592 (October 9, 2009).

<sup>36</sup> *WUTC v. Starving Students, Inc.*, Docket TV-140643 Order 02 (January 12, 2015).

<sup>37</sup> See Penalty Assessment, Docket TV-131001 (August 8, 2013); *In the Matter of the Penalty Assessment Against Starving Students, Inc.*, Docket TV-140991 Order 01 (July 14, 2014); Penalty Assessment, Docket TV-150940 (June 1, 2015).

<sup>38</sup> Hawkins-Jones, Exh. JHJ-1 at 10.

<sup>39</sup> See, e.g., Hawkins-Jones, TR 12:6-21, 13:14-14:7.

unrebutted evidence that each of the violations occurred. Accordingly, we assess a total penalty of \$10,000.

### FINDINGS AND CONCLUSIONS

- 36 (1) The Commission is an agency of the State of Washington vested by statute with authority to regulate persons engaged in the business of transporting household goods.
- 37 (2) The Commission has jurisdiction over the subject matter of this proceeding and over Starving Students.
- 38 (3) It is unlawful, under RCW 81.80.075(1), to operate as a household goods carrier in Washington without first obtaining the required permit from the Commission. Any person who engages in business as a household goods carrier without the required permit is subject to a penalty of up to \$5,000 per violation under RCW 81.80.75(4).
- 39 (4) Since January 2020, on at least two occasions, Starving Students has advertised, solicited, or offered to transport household goods, for compensation, by motor vehicle, within the state of Washington, without first having obtained a household goods carrier permit from the Commission in violation of RCW 81.80.075(1).
- 40 (5) Starving Students is a “household goods carrier” as that term is defined in RCW 81.80.010(5) because it has continuously since January 2020 advertised, solicited, offered, or entered into agreements to transport household goods. RCW 81.80.075(1) provides that “No person shall engage in business as a household goods carrier without first obtaining a household goods carrier permit from the commission.”
- 41 (6) The Commission should assess a penalty against Starving Students of \$5,000 for each violation of RCW 81.80.75(1), for a total penalty of \$10,000.
- 42 (7) Starving Students has neither applied for nor obtained a permit from the Commission authorizing it to conduct business as a household goods carrier.
- 43 (8) RCW 81.04.510 authorizes and requires the Commission to order an unpermitted household goods carrier such as Starving Students to cease and desist immediately its activities.



**ORDER**

- 44 (1) Starving Students, Inc., is held in default. Should Starving Students, Inc., fail to respond to this Order by filing a written motion within ten (10) days requesting that the order be vacated pursuant to WAC 480-07-450(2), the default in this proceeding will remain in place.
- 45 (2) Starving Students, Inc., is classified as a household goods carrier within the state of Washington.
- 46 (3) Starving Students, Inc., is required immediately to cease and desist operations as a household goods carrier within the state of Washington. Starving Students, Inc., must refrain from all such operations unless and until it obtains the required permit from the Commission.
- 47 (4) Starving Students, Inc. is assessed a penalty of \$10,000, as discussed in the body of this Order. The penalty is due and payable within 10 days of the effective date of this Order.
- 48 (5) The Commission retains jurisdiction over the subject matter and the parties to this proceeding to effectuate the terms of this Order.

DATED at Lacey, Washington, and effective February 2, 2021.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Michael S. Howard  
MICHAEL HOWARD  
Administrative Law Judge

## NOTICE TO PARTIES

This is an Initial Order. The action proposed in this Initial Order is not yet effective. If you disagree with this Initial Order and want the Commission to consider your comments, you must take specific action within the time limits outlined below. If you agree with this Initial Order and you would like the Order to become final before the time limits expire, you may send a letter to the Commission waiving your right to petition for administrative review.

**WAC 480-07-450(2) states that a party held in default has 10 days after service of a default order to file a written motion requesting the order be vacated and the proceeding reopened for further process. The party held in default must state the grounds relied upon, including its reasons for failing to appear.**

WAC 480-07-825(2)(a) provides that any party to this proceeding has 20 days after the entry of this initial order to file a petition for administrative review (Petition). **A party held in default must file a written motion requesting the order be vacated pursuant to WAC 480-07-450(2) within 10 days after service in order to have the Commission consider a Petition from that party.** Section (2)(b) of the rule identifies what you must include in any Petition as well as other requirements for a Petition. WAC 480-07-825(2)(c) states that any party may file a response to a Petition within 10 days after service of the Petition.

WAC 480-07-830 provides that before the Commission enters a final order any party may file a petition to reopen a contested proceeding to permit receipt of evidence that is essential to a decision, but unavailable and not reasonably discoverable at the time of hearing, or for other good and sufficient cause. The Commission will give other parties in the proceeding an opportunity to respond to a motion to reopen the record, unless the Commission determines that it can rule on the motion without hearing from the other parties.

RCW 80.01.060(3) provides that an Initial Order will become final without further Commission action if no party seeks administrative review of the Initial Order and if the Commission does not exercise administrative review on its own motion.

Any Petition or response must be electronically filed through the Commission's web portal, as required by WAC 480-07-140(5).