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MAIL DATE
August 24, 2004

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 Globe Van Lines of California, Inc., a Florida corporation, and its President Isaac Nagar, Applicant/Respondent.	**FILED** **PUBLIC UTILITIES COMMISSION** **AUGUST 19, 2004** **SAN FRANCISCO OFFICE** **I.04-08-023**

ORDER INSTITUTING INVESTIGATION AND ORDER TO SHOW CAUSE WHY RESPONDENT'S 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.),[1] 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) false representations as to equipment and facilities, and (6) rates and charges. The Commission is the primary agency responsible for enforcing these and other statutes and

[1] Unless otherwise noted, all statutory references are to the California Public Utilities Code.

regulations governing household goods carriers. These other statutes and regulations include general consumer protection and public safety provisions of other California Codes such as theft, fraud, bait-and-switch, unfair and unlawful business practices and unsafe or unlawful operation of vehicles.

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 us 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] – cases with patterns of aggravated violations.

Consumer Protection and Safety Division (CPSD) investigators (Staff) advise us, through the declarations supporting the initiation of this investigatory proceeding, that, as part of the permit application process, it conducted a review of this applicant. Staff became aware of consumer complaints, unlawful operations and advertising for moving services by Respondent Globe Van Lines of California, Inc. and its President Isaac Nagar (hereinafter GLOBE). Staff then initiated an investigation into the business practices of GLOBE, Application File T-189,798, which operates a moving business in Hayward (Alameda County) and Chatsworth (Los Angeles County). Staff's investigation of GLOBE found numerous alleged violations of the Household Goods Carriers' Act and Commission rules and regulations, including violations of numerous MAX 4 rules, use of "bait and switch" estimating practices and "holding goods hostage" as part of a scheme to overcharge its customers, operations and advertising during an extended period with neither public liability nor workers' compensation insurance on file,

nor a permit from the Commission in force authorizing those operations. Although GLOBE filed an application for operating authority on November 7, 2003, the Director of CPSD informed the Applicant it failed to meet fitness requirements for a household goods carrier (HHG) permit. CPSD's letter of March 19, 2004, advised GLOBE its application was denied and it had the option of contesting this staff action by filing a formal application in accordance with the Commission's Rules of Practice and Procedure.

I. LICENSE HISTORY

A. Application for a Household Goods Permit as a Corporation (T-189,798)

On November 7, 2003, Globe Van Lines of California, Inc., a Florida corporation, 25007 Viking Street, Hayward, CA 94545, filed an Application for a Household Goods Carrier Permit with the Commission License Section under File Number T-189,798. Isaac Nagar, 22306 City Center Drive H3506, Hayward, CA 94541 is listed as President and sole shareholder. Isaac Nagar is also listed as the corporation Agent For Service of Process. As noted above, on March 19, 2004, CPSD denied GLOBE's application for fitness reasons. The letter from the Director of CPSD was mailed to Applicant GLOBE's address of record.

II. 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 GLOBE because of consumer complaints, along with continued unlawful advertising and operations as a household goods carrier. According to staff, these unlawful activities occurred from October 10, 2003 to date, and continued even after personal service of two cease and desist letters by CPSD enforcement staff to the carrier's offices located in Chatsworth and Hayward. Staff alleges GLOBE falsely held itself out to the public as a licensed mover on an internet web site and in written advertisements. Staff warned this operator to cease and desist all unlawful advertising and operations as a mover without the required permit in two letters dated September 9, 2003 and January 13, 2004. Notwithstanding directives

issued by CPSD's staff to cease and desist, GLOBE continued to violate the statutory and regulatory schemes applicable to household goods carriers. GLOBE conducted, or attempted to conduct moves after staff warnings to stop and during the pendency of its application. Moreover, GLOBE performed moves during periods in which it had not filed evidence of adequate public liability or workers' compensation insurance with the Commission.

1. Fitness Issues

Public Utilities Code Section 5135 (e) provides that, "The commission may refuse to issue a permit if it is shown that an applicant or an officer, director, partner or associate thereof has committed any act constituting dishonesty or fraud; committed any act which, committed by a permit holder would be grounds for a suspension or revocation of the permit; misrepresented any material fact on the application; or, committed a felony, or crime involving moral turpitude." Staff states its investigation disclosed the Respondent fraudulently displayed misleading depictions and descriptions of its warehouse facilities in its advertisements. The GLOBE internet web site advertisement states: "Our 23,000 square feet of secure storage space guarantees your belongings will be safe and ready when you need them." CPSD Declarations include photographs of GLOBE's Chatsworth storage facility. These pictures show storage customers' property stored uncrated in a careless, haphazard manner. GLOBE's advertising falsely conveyed to the public that their belongings are safely stored and crated. Its advertising also falsely indicated its status as a licensed mover.

