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BEFORE THE WASHINGTON

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UTILITIES AND TRANSPORTATION COMMISSION

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WASHINGTON UTILITIES AND ) Docket TV-132030  
TRANSPORTATION COMMISSION, ) Volume II

5

Complainant, )

6

v. ) Pages 9-139

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BEST MOVING AND DELIVERY, LLC, )

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Respondent. )

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PREHEARING CONFERENCE, VOLUME II

11

Pages 9-139

12

ADMINISTRATIVE LAW JUDGE MARGUERITE E. FRIEDLANDER

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9:33 A.M.

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March 9, 2015

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Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive Southwest  
Olympia, Washington 98504-7250

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20

REPORTED BY: SHELBY KAY K. FUKUSHIMA, CCR #2028

21

Buell Realtime Reporting, LLC

22

1411 Fourth Avenue

23

Suite 820

24

Seattle, Washington 98101

25

206.287.9066 | Seattle

360.534.9066 | Olympia

26

800.846.6989 | National

27

www.buellrealtime.com

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A P P E A R A N C E S

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ADMINISTRATIVE LAW JUDGE:

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MARGUERITE E. FRIEDLANDER  
Washington Utilities and  
Transportation Commission  
1300 South Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, Washington 98504  
360.664.1136

5

6

7

8

FOR COMMISSION STAFF:

9

BRETT P. SHEARER  
Assistant Attorney General  
1400 South Evergreen Park Drive SW  
P.O. Box 40128  
Olympia, Washington 98504-0128  
360.664.1187  
bshearer@utc.wa.gov

10

11

12

13

14

FOR BEST MOVING AND DELIVERY, LLC:

15

IVAN RATKO, Pro se  
P.O. Box 3451  
Federal Way, Washington 98063  
206.613.9559  
bestmovinganddelivery@gmail.com

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OLYMPIA, WASHINGTON, MARCH 9, 2015

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9:33 A.M.

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P R O C E E D I N G S

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JUDGE FRIEDLANDER: Let's go on the record.

8

Good morning. My name is Marguerite Friedlander.

9

I'm the administrative law judge presiding over this proceeding.

10

We are here on March 9, 2015, for an evidentiary

11

hearing in Docket TV-132030, a complaint against Best Moving and

12

Delivery, LLC, for allegedly falsifying documents and committing

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multiple continuing violations. Staff has recommended that the

14

Commission cancel Best Moving's household goods permit for cause

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and assess a total penalty of up to \$14,000 for multiple

16

violations.

17

Let's begin today by taking appearances. We'll do

18

short appearances, so if you can just state your name and spell

19

your last name and let me know who you represent starting with

20

Staff.

21

MR. SHEARER: Good morning, Your Honor. My name is

22

Brett Shearer, S-h-e-a-r-e-r, and I'm representing Commission

23

Staff.

24

JUDGE FRIEDLANDER: All right. And, Mr. Ratko?

25

MR. RATKO: Good morning. My name is Ivan Ratko,

0016

1 representing Best Moving. Last name is R-a-t-k-o.

2 JUDGE FRIEDLANDER: Thank you. So the Commission,  
3 through its regulatory staff, has initiated a complaint against  
4 Best Moving, alleging failure to provide documents for  
5 inspection and providing falsified documents; failure to provide  
6 written estimates; estimate forms omitting several  
7 Commission-required rates, terms, and conditions; failure to  
8 include a separate household goods cube sheet with estimate  
9 form; failure to comply with requirements for a bill of lading;  
10 unauthorized language included in the bill of lading; failure to  
11 include the Company's physical address on its website; and  
12 failure to follow rates, terms, and conditions set forth in a  
13 Commission-published tariff.

14 Because you are pro se, meaning self-represented, I  
15 want to take an opportunity to let you know how we're going to  
16 be proceeding today.

17 So Staff has the ultimate burden of proof and is  
18 going to go first.

19 MR. RATKO: Okay.

20 JUDGE FRIEDLANDER: They'll present their witness,  
21 and, you, Mr. Ratko, will have an opportunity to cross-examine  
22 Staff's witness.

23 After that is finished, you will have an opportunity  
24 to present your case, and if that includes you acting as your  
25 own witness, that's fine as well.



0017

1 MR. RATKO: Okay.

2 JUDGE FRIEDLANDER: So, Staff, if you want to call  
3 your first witness.

4 MR. SHEARER: Yes, Your Honor. A quick housekeeping  
5 matter --

6 JUDGE FRIEDLANDER: Certainly.

7 MR. SHEARER: -- before we start.

8 JUDGE FRIEDLANDER: Certainly.

9 MR. SHEARER: I just wanted to give a heads-up. My  
10 plan is to go through the cause -- in some compartmentalized  
11 fashion, go through the causes of action through the questioning  
12 and also move for admission of the exhibits as we go through  
13 them.

14 Is that --

15 JUDGE FRIEDLANDER: That's fine.

16 MR. SHEARER: -- fine by you?

17 JUDGE FRIEDLANDER: Yeah, yeah.

18 MR. SHEARER: Okay. With that, I will ask Staff  
19 witness, Rayne Pearson.

20 JUDGE FRIEDLANDER: Great.

21 If you would go over here.

22 MS. PEARSON: Sure.

23 JUDGE FRIEDLANDER: Thank you. And this will be our  
24 designated witness stand.

25 MR. RATKO: I understand.

0018

1 JUDGE FRIEDLANDER: Do you swear or affirm that the  
2 testimony you're about to give is the truth, the whole truth,  
3 and nothing but the truth?

4 MS. PEARSON: I do.

5

6 RAYNE PEARSON,  
7 witness herein, having been first duly sworn on oath, was  
8 examined and testified as follows:

9

10 JUDGE FRIEDLANDER: Thank you. You can be seated.  
11 And, Staff, you may continue.

12

13 D I R E C T E X A M I N A T I O N

14 BY MR. SHEARER:

15 Q. Good morning Ms. Pearson.

16 A. Good morning.

17 Q. Can you please your name for the record and spell  
18 your last name.

19 A. Rayne Pearson; P-e-a-r-s-o-n.

20 Q. And, Ms. Pearson, what was your role here at the  
21 Commission at the time of the investigation and eventual  
22 complaint associated with Best Moving and Delivery, LLC?

23 A. My role at the time was the consumer protection  
24 manager.

25 Q. And did you conduct the investigation into Best

0019

1 Moving and Delivery in Docket 132030?

2 A. Yes, I did.

3 Q. Thank you, Ms. Pearson.

4 I'm going to ask that you refer to the exhibit  
5 labeled as RP-64, six four.

6 Do you recognize this document, Ms. Pearson?

7 A. I do.

8 JUDGE FRIEDLANDER: Hold on just a second. Maybe you  
9 can describe it so that Mr. Ratko can --

10 MR. SHEARER: Find it?

11 JUDGE FRIEDLANDER: Yeah, can have an opportunity to  
12 locate it.

13 MR. SHEARER: This is a document labeled  
14 "Investigation Report," April 2014.

15 JUDGE FRIEDLANDER: And since it's Exhibit 64, it'll  
16 probably be at the back.

17 MR. SHEARER: It's the very last exhibit.

18 JUDGE FRIEDLANDER: Yeah.

19 MR. RATKO: Okay. Go ahead.

20 JUDGE FRIEDLANDER: It's going to be an entire  
21 report, so it's going to be more than just one page.

22 MR. RATKO: Oh, okay.

23 JUDGE FRIEDLANDER: In fact, I have it as 32 pages.

24 Okay. Please proceed.

25 BY MR. SHEARER:

0020

1 Q. Do you recognize this document, Ms. Pearson?

2 A. I do.

3 Q. And did you draft this document?

4 A. Yes, I did.

5 Q. And can you please briefly describe this document and  
6 its contents?

7 A. Yes. This investigation report arose out of a  
8 follow-up investigation to a 2012 investigation that I also  
9 conducted of Best Moving and Delivery's business practices. And  
10 this was based on a data request that was submitted to the  
11 Company -- that they submitted forms in response to that data  
12 request -- and I used those forms to conduct the investigation  
13 and prepare this investigation report.

14 Q. And did this document -- does this document  
15 illustrate the bases for the eventual complaint in this case?

16 A. Yes, it does.

17 MR. SHEARER: Your Honor, I would like to move to  
18 admit Exhibit RP-64 into the record.

19 JUDGE FRIEDLANDER: Thank you.

20 Mr. Ratko, do you have any objection to admission of  
21 the investigation report?

22 MR. RATKO: Yes, I do. As far as the report, when it  
23 was taken, there has not been any -- any problems at that point.

24 When I -- when Rayne Pearson confronted me, she said  
25 everything was good. I mean, there was not an issue. At that

0021

1 point when I provided the files, you know, she said everything  
2 looks good. There's not a problem here.

3 I strongly believe the main problem -- what we have  
4 the hearing -- is the neighbor just being the common complaint.  
5 I have not received any formal complaints.

6 JUDGE FRIEDLANDER: Okay. First of all, let me stop  
7 you.

8 Is your microphone on?

9 MR. RATKO: It is, yes.

10 JUDGE FRIEDLANDER: The red light is on?

11 MR. RATKO: Yes.

12 JUDGE FRIEDLANDER: Maybe you could pull it a little  
13 bit closer to you.

14 MR. RATKO: Oh, sure.

15 JUDGE FRIEDLANDER: Thank you.

16 MR. RATKO: No worries.

17 JUDGE FRIEDLANDER: I just want to make sure that we  
18 hear everything.

19 So your objection to the admission of this document  
20 is that it is incorrect because Ms. Pearson told you that  
21 everything was fine --

22 MR. RATKO: That's right.

23 JUDGE FRIEDLANDER: -- is that correct?

24 MR. RATKO: At the time when I provided the  
25 paperwork, it was me and my wife. And she was pregnant.

0022

1                   And I said, you know, This is very difficult for us,  
2 and we have -- going through a lot stress and -- because of  
3 the -- you know, she's pregnant. She's not handling fine.

4                   I said, I'm very concerned. You know, if there's a  
5 problem, you know, I would like to -- if there was a complaint  
6 maybe from a customer or something that was not done correctly.

7                   She said, No. This is just a -- just normal  
8 procedure. And I asked her if all documents look fine, and she  
9 said, Yeah, everything looks fine.

10                  I mean, there's not -- was not found an issue. And  
11 the follow-up to that, there was never an issue.

12                  JUDGE FRIEDLANDER: Okay.

13                  MR. RATKO: There was never an issue, and there  
14 was...

15                  JUDGE FRIEDLANDER: So let me just stop you right  
16 there.

17                  Objections can be made on several different grounds.  
18 It sounds like you're objecting to the substance of the report,  
19 and that's fine.

20                  MR. RATKO: Yeah.

21                  JUDGE FRIEDLANDER: But that objection should be made  
22 when you are cross-examining Ms. Pearson.

23                  Do you have an objection to the form of the exhibit  
24 or its authenticity as far as Ms. Pearson drafting it or it  
25 coming from the Commission as an official record or anything

0023

1 like that?

2 MR. RATKO: Not necessarily. I'm sorry. This is my  
3 first time being to court.

4 JUDGE FRIEDLANDER: Absolutely, and that's why I'm  
5 explaining things a little bit more clearly.

6 MR. RATKO: Okay.

7 JUDGE FRIEDLANDER: So if you don't have a procedural  
8 objection, then I'm going to go ahead and overrule your  
9 substantive objection for now. You can cross-examine  
10 Ms. Pearson when that time comes and certainly offer your own  
11 exhibits to counter the investigative report.

12 But at this point, we're going to admit into evidence  
13 Exhibit 64, RP-64.

14 MR. RATKO: Understood.

15 (Exhibit No. RP-64 admitted into the record.)

16 JUDGE FRIEDLANDER: Okay. Thank you.

17 Mr. Shearer, please continue.

18 MR. SHEARER: Thank you, Your Honor.

19 BY MR. SHEARER:

20 Q. And, now, I would like to begin kind of directing my  
21 questioning along the same lines as the complaint, and I'm going  
22 to begin with -- in reference to Cause of Action No. 1.

23 And, Ms. Pearson, I'm going to ask that you turn to  
24 the exhibit labeled RP No. 1, it's the very first page.

25 A. Okay.

0024

1 Q. It's a Best Moving and Delivery company estimate.

2 JUDGE FRIEDLANDER: And, Mr. Ratko, that would be

3 RP-1.

4 MR. RATKO: Okay. RP-1.

5 JUDGE FRIEDLANDER: So it should be on top of the

6 packet that Mr. Shearer gave you.

7 MR. RATKO: Okay.

8 MR. SHEARER: Are we all there?

9 BY MR. SHEARER:

10 Q. Ms. Pearson, do you recognize this document?

11 A. I do.

12 Q. And how did this document come into your possession?

13 A. This document, along with all of the other estimates  
14 connected to the investigation report, was hand-delivered to me  
15 by Mr. Ratko in response to the data request that was issued by  
16 the Commission.

17 Q. And can you please briefly describe this document and  
18 its contents?

19 A. This is the estimate form used by Best Moving and  
20 Delivery to provide customers with an estimated cost of service  
21 for a household goods move.

22 Q. Thank you.

23 MR. SHEARER: Your Honor, I would like to go through  
24 another bit of housekeeping. There are seven -- the first seven  
25 exhibits all tie to Cause of Action No. 1.



0025

1 JUDGE FRIEDLANDER: Gotcha.

2 MR. SHEARER: So what I would like to do is have  
3 Ms. Pearson authenticate all seven, and then I'll move for all  
4 seven to be admitted at once.

5 JUDGE FRIEDLANDER: That's fine.

6 MR. SHEARER: Okay.

7 JUDGE FRIEDLANDER: That's fine. No worries.

8 BY MR. SHEARER:

9 Q. And, now, Ms. Pearson, if you would, please, turn to  
10 Exhibit RP-2, which is the next page there.

11 A. Okay.

12 Q. And, again, do you recognize this document?

13 A. I do.

14 Q. And how did this document come into your possession?

15 A. This was included with the documents that Mr. Ratko  
16 provided to me on behalf of the Company in response to the  
17 Commission's data request.

18 Q. And, again, can you please briefly describe this  
19 document and its contents?

20 A. Yes. This is an estimate form provided by the  
21 Company to potential customers that estimates the cost of  
22 service for a household goods move.

23 Q. Thank you, Ms. Pearson.

24 Now, if we could turn to RP-3?

25 A. Okay.

0026

1 Q. And do you recognize this document?

2 A. I do.

3 Q. Okay. And can you please explain how it came into  
4 your possession?

5 A. This document was provided to me by Mr. Ratko on  
6 behalf of the Company in response to the data request issued by  
7 the Commission.

8 Q. Can you please briefly describe this document and its  
9 contents?

10 A. This is an estimate form that Best Moving provides to  
11 potential customers that estimates the cost of service for a  
12 household goods move.

13 Q. Thank you, Ms. Pearson.

14 Can you please turn to Exhibit RP-4?

15 A. Okay.

16 Q. And we're going to go through this exercise again.

17 Do you recognize this document?

18 A. I do.

19 Q. And can you please explain how it came into your  
20 possession?

21 A. This document was provided to me by Mr. Ratko on  
22 behalf of the Company in response to the data request issued by  
23 the Commission.

24 Q. And can you please briefly describe this document and  
25 its contents?

0027

1           A.       This is an estimate form that Best Moving provides to  
2 potential customers in advance of the move. It provides an  
3 estimated cost of service for a household goods move.

4           Q.       Thank you. Thank you, Ms. Pearson.

5                    And can we now turn to RP No. 5?

6           A.       Okay.

7           Q.       And do you recognize this document?

8           A.       I do.

9           Q.       And how did this document come into your possession?

10          A.       This document was provided by Mr. Ratko on behalf of  
11 the Company in response to the Commission's data request.

12          Q.       And please briefly describe this document and its  
13 contents.

14          A.       This is the estimate form used by Best Moving to  
15 provide an estimated cost of service to potential customers in  
16 advance of a move.

17          Q.       Thank you, Ms. Pearson.

18                    If we could turn to RP No. 6, please.

19          A.       Okay.

20          Q.       And do you recognize this document?

21          A.       I do.

22          Q.       And how did this document come into your possession?

23          A.       Mr. Ratko provided this document on behalf of the  
24 Company in response to the Commission's data request.

25          Q.       And can you please briefly describe RP-6 and its

0028

1 contents?

2 A. Yes. This is the estimate form used by Best Moving  
3 to provide an estimated cost of service to potential customers  
4 for a household goods move.

5 Q. Thank you, Ms. Pearson.

6 If you could turn to RP-7?

7 A. Okay.

8 Q. Do you recognize this document?

9 A. I do.

10 Q. And how did it come into your possession?

11 A. Mr. Ratko provided this document on behalf of the  
12 Company in response to the Commission's data request.

13 Q. And can you please describe this document and its  
14 contents?

15 A. This is the estimate form used by Best Moving to  
16 provide an estimated cost of service to a potential customer for  
17 a household goods move.

18 Q. Thank you, Ms. Pearson.

19 Now, of these documents that I'm referring to,  
20 Exhibit Nos. RP-1 through RP-7 that you just described --

21 A. Mm-hm.

22 Q. -- do these documents serve as a bases for your  
23 investigation report?

24 A. They do.

25 Q. For part of your investigation report? Excuse me.

0029

1           A.       Yes.

2                   MR. SHEARER:  Your Honor, I would like to move to  
3 admit Exhibits RP-1 through RP-7 into the record.

4                   JUDGE FRIEDLANDER:  Okay.  Thank you.

5                   And, Mr. Ratko, do you have any objections?

6                   MR. RATKO:  No.

7                   JUDGE FRIEDLANDER:  Okay.  Thank you.

8                   They are admitted.

9                   (Exhibit Nos. RP-1 through RP-7 were admitted into  
10                   the record.)

11                  MR. SHEARER:  Thank you, Your Honor.

12 BY MR. SHEARER:

13           Q.       Remaining with the first cause of action,  
14 Ms. Pearson, did Best Moving and Delivery, through its officer,  
15 represent to Staff that these estimate forms, now documented in  
16 the record as RP-1 through RP-7, were previously provided to  
17 customers at the time of the move or prior to the move?

18           A.       Yes.

19           Q.       And can you please describe your investigation and  
20 findings in relation to the first cause of action and exhibits  
21 now in the record as RP-1 through RP-7?

