

Decision 02-05-028 May 16, 2002

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Order Instituting
Investigation into the operations and practices of
Arnold Ray Baeza, an Individual, doing business
as Best Movers,

Investigation 01-06-021
(Filed June 14, 2001)

Respondent.

**OPINION AND FINAL ORDER
RESOLVING ALLEGED VIOLATIONS**

I. Summary

This decision permits Arnold Ray Baeza, doing business as Best Movers (Baeza), to retain his permit to operate as a household goods carrier if he complies with the conditions set forth in the decision. Additionally, the decision fines Baeza a total of \$19,000, with all but \$5,000 suspended provided Baeza complies with this decision.

**II. The Allegations in the Order Instituting
Investigation (OII)**

This proceeding concerns the Commission's investigation into the operations of Baeza, whose business is located in Upland, California. The OII alleges that Baeza violated the Household Goods Carrier's Act, Pub. Util. Code § § 5101 et seq., the Commission's Maximum Rate Tariff 4, and the Commission's General Orders, principally General Orders 100-M, 136-C, 139-A, and 142 by, among other things:

- Conducting operations as a household goods carrier without a permit in force due to Baeza's failure to maintain evidence of adequate insurance coverage on file with the Commission;
- Advertising as an operating household goods carrier during periods that Baeza's permit was suspended or revoked;
- Being sued by one customer in Small Claims Court for loss and damage to furniture and by another customer in the Superior Court for negligence which resulted in personal injury;
- improperly documenting moves by, for example, failing to: (1) give customers a Not to Exceed Price; (2) record total hours charges; (3) record move dates; (4) record time computations; (5) issue an Agreement for Moving Service for each move performed; (6) provide shipper information booklets to customers; and (7) obtain customer signatures and show customers other information.

III. Procedural Background

The Administrative Law Judge (ALJ) convened two prehearing conferences (PHC) in this investigation. At the second PHC on November 28, 2001, Baeza and the Commission's Consumer Services Division (CSD) agreed to submit the matter upon declarations and briefs, and waived cross examination and the need for evidentiary hearings. CSD submitted the (1) declaration of James H. Badgett and attachments A through R; (2) supplemental declarations and reports of William G. Waldorf dated August 17 and November 29, 2001 and January 3, 2002; and (3) declaration of Ms. Carlyle dated November 30, 2001.¹ Baeza submitted two declarations dated December 13 and 18. The matter was submitted with the filing of briefs on February 13, 2002.

¹ On February 13, 2002, Waldorf also submitted an additional declaration attached to CSD's supplemental brief updating Baeza's operations. Baeza had the opportunity, but chose not to reply to this supplemental brief and declaration.

The OII categorized this investigation as adjudicatory and set the matter for evidentiary hearings. The Scoping Memo confirmed this designation. Because the matter can be resolved on the parties' declarations, we determine that hearings are no longer necessary and our order today makes that change to the OII and Scoping Memo's determination.

IV. Evidence Presented

A. CSD

According to CSD investigator Badgett, the Commission issued Baeza a permit to operate on December 31, 1991. In 1993, when all existing carriers were required to be reexamined to retain their license, Baeza took and passed that examination in the top 10% of the group. Badgett states that since March 1993, Baeza's file contains 20 suspension and revocation notices, mainly for Baeza's failure to maintain evidence of adequate liability and cargo insurance on file with the Commission.

Badgett states that this investigation was initiated because of a complaint against Baeza for failing to respond to and accept responsibility for lost items. Although Baeza states he denied the claim, the complainant never filed a written claim.

One of CSD's principal allegations in the OII is that Baeza continues to operate when his permit has been suspended or revoked due to Baeza's failure to maintain evidence of adequate insurance coverage on file with the Commission. CSD witness Waldorf's update of Baeza's records since the filing of the OII indicates that Baeza's permit was suspended on September 24, 2001 for failure to maintain on file evidence of adequate cargo insurance, and administratively revoked for that reason on December 24, 2001. The Commission received on November 20, 2001 a notice of cancellation of liability insurance from Baeza's

insurer, effective December 24, 2001. On February 13, 2002, Waldorf stated the Commission received replacement certificates for both public liability and cargo insurance; however, Baeza's permit remained revoked pending receipt of evidence of current workers compensation coverage and payment of past due quarterly fees.