2. Advertising Without a Permit in Force

According to Sections 5139 and 5314.5, every corporation or person who knowingly and willfully causes or permits the issuance, publishing of any oral or written advertisement of household goods carrier operations to the public without a valid permit, is guilty of a misdemeanor punishable by a fine of not more than one thousand dollars ($1,000). Respondent GLOBE advertised household goods carrier services to the public

on the internet and in a listing under "Movers-Moving" in the SBC Yellow Page Directory for Fremont, Hayward, Castro Valley, Newark and Union City (April 2004 Issue).

3. Operating Without Proper Insurance Coverage

According to Sections 5135.5, 5139 and 5161, and Commission General Orders (GOs) 100-M, a carrier must maintain inter alia workers' compensation and public liability and property damage (PL & PD) insurance coverage in effect and on file with the Commission. In this case, Respondent GLOBE failed to maintain the required PL & PD insurance coverage for a total of 67 days (October 10, 2003 through December 15, 2003). Also, GLOBE failed to maintain evidence of workers' compensation insurance on file with the Commission for a total of 159 days (October 10, 2003 through March 16, 2004). Section 5313 authorizes $500 fine per violation; at 226 alleged violations, Respondent could be liable for a total fine of $113,000.

4. Operating Without Permit in Force

According to 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. Respondent GLOBE conducted household goods operations for a period of 72 days. Section 5315 provides every violation of the Household Goods Carriers' Act is a separate and distinct offense. In case of a continuing violation, each additional day is a separate and distinct offense. Section 5313 authorizes a $500 fine per violation; at 72 alleged violations, Respondent could be liable for a total fine of $36,000.

5. Relationships With The Public

According to Section 5139 and Commission Maximum Rate Tariff No. 4 (MAX 4), household goods carriers are required to observe specified consumer protection rules. Item 88 of MAX 4, "Relationships With The Public" reads, in part:

> Printed advertising matter, including hand bills, newspaper advertising, and classified telephone directory listings and

> advertisements which advertise or solicit the intrastate movement of used household goods shall show the household goods carrier's "T" number as issued by the Commission. The number shall be printed in this manner. "CAL. P.U.C. T-_____."
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> Carriers shall not, in any manner, misrepresent their rates nor the scope of services offered to the public. Specifically, carriers shall:
>
> (d) Not include misleading descriptions or displays of nonexistant facilities or equipment in any advertising.

GLOBE failed to display its permit number in its internet web site advertisements. GLOBE's web site displays a 23,000 square foot warehouse with furniture neatly and securely contained in storage vaults. However, upon visiting the carrier's Chatsworth storage facility, CPSD staff noted customers belongings in the warehouse, uncrated, stacked in a careless manner, and not properly protected from damage.

6. Consumer Complaints

Better Business Bureau (BBB)

Staff's review of the BBB (Southland) web site disclosed forty four (44) consumer claims filed against GLOBE since February 2002. Twenty of the complainants resided in a state other than California, indicating their moves were interstate. Three complaints did not contain a customer name or address. The remaining twenty one (21) complaints indicated a California address. The BBB's web site contained a Reliability Report for Globe Van Lines of California which states, in part: "We rate this company as having an unsatisfactory business performance record based upon complaints allegations, which have caused us concern. Most complaints allege failure to honor moving quotes and, in some cases, the final bill is more than double the estimate. Complainants further allege the movers do not notify customers of the increases until after the belongings are loaded and, at that time, the company demands cash payment or refuse to release the

items." Staff interviewed seven of these complainants. Staff also visited the BBB (Northland) Office in Oakland and found four claims filed against GLOBE.

Commission Records

The records of the Commission Consumer Intake Unit (CIU) show twelve (12) complaints have been filed against GLOBE. Consumers who filed complaints with CIU alleged similar unfair business practices by GLOBE as noted by the BBB. CPSD interviewed eight former GLOBE customers regarding their experience with its moving services.

