BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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11/03/26
11:25 AM
K2602006

Appeal of ISS Action, Inc. from Citation No. T.26-01-018 issued January 21, 2026 in the amount of $20,000 issued by the California Public Utilities Commission Consumer Protection and Enforcement Division.	K.26-02-006

JOINT MOTION OF THE CONSUMER PROTECTION AND ENFORCEMENT DIVISION AND ISS ACTION, INC. FOR COMMISSION ADOPTION OF SETTLEMENT AGREEMENT

CATHERINE RUCKER
Attorney for Consumer Protection and Enforcement Division

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415) 703-1755
E-mail: catherine.rucker@cpuc.ca.gov

HANNAH SCHUSTER
Attorney for Appellant, ISS Action, Inc.

647 Third Ave.
Chula Vista, CA 91910
Telephone: (910) 585-2576
E-mail: hschuster@issaction.com

November 3, 2026

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I. INTRODUCTION

Pursuant to the California Public Utilities Commission's (CPUC or Commission) Rules of Practice and Procedure (Rules), Rules 11.1 and 12.1, the Consumer Protection and Enforcement Division (CPED) and the Appellant, ISS Action, Inc. (Appellant or ISS Action), a Charter-Party Carrier of Passengers, submit this joint motion (Joint Motion) and attached Settlement Agreement to resolve claims related to CPED Citation Number T.26-01-018 (Citation) and this proceeding.[1]

To settle legal issues raised in the Citation, ISS Action will pay a reduced amount of $9,000 (Nine Thousand Dollars), in one lump sum, to the Commission in accordance with the terms of the Settlement Agreement.[2]

In reaching this settlement, CPED and ISS Action draw upon facts established through a comprehensive investigation by Commission staff. As detailed below, the Settlement Agreement is reasonable in light of the record, consistent with law, and in the public interest, and therefore, it should be approved by the Commission.

II. BACKGROUND

The term "Charter-Party Carrier of Passengers" is defined as "every person engaged in the transportation of persons by motor vehicle for compensation, whether in common or contract

[1] Rules 11.1 & 12.1 (May 1, 2021); *CPED Compliance Filing* (Feb. 26, 2026) (which includes a copy of the Citation and all of its attachments). See also Attachment A: *Settlement Agreement*. In accordance with Rule 1.8(d), ISS Action has authorized CPED's counsel to sign and file this motion on its behalf.

[2] See Attachment A: *Settlement Agreement*.

carriage, over any public highway in this state."[3] The "Passenger Charter-Party Carriers' Act" is within Public Utilities Code (Pub. Util. Code), Sections 5351-5450.[4] In addition, the Commission's "Enforcement Policy" and "Penalty Assessment Methodology" are within Resolution M-4846.[5] ISS Action operates as a California charter-party carrier of passengers (TCP), under TCP number 39348-Z, and it has had a contract with the U.S. Customs and Border Protection, under the Department of Homeland Security.[6]

CPED investigated ISS Action for the period of October 23, 2023, to December 31, 2025.[7] CPED found that ISS Action's TCP authority:

- Became suspended on October 23, 2023 (for failure to pay Public Utilities Commission Transportation Reimbursement Account (PUCTRA) fees),[8] and was reinstated on November 6, 2023;[9]
- Expired on November 11, 2023,[10] and its Application for TCP Authority was approved on February 19, 2025;[11] and

[3] Pub. Util. Code § 5360.

[4] Pub. Util. Code §§ 5351-5450.

[5] Resolution M-4846, *Resolution Adopting Commission Enforcement Policy*, Attachment: *Enforcement Policy* (Enforcement Policy), Appendix I: *Penalty Assessment Methodology* (Penalty Assessment Methodology) (Nov. 5, 2020).

[6] TCP 39348-Z; *Citation Appeal* (Feb. 12, 2026): Attachment B: *Declaration of Charles Swankosky*, Item No. 3 (Feb. 12, 2026). See also *CPED Compliance Filing*, Attachments: *Investigation Report* (Feb. 26, 2026) at 1-3.

[7] *CPED Compliance Filing*, Attachments: *Investigation Report* (Feb. 26, 2026), at 2.

[8] *CPED Compliance Filing*, Attachments: *Investigation Report* (Feb. 26, 2026), at 4; *CPED Compliance Filing*, Attachments: *Investigation Report*, Attachment 9: CPUC Order of Suspension, Oct. 23, 2023 (Feb. 26, 2026),

[9] *CPED Compliance Filing*, Attachments: *Investigation Report* (Feb. 26, 2026), at 4; *CPED Compliance Filing*, Attachments: *Investigation Report*, Attachment 2: CPUC Order of Reinstatement, Nov. 6, 2023 (Feb. 26, 2026).

[10] *CPED Compliance Filing*, Attachments: *Investigation Report* (Feb. 26, 2026), at 2; *CPED Compliance Filing*, Attachments: *Investigation Report*, Attachment 2: Notice of Expiration of Operating Authority, Nov. 11, 2023 (Feb. 26, 2026).

[11] *CPED Compliance Filing*, Attachments: *Investigation Report* (Feb. 26, 2026), at 3; *CPED Compliance Filing*, Attachments: *Investigation Report*, Attachment 3: ISS Action TCP Authority Application Approval, Feb. 19, 2025 (Feb. 26, 2026).

- Became suspended on August 13, 2025 (for failure to submit an annual Workers' Compensation Report),[12] and was reinstated on September 15, 2025.[13]

CPED concluded that ISS Action operated under expired and suspended authority for a total of 490 days and provided a total of 8,822 transportation services.[14] As a result of CPED's investigation, the Citation includes one alleged violation for:

1) Operating as a TCP after the expiration and during the suspension of its authority, in violation of Pub. Util. Code Section 5379, [490 counts][15]

The Citation also includes a proposed fine amount of $20,000.[16]

III. THE BASES OF THE APPEAL

On January 21, 2026, CPED issued Citation No. T.26-01-018, which required ISS Action to respond by February 12, 2026.[17] On February 12, 2026, ISS Action filed its Citation Appeal.[18]

The Citation Appeal includes the Declaration of Charles Swankosky, who is the San Diego Sector Manager for ISS Action.[19] Mr. Swankosky states that in November 2024, he became aware that ISS Action's TCP Z permit had been expired since November 11, 2023.[20] He also states that he "immediately contacted the CPUC to determine the requirements for reinstatement," and that he was informed that ISS Action would need to submit a new application, file all outstanding PUCTRA reports, and pay the associated PUCTRA fees for each

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[12] *CPED Compliance Filing*, Attachments: *Investigation Report* (Feb. 26, 2026), at 4; *CPED Compliance Filing*, Attachments: *Investigation Report*, Attachment 11: CPUC Order of Suspension, Aug. 13, 2025 (Feb. 26, 2026).

[13] *CPED Compliance Filing*, Attachments: *Investigation Report* (Feb. 26, 2026), at 4; *CPED Compliance Filing*, Attachments: *Investigation Report*, Attachment 12: CPUC Order of Reinstatement, Sept. 15, 2025 (Feb. 26, 2026).

[14] *CPED Compliance Filing*, Attachments: *Investigation Report* (Feb. 26, 2026), at 4.

[15] Pub. Util. Code § 5379.

[16] *CPED Compliance Filing* (Feb. 26, 2026).

[17] *CPED Compliance Filing*, Attachments: Citation #T.26-01-018 (Feb. 26, 2026).

[18] *Citation Appeal* (Feb. 12, 2026).

[19] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky* (Feb. 12, 2026).

[20] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 2 (Feb. 12, 2026). See also *CPED Compliance Filing*, Attachments: *Investigation Report,* Attachment 2: *Notice of Expiration of ISS Action Operating Authority, Nov. 11, 2023* (Feb. 26, 2026).

delinquent quarter.[21] He further states that ISS Action "immediately gathered the required documentation and submitted the new permit application in November/December 2024."[22] He also states that after the Commission issued the new permit, ISS Action submitted its outstanding PUCTRA filings during the spring and summer of 2025.[23] Mr. Swankosky explains that, because of the volume of required information, ISS Action submitted the filings in batches.[24]

Mr. Swankosky also explains that ISS Action continued its operations during the permit lapse "due to our federal contract with U.S. Customs and Border Protection under the Department of Homeland Security" and that there were "no accidents, injuries, safety violations, consumer complaints, or insurance lapses during the period of the permit expiration or suspensions."[25] CPED stipulates that ISS Action provided documentation to show that during the permit lapses, ISS Action did maintain its required insurance policies, including its Worker's Compensation insurance policy. Mr. Swankosky concludes that ISS Action "fully cooperated with the CPUC investigation, promptly provided all requested records and documentation, and took immediate corrective action once the permit lapse was discovered."[26]

Mr. Swankosky also states that ISS Action conducted an internal investigation and found that a former Program Manager, who had worked for ISS Action for multiple years and was responsible for its regulatory compliance, "had systematically failed to perform these duties" and had left ISS Action to work for a competitor.[27] Mr. Swankosky further states that after its internal investigation, ISS Action restructured its compliance operations under a new "Corporate Program Manager," to include reporting to himself, to ensure compliance going forward.[28]

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[21] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 3 (Feb. 12, 2026).

[22] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 4 (Feb. 12, 2026). See also *CPED Compliance Filing*: Attachment: *Investigation Report* (which states that the application was submitted on Nov. 27, 2024), at 2.

[23] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 5 (Feb. 12, 2026).

[24] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 5 (Feb. 12, 2026).

