

Decision 83 10 011 OCT 5 - 1983**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's )  
 own motion into the operations, )  
 rates, charges and practices of )  
 JOHNSON BROS. TRUCKING, INC., a )  
 California corporation; and )  
 CHADWICK AND BUCHANAN, INC., a )  
 California corporation. )

OII 82-04-01  
 (Filed April 6, 1982)

Knapp, Grossman & Marsh, by Warren N. Grossman,  
 Attorney at Law, for Johnson Bros. Trucking,  
 Inc., respondent.

James D. Martens, for the California Dump Truck  
 Owners Association; and Michael Lindeman, for  
 Lindeman Bros., Inc.; interested parties.

Patricia A. Bennett, Attorney at Law, and W. J.  
Anderline, for the Commission staff.

O P I N I O N

This is an investigation into the truck operations of Johnson Bros. Trucking, Inc. (Johnson) while hauling a commodity defined as earth (or debris) during September 1980, in dump trucks, from Eaton Dam in Pasadena to locations in Irwindale and Long Beach. The hauling was performed for the engineering firm of Chadwick and Buchanan, Inc. (Chadwick) as part of a federal flood control project. The project was to remove 1.4 million tons of earth or debris from the dam to provide room for water storage during the rainy season.

It is specifically charged that Johnson violated Public Utilities (PU) Code Sections 3664, 3668, 3706, and 3737 by  
 (1) failing to charge and collect rates and charges as set forth in Items 290 and 310 of Minimum Rate Tariff (MRT) 7-A; (2) failing to pay subhaulers minimum rates and charges as provided in Item 210

of MRT 7-A; (3) failing to issue and maintain shipping documents as set forth in Item 170 of MRT 7-A; and (4) failing to produce records upon request by an authorized Commission representative.

Johnson operates under permitted authority as a dump truck carrier, a livestock carrier, a heavy specialized carrier, and a carrier of agricultural commodities. The present investigation is concerned only with operations under the carrier's dump truck carrier permit issued on March 12, 1970. Commission records show that Johnson has been served with all applicable tariffs, supplements, and the Distance Table. Johnson had 38 employees, including 31 drivers and 3 office workers. Its operating equipment consisted of 30 tractors and 75 sets of bottom-dump trailers. Johnson's gross operating revenue for 1980 was \$4,095,357, with \$2,886,634 paid to subhaulers, and \$180,458 earned from subhauling.

A public hearing was held in Los Angeles on September 14 and 15, 1982 before Administrative Law Judge Edward G. Fraser. The matter was submitted on concurrent briefs, which have been filed.

A staff representative testified that he first visited the Eaton Dam site on August 8, 1980. The staff had been informed of the work at the dam, and it was determined that transportation performed during the month of September 1980 should be checked. He noted that the transportation was being performed by both bottom- and end-dump trucks. It also seemed that many subhaulers were involved.

Staff visited the site on September 3, 1980 to distribute a copy of Item 170 of MRT 7-A (Exhibit 8) to each subhauler, which explains how to properly fill out freight bills and shipping documents. The witness visited Eaton Dam jobsite again on September 4, 1980 and requested a list of subhaulers from Joe Johnson, Vice President of Johnson. This list was never provided, but the staff checked T-numbers on all trucks observed and confirmed that all operators had proper authority from this Commission.

The staff witness questioned Joe Johnson at the jobsite on or about September 4, 1980. Joe Johnson stated that he was using all bottom-dump trucks and hauling topsoil. He stated that the other trucks, not belonging to Johnson or its subhaulers, haul the trees and stumps. The witness observed Johnson's trucks being loaded with dirt and also noted end dumps being loaded with trees and stumps in a different area. The witness then contacted the Los Angeles County Administrative Officer and received a copy of the contract between Chadwick and the County. His next contact with the carrier was in Bakersfield at Johnson's office on November 4, 1980. He asked Lail Johnson, President of Johnson's, for all shipping documents, freight bills, payments to subhaulers, and subhaul contracts. Lail Johnson refused to produce any records. He said the transportation was exempt and requested time to contact his attorney.