1. Irina Leinova CIU 20040062.

CPSD received a complaint from Irina Leinova concerning events relating to her move performed by GLOBE on February 8, 2004. Staff interviewed Ms. Leinova who signed a declaration about her move. Leinova alleged overcharges, poor service, and loss and damage to her household goods. Leinova's complaint stated that the mover faxed her a "Total Estimate Quote" of $ 270 after she described the contents of her two bedroom apartment to "Betty", a GLOBE representative, over the telephone. No GLOBE representative visually inspected her goods until the day of the move. On February 8, 2004 the movers arrived 5 ½ hours late. Leinova stated she did not receive the "Important Information Booklet" until the day of the move. She further stated that "The Agreement I signed did not have a "Not to Exceed Price" figure. I was charged $ 645 for the move. I had to pay more than the estimate because the movers would not unload the truck if I did not pay the $ 495 additional cost [$ 495 plus my deposit of $ 150 equaled the $ 650 charge.]" "On February 19, 2004, I filed a claim for damage against Globe Van Lines [Attachment 4 is a copy of my claim.] As of the date of this declaration (April 16, 2004), my claim is still unresolved." Pursuant to Public Utilities Code Section 5133 [2], the $ 645

[2] Amended by Stats. 2003, Ch. 646 (AB 845), § 3. § 5133 PUC now reads, in part: (b) A household goods carrier that engages, or attempts to engage, in the business of the transportation of used household goods and personal effects in violation of subdivision (a) may not enforce any security interest or bring or maintain any action in law or equity to recover any money or property or obtain any other relief from any consignor, consignee, or owner of household goods or personal effects in connection with an agreement to

charge for this move should be refunded to Irina Leinova. GLOBE did not hold an active Household Goods Carrier (HHG) Permit from the Commission authorizing moving operations within California when it performed Leinova's move on February 8, 2004.

2. Dana LeVan CIU 20030074.

CPSD received a complaint from Dana LeVan about her move performed by GLOBE on January 13, 2003. LeVan was moving out of storage in San Francisco to Los Angeles. LeVan's complaint stated that she never received an Agreement For Moving Services or the shipper information booklet. LeVan alleged overcharges of $ 1,408.35 on her move. She was given a verbal estimate of $ 756 with a written quote to follow, however, she never received the written quote. LeVan's letter to GLOBE dated January 21, 2003 reads, in part:

> He then asked if I was aware of the balance due. I said yes, $ 656 - $ 756 minus my original $ 100 deposit.
> Robert then explained that the amount due was $ 2,164.35. At this point I was extremely agitated by the complete disregard with which my situation was being handled. Not only had I been lied to all day with regards to delivery times, but I was now being told that my delivery would not be scheduled unless I was prepared to pay the revised amount due. I resent being held "hostage" by your organization with little recourse.
>
> I am astonished that Global Van Lines did not provide me with a signed estimate at my request. I am appalled that no one contacted me to seek out approvals on additional services. I am shocked at the repeated deception on my delivery day. And finally, I am dismayed that no one from your organization has contacted me to explain this behavior and apologize for the flagrant disregard with which this situation was handled.

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transport, or the transportation of, household goods and personal effects or any related services. A person who utilizes the services of a household goods carrier operating in violation of subdivision (a) may bring an action in any court of competent jurisdiction in this state to recover all compensation paid to that household goods carrier.

GLOBE did not hold an active HHG Permit from the Commission authoring moving operations on the date of LeVan's move, January 13, 2003. Pursuant to MAX 4 rules, specifically Items 88, 108, 120, 128 and 132, CPSD alleges Dana LeVan was overcharged by GLOBE in the amount of $ 1,508.45. This sum must be refunded to the customer.

3. Cynthia Bartz/Rev. James P. Bartz CIU 20030245.

CPSD received a complaint from Cynthia Bartz alleging an overcharge of $ 652 on packing materials and damage to their furniture during a move performed by GLOBE on February 6, 2003. Bartz' complaint stated they did not receive the Agreement For Moving Services until the end of the move. There was no "Not To Exceed" price on the document. Cynthia Bartz stated in her complaint "I called for an estimate and was given an estimate over the phone. I was told that "packing materials were extra" but was given no other information about the cost of packing materials." Bartz's complaint indicates the movers did not give her a "Change Order" for additional services requested. GLOBE has failed to resolve the complainant's overcharge and damage claim. Bartz said she was charged more than the estimate. Bartz' complaint dated June 10, 2003, reads in part:

> I did not agree to pay more than the estimate, and I did not request additional services that were not discussed during the original verbal estimate. I discovered the additional charges after the move was completed. The movers would not leave our home until the entire move was charged to our credit card. They said we should discuss any disputed charges with the administrative office the next day.
>
> We were charged an additional $ for unrequested and and unnecessary packing materials. My attempts to resolve the disputed charges and the claim for damages to our antique dining room table have been met with unprofessionalism, manipulation and hostility.