Waldorf also established that Baeza continued to advertise in local newspapers while his license was suspended or revoked due to lack of insurance coverage. Additionally, at the November 28, 2002 PHC, the ALJ directed Baeza to include in his declaration a statement of whether he had continued to operate since September when his permit was suspended. Baeza did not include this information in his declaration.

Badgett states that prior to the issuance of the OII, he requested from Baeza all of his moving documents, by document name, from November 18, 1999 to June 30, 2000. When he visited Baeza's operations to collect the documents, Badgett found that Baeza conducted operations from his home and was very disorganized. According to Badgett, Baeza was hesitant to produce the required documentation, and the documents he finally produced in response to Badgett's request were found in his car, were crumpled, wrinkled, difficult to read and incomplete. Badgett claims that Baeza does not provide written estimates.

According to Badgett, Baeza does not maintain a payroll record and primarily uses day laborers. Also, Baeza does not maintain a claims register, and according to Badgett, states he usually pays the claim to prevent "any hassles."

Badgett's declaration also outlined the following customer complaints:

- **Appel-Coonen:** The customer complained concerning damage to a piano and missing ring. The customer also alleged that a member of the moving crew appeared intoxicated. The customer also alleged that Baeza failed to provide a written contract and a written estimate

for services and other required documents. Baeza processed the claim as required by tariff, and the insurance company denied it. The customer requested reconsideration of her claim, alleging violations of the Commission tariffs, including proper documentation and service issues. CSD states that the statute of limitations for the customer to file a small claims action has expired;

- **Betancourt:** The customer alleged that Baeza arrived about six hours late and conducted the move in the dark. The customer also alleges that Baeza scratched his new bedroom set and that one box of 36, containing jewelry and other items totaling \$1600, was missing. CSD alleges that Baeza never responded to this complaint which CSD forwarded to Baeza;
- **Spinella/Ward:** These customers alleged a missing jewelry box with a diamond watch inside. The Commission's investigator advised these customers to file a written claim which they did not do. When questioned by Commission investigators, Baeza stated he searched his truck, talked to his workers, and could not find the alleged missing items. CSD alleges Baeza performed this move while his permit was suspended;
- **Overton:** The customer complained to the Better Business Bureau that Baeza took 16 hours to complete a move that should have taken half the time due to an inadequately sized truck and insufficient personnel. The customer requested a \$500 refund, and stated that Baeza was unresponsive to the request. CSD alleges Baeza did not properly document the move;
- **Carlyle:** The customer filed a personal injury lawsuit against Baeza on September 18, 2000 alleging Baeza's negligent handling of a furniture dolly which came toward her after Baeza set it on the ground, hitting her ankles and causing injury;
- **Gilbert:** The customer filed a small claims court action against Baeza for damage to an oak dining table. Judgment has been entered in this case for \$266, which includes the damage award and costs.

The OII alleges 107 counts for the behavior described above, and CSD believes Baeza has not rebutted any of them. CSD recommends the Commission

revoke Baeza's permit with prejudice. Alternatively, or in addition to suspension, CSD believes Baeza should be fined a total of \$94,000 as follows: \$500 for each of the 107 un rebutted violations alleged in the OII; \$500 for failing to comply with the ALJ's directive that Baeza assure the Commission that he was not operating while his permit was suspended; and \$5,000 for the eight times Baeza was advertising his services without holding a valid permit.

B. Baeza

Baeza admits to poor business practices in not utilizing the proper paper work and promises to reform if permitted to retain his license. Baeza also admits that his insurance has been cancelled periodically due to nonpayment, but that he will reinstate the insurance, and remain fully insured. Baeza also maintains that despite occasional cancellations for late payment, no claim has been denied against him due to lack of insurance coverage, and notes that his license will be automatically suspended or revoked by the Commission should he now or in the future lose his insurance coverage.²

Baeza submitted letters of recommendation from past customers stating that Baeza (1) "has always demonstrated professionalism, courtesy and care with service" (Kinsler); (2) "arrived on time, ... moved without incurring any damage" and honored the price originally quoted (Sakansky); (3) "believes in making his customers happy and well satisfied by doing a great job"(Hill); and

² In his brief filed on January 24, Baeza stated that he currently had cargo insurance and has had liability insurance until recently, because on January 15, Baeza's carrier informed him that his reinstatement check was rejected. Baeza stated he was making efforts through his agent to obtain prompt coverage.

