

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Order Instituting Investigation and Order to Show Cause on the Commission's own motion into the operations and practices of Ronen Perez, an individual, Ford Moving and Storage, Inc., a California corporation, and its president, Ronen Perez,

Applicants/Respondents.

**FILED**  
**PUBLIC UTILITIES COMMISSION**  
**APRIL 1, 2004**  
**SAN FRANCISCO**  
**I.04-04-001**

**ORDER INSTITUTING INVESTIGATION AND ORDER TO SHOW CAUSE WHY RESPONDENTS' APPLICATION SHOULD NOT BE DENIED WITH PREJUDICE**

The California Public Utilities Commission (Commission) is the agency responsible for regulating the intrastate transportation of used household goods, personal effects and furniture, pursuant to Article XII of the California Constitution, the Household Goods Carriers Act (Act) (Public Utilities Code §§ 5101 et seq.),<sup>1</sup> the Commission's Maximum Rate Tariff 4 (MAX-4), and Commission General Orders (GOs) 100-M, 136-C, 142, and others. These statutes and regulations require, among other things, that household goods carriers operate only in a responsible manner in the public interest; procure, continue in effect, and maintain on file adequate proof of public liability/property damage, cargo, and workers' compensation insurance; and observe rules and regulations governing: (1) acknowledging and handling claims for loss and damage, (2) issuing estimates, (3) executing and issuing documents, (4) training and supervising employees, (5) maintaining equipment and facilities, and (6) rates and charges. The Commission is the primary agency responsible for enforcing these and other statutes and regulations governing

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<sup>1</sup> Unless otherwise noted, all statutory references are to the California Public Utilities Code.

household goods carriers. These other statutes and regulations include general consumer protection and public safety provisions.

We have directed the Consumer Protection and Safety Division (formally in D. 92-05-028) to use all tools at its disposal to enforce the laws and regulations against illegal operations – both carriers operating without a permit, and permitted carriers not in compliance with the law, and our rules and regulations – and to bring cases to district attorneys and before the Commission for prosecution as appropriate. In response to our directives, staff has brought such investigative proceedings before us as Starving Students [I.92-11-029, 02-02-005], Best Move [I.91-11-002], Nice Jewish Boy/Father and Son [I.90-12-010], Reginald Duncan [I.90-09-009], Dave’s Quality Movers [I.91-10-011], Ronald Zammito [I.91-01-011], Harrington Brothers, Inc. [I.94-03-022], Arnold Baeza dba Best Movers [I.01-06-021], All America Express Moving and Storage [I.02-09-001] and Affordable Apartment Movers [I.01-11-052]. All these cases involved a pattern of egregious violations.

Consumer Protection and Safety Division (CPSD) investigators (Staff) advise us, through the declarations supporting the issuance of this investigatory proceeding, that Staff became aware of unlawful operations and advertising for moving services by Ronen Perez as an individual doing business as (dba) Ford Moving and Storage, CPUC File T-189248, and as a corporation under Ford Moving and Storage, Inc., CPUC File T-189632 (hereinafter Ford Moving and Storage). Staff then initiated an investigation into the business practices of Ford Moving and Storage which operates a moving and storage business in Los Angeles County. Staff’s investigation of Ford Moving and Storage found numerous alleged violations of the “Household Goods Carriers’ Act” and Commission rules and regulations, including operations and advertising during an extended period without either public liability insurance on file or a permit in force from the Commission authorizing those operations. Although Ford Moving and Storage filed an application for operating authority, it failed to meet requirements, including fitness requirements, for issuance of a household goods carrier (HHG) permit.