GLOBE did not hold a HHG Permit when it performed the Bartz move on February 6, 2003. CPSD alleges GLOBE overcharged Bartz $ 652 per MAX 4 rules, Items 108, 128, 340, Note 6. This amount must be refunded to the customer by GLOBE.

4. Steve Bloom CIU 20030176.

CPSD received a complaint from Steve Bloom alleging an overcharge of $ 1,100 on his move performed by GLOBE on April 23, 2003. In his complaint Mr. Bloom stated he did not receive the Agreement For Moving Services until the day of the move and he did not receive the shipper information booklet. Bloom said he did not receive a written estimate from GLOBE. Rather, he spoke to "Elisha", the office manager, who gave him a verbal estimate quote, stating "It would not cost more than $ 600." Bloom stated he was charged extra for boxes, tape and paper, totaling over $ 1,100. Bloom commented, "They threatened to call police and take our merchandise, furniture back on the truck if the full payment of $ 2,100.00 was not paid. We were told we could pay by check, and they would not accept payment. They did not give a receipt or inventory of the furniture they kept for storage."

GLOBE did not hold an active HHG Permit when it performed Mr. Bloom's move on April 23, 2003. CPSD alleges an overcharge from the unlawful verbal estimate in the amount of $ 1,100.00, and an additional refund of $ 100.00 are due to the customer for failure to provide the shipper information booklet per MAX 4 Rules, Items 88 and 108.

5. Erik J. Wilk MD CIU 20020490.

CPSD received a complaint from Doctor Erik J. Wilk alleging an overcharge of $ 737.50 and damage to his furniture during his move performed by GLOBE on April 27, 2002. Wilk stated he did not receive the Agreement For Moving Services until the day of the move, and he did not receive the shipper information booklet. The Agreement did not contain a "Not To Exceed Price." Wilk's complaint stated he received an estimate of $ 500 over the telephone and in writing to pack his belongings and move them to another house approximately 2 miles away. On August 5, 2002, Mr. Wilk wrote a letter to his

credit card company regarding his experience with Globe Van Lines of California which reads, in part:

> When the move was completed Rod finished filling out the freight bill form and stated the total was $ 1237.50. Subtracting the deposit of $150, I then was told I needed to give him in cash $1087.50 plus the customary $100 tip. I informed Rod that I did not have all the money in cash and that the final price was over twice the estimate. He stated that if I did not pay, they would confiscate my belongings. Therefore, I paid $900 cash and charged $287 to my account. GVL does not return my calls and refuses to speak with me. They have broken their contract with me in their method of requiring payment in cash, their grossly erroneous estimate, failure to inform me during the move that the cost would be significantly more, pressuring me to provide a tip of $100 or have my belongings confiscated, gross negligence in the care of many items and damage to them (new leather sofas, new king bed, twin bed, leather office chair, stone cutting board, wood tray holder, 65" television, dresser, other wood furniture, walls of home), and failure to respond to claim/damage request.

CPSD alleges an overcharge of $ 737.50 from the estimate provided, along with an additional $ 100 refund due, for GLOBE's failure to provide the customer with the shipper information booklet under MAX 4 Rules, Items 88 and 108.

6. Failure to comply with rules for the performance of household goods carrier services.

Section 5139 requires every carrier to comply with MAX 4 and other Commission rules and regulations governing the performance of carrier services. The MAX 4 regulations, for example, prescribe the applicable maximum rates, the units of measurement, the disclosures of estimated total costs required in advance of the move, and other aspects of a carrier's services. Section 5313 imposes a $500 fine on the carrier and/or any of its officers, agents, or employees who violate these rules.

CPSD specifically alleges violations of MAX 4 and other Commission rules and regulations. The nature of these offenses, their counts, and the resulting potential fines include the following:

a. Charging a customer interstate tariff rates, and quoting rates based a unit of measurement for California moves other than as prescribed by MAX 4, in violation of Item 44 (2 Counts);

b. Failing to use the weight of property tendered for transportation in assessing charges based on weight; failing to determine the weight of shipments transported and to obtain a weigh master's certificate or weight ticket before delivery as required by Item 80 of MAX 4 (1 Count);

c. Billing customers for packing and sealing materials, such as dividers, paper, tape and labels which is prohibited by MAX 4, Item 340, Note 6 (1 Count);

