

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

JFS TRANSPORT, INC. d/b/a  
COAST MOVERS

Respondent.

DOCKET TV-180315

ORDER 02

INITIAL ORDER APPROVING  
SETTLEMENT AGREEMENT

**BACKGROUND**

- 1 **PROCEDURAL HISTORY.** On June 20, 2018, the Washington Utilities and Transportation Commission (Commission) issued Order 01, Complaint for Penalties; Notice of Brief Adjudicative Proceeding (Order 01 or Complaint) in Docket TV-180315. The Commission initiated this proceeding as the result of an investigation by Commission staff (Staff) of JFS Transport, Inc. d/b/a Coast Movers' (JFS Transport or Company) practices. The Complaint alleged seven causes of action that included 241 violations of Washington Administrative Code (WAC) chapter 480-15 and Tariff 15-C, and requested that the Commission impose monetary penalties on the Company for violations of Commission rules and state laws and order the Company to refund excess charges to customers who had been overcharged. Order 01 required the Company to appear before the Commission at a brief adjudicative proceeding on July 24, 2018, at 9:30 a.m.
- 2 On July 3, 2018, Staff filed a letter to this docket with the Commission, indicating that the owner of JFS Transport, Mr. Jonathon Sheridan, had contacted Staff and requested a continuance of the brief adjudicative proceeding. Staff had no objection to the request for continuance.

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

- 3 On July 13, 2018, the Commission issued a Notice Rescheduling Brief Adjudicative Proceeding, setting the brief adjudicative proceeding to commence on August 20, 2018, at 1:30 p.m.
- 4 On August 10, 2018, Staff, through its attorney and on behalf of the parties, filed a letter to this docket indicating that Staff and JFS Transport (collectively, the Parties) had reached a settlement in principle. The Parties requested the temporary suspension of the procedural schedule and proposed filing a final settlement proposal and supporting narrative, or a status report, by August 31, 2018. At the request of the parties, this date was later extended to September 14, 2018.
- 5 On September 14, 2018, Staff, through its attorney and on behalf of the Parties, filed a Joint Settlement Agreement (Settlement Agreement) and Appendices. On September 21, 2018, Staff, through its attorney and on behalf of the Parties, filed a Supporting Narrative in support of the Settlement Agreement.
- 6 Christopher M. Casey, Assistant Attorney General, Olympia, Washington, represents Staff. Kristina Southwell, Gordon Thomas Honeywell, LLP, Tacoma, Washington, represents JFS Transport, Inc. d/b/a Coast Movers.
- 7 **SETTLEMENT AGREEMENT.** The Parties present the Settlement Agreement as a full resolution of all matters in dispute.
- 8 The Parties agree that JFS Transport committed 241 violations of WAC 480-15-490, WAC 480-15-610, WAC 480-15-620, WAC 480-15-630, WAC 480-15-710, WAC 480-15-800, and Tariff 15-C, Items 85, 95, 205, and 230, as alleged in the Complaint.<sup>1</sup>
- 9 The Parties agree that JFS Transport will issue refunds to the customers it overcharged between February 1, 2017, and April 30, 2017, totaling \$3,324.50. JFS Transport will clearly explain to its customers who are receiving refunds the reasons for the refunds via a notice, which Staff will review and approve prior to the issuance of refunds. JFS Transport agrees to issue the refunds within one month of the effective date of this Order.<sup>2</sup>

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<sup>1</sup> *Wash. Utils. & Transp. Comm'n v. JFS Transport, Inc. d/b/a Coast Movers*, Docket TV-180315, Settlement Agreement, 2, ¶ 8 (Sept. 14, 2018) [hereinafter “Settlement Agreement”].

<sup>2</sup> *Id.* at 2-3, ¶ 9.