**I. ENFORCEMENT HISTORY****A. Termination of Telephone Service-Finding of Probable Cause, PUC Section 5322**

Section 5322 of the Public Utilities Code authorizes the Commission staff to obtain a magistrate's order to disconnect an unlicensed household goods carrier's telephone service. On June 14, 2000, CPSD staff obtained a "Finding of Probable Cause" Order signed by Judge Stephen A. Marcus, Superior Court of the State of California, Los Angeles Judicial District, following repeated attempts to get Mr. Perez to cease his illegal operation. By letter dated February 10, 2000, and 6 separate verbal admonishments (February 9, 2000, March 22, 2000, April 21, 2000, April 25, 2000, May 2, 2000 and May 25, 2000), staff warned Mr. Perez to cease and desist all unlawful advertising and operations as a mover unless he obtained operating authority from the Commission. Nevertheless, Mr. Perez continued to place advertisements for his moving services in the Beverly Hills and Santa Monica editions of the Pacific Bell Smart Yellow Pages and through direct-mail solicitation of consumers. The Court's order directed Pacific Bell/SBC to terminate telephone service to two SBC landline numbers, both registered to Mr. Ronen Perez dba Ford Moving and Storage.

**B. Citation Forfeiture #CFH-019**

On February 6, 2001, CPSD staff issued Ronen Perez dba Ford Moving (File No.: MTR-189248) an administrative Citation Forfeiture (No. CFH-019). The citation was issued for violations of various sections of the CPUC Code: 1) §5133, operations without a permit; 2) §5135.5, failure to have evidence of workers' compensation insurance; 3) §§5139 and 5161, failure to have evidence of PL/PD insurance; 4) §5286, operations during suspension; 5) §5139, violation of Commission MAX 4 tariff rules; and 6) §5314.5, advertising as a household goods carrier without a permit. Ronen Perez dba Ford Moving and Storage was fined \$2,000 by the Commission. Although Perez agreed to the citation, he made only three installment payments of \$500 each (April 4, 2001, May 2, 2001 and June 8, 2001). Perez has not paid the fourth and final payment.

**C. Criminal Complaint - Case No. 3CR02645**

On July 1, 2003, Commission staff filed a criminal complaint with the Los Angeles City Attorney's Office. CPSD staff investigated Ford Moving and Storage after receiving consumer complaints alleging overcharges, goods being held hostage for higher payment, and damages to personal belongings. The investigation disclosed that Perez continued to perform moving services after his PUC household goods carrier permit was revoked in August 2002. The investigation also uncovered violations of PUC consumer protection rules that movers are required to follow. Ronen Perez and Ford Moving and Storage, Inc. were charged with 2 counts of felony theft and 13 misdemeanor counts for the following violations of the Penal Code (PC) and the Public Utilities Code (Pub. Util.):

- §487(a) PC – “did feloniously steal, take, carry, lead, or drive away the personal property of another, and did fraudulently appropriate property which has been entrusted to him, and did knowingly and designedly, by any false or fraudulent representation or pretense, defraud any other person of money, labor or real or personal property, of a value exceeding four hundred dollars (\$400.00)” (2 counts).
- §5133 Pub. Util – “willfully and unlawfully engaged in the business of the transportation of used household goods and personal effects, by motor vehicle over the public highways in this state, without a permit in force issued by the Commission authorizing those operations” (1 count).
- §5139 Pub. Util. – failed to provide an Agreement for Service and a Shipping Order and Freight Bill to shippers in accordance with Item 128, subsection 2 of Commission's Maximum Rate Tariff (MAX) 4 (9 counts).
- §5286 Pub. Util. – “willfully and unlawfully engaged in the business of the transportation of used household goods and personal effects, by motor vehicle over the public highways in this state, during suspension and after revocation of its permit” (1 count).

- §5314.5 Pub. Util. - knowingly and willfully issued a written advertisement, without a valid permit issued by the California Public Utilities Commission (2 counts).

On January 26, 2004 Ronen Perez entered a Plea of Nolo Contendere to 8 counts of violations of the Public Utilities Code. The court sentenced Perez to 36 months probation, to serve 90 days in the county jail, or to perform 60 days of community service, and ordered restitution payments to 17 victims. The defendant is to obey all laws and is prohibited from operations in the moving business without the required household goods carrier permit. The court also ordered Perez to pay investigation costs of \$ 2,000 to the Commission.