d. Failure to provide customers with a completed Agreement For Moving Services containing required information no less than 3 days before the date of the move as required by MAX 4, Items 128 and 132 (14 Counts);

e. Failing to state a Not To Exceed Price on the Agreement For Moving Service as required by MAX 4, Item 128 (q) (39 Counts);

f. Failing to disclose charges for packing services or materials prior to the move as part of the Agreement For Moving Services or on a valid Change Order issued prior to the move; and failing to refund customers approximately $ 59,964.55 of collected overcharges in violation of MAX 4, Items 108, 120 and 128, (92 Counts);

g. Charging customers in excess of stated estimates using improper Change Orders which failed to contain required information, contained services not requested by shippers, or were not issued prior to commencement of described services in violation of MAX 4, Items 108, 120 and 128 (92 Counts);

h. Failing to timely respond to customer claims or to maintain a claims register as required by MAX 4, Item 92 (3 Counts);

i. Failing to provide customers the shipper information booklet

in advance of the move as required by MAX 4, Item 88 (9 Counts).

Section 5313 authorizes a $500 fine per violation, at 253 alleged violations of MAX 4 rules, Respondent could be liable for a total fine of $ 126,500.

III. 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 alleged pattern of violations, use of verbal estimates and invalid Change Orders as part of a “bait and switch” scheme to overcharge customers, operating without a permit in force, failing to file evidence of public liability or workers’ compensation insurance, advertising moving services without a valid household goods carrier permit in force, continuing such advertising and operations after staff directives to cease all such unlawful activity, alarms us.

Before issuing a permit, the Commission reviews the fitness of household goods carriers. A fundamental measure of the fitness of a household goods carrier holding a permit issued by the Commission is compliance with statutes and regulations applicable to household goods carriers. It appears the Respondent has demonstrated a lack of fitness to hold operating authority under Section 5135 of the Public Utilities Code by a pattern of continuing violations over an extended period of provisions of the Public Utilities Code, and Commission regulations applicable to household goods carriers in its operations.

Section 5135 provides, in part, that:

> The commission may refuse to issue a permit if it shall be shown that an applicant or an officer, director, partner or associate thereof has committed any act constituting dishonesty or fraud; committed any act which, committed by a permitholder would be grounds for a suspension or revocation of the permit; misrepresented any material fact on his application; or, committed a felony, or crime involving moral turpitude.
>
> The commission shall issue a permit only to those applicants who it finds have demonstrated that they possess sufficient knowledge, ability, integrity and financial resources and responsibility to perform the service within the scope of their application.

Respondent 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 Respondent's application for operating authority, a directive to refund overcharges to consumers, and/or other appropriate sanctions and remedies. The Respondent is placed on notice of, but not limited to, the following:

- It may be fined to the extent provided in Sections 5311 through 5322, for each and every violation described in this Order and adjudged as proven at an evidentiary hearing;
- It may be required to repay customer overcharges of $ 60,000.00 or more;
- Permit Application File T-189,798 may be denied for cause because of a demonstrated lack of fitness under Section 5135; and/or
- Any subsequent application by the Respondent or its President Isaac Nagar may be denied based upon the outcome of this proceeding, pursuant to Section 5286.

It appears that Respondent may have:

1. Violated § 5133 by conducting operations as a household goods carrier, without a valid permit issued under Chapter 7 of the Public Utilities Code; COUNTS: 72 [CPSD Declaration of R. Molzner, Attach. 3, 5, 6.]

2. Violated §§ 5139 and 5161 and GO 100-M by failing to procure, and to continue on file and in effect while conducting operations as a household goods carrier, during the period October 10, 2003 to December 15, 2003, adequate protection against liability, as imposed by law upon carriers; COUNT: 1 [CPSD Declaration, Attach. 11.]

3. Violated § 5135.5 by failing to procure, and to continue on file and in effect while conducting operations as a household goods carrier, adequate workers' compensation insurance coverage for its employees, as imposed by law upon carriers; COUNT: 1 [CPSD Declaration, Attach. 13.]

4. Violated § 5245 and Item 108 of MAX 4 by issuing estimates not in writing after a visual inspection of the goods to be moved, and charging customers in excess of estimates issued; COUNTS: 92 [CPSD Declaration, Attachments 3, 5, 6 – 10, 15.]

5. Violated § 5139 and Item 128 of MAX 4 by failing to provide a completed Agreement For Moving Services to the customer no less than 3 days before the move date; COUNTS: 92 [CPSD Declaration, Attachments 3, 5, 6, 8, 10, 15.]