22           A.       Yes.  When I was reviewing these documents, I noticed  
23 that none of them were signed by the customer.  And because a  
24 signature is required on the estimate form in advance of the  
25 move as proof that the estimate was provided to the customer, I

0030

1 contacted each of the customers at the phone number listed on  
2 each of these estimate forms and inquired about whether they  
3 had, in fact, received a written estimate in advance of the move  
4 and each of these customers informed me that they had not  
5 received a written estimate in advance of the move. And that  
6 was the basis for the first cause of action.

7 Q. So you directly spoke with each of the customers  
8 listed on the forms in Exhibits RP-1 through RP-7, and each of  
9 them individually confirmed to you that they had not received  
10 these forms?

11 A. That's correct.

12 Q. Thank you.

13 MR. SHEARER: Your Honor, now I'm going to shift my  
14 questioning to the second cause of action.

15 JUDGE FRIEDLANDER: Thank you.

16 BY MR. SHEARER:

17 Q. So as a recap, the Company presented you with these  
18 estimate forms in response to your data request?

19 A. Correct.

20 Q. And those forms were represented to have been  
21 provided -- completed and provided to the customers previously?

22 A. Correct.

23 Q. But your investigation confirmed through direct  
24 conversations with those customers that they had never, in fact,  
25 received those forms?

0031

1 A. Correct.

2 Q. Thank you, Ms. Pearson.

3 MR. SHEARER: Your Honor, I'm going to move on to the  
4 third cause of action, as I've organized my questioning. And  
5 this is going to require authentication of a significant number  
6 of exhibits.

7 JUDGE FRIEDLANDER: Mm-hm.

8 MR. SHEARER: Perhaps it may be useful -- and  
9 Mr. Ratko can weigh in -- to take a short break. And he can  
10 review these again, and perhaps he may be willing to stipulate  
11 to their entry into the record. I don't know, but that may be  
12 in order. It might save us all some time.

13 JUDGE FRIEDLANDER: Okay. Mr. Ratko, I think that  
14 would probably be beneficial, so we'll go off the record  
15 momentarily. Thank you.

16 MR. SHEARER: Thank you, Your Honor.

17 (Pause in the proceedings.)

18 JUDGE FRIEDLANDER: We'll be back on the record.

19 Mr. Shearer, which exhibits were you referring to  
20 before we went off the record?

21 MR. SHEARER: So in reference to the third cause of  
22 action, I'm referring to Exhibit Nos. 8 through 31.

23 JUDGE FRIEDLANDER: Okay.

24 MR. SHEARER: They're the remaining estimate forms.  
25 These tie to the third cause of action, Your Honor.

0032

1 JUDGE FRIEDLANDER: Okay.

2 MR SHEARER: And then there's a subsequent set tied  
3 to the fifth cause of action. They're 32 through 62, and I  
4 would ask that Mr. Ratko stipulate to their entry as well for  
5 the same purposes.

6 JUDGE FRIEDLANDER: Okay.

7 And, Mr. Ratko, will you stipulate admission into the  
8 record of Exhibits RP-8 through RP, dash -- is it sixty...

9 MR. SHEARER: 62.

10 JUDGE FRIEDLANDER: 62.

11 MR. SHEARER: Yeah.

12 MR. RATKO: Okay.

13 THE WITNESS: Okay. Thank you. They are so  
14 admitted.

15 (Exhibit Nos. RP-8 through RP-62 were admitted into  
16 the record.)

17 MR. SHEARER: Thank you, Your Honor. So I will not  
18 go through the exercise of authenticating each one for  
19 everybody's benefit, and we'll just move on to the substantive  
20 discussion.

21 BY MR. SHEARER:

22 Q. Ms. Pearson, I'm going to base these sets of  
23 questions on Exhibit Nos. RP-8 through RP-31.

24 Is it your understanding these are the estimate forms  
25 that were provided by the Company --



0033

1 A. Yes.

2 Q. -- in the course of your investigation?

3 Thank you.

4 Now, I'm going to ask you for reference to turn to  
5 page 10 of Exhibit RP-64, which is, again, your Staff  
6 investigation report.

7 A. Okay.

8 Q. On page 10 and at the very top of the subsequent  
9 page, page 11, you have documented a bullet point list noting  
10 all of the deficiencies and violations with the Company's  
11 estimate forms, and those have now been entered into the record  
12 as RP-1 through RP-31; is that correct?

13 A. Yes.

14 Q. Can you please briefly explain your filings -- or  
15 your findings -- excuse me -- in regard to those violations?

16 A. Yes. The forms that were submitted by the Company  
17 failed to include numerous pieces of required information.

18 Do you want me to list each of those?

19 MR. SHEARER: Your Honor, I think it would be  
20 beneficial for her to go through them briefly --

21 JUDGE FRIEDLANDER: That's fine.

22 MR. SHEARER: -- if that's fine with you.

23 JUDGE FRIEDLANDER: That's fine with me.

24 BY MR. SHEARER:

25 Q. Please.

0034

1           A.       Okay.  So the first omission was the Company's  
2 address, which is required by Tariff 15-C, Item 85(2) (a).

3                    The forms were also missing a space for the customer  
4 to sign or initial that the customer received the required  
5 brochure entitled:  "Your Guide to Moving in Washington State,"  
6 which is required by Tariff 15-C, Item 85(2) (c).

7                    Also a section to record, for long distance moves,  
8 the estimated total weight of the shipment, and an explanation  
9 of the formula used, which is required by Tariff 15-C, Item  
10 85(2) (h).

11                   Also a section to record, for long distance moves,  
12 the milage between the origin, destination, and intermediate  
13 stops and the associated rates and charges, which is required by  
14 Tariff 15-C, Item 85(2) (j).

15                   Also missing was a section to record charges for loss  
16 and damage protection, which is required by Tariff 15-C, Item  
17 85(2) (m).

18                   Also for binding estimates, the form is missing a  
19 statement that the estimate is a guarantee of the cost of the  
20 move and that the carrier will not charge above the estimated  
21 charges without preparing a supplemental estimate, which is  
22 required by Tariff 15-C, Item 85(2) (p).

23                   And, similarly, for nonbinding estimates, the form  
24 was missing required information stating that the estimate is  
25 not binding; that the cost of the move may exceed the estimate;

0035

1 and the carrier must release the shipment to the customer upon  
2 payment of no more than 110 percent of the estimate; and that  
3 carriers must allow at least 30 days from the date of delivery  
4 to pay amounts in excess of the 110 percent; and that the  
5 customer is not required to pay more than 125 percent of the  
6 estimate regardless of the total cost unless the carrier issues  
7 and the customer accepts a supplemental estimate, and all of  
8 this language is required by Tariff 15-C, Item 85(2)(q).

9 And, finally, it was missing a section indicating the  
10 forms of payments that the carrier will accept, which is  
11 required by Tariff 15-C, Item 82(2)(r).

12 Do you want me to continue?

13 Q. No, thank you.

14 A. Okay.

15 Q. I'll stop you right there.

16 Okay. Now, do each of the Company's estimate forms,  
17 now documented in the record RP-1 through RP-31, contain each  
18 of -- all of the deficiencies and all of the violations --

19 A. Yes.

20 Q. -- which you just described?

21 A. Yes, they do.

22 Q. And had Best Moving and Mr. Ratko previously received  
23 technical assistance from Staff on these violations, these types  
24 of violations?

25 A. Yes, yes. In the 2011 investigation, I believe, but

0036

1 I can't say with 100 percent certainty, that each of these  
2 violations existed in that investigation. It's possible that  
3 some of them were new violations.

4 Q. But the general premise that there were significant  
5 problems with the Company's estimate forms in relation to the  
6 Commission's rules and requirement in Tariff 15-C that the  
7 Company had received technical assistance --

8 A. The Company has received --

9 Q. -- in that regard?

10 A. -- extensive technical assistance with respect to how  
11 estimate forms must be formatted, yes.

12 Q. Thank you, Ms. Pearson.

13 Now, I would like to move on to Cause of Action No. 4  
14 in the complaint.

15 Ms. Pearson, when you initiated your investigation  
16 into Best Moving, what did you request that the Company provide?

17 A. I requested that the Company provide all move  
18 documents for all of the moves performed between June 1st and  
19 September 30, 2012.

20 Q. Did the Company provide you with any cube sheets?

21 A. There were no cube sheets provided in connection with  
22 the move documents for any of the moves.

23 Q. And are cube sheets required to be included with  
24 every move?

25 A. Yes, they are.

0037

1 Q. Thank you, Ms. Pearson.

2 JUDGE FRIEDLANDER: Before we go further, maybe you  
3 can explain to me what a cube sheet is.

4 THE WITNESS: Sure.

5 BY MR. SHEARER:

6 Q. Ms. Pearson, can you please explain what a cube sheet  
7 is?

8 A. I can. A cube sheet is also known as a "table of  
9 measurements," and it's a document that lists the cubic feet of  
10 not only the individual household goods items but the total.  
11 And it's a basis for valuation, as well as estimating cost.

12 JUDGE FRIEDLANDER: Okay. Thank you.

13 THE WITNESS: Mm-hm.

14 BY MR. SHEARER:

15 Q. Now, I'm going to move on to the fifth cause of  
16 action, Ms. Pearson, and these have already been stipulated to,  
17 Exhibits RP-2 through RP-62. These are the bills of lading that  
18 the Company provided to you in the course of your investigation;  
19 is that correct?

20 A. Yes.

21 Q. Now, for reference, can you please turn to page 14 of  
22 Exhibit RP-64, which is your Staff investigation report?

23 A. Yes.

24 Can I just amend something that I stated earlier with  
25 respect to the estimates?

0038

1 Q. Yes.

2 A. It just occurred to me that the reason why there  
3 wasn't specific technical assistance provided in the estimates  
4 in the original 2011 investigation is because at that time, the  
5 Company was not providing estimates to its customers at all.

6 Q. So there was technical assistance --

7 A. So as a result of the two thousand --

8 Q. -- of providing estimates?

9 A. About providing estimates, correct, and cube sheets.  
10 The Company was told that it had to provide both of those  
11 documents in advance of the move.

12 Q. And I'm assuming you referred them to Tariff 15-C --

13 A. I did.

14 Q. -- in the Commission published rules?

15 A. As well as the investigation report itself which  
16 provided very comprehensive technical assistance in these areas.

17 Q. Okay. Thank you. And back to the bills of lading  
18 under the fifth cause of action now.

19 A. Mm-hm.

20 Q. A little pivot here.

21 And we're all on page 14 of Exhibit 64, RP-64, which  
22 is the investigation report?

23 A. Yes.

24 Q. Now, beginning on page 14 and continuing on to page  
25 15, your investigation report documents a series of violations

0039

1 with the Company's bills of lading --

2 A. Mm-hm.

3 Q. -- and forms; is that correct?

4 A. That's correct.

5 Q. And can you please briefly describe your  
6 investigation and your findings as documented on page 14 and 15  
7 of your investigation report, please?

8 A. Yes. There were multiple, repeat, and continuing  
9 violations from the 2011 investigation, all in violation of  
10 Tariff 15-C, Item 95. The Company continued to use a bill of  
11 lading that did not include a separate section for storage,  
12 which is required by Tariff 15-C, Item 95(1)(g).

13 The Company continued to use a bill of lading that  
14 does not include an estimate acknowledgment section where a  
15 customer can initial whether or not they received -- or whether  
16 they received a binding or nonbinding estimate, which is  
17 required by Tariff 15-C, Item 95(1)(h).

18 The Company continued to use a bill of lading that  
19 does not include a statement that the carrier must release the  
20 shipment to a customer upon payment of no more than 110 percent  
21 of the estimated charges. When a carrier uses a nonbinding  
22 estimate, which is required Tariff 15-C, Item 95(1)(i).  
23 Instead, the Company's bill of lading simply states "payment is  
24 due when finished."

25 The Company also continued to use a bill of lading

0040

1 but does not include a statement that the carrier will extend  
2 credit for at least 30 days, and that within such period, the  
3 customer must pay the remainder due, which is required by Tariff  
4 15-C, Item 95(1)(j).

5           And the Company continued to use a bill of lading  
6 that did not include a section where the customer must select  
7 the type of loss and damage protection for the shipment, which  
8 is required by Tariff 15-C, Item 95(1)(k). Instead the Company  
9 included a statement as follows: "Any loss or damage will be  
10 repaired by 'Best Moving' or reimbursed at \$0.60 per pound."  
11 This language violates Tariff 15-C, Item 90, which requires  
12 carriers to offer customers three options for loss and damage  
13 protection.

14           And the bill of lading also did not include any  
15 section to show employees' breaks or interruption times, which  
16 is required by Tariff 15-C, Item 95(1)(m).

17           The bill of lading also failed to include sections  
18 for line item charges such as packing materials and additional  
19 services, which is required by Tariff 15-C, Item 95(1)(n).

20           Best Moving also continues to use a bill of lading  
21 that includes a line item for gas, but Tariff 15-C does not  
22 authorize a fuel charge, so that section violates WAC  
23 480-15-490(3).

24           And, finally, Best Moving continued to use a bill of  
25 lading that does not contain the contract language that's



0041

1 required on the bill of lading on the back of the bill of lading  
2 which is prescribed word for word by Tariff 15-C, Item 95(2).

3 MR. RATKO: I would like to oppose to the first part  
4 of that, about the estimate. We're intrastate company. We're  
5 doing per -- hourly. We do not go out of state with -- we're  
6 doing within a 50-mile radius. The information that was  
7 provided is -- some of the information is not correct. The  
8 customer always gets a verbal, which, when we started the  
9 Company, there was a gray area in the tariff where you can  
10 provide a verbal, you know, estimate. And we always done that.  
11 I always done that, and the customer's always aware of the cost  
12 of the service.

13 We have also had bad checks, and that's the reason we  
14 ask the customer to pay up on delivery, which is reasonable.

15 JUDGE FRIEDLANDER: Right. So all of this can be  
16 handled once Mr. Shearer is finished examining Ms. Pearson.  
17 You'll be given an opportunity to cross-examine her, and I  
18 strongly encourage you to ask her questions that are related to  
19 what you're telling me right now.

20 MR. RATKO: I just don't want to forget.

21 JUDGE FRIEDLANDER: Right. Absolutely. Take notes.  
22 Do whatever you need to do to make sure, but you'll have an  
23 opportunity to question Ms. Pearson.

24 MR. RATKO: Okay. Thank you.

25 JUDGE FRIEDLANDER: Yeah.

0042

1 BY MR. SHEARER:

2 Q. Ms. Pearson, now, are all of the deficiencies and  
3 violations you just described present in each and every one of  
4 the Company's bills of lading forms that you reviewed and those  
5 forms -- those forms which are now documented in the record as  
6 Exhibits RP-32 through RP-62?

7 A. Yes, they are.

8 Q. And had Best Moving received or Mr. Ratko received  
9 technical assistance on this subject previously?

10 A. Yes. Mr. Ratko has received extensive technical  
11 assistance in this area.

12 Q. Thank you, Ms. Pearson.

13 MR. SHEARER: I'm going to move on to Cause of Action  
14 No. 6 now, Ms. Pearson, and Judge Friedlander.

15 THE WITNESS: Okay.

16 BY MR. SHEARER:

17 Q. Do each of the bills of lading in this case, which  
18 are now documented in the record as Exhibits RP-32 through  
19 RP-62, do those documents state that customers must present  
20 claims for loss or damage within 24 hours?

21 A. Yes, they do.

22 Q. And is that a violation of Commission rules?

23 A. Yes, it is.

24 Q. Can you please explain?

25 A. Yes. Tariff 15-C, Item 95(2), Section 6 of the

0043

1 Commission required disclosure of contract terms and conditions  
2 states that the customer has nine months from the date of  
3 delivery to file a claim for loss, damage, overcharge, injury,  
4 or delay.

5 Q. Thank you, Ms. Pearson.

6 MR. SHEARER: Your Honor, I'm going to move on to  
7 Cause of Action No. 7 now.

8 JUDGE FRIEDLANDER: Okay.

9 MR. SHEARER: And I will authenticate this document  
10 for the record here.

11 BY MR. SHEARER:

12 Q. Ms. Pearson, can you turn to Exhibit No. RP-63? This  
13 is...

14 MR. SHEARER: Mr. Ratko, this is the copy of the  
15 website.

16 THE WITNESS: Yes.

17 BY MR. SHEARER:

18 Q. Do you recognize this document?

19 A. I do.

20 Q. Can you please briefly describe this document and its  
21 contents?

22 A. Yes. This is a printout of Best Moving's website.

23 Q. And did you access this document or, I guess, access  
24 this document --

25 A. Yes, I did.

0044

1 Q. And can you describe the context of how you accessed  
2 this document in the course of your investigation, please?

3 A. As a follow-up to the 2011 investigation where  
4 Mr. Ratko received violations for not having his physical  
5 address on the website, I checked the website again to see if  
6 that violation had been corrected in the context of this  
7 follow-up investigation and found that it had not.

8 Q. And can you please refer to the lower left-hand  
9 corner of this exhibit, Exhibit RP-63? There's a web address  
10 and an access date?

11 A. Yes.

12 Q. Is that the date you accessed this website?

13 A. Yes, it is.

14 Q. And this reflects -- this printout is a reflection of  
15 that website on that date?

16 A. Yes, it is.

17 MR. SHEARER: Your Honor, I'd like to move to have  
18 Exhibit RP-63 admitted into the record.

19 JUDGE FRIEDLANDER: Mr. Ratko, do you have any  
20 objection to the admission of this exhibit?

21 MR. RATKO: Yes, I do.

22 JUDGE FRIEDLANDER: And what's the basis?

23 MR. RATKO: Oh, the basis are for the address, there  
24 was a physical address. In fact, the physical address was  
25 updated right after me being in contact with Rayne Pearson for

0045

1 the physical address on the website.

2 JUDGE FRIEDLANDER: So you're saying that the  
3 physical address had been updated after May 7, 2014?

4 MR. RATKO: Prior to that.

5 JUDGE FRIEDLANDER: It had been prior to that.

6 MR. RATKO: Correct.

7 JUDGE FRIEDLANDER: Okay. I'm going to allow  
8 admission of the exhibit, and I say that because admission of  
9 the exhibit does not mean that the Commission bases its findings  
10 completely on the exhibit. The weight I give to each exhibit is  
11 going to be based on what I hear from both parties, both sides.

12 MR. RATKO: I understand.

13 JUDGE FRIEDLANDER: So, again, you'll have an  
14 opportunity to cross-examine Ms. Pearson, but I don't see any  
15 indication that this document is fraudulent.