**D. Temporary Restraining Order and Preliminary Injunction - Case No. BC300974 - Superior Court, County of Los Angeles**

On August 19, 2003, Commission staff filed a complaint for temporary restraining order, preliminary injunction, permanent injunction, and action for recovery of civil penalties in the Superior Court of the County of Los Angeles. A hearing was held on August 21, 2003 in which the PUC was granted a temporary restraining order. Further hearing was held on September 12, 2003, when the court issued a preliminary injunction, which provides that during the pendency of the civil action, the defendants are restrained and enjoined from operating or advertising as a household goods carrier within the State of California. Staff reports that Mr. Perez has since violated this injunction by conducting operations as a household goods carrier during October and November 2003. (See Declarations of Morris, Gaiman and Jacobs discussed below and contained in Staff's Declaration.). In addition, on March 4, 2004, staff conducted a sting call to (800) 517-5777. Staff was given a rate quote of \$64 per hour for two men and one truck. (See staff's declaration)

## **II. LICENSE HISTORY**

### **A. Household Goods Permit issued to Individual (T-189,248)**

Ronen Perez, an individual dba Ford Moving and Storage, Van Nuys, CA previously held a household goods permit under File Number T-189248. The permit was issued to the sole proprietorship on June 23, 2000. The permit was in and out of suspension for failure to file and maintain evidence public liability and workers' compensation insurance coverage. On May 29, 2002, Ronen Perez's household goods permit was suspended for failure to maintain evidence of workers' compensation insurance on file with the Commission. An additional suspension was placed on the carrier's permit on June 24, 2002, for failure to maintain evidence of public liability and property damage (PL&PD) insurance on file with the Commission. Subsequently, on August 27, 2002, the carrier's permit was revoked for failure to maintain workers' compensation insurance. License Section's records showed that the Order of Suspension and Order of Revocation were mailed to the carrier's address of record via first class mail, and were not returned by the Postal Service.

License records further showed that on October 1, 2002, the License Section received a written request from Ronen Perez to reinstate his permit, along with the \$125.00 reinstatement fee. On the same day, Robert DeGroot, Senior Transportation Representative in the License Section, sent Ronen Perez a letter, advising him that his permit could not be reinstated until evidence of workers' compensation insurance coverage is on file with the Commission. Subsequently, on November 7, 2002, Ronen Perez filed an application for a household goods permit under the corporate entity, Ford Moving & Storage, Inc. In light of this new application, on November 19, 2002, Robert DeGroot sent Ronen Perez a letter asking if he wanted to pursue reinstatement of his permit as an individual. There was no response from Ronen Perez. On December 19, 2002, License Section denied Ronen Perez's October 1 request to reinstate his individual permit from revocation, for failure to file evidence of PL&PD insurance coverage.

**B. Application for a Household Goods Permit as a Corporation (T-189632)**

On November 7, 2002, Ronen Perez filed with the Commission License Section an application for a household goods permit under the corporate entity, Ford Moving and Storage, Inc. The application showed the carrier's business and mailing address as 16134 Valerio Street, Van Nuys, CA 91406-2916. The application is pending the outcome of this proceeding.

**III. THE INVESTIGATION**

Following is a summary of the staff's findings and the alleged violations. The Staff informs us that it opened its investigation into the practices of Ronen Perez and Ford Moving and Storage, Inc. because of consumer complaints, continued unlawful advertising and operations as a household goods carrier. According to staff, these unlawful activities encompassed the periods from May 29, 2002 through November 30, 2003. Staff alleges Ford Moving and Storage falsely held itself out to the public as a licensed mover by including unauthorized permit numbers in its postcard advertisements. Staff warned this operator to cease and desist all unlawful advertising and operations as a mover without the required permit in three separate verbal admonishments (November 18, 2002, December 3, 2002, and January 15, 2003). Notwithstanding directives issued by CPSD staff to cease and desist, Ford Moving and Storage continued to violate the statutory and regulatory schemes applicable to household goods carriers. This is evident by a complaint received from a consumer (Navy Banvard) alleging loss and damage and overcharge on a move performed by Ford Moving and Storage on March 27, 2003. Ford Moving and Storage conducted, or attempted to conduct, moves after its permit was revoked.