(4) “assisted this customer with moves on three occasions” and “they were perfect, no damaged property and done in a very timely manner.” (Cool).

With respect to the individual customer complaints, Baeza responds as follows:

- **Appel-Coonen:** The customer failed to pay almost \$400 of Baeza’s bill. Baeza states the piano was slightly scratched on the bottom, which could be easily repaired. Baeza does not believe the customer’s claim that she left a ring on the window sill and it subsequently disappeared, and has turned the matter over to his insurance carrier.
- **Betancourt:** The customer stopped payment on the check for Baeza’s services. Baeza states that he arrived at the customer’s house a bit late because the first move of the day took longer than expected. Baeza offered to reschedule, but the customer insisted that Baeza do the move on the day promised. Baeza believes that the customer’s claims of damage to furniture and missing jewelry are untrue.
- **Spinella/Ward:** Baeza states that the customer’s claim of a missing jewelry box with an expensive watch is untrue. According to Baeza, Ward told him she might be mistaken, the box could be elsewhere, and she would get back to Baeza. She never did.
- **Overton:** Baeza admits that the move took longer than expected, but does not believe that is grounds to demand a \$500 refund, which is almost the amount Baeza billed Overton.
- **Carlyle:** Baeza’s insurance company is handling this personal injury claim. Baeza claims he is not responsible for the customer’s injury because he placed a dolly on the floor where the customer directed him to and a few minutes later she tripped over it.
- **Gilbert:** Baeza denies that the damage to this customer’s property is worth \$225, but in his brief states that he is ready to pay this claim.

V. Discussion

A. Baeza's Ability to Retain his Permit

The Commission places great trust in household goods carriers when granting them operating authority, and customers place an equal trust in these carriers by tendering their most personal and treasured belongings to them. Baeza has shown disregard of very important California laws and tariffs governing household goods carriers.

Baeza does not dispute that he violated Pub. Util. Code § 5133 on over 18 occasions by conducting operations as a household goods carrier without a permit in force issued by the Commission, and similarly violated Pub. Util. Code § 5286 by conducting operations as a household goods carrier after the suspension and revocation of his permit. Baeza also does not dispute that he advertised as a household goods carrier without holding valid Commission authorization for his operations on at least seven occasions.³

We consider these violations to be serious. Our insurance requirements are the linchpin of our program to ensure that members of the public do not suffer harm at the hands of household goods movers, who assume custody of their customers' essential personal possessions when performing moving services. Baeza has shown a pattern of noncompliance with the law, because of his continued inability to keep his Commission permit valid, primarily due to his failure to maintain evidence of adequate insurance coverage on file with the Commission. He aggravates this problem by advertising his services while his license is suspended or revoked. Baeza also failed to respond to the ALJ's

³ May 18, May 26, June 3, and September 16, 2001 and January 27, February 3 and February 5, 2002.

requirement that he assure the Commission that he was not operating while his license was suspended or revoked. This lack of response constitutes sufficient evidence to infer that not only has Baeza advertised his services while his permit has been suspended or revoked, but that he has also performed moving services in this situation.

Baeza also admits to poor business practices in not utilizing the proper paper work and promises to reform if permitted to retain his license. His refusal to respond promptly to customer complaints and adequately document his moves is decidedly not, as Baeza claims, an excusable, relaxed method of conducting his business, but rather, a serious violation of Commission statutes, general orders, and tariffs. CSD presented uncontroverted testimony that Baeza has violated Pub. Util. Code § 5139, General Orders 100-M and 136-C, and Maximum Rate Tariff 4 at least 65 times by, among other things, failing to (1) respond timely to claims despite repeated inquiries and to maintain a claims register; (2) give customers a Not to Exceed Price; (3) provide adequate equipment and capable help; (4) maintain adequate evidence of insurance coverage on file with the Commission; (5) record total hours charges, move dates, time computations, change order documents, and obtain customer signatures; (6) issue an Agreement for Moving Services for each move performed; and (7) provide shipper information booklets to customers.