- 10 The Parties agree that the Commission should assess a total penalty in the amount of \$15,000, with a \$10,000 portion of that total penalty amount suspended for a period of two years from the effective date of this Order, and then waived, subject to the following conditions: JFS Transport must not incur any repeat violation of state law, Commission orders, rules, or Tariff 15-C during the two-year period beginning the effective date of this Order; and, the Company must not fail to pay any monthly installment towards the \$5,000 penalty amount, as detailed in paragraph 11, below.<sup>3</sup>
- 11 The Parties agree that the Commission should assess a \$5,000 penalty amount against the Company, which the Company will pay in 20 consecutive monthly installments of \$250 each. Each installment is due and payable no later than the first day of each month for 20 months beginning the first month after the effective date of this Order. JFS Transport may make payments in advance of these due dates to discharge its payment obligation. Any prepayment of the penalty amount will be credited to the last date an installment is due. If the Company fails to pay any installment by the due date, the entire remaining balance of payments, including the entire suspended portion of the penalty, will become immediately due and payable without further Commission order.<sup>4</sup>
- 12 The Parties agree that Staff will conduct a review within two years from the effective date of this Order and recommend whether the Commission should waive or impose the suspended penalty amount of \$10,000.<sup>5</sup>
- 13 The Parties agree that Mr. Jonathon Sheridan, owner of JFS Transport, and two other employees will attend the Commission's household goods movers training. They attended such training on August 15, 2018.<sup>6</sup>
- 14 The Parties agree that JFS Transport will create and use for all of its intrastate moves a Bill of Lading, Cube Sheet, Estimate, and an internal Moving Checklist for its employees, and have available a Complaint Form in compliance with Commission rules for customers who wish to file a complaint. The Company will retain its completed checklist along with its copy of signed written Estimate, Bill of Lading, and any other documents related to the move consistent with Commission rules and for no less than two

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<sup>3</sup> *Id.* at 3, ¶¶ 10-11.

<sup>4</sup> *Id.* at 3, ¶ 10.

<sup>5</sup> *Id.* at 3, ¶ 12.

<sup>6</sup> *Id.* at 4, ¶ 13.

years from the effective date of this Order. The Moving Checklist, Sample Bill of Lading, Sample Cube Sheet, Sample Estimate, and Complaint Form are attached to the Settlement Agreement in Appendices A - E.<sup>7</sup>

- 15 **SUPPORTING NARRATIVE.** The Supporting Narrative filed by the Parties describes the scope of the underlying dispute, which concerns alleged violations of Commission laws and rules discovered through a compliance investigation, a description of the Settlement Agreement, an explanation of the Parties' interests and the public interest, and the Parties' proposal of appropriate procedures for review of the Settlement Agreement.
- 16 On March 20, 2017, Staff initiated a compliance investigation, after receiving an informal consumer complaint regarding JFS Transport, into the Company's business practices to determine if the Company was in compliance with Commission rules and Tariff 15-C.
- 17 Staff reviewed documents related to 45 intrastate moves conducted by JFS Transport between February 1, 2017, and April 30, 2017, including bills of lading and customer invoices. Staff's investigation resulted in its discovery of multiple violations of Commission rules and provisions of Tariff 15-C.
- 18 The Supporting Narrative explains the Parties' belief that the Settlement Agreement is in their best interests because it represents a compromise of the positions of the Parties and avoids the expense, inconvenience, uncertainty, and delay inherent in a litigated outcome. It further explains that the public interest is served by concluding the dispute in this case without further expenditure of public resources on litigation expenses.
- 19 The Supporting Narrative explains that the Parties believe a refund to customers totaling \$3,324.50 and a \$15,000 penalty is appropriate in this case, and that the \$10,000 portion of the penalty that is suspended subject to conditions will provide a strong financial incentive for future compliance.
- 20 The Supporting Narrative explains that Staff's primary goal in any enforcement action is compliance. It describes how the Parties have developed and agreed to a compliance plan to further the Company's future compliance with Commission rules and regulations, including the Company's express intent to conform to state laws, regulations, and Tariff 15-C; commitment to attend household good movers training; and, creation of necessary forms that will help ensure future compliance.

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<sup>7</sup> *Id.* at 4, ¶ 13.