16 MR. RATKO: Okay.

17 JUDGE FRIEDLANDER: It appears that it did come from  
18 the website on May 7, 2014, at 9:11:57 a.m., so I'm going to  
19 allow it into evidence. But, again, you have the opportunity to  
20 question Ms. Pearson about it.

21 MR. RATKO: Sounds good.

22 (Exhibit RP-63 was admitted into evidence.)

23 BY MR. SHEARER:

24 Q. Ms. Pearson, in your review of the website on May 7,  
25 2014, did Best Moving and Delivery's website contain its

0046

1 physical address?

2 A. No. On page 3 of that exhibit, it shows a Post  
3 Office Box as the Company's address.

4 Q. And the absence of a physical address on a website  
5 violates Commission rules?

6 A. Yes, it does.

7 Q. Thank you, Ms. Pearson.

8 MR. SHEARER: We are going to move on to Cause of  
9 Action No. 8, Your Honor.

10 BY MR. SHEARER:

11 Q. I'm going to begin by asking that you turn to page 17  
12 of Exhibit RP-64, which, again, is your investigation report.  
13 That's page 17.

14 A. Okay.

15 Q. Now, in the second paragraph from the top of the  
16 page -- I'm speaking of page 17 again --

17 A. Mm-hm.

18 Q. -- you document that the Company charged a customer.  
19 You referred to the customer as Customer Kim in a six-minute  
20 increment; is that correct?

21 A. That's correct.

22 Q. And can you now please turn to Exhibit RP-45?

23 A. Yes.

24 Q. And is this the bill of lading for Customer Kim?

25 A. Yes, it is.

0047

1 Q. And did this document serve as the basis for your  
2 finding?

3 A. Yes, it did.

4 Q. Can you please explain how you came to your finding?

5 A. Yes. Under this section that says (as read): "RATES  
6 MULTIPLIED BY HOURS," it indicates 3.1 hours were billed for  
7 this customer.

8 Q. And the 0.1, is that a six-minute increment because  
9 10 percent of an hour is six minutes; is that correct?

10 A. That's correct.

11 Q. Thank you. Now, I'm going to refer back to your page  
12 17 of your investigation report --

13 A. Uh-huh.

14 Q. -- specifically the third paragraph down from the top  
15 of the page.

16 A. Okay.

17 Q. Now, this paragraph describes your finding that Best  
18 Moving did not charge a required four-hour minimum for a weekend  
19 move; is that correct?

20 A. That's correct.

21 Q. And you refer to three customers in this paragraph  
22 and the subsequent, the fourth paragraph. Those are Customer  
23 Seippel, Customer Kim, and Customer Changardi; is that correct?

24 A. Yes.

25 Q. Can you please turn to Exhibit RP-61?

0048

1 A. Yes.

2 Q. Now, is this the bill of lading for Customer Seippel,  
3 to which you refer in your investigation report?

4 A. Yes.

5 Q. And did this document provide the basis for your  
6 finding?

7 A. Yes, it did.

8 Q. And can you please explain?

9 A. Yes. This bill of lading reflects that the customer  
10 was charged for 3 1/2 hours on a Saturday, and Tariff 15-C, Item  
11 230, requires a minimum charge of four hours on weekends.

12 Q. Thank you, Ms. Pearson.

13 Now, I'm going to ask that you turn back to Exhibit  
14 RP-45 again.

15 A. Okay.

16 Q. And now this, again, is the bill of lading for  
17 Customer Kim that served as the basis for your finding; is that  
18 correct?

19 A. That's correct.

20 Q. And can you please walk through your findings again  
21 on this document?

22 A. Yes. The bill of lading reflects that the customer  
23 was charged for 3.1 hours for a Saturday move -- or I'm sorry --  
24 for 3.6 hours on a Saturday move. And, again, this violates  
25 Tariff 15-C, Item 230, which requires a four-hour minimum charge



0049

1 for Saturday and Sunday moves.

2 Q. Thank you, Ms. Pearson.

3 I'm going to ask that you now turn to Exhibit RP-62.

4 Now, this is the bill of lading for Customer

5 Changardi; is that correct?

6 A. That's correct.

7 Q. And this document served as the basis of your finding

8 in your investigation report; is that correct?

9 A. Correct.

10 Q. Can you please walk through your findings on this

11 form as well, please.

12 A. Yes. On this particular bill of lading, the hourly

13 rate was modified. It was originally charged at a rate of \$80

14 per hour for a 3 1/2-hour move. Mr. Ratko made a modification

15 to the hourly rate and changed it to \$70 per hour and initialled

16 his notation.

17 While that does fall within the rate band, it appears

18 the customer was actually charged \$80 for a 3 1/2-hour move and

19 that my belief is that Mr. Ratko made that edit and added the

20 words (as read): "4 Hour minimum on Saturday" to make it appear

21 as though this document was in compliance with Commission rules.

22 Q. Thank you, Ms. Pearson.

23 Now, I'm going to refer back to page 17 of your

24 investigation report.

25 A. Okay.

0050

1 Q. Now, the fifth paragraph from the top of page 17  
2 begins with the term "Additionally"; do you see that?

3 A. I do.

4 Q. Now, this paragraph describes your findings in  
5 relation to -- in the impermissible fuel surcharges; is that  
6 correct?

7 A. That's correct.

8 Q. Can you please briefly summarize your findings in  
9 regards to fuel charges in this case?

10 A. Yes. My findings were that on six of the 31 bills of  
11 lading that were submitted, they were modified in an attempt to  
12 conceal the gas fee and -- because on four of the six bills of  
13 lading, the start and/or finish times were crossed out or  
14 written over, on five of the six there is a discrepancy between  
15 the total charge and the hourly rate, and on three of the six  
16 bills of lading the gas fee is crossed out and initialled.

17 And because of these changes, I was unable to  
18 determine the length of the moves and the hourly rate or whether  
19 a gas fee was charged, and Best Moving was specifically  
20 instructed to remove the gas fee line item from its bill of  
21 lading as a result of the 2011 investigation report. So it was  
22 my finding that the Company did, in fact, charge a gas fee on  
23 these six occasions and then attempted to modify the forms to  
24 make it appear as though they did not.

25 Q. Now, I'd like to walk through the specific forms, and

0051

1 just quickly you can note for everybody where that charge is.

2 A. Okay.

3 Q. So could you please turn to Exhibit RP-38?

4 A. Okay.

5 Q. Now, on the right-hand side of the page, about three  
6 quarters down from the top, there's a line labeled "Gas."

7 Can you please explain that as the -- and its impact  
8 on your findings?

9 A. Yes. There's a notation made on that line for a  
10 charge that I'm unable to determine the amount because Mr. Ratko  
11 crossed it out and initialled it.

12 Q. Okay. Thank you. Can you now turn to Exhibit RP-40?

13 A. Okay.

14 Q. Again, I'm going to ask you to walk through your  
15 findings with regards to the gas charge on this form.

16 A. Okay. On this form, it appears there was a \$40 gas  
17 charge that was then x'd out with someone's initials. They  
18 don't appear to be Mr. Ratko's initials.

19 Q. And then can you turn to Exhibit RP-41?

20 A. Okay.

21 Q. And the same question again.

22 Can you please explain --

23 A. On this form...

24 Q. -- the findings in the context of the fuel surcharge?

25 A. Yes. On this form, it's indicated what also looks

0052

1 like a \$40 gas charge that has an "x" through it and Mr. Ratko's  
2 initials.

3 Q. And, now, can we look at Exhibit RP-42, please?

4 A. Yes.

5 Q. And, again, review the gas charge document on this  
6 form.

7 A. On this form, there is an \$80 gas charge with no  
8 other marks or notations. Nothing is crossed out.

9 Q. And, now, if we turn to Exhibit RP-43?

10 A. Okay.

11 Q. I'm going to ask again that we discuss the gas charge  
12 in the context of this form in your findings?

13 A. This form indicates a \$60 gas fee and -- which is  
14 neither crossed out nor initialled.

15 Q. Now, if we turn one more page to Exhibit RP-44 --

16 A. Yeah.

17 Q. -- can you explain your findings again on this one in  
18 relation to the fuel surcharge?

19 A. Yes. This bill of lading reflects a \$40 gas fee,  
20 which is neither crossed out nor initialled.

21 Q. And, now, to be clear, the Commission rules and  
22 Tariff 15-C do not authorize any gas charge?

23 A. That's correct.

24 Q. Thank you, Ms. Pearson.

25 I'm going to ask now that you turn to page 21 of

0053

1 RP-64, which is, again, your investigation report.

2 A. Okay.

3 Q. Now, pages 21 and 22 document the factors you  
4 considered in recommending a penalty to the Commission; is that  
5 correct?

6 A. That's correct.

7 Q. Can you please describe these factors in your  
8 determinations?

9 A. Yes. The first has to do how serious or harmful the  
10 violation is to the public, and I found that these particular  
11 violations are harmful to consumers because failing to provide  
12 written estimates prior to a move prevents customers from making  
13 an informed decision about the cost of the move.

14 Failing to perform a visual inspection and complete a  
15 cube sheet means that the Company cannot accurately or  
16 reasonably estimate the time that it will take to perform the  
17 move. And, additionally, the Company, because it didn't have a  
18 space to indicate that the customer received the "Your Guide to  
19 Moving in Washington State," which explains consumer's rights  
20 and responsibilities, as well as who the Commission is and what  
21 our role is in regulation and enforcement, presumably customers  
22 did not receive those guides.

23 And, in addition, the Company failed to provide its  
24 customers with options for loss and damage protection for their  
25 goods and attempted to limit the time to file a damage claim to

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1 24 hours, and then also failed to include all of the required  
2 contract language on the back of its bill of lading, which  
3 describes in great detail, both the carriers' and the customers'  
4 rights and obligations.

5 I also found that the evidence supported a finding  
6 that the violations were intentional, in light of several  
7 factors, the first being that the Company has received extensive  
8 technical assistance for every category of violation for which I  
9 recommended a penalty in the investigation report. Secondly,  
10 the Company attempted to deceive the Commission by falsifying  
11 the estimate submitted in response to Staff's data request which  
12 was verified by my contact with the customers. And that by  
13 virtue of submitting the falsified documents, Best Moving  
14 demonstrated its knowledge that its business practices violated  
15 Commission rules and also attempted to interfere with the  
16 Commission's performance of its regulatory functions by  
17 providing documents that were not actually provided to  
18 customers.

19 The Company didn't report any of the violations and  
20 also attempted to conceal them. And although the Company did  
21 timely submit the documents for inspection, it's inherently  
22 uncooperative to submit falsified documents for review.

23 The Company has not corrected any of the violations  
24 cited in the report, including many that were the subject of  
25 past technical assistance. And there were 205 documented

0055

1 violations in the investigation report, which affected all 31  
2 customers during the period of review. And presumably with this  
3 pattern of behavior and with all of the forms being incorrect,  
4 every single Best Moving customer to date was impacted by these  
5 same violations.

6 I also found that the likelihood that the violations  
7 will recur is significant because of the extensive comprehensive  
8 technical assistance on these same issues that the Company has  
9 received and continues to willfully ignore. The violations  
10 continue despite all of the assistance and even a penalty that  
11 the Company received as a result of the 2011 investigation.

12 Also in the investigation report, I documented other  
13 technical assistance. There were violations in 2009 related to  
14 the Company's advertising practices and, then, again, I  
15 referenced the 2011 Staff investigation that included all of the  
16 violations that were in this 2014 investigation report and the  
17 complaint that resulted from that.

18 Q. So just to highlight, the Company has received  
19 technical assistance on this or significantly related matters  
20 going back at least six years; is that correct?

21 A. That's correct.

22 MR. SHEARER: Thank you, Ms. Pearson.

23 I don't have any further questions, Your Honor.

24 JUDGE FRIEDLANDER: Thank you.

25 Mr. Ratko, if you want to cross-examine Ms. Pearson,

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1 now will be the opportunity.

2 MR. RATKO: Okay.

3 JUDGE FRIEDLANDER: Are you going to go cause of  
4 action by cause of action, or how do you plan on doing this?

5 MR. RATKO: Pretty much.

6 JUDGE FRIEDLANDER: Okay.

7 MR. RATKO: Just as much as I can.

8 JUDGE FRIEDLANDER: All right.

9

10 C R O S S - E X A M I N A T I O N

11 BY MR. RATKO:

12 Q. Referring to the gas fee, it's simply just a note for  
13 me, how much gas I have used that day.

14 JUDGE FRIEDLANDER: Okay. But you have to ask  
15 Ms. Pearson questions.

16 MR. RATKO: Sure. Oh, okay.

17 JUDGE FRIEDLANDER: Go ahead, Mr. -- okay.

18 BY MR. RATKO:

19 Q. What has made you to believe that the gas, the gas  
20 fee, which has not -- no connection to the total price, is even  
21 a matter -- I mean, if it's just noted on there and it's not --  
22 affect the total of the cost of the move, it -- you know, why do  
23 you determine that this has anything to do with the total?

24 A. Because you were specifically asked to remove that  
25 item from your bill of lading as a result of the last



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1 investigation. And because there is a notation on that line, my  
2 assumption is that the customer was charged that amount because  
3 there is no explanation otherwise.

4 In the absence of any other information or  
5 explanation, I can only presume that that was charged to the  
6 customer since this reflects -- this reflects all of the charges  
7 that the customer was billed for the move as an invoice for the  
8 move.

9 Q. Okay. Is it fair to ask that you have not found the  
10 total reflecting the gas charge, so it was something that is not  
11 reflecting the total on there? But you have questions about  
12 those, but you cannot say hundred percent that those has  
13 anything to do with the total?

14 A. I can't, because in many places, the start or finish  
15 times were altered and changed so that the math would add up  
16 without the gas charge, but it's impossible to determine, you  
17 know, because the times are crossed out and altered, presumably,  
18 by you, I can't calculate, which is what my report reflects. It  
19 said that I was unable to determine what the charges were  
20 because of all of the notations and the things crossed out on  
21 the forms.

22 Q. Okay. And then as far as the estimate, I have a  
23 question.

24 When did the Commission revise the tariff, as far as  
25 the customer receiving the written estimate? And is it required

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1 for the customer? And since when is it required for us to  
2 provide the written estimate to the customer?

3 JUDGE FRIEDLANDER: And that's a compound question,  
4 so let's go ahead and break it down question by question.

5 MR. RATKO: Sure.

6 JUDGE FRIEDLANDER: So ask the first question, get a  
7 response; ask the next question and get a response.

8 MR. RATKO: Sure.

9 BY MR. RATKO:

10 Q. From...

11 JUDGE FRIEDLANDER: I think when was the tariff  
12 changed was the first question.

13 MR. RATKO: Correct, mm-hm.

14 THE WITNESS: The rule change -- I don't have a copy  
15 of the WAC in front of me.

16 Mr. Shearer, do you?

17 MR. SHEARER: I don't. We could provide that in  
18 short order if necessary.

19 THE WITNESS: Okay. I know that that has been the  
20 rule for as long as I have been employed with the Commission,  
21 which was the 1st of January in 2010.

22 The last major changes to the household goods rules  
23 were made in 2008.

24 BY MR. RATKO:

25 Q. Okay.

0059

1           A.        So it's been as long as I have been with the  
2 Commission, and certainly been in effect through both of the  
3 investigations that you have been subject to and have received  
4 penalties for.

5           Q.        And then the second question: Is it legal to provide  
6 the -- or just a verbal estimate rather than a written estimate?  
7 I found that -- that it is legal provide the, you know, verbal  
8 estimate. You know, for small moves like just -- that just take  
9 a couple of hours, not necessarily -- the estimate will take  
10 longer than what the move might take or about the same time.

11                    Is it legal to provide the estimate verbally?

12           A.        It is not legal to do that, and you have not been  
13 informed by the Commission that it's legal to do that. Both of  
14 the investigation reports that I prepared, 2011, specifically  
15 told you that that was not allowed and that you must provide  
16 written estimates.

17           Q.        Okay. Because at the training, that was the one  
18 thing that I have asked, and I have got a question, but I can't  
19 recall the date when the training was.

20                    MR. SHEARER: Your Honor, Mr. Ratko, if he wants to  
21 testify, maybe we can move on past cross and...

22                    JUDGE FRIEDLANDER: Yeah. I think that would be  
23 beneficial.

24                    MR. RATKO: Sure.

25                    JUDGE FRIEDLANDER: If you have any other questions,

0060

1     though, for Ms. Pearson, now would be the time to ask.

2                   MR. RATKO:   Okay.

3                   JUDGE FRIEDLANDER:  When Staff has finished its  
4     witnesses, you're certainly free to testify.

5                   MR. RATKO:   Okay.  Sounds good.

6     BY MR. RATKO:

7           Q.       And another question:  How did you guys provide the  
8     technical assistance that I was asking for?  And I was asking  
9     for attending the hearing -- or the training rather.

10                   How did you guys provide the technical assistance  
11     that I was asking for, because, simply, it was just an honest  
12     mistake.  I had no intent doing those things.

13                   But I -- how did you guys provide the technical  
14     assistance that you have explained those things, extensive  
15     technical assistance?

16           A.       So the 2011 investigation report that you received,  
17     along with the penalty that resulted in a settlement agreement  
18     between Staff and your company, provided very comprehensive  
19     technical assistance in each of the areas that's also addressed  
20     in this 2014 investigation report, and you received a copy of  
21     that investigation report and you were informed at that time  
22     that you needed to make all of the changes that were documented  
23     in that investigation report which you then committed to doing.

24           Q.       But the question is direct:  How did you guys offer  
25     the technical assistance that I asked for?  Maybe it was asking

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1 to, you know, come to the training or in-person kind?

2 A. We did ask you to come to the training, and it's my  
3 understanding that you did not.

4 Q. That isn't correct. And then I was -- I was asked --  
5 I asked specifically, Can you help me with that? Could you  
6 guide me through that? I have no intent...

7 And how did you help me get on the right track rather  
8 than -- you know, I have no intent doing things incorrectly.  
9 You know, I'm just feeding my family.

10 You know, I ask, Please help. You know, guide me.  
11 You know, help me, you know, rather than punishing or doing  
12 something harmful and never received any of that.

13 But I'm asking specifically, and you're not -- you  
14 cannot specify how you helped -- tried to help instead of just  
15 punishing?