**A. CONSUMER COMPLAINTS**

**1. Benjamin Raber Complaint**

CPSD received a complaint from Benjamin Raber concerning events relating to his move performed by Ford Moving and Storage on May 28, 2002 (into

storage) and July 3, 2002 (out of storage). The operating authority of Ford Moving and Storage for the move conducted on May 28, 2002, was valid, however, the permit was suspended effective May 29, 2002, for failure to file evidence of workers' compensation insurance coverage.<sup>2</sup> The move performed on July 3, 2002 was unlawful because the carrier's permit was in a suspended status.

The complaint alleged that Ford Moving and Storage entered into a contract with the consumer to move his household goods from his old residence in Long Beach, CA to the carrier's storage facility, and subsequently out of storage to his new residence, also located in Long Beach, CA. for a fixed price of \$ 1,250. Benjamin Raber provided staff with a copy of what he considered a contract dated May 25, 2002, written and signed by Michael Nash, a foreman for Ford Moving and Storage. The contract showed the cost of his household goods move was \$1015, including the costs for packing and unpacking, plus storage for five (5) weeks for \$235. Benjamin Raber paid Ford Moving and Storage \$ 910 (3 separate payments) for partial payment towards the total cost of the move. Benjamin Raber stated that on May 28, 2002, Ronen Perez made the unauthorized charge of \$800 on Raber's credit card to ensure that he was paid enough for the move. On July 3, 2002, Ford Moving and Storage demanded an additional \$1870 in cash before his household goods would be unloaded. Ford Moving and Storage also charged Benjamin Raber \$220 for re-assembling of some furnishings. Benjamin Raber paid a total of \$3,800 for the moves, \$2,550 over the original estimate. Benjamin Raber stated that Ford Moving and Storage was not responsive to his claims of overcharge or loss and damage. Benjamin Raber has filed a suit against Ford Moving and Storage in Small Claims Court, and was awarded a judgment of \$4958 on October 28, 2002 (Raber v. Ford Moving and Storage, et al., Case LB 02S03249). On three occasions (November 18, 2002, December 3, 2002 and January 15, 2003) CPSD staff discussed (in-person and over the phone)

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<sup>2</sup> It should be noted that the Commission's License Section records showed that on May 01, 2002, License Section mailed to the carrier an "Impending Order of Suspension" regarding the impending suspension of its permit for the same reason noted above.

Benjamin Raber's complaint with Ronen Perez; specifically, the significant overcharge from a flat rate quoted, operations during insurance suspension without a permit, possible "bait and switch" unfair business practices, and violations of rules contained in the Commission's MAX 4 Tariff. Ronen Perez advised staff that he was aware of the suspended status of his permit.

## **2. Laura Westfall Complaint**

CPSD staff obtained from the Better Business Bureau, information on consumer complaints filed against Ronen Perez dba Ford Moving and Storage. Of the thirteen unanswered consumer complaints filed between July 19, 2002 and December 2, 2002, only one move (Laura Westfall) was performed within the State of California. Ford Moving and Storage performed the move on October 18, 2002, after his household goods permit was revoked. The complaint alleged that Ronen Perez quoted her a price of \$225 for four hours to move her household goods from her old residence to her new residence, both located in Sherman Oaks, CA. On the day of the move, Ford Moving and Storage showed up at her premises with a Budget rental truck. The movers took 9.5 hours to move her household goods and increased the moving charge to \$775. Laura Westfall stated that she spoke with Ronen Perez who told her that the truck would not be unloaded until she paid the movers \$775.00. Laura Westfall said she argued with Ronen Perez and told him that she would not pay the \$775.00 amount. Laura Westfall further stated that she negotiated with Ronen Perez, who then agreed to reduce the moving charge to \$600 (\$375 over the original verbal estimate). Laura Westfall stated that the movers left everything in the living room, at the final destination, boxes marked fragile were left upside down with the contents smashed and her furniture was damaged. Laura Westfall stated that the movers left quite a bit of her personal belongings behind which she had to rent a truck to move. Laura Westfall stated that on October 21, 2002, Ronen Perez promised her a total refund of \$600 for the moving charges but she has never heard back from him.