21 The Supporting Narrative explains the Parties' concurrence that a formal settlement hearing along with an opportunity for public comment are not necessary in this case. The Parties explain that the matter at issue in this case is considerably less complex than a general rate proceeding and there are no opponents of the settlement to the knowledge of the Parties. Because this matter is uncontested and of a less complex nature, the Parties believe it is appropriate for the Commission to review the proposed Settlement Agreement entirely on a paper record, without a formal settlement hearing and public comment.

### DISCUSSION AND DECISION

22 WAC 480-07-740 provides the Commission's procedural rules for consideration of any proposed settlement. For matters that are less complex than general rate cases, less time is required between the filing of a proposed settlement agreement and the effective date imposing any terms and conditions of the settlement.<sup>8</sup> Additionally, WAC 480-07-740(1)(d) states that "[t]he commission will schedule a hearing to consider a proposed settlement if the commission believes that a hearing will assist it to decide whether to adopt the proposal."

23 The Parties concur with each other that no hearing is necessary in this case due to its less complex nature and because the Settlement Agreement is unopposed. We agree. We do not believe that a hearing to consider the Settlement Agreement would assist in deciding whether to adopt the proposal, and we believe that making a decision in this matter on a paper record is appropriate because this matter is less complex and the Settlement Agreement is unopposed.

24 WAC 480-07-750(1) states, in part: "The commission will approve settlements when doing so is lawful, the settlement terms are supported by an appropriate record, and when the result is consistent with the public interest in light of all the information available to the commission." Thus, the Commission considers the individual components of the Settlement Agreement under a three-part inquiry, asking:

- Whether any aspect of the proposal is contrary to law.
- Whether any aspect of the proposal offends public policy.

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<sup>8</sup> WAC 480-07-740(1)(b).

- Whether the evidence supports the proposed elements of the Settlement Agreement as a reasonable resolution of the issue(s) at hand.

The Commission must determine one of three possible results:

- Approve the proposed settlement without condition.
- Approve the proposed settlement subject to conditions.
- Reject the proposed settlement.

25 We approve the Settlement Agreement without condition.

26 The parties made concessions relative to their respective litigation positions to arrive at a settlement that is in the interest of all parties and in the public interest. JFS Transport admits that it violated state and federal laws and rules. The Company also agrees that the Commission should assess a penalty for those violations and that it will issue refunds to the customers that it overcharged between February 1, 2017, and April 30, 2017. Finally, the Parties have agreed to a compliance plan that will help ensure the Company's future compliance with the Commission's rules and regulations.

27 We agree with the Parties that the public interest is served by this Settlement Agreement, but not only by concluding this matter without further expenditure of public resources on litigation expenses in this case. Additionally, we find that the Settlement Agreement serves the public interest by remitting refunds to those customers of the Company who were overcharged and by educating those customers as to the reason for why such refunds were necessary. This makes these customers whole and helps educate the public about the correct business practices for household goods carriers.

28 We agree with the Parties that a total penalty of \$15,000 is appropriate in this case. Likewise, we agree that a \$10,000 portion of that amount should be suspended, subject to the conditions explained in paragraph 10, above. We find that the payment plan agreed by the Parties for the remaining \$5,000 portion of the penalty is reasonable. According to that plan, the Company will pay this \$5,000 portion in 20 consecutive monthly installments of \$250, each of which is due and payable no later than the first day of each month for 20 months beginning in the first month after the effective date of this Order.

29 Overall, the terms of the Settlement Agreement are not contrary to law or public policy and reasonably resolve all issues in this proceeding. Additionally, evidence supports the proposed elements of the Settlement Agreement as reasonable resolutions of the issues at

hand. Given these factors, we find the Settlement Agreement is consistent with the public interest and should be approved as filed.

