

I believe Karst Stage is being unduly punished for an infraction in our 2015 annual report for the following reasons.

1. Our report was filed on time received by your dept. on March 30<sup>th</sup> 2016 along with our annual fee of \$102.00. Check #19028.
2. All spaces were filled out except the correct UBI # and our interstate mileage.
3. Our UBI # for the state of WA is 603 517 486 and our interstate mileage for 2015 was 544,929.
4. Your office attempted to contact me by e-mail to address the oversights which I appreciate but your request went right to my junk mail and was deleted.
5. If I would have received this email or even just a phone call I could have easily corrected the problem and avoided this \$1000.00 fine.
6. As proof of your offices e-mails going right to my junk folder I had Sean Bennett send me a copy of our report so I could see were the infractions were. I had him send it right away so I could pull it from my junk folder. As I suspected it did indeed go right to my junk mail.
7. Washington UTC is a new entity which we are learning to work with.

I hope you can take these factors into consideration and make a fair and reasonable judgment.

Thank you  
Christian Cornwell  
Compliance Manager  
Karst Stage Inc.  
406-556-3506  
ccornwell@karststage.com

RECEIVED

JUL 01 2016

WASH. UT. & TP. COMM

STATE OF  
UTIL. AND TRADING  
COMMISSION

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RECEIVED  
REGULATORY MANAGEMENT

# SERVICE DATE

JUN 21 2016

## WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

### NOTICE OF PENALTIES INCURRED AND DUE FOR VIOLATIONS OF LAWS AND RULES

PENALTY ASSESSMENT: TE-160705  
PENALTY AMOUNT: \$1000

Karst Stage Inc.  
511 North Wallace  
Bozeman, MT 59715

According to Washington Utilities and Transportation Commission (Commission) records, you have violated Washington Administrative Code (WAC) 480-30-071 and 480-30-076, which requires charter & excursion carriers companies to file their annual report and pay regulatory fees each year by May 1. May 1 was a Sunday, therefore you were required to file your annual report or pay regulatory fees by May 2, 2016. You did not file an annual report by May 2, 2016.

Revised Code of Washington (RCW) 81.04.405 authorizes the Commission to assess a penalty of \$100 for each violation of a Commission rule. In the case of a continuing violation, every day's continuance is a separate and distinct violation. The Commission interprets noncompliance with WAC 480-30-071 and 480-30-076 beyond May 2 as a continuing violation, and assesses penalties of \$100 for each day a company fails to file its report or pay its regulatory fees after that date.

As a result, the Commission has assessed penalties against you in the amount of \$1000 on the following basis:

On February 29, 2016, the Commission mailed the 2015 annual report forms and the 2016 regulatory fee packets to all charter & excursion carriers companies registered in Washington. The instructions page for the annual report form instructed these companies to file annual reports and pay regulatory fees by May 2, 2016. The instructions page also stated that failure to file the annual report by May 2 would result in penalties. The deadline for requesting an extension to file your annual report was April 15. You did not request an extension.

On Wednesday, March 30, 2016, Karst Stage Inc. filed an incomplete 2015 annual report and paid its 2016 regulatory fee. As of May 16, the report remained incomplete. May 16 is ten business days from May 2, resulting in a total penalty of \$1,000. The Commission has yet to receive a complete and accurate annual report and additional penalties may accrue until you submit one.

Your penalty is due and payable now. If you believe the violation did not occur, you may request a hearing to contest the penalty assessment. The Commission will grant that request only if material issues of law or fact require consideration of evidence and resolution in a hearing. A request for a hearing must include a written statement of the

reasons supporting that request. Failure to provide such a statement will result in denial of the request.

If there is a reason for the violation that you think should excuse or reduce the penalty, you may ask for mitigation (reduction) of this penalty through evidence presented at a hearing or in writing. The Commission will grant a request for a hearing only if material issues of law or fact require consideration of evidence and resolution in a hearing. Any request for mitigation must include a written statement of the reasons supporting that request. Failure to provide such a statement will result in denial of the request. See RCW 81.04.405.

If you properly present your request for a hearing and the Commission grants that request, the Commission will review the evidence supporting your dispute of the violation or application for mitigation in a Brief Adjudicative Proceeding, before an administrative law judge. The administrative law judge will consider the evidence and will notify you of his or her decision.

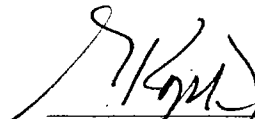
**You must act within 15 days after receiving this notice** to do one of the following:

- Pay the amount due.
- Request a hearing to contest the occurrence of the violations.
- Request mitigation to contest the amount of the penalty.

Please indicate your selection on the enclosed form and send it to the Washington Utilities and Transportation Commission, Post Office Box 47250, Olympia, Washington 98504-7250, **within FIFTEEN (15) days** after you receive this notice.

**If you do not act within 15 days**, the Commission may refer this matter to the Office of the Attorney General for collection, which may file suit in state court to collect the penalty. The Commission may also initiate proceedings under WAC 480-30-171 to revoke your authority to provide charter & excursion services in Washington.

DATED at Olympia, Washington, and effective June 21, 2016.

  
\_\_\_\_\_  
GREGORY J. KOPTA  
Administrative Law Judge

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PENALTY ASSESSMENT TE-160705

PLEASE NOTE: You must complete and sign this document, and send it to the Commission within 15 days after you receive the penalty assessment. Use additional paper if needed.

I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make, under oath, the following statements.

[ ] 1. Payment of penalty. I admit that the violations occurred. I have:

[ ] Enclosed \$ \_\_\_\_\_ in payment of the penalty

[ ] Submitted my payment of \$ \_\_\_\_\_ online at www.utc.wa.gov. My confirmation number is \_\_\_\_\_.

[ ] 2. Request for a hearing. I believe that one or more of the alleged violations did not occur, for the reasons I describe below, and I request a hearing based on those reasons for a decision by an administrative law judge:

[x] 3. Application for mitigation. I admit the violations, but I believe that the penalty should be reduced for the reasons set out below:

See attached document.

[ ] a) I ask for a hearing to present evidence on the information I provide above to an administrative law judge for a decision

OR

[x] b) I ask for a Commission decision based solely on the information I provide above.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: 6/27/16 [month/day/year], at Bozeman MT [city, state]

Christian Cornwell
Name of Respondent (company) - please print

Christian Cornwell
Signature of Applicant

RCW 9A.72.020:

"Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor's mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class B felony."

# KARST STAGE

Serving Your Transportation Needs

511 North Wallace

P.O. Box 1127

Bozeman, MT 59771-1127

BILLINGS MT 591

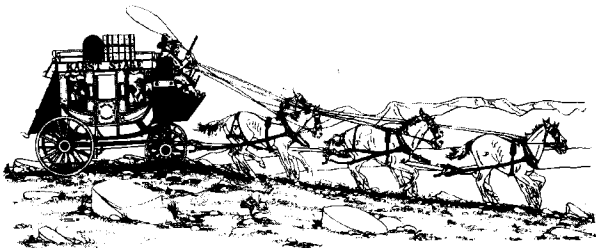
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Washington Utilities & Transportation Commission

P.O. Box 47250, Olympia WA

98504-7250



"History is our Heritage...Service is our Pride" **98504-7250**