### **3. Navy Banvard Complaint**

CPSD staff received a complaint from Navy Banvard concerning events relating to his move performed by Ford Moving and Storage on March 27, 2003. The complaint alleged that Ford Moving and Storage entered into a contract with him to move his household goods from his old residence in Pacific Palisades, CA to his new residence, located in Malibu, CA for an estimated cost of \$ 1,120 plus packing materials. Navy Banvard stated that on Tuesday, March 18, 2003, an employee of Ford Moving and Storage, Lee Holland, came to their home and did a thorough walk through of the residence and prepared a detailed estimate. The Banvards were told all of their belongings would fit into one truck and Ford Moving and Storage would do the entire move in one trip. The Banvards were not given any further documentation or papers, other than the written estimate, prior to the move. The Banvards stated on the day of the move the movers were unable to load all of their belongings into the truck they brought and acknowledged it would take two trips. This was inconsistent with what they were originally told by the estimator. The Banvards stated after the movers had finished unloading their household goods, they were presented with a "Combined Agreement for Moving Services and Freight Bill" for \$2,432.50 (including \$437.50 described as "packing"). Mr. Banvard also stated the mover "pressed" him to sign a liability release form, but he refused, as he already had paid the mover more than twice what was originally quoted (\$1,120 plus packing materials).

The Banvards stated they've attempted many times to contact Ronen Perez and left messages for him to call back to discuss the overcharge; however, Ronen Perez has not returned any of their calls.

### **4. Michelle Morris Complaint**

CPSD's investigation disclosed Ford Moving and Storage, Inc. performed at least six moves during October and November 2003. These moves performed by Ford Moving and Storage, Inc. violate the temporary restraining order (TRO) and injunction issued by the Superior Court for the County of Los Angeles on September 12, 2003 (Case

No. BC300974). Staff interviewed Michelle Morris about her move into Ford's storage facility on June 27, 2003 and the subsequent move out of storage to her new residence in Santa Clarita on October 18, 2003. Morris informed staff she received a written estimate from Ford Moving and Storage, Inc. on June 12, 2003. The estimate stated her move into storage would cost \$ 636, storage was quoted at \$ 175 per month, and the move from storage would be \$ 650. Morris stated the estimate did not include a "Not To Exceed Price", nor was she given an opportunity to declare the value of her property or select a valuation option. She said the mover did not give her an Agreement For Moving Services/Freight Bill or the shipper information booklet as required by MAX 4. Morris questions additional charges for packing supplies and further stated there was loss and damage (estimated in the amount of \$ 5,000) to her furniture on the move out of storage. Ford Moving has failed to respond or resolve her damage claim.

#### **5. Christine Gaiman Complaint**

Staff interviewed Christine Gaiman concerning her experience during the move performed by Ford Moving and Storage, Inc. Gaiman told staff she contacted Ford Moving after finding its advertisement in the Yellow Pages. Ford Moving performed moving services for Christine Gaiman on October 15, 2003. This is another move performed in violation of the TRO and Preliminary Injunction issued by the court on September 12, 2003. Gaiman said she arranged for Ford Moving and Storage, Inc. to move her household goods from Sherman Oaks to North Hollywood. Gaiman informed staff the movers never provided her with the shipper information booklet, nor explained the declaration of value options for declaring the value of her household goods. The Ford Moving shipping document, the Combined Agreement For Moving Services and Freight Bill, did not contain a "Not To Exceed Price". Gaiman said she was charged \$ 229.50 for boxes and packing supplies, which she thought was excessive. The moving bill of \$ 773.50 was twice what she expected to pay. Gaiman told staff she felt the movers' conduct was not professional because they attempted to solicit a tip from her husband and left trash on her lawn.