We do not permanently revoke Baeza's permit in this decision, as requested by CSD, because we believe a less severe remedy will effectively deter violations by Baeza and others. Baeza is a small mover struggling to comply with the laws governing his industry. He offered letters from four of his satisfied customers testifying to professional moves conducted in a timely fashion. However, should he fail to comply with this decision's directives during the

probationary period, we will initiate proceedings to revoke his permit with prejudice.

Baeza shall be on probation for three years following the effective date of this decision. In order to reinstate his revoked operating permit,⁴ no later than 30 days from the effective date of this decision, Baeza shall (1) provide to License Section of the Commission's Rail Safety and Carriers Division evidence of adequate insurance coverage, including but not limited to liability, cargo, and workers compensation insurance, and shall pay all past due quarterly fees; and (2) keep his evidence of proof of insurance current with the Commission throughout the three year probationary period. If Baeza does not comply with these two orders, the License Section of the Commission's Rail Safety and Carriers Division is directed to immediately suspend Baeza's permit for operating authority, with revocation to follow in 30 days. Reinstatement will be permitted only through the formal application process. In any such application, Baeza shall be required to pay appropriate licensing fees, show his operations and practices will conform to Commission rules and regulations, and include a verified statement that he has paid all outstanding fines and has resolved all outstanding consumer complaints.

In order to achieve restitution, we require that no later than 60 days from the effective date of this decision, Baeza pay in full the outstanding Small Claims Court judgment (including costs) in the Gilbert matter, and that he provide proof of this payment to the Commission in his quarterly reports.

⁴ As of February 2002, when the case was submitted, Baeza's permit was still revoked due to Baeza's failure to maintain evidence of adequate evidence of current workers compensation coverage and payment of past due quarterly fees.

Additionally, Baeza is required to pay in full all final judgments against him for claims arising from his moving services no later than 60 days after the final judgments are rendered, unless the terms of the final judgments specify a different payment plan.

Baeza shall also provide quarterly written reports with the Commission commencing on September 15, 2002, as more specifically set forth in the Ordering Paragraphs. Furthermore, Baeza is directed to comply with all pertinent state statutes, Commission General Orders, tariffs, rules and regulations governing household goods carriers, including but not limited to the Household Goods Carrier's Act, Pub. Util. Code §§ 5101 et seq., General Orders 100-M and 136-C, and the Commission's Maximum Rate Tariff 4.

One of Baeza's problems is his inability to process or handle the paperwork that is necessary to properly and lawfully conduct his operations. No later than 90 days from the effective date of this decision, we require Baeza to obtain job counseling, at his expense, in order that he might properly comply with the laws governing household goods carriers, particularly Maximum Rate Tariff 4.

B. The Fine

CSD also requests that we fine Baeza \$94,000. Pub. Util. Code § 5313 subjects household goods carriers to a penalty of not more than \$500 for each violation of the Household Goods Carriers Act or Commission rules and regulations. Pub. Util. Code § 5313.5 subjects carriers to a penalty of not more than \$5,000 when operating as a household goods carrier without a valid permit or holding itself out as such a carrier without a valid permit.

We fine Baeza a total of \$19,000 as follows. We fine Baeza \$500 for each of 25 violations of Pub. Util. Code § 5313.5, consisting of 18 violations of

operating without a valid permit and seven violations for holding himself out as a carrier without a valid permit. We also fine Baeza \$100 for each of 65 violations of Pub. Util. Code § 5139, General Orders 100-M and 136-C, and Maximum Rate Tariff 4.

To provide guidance in setting fines, the Commission recently distilled the principles that it has historically relied upon in assessing fines and restated them such that they may form the basis for future decisions assessing fines. (See D.98-12-075, Appendix B.) In determining whether to impose a fine and at what level, the Commission will consider (a) the severity of the offense; (b) the utility's conduct; (c) the financial resources of the utility; (d) the totality of the circumstances in furtherance of the public interest; and (e) the role of precedent.