### FINDINGS AND CONCLUSIONS

- 30 (1) The Commission is an agency of the state of Washington, vested by statute with authority to regulate rates, rules, regulations, and practices of public service companies, including household goods carriers, and has jurisdiction over the parties and subject matter of this proceeding.
- 31 (2) JFS Transport, Inc. d/b/a Coast Movers is a household goods carrier subject to Commission regulation.
- 32 (3) The Settlement Agreement proposed by the Parties is of a less complex matter and is unopposed.
- 33 (4) A hearing is unnecessary in this case to assist the Commission in deciding whether to adopt the Settlement Agreement.
- 34 (5) The Settlement Agreement is not contrary to law or public policy and it reasonably resolves all issues in this proceeding.
- 35 (6) The Settlement Agreement is consistent with the public interest and should be approved as filed.
- 36 (7) The Commission should approve the Settlement Agreement without condition and order the penalty amount, conditions, and other terms as proposed by the Parties in the Settlement Agreement.

### ORDER

#### THE COMMISSION ORDERS:

- 37 (1) The Settlement Agreement is approved without condition, is attached as Exhibit A to, and incorporated into, this Order, and is adopted as the final resolution of all issues in this proceeding.
- 38 (2) The Commission assesses a \$15,000 penalty against JFS Transport, Inc. d/b/a Coast Movers for 241 violations of WAC chapter 480-15 and Tariff 15-C, and

suspends \$10,000 of the total penalty amount for two years from the effective date of this Order, and waives it thereafter, subject to the following conditions:

- JFS Transport, Inc. d/b/a Coast Movers must not incur any repeat violations of state law, Commission orders, rules, or Tariff 15-C during that two-year period; and,
- JFS Transport, Inc. d/b/a Coast Movers must timely pay all monthly installments of the \$5,000 penalty amount, as detailed in paragraph 11, above.

- 39 (3) The Commission approves the Parties' proposed payment plan for the \$5,000 portion of the penalty. JFS Transport, Inc. d/b/a Coast Movers is required to make 20 consecutive monthly installments of \$250, each of which is due and payable no later than the first day of each month, beginning the first month after the effective date of this Order. JFS Transport, Inc. d/b/a Coast Movers may make payments in advance of the due date to discharge its payment obligation. Any prepayment of the penalty amount will be credited to the last date an installment is due. If JFS Transport, Inc. d/b/a Coast Movers fails to pay any installment by the due date, the entire remaining balance of payments, including the entire suspended portion of the penalty amount, will become immediately due and payable without further Commission order.
- 40 (4) JFS Transport, Inc. d/b/a Coast Movers must issue refunds to the customers it overcharged for intrastate moves between February 1, 2017, and April 30, 2017, totaling \$3,324.50, within one month of the effective date of this Order. JFS Transport, Inc. d/b/a Coast Movers is required to issue a notice to affected customers that clearly explains the reasons for the refunds.
- 41 (5) JFS Transport, Inc. d/b/a Coast Movers must create and use for all of its intrastate moves a Bill of Lading, Cube Sheet, Estimate, and an internal Moving Checklist for its employees, and have available a Complaint Form in compliance with Commission rules for customers who wish to file a complaint. The Company must retain its completed checklist along with its copy of signed written Estimate, Bill of Lading, and any other documents related to a move consistent with Commission rules and for no less than the two years from the effective date of this Order.



42 (6) The Commission retains jurisdiction to effectuate the terms of this Order.

DATED at Olympia, Washington, and effective September 24, 2018.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

ANDREW J. O'CONNELL  
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 480-07-610(7) provides that any party to this proceeding has twenty-one (21) days after the entry of this Initial Order to file a Petition for Review. What must be included in any Petition and other requirements for a Petition are stated in WAC 480-07-610(7)(b). WAC 480-07-610(7)(c) states that any party may file a Response to a Petition for review within seven (7) days after service of the Petition.

WAC 480-07-830 provides that before entry of a Final Order any party may file a Petition to Reopen a contested proceeding to permit receipt of evidence essential to a decision, but unavailable and not reasonably discoverable at the time of hearing, or for other good and sufficient cause. No Answer to a Petition to Reopen will be accepted for filing absent express notice by the Commission calling for such answer.

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 fails to 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). Any Petition or Response filed must also be electronically served on each party of record as required by WAC 480-07-140(1)(b).

Exhibit A  
Settlement Agreement