16 A. I can specify.

17 Q. Okay. Please.

18 A. The investigation report, if you look at it, begins  
19 documenting the technical assistance that you received on page  
20 6. It talks about...

21 JUDGE FRIEDLANDER: And you're referring to Exhibit  
22 64?

23 THE WITNESS: I am, yes.

24 JUDGE FRIEDLANDER: Okay. Thank you.

25 THE WITNESS: Sorry.

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1 JUDGE FRIEDLANDER: No, that's fine.

2 THE WITNESS: It talks about the e-mails that you had  
3 back and forth with Commission Consumer Complaint Staff that  
4 explained to you -- I'm sorry -- with Compliance Investigation  
5 Staff that explained to you what your violations were at that  
6 time in 2009. It also documents the 2011 investigation report  
7 and all of the technical assistance that was provided to you at  
8 that time.

9 At the bottom of page 8, it talks about the household  
10 goods carrier training which you did attend on May 19, 2009,  
11 here in Olympia. At that time you received all of the  
12 information necessary to come into compliance with the rules and  
13 the tariff. And when I stated that you didn't attend a second  
14 time, that was in relation to the 2011 investigation report  
15 where it was recommended within the body of that report that you  
16 come back and attend a training again and you did not. So that  
17 was another opportunity.

18 We also hold those trainings quarterly, I believe,  
19 here at the Commission -- or at least twice a year -- for you to  
20 come and attend. I also spoke with you on the phone on numerous  
21 occasions and answered all of your questions that you had about  
22 how you could come into compliance, and I met with you in person  
23 and explained those things to you as well.

24 BY MR. RATKO:

25 Q. Another question: Does 2009 finding in the

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1 investigation has anything to do with the 2011? And has there  
2 been an offer for training and help at the matter of 2011 rather  
3 than 2009?

4 A. Yes, they were connected, because the 2009 had to do  
5 with advertising and with violations on your website, and the  
6 2011 investigation found that you were continuing to commit  
7 those violations despite representing to us that you have made  
8 all the corrections and that you would not be continuing to  
9 engage in behavior that violated the rules.

10 The 2011 investigation found that, in fact, you were  
11 continuing to commit the same violations in the course of your  
12 business. And like I said, in the 2011 Staff investigation  
13 report it was recommended that you attend the training, and you  
14 did not.

15 Q. Okay. I have one more question, or rather another  
16 question.

17 What exactly that -- that you're referring to has to  
18 do with the -- your findings, the late findings? Because the  
19 2009 findings were settled at the -- for a small penalty, and  
20 then how -- and what exactly that is -- that is -- you're  
21 referring to has anything do with this matter from 2009?

22 A. You're talking about today's investigation --

23 Q. Yes.

24 A. -- report?

25 Q. Yeah, correct.

0064

1           A.       So back in 2009 was the first time that it was  
2 pointed out to you that there was no physical address on your  
3 website, and that violation continued up until -- both through  
4 the 2011 investigation and the 2014 investigation. So that's  
5 how that's connected.

6                   And also the reason why it's included in this  
7 investigation report is that Staff's practice is always to  
8 include all of the technical assistance that a company has  
9 received for the purpose of showing the Company's history of  
10 compliance with Commission rules and how much, you know,  
11 one-on-one contact there's been between Staff and the Company to  
12 explain how to come into compliance. So it was also relevant  
13 because at the end of the 2009 exchange between you and  
14 Compliance Investigation Staff, you made a representation that  
15 you had fixed everything that had been brought to your attention  
16 and that you were in compliance. And so it's part of Staff's  
17 job to follow up on that down the road and see if, in fact, you  
18 are in compliance. In 2011, we found that you were not, and  
19 that's what led to that follow-up investigation.

20                   Similarly, after we settled that investigation and  
21 you paid a minor penalty, it said in that settlement agreement  
22 that there would be another follow-up investigation, which there  
23 was, and that's what led to the 2014 investigation report and  
24 subsequent complaint.

25           Q.       Okay. One more question. Besides the -- finding the



0065

1 address on the website, was there anything else that -- that was  
2 not corrected besides the website, which I had no control of,  
3 but -- you know, until some point.

4 But was anything else that you're -- that was not  
5 corrected?

6 A. Yes. At that time you had keyword search information  
7 in advertisements that included the names of other household  
8 goods carriers that was put in there in very tiny font that was  
9 the same color as the background of the page. So while it  
10 wasn't visible to the eye, unless it was highlighted and the  
11 font color was changed, people searching on Craigslist for other  
12 permanent moving companies would pull up your ads because you  
13 included their company names in your search terms. And that was  
14 found to be happening again in 2011, which is what started the  
15 2011 investigation, because it was found that you were still  
16 doing the same thing that you apologized for and stated you were  
17 no longer doing back in 2009.

18 Q. Okay. Follow-up question. As it was brought to my  
19 attention was the keywords and the -- the -- for a customer  
20 find -- find my trade, was it removed right away? Was it  
21 removed, you know, with my knowledge afterwards?

22 A. Not in 2009, no. I believe that after the 2011  
23 investigation report and penalty was the point when you finally  
24 removed those search terms from your advertisements.

25 Q. Okay.

0066

1           A.       But the first time you falsely represented that they  
2 had been removed.

3           Q.       Okay. So at this point there has not been an issue  
4 with the keywords.

5                   And then misled advertising, rather than just the --  
6 just address, that has not been provided on the website, the  
7 physical address?

8           A.       That's correct. This particular investigation report  
9 from 2014 and the related complaint only address the missing  
10 physical address from the website as a basis for a penalty.

11          Q.       Is it fair to believe I have all interest to  
12 following the guidelines with the right help with some guidance?

13          A.       That is not my belief, no.

14          Q.       And why not? Why not? Why it's not your belief?  
15 Why not?

16          A.       Because of the extensive technical assistance that  
17 you have received in the past, and the fact that, as I discussed  
18 during my earlier testimony, that you continued to violate  
19 Commission rules not only in spite of receiving technical  
20 assistance, but you also altered documents and provided  
21 documents that were represented to be provided to customers that  
22 were not which demonstrates that you knew that you were  
23 violating the rules and attempted to conceal those violations.

24          Q.       Okay. And, again, I'll get back to the training or  
25 technical assistance.

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1           Was there a significant -- or was there enough  
2 technical assistance? Or what -- mainly, what kind of  
3 assistance was provided rather than just a -- just get a letter  
4 with -- referring to the training? Was there a solution  
5 provided? Maybe sit down, you know, go over all the paperwork  
6 and -- and to help me get on track and -- and just help me  
7 correct those things that were, you know, in there?

8           So what kind of help was provided rather than just  
9 the e-mail response that -- you know, just to make it look like,  
10 you know, it was -- it was help?

11           But any -- any extensive help has been provided? Any  
12 extensive training perhaps?

13         A.       So you did attend the training in 2009, which is an  
14 all-day training. That's extensive technical assistance. The  
15 2011 investigation report had very comprehensive technical  
16 assistance and guidelines for exactly what you needed to do and  
17 what changes that you needed to make.

18           When we were working on settling that case, we  
19 offered to meet with you and provide one-on-one technical  
20 assistance, and you declined that offer. We did instruct you to  
21 go to training or suggest that you go to training again to  
22 refresh yourself on the rules in the tariff and you did not.

23           And then again this 2014 investigation report has  
24 extensive technical assistance contained within it. And, again,  
25 you and I have had numerous phone conversations where I answered

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1 your questions and explained to you what you needed to do, so I  
2 would say in my experience in my previous position that you  
3 received some of the most comprehensive technical assistance  
4 that I ever personally gave to any regulated household goods  
5 company.

6 JUDGE FRIEDLANDER: Mr. Shearer, do we have as an  
7 exhibit a copy of the 2011 investigative report? That seems to  
8 be coming up quite frequently in the discussion.

9 MR. SHEARER: I don't have one. I didn't move to  
10 admit one.

11 JUDGE FRIEDLANDER: Okay.

12 MR. SHEARER: We can do that if you think it would be  
13 helpful. It does seem to be a common discussion point.

14 JUDGE FRIEDLANDER: It does, and I would. Let's make  
15 that Bench Request No. 1.

16 MR. SHEARER: Okay.

17 JUDGE FRIEDLANDER: If you can get that to me  
18 sometime this week, that would be good.

19 And you can continue, Mr. Ratko.

20 BY MR. RATKO:

21 Q. Okay. In two thousand -- that you quoted in March  
22 19th, '09 in Olympia, which is not -- which is not the case, was  
23 the -- was there -- that's the first time we attended training  
24 after getting the temporary permit in place. Prior to that,  
25 there was not -- has not been -- we have not been aware of the

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1 Utility and Transportation Commission being disciplinary board  
2 for the movers.

3 So that -- that -- you mentioned March 19th, '09,  
4 that was the first time we have attended the --

5 A. Yes.

6 Q. -- the training, so...

7 Okay.

8 A. That's correct. And I believe that was the first  
9 time that the training was offered, and all new entrants and  
10 regulated companies were required to attend.

11 If --

12 Q. So --

13 A. Go ahead.

14 Q. I'm sorry. So it's fair to believe that at 2009,  
15 when we attended, we were just new and just getting to know what  
16 the UTC is all about. And those things that were founded back  
17 in '09 has nothing to do with the 2011, because we -- we had no  
18 idea the Utility and Transportation Commission was there to  
19 regulate the industry.

20 So is there a belief that the train -- no more  
21 training was provided after the initial -- you know, when we  
22 applied for the UTC permit? So was there another training that  
23 I attend to or was it provided?

24 A. It is provided, yes. As I explained, it's provided,  
25 I believe, quarterly here at Commission headquarters, and you're

0070

1 always welcome to sign up for it. And you were again suggested  
2 and encouraged to do so as a result of the 2011 investigation  
3 and chose not to.

4 Q. Do you have a file that would state that you have, in  
5 fact, you know, advised us to -- to come to the -- to the  
6 training for additional help with the -- the technical help with  
7 the paperwork and stuff?

8 A. That's contained in the 2011 investigation report,  
9 which we will be getting a copy of, yes.

10 Q. Okay.

11 A. That was where it was recommended to you that you  
12 come back to the training.

13 Q. Okay. And another question. So regards to this  
14 matter that we handling today, you do not have something on file  
15 that will say that you have provided help, extensive help,  
16 rather than just trying to punish? Have you -- have you  
17 provided some kind of help and what the help is? Can you show  
18 me in a paper what's -- what's that help?

19 A. Through my testimony I have described all of the  
20 technical assistance that you have received. It's documented in  
21 both investigation reports extending back as far as 2009.

22 So, yes, I have provided an extensive testimony today  
23 about the past technical assistance that your company has  
24 received, as well as the fact that we are always available to  
25 answer questions or meet with you one on one if you request

0071

1 that. And, again, that was offered to you in 2011, and you  
2 refused it.

3 Q. So it's fair to believe in a prior -- prior hearing  
4 that had nothing to do with the -- with the help that I'm trying  
5 to get for this particular matter -- so it's fair to believe no  
6 help was provided on the bill of ladings, on estimates, on other  
7 forms and other things that I don't see?

8 But can you tell me: Is there -- maybe I can look  
9 somewhere where I can find where it says that you guys have  
10 offered the help? That's what I needed, you know, the help?  
11 Just kind of go through the paperwork and -- and -- you know, I  
12 guess ever since things been corrected and -- and we have -- you  
13 know, I have all intent to be on track and make things right,  
14 but do you see -- can you tell me if there's anything I can look  
15 at that will say -- accept your words that you sent -- oh, you  
16 sent him the e-mail? Just kind of excuse -- accept excuse  
17 e-mail or something that you have to do because that's your job?

18 Have you offered like some kind of help, you know,  
19 that would say -- do you have anything that will refer to that;  
20 that you offered help to sit down, to bring me to the UTC, to  
21 bring you through the training?

22 A. Yes, and I've already answered that question multiple  
23 times. It was documented in the investigation report from 2011  
24 where you were suggested to attend training again, and that  
25 would be where you come for your one-on-one help.

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1           And then in -- in speaking with you, or up until the  
2 time of when the 2011 investigation report was settled in 2012,  
3 at that point in time, we offered to sit down with you and go  
4 over your forms once you revised them, and you did not take us  
5 up on that offer.

6           Do I have written documentation of that, no. I have  
7 a recollection of that, and there are other Staff members who  
8 were present with me who also have a recollection of that  
9 conversation.

10         Q.       Okay. Follow-up question: Besides the website  
11 address, the prior findings -- was everything else corrected  
12 from your prior findings, and then have there been suggested  
13 help for this particular -- like I said because the prior things  
14 were corrected and I was on track except the website address --  
15 the physical address on the website.

16           Have there been help with specific -- specific case  
17 we're discussing right now rather than things that went back to  
18 the advertising and some other things that have been -- already  
19 been, yeah, corrected? Has there been help offered in this  
20 particular case? Have there been reach-out? Because numerous  
21 times I contact you guys. You guys are rude, extremely rude.

22           You say, Mr. Ratko --

23           MR. SHEARER: Your Honor, I'm going to object.

24           MR. RATKO: Sure.

25           MR. SHEARER: We're mixing testimony again with the



0073

1 questioning, and I'm so confused as to what the question is.

2 So maybe we could break these off --

3 MR. RATKO: Sure.

4 MR. SHEARER: -- into more brief questions.

5 MR. RATKO: Okay.

6 MR. SHEARER: Maybe I'm the only one, but I'm having  
7 difficulty following.

8 JUDGE FRIEDLANDER: I am having a bit of difficulty  
9 as well.

10 What I understand you to say -- and correct me if I'm  
11 wrong -- is were you offered assistance to resolve the  
12 complaints that are before us today; the causes of action that  
13 are before us today; is that correct?

14 MR. RATKO: That is correct.

15 JUDGE FRIEDLANDER: That's what you are asking?

16 THE WITNESS: That's...

17 BY MR. RATKO:

18 Q. What I'm asking is how do you guys offer to help,  
19 because it's not fair if -- is it not fair to believe that I  
20 have all intent to follow --

21 JUDGE FRIEDLANDER: Let me --

22 MR. RATKO: Yes.

23 JUDGE FRIEDLANDER: -- ask for clarification for my  
24 own purposes.

25 On the 2011 investigative report, what were the

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1 violations contained therein, and are they similar to or  
2 identical to the ones that have been alleged in this complaint?

3 THE WITNESS: Yes. So with respect to the causes of  
4 action in the complaint, every single cause of action is a  
5 repeat and continuing violation from the 2011 report with the  
6 exception of the first cause of action related to the unsigned  
7 estimates and the falsification misrepresentation of providing  
8 the estimates because I found in 2011 that he wasn't providing  
9 estimates at all. So other than that, everything is a repeat of  
10 past violations.

11 JUDGE FRIEDLANDER: Okay. And that's the only new  
12 one --

13 THE WITNESS: Correct.

14 JUDGE FRIEDLANDER: -- that would have been brought  
15 before us in the complaint?

16 THE WITNESS: So everything related to estimates  
17 would be new. I'm sorry.

18 JUDGE FRIEDLANDER: Okay.

19 THE WITNESS: Because there were no estimates in the  
20 past, yes.

21 JUDGE FRIEDLANDER: Right. Okay.  
22 So did you receive the 2011 investigative report?

23 MR. RATKO: No.

24 JUDGE FRIEDLANDER: You did not?

25 MR. RATKO: No. All I received is the 2009

0075

1 follow-up. And then my understanding this is -- this is  
2 something new that UTC -- you know, because at that point when I  
3 provided the paperwork, I never received a conclusive, you know,  
4 report. You know, I have not received that.

5 JUDGE FRIEDLANDER: Okay. And so that we don't get  
6 into testimony on your behalf, did you --

7 Ms. Pearson, did you have something else to add?

8 THE WITNESS: I just wanted to answer that if I  
9 could --

10 JUDGE FRIEDLANDER: Sure.

11 THE WITNESS: -- about the 2011 investigation report.

12 Mr. Ratko was provided with a copy of that, I  
13 believe, both electronically and in hard copy, and we  
14 participated in settlement negotiations with him and settled  
15 that case. And so he would have had to have seen the report in  
16 order to have the information that he needed to reach a  
17 settlement, so I dispute that he did not receive that.

18 JUDGE FRIEDLANDER: Okay. Thank you.

19 Did you have any further questions for Ms. Pearson?

20 MR. RATKO: Yes, I have a question.

21 BY MR. RATKO:

22 Q. What made you to believe that we do not -- or I do  
23 not provide the estimate to the customer? Do you have a fact,  
24 you know, showing that the estimate was not provided to the  
25 customer?

0076

1           A.       Are you talking about in this investigation report or  
2 back in 2011?

3           Q.       Both.

4           A.       Okay.  So in 2011, what happened was I did a data  
5 request and received the documents from you.  They did not  
6 include estimates.  You hand delivered the documents to me.  At  
7 that time I told you, There are no estimates here.  I need the  
8 estimates.

9                     You said, Okay.  I will get them to you.

10                    We had several follow-up conversations, and I don't  
11 recall exactly if at some point you conceded to me there were no  
12 estimates or if you stopped returning my phone calls.  But it  
13 was one of those two.

14                    And so in the absence of those documents being  
15 provided, the only -- to me for inspection, the only conclusion  
16 I can draw is that they don't exist.

17           Q.       Another question:  When was the paperwork provided,  
18 and was that provided all at once?

19                    JUDGE FRIEDLANDER:  What paperwork are you referring  
20 to?

21                    MR. RATKO:  The files that Rayne Pearson requested  
22 for...

23                    THE WITNESS:  For this investigation in 2014?

24                    MR. RATKO:  Uh...

25                    THE WITNESS:  For 2011?

0077

1           MR. RATKO: My belief -- you know, I -- you know,  
2 correct me if I'm wrong. I believe this is the same -- same  
3 thing that we're going -- and if that's not true, correct me,  
4 please -- the 2011 investigation, this is -- this is the same  
5 thing that you can continue. I thought it was closed, but it  
6 looks like that -- it looks like this -- I wasn't sure. And I  
7 never received a clear -- clear message or clear letter that  
8 would state, you know, there will be -- once there was a  
9 follow-up, there was a conclusion, so...

10           THE WITNESS: That's what this is, the 2014  
11 investigation report that you have in front of you. That was  
12 served on you via legal messenger, so you do have a copy or else  
13 you wouldn't know to be here today.