In considering the severity of the offense, Baeza has shown a pattern of noncompliance with the law and Commission directives, particularly in operating without a valid permit, in keeping his insurance coverage current, and in providing written documentation for the moves. Compliance is essential to the proper functioning of the regulatory process and adequate insurance is essential in order that customers can receive restitution for lost or damaged goods, even if the loss or damage is accidental. In light of Baeza's continued disregard of the law and Commission directives, we find the violations severe.

The next factor is the utility's efforts to prevent, detect, and rectify the violation. In this case, Baeza attempted to reinstate his various forms of insurance coverage, but did not do so in a timely fashion, even while the OII was pending. He failed to promptly respond to customers who complained regarding his services and failed to properly document the moves. However, Baeza has indicated a willingness to rectify these problems, although he has not actually done so.

The next factor is the financial resources of the utility. Baeza appears to be a modest operation with minimal financial resources.

In addressing the role of precedent, CSD cites several cases, three of which we find to be the most relevant because of their similar facts and because they do not involve a settlement. In these three cases, the Commission revoked the permit and fined the carrier. However, in all three of these cases, the misconduct of the respondent was much more severe than that of Baeza. Therefore, we do not permanently revoke the permit here but nonetheless impose a substantial fine.⁵

The final factor is the totality of the circumstances in furtherance of the public interest. As a mitigating factor, we consider the letters from customers who were very satisfied with Baeza's services. However, as noted above, we place tremendous trust in household goods carriers in granting them the authority to operate. Where that trust is violated, as the record here demonstrates, we must take action that strongly conveys the message that such conduct will not be tolerated.

In sum, we fine Baeza a total of \$19,000 for the violations enumerated above. Prompt and complete payment of the outstanding small claims court

⁵ See D.01-08-035, Investigation of Ace of Bace Moving [respondent had not disclosed prior criminal convictions for theft of property and held goods for hostage; permit revoked and fine of \$40,000 imposed, reduced to \$10,000 if responded made the required restitution.]; D.01-11-002, Investigation of Federation Moving Services, Inc. [respondent failed to disclose prior felony conviction (two counts of robbery) in his permit application and evidenced egregious and erratic behavior in conducting his operations; permit revoked and no fine imposed.]; and D.99-06-090, Investigation of Paradise Movers [respondent failed to disclose prior felony and damaged property and a customer suffered demonstrable harm through the dishonest acts of a member of the moving crew; permit revoked and no fine imposed.]

judgment and compliance with the other conditions in this decision will be a significant mitigating factor. We therefore suspend all but \$ 5,000 of the fine in order to encourage Baeza's compliance with the other conditions in this decision. Baeza shall pay the \$5,000 fine in five \$1,000 installments during the probationary period, with the first installment due no later than the first of the month following the effective date of this decision, and the subsequent installments due every 60 days thereafter until paid in full.⁶ Should Baeza fail to comply with these conditions, the remaining fine, including the suspended portion, shall become due and payable immediately.

VI. The ALJ's Draft Decision

The draft decision of ALJ Econome was mailed to the parties in accordance with Pub. Util. Code § 311(g)(1) and Rule 77.7 of the Commission's Rules of Practice and Procedure. CSD filed timely comments; no reply comments were filed. We do not make any changes to the draft decision.

Findings of Fact

1. Baeza has conducted operations as a household goods carrier without a permit in force and after the suspension and revocation of his permit on over 18 occasions.
2. Baeza has advertised as a household goods carrier without holding valid Commission authorization for his operations on at least seven occasions.
3. Baeza has on at least 65 separate occasions, failed to (1) respond timely to claims despite repeated inquiries and to maintain a claims register; (2) give

⁶ For example, if Baeza's first \$1,000 payment is due on May 1, 2002, the next \$1,000 would be due 60 days thereafter and the next \$1000 payment would be due 60 days thereafter the last payment until the \$5,000 is paid in full.

customers a Not to Exceed Price; (3) provide adequate equipment and capable help; (4) maintain adequate evidence of insurance coverage on file with the Commission; (5) record total hours charges, move dates, time computations, change order documents, and obtain customer signatures; (6) issue an Agreement for Moving Services for each move performed; and (7) provide shipper information booklets to customers.