## **6. Lillian Jacobs Complaint**

CPSD received a complaint from Lillian Jacobs concerning events which occurred during her move performed by Ford Moving and Storage, Inc. on November 25, 2003. Again, this is another move performed by Ford Moving and Storage, Inc. after issuance of the TRO and Preliminary Injunction. Jacobs alleged she was overcharged and suffered loss and damage to her personal belongings due to the movers' negligence. Staff contacted Lillian Jacobs about her complaint. Jacobs advised she arranged for Ford Moving and Storage, Inc. to move her property from Pacific Palisades, CA to Carlsbad, CA. She recalled speaking with an individual who identified himself as "Ronnie", who gave her a verbal estimate over the telephone. Jacobs said the movers did not provide her with the shipper information booklet, an Agreement For Moving Services prior to the day of the move, and did not explain declaration of value options for declaring the value of her household goods. On the day of the move the mover arrived without enough packing supplies or tape. Jacobs says she was required to go to a store to purchase several rolls of tape which delayed the move. Once the movers completed loading her belongings into their truck, they gave her a bill for \$ 857, which she thought was excessive. Jacobs further stated she noticed the movers charged her full price for used packing supplies, billed her for boxes she provided, and charged extra transportation time. The movers required her to sign a credit card authorization for \$ 2,102.75 prior to completion of the move. Jacobs stated she was not given a "Not To Exceed Price" on the bill presented by Ford Moving. The movers arrived in Carlsbad three hours late. Although she received a bill for the services of three movers, only two persons performed her move. Jacobs says she noticed damage to some of her items and contacted "Ronnie" at Ford Moving. She says she made 8 telephone calls and left messages for "Ronnie" to call her about her damage claim. Ford Moving failed to respond or process her damage claim.

**B. Public Utilities Code and Commission General Order Violations****1. Operations After Suspension and Revocation of Permit**

According to Section 5286, it is unlawful for carriers to operate during periods of cancellation or revocation of a permit or during the period of its suspension. The respondent conducted household goods operations encompassing periods from May 29, 2002 through November 30, 2003. Section 5315 provides every violation of the Household Goods Carriers' Act is a separate and distinct offense. In case of a continuing violation, each day's continuance is a separate and distinct offense. Section 5313.5 authorizes a \$ 5,000 fine per violation. A \$ 5,000 fine per violation; at thirteen (13) alleged violations, the Respondents could be held jointly liable for a total fine of \$65,000.

**2. Operating Without Permit in Force**

According to PUC Section 5133, "no household goods carrier shall engage, or attempt to engage, in the business of transportation of used household goods by motor vehicle over the public highways in this State without a permit in force issued by the Commission authorizing those operations". The respondent conducted household goods operations encompassing periods from May 29, 2002 through November 30, 2003. Section 5315 provides every violation of the Household Goods Carriers' Act is a separate and distinct offense. In case of a continuing violation, each day's continuance is a separate and distinct offense. According to Section 5313.5, "whenever the commission, after hearing, finds that any person or corporation is operating as a household goods carrier without a valid permit, or is holding itself out as such a carrier without a valid permit in contravention of Section 5314.5, the commission may impose a fine of not more than five thousand dollars (\$5,000) for each violation. The commission may assess the person or corporation an amount sufficient to cover the reasonable expense of investigation incurred by the commission". A \$ 5,000 fine per violation; at thirteen (13) alleged violations, the Respondents could be jointly liable for a total fine of \$65,000.00.

**3. Advertising Without a Permit in Force**

The respondents advertised household goods carrier service to the public encompassing periods from May 29, 2002 through May 29, 2003. Section 5315 provides every violation of the Household Goods Carriers' Act is a separate and distinct offense, and in case of a continuing violation, each day's continuance is a separate and distinct offense. A \$ 500 fine per violation; at 365 alleged violations, the Respondents could be jointly liable for a total fine of \$ 182,500.00.