14 BY MR. RATKO:

15           Q.       So it is fair to believe that this -- this is  
16 investigation from that? From after the 2009, this is the  
17 continuous investigation, and what was reached at that point for  
18 that matter was not a conclusion. This is ongoing investigation  
19 and --

20           A.       That's not true.

21           Q.       Okay. Can you clarify, please --

22           A.       Yes.

23           Q.       -- what this is --

24           A.       Yes.

25           Q.       -- and...

0078

1 A. I can break it down for you.

2 Q. Okay.

3 A. Beginning with 2009, you had some e-mail exchanges  
4 with a Staff member, a Compliance Investigation Staff member.  
5 Based on that there was a -- I believe we received a complaint  
6 from a permitted carrier in 2011 with respect to the keywords in  
7 the Craigslist ad, so that sparked what we would call "a new  
8 investigation" at that time. That wrapped up in 2012 with a  
9 settlement agreement where you paid a portion of the original  
10 penalty that was assessed against you and agreed to comply with  
11 Commission rules. You received a copy of the 2011 investigation  
12 report at that time, and then a year later in 2013, we started  
13 the follow-up investigation, which is another new investigation.

14 And, yes, it is following up on the same violations  
15 that occurred in the past, but it's considered a new  
16 investigation. It has a separate docket number and resulted in  
17 a separate investigation report and this complaint that brought  
18 us here today.

19 Q. Okay. Correct me if I'm wrong. I have a question.

20 So 2009 was concluded on 2011? And...

21 A. No.

22 Q. Okay.

23 A. 2009 was concluded in 2009 -- that was an isolated  
24 incident -- and then the 2011 investigation concluded in 2012,  
25 and the 2013 investigation concluded in 2014.

0079

1 Q. Okay. Another --

2 JUDGE FRIEDLANDER: I'm sorry. I don't mean to  
3 interrupt your flow here, but I think maybe where the confusion  
4 lies is the fact that Staff has to check that you have  
5 complied --

6 MR. RATKO: Okay.

7 JUDGE FRIEDLANDER: -- with what you have agreed has  
8 been changed and you've agreed that you have come into  
9 compliance. Staff then has an obligation to verify for  
10 themselves that you have actually done so because you could say  
11 that you have and it turns out that you haven't or you were  
12 mistaken. And so that may be where your confusion lies.  
13 They're separate investigations, but it's continuing. Staff is  
14 alleging continuing violations such that you've been told on --  
15 in the 2009 report or the 2009 incident that this needs to be  
16 changed and then they checked back and in 2011 it still has been  
17 changed.

18 So I don't know if that clarifies for you why we're  
19 examining the prior allegations, but that is why we're doing so.

20 MR. RATKO: Okay.

21 BY MR. RATKO:

22 Q. So I have a question. So the two thousand -- what --  
23 what files or what's the -- what matter are continuous to  
24 current investigation? What -- is there a connection? Besides  
25 the address, physical address on the website, is there anything

0080

1 else that -- that is continuous?

2 JUDGE FRIEDLANDER: And I think that's the question  
3 that I asked Ms. Pearson, which was from the 2011 investigative  
4 report --

5 THE WITNESS: Right.

6 JUDGE FRIEDLANDER: -- everything but the estimates,  
7 the violations relating to the estimates -- because you had not  
8 provided any estimates -- up until that point were continuous.

9 MR. RATKO: Okay.

10 JUDGE FRIEDLANDER: And so those are the repeated  
11 violations.

12 MR. RATKO: Okay.

13 THE WITNESS: Yes.

14 BY MR. RATKO:

15 Q. And then a question: Could you tell me specifically  
16 what was continuous violations? My understanding the website  
17 address --

18 A. Sure.

19 Q. -- because the things were provided after 2011 and  
20 all the bill of lading and estimate been provided at the one  
21 time. You know, there's not been two times. It's been one  
22 time.

23 What is -- what are those things that been continuous  
24 violation that you're referring to?

25 A. I can answer that. So the first would be the failure



0081

1 to provide a written estimate. Because the estimates were  
2 unsigned, it's my belief and conclusion that they were not  
3 provided to customers. So that would be the first one. The  
4 second one is the failure to include a household goods cube  
5 sheet. That was also a violation that was noted in the 2011  
6 investigation and that you were instructed to correct.

7           And then all of the violations on the bills of  
8 lading, you were instructed to either create a new form or our  
9 preference is that you use the bill of lading form that's  
10 provided on the Commission's website because it's 100 percent in  
11 compliance with the tariff. And you were asked to do that, but  
12 you continued to use the same bill of lading form that includes  
13 multiple violations of Tariff 15-C and the WAC.

14           Also there was unauthorized language on the bills of  
15 lading in 2011 that continues to be on the bills of lading in  
16 the 2014 investigation. None of those things were corrected  
17 even though we asked you to.

18           And then the contract language is not on the back of  
19 the bill of lading, and then, yes, the address on the website  
20 continues to be a violation. And then there were also repeat  
21 violations with respect to the minimum hourly charges on  
22 weekends, recording times in increments of 15 minutes and the  
23 gas fees. All of those were in the 2011 investigation as well,  
24 so those were all repeat violations.

25           Q.       Okay. Thanks for that.

0082

1           I have a question: So the cube sheet. Doing a local  
2 intrastate move, is a cube sheet required or is --

3           A.     Yes, it is.

4           Q.     Okay. Let me just finish.

5           Is a cube sheet required to be -- charged an hourly  
6 rate and -- rather than providing the estimate based on the  
7 weight?

8           A.     Yes, it is. Cube sheets are required in connection  
9 with every single household goods move that is performed whether  
10 it is hourly rated or a long-distance rated move in Washington  
11 State.

12          Q.     Okay. And then what -- what connection does it have,  
13 the cube sheet, with the hourly rate? How is it connected, or  
14 how is it calculated?

15          A.     So the cube sheet is an inventory of the customer's  
16 goods, so it not only documents everything that the customer is  
17 having moved by your company, it also provides a constructive  
18 weight, which can be used for valuation purposes, which is not  
19 something that you appear to provide to your customers.

20          Q.     And the question related to the same thing: Is it  
21 illegal for the customer to provide the e-mail inventory list  
22 rather than the cube sheet for us coming out? Is it illegal for  
23 the customer to provide the e-mail pictures? Perhaps it's a  
24 list of items that they have that needs to be moved?

25          A.     So what the rule provides in the alternative of

0083

1 visual inspection is for a customer to provide a written hard  
2 copy calculation of what's in their home, so that's not illegal.  
3 The rule does provide an alternative for your customers to do  
4 that. However, if your customers do that, you need to have  
5 proof that that's been done and provide it to us when we ask you  
6 for documents. So that would have to be submitted to us in lieu  
7 of the actual representation that you had done a visual  
8 inspection. And you still must complete an estimate and a cube  
9 sheet based on that inventory. That's only a substitute for the  
10 visual inspection itself, not for the cube sheet or the  
11 estimate. Those forms must always be completed.

12 Q. Okay.

13 JUDGE FRIEDLANDER: Mr. Ratko, are you saying that  
14 you have those e-mail inventory lists for customers?

15 MR. RATKO: Not necessarily for all, but a lot of  
16 times I ask the customer to e-mail the pictures of the  
17 particular items or...

18 JUDGE FRIEDLANDER: So that you wouldn't have to do a  
19 visual inspection?

20 MR. RATKO: Correct, because...

21 JUDGE FRIEDLANDER: And you can always attach those  
22 as exhibits --

23 MR. RATKO: For the future?

24 JUDGE FRIEDLANDER: To the legal brief that's due in  
25 a week.

0084

1 MR. RATKO: Okay.

2 JUDGE FRIEDLANDER: If you feel that that would  
3 mitigate or address some of the concerns, since I'm assuming you  
4 did not bring any of that in with you today?

5 MR. RATKO: Unfortunately, the e-mail -- I have  
6 switched over the e-mail and some data has been lost, you know,  
7 from the prior --

8 JUDGE FRIEDLANDER: Right.

9 MR. RATKO: -- because of the...

10 JUDGE FRIEDLANDER: Right.

11 THE WITNESS: So if I could just answer the rest of  
12 your question because I believe that this is also technical  
13 assistance for you right now. Photographs are not considered an  
14 acceptable substitute for a visual inspection at this time the  
15 way the rules are written today.

16 JUDGE FRIEDLANDER: So you didn't have the customer  
17 send you an inventory list? You have them do photographs only?

18 MR. RATKO: Both.

19 JUDGE FRIEDLANDER: I see. All right. Yeah. You  
20 can attach those as exhibits if you feel that they will meet  
21 the -- or mitigate some of the violations to even attach those  
22 to last week's legal brief.

23 MR. RATKO: I will try to find them because, again,  
24 the e-mail, you know, has been hacked, and just -- so we have  
25 changed -- I have changed the e-mail.

0085

1 JUDGE FRIEDLANDER: Right, right, right, right.

2 Did you have any further questions for, Ms. Pearson?

3 MR. RATKO: Yes, I do.

4 BY MR. RATKO:

5 Q. So what -- how have you concluded the bill of -- bill  
6 of lading because the bill of lading was just provided one time.  
7 There was not a follow-up paperwork provided to you.

8 How have you concluded whether we have -- or have  
9 made changes or not? How -- how -- how did you conclude this?

10 A. Okay.

11 THE WITNESS: Your Honor, could I ask for just a  
12 one-minute break --

13 JUDGE FRIEDLANDER: Yes.

14 THE WITNESS: -- before we proceed?

15 JUDGE FRIEDLANDER: Okay. Absolutely.

16 THE WITNESS: I'll be right back.

17 (A break was taken from 11:02 a.m.  
18 to 11:14 a.m.)

19 JUDGE FRIEDLANDER: We'll go back on the record.

20 Mr. Ratko, if you want to continue cross-examination  
21 of Ms. Pearson, please do so.

22 BY MR. RATKO:

23 Q. Okay. So before we went on break I had a question in  
24 regards to, you know --

25 A. The bills of lading?

0086

1 Q. Bills of -- yeah. That's...

2 A. I do recall the question, if you want me to answer  
3 it.

4 Q. Okay. Yes, please.

5 A. Okay. So I think what you're asking is whether you  
6 had an opportunity to submit the bills of lading that you are  
7 using now following the 2014 investigation report; is that what  
8 you're asking me?

9 Q. That's right.

10 A. Okay. And my answer to that is I no longer work in  
11 the compliance investigation section, so I have no way of  
12 knowing if you have submitted those forms to Compliance  
13 Investigation Staff for review or to demonstrate that you have  
14 come into compliance. I know that following the 2011  
15 investigation, you were asked to provide us with copies of your  
16 new forms that were supposed to comply and that you did not do  
17 that.

18 Q. Okay. So it's fair to understand that you have --  
19 you haven't seen the difference or whether the violations  
20 were -- was corrected, so at this point, you have no information  
21 to --

22 A. I do not know what the form looks like that you are  
23 using today; that is correct.

24 Q. Okay. I have just one more question.

25 If I ask you -- well, I'm asking you for help for --

0087

1 you know, I'm not sure what the outcome going to be, but I'm  
2 sure, you know, this will be all fair and reasonable.

3 I'm asking for help and guidance. Could you provide  
4 that help or -- or would you be willing to provide that help  
5 for -- for the guidance and kind of getting things on track?

6 A. Personally, because I'm no longer in the compliance  
7 investigation section, I would not be the one to personally  
8 provide you with help, but absolutely there are compliance  
9 investigators who are available to provide you with one-on-one  
10 assistance if that's what you would like. There's also a  
11 household goods training being offered next week here at the  
12 Commission that you can sign up for before you leave the  
13 building today.

14 Q. Okay.

15 A. And I highly recommend that you do that.

16 Q. I'll do that.

17 JUDGE FRIEDLANDER: Any further questions?

18 MR. RATKO: I believe that's -- covers all of the  
19 things that we went through.

20 And I'll have a chance to ask questions later on?

21 JUDGE FRIEDLANDER: No. Counsel will have a chance  
22 for redirect.

23 MR. RATKO: Okay.

24 JUDGE FRIEDLANDER: But other than that, you know,  
25 once Ms. Pearson is off the stand, unless you have any very

0088

1 urgent need --

2 MR. RATKO: Okay.

3 JUDGE FRIEDLANDER: -- to ask something that had not  
4 come up previously, we really won't be calling her again. So if  
5 you want to ask her questions, now would be the time.

6 MR. RATKO: Okay.

7 BY MR. RATKO:

8 Q. So just to conclude, so you have not seen the --  
9 what's -- how we corrected things -- or how I corrected things  
10 on the new bill of -- bill of lading, estimate of cost of  
11 service, which I have here? You have not seen those paperwork  
12 because you simply switched and the person who -- or you  
13 switched departments and the person who's handling was not  
14 following the -- the prior investigation, so...

15 A. That's not what I said. There is -- I'm still the  
16 person handling the investigation, and as you know, Sharon  
17 Wallace, who's in the back of the room that you said hello to is  
18 in charge of compliance investigation. She's a supervisor down  
19 there, so your opportunity, if you want those forms to be  
20 reviewed, would either to be just submit them directly to her or  
21 to Mr. Shearer, who has been in contact with you as Staff's  
22 attorney for the duration of this proceeding.

23 Q. Okay. So for this matter, it's fair to believe that  
24 you have not seen the estimate, the estimate cost of service,  
25 and then the new bill of lading that after your finding you



0089

1 have -- I have -- you know, that you have not asked or I have  
2 not been able to provide, so pretty much you have not seen the  
3 things that were corrected. And you just solely looked at the  
4 files that were provided initially, and that's where you find  
5 your findings and violations and -- and then penalties from; is  
6 that...

7 A. Well, that is correct, because at the time that this  
8 investigation report was written in 2014, those were the forms  
9 that were provided to us that you provided and said, These are  
10 the forms that I'm using. So what else would we have to go off  
11 of but what you gave us to us?

12 Q. Okay. Just another question.

13 Have you asked -- have you asked or have you -- did  
14 you want to see, you know, prior to coming -- conclusion of the  
15 investigation report, have you had the chance or have you asked  
16 or have you -- have you tried to get the new form? Have you  
17 trying to see?

18 A. We had no way of knowing that those forms existed,  
19 Mr. Ratko, because you didn't inform us that they did. And  
20 without you telling us that there were new forms, we would have  
21 no way of knowing that.

22 And to answer your other question, yes, Compliance  
23 Investigation Staff would like to see your new forms, just as we  
24 would have liked to see them following the 2011 investigation,  
25 but you did not provide them. And Compliance Investigation

0090

1 Staff is available to review those forms and let you know  
2 whether or not they have come into compliance.

3 Q. Okay. Just another follow -- follow-up question.

4 So at the -- at the time when submission of the  
5 forms, have you offered help as far as technical help, sit down  
6 and maybe look through the forms when you noticed some things  
7 were not correct because I have no way of knowing? However, the  
8 question is: Have you offered the help, you know, based on the  
9 things that you have found rather than just punishing, you know?

10 JUDGE FRIEDLANDER: And I think this has already been  
11 asked and answered.

12 MR. SHEARER: Asked and answered.

13 MR. RATKO: Okay. I understand, yeah.

14 JUDGE FRIEDLANDER: Yeah; that the Staff offers  
15 training and multiple opportunities for you to call and discuss  
16 these things with them.

17 MR. RATKO: Okay.

18 JUDGE FRIEDLANDER: That's what Staff has testified  
19 to.

20 BY MR. RATKO:

21 Q. I understand. But the -- I just want to see what  
22 kind of help was offered rather than just normal procedures.

23 A. I believe I've already answered that question  
24 multiple times.

25 Q. Okay. I just didn't get the clear answer, how it's

0091

1 offered to kind of help in this particular case to fix those  
2 things, or maybe send an example in the mail and say, Hey, this  
3 is what it looks like, you know? I have not received that.

4 A. Okay. So, Mr. Ratko, the estimate and the bill of  
5 lading forms are on the Commission's website, the ones that are  
6 in compliance, as well as a copy of the tariff and the WACs. So  
7 those are always available for you to access on the internet and  
8 review.

9 And then I have also said that you can give your  
10 forms to Compliance Investigation Staff. They'd be happy to  
11 look them over and let you know whether or not they are in  
12 compliance, and then I have also encouraged you to attend the  
13 training next week.

14 Q. Okay. Good to know that. I appreciate the  
15 information. It's definitely helpful. It's -- I'm glad you're  
16 helping. You know, I have all intent and interest to file -- or  
17 follow the guidelines, you know?

18 JUDGE FRIEDLANDER: So do you have any further  
19 questions for Ms. Pearson?

20 MR. RATKO: For this point, I think that concludes  
21 probably all the questions I -- I have.

22 JUDGE FRIEDLANDER: Okay. And, Staff, do you have  
23 redirect?

24 MR. SHEARER: Just one brief question, Your Honor.

25 JUDGE FRIEDLANDER: Sure.

0092

1 R E D I R E C T E X A M I N A T I O N

2 BY MR. SHEARER:

3 Q. I just want to clarify: You have personal knowledge  
4 of the 2011 investigation of Mr. Ratko's practices --

5 A. I do. I conducted...

6 Q. -- that's been a hot subject?

7 A. I conducted that investigation as well.

8 Q. So you speak from personal experience and personal  
9 discussions with both Mr. Ratko and other related parties from  
10 that 2011 investigation; is that correct?

11 A. That is correct.

12 MR. SHEARER: Thank you.

13 JUDGE FRIEDLANDER: Okay. Ms. Pearson, thank you so  
14 much for your testimony, and you're dismissed.

15 Does Staff have any further witnesses that it would  
16 like to call?

17 MR. SHEARER: No, Your Honor. No other witnesses.

18 JUDGE FRIEDLANDER: Okay. Thank you.

19 Mr. Ratko, you are able to present any kind of  
20 witnesses, including testimony from yourself.

21 MR. RATKO: Okay.

22 Do you want to testify right now? Do you have other  
23 witnesses?

24 MR. RATKO: No other witnesses. Just I have paper  
25 and I have myself.

0093

1 JUDGE FRIEDLANDER: Okay. So if you could go to  
2 where I had Ms. Pearson sit before and we'll administer the  
3 oath.

4 MR. RATKO: Okay.

5 JUDGE FRIEDLANDER: And if you'll remain standing and  
6 raise your right hand.

7 MR. RATKO: Okay.

8 JUDGE FRIEDLANDER: Do you swear or affirm that the  
9 testimony you're about to give is the truth, the whole truth,  
10 and nothing but the truth?