The witness returned to his office and on November 25, 1980 directed a letter (Exhibit 5) to Lail Johnson in Bakersfield which ordered him to appear at the Commission's Bakersfield office on December 9, 1980, with the requested transportation records, for the month of September 1980. The Commission received a letter (Exhibit 6) from a Bakersfield transportation consultant on December 9, 1980, which requested a further extension of time before the presentation of the records. By letter (Exhibit 7) the Commission extended the time to January 15, 1981. The records were not presented by the due date.

The witness made an appointment and returned to see Lail Johnson on January 21, 1981 in Bakersfield. He requested the records again but was only provided copies of the subhauler agreements and the September billing to Chadwick. During a prior visit to Johnson's office, the witness was provided with a single page document (Exhibit 4) which was identified as the purchase agreement between Chadwick and Johnson. It was represented that this was the complete contract.

Johnson provided weight tickets for four days in September, and the remainder was obtained from the Los Angeles County Flood Control District (Flood Control). The September billing documents and the weight tickets provided a basis for the reconstruction of the transportation performed. No freight bills were ever received. Exhibits 2 and 3 consist of the documents collected by the witness to determine what type of transportation was performed.

Harold Wayne Simpson, the superintendent of the Simpson Dump in Irwindale, where material from Eaton Dam was dumped in September 1980, testified for the Commission staff. He stated that Johnson trucks hauled soil to his pit during a couple of weeks in September 1980. He stated that 35 or 40 Johnson trucks dumped there everyday, and the product hauled was sandy, silty soil. He was present when all of the loads arrived since he followed the trucks and spread and compacted each load with a tractor as it was dumped. The trucks used were all bottom-dump trucks. End dumps owned by Harold Simpson, the superintendent's father, were used to transport loads which contained stumps, branches, or large rocks from Eaton Dam to locations other than Simpson Dump under separate contract with Chadwick. The witness placed Exhibit 11 in evidence, which described a soil compaction test and the result thereof made in October-November 1980. The witness testified that Exhibit 11 was one of a series of monthly soil compaction reports which were required to keep a grading permit active. The report, on file with the City of Irwindale, states the fill consisted of medium to coarse sands. He stated that he would not have accepted a load with stumps or large rocks since it could not be compacted.

A Commission rate expert placed Exhibit 9 (various applicable tariff items from MRT 7-A) and Exhibit 10 in evidence. The last exhibit is the rate statement which lists undercharges in

the total amount of \$94,922.93 for the month of September 1980 on transportation performed by Johnson for Chadwick. A commodity identified by the staff representative as earth required a distance rate under Items 150, 290, and 310, with a surcharge applied and an extra surcharge on loads that moved on Saturday. On cross-examination the witness stated that where a material is described generally in one tariff item and specifically in another, the substance should be rated under the latter item. The staff rate expert witness admitted that her rating was based on information received from the staff representative. She has no independent knowledge of the product being rated.

The records collected reveal that the material hauled by Johnson from the Eaton Dam was delivered to one site in the City of Long Beach and to Simpson Dump in the City of Irwindale. Both destinations were landfill projects. Johnson charged \$1 per ton for loads to Irwindale and \$3.40 per ton to Long Beach. A total of 241,568 tons was hauled to Irwindale and \$241,568 was charged therefor. In Exhibit 2, Section 1, Attachment A, Johnson's Invoice No. 2667, for September 1980, lists 5,779.2 hours at a rate of \$41.80 per hour. Mrs. Lail Johnson explained this total to the staff witness by stating that the \$241,568 was divided by the hourly rate of \$41.80 to arrive at 5,779.2 hours. During the January 1981 meeting, the staff representative read the description of earth, under List A, Item 30, MRT 7-A and Lail Johnson said the definition of earth fit the material transported exactly. Johnson claimed that the transportation was exempt from the rules in the tariff, but never mentioned any emergency or disaster, according to the staff investigator's testimony.