4. Baeza has shown a pattern of noncompliance with the law and Commission directives, particularly in operating without a valid permit, in keeping his insurance coverage current, and in providing written documentation for the moves.

5. Baeza admits to poor business practices in not utilizing the proper paper work. His refusal to respond promptly to customer complaints and adequately document his moves is a serious violation of Commission statutes, General Orders, and tariffs.

6. This decision does not permanently revoke Baeza's permit at this time, because we believe a less severe remedy will effectively deter violations by Baeza and others.

Conclusions of Law

1. Because this proceeding can be resolved on the parties' declaration, evidentiary hearings are no longer necessary and this order should change the determination originally made in the OII and Scoping Memo.

2. Baeza violated Pub. Util. Code § 5133 on over 18 occasions by conducting household goods carrier operations without a Commission permit in force, and similarly violated § 5286 by conducting operations as a household goods carrier after the suspension or revocation of his permit.

3. Baeza violated Pub. Util. Code § 5313.5 on at least seven occasions for advertising as a household goods carrier without a valid permit.

4. Baeza violated Pub. Util. Code § 5139, General Orders 100-M and 136-C, and Maximum Rate Tariff 4 at least 65 times.

5. Baeza should be placed on probation for three years following the effective date of this decision.

6. In order to reinstate his revoked operating permit, no later than 30 days from the effective date of this decision, Baeza should provide evidence to the License Section of the Commission's Rail Safety and Carriers Division of adequate insurance coverage and shall pay all past due quarterly fees, as more fully stated in the Ordering Paragraphs. Additionally, Baeza should keep his evidence of proof of insurance current throughout the three-year probationary period.

7. If Baeza does not comply with all insurance requirements during the probation period, the License Section of the Commission's Rail Safety and Carriers Division will immediately suspend Baeza's permit for operating authority, with revocation to follow in 30 days. Reinstatement will be permitted only through the application process. If CSD determines Baeza has violated any of the other terms of this decision during the probationary period, CSD should promptly commence a formal proceeding for the purpose of permanently revoking Baeza's operating authority.

8. Baeza should pay in full the outstanding Small Claims Court judgment (including costs) in the Gilbert matter no later than 60 days from the effective date of this decision, and provide proof of payment of this judgment in his quarterly report.

9. During the probationary period, Baeza should pay in full all final judgments against him from claims arising from his moving services no later than 60 days after the final judgments are rendered, unless the terms of the final judgments specify a different payment plan, and should document such payment in his quarterly reports.

10. Baeza should provide quarterly written reports to the Commission as set forth in the Ordering Paragraphs.

11. Baeza should comply with all pertinent state statutes and Commission General Orders, tariffs, rules, and regulations governing household goods carriers, including but not limited to the Household Goods Carrier's Act, Pub. Util. Code §§ 5101 et seq., General Orders 100-M and 136-C, and the Commission's Maximum Rate Tariff 4.

12. Baeza should obtain job counseling at his expense no later than 90 days after the effective date of this decision in order that he might properly comply with the laws governing household goods carriers, particularly Maximum Rate Tariff 4. Baeza should certify to the Commission that he has complied with this directive in his quarterly reports.

13. Baeza should be fined \$19,000 in fines as follows: \$500 for each of 25 violations of Pub. Util. Code § 5313.5, consisting of (a) 18 violations of operating without a valid permit and seven violations for holding himself out as a carrier without a valid permit; and (b) \$100 for each of 65 violations of Pub. Util. Code § 5139, General Orders 100-M and 136-C, and Maximum Rate Tariff 4. All but \$5,000 of this fine should be suspended provided Baeza complies with this decision throughout the probationary period. Baeza should pay the fine as set forth in the Ordering Paragraphs.

14. Should Baeza fail to comply with this decision throughout the probationary period, the remaining fine, including the suspended portion, should become due and payable immediately.

15. In order to effectively protect consumers, this order should be effective immediately.

O R D E R

IT IS ORDERED that:

1. Arnold Ray Baeza, doing business as Best Movers (Baeza), shall be permitted to reinstate Household Goods Carrier Permit T-163,844 provided that he comply with all conditions set forth in this decision.