11 THE WITNESS: I do.

12

13

IVAN RATKO,

14 witness herein, having been first duly sworn on oath, was  
15 examined and testified as follows:

16

17 JUDGE FRIEDLANDER: Thank you. You can be seated.

18 THE WITNESS: Okay.

19 JUDGE FRIEDLANDER: It's a little bit different in  
20 this instance because you don't have counsel asking you the  
21 questions, so if you want to testify in a narrative form, I'm  
22 comfortable with that. But I do encourage you to not repeat  
23 yourself.

24 THE WITNESS: Yeah.

25 JUDGE FRIEDLANDER: And Mr. Shearer does have the

0094

1 opportunity to object just as you did for Ms. Pearson's  
2 testimony.

3 THE WITNESS: Okay.

4 JUDGE FRIEDLANDER: And then he'll also be  
5 cross-examining you afterwards.

6 THE WITNESS: Okay.

7 JUDGE FRIEDLANDER: So we can begin.

8 THE WITNESS: Okay. I do appreciate the opportunity  
9 to explain and offer my -- my word in this -- in this case. In  
10 particular I have -- and I don't agree with some things. Most  
11 of the things I don't agree with, and I don't understand why not  
12 there wasn't just help provided rather than, you know, write --  
13 rather than just penalize and just suspend and get it off the  
14 books, you know, and I don't have to worry about that.

15 So things were corrected as -- when it came to my  
16 knowledge. The forms have been corrected. After the  
17 conclusion, I'll be more than happy to provide those forms. If  
18 you asked to provide those forms prior to that, I can provide  
19 the forms. And I -- I'm just asking for -- for help in the  
20 future with the forms, if there's anything that has to be added  
21 on or -- because this is the forms based on the tariff.

22 So what I'm -- again, this is my first time being in  
23 court. I don't know what the procedures are. I'm just one  
24 person. You know, I'm just -- just myself, and I'm just trying  
25 to feed my family. I have -- you know, I know there's a lot of

0095

1 aggressive violators out there that have complaints from the  
2 customers when I have not received a complaint from a customer.  
3 Never. Anything always -- things were always resolved with the  
4 customer. If they had some kind of concern, I address it right  
5 away. I have all interest to follow the guide, the UTC  
6 guidelines, provided great customer service and fair business  
7 practice. I have all interest in doing so. I have no  
8 interest -- and I don't get wealthy or -- or trying to fool  
9 someone -- provide unfair business practice, so I have all  
10 intent and all interest. With a little guidance, I'm sure I can  
11 get there and be successful and we can all be happy.

12 JUDGE FRIEDLANDER: So just so I'm clear, you are  
13 denying all of the causes of actions that Staff has alleged?

14 THE WITNESS: Not all. Some things were not  
15 accurate.

16 JUDGE FRIEDLANDER: Okay. So why don't you walk me  
17 through.

18 THE WITNESS: Okay.

19 JUDGE FRIEDLANDER: Let's start with Cause of Action  
20 No. 1.

21 THE WITNESS: Yeah. Let me get the paperwork real  
22 quick.

23 JUDGE FRIEDLANDER: Sure. I have that the first --  
24 let's see.

25 Okay. I have that the first cause of action was

0096

1 failure to provide documents for inspection and providing  
2 falsified documents.

3 THE WITNESS: Okay. I would like to object to that.  
4 This is the estimates that I provide to the customer. We  
5 have -- you know, after the customer -- the -- the -- the  
6 customer have -- you know, they look visually. They agree to  
7 that. And we also provide -- you know, I provide a verbal, you  
8 know, estimate, and most of the time e-mail as well of the  
9 cost -- cost of the service to save time -- to save time, you  
10 know, for -- for me not taking the half of the time going  
11 through their stuff and looking at what it's going to cost. By  
12 visually inspecting the customer's things, I can provide them  
13 with the, you know, estimate.

14 And this form was not -- you know, it's not something  
15 that's being tampered with. I have filled this out prior to the  
16 customer prior -- providing the service to the customer, and  
17 then I have -- you know, and then we ask the customer, Would you  
18 like the written estimate?

19 You know, they say, Oh, no. We know what it's going  
20 to cost. You guys work great. You have been recommended. We  
21 have no -- we have no concerns about your service.

22 And, again, I would like to point out not one  
23 customer was unhappy with the cost of the service, so -- not one  
24 customer was unhappy, so I don't see the point about this point,  
25 but I do appreciate the help and the guidance of correcting the



0097

1 language in the text.

2 JUDGE FRIEDLANDER: So why don't we move on to Cause  
3 of Action 2, which is --

4 THE WITNESS: Some things were printed, and it looks  
5 like there's been printed from page, 2, 4, 6, 7 -- you know, 8.  
6 I don't get the page -- some pages, but I appreciate...

7 JUDGE FRIEDLANDER: Okay. So are you talking about  
8 the exhibits that Mr. Shearer provided you?

9 THE WITNESS: Correct.

10 JUDGE FRIEDLANDER: Okay.

11 THE WITNESS: So the -- like this, this pages,  
12 Exhibit RP-64, and then the page 4, it goes to the 4, 6...

13 JUDGE FRIEDLANDER: So maybe instead of printing  
14 double-sided, it printed single-sided?

15 THE WITNESS: Correct; correct, uh-huh.

16 JUDGE FRIEDLANDER: Hm. Okay. Well, we can  
17 definitely remedy that.

18 I was actually referring to the second cause of  
19 action from the notice --

20 THE WITNESS: Okay.

21 JUDGE FRIEDLANDER: -- of the prehearing conference.

22 THE WITNESS: Okay. Go ahead.

23 JUDGE FRIEDLANDER: And the second cause of action  
24 was failure to provide a written estimate, and that was a  
25 violation of WAC 480-15-630.

0098

1                   Did you have anything to add?

2                   THE WITNESS: My understanding -- again, this was  
3 past, you know, six, 7 1/2 years. Things have been revised --  
4 the tariff, multiple times, as far as I understand -- especially  
5 those things that -- you know, hot topics. You know, a lot of  
6 movers have additional, you know, additions. They -- you know,  
7 they don't agree with that.

8                   So in particular the -- the estimate, initial, when I  
9 attended the training, there was -- it was explained. I think  
10 Susan Stillwell, if I'm not mistaken, has explained that the --  
11 you know, the verbal. Like if the customer gets the, you know,  
12 estimate, that is okay.

13                   And, again, this has been 7 1/2 years ago, but, you  
14 know, things might have changed. I might not have been on  
15 track, you know, since then. Again, this has been from a very  
16 long -- you know, a long time, so...

17                   JUDGE FRIEDLANDER: Okay. Did you have anything else  
18 to add, or do you want to move to Cause of Action 3?

19                   THE WITNESS: Let's move on.

20                   JUDGE FRIEDLANDER: Okay. So this says -- this is  
21 alleged that the estimate forms omitted several  
22 Commission-required rates, terms, and conditions, according to  
23 WAC 480-15-630 and Tariff 15-C.

24                   THE WITNESS: Okay. Um...

25                   JUDGE FRIEDLANDER: So your estimate forms have

0099

1 omitted required information.

2 THE WITNESS: Again, I would just add this was an  
3 honest mistake. I got the forms based on -- you know, based on  
4 my knowledge. You know, this is -- it has not been an intended  
5 mistake. You know, it was just -- just honest mistakes.

6 JUDGE FRIEDLANDER: Okay. So Cause of Action 4 I  
7 have as failure to include a separate household goods cube sheet  
8 with the estimate form in violation again of WAC 480-15-630 and  
9 Tariff 15-C.

10 THE WITNESS: Okay. Again, for the cube sheet, my  
11 understanding was -- and based on the 7 1/2 years of training  
12 that happened 7 1/2 years near Spokane -- not Olympia, but near  
13 Spokane. I think -- I'm not sure what the city is. My  
14 understanding was the cube sheet applies only 50-plus miles, you  
15 know, for the -- once the customer -- or when the customer is  
16 charged per mile, per weight. So it was just -- again, just an  
17 honest mistake that was made.

18 JUDGE FRIEDLANDER: So can you clarify, again, for  
19 me? You were told that the cube sheet only applies if the move  
20 is within 15 miles or...

21 THE WITNESS: Fifty miles or plus.

22 JUDGE FRIEDLANDER: Fifty.

23 THE WITNESS: Yes, 50 miles.

24 JUDGE FRIEDLANDER: Fifty. It has to be a move  
25 that's over 50 miles?

0100

1                   THE WITNESS: Correct; that's my understanding.  
2 Again, this has been for so long. Just a simple -- a simple --  
3 you know, say simple thing with -- say, you know, Ivan, you have  
4 to do this, you know? And if that was -- that would have  
5 corrected the problem and we wouldn't be here so...

6                   JUDGE FRIEDLANDER: And so you're contending you  
7 received that information from training?

8                   THE WITNESS: I believe so. Yeah, I believe so.  
9 Again, I cannot hundred percent say that, but I -- that's what  
10 my understanding is.

11                  JUDGE FRIEDLANDER: Okay. And did you have anything  
12 else to add, or do you want to move on to Cause of Action 5?

13                  THE WITNESS: Let's move on.

14                  JUDGE FRIEDLANDER: Okay. So Cause of Action 5 is  
15 failure to comply with requirements for a bill of lading in  
16 violation of WAC 480-15-710, and various sections of Tariff  
17 15-C.

18                  THE WITNESS: And what specifically is it? Which one  
19 is it?

20                  JUDGE FRIEDLANDER: So it's failure to comply with  
21 the requirements for a bill of lading.

22                  THE WITNESS: What are those requirements?

23                  JUDGE FRIEDLANDER: I believe Ms. Pearson went over  
24 those in her testimony, but, essentially, the bill of lading has  
25 to be completed for every move, and a bill of lading must

0101

1 include all of the requirements listed in your tariff.

2 THE WITNESS: Okay. I would like to say we have --  
3 you know, I have corrected -- the new bill of lading, you know,  
4 has -- I have not -- I have not had the opportunity to provide  
5 the -- the paperwork that was updated after the fact.

6 Prior to that, I had no idea. When I was confronted,  
7 I had no -- no option to provide -- I mean, I had no opportunity  
8 to provide the new format.

9 JUDGE FRIEDLANDER: Do you plan on providing that to  
10 the Staff?

11 THE WITNESS: Absolutely.

12 JUDGE FRIEDLANDER: And when would you be able to do  
13 that?

14 THE WITNESS: Within I think -- I'll be out of town.  
15 About -- I would be back about -- what date is it today? About  
16 a week and a half from now I'll be back. I can stop by and  
17 provide all the paperwork to them.

18 JUDGE FRIEDLANDER: If you could provide it sooner  
19 than that because we have briefs due a week from today.

20 THE WITNESS: Sure.

21 JUDGE FRIEDLANDER: So if you could provide that by  
22 Wednesday --

23 THE WITNESS: Okay.

24 JUDGE FRIEDLANDER: -- I would really appreciate  
25 that.

0102

1 THE WITNESS: Thursday afternoon, would that be...

2 JUDGE FRIEDLANDER: Staff, is that going to be enough  
3 time to look at that?

4 MR. SHEARER: I'm sorry. What was the date? Did you  
5 say Thursday?

6 JUDGE FRIEDLANDER: Thursday afternoon.

7 MR. SHEARER: Probably...

8 JUDGE FRIEDLANDER: Briefs won't be due until Monday  
9 at five.

10 MR. SHEARER: Yeah, we'll do our best, Your Honor. I  
11 can't...

12 JUDGE FRIEDLANDER: Okay. Sure.

13 MR. SHEARER: I don't know.

14 JUDGE FRIEDLANDER: Sure. Okay.

15 So you'll provide those to Staff by...

16 THE WITNESS: Yes.

17 JUDGE FRIEDLANDER: And if you could file them, file  
18 whatever forms that you have revised with the Commission, an  
19 original copy plus three.

20 THE WITNESS: I can just stop by and have them stamp  
21 it --

22 JUDGE FRIEDLANDER: Absolutely.

23 THE WITNESS: -- that they receive it?

24 JUDGE FRIEDLANDER: Absolutely.

25 THE WITNESS: Rather than send it in and...

0103

1                   JUDGE FRIEDLANDER: Absolutely. If you could stop by  
2 Thursday afternoon and file those with the Commission.

3                   THE WITNESS: Yeah.

4                   JUDGE FRIEDLANDER: That way they're a part of the  
5 record. Otherwise, I have no indication that they were even  
6 provided.

7                   THE WITNESS: Understood.

8                   JUDGE FRIEDLANDER: Yeah.

9                   MR. SHEARER: Excuse me, Your Honor.

10                  JUDGE FRIEDLANDER: Sure.

11                  MR. SHEARER: I just had a quick question.

12                  Do you by chance have the documents today, your  
13 corrected versions?

14                  THE WITNESS: I wasn't like prepared, you know...

15                  MR. SHEARER: I thought there was some reference to  
16 them.

17                  THE WITNESS: My grandpa had fallen ill for, you  
18 know, some time.

19                  I have -- so I have estimate of cost for the service,  
20 so the estimate form.

21                  MR. SHEARER: That's your new one you're saying?

22                  THE WITNESS: Again, I have -- I do not have  
23 complete, all the paperwork, but I have...

24                  MR. SHEARER: Okay. That's okay. I thought you had  
25 made reference that you might have it with you today and maybe

0104

1 we could just get it copied today.

2 JUDGE FRIEDLANDER: Right.

3 MR. SHEARER: But we'll do it on Thursday.

4 THE WITNESS: Okay.

5 JUDGE FRIEDLANDER: Okay. So you did bring something  
6 with you, which is the new estimate form?

7 THE WITNESS: Yeah, estimate of costs of services.

8 JUDGE FRIEDLANDER: Okay. Okay. So, you know, since  
9 he is here and he's got it, why don't we get a copy of it.

10 MR. SHEARER: That one is fine.

11 JUDGE FRIEDLANDER: And then the bill of lading, have  
12 you revised that as well?

13 THE WITNESS: Absolutely.

14 JUDGE FRIEDLANDER: All right. So you would provide  
15 that Thursday afternoon?

16 THE WITNESS: Sounds good.

17 JUDGE FRIEDLANDER: Okay. And is there anything else  
18 that you wanted to add with regard to Cause of Action 5?

19 THE WITNESS: I believe that's referring to the  
20 customers being aware the Utility and Transportation Commission  
21 regulates the moving industry? Is that it?

22 JUDGE FRIEDLANDER: Just one second. I'll look at  
23 the complaint.

24 I don't believe that this is where the Commission  
25 requires that type of information.



0105

1 MR. SHEARER: We're talking about the brochure,  
2 right?

3 JUDGE FRIEDLANDER: Staff can correct me.

4 MR. SHEARER: Is that what we're on?

5 JUDGE FRIEDLANDER: Actually, no. We're on Cause of  
6 Action 5, which is failure to comply with the requirements for a  
7 bill of lading.

8 MR. SHEARER: But Mr. Ratko was asking about the  
9 brochure. That goes with the estimate forms, so I think he's  
10 just --

11 JUDGE FRIEDLANDER: Okay. I see.

12 MR. SHEARER: -- mixed up on which cause of action is  
13 which form.

14 JUDGE FRIEDLANDER: I see. So that's Cause of Action  
15 3?

16 MR. SHEARER: Cause of Action 3; yes, Your Honor.

17 THE WITNESS: Okay. If I can get back?

18 JUDGE FRIEDLANDER: Absolutely. Absolutely.

19 THE WITNESS: Okay. Ever since I have been aware of  
20 the -- the findings, when I had the chance to -- to know that, I  
21 have printed out and I have provided -- I made the customer  
22 aware that we're permitted with the Utility and Transportation  
23 Commission.

24 Well, more than that, I said, There's a lot of movers  
25 that are not permitted, and, you know, you're putting your

0106

1 family at risk. You're putting your possession at risk of  
2 some -- you know?

3 So, I have done more what the UTC asks for; to -- you  
4 know, to inform the customer that UTC is very important.  
5 Contact them and make sure that mover is listed on the website.

6 And, again, I always inform. You know, after I have  
7 the chance to know that and then I provide the paper -- or, no,  
8 the brochure template. And then I also have this brochure, you  
9 know, I hand to the customer.

10 Again, it's not required, but this is something that  
11 I do after knowing, you know, that this is important; after it  
12 was pointed out, you know?

13 JUDGE FRIEDLANDER: And what is the brochure that  
14 you're referring to?

15 THE WITNESS: Oh, this is the brochure, the Utility  
16 and Transportation Commission. About the -- you know, they  
17 regulate the industry and if they have problem, they can call  
18 the Utility and Transportation Commission.

19 JUDGE FRIEDLANDER: And you hand those out to every  
20 customer?

21 THE WITNESS: Yeah. We -- we tell every customer,  
22 and if they have concerns, we give them more information. So  
23 the information is provided to the customer. If they have  
24 concerns, we say, Here's -- Here's -- Here. You know, you  
25 can -- here's the information.

0107

1           We -- that information is available. Every customer  
2 is aware -- every customer is aware that we are permitted with  
3 the State of Washington. And that if -- there's a lot of movers  
4 that are not permitted, and it's very important for them, too.

5           So pretty much the same thing it covers in the  
6 brochure. We advise them to go on the website. So every  
7 customer knows that. Every customer, I pick up the phone and  
8 tell them, We are permitted with the Utility and Transportation  
9 Commission, and it's very important that the mover you hire  
10 would be permitted not only -- that's for the safety of the  
11 customer and make sure that the mover is not -- you know, is  
12 licensed and properly insured.

13           JUDGE FRIEDLANDER: And you have the revised estimate  
14 form with you right now?

15           THE WITNESS: I do.

16           JUDGE FRIEDLANDER: Does it include a space for a  
17 signature or initial as acknowledgment of receipt of the  
18 brochure, "Your Guide to Moving in Washington State"?

19           THE WITNESS: It says we're subject to tariff, rules,  
20 and regulations about the named carrier, so it states that we  
21 are -- you know, we're following the guidelines and that they're  
22 aware that we are permitted with the Utility and Transportation  
23 Commission.

24           So, yeah. So referring to your question, they are  
25 made aware.

0108

1                   JUDGE FRIEDLANDER: No, no, no. But this is  
2 specifically that the customer has to initial or sign or  
3 acknowledge in some manner that they've received from you a  
4 brochure that says -- the title of the brochure is "Your Guide  
5 to Moving in Washington State."