6. Violated §§ 5139, 5245 and Items 108, 120, 128 of MAX 4 when before the move they failed to disclose in a written Agreement For Moving Services or a valid Change Order the charges for packing services or materials, and/or Respondent failed to refund customers $ 60,000 (approximately $ 59,964.55) [3] of collected overcharges; [4] COUNTS: 92 [CPSD Declaration Attachments 3, 5, 6, 8, 10, 15.]

[3] Contingent upon the results of a CPSD survey of GLOBE customers, the amount of overcharges to be refunded could increase.

[4] MAX 4, Item 128, paragraph 5 states in pertinent part: "Charges collected by carrier in excess of those based on rates quoted in the Agreement, Estimate, and/or Change Order shall be refunded to debtor within ten (10) days of collection."

7. Violated § 5139 and Items 128 and 132 failing to include required information, including a "Not To Exceed Price" on shipping documents; COUNTS: 53 [CPSD Declaration, Attachment 6.]

8. Violated § 5314.5 by advertising and holding out to the public that it is in operation as a household goods carrier, without a valid permit issued under Chapter 7 of the Public Utilities Code; COUNT: 1 [CPSD Declaration, Attachment 14.]

9. Violated § 5139 and Item 92 of MAX 4 by failing to timely respond to customer claims for loss or damage, or to maintain a claims register as required by regulations; COUNTS: 3 [CPSD Declaration, Attachment 10.]

10. Violated § 5139 and Item 88 of MAX 4 by failing to include its CAL T number in advertising, including misleading descriptions or displays of its storage facilities or equipment in advertising; COUNTS: 2 [CPSD Declaration D. Zundel, May 11, 2004.]

11. Violated § 5139 and Items 16 and 44 of MAX 4 when it quoted or assessed rates and charges based on units of measurement other than as prescribed by MAX 4; COUNTS: 2 [CPSD Declaration Attachment 3.]

12. Violated § 5139 and Item 88 of MAX 4 by failing to furnish to each prospective shipper a copy of the information specified in Item 470 of MAX 4, the Important Information For Persons Moving Household Goods booklet; COUNTS: 9 [CPSD Declaration, Attachment 3]

13. Violated § 5139 and Item 128 of MAX 4 by failing to provide customers with a completed Agreement For Moving Services no less than 3 days before the date of the move; COUNTS: 8 [CPSD Declaration, Attachment 8.]

14. Violated § 5139 and MAX 4, Item 340 Note 6, when it billed additionally for packing and sealing materials, e.g. dividers, paper and tape; COUNT: 1 [CPSD Declaration, Attachment 8.]

15. Violated § 5139 and Item 80 of MAX 4 by failing to use the weight of the property tendered for transportation in assessing charges based on weight, to determine the

weight of shipments by obtaining a weigh master's certificate or weight ticket before delivery; COUNTS: 2 [CPSD Declaration, Attachment 3.]

IT IS ORDERED that:

1. An investigation on the Commission's own motion is instituted into the operations and practices of Respondent Globe Van Lines of California, Inc., a Florida corporation, and its President Isaac Nagar. 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, Respondent shall appear and show cause why its pending application for a household goods carrier permit under File No. T-189,798 should not be denied for cause and lack of fitness in view of the above listed allegations made by Staff, assuming the allegations are proven at the hearing, and/or other sanctions imposed.

2. During the pendency of this investigation, it is ordered that Respondent Globe Van Lines of California, Inc. shall cease and desist from any violations, in connection with household moves, of the Household Goods Carriers' Act, including Maximum Rate Tariff 4 and General Order 100-M.

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 Respondent 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 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 settlement terms. A prehearing conference will be scheduled and held within 40 days and hearings will be held as soon as practicable thereafter. 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 concerning violations of statutes, rules, regulations or orders.

5. Respondent is hereby placed on notice that if staff's allegations are proven during the evidentiary hearing, the Commission may impose fines and penalties according to that which is authorized by law. The Executive Director shall cause a copy of this order and the staff declarations to be served by certified mail upon Respondent Isaac Nagar, President, Globe Van Lines of California, Inc., 25007 Viking Street, Hayward, CA 94565.

A copy of this order and the staff declarations shall also be sent by certified mail to Padideh Seyed-Jafari, Attorney at Law, Jafari & Associates, Counsel for Respondent Globe Van Lines of California, Inc., 16000 Ventura Blvd. 5th Floor, Encino, CA 91436.

This order is effective today.

Dated August 19, 2004, at San Francisco, California.

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