[25] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item Nos. 7 & 9 (Feb. 12, 2026).

[26] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 10 (Feb. 12, 2026).

[27] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 11 (Feb. 12, 2026).

[28] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 12 (Feb. 12, 2026).

IV. PROCEDURAL HISTORY

On January 21, 2026, the CPUC issued Citation T.26-01-018, and on February 12, 2026, ISS Action filed its Citation Appeal.[29] On February 26, 2026, CPED filed its Compliance Filing, which includes a copy of the Citation and all of its attachments.[30]

On August 13, 2026, Administrative Law Judge (ALJ) Patrick Petersen issued a ruling that directed the parties to file a Joint Status Conference Statement on or before September 11, 2026.[31] On September 11, 2026, the parties requested an extension to file until September 14, 2026, and ALJ Petersen granted it.

On September 14, 2026, CPED and ISS Action filed a Joint Status Conference Statement.[32] On September 17, 2026, ALJ Petersen held a status conference.[33] During the conference, the parties informed ALJ Petersen that they had reached a settlement in principle.

V. TERMS OF THE SETTLEMENT AGREEMENT

This Settlement Agreement resolves all issues raised by the Citation and achieves a comprehensive resolution.[34] The Settlement Agreement provides that ISS Action shall pay a reduced amount of $9,000 to the Commission in one lump sum, within 30 days of the Commission's approval of the settlement agreement.[35]

The Settlement Agreement is a compromise of disputed claims and defenses. It contains no admission or acknowledgment of violation, fault, or liability by ISS Action, and the Settling Parties request that the Commission's resolution adopting the Settlement Agreement make no finding of violation, fault, or liability against ISS Action.

VI. REASONABLENESS OF THE SETTLEMENT AGREEMENT

Pursuant to the CPUC's Rules of Practice and Procedure, Rule 12.1(d) (Rule 12.1(d)), the Commission may only approve settlements that are reasonable in light of the whole record,

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[29] *CPED Compliance Filing* (Feb. 26, 2026); *Citation Appeal* (Feb. 12, 2026).

[30] *CPED Compliance Filing* (Feb. 26, 2026).

[31] *ALJ's Ruling Setting Citation Appeal Status Conference and Status Conference Statement Deadline* (ALJ Ruling) (Aug. 13, 2026).

[32] *Joint Status Conference Statement of the CPED and ISS Action, Inc.* (Sept. 14, 2026).

[33] *ALJ Ruling* (Aug. 13, 2026).

[34] See Attachment A: *Settlement Agreement.*

[35] See Attachment A: *Settlement Agreement* at 1-2.

consistent with the law, and in the public interest.[36] Here, information will be presented to show that the Settlement Agreement is reasonable in consideration of these three equitable factors. In addition, information will be presented about whether the reduced amount of $9,000 in the Settlement Agreement is consistent with the five factors in the Commission's Penalty Assessment Methodology.[37]

A. The Settlement Agreement is Reasonable in Light of the Record.

In this case, the Commission has a sufficient administrative record for determining the reasonableness of the Settlement Agreement.[38] For example, CPED's Compliance Filing includes a copy of the Citation and all of its attachments, including the Investigation Report.[39] In addition, ISS Action submitted its supporting documents with its Citation Appeal.[40] A proposed settlement is reasonable if it adopts a result in the range of reasonableness in the context of the seriousness of the allegations, as well as the prehearing evaluations of the parties.[41]

The parties recognize the risks inherent in litigation and, accordingly, have chosen to mutually settle this matter on terms that are reasonable and that both parties can and do support. The parties have devoted considerable time and effort to develop the factual record, which is included in CPED's Compliance Filing and ISS Action's Citation Appeal.[42] Based on the administrative record, CPED and ISS Action engaged in arm's-length negotiations to resolve the issues and determine the appropriate settlement terms.

The resulting Settlement Agreement specifically addresses and resolves CPED's factual and legal allegations and ensures future compliance with the Commission's applicable rules and regulations. In addition, the Settlement Agreement requires ISS Action to pay a reasonable amount for a regulated entity having its financial resources.[43] The $9,000 settlement amount will also serve as an effective reminder for ISS Action of its obligation to know and remain in

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[36] Rule 12.1(d) (May 1, 2021).

[37] *Penalty Assessment Methodology* (Nov. 5, 2020) at 16-21; Attachment A: *Settlement Agreement*.

[38] See Attachment A: *Settlement Agreement.*

[39] See *CPED Compliance Filing* (Feb. 26, 2026).

[40] *Citation Appeal* (Feb. 12, 2026).

[41] See, e.g., *CPED Compliance Filing* (Feb. 26, 2026) and *Citation Appeal* (Feb. 12, 2026).

[42] *CPED Compliance Filing* (Feb. 26, 2026); *Citation Appeal* (Feb. 12, 2026).

[43] See Attachment B: ISS Action's PUCTRA fee reports from 2024 (which show $4,117, 821.02 in revenue) and 2025 (which show $6,211,739.05 in revenue).

compliance with the relevant provisions of the Passenger Charter-Party Carriers' Act.[44] Further, the facts relied on, and the agreed-upon amount of $9,000 do not conflict with the underlying record of this proceeding.

B. The Settlement Agreement Is Consistent with Law.

The Settlement Agreement is consistent with applicable laws. For example, Pub. Util. Code Section 5411 provides that the Commission may impose a penalty between $1,000 and $5,000 for anyone who violates a provision of the Passenger Charter-Party Carriers' Act.[45]

In the Citation, CPED states that it had applied the Penalty Assessment Methodology adopted in Resolution M-4846.[46] The settlement amount of $9,000 is within the financial range for Pub. Util. Code Section 5411.[47] In addition, nothing in the Settlement Agreement contradicts or compromises any statute, case law, or Commission rules or regulations.

C. The Settlement Is in the Public Interest.

The Settlement Agreement is consistent with the Commission's determination that "there is a public policy favoring the settlement of disputes to avoid costly and protracted litigation."[48] For example, in Decision (D).19-10-033, the Commission found that because the settlement agreement conserved the resources of the Commission and the parties, it served the public interest.[49]

In addition, a critical factor in adopting a settlement is that it "commands the unanimous sponsorship of all active parties to the instant proceeding."[50] Such consensus indicates that the settlement is in the public interest. The only and sole parties to this proceeding, CPED and ISS Action, represent the interests affected by the Settlement because each party has a different

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[44] See Pub. Util. Code §§ 5351-5450 (the "Passenger Charter-Party Carriers' Act").

[45] Pub. Util. Code § 5411; Pub. Util. Code §§ 5351-5450.

[46] *CPED Compliance Filing*, Attachments: Citation (Feb. 26, 2026); Resolution M-4846, *Resolution Adopting Commission Enforcement Policy*, Attachment: *Enforcement Policy* (Enforcement Policy), Appendix I: *Penalty Assessment Methodology* (Penalty Assessment Methodology) (Nov. 5, 2020).

[47] Pub. Util. Code § 5411.

[48] D.13-04-019, *Decision Adopting the Settlement on the Larkfield District Moratorium Trigger Mechanism and Adopting Settlement on the Low Income Surcredit Increase* (Apr. 25, 2013) at 14.

[49] D.19-10-033, *Decision Approving Settlement of Preferred Long Distance, Inc. and CPED* (Oct. 15, 2019) at 9.

[50] D.13-12-040, *Decision Adopting Joint Settlement Agreement and Granting Southern California Gas Company's Application to Establish a Biogas Conditioning and Upgrading Services Tariff,* Conclusions of Law No. 4 (Dec. 26, 2013) at 35.

interest and perspective in ensuring and enforcing compliance with state law and the Commission's rules and regulations, all of which are not being further pursued in this proceeding as a result of the Settlement Agreement.

CPED and ISS Action concur that the Settlement reflects the public interest and urge its adoption. Accordingly, CPED and ISS Action request that the Commission adopt the Settlement Agreement in its entirety, without modification.

VII. THE SETTLEMENT AMOUNT IS CONSISTENT WITH THE COMMISSION'S PENALTY ASSESSMENT METHODOLOGY.

To determine the reasonableness of each proposed penalty, the Commission applies the five factors within its Penalty Assessment Methodology.[51] The factors are (1) the severity and gravity of the offense, (2) the conduct of the regulated entity, (3) the financial resources of the regulated entity, (4) the totality of the circumstances in furtherance of the public interest, and (5) the role of precedent.[52] When applied to the Settlement Agreement, these factors establish that it is objectively reasonable.

A. Severity and Gravity of the Offense

The severity or gravity of the offense is evaluated by the nature and extent of economic harm, harm to the regulatory process, and the number and scope of the violations.[53] Here, the severity or gravity of the offense is low because as soon as Mr. Swankosky learned that ISS Action's TCP authority had expired, he immediately contacted the Commission and worked diligently with ISS Action's new Corporate Program Manager to submit a new TCP application.[54] In addition, when the TCP permit had lapsed, CPED stipulates that ISS Action maintained all of its required insurance policies. After ISS Action's TCP authority was reinstated, ISS Action submitted the overdue quarterly PUCTRA reports and fees as soon as it was able to.[55] Further, while ISS Action's TCP authority had lapsed, there were "no accidents, injuries, safety violations, consumer complaints, or insurance lapses."[56]

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[51] *Penalty Assessment Methodology* (Nov. 5, 2020) at 16-21 (Parts I. – V.).

[52] *Penalty Assessment Methodology* (Nov. 5, 2020) at 16-21.