6                   Is that on your new form?

7                   THE WITNESS: Utility and Transportation Commission  
8 is listed here.

9                   JUDGE FRIEDLANDER: Okay.

10                  THE WITNESS: That the customer is aware.

11                  I would like to add that this is absolutely optional.  
12 This is not required by the State -- you know, the Revised Code  
13 of Washington. This is not required.

14                  And I talked to Mr. Shearer about that. I have  
15 talked to multiple -- you know, Rayne Pearson.

16                  You know, I said, Is it optional?

17                  And same with the training. They say, It is  
18 optional, but we highly advise that you provide that  
19 information.

20                  So for that reason the customer is aware that the  
21 Utility and Transportation Commission -- that they should  
22 contact them prior if they have concerns or after if they have  
23 concerns.

24                  JUDGE FRIEDLANDER: Okay.

25                  THE WITNESS: So, in fact, referring to that, yes,

0109

1 the customer is aware that we are permitted with the state of  
2 Washington.

3 JUDGE FRIEDLANDER: Okay.

4 THE WITNESS: But it does not specify that they have  
5 received...

6 JUDGE FRIEDLANDER: Any brochure or anything like  
7 that?

8 THE WITNESS: Yeah, it's not required. But my  
9 understanding from the Revised Code of Washington it's -- it is  
10 not, so I'm -- yeah, it's not required.

11 JUDGE FRIEDLANDER: Okay. So do you want to move on  
12 to Cause of Action -- I believe we left off with 5, so do you  
13 want to move on to 6?

14 THE WITNESS: Please.

15 JUDGE FRIEDLANDER: Okay. So I have that Cause of  
16 Action 6 alleges unauthorized language included in the bill of  
17 lading.

18 Do you have anything to address that?

19 THE WITNESS: What language is this?

20 JUDGE FRIEDLANDER: I believe it says -- so the  
21 complaint says that your tariff requires Commission-required  
22 disclosure of contract terms stating the customer may file a  
23 claim for loss, damage, overcharge, injury, or delay within nine  
24 months of the date of delivery, whereas your bill of lading says  
25 that the customer has to report any claims or loss -- of loss or

0110

1 damage within 24 hours.

2 THE WITNESS: Yes. We have added rights and  
3 responsibilities to the website. The customer is aware that,  
4 you know, they can file within nine months. So after me being  
5 aware of those things that were not correct, which I had no idea  
6 prior to that, again, that's absolutely my mistake. But I  
7 appreciate you, the Utility Staff, for bringing -- you know,  
8 pulling that up, you know.

9 JUDGE FRIEDLANDER: So you say that it's on the  
10 website?

11 THE WITNESS: Correct, and it's right here. It's  
12 always attached to the estimate, cost of service, and also the  
13 bill of lading. The customer has to initial so they can --

14 JUDGE FRIEDLANDER: Mm-hm, mm-hm.

15 THE WITNESS: -- say they read that.

16 JUDGE FRIEDLANDER: Okay. Thank you.

17 THE WITNESS: Absolutely.

18 And then a question for you: As far as the address  
19 on the website, I have -- I'm not sure which -- which part of  
20 that covers the -- do you know where that is?

21 JUDGE FRIEDLANDER: I do. In fact, we're...

22 MR. SHEARER: It's actually the next one. This is 7.

23 JUDGE FRIEDLANDER: Yeah. We're actually coming up  
24 to Cause of Action 7, which is the Company's physical address on  
25 the website.

0111

1           THE WITNESS: Okay. Again, I was -- you know, I  
2 always had problems with that because I don't manage the  
3 website, but it's been added on. The Utility and Transportation  
4 Commission have the address. I have the stamped copy. The  
5 licensing have received that. The address is 32829 Pacific  
6 Highway South, and it's Suite No. 3451, in Federal Way,  
7 Washington 98063.

8           I believe the website has it. If it does not, I will  
9 definitely update it. As soon as today I will get it on there,  
10 but I believe it has it already.

11           Advertising, the same thing. Craigslist, other  
12 advertising, it has it. I'm sure, you know, Ms. Rayne Pearson,  
13 you know, has concerns about that. It has the address. And you  
14 guys have that address on file, so that's the main thing that I  
15 want to point out. And that was one of the main things that  
16 concerned the UTC Staff.

17           JUDGE FRIEDLANDER: Okay. Did you want to move on to  
18 Cause of Action No. 8, which I believe is the last one?

19           THE WITNESS: 7?

20           JUDGE FRIEDLANDER: Yeah. 7 was what we just dealt  
21 with, which was the failure to include the physical address on  
22 your website.

23           THE WITNESS: Okay. Sounds good.

24           JUDGE FRIEDLANDER: And the eighth cause of action is  
25 failure to follow rates, terms, and conditions set forth in

0112

1 Commission published tariff.

2 THE WITNESS: I believe that's regards to the gas  
3 fee.

4 JUDGE FRIEDLANDER: Yes, I believe so.

5 THE WITNESS: Okay. Again, the gas fee was just a  
6 note simply for me. From my stupidity, I put it on there. I  
7 keep track of the expense of the gas. So expense of the gas, it  
8 never reflected the total cost of the service, which we have --  
9 again, I have asked, you know, Rayne Pearson about that, and she  
10 has confirmed that it -- you know, it's not reflected, but she  
11 was -- just wasn't sure why it's there. So I clarified that  
12 this is just simply a note for me how much -- how much gas I  
13 use, you know, for that, you know, particular day or whatever.

14 And then as far as the Saturday weekend minimum, you  
15 know, when I was made aware, you know, I have made the -- made  
16 the change.

17 And then one thing you want to add on, too. After  
18 the -- the findings, after the running to the UTC, I have  
19 shifted my priorities for the business for the things that are  
20 not regulated with the UTC, like deliveries. Like delivery, it  
21 is not regulated with the UTC. Haul away service like garbage.  
22 Donations. That's what I focus on. You know, labor service,  
23 loading a rental truck and unloading the rental truck. Again,  
24 that has nothing to do with the UTC, so I'm mainly focused at  
25 different -- I mean, I advertise as a mover. I do some moves.



0113

1 Most -- majority of the jobs I do has nothing to do with the  
2 UTC.

3 For that reason, for this -- for this -- for this  
4 year, the annual year, 2014, last year, I should say, the  
5 income -- the gross income, you know, was just -- was a bit  
6 above the amount -- the fee for the violations. So I was -- I  
7 was surprised because the move I completed was barely -- I mean,  
8 a little more than that. I mean, it was like, Okay. Well,  
9 that's interesting.

10 So, again -- so that's -- I just want to add that in,  
11 too.

12 JUDGE FRIEDLANDER: I believe another cause of  
13 action -- or I should say another part to the eighth cause of  
14 action was billing in increments of less than 15 minutes.

15 THE WITNESS: Yes. That's just -- again, just an  
16 honest mistake, and I have corrected that. The increment is 15  
17 minutes, so I apologize.

18 And then I asked for, again, Utility and  
19 Transportation Commission, the Staff, personal, technical, and  
20 then step by step kind of help rather than punishing and trying  
21 to close down, you know, and trying to put down a trade and put  
22 me out of pay for my family because, you know, I have bills and  
23 I have like a little one to pay for and I have my wife and  
24 stuff. You know, I have -- you know, that's where I make my  
25 money. You know, I'm not educated in other fields, so -- and

0114

1 then -- but I will just ask for help, just simple help; you  
2 know, just sit down, because what I received over the phone is  
3 just very -- aggression. Mean. Unprofessional. I have  
4 contacted the Attorney General. I have contacted the newscast  
5 because I was surprised. I was -- with -- the aggression I  
6 received over the phone is, Mr. Ratko, you know better.

7 Mr. Ratko, this is -- this is not the first time it happened.

8 I was like, Please. Can you not -- I mean, why am I  
9 getting this? Can we please just -- you know, can you help me?

10 And I have gotten this aggressive -- like I was -- I  
11 mean, it was like -- you know, I'm doing everything right. I'm  
12 trying to, you know, feed the family here. I'm not -- you know,  
13 please help.

14 And when I reach out, I just kind of -- when I -- you  
15 know, you have like, you know, reach out and trying for help,  
16 and then they just put you down.

17 They're like, Mr. Ratko, you know better. We're not  
18 going to discuss this right now. You know, you'll be in front  
19 of judge -- or it was prior to that.

20 And I was like, Well, can you -- I mean, like I'm a  
21 human being. You're a human being. Let's just sit down and  
22 communicate. You know, help. You know, don't be so rude.

23 And at that point, I had my hands down, and I was  
24 like, Okay. Well, let's -- I mean, you know, I did as much as I  
25 could. And when I have the things, you know, pointed out, I

0115

1 fixed them immediately.

2           And then the website address. Again, it's not my  
3 intent not to fix it. I have no interest in doing that, but I  
4 just -- I haven't had the -- you know, the access to the website  
5 because somebody else was handling the website and I was trying  
6 to reach out and say, Correct it, please, because, otherwise,  
7 the UTC is -- you know, this is not correct. This has to be  
8 corrected, so...

9           JUDGE FRIEDLANDER: So who does handle your website?

10           THE WITNESS: Mark. One of -- one of -- you know,  
11 he -- we did some help for him, you know, hauling stuff away and  
12 stuff. And he would -- you know, he would just -- had helped us  
13 with the website complimentary pretty much, and he -- he does  
14 the handling.

15           And I have -- ever since I have better communication  
16 with him, and he has done a better job responding to me right  
17 away. And then I will get to him right away right after I step  
18 out of here and we'll get this corrected since this -- this UTC  
19 has the new address on file on Pac Highway. This will be on the  
20 website. I promise. I guarantee.

21           And then on the -- it already -- on the Craigslist  
22 advertising, it's already there. It's already corrected, so  
23 that's the main -- the main thing that the UTC had a concern  
24 with.

25           JUDGE FRIEDLANDER: Okay. And did you have anything

0116

1 else to add?

2 THE WITNESS: Again, I'm just asking for help, you  
3 know, not punishment. Don't, you know, put me on a -- you know,  
4 don't -- you know, just don't nail me. I never had a run-in  
5 with the law before except a ticket.

6 You know, just simply -- you know, just help. You  
7 know, just don't -- don't be like, you know -- oh, you know -- I  
8 mean, I'm sure there is things that they have to do in order to  
9 not get fired. You know, they have to -- a certain amount they  
10 have to gather this. I mean, I'm sure there are some things  
11 that they have to do their job, but simply help would be just  
12 for small guy. I'm sure there's, you know, other companies. I  
13 know friends and stuff, like Olympic Movers. They have 200-plus  
14 complaints from the customer. I have zero.

15 I said, Why are you doing this, you know?

16 And I talk to the other lawyers and said this is a  
17 civil dispute. This is like -- this is -- if a customer has a  
18 problem, they go take it to court and have a civil dispute.

19 And I say, Yeah. They didn't see a point of why  
20 they're even doing it to you. You're the little guy. Come on.  
21 You know, what's -- what's the -- 14,000?

22 They're like, Are you serious?

23 I'm like, What's the deal with that?

24 You know, so -- you know, because I reach out to a  
25 lot of attorneys for help. And -- you know, just -- most of

0117

1    them don't do this kind of field.  They mostly just do criminal  
2    stuff.

3                    Again, I -- so I simply just ask for help.  You know,  
4    just kind of guidance and help and not try to nail me because,  
5    you know, I'm not asking for -- for free money or, you know,  
6    welfare, or whatever.  I'm used to earning money since I was 16.  
7    I was working hard for money.  I'm not asking for help, so  
8    please help.

9                    JUDGE FRIEDLANDER:  Okay.  Thank you.  Thank you.

10                   THE WITNESS:  Thank you.

11                   JUDGE FRIEDLANDER:  Mr. Shearer, did you have any  
12    cross-examination questions for Mr. Ratko?

13                   MR. SHEARER:  Yes, Your Honor.

14

15                                C R O S S - E X A M I N A T I O N

16    BY MR. SHEARER:

17            Q.       I just wanted to clarify for the record what you've  
18    acknowledged and what we haven't for my own understanding.

19                    So, Mr. Ratko, if I'm correct, on the third cause of  
20    action, which deals with the deficiencies of the estimate forms,  
21    in your testimony in response to Judge Friedlander, you  
22    acknowledged that those exist in the forms you provided to the  
23    Commission in relation to this docket, 132030?

24            A.       I haven't had a chance to correct.  So simple -- when  
25    I was confronted, I correct it right away.

0118

1 Q. But you've acknowledged that the problems that were  
2 in the forms before...

3 A. That's right. That's just an honest mistake.

4 Q. I'm just trying to understand what was testified to.

5 A. Yeah.

6 Q. Okay.

7 A. This is just an -- just -- and, again, I'm not  
8 college educated. I'm just -- you know, what I had --

9 Q. I understand.

10 A. -- to work with, that's what it...

11 Q. Okay. And then on the fourth cause of action --  
12 that's the absence of a cube sheet -- you acknowledge that in  
13 your testimony; is that correct?

14 A. That --

15 Q. That you did not provide cube sheets --

16 A. That's correct.

17 Q. -- with every move?

18 A. Again, the same thing. It was just simple --

19 Q. An honest mistake?

20 A. Honest mistake; yeah, mm-hm.

21 Q. Okay. And then on the fifth cause of action, that's  
22 the problems with the bill of lading form?

23 A. Mm-hm.

24 Q. And my understanding was you did acknowledge those  
25 same deficiencies that are listed in the complaint?

0119

1 A. That's fine.

2 Q. So the deficiencies that were alleged in the  
3 Commission's complaint and the ones that Ms. Pearson talked  
4 about today about the bills of lading forms that you provided to  
5 the Commission in this docket, my understanding was in your  
6 testimony just a few moments ago, you acknowledged all of those  
7 deficiencies; is that correct?

8 A. Again, when I was confronted. I haven't had a chance  
9 to provide the corrected one, so that's -- when it was pointed  
10 out, yes. Mistakes have, you know, been corrected.

11 Q. The ones that were provided were -- had all the  
12 problems alleged? I'm just trying to understand.

13 A. Yeah, best to my -- I provided to the best to my  
14 knowledge, you know, what I have come up with, you know?

15 Q. And then on the seventh cause of action -- or the  
16 sixth cause of action -- excuse me -- that was the language  
17 about 24-hour notice on your bill of lading form for damages  
18 claims, and you did acknowledge that that language was included  
19 on your form; is that correct?

20 A. Yes. That was removed short -- you know, right  
21 after.

22 Q. But it was on the forms you provided to Staff?

23 A. Yeah. Again --

24 Q. Okay. I'm just trying to understand.

25 A. -- honest mistake, yeah.

0120

1 Q. And then on the seventh cause of action, we talked  
2 about your address, your physical address on the website.

3 And you pointed to a licensing department or  
4 something, a document that you showed?

5 A. Yeah.

6 Q. Is that a file? That's a document with the licensing  
7 on file at the UTC --

8 A. Correct.

9 Q. -- is that correct?

10 A. That's -- that's right.

11 Q. So that's not your website or another advertising  
12 document? That's just the licensing form that you filed with  
13 the UTC; is that correct?

14 A. Yes. The UTC has that address they can go by. The  
15 advertisings have the address, physical address, that you have  
16 on file. The same address.

17 Q. That document you pointed out, that was a UTC record?  
18 That's not your website?

19 A. UTC record, yes.

20 Q. Okay. Thank you. And you did acknowledge, if I'm  
21 correct, that your website -- at least at the time Ms. Pearson  
22 was on it in May of 2014 -- did not include your physical  
23 address; is that correct?

24 A. I can't recall.

25 Q. And did you acknowledge that it still does not



0121

1 contain a physical address or not?

2 A. I cannot recall.

3 Q. You just don't know?

4 A. As soon as I've known, I have send an e-mail to the  
5 person handling saying, Correct right now.

6 Q. So the answer is you don't know; is that correct?

7 A. Again, I --

8 Q. Yeah, you don't know?

9 A. Yeah. I cannot confirm, so...

10 Q. Okay. And then on the eighth cause of action, the  
11 gas surcharge line, you state was your own mistake; is that  
12 correct? Do you acknowledge that it's there?

13 A. Not necessarily a mistake. Just a note for myself.  
14 Just a note for myself how much gas I used. It had nothing to  
15 do with the customer and the cost of service.

16 Q. Did your testimony acknowledge that you were advised  
17 to take it out and you didn't take it out? Was that...

18 A. No.

19 Q. Was that correct?

20 A. No.

21 Q. You just testified -- I thought you said -- I'm not  
22 trying to insult you, but I think you stated it was your own  
23 stupidity, or something like that. I'm quoting. I'm not...

24 A. Well, no. But this was just simply a note that  
25 the -- the quote was the different -- on a different matter. I

0122

1 just provided one time --

2 Q. So you're referring to just not -- not doing in that  
3 form?

4 A. Yeah. I --

5 Q. It was a mistake to put it in that form?

6 A. Correct. So just -- I provided a one-time form. I  
7 have not provided a follow-up form or nor I had the -- an  
8 opportunity to do so.

9 So in that matter, just to explain myself, it was  
10 just a note for -- for my personal record.

11 Q. Okay.

12 A. It had nothing to do with the customer service and  
13 the customer.

14 Q. And then on the minimum weekend moves, you did  
15 acknowledge that you charged below the four-hour minimum for  
16 those two -- for those three weekend moves I believe --

17 A. Uh...

18 Q. -- is that correct?

19 A. If I recall correctly, the four-hour minimum was  
20 adapted after my initial training, so after my initial training.

21 Q. But your initial training was when? 2009?

22 A. 2009, a long time ago, yeah.

23 Q. Okay. But you did charge less than a four-hour move  
24 for these moves that were alleged by Staff; was that correct?

25 A. Well, from what I understood from the training --

0123

1 Q. Okay.

2 A. -- that's what was charged based on the information I  
3 had at this point. A lot of revisions have been done to the  
4 tariff. I have not followed them all, that's why I want help in  
5 this instance --

6 Q. Yeah. I'm just asking, though: Did you acknowledge  
7 in your testimony just a few moments ago that you did charge for  
8 weekend moves --

9 A. I have not acknowledged that.

10 Q. -- for less than four hours?

11 A. I have not acknowledged that.

12 Q. You did not acknowledge that?

13 A. I do not acknowledge that.

14 Q. Okay.

15 A. I will withhold my answer.

16 Q. Okay. And the same question on the -- charging in  
17 six-minute increments. I was unclear as to whether you  
18 acknowledged that in your testimony or not.