2. Baeza shall be placed on probation for three years following the effective date of this decision.

3. In order to reinstate his revoked operating permit, no later than 30 days from the effective date of this decision, Baeza shall (1) provide to the License Section of the Commission's Rail Safety and Carriers Division evidence of adequate insurance coverage, including but not limited to liability, cargo, and workers compensation insurance, and shall pay all past due quarterly fees; and (2) keep his evidence of proof of insurance current with the Commission throughout the three year probationary period.

4. If Baeza fails to maintain appropriate insurance requirements during the probation period, the License Section of the Commission's Rail Safety and Carriers Division is directed to immediately suspend Baeza's permit for operating authority, with revocation to follow in 30 days. Reinstatement will be permitted only through the application process. In any such application, Baeza shall be required to pay appropriate licensing fees, show his operations and

practices will conform to Commission rules and regulations, and include a verified statement that he has paid all outstanding fines and has resolved all outstanding consumer complaints. If the Commission's Consumer Services Division (CSD) determines Baeza has violated any of the other terms of this decision during the probationary period, CSD should promptly commence a formal proceeding for the purpose of permanently revoking Baeza's operating authority.

5. Baeza is fined \$19,000, with all but \$5,000 suspended provided Baeza complies with this decision. Baeza shall pay the \$5,000 fine in five installments, with the first installment of \$1,000 due no later than the first of the month following the effective date of this decision and the subsequent installments due every 60 calendar days thereafter. Each payment shall be made payable to the California Public Utilities Commission and made to CSD, in care of William G. Waldorf, California Public Utilities Commission, Supervisor, Consumer Services Division, 505 Van Ness Avenue, San Francisco, California 94102, or any other person that the Commission, the Assigned Commissioner, or the Assigned Administrative Law Judge, may designate.

6. If Baeza fails to comply with this decision, the remaining fine, including the suspended portion, shall become due and payable immediately.

7. Baeza shall pay in full the outstanding Small Claims Court judgment (including costs) in the Gilbert matter no later than 60 days from the effective date of this decision, and provide proof of payment of this judgment in his quarterly report.

8. During the probationary period, Baeza shall pay in full all final judgments against him from claims arising from his moving services no later than 60 days after the final judgments are rendered, unless the terms of the final judgments

specify a different payment plan, and shall document such payment in his quarterly reports.

9. Baeza shall file quarterly written reports with the Commission during the three-year probationary period. The first report shall be filed on September 15, 2002. Thereafter, each subsequent report shall be filed no later than 90 calendar days thereafter. Each report shall be under oath, signed by Baeza, and filed with William G. Waldorf, California Public Utilities Commission, Supervisor,

Consumer Service Division, 505 Van Ness Avenue, San Francisco, California 94102, or any other person that the Commission, the Assigned Commissioner, or the Assigned Administrative Law Judge, may designate. Each report shall contain the following information:

- (a) a summary of compliance with this decision;
- (b) a summary of all consumer complaints made against Baeza or any of his employees during the probationary period;
- (c) the nature of each complaint;
- (d) the names, addresses and telephone numbers of the complainant and to whom the complaint was made;
- (e) the disposition of the complaint by Baeza; and
- (f) a copy of all correspondence or other written communication between Baeza or any of his employees and the complainant.

10. Baeza shall comply with all pertinent state statutes and Commission General Orders, tariffs, rules, and regulations governing household goods carriers, including but not limited to the Household Goods Carrier's Act, Pub. Util. Code §§ 5101 et seq., General Orders 100-M and 136-C, and the Commission's Maximum Rate Tariff 4.

11. Baeza shall obtain job counseling at his expense no later than 90 days after the effective date of this decision in order that he might properly comply with the laws governing household goods carriers, particularly Maximum Rate Tariff 4. Baeza shall certify to the Commission that he has complied with this directive in his quarterly reports.

12. Because this proceeding can be resolved on the parties' declarations, evidentiary hearings are no longer necessary and this order shall change the

determination originally made in the Order Instituting Investigation and Scoping Memo.

13. This proceeding is closed.

This order is effective today.

Dated May 16, 2002, at San Francisco, California.

LORETTA M. LYNCH
President

HENRY M. DUQUE
CARL W. WOOD
GEOFFREY F. BROWN
MICHAEL R. PEEVEY
Commissioners