[53] *Penalty Assessment Methodology* (Nov. 5, 2020) at 16-17.

[54] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 4 (Feb. 12, 2026).

[55] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 5 (Feb. 12, 2026).

[56] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 9 (Feb. 12, 2026).

The Settlement Agreement includes an amount of $9,000, which reflects the low severity and gravity of the offense.[57] This amount will deter ISS Action and the other regulated TCP entities from violating the Passenger Charter-Party Carriers' Act.[58]

B. Conduct of the Regulated Entity

In assessing the entity's conduct, the Commission considers the entity's actions to prevent, detect, disclose, or rectify a violation.[59] As Mr. Swankosky explained, ISS Action had relied on a former Program Manager to ensure that the company remained in compliance with all of the Commission's requirements.[60] However, that former Program Manager failed to do so, failed to inform Mr. Swankosky and the rest of the management team, and also left to work for a competitor.[61] When Mr. Swankosky realized that ISS Action's TCP authority had expired, he took immediate action by contacting the CPED to find out how to get back into compliance.[62] In addition, Mr. Swankosky worked with ISS Action's new Corporate Program Manager to get ISS Action back into compliance by submitting a new application, which included providing proof of Workers' Compensation insurance.[63] Further, after ISS Action's authority was reinstated, it submitted its overdue quarterly PUCTRA requirements as soon as it was able to.[64]

Mr. Swankosky also states that although its Workers' Compensation insurance policy had not been reported to the Commission, ISS Action maintained the policy during the periods when its TCP authority was expired or suspended.[65]

Due to ISS Action's diligent efforts to fully cooperate with CPED and get back into compliance with all of the Commission's requirements, including providing proof of Workers' Compensation insurance and submitting all of its quarterly PUCTRA reports and fees, a settlement amount of $9,000 is warranted.

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[57] See Attachment A: *Settlement Agreement*; *Penalty Assessment Methodology* (Nov. 5, 2020).

[58] Pub. Util. Code §§ 5351-5450.

[59] *Penalty Assessment Methodology* (Nov. 5, 2020) at 19.

[60] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 11 (Feb. 12, 2026).

[61] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 11 (Feb. 12, 2026).

[62] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item Nos. 2-5 (Feb. 12, 2026).

[63] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 4 (Feb. 12, 2026).

[64] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 5 (Feb. 12, 2026).

[65] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 8 (Feb. 12, 2026).

C. Financial Resources of the Regulated Entity

In evaluating the settlement amount, the financial resources of the regulated entity and the balance between deterrence and the constitutional limitations on excessive penalties are to be considered.[66] According to the Commission's PUCTRA fee reports, in 2024, ISS Action's gross revenues were approximately $4.1 million and in 2025, they were approximately $6.2 million.[67]

Here, CPED and ISS Action agree that ISS Action has the financial resources to pay the reduced amount of $9,000.[68]

D. Totality of the Circumstances in Furtherance of the Public Interest

This factor includes four considerations of deterrence, mitigating or exacerbating facts for the degree of the wrongdoing, harm from the perspective of public interest, and ensuring that there are no incentives to make economic choices that cause or unduly risk a violation.[69]

The $9,000 settlement amount is significant enough to motivate ISS Action to monitor and maintain its "active" TCP authority at all times. In addition, Mr. Swankosky provided mitigating facts to explain that ISS Action fell out of compliance because one employee, who has since left the company to work for a competitor, was responsible.[70] In addition, as soon as Mr. Swankosky realized that the company's TCP number had expired, he and the new Corporate Program Manager immediately took immediate corrective action to reinstate the company's TCP authority and submit the outstanding quarterly PUCTRA reports and fees to the Commission.[71] Mr. Swankosky also explained that ISS Action has further rehabilitated itself by carrying out an internal investigation and implementing new internal procedures to ensure that the company will remain in compliance with all of the Commission's regulatory requirements, going forward.[72]

Regarding harm to the public interest, Mr. Swankosky states that as soon as he became aware that its TCP authority had expired, he contacted CPED to find out what needed to be done to get back into compliance. He also explained that while ISS Action's TCP was expired, the

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[66] *Penalty Assessment Methodology* (Nov. 5, 2020) at 17-18.

[67] See Attachment B: ISS Action's PUCTRA fee reports from 2024 (which show $4,117, 821.02 in revenue) and 2025 (which show $6,211,739.05 in revenue).

[68] See Attachment A: *Settlement Agreement*.

[69] *Penalty Assessment Methodology* (Nov. 5, 2020) at 19-21.

[70] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 11 (Feb. 12, 2026).

[71] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item Nos. 4 & 5 (Feb. 12, 2026).

[72] *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item Nos. 11 & 12 (Feb. 12, 2026).

company continued to carry all of the required insurance types. ISS Action also updated its quarterly PUCTRA reports and associated payments in a timely manner. As a result, Mr. Swankosky and ISS Action worked diligently to minimize the harm to the public interest.

In addition, the public has a strong interest in the Commission's enforcement of the provisions within the Passenger Charter-Party Carriers' Act.[73] CPED conducted a thorough investigation, it verified that ISS Action maintained the required insurance coverages during the permit lapses, and it has negotiated with ISS Action to form a Settlement Agreement.[74] As a result, CPED met its obligations to enforce the relevant provisions within the Passenger Charter-Party Carriers' Act.[75]

For ensuring that there are no incentives to make economic choices that cause or unduly risk a violation, CPED has concluded that ISS Action took all of the required action to reinstate its legal authority to operate as a Charter-Party Carrier of Passengers and update its quarterly PUCTRA reports and fees. The $9,000 settlement amount will remove any incentive that ISS Action, or any other regulated entity, may have to violate the Commission's requirements.

As to the totality of the circumstances in furtherance of the public interest, the four considerations of deterrence, mitigating or exacerbating facts, minimizing the harm from the perspective of the public interest, and economic harm all support a $9,000 settlement amount.[76]

E. Role of Precedent

According to the Penalty Assessment Methodology, when a case involves reasonably comparable factual circumstances to another case where penalties were assessed, the similarities and differences between the cases should be considered in setting the penalty amount.[77]

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[73] Pub. Util. Code §§ 5351-5450.

[74] *CPED Compliance Filing*, Attachments: *Investigation Report* (Feb. 26, 2026); *Citation Appeal*, Attachment B: *Declaration of Charles Swankosky*, Item No. 3 (Feb. 12, 2026) (where Mr. Swankosky explains about the guidance that was provided by the CPUC); Attachment A: *Settlement Agreement*.

[75] Pub. Util. Code §§ 5351-5450.

[76] *Penalty Assessment Methodology* (Nov. 5, 2020) at 19-21. See Attachment A: *Settlement Agreement*.

[77] *Penalty Assessment Methodology* (Nov. 5, 2020) at 21.

CPED has prepared a chart with 5 other Citations and their respective amounts.[78] The settlement amount of $9,000 is comparable to those 5 other Citations, and it is consistent with the Commission's role of precedent.[79]

VIII. CONCLUSION

The Settlement Agreement, including all of its terms and conditions, is consistent with Rule 12.1(d).[80] In addition, it is consistent with the equitable factors because it is reasonable in light of the whole record, consistent with law, and in the public interest.[81] Further, the Settlement Agreement's amount of $9,000 is consistent with the five factors in the Commission's Penalty Assessment Methodology.[82] Accordingly, CPED and the Appellant, ISS Action, Inc., respectfully request that the Commission approve and adopt the Settlement Agreement attached as Attachment A, in its entirety and without modification, and without any finding of violation, fault, or liability against ISS Action, Inc.[83]

Respectfully submitted,

/s/ Catherine Rucker
CATHERINE RUCKER
Attorney for Consumer Protection and Enforcement Division

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415) 703-1755
E-mail: catherine.rucker@cpuc.ca.gov

/s/ Hannah Schuster
HANNAH SCHUSTER
Attorney for Appellant, ISS Action, Inc.

647 Third Ave.
Chula Vista, CA 91910
Telephone: (910) 585-2576
E-mail: hschuster@issaction.com

November 3, 2026

[78] See Attachment C: CPED Comparison Chart for "Previous Similar Citations."

[79] Attachment C: CPED Comparison Chart for "Previous Similar Citations."

[80] Rule 12.1(d) (May 1, 2021).

[81] See Rule 12.1(d) (May 1, 2021).

[82] See Attachment A: *Settlement Agreement*.

[83] See Attachment A: *Settlement Agreement*.

ATTACHMENT A
(Parties' Joint Settlement Agreement)

SETTLEMENT AGREEMENT BETWEEN
THE CONSUMER PROTECTION AND ENFORCEMENT DIVISION (CPED) AND
ISS ACTION, INC. RESOLVING CPED CITATION NO. T.26-01-018
ISSUED ON JANUARY 21, 2026

ISS Action, Inc. and the Consumer Protection and Enforcement Division (CPED) of the California Public Utilities Commission (CPUC or Commission) are hereinafter collectively referred to as the "Settling Parties". On the following terms and conditions, the Settling Parties hereby agree to settle and fully resolve CPED Citation #T.26-01-018.

On February 12, 2026, ISS Action, Inc. filed a Notice of Appeal from Citation # T.26-01-018 (see proceeding number K.26-02-006).

This Settlement Agreement is entered into as a compromise of disputed claims and defenses in order to minimize the time, expense, and uncertainty of continued litigation. The Settling Parties agree to the following terms and conditions as a complete and final resolution of Citation #T.26-01-018, issued on January 21, 2026. This Settlement Agreement constitutes the sole agreement between the Settling Parties concerning Citation #T.26-01-018 and shall become effective upon the signatures of both parties.