19 A. It was just an honest mistake.

20 Q. It was what?

21 A. Honest mistake. Just a --

22 Q. So you did do that? It was an honest mistake, but --

23 A. Yeah.

24 Q. -- it did happen?

25 A. I mean, it's -- yeah. I was not aware of...

0124

1 Q. Okay. And then on the first cause of action -- now,  
2 the brochure you had that you were just showing, is that the  
3 mover's guide to Washington brochure?

4 A. Correct.

5 Q. That is the mover's guide to Washington brochure?

6 A. Correct. That's the brochure I received from the  
7 Utility and Transportation.

8 Q. And you received that from the UTC or from the  
9 website or from where?

10 A. I got this at this location prior when I came. A lot  
11 of time -- you know, I usually grab, and I usually get enough.

12 Q. You just grab a stack when you're here?

13 A. Oh, no.

14 Q. No?

15 A. I just grab, you know, and then I go and make copies  
16 at FedEx.

17 Q. Oh, yeah. I'm not...

18 A. Yeah. Let's -- yeah. Okay. Yeah. Anywhere I can  
19 go, I can make a copy of this. And so -- and the material that  
20 is provided is -- as judge advised, it's for -- you know, like  
21 me, or a customer. So if anything, it's on the first floor or  
22 the main floor. Let's say there's brochures. You know, I grab  
23 them so I can provide to the customer.

24 Q. So your understanding, that is the mover's guide in  
25 Washington brochure, and that's what you're providing now?

0125

1 A. No.

2 Q. I'm just trying to understand.

3 A. The mover's guide look different.

4 Q. That's not that brochure, then?

5 A. Yeah. It doesn't say the mover's guide. The mover's  
6 guide look -- look different.

7 Q. Okay. Then what is that brochure?

8 A. This is -- this is pretty much the same as what the  
9 mover's guide has, but...

10 Q. But it's not the mover's guide; is that correct?

11 A. I mean, it's -- I'm just a little confused here  
12 because the first -- this is the same information the customer  
13 gets, so when a customer receives this information, they -- they  
14 have all the information they need.

15 Q. Okay. Thank you. The other question I wanted to ask  
16 you, Mr. Ratko, is in relation to the exhibits Ms. Pearson  
17 testified to, Exhibits RP-1 through RP-31, those were estimate  
18 forms that you provided to your customers; is that correct?  
19 That's what you're testifying to?

20 A. Yeah, we went over this. Again, I have not had a  
21 chance to -- to sit down and provide -- or to make any changes.  
22 I was just pretty much insulted when I called. I would be  
23 pretty much nailed. When I called, they -- you know, they  
24 literally will scream at me and say, Mr. Ratko, you know, it's  
25 all set in the tariff, or it says there on the website.

0126

1 I was thinking, I know. Just don't give me excuses.  
2 Can you like -- you know, can you help?

3 I'm not going to get into details. My time is  
4 valuable. I have to go. Mr. Ratko, you know, just -- just go  
5 on the tariff.

6 That's the quote, the words I gotten from -- I don't  
7 recall the name.

8 What's the...

9 Q. I don't know. Let's move on, Mr. Ratko.

10 A. Yes.

11 Q. My question, though, is simply: Is it your testimony  
12 that the forms that Ms. Pearson testified to, did you  
13 acknowledge that those were the forms that you were using as  
14 estimate forms? Those are the same forms? I'm trying to just  
15 understand if that's your testimony.

16 Are you acknowledging that those were the ones you  
17 provided?

18 A. Again, I have not had the chance to -- to make any  
19 changes or revise. Based on my understanding and what I was  
20 able to -- based on my knowledge, what I was able to put  
21 together, that's what I have provided to the customer, and  
22 that's what I have provided to you. Again, you know, that's --  
23 that's -- and, again, I have not had the chance to provide the  
24 follow-up, the revised, as Commission wants me to, the paper.

25 MR. SHEARER: And I don't have any further questions,

0127

1 Your Honor.

2 JUDGE FRIEDLANDER: Okay. Thank you.

3 Mr. Ratko, did you have anything further that you  
4 wanted to add in relation to the topics that Mr. Shearer brought  
5 up?

6 THE WITNESS: I would like to just add that -- you  
7 know, I have all intent and interest to follow the guidelines.  
8 I mean, if there are some things that were, again, from four  
9 years ago or 4 1/2 years ago that -- you know, ever since,  
10 things were -- you know, I corrected things to the best of my  
11 knowledge and made them -- made them that they would comply with  
12 the tariff, and so that's what has been done.

13 And I have a question. I forgot the name of the lady  
14 in the back.

15 JUDGE FRIEDLANDER: Are you referring to Sharon  
16 Wallace?

17 THE WITNESS: Sharon Wallace; that's right.

18 JUDGE FRIEDLANDER: Yes.

19 THE WITNESS: Sharon Wallace, yeah. Every time I  
20 talked to her prior, years back when this matter has occurred, I  
21 have confronted with a -- very mean answers and very mean  
22 conversation. Just unacceptable. That's why I contacted the  
23 Attorney General.

24 And Rayne Pearson, on the other hand, she was  
25 pleasant to speak with. It was -- she just was -- she was just

0128

1 in control of her boss and what to do because I'm sure she had  
2 the opportunity to help and then she wasn't able to do so  
3 because of -- you know, and, again, I've been confronted with  
4 very mean conversations. And I will get cut off and I would  
5 just -- and then at that point, I was like, Okay. Well, what do  
6 I do now, you know? How can I make this -- I mean, like -- so  
7 the best to my knowledge, I just got together, and that's what I  
8 provided.

9 JUDGE FRIEDLANDER: Okay. So I have a couple of  
10 clarifying questions.

11 THE WITNESS: Sure.

12 JUDGE FRIEDLANDER: And then I think we'll pretty  
13 much be done for the day.

14 THE WITNESS: Okay.

15

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

17 BY JUDGE FRIEDLANDER:

18 Q. So if you can bear with me, I'm looking at Exhibit --  
19 let's see. Exhibit -- well, let's start with Exhibit RP-2.

20 A. RP-2.

21 Q. So it should be towards the top of your --

22 A. Okay.

23 Q. -- pile that Mr. Shearer gave you. And it's a  
24 one-page exhibit. It's an estimate for a customer named Andy  
25 Walton.



0129

1 A. Okay. I have it.

2 Q. Towards the middle of the page, there is an estimate  
3 that says you project that it will be \$80 per hour --

4 A. Mm-hm.

5 Q. -- to do this job, and that it would take  
6 approximately 6 1/2 hours.

7 A. Okay.

8 Q. My math is a little fuzzy, but that doesn't equal  
9 \$707.

10 A. And plus the 30-minute travel.

11 Q. Okay. And so, actually, it would be seven hours?

12 A. Correct.

13 Q. Okay. Seven hours times 80 is 560.

14 A. Oh, that's, again, my mistake.

15 Q. Okay.

16 A. The customer was not necessarily charged that. He  
17 was not charged that.

18 Q. Okay. So this is just an estimate?

19 A. Yeah, correct.

20 Q. You're trying to maybe overestimate?

21 A. Yeah, I tried overestimate customer. And then I tell  
22 the customer I rather give you a higher estimate and make sure  
23 it comes much, much under that, you know, because that's -- be  
24 pleasant for you and be good situation for me rather than other  
25 companies, you know, who charge double of that. You know, they

0130

1 give you a low estimate to get your business and then bait and  
2 switch, so...

3 Q. So for RP-4, which is an estimate for Marybeth Chase,  
4 you have six hours at \$105.

5 A. Okay.

6 Q. Which I would guess that that also includes, so then  
7 you've got really 6 1/2 hours, and that would be \$605 plus five,  
8 so it's still -- my math, it still doesn't come out to 680.

9 A. If you don't mind, I...

10 Q. No, absolutely. I will take subject to check  
11 whatever calculation you come up with on your iPhone.

12 A. Yes. The total comes to 682.5.

13 Q. Okay.

14 A. So we just round it out to 680, so that seemed to be  
15 correct.

16 Q. Okay. So that one's a little bit lower --

17 A. Just a few dollars. You know, we just --

18 Q. -- than what the estimate would be?

19 A. -- round it up, correct.

20 Q. Gotcha. Okay. So I just wanted to make sure that my  
21 math was not -- you know, maybe it's a new math or something  
22 that this is.

23 So Ms. Pearson had testified that there were a lot of  
24 crossouts in some of the bill of ladings, bills of lading that  
25 she had as exhibits.

0131

1 A. Okay.

2 Q. Do you know why that might be?

3 A. Sometimes, you know, the customer would object at the  
4 end. You know, they're like, No, you guys started at this time,  
5 or, you know, You started at this time, you know? And so  
6 sometimes you have to do that, just kind of...

7 You know, what exhibit are you talking about?

8 Q. Well, I'm specifically looking right now at Exhibit  
9 RP-41, a bill of lading for David -- and I'm probably going to  
10 massacre this last name -- Recchia.

11 A. Okay.

12 Q. David, R-e-c-c-h-i-a. And it looks like the time --  
13 the date, first of all, has been crossed out, so it was  
14 originally listed in May and then backdated to April.

15 A. Let me just correct you.

16 Q. Sure.

17 A. The date the customer signed at the bottom, on the  
18 left bottom, is the correct date.

19 Q. Okay.

20 A. The date I put is my mistake. It was not correct.

21 Q. Okay.

22 A. As far as the start time and finish time, the zeros,  
23 I just do the zeros.

24 Q. Right. Gotcha.

25 A. Yeah.

0132

1 Q. Gotcha.

2 A. So, yeah.

3 Q. Okay. So the date was just an honest mistake?

4 A. Well, that's right. It was just an off date.

5 Q. Okay.

6 A. But where the customer signed is the -- that's...

7 Q. Is the correct date?

8 A. That's the correct date.

9 Q. I see.

10 A. We go off, yeah. I go off that.

11 Q. Okay. And so then if we go to the next exhibit,  
12 though, I think this is more of what you were thinking of, which  
13 is RP-42?

14 A. Okay.

15 Q. And it has the start time. It looks like originally  
16 it might have been -- and I'm just guessing because it's hard to  
17 read -- three o'clock, but it's been written over to mean the  
18 start time would be 1:30?

19 A. Again, this was -- this was a delivery. I would like  
20 to correct. Again, this is a single-item delivery. The  
21 customers were charged the set price, so no matter what the time  
22 took. And deliveries are not regulated by the Utility and  
23 Transportation Commission, just the move, household good moves.

24 Q. So this bill of lading is from an unregulated?

25 A. This has nothing to do with the -- this is just my

0133

1 mistake. I provided it. This is a single-item delivery, and  
2 the customer was charged, if I'm not mistaken, 205, I think?

3 Q. Actually, I don't see a -- yeah. I think that's 205,  
4 or 265? I'm not sure. If it's a zero, it doesn't have a slash  
5 through it.

6 A. Yeah. I suppose I just -- this was the -- yeah.  
7 This one was -- this one just -- I believe it was a delivery.

8 Q. It was a delivery?

9 A. A set price, yeah; I believe that.

10 Q. Do you know of any of the other bill of lading that  
11 may have been unregulated deliveries?

12 A. Uh...

13 Q. You know what? How about this? Take a minute --  
14 actually, take a week.

15 A. Okay.

16 Q. Put it in the legal brief --

17 A. Okay.

18 Q. -- so we don't have to deal with it today.

19 A. Sounds good.

20 Q. But if you see any other of the exhibits that you  
21 think were unregulated deliveries, that would be something to  
22 put in the legal brief.

23 A. Okay. Sounds good.

24 Q. I may have one other question for you.

25 Ms. Pearson referenced a March 19, 2009

0134

1 Commission-sponsored training.

2 A. Okay.

3 Q. Are you saying that you did attend that one?

4 A. The training -- I would like to correct her -- did  
5 not occur in Olympia. The training occurred in -- I forgot the  
6 city. It's by Spokane. You guys do sometimes here, sometimes  
7 there.

8 Q. Okay.

9 A. So it was, in fact, near Spokane.

10 Q. Okay. So it was on the east side of the state?

11 A. Yeah. East side of the state, so I drove, yeah.

12 Q. Okay. But you did actually attend that training?

13 A. I have. Absolutely, yeah, I have.

14 Q. Okay. And that was an all-day training?

15 A. It was all-day, yeah.

16 JUDGE FRIEDLANDER: Okay. That's all the  
17 clarification questions that I have. So unless you wanted to  
18 add anything, and I think you've pretty much provided a good  
19 substantial amount of testimony.

20 MR. RATKO: Just a little note.

21 Again, I do appreciate the opportunity to express  
22 myself and express the things that I have -- you know, like  
23 conversations, perhaps, you know, that I have over the phone was  
24 just unacceptable.

25 I would like to get maybe the number for regulatory

0135

1 board who regulates, you know, the UTC that on my end I can  
2 protect myself. If I have this nasty conversation, unhelpful, I  
3 can -- somewhere at least to go to. I can sit down and talk  
4 about that and bring that person to disciplinary actions because  
5 that's -- I believe it's unacceptable because the -- you know,  
6 like citizens or -- they pay their tax. You know, they pay  
7 their wages for the -- and the government's here to help, I  
8 believe. You know, the UTC is here help. You know, point in  
9 the right direction, you know, instead of punishing. That is  
10 not the way -- I mean, we're not in a third world country.  
11 We're -- you know, we're in America. Opportunities. And I'm  
12 trying to -- you know, that's my belief. That's my strong  
13 belief. That's why my parents immigrated here, you know, for  
14 that. That we're not going to be -- you know, religion and  
15 work, you have the opportunities. And that's -- I have a strong  
16 belief in that. For that reason, I would like to get maybe a  
17 disciplinary phone for disciplinary, you know, committee that  
18 kind of oversees the work, you know, that the UTC does.

19 JUDGE FRIEDLANDER: And, honestly, I don't know if  
20 you're asking me, but I don't have any idea who that would be.

21 MR. RATKO: Okay.

22 JUDGE FRIEDLANDER: But I just was wanting you to --  
23 give you one last opportunity to --

24 MR. RATKO: Okay. Sure.

25 JUDGE FRIEDLANDER: -- make your case.

0136

1 With that, I would thank you for your testimony --

2 THE WITNESS: Absolutely.

3 JUDGE FRIEDLANDER: -- and for coming here today.

4 So briefs are due in a week, the 16th, at five p.m.

5 I need an original and three copies.

6 So I know you're going to be filing something,

7 Mr. Ratko, on the...

8 MR. RATKO: Thursday.

9 JUDGE FRIEDLANDER: On Thursday afternoon. I'm  
10 trying to think of what day that would be. I think it's the --  
11 the 12th, because Friday is the 13th.

12 MR. RATKO: The 12th, yeah.

13 JUDGE FRIEDLANDER: So we'll expect that on the  
14 afternoon of the 12th.

15 MR. RATKO: Yeah. I will do my best to get here.  
16 The traffic sometimes is terrible.

17 JUDGE FRIEDLANDER: Sure. Sure.

18 MR. RATKO: So sometimes...

19 JUDGE FRIEDLANDER: But we close at five.

20 MR. RATKO: I understand.

21 JUDGE FRIEDLANDER: And then we need an original and  
22 three.

23 MR. RATKO: Okay. And you mean like "three," as far  
24 as?

25 JUDGE FRIEDLANDER: Copies.



0137

1 MR. RATKO: Oh, three copies?

2 JUDGE FRIEDLANDER: Yeah. So please provide the  
3 originals of the new bill of lading and the estimate form.

4 Is there any other form, Mr. Shearer, that we need,  
5 or any other form, I guess, that you're attempting to provide.

6 MR. RATKO: Okay.

7 JUDGE FRIEDLANDER: So an original and three. File  
8 it with the Commission.

9 MR. RATKO: Okay. I'll provide the bill of lading  
10 and then the estimate of cost of service as we agreed.

11 JUDGE FRIEDLANDER: Okay.

12 And then, Mr. Shearer, you'll provide the response to  
13 Bench Request No. 1 sometime today or tomorrow?

14 MR. SHEARER: Yes, Your Honor.

15 JUDGE FRIEDLANDER: Okay. And then we just have the  
16 briefs next week, and I believe -- unless there's anything  
17 further, we're done.

18 MR. SHEARER: I have nothing further, Your Honor.

19 JUDGE FRIEDLANDER: Okay.

20 Did you have anything further?

21 MR. RATKO: That's it. Just a question. Who can I  
22 get the number from, like for disciplinary? I know that in the  
23 training they have advice that, Here's our boss. You know, if  
24 you have a problem with us, call our boss. You know, but every  
25 time I call -- I try call and ask, they say, Oh, no. We're --

0138

1 you know, like we are what we are.

2 You know, I was like, Okay. That's not the case.

3 JUDGE FRIEDLANDER: Right.

4 MR. RATKO: Who do you report to?

5 JUDGE FRIEDLANDER: Right, right, right.

6 MR. RATKO: You know, if I have a problem with you,  
7 well, who do I contact, you know?

8 JUDGE FRIEDLANDER: Right. Well, I think there's  
9 a -- I mean, you can always go to the Commission website, and, I  
10 guess, look there. I'm not sure if --

11 MR. RATKO: I didn't find anything.

12 JUDGE FRIEDLANDER: You can't find anything for that?

13 MR. RATKO: Yeah.

14 JUDGE FRIEDLANDER: And I apologize. I don't know  
15 anything about that, and certainly didn't prepare anything today  
16 for --

17 MR. RATKO: No problem.

18 JUDGE FRIEDLANDER: -- anything other than the  
19 complaint proceedings.

20 MR. RATKO: Okay.

21 JUDGE FRIEDLANDER: All right. If there's no other  
22 procedural matters, then we are adjourned. Thank you.

23 MR. RATKO: Okay. Thank you.

24 MR. SHEARER: Thank you, Your Honor.

25 (Proceeding concluded at 12:14 p.m.)

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1

C E R T I F I C A T E

2

3 STATE OF WASHINGTON )

) ss

4 COUNTY OF KING )

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6 I, SHELBY KAY K. FUKUSHIMA, a Certified Shorthand Reporter  
7 and Notary Public in and for the State of Washington, do hereby  
8 certify that the foregoing transcript is true and accurate to  
9 the best of my knowledge, skill and ability.

10 IN WITNESS WHEREOF, I have hereunto set my hand and seal  
11 this 18th day of March, 2015.

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SHELBY KAY K. FUKUSHIMA, CCR

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16 My commission expires:

June 29, 2017

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