#### **4. Operating Without Proper Insurance Coverage**

According to Sections 5139, 5135.5, and 5161, and Commission General Order (GO) 100-M, a carrier must maintain inter alia liability, property, and workers' compensation insurance coverage in effect and on file with the Commission. In this case, the Respondent failed to maintain the required workers' compensation insurance coverage encompassing periods from May 29, 2002 through April 2, 2003 [306 days]. Respondent also failed to maintain the required public liability insurance coverage for a total of 134 days (June 24, 2002 - July 10, 2002 [17 days], and November 27, 2002 through March 23, 2003[117days]. Section 5313 authorizes \$ 500 fine per violation, at 306 alleged violations, the Respondents could be held jointly liable for total fine of \$211,500.

#### **5. MAX 4 Violations**

According to Section 5139 and the Commission's Maximum Rate Tariff 4 (MAX 4), Items 128 and 132, every household goods carrier shall issue an Agreement for Moving Services, a Shipping Order and Freight Bill to a shipper for each shipment received for transportation. In addition, Item 88 requires that every household goods carrier shall furnish to each prospective shipper a copy of the "Important Information Booklet For Persons Moving Household Goods". Respondents failed to provide the required information, including a "Not To Exceed Price", on its shipping documents; failed to furnish to each prospective shipper a copy of the consumer information booklet; issued verbal estimates over the telephone and charged in excess of the maximum allowable charge on estimated services; and failed to issue a change order for increased charges in violation of Items 108 and 120 of MAX 4. Respondents failed to offer

valuation options or have its customers declare the value of their household goods as required by Item 136 of MAX 4. Finally, Item 92 of MAX requires household goods carriers to timely acknowledge and process customer claims for loss and damage. Complaints from consumers allege Respondents failed to respond and resolve their loss and damage claims.

#### **IV. DISCUSSION**

The Commission exercises continuing oversight of a carrier's fitness. Public Utilities Code § 5285 authorizes the Commission, upon complaint or on the Commission's own initiative and after notice and opportunity to be heard, to suspend, change, or revoke a permit for failure of the carrier to comply with any of the provisions of the Act, or with any order, rule, or regulation of the Commission, or with any term, condition, or limitation of the permit. Section 5139 gives the Commission power to establish rules for the performance of any service of the character furnished or supplied by household goods carriers.

We place tremendous trust in household goods carriers in granting them operating authority, a trust equaled by that of our citizens who tender their most personal and treasured belongings to movers. This carrier's pattern of violations, operations without a permit in force, failure to file evidence of public liability insurance, failure to file evidence of workers' compensation insurance, advertising moving services without a valid household goods carrier's permit, and continuing such advertising and operations after staff directives to cease all such unlawful activity, alarms us.

The respondents should recognize that the Consumer Protection and Safety Division's allegations described herein are grave and, if substantiated through hearing, may well constitute grounds for denial for cause of the respondents' application for operating authority and/or other appropriate sanctions and remedies, including a Permanent forfeiture of rights to operate as a household goods carrier in this state.

It appears that the Respondents may have:

1. Violated § 5314.5 of the Public Utilities Code by advertising and holding itself out to the public as a licensed carrier;
2. Violated §§ 5139 and 5161 of the Public Utilities Code and GO 100-M by failing to procure adequate liability insurance, as required by law of all carriers;
3. Violated § 5133 of the Public Utilities Code by conducting operations as a household goods carrier without a permit in force from the Commission authorizing those operations;
4. Violated § 5286 of the Public Utilities Code by conducting operations as a household goods carrier during periods of suspension, or after revocation of its permit;
5. Violated § 5135.5 of the Public Utilities Code by failing to procure workers' compensation insurance coverage for its employees;
6. Violated § 5139 of the Public Utilities Code and the Commission's MAX 4, by failing to provide the required information, including a "Not To Exceed Price", on its shipping documents in violation of Items 128 and 132 of MAX 4;
7. Violated § 5139 of the Public Utilities Code by failing to furnish to each prospective shipper a copy of the information specified in Item 470 of MAX 4, in violation of Item 88 of MAX 4;
8. Violated § 5245 of the Public Utilities Code by charging in excess of the maximum allowable charge on estimated services, and failing to obtain a change order for increased charges in violation of Items 108 and 120 of MAX 4;
9. Violated § 5139 of the Public Utilities Code by failing to have shippers enter a Declaration of Value on shipping documents in violation of Item 136 of MAX 4;
10. Violated § 5139 of the Public Utilities Code by failing to acknowledge and timely process claims for loss or damage in violation of Item 92 of MAX 4;
11. Violated § 5139 of the Public Utilities Code by providing an estimated cost for proposed moving services that was not in writing and not done after a visual inspection of the goods to be moves in violation of Item 108 of MAX 4.

**IT IS ORDERED** that:

1. An investigation on the Commission's own motion is instituted into the operations and practices of the respondents, Ronen Perez dba Ford Moving and Storage, and Ford Moving and Storage, Inc. A public hearing on this matter shall be held expeditiously before an Administrative Law Judge (ALJ) at a time and date to be set at the prehearing conference. At the hearing, the respondents shall appear and show cause why its application for a household goods carrier permit should not be denied for cause and lack of fitness in view of the above listed allegations made by Staff.

2. During the pendency of this investigation, it is ordered that Respondents Ronen Perez dba Ford Moving and Storage, and Ford Moving and Storage, Inc. shall cease and desist from any violations of the terms of the "Preliminary Injunction" in Case No. BC300974 filed with the Superior Court in Los Angeles County, or the terms of probation ordered by the Superior Court for the County of Los Angeles as part of the sentence imposed in criminal complaint Case No. 3CR02645.

3. The Consumer Protection and Safety Division staff, if it elects to do so, may present additional evidence beyond that described in the declaration issued with this order, either by testimony or through documentation, bearing on the operations of the respondents and any new advertising of moving services to the public.

4. Scoping Information: This paragraph suffices for the "preliminary scoping memo" required by Rule 6 (c).

This enforcement proceeding is adjudicatory, and, absent settlement between staff and the respondent, will be set for evidentiary hearing. A hearing may also be held on any settlement for the purpose of enabling parties to justify that it is in the public interest or to answer questions from the ALJ about the settlement terms. A prehearing conference will be scheduled and held within 40 days and hearings will be held as soon as practicable thereafter in the Commission Los Angeles office. Objections to the OII may be filed but must be confined to jurisdictional issues, which could nullify

any eventual Commission order on the merits of the issues about violations of statutes, rules, regulations or orders.

5. Respondents are hereby ordered to cease and desist performing any and all moves of any kind until the Commission has an opportunity to review and pass judgment on the instant application for reinstatement as a mover.

6. Respondents are hereby placed on notice that if staff's allegations are proven during the evidentiary hearing, the Commission may impose fines and penalties according to those authorized by law.

7. The Executive Director shall cause a copy of this order, the staff declarations and other related documents to be served by certified mail upon respondents:

Ronen Perez dba Ford Moving  
Storage and Ford Moving and Storage, Inc.  
16134 Valerio Street  
Van Nuys, CA 91406-2916.

8. A copy of this order and the staff declaration shall also be sent by certified mail to:

Jeffrey Nadel, Attorney at Law  
Counsel for Respondents  
16000 Ventura Blvd., Suite 908  
Encino, CA 91436.

This order is effective today.

Dated April 1, 2004, at San Francisco, California.

MICHAEL R. PEEVEY  
President  
CARL W. WOOD  
LORETTA M. LYNCH  
GEOFFREY F. BROWN  
SUSAN P. KENNEDY  
Commissioners