I. AGREEMENT

ISS Action, Inc. shall pay a reduced amount of $9,000.00 (Nine Thousand Dollars) instead of the $20,000.00 (Twenty Thousand Dollars) set out in Citation #T.26-01-018. The payment shall be made in one lump sum.

CPED recognizes that once ISS Action, Inc. became aware that its charter-party carrier (TCP) authority had expired, it worked diligently to have its authority reinstated. In addition, ISS Action has explained that the reason why its authority had lapsed was because a former employee failed to keep ISS Action's TCP authority up to date and current.
This Settlement Agreement is a compromise of disputed claims and defenses. ISS Action, Inc. does not admit, and nothing in this Settlement Agreement, the payment made under it, or the Commission's adoption of it shall constitute or be construed as an admission, acknowledgment, or finding of, any violation, fault, wrongdoing, or liability on the part of ISS Action, Inc. Upon receipt of the payment described below, Citation #T.26-01-018 shall be deemed fully and finally resolved and closed, and CPED shall not pursue any further citation, penalty, enforcement action, or proceeding against ISS Action, Inc. arising from the facts alleged in Citation #T.26-01-018 or the Investigation Report underlying it.

Payment shall be by check or money order and shall be made payable to the California Public Utilities Commission within 30 days after the Commission's approval of the Settlement Agreement. ISS Action, Inc. shall write on the face of the check or money order: "For deposit to the State of California General Fund for Citation #T.26-01-018". Payment shall be delivered to:

California Public Utilities Commission
Fiscal Office, Room 3000
505 Van Ness Avenue
San Francisco, CA 94102

II. OTHER MATTERS

A. The Settling Parties agree to actively and mutually defend this Settlement Agreement if its adoption is opposed by any other party in proceedings before the Commission.

B. The Settling Parties have bargained in good faith to reach the agreement set forth herein. The Settling Parties intend the Settlement Agreement to be interpreted as a unified, interrelated agreement. The Settling Parties agree that no provision of this Settlement Agreement shall be construed against any of them because a particular party or its counsel drafted the provision.

C. The rights conferred, and obligations imposed on any of the Settling Parties by this Settlement Agreement shall inure to the benefit of or be binding on that Settling Party's successors in interest or assignees as if such successor or assignee was itself a party to this Settlement Agreement.

D. Should any dispute arise between the Settling Parties regarding the manner in which this Settlement Agreement or any term shall be implemented, the Settling Parties agree, prior to initiation of any other remedy, to work in good faith to resolve such differences in a manner consistent with both the express language and the intent of the Settling Parties in entering into this Settlement Agreement.

E. This Settlement Agreement is not intended by the Settling Parties to be precedent for any other proceeding, whether pending or instituted in the future. The Settling Parties have assented to the terms of this Settlement Agreement only for the purpose of arriving at the settlement embodied in this Settlement Agreement. Each Settling Party expressly reserves its right to advocate, in other current and future proceedings, positions, principles, assumptions, arguments and methodologies which may be different than those underlying this Settlement Agreement, and the Settling Parties expressly declare that, as provided in Rule 12.5 of the Commission's Rules of Practice and Procedure, this Settlement Agreement should not be considered as a precedent for or against them.

F. This Settlement Agreement may be executed in counterparts.

G. The Settling Parties hereby agree that this Settlement Agreement is entered into as a compromise of disputed claims and defenses in order to minimize the time, expense, and uncertainty of continued litigation in this proceeding.

H. Nothing in this Settlement Agreement relieves ISS Action, Inc. from any responsibilities imposed on it by law or Commission rules, orders, or decisions.

I. In reaching this Settlement Agreement, the Settling Parties expect and intend

that neither the fact of this settlement nor any of its specific contents will be admissible as evidence ofIn reaching this Settlement Agreement, the Settling Parties expect and intend that neither the fact of this settlement nor any of its specific contents will be admissible as , or construed as an admission or acknowledgment of, fault or liability in any other proceeding before the Commission, any other administrative body, or any court. In this regard, the Settling Parties are relying on Evidence Code Section 1152(a) and Public Utilities Code Section 315. Furthermore, such use of this Settlement Agreement or any of its contents in any other proceeding before the Commission, any other administrative body, or any court would frustrate and interfere with the Commission's stated policy preference for settlements rather than litigated outcomes. See Public Utilities Code Section 1759(a).

J. This Settlement Agreement represents the sole and entire agreement between the Settling Parties with respect to the subject matter hereto and supersedes all prior agreements, negotiations, and discussions between the Settling Parties hereto and/or their respective counsel with respect to the subject matters covered herein.

K. Each Settling Party whose signature is affixed hereto in a representative capacity represents and warrants that they are authorized to execute this Settlement Agreement on behalf of and to bind the entity on whose behalf his or her signature is affixed, and each of the Settling Parties represents and warrants that the person executing this Settlement Agreement on its behalf has full and complete legal authority to do so.

L. This Settlement Agreement contains the entire agreement between the Settling Parties. The terms of the Settlement Agreement are contractual and not merely recital. This Settlement Agreement is executed without reliance upon any representations not contained in this document. The undersigned Settling Parties have carefully read, understood, and had the opportunity to seek advice of counsel concerning the content of this Settlement Agreement and sign the agreement of their own free will.

M. The Settling Parties' obligations under this Settlement Agreement are conditioned on the Commission's adoption of the Settlement Agreement without material modification. If the Commission declines to adopt the Settlement Agreement, or adopts it with modifications, either Settling Party may, within 15 days after the Commission's action, withdraw from the Settlement Agreement by written notice to the other, in which event the Settlement Agreement shall be void and of no effect, the Settling Parties shall be restored to their respective positions as of the day before its execution, and nothing in the Settlement Agreement or the negotiations leading to it shall be used for any purpose in this or any other proceeding.

IN WITNESS WHEREOF, the Settling Parties hereto have duly executed this Settlement Agreement.

Date: 11/3/2026

By: Shirley Lei

Shirley Lei – Program & Project Supervisor
Transportation and Enforcement Branch
Consumer Protection & Enforcement Division

Date: 11/3/2026

By: Pamela Newman

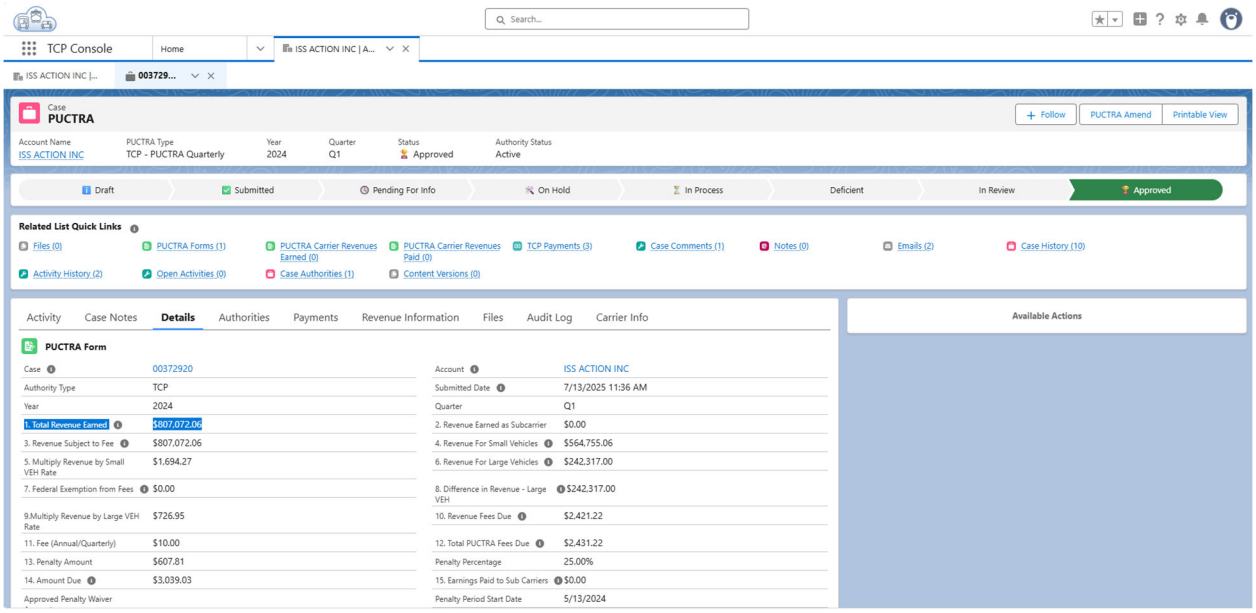
Pamela Newman
Chief Executive Officer, ISS Action, Inc.

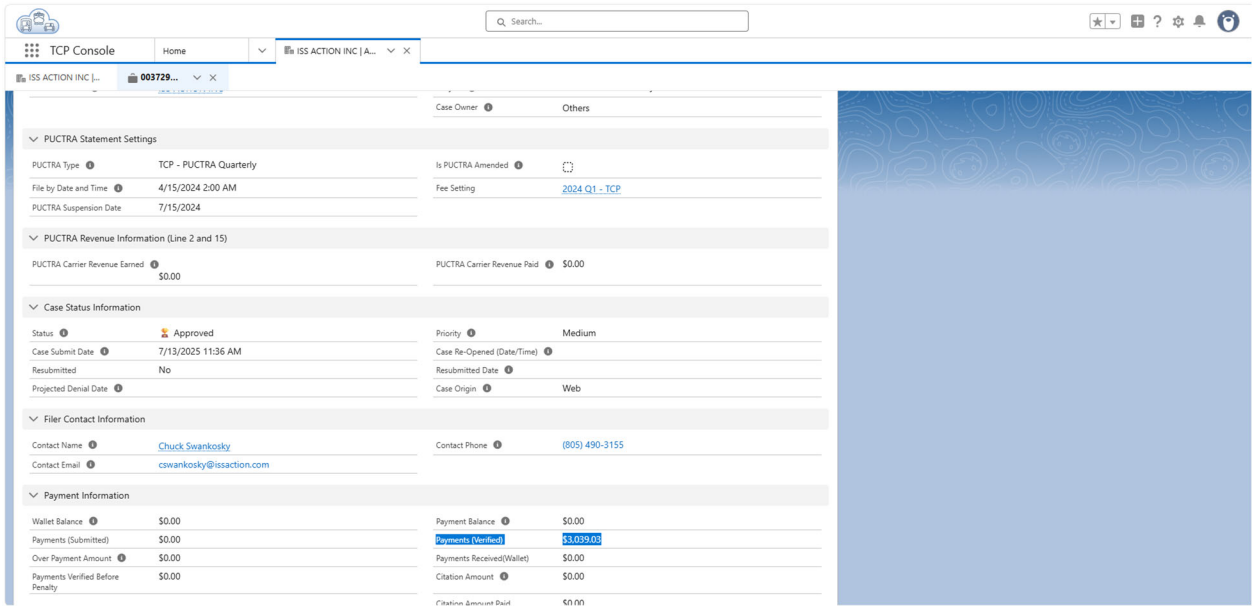
ATTACHMENT B

ISS Action's PUCTRA Fee Reports From 2023 (Quarter 4) to 2025

2024 Q1

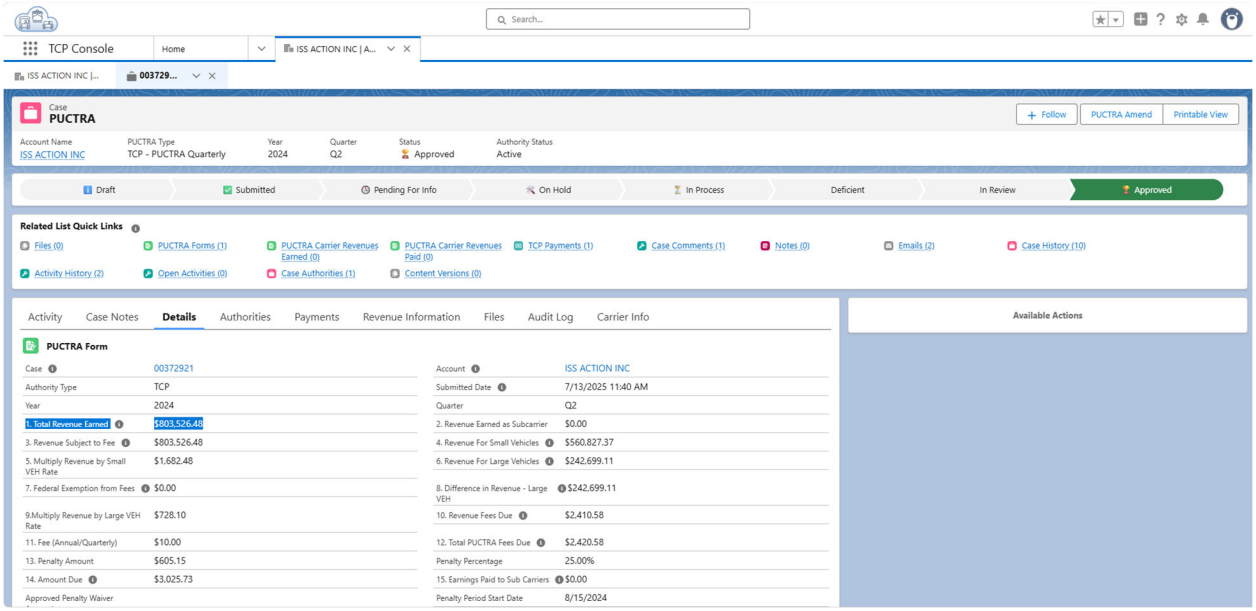
- Revenue: $807,072.06

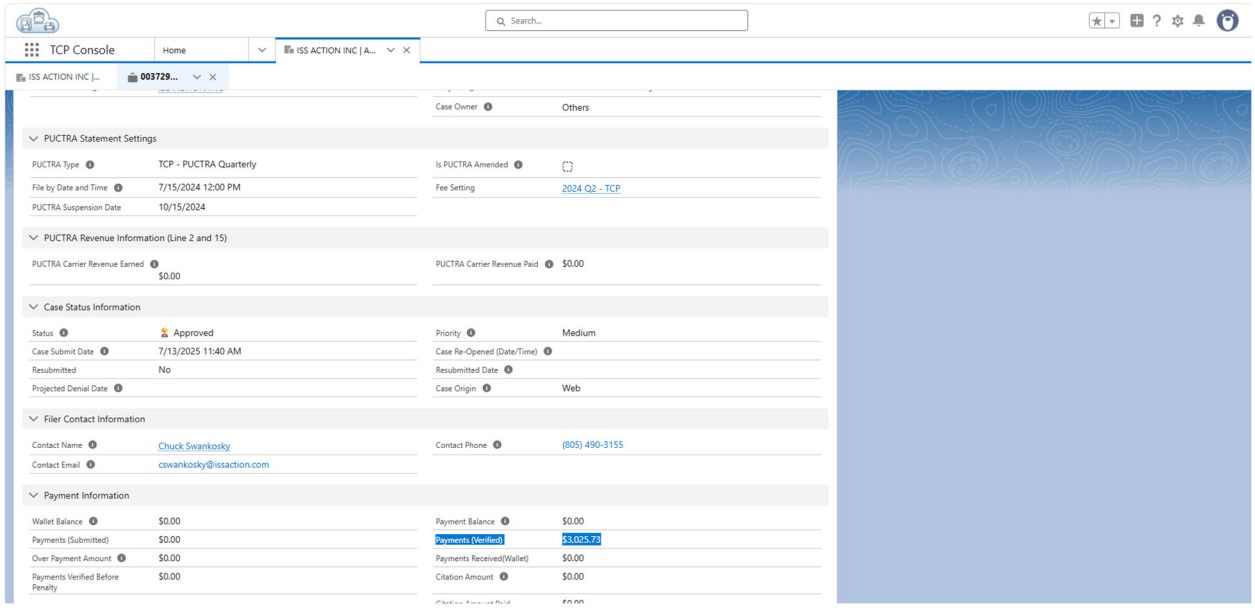




2024 Q2

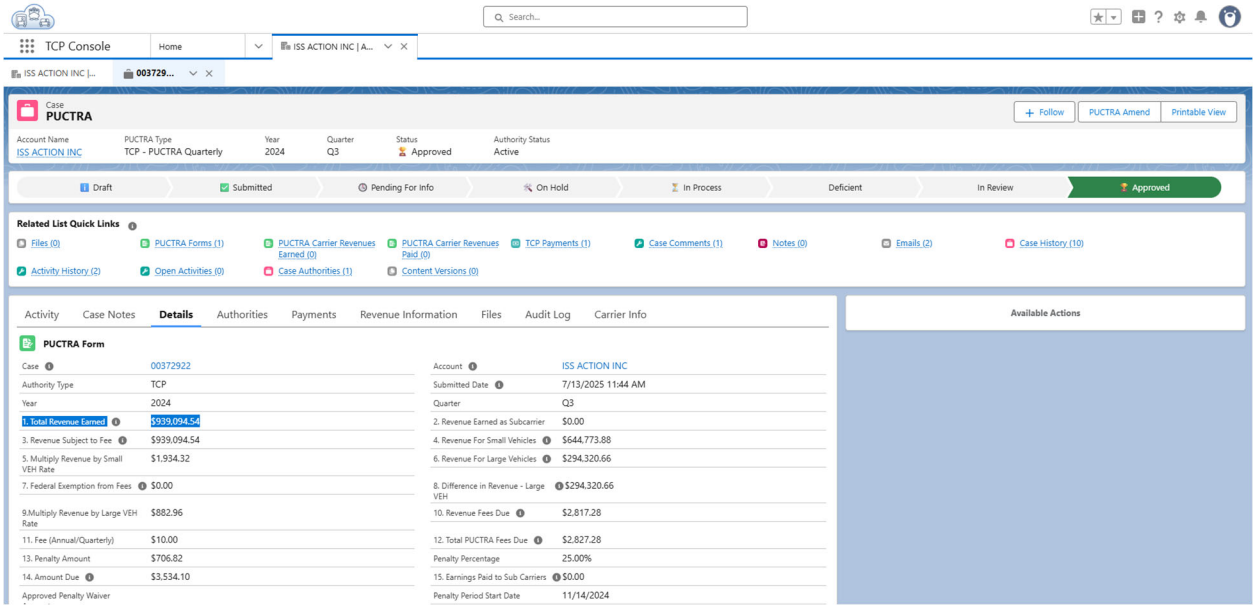
- Revenue: $803,526.48

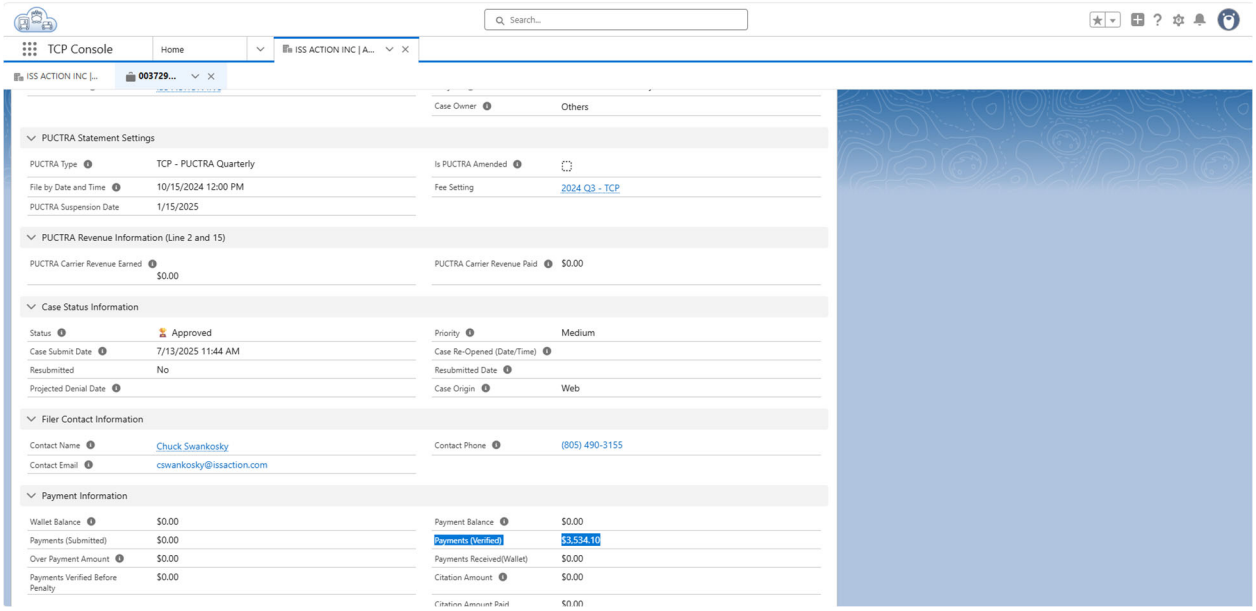




2024 Q3

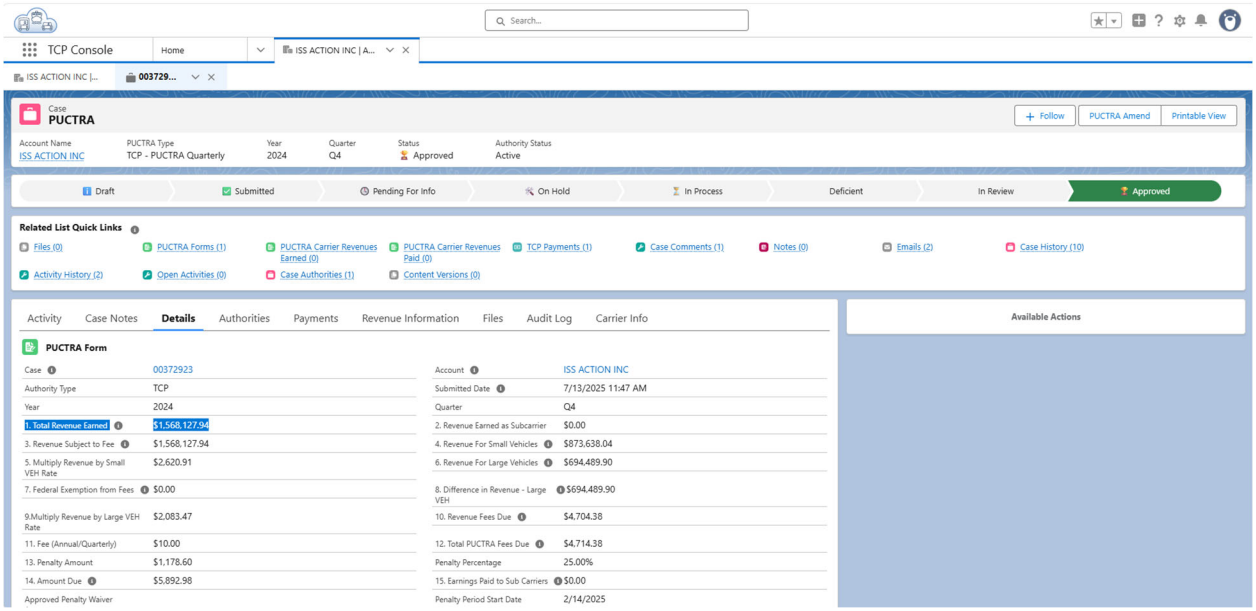
- Revenues: $939,094.54

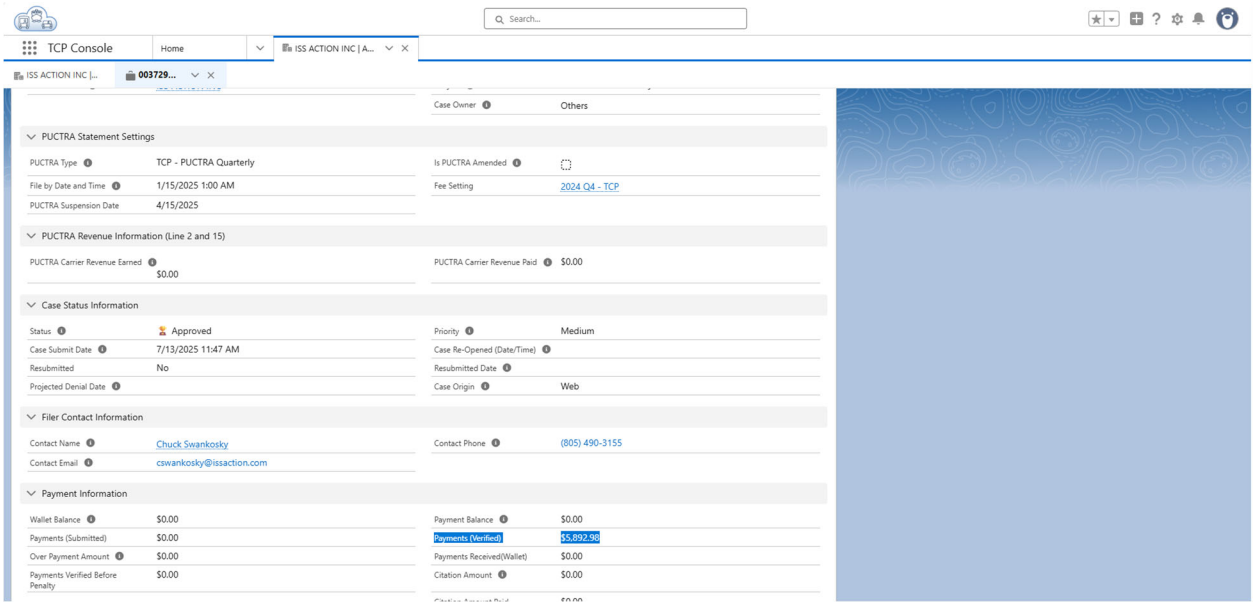




2024 Q4

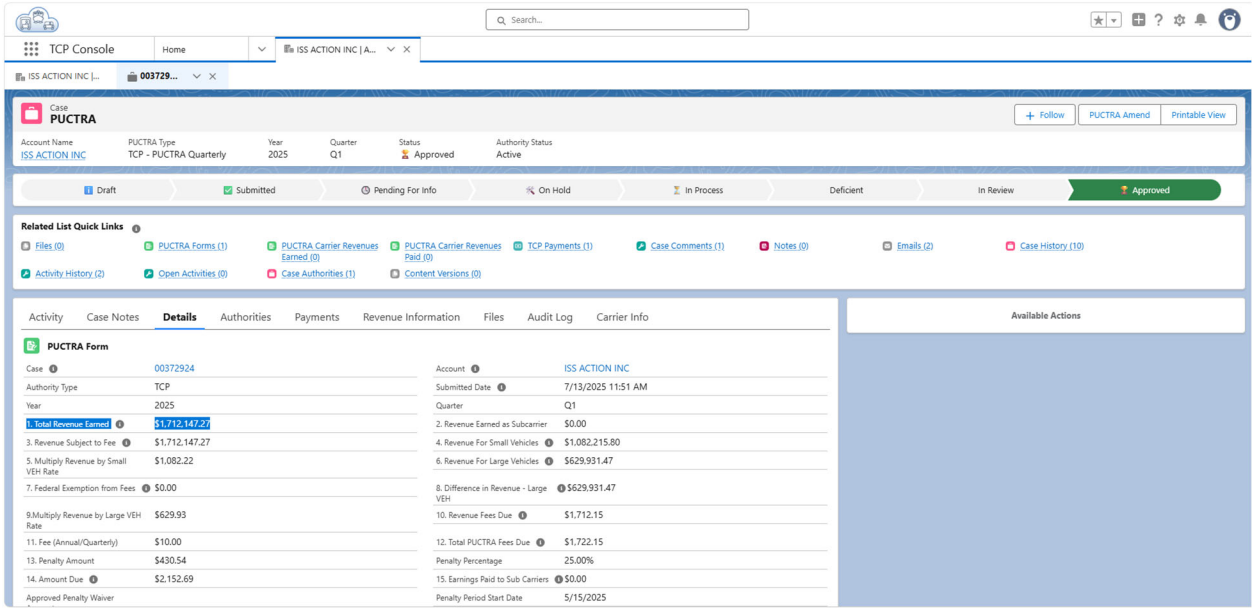
- Revenue: $1,568,127.94

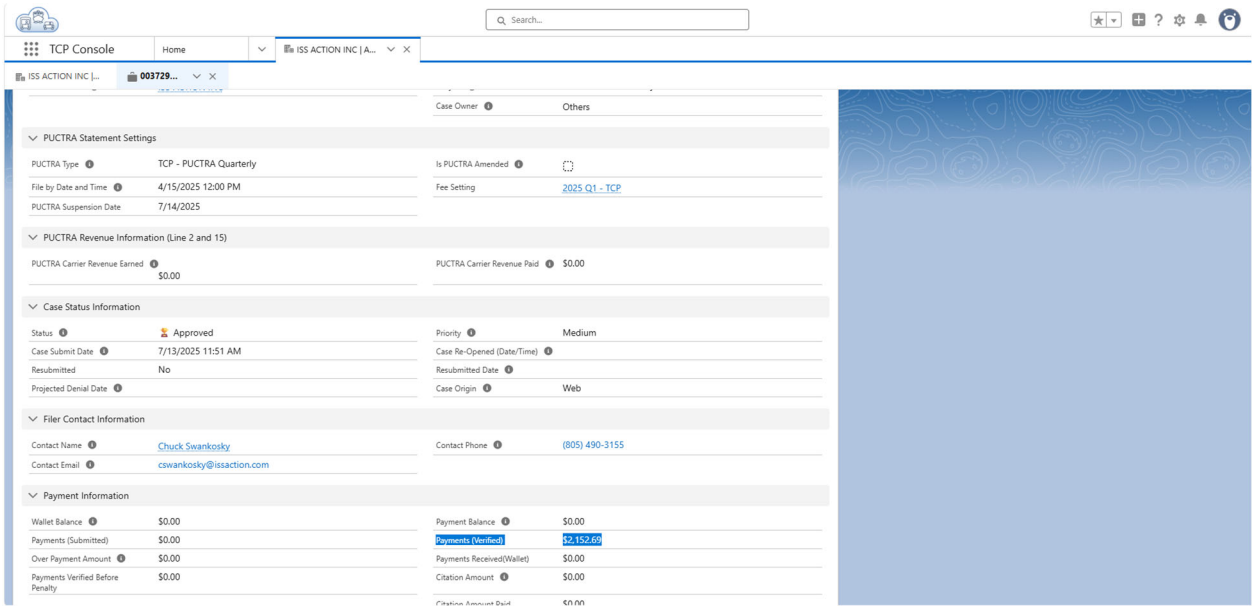




2025 Q1

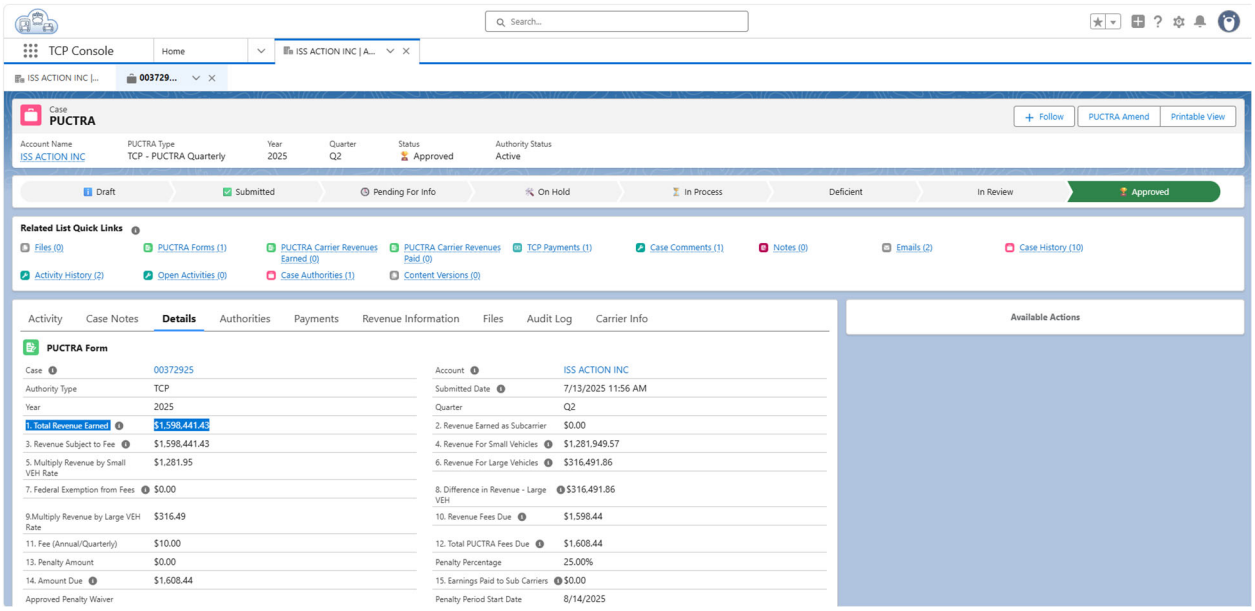
- Revenue: $1,712,147.27

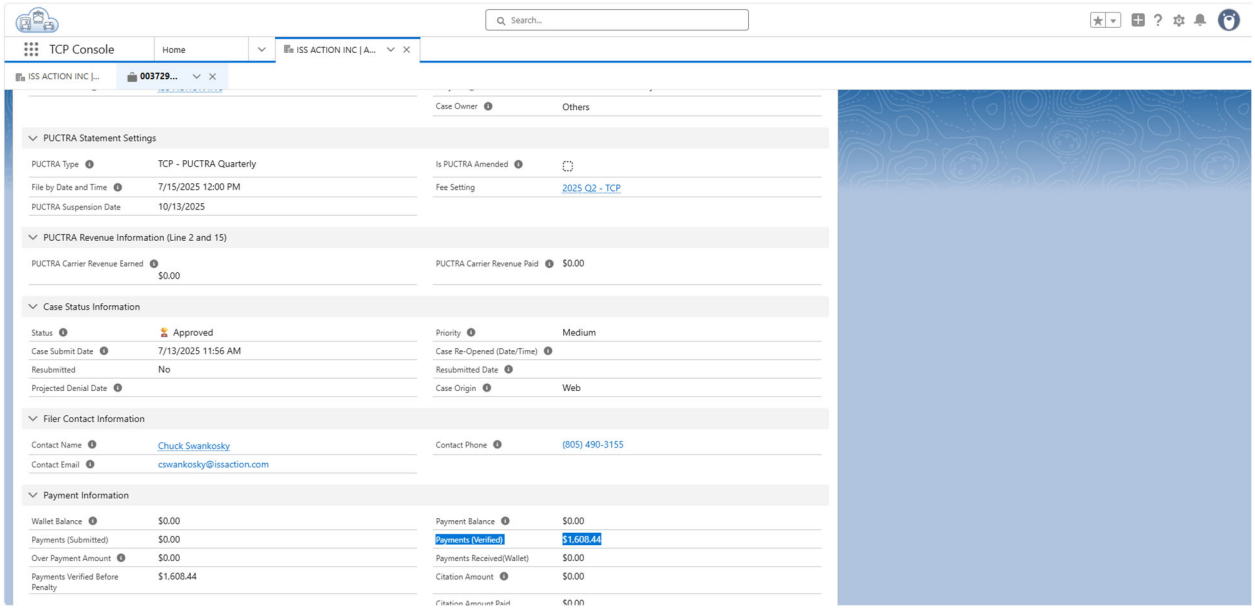




2025 Q2

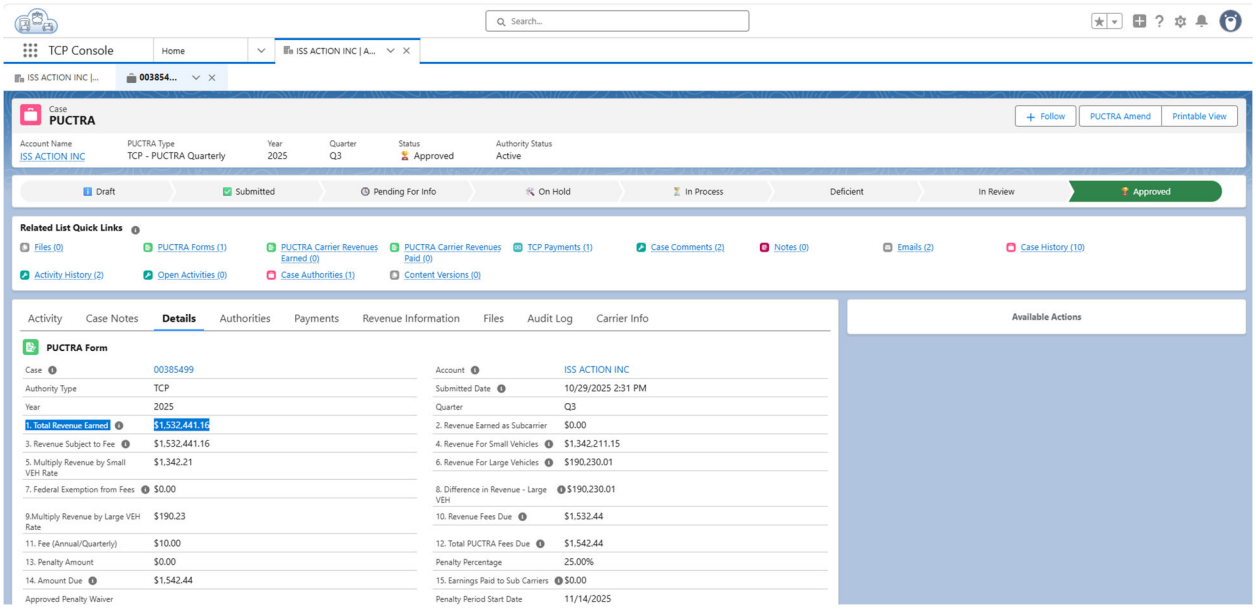
- Revenue: $1,598,441.43

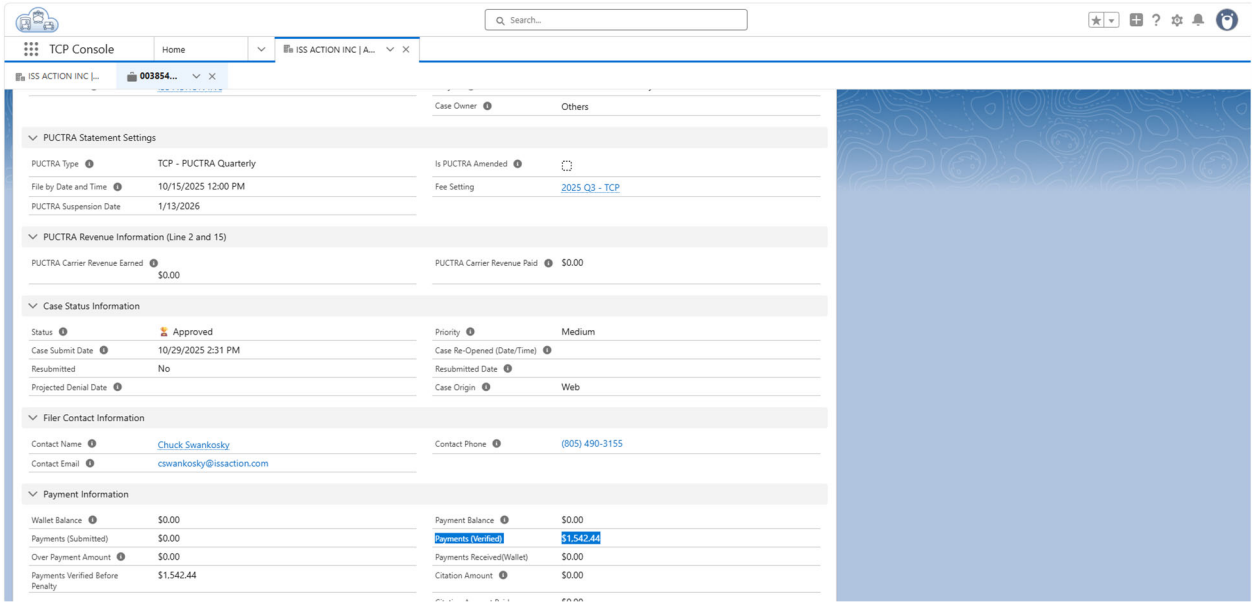




2025 Q3

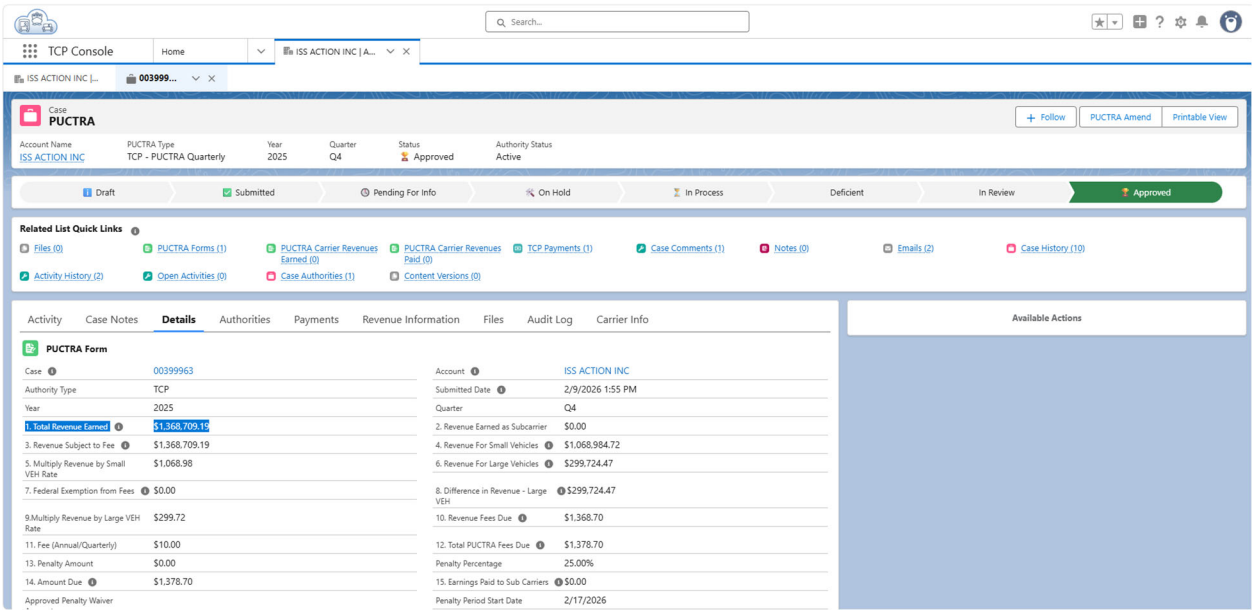
- Revenue: $1,532,441.16

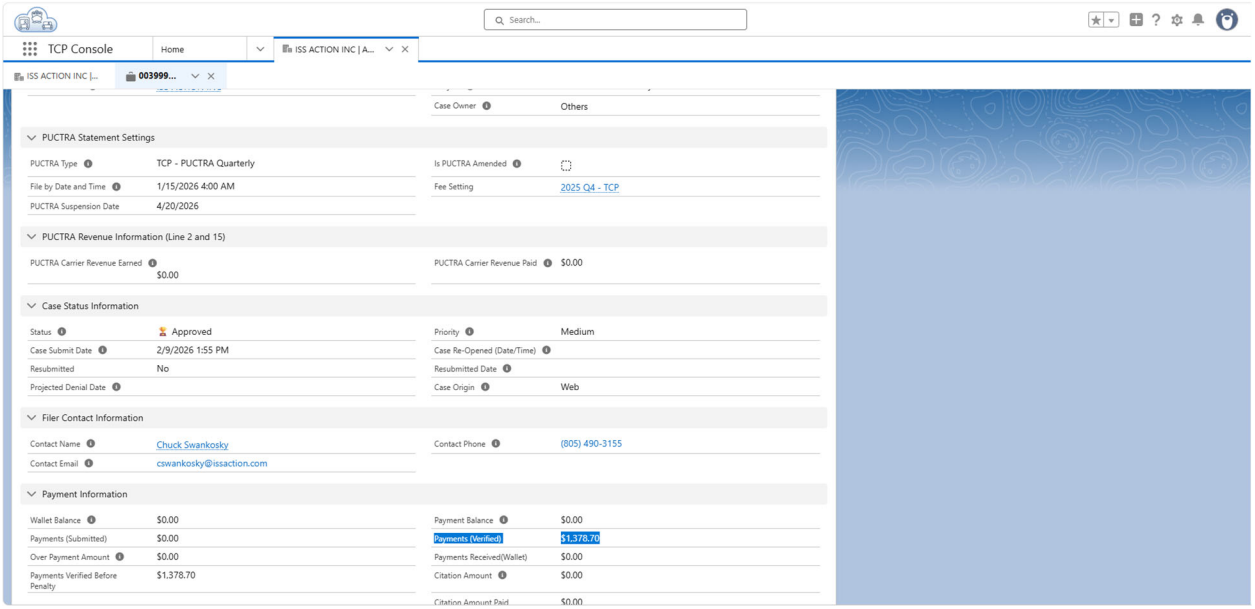




2025 Q4

- Revenue: $1,368,709.19





ATTACHMENT C
Role Of Precedent

Previous Similar Citations

Carrier Name	Citation No.	Violation	Citation Amount
WeDriveU, Inc.	T.2026-10-007	Pub. Util. Code Section 5379, operating after expiration of authority (7 counts)	$5,000
EOS Transportation, Inc.	T.2026-08-011	Pub. Util. Code Section 5379, operating after revocation of authority (38 counts)	$6,000
Excellency BTS LLC	T.2026-07-001	Pub. Util. Code Section 5379, operating during suspension and after revocation of authority (4 counts)	$8,000

Settlement Agreements Adopted

Carrier Name	Citation No.	Citation Penalty Amount	Appeal Proceeding No. & Violations	Settlement Amount
Edwin Torres	T.22-10-001	$20,000	K.22-11-012 (Pub. Util. Code Section 5371, operating without authority (1 count))	Resolution ALJ-480 adopted parties' settlement agreement that reduced the penalty amount to $10,000
Bauer's Hotel Shuttle, LLC	T.24-03-001	$20,000	K.24-04-007 (Pub. Util. Code Section 5379, operating after expiration of authority (15 counts))	Resolution ALJ-484 adopted parties' settlement agreement reducing the penalty amount to $13,500