Johnson argued at hearing that Commission rate regulations are not applicable because exempt "disaster supplies" were transported as described in Item 70 of MRT 7-A. Johnson further argued that the correct rate is an hourly rate (Item 390) as required for the transportation of "debris from flood control maintenance projects" under Item 60 of MRT 7-A.

Lail Johnson testified that they started operating dump trucks in 1946 and incorporated in 1970. Johnson stated his company owns a fleet of bottom dump trucks and engages in the transportation of regulated and exempt aggregate. He placed his contract with Chadwick in evidence as Exhibit 12. The first page of the exhibit identifies the job as "an emergency project" and states "that PUC regulations are waived." These entries were placed on the contract by Chadwick.

Johnson placed three letters in evidence. The first is from Chadwick to Johnson and dated November 2, 1980 (Exhibit 13). It defines the project as an emergency and emphasizes that the dam must be cleared before the start of the rainy season. Exhibit 14 is a November 17, 1980 letter from the Flood Control to Chadwick which advises that 23% of the debris remains in the dam and reiterates the need to complete the job on time. It is suggested that the work force be increased if necessary to speed the work. Exhibit 15 is a letter dated October 23, 1980 from the Flood Control to Chadwick which advises that the project is funded by the Federal Emergency Management Agency (FEMA). All three letters are headed with a contract number and the title "Eaton Wash Dam and Reservoir Emergency Excavation and Disposal of Debris."

Johnson testified each haul was negotiated based on the material transported and the distance it traveled. Everything was transported in bottom dumps but the largest stumps and rocks. His trucks were damaged by the size and hardness of some of the material transported. He testified that as the job progressed, close in dump sites were found and these worked to everyone's advantage. The better soil was hauled to places like Simpson Dump which required material that would compact, but most loads consisted of anything that happened to be in front of the bucket on the tractor doing the loading.

He further testified that it seemed evident at the time that rate regulation and the need to retain shipping documents did not apply to this type of transportation. The dam was filled with material washed down from prior rains and would overflow during the 1980 winter if the debris was not removed. This seemed the same as prior operations when he hauled exempt sandbags to build or support levees against flood water.

He testified there was tremendous pressure on Chadwick to finish the job. Some days 100 trucks would move as fast as they could be loaded; however the record indicates that during the month of September 40 to 45 trucks per day were used. Everyone thought the job was exempt and records were kept only as a basis for paying the subhaulers and charging Chadwick for the tonnage hauled. Time cards and weight certificates were collected on a daily basis. The former was used to compute time to pay the subhaulers and the latter to compute tonnage hauled to charge Chadwick. Subhaulers were paid on an average of hours worked. It would have been difficult to insist on accurate records since all emphasis was on loading the trucks and getting them back for another load.

A Chadwick vice president testified that he was in charge of the Eaton Dam project, which required the removal of 1.4 million tons (900,000 cubic yards) of material to empty the dam of the deposit of prior rains. The job was an emergency with the work to be completed in 90 working days. The Flood Control classified the material to be removed by Chadwick as "debris" and the specification defines it (read by the witness) as "muck, rock, ashes, partly burned vegetation, shrubs, trees, other undesirable material, together with material of undetermined nature," the latter being sand and silt. The 350,000 to 400,000 cubic yards of material delivered to Simpson over a two-month period, and described by the staff witness as dirt, constituted 15 or 20% of the material; 200,000 tons was very good washed sand and the rest rocks, shrubs, trees, and heavier

material which could not be compacted. The latter 70% was literally not good for anything and had to be dumped at any site that would accept it. The logs and stumps were hauled away at a later date under separate contract.

An engineer from the Flood Control testified that a report was submitted to the Los Angeles Board of Supervisors, who petitioned the Federal Government for help through the California Office of Emergency Services. This action resulted in the dam being classified as a federal disaster project by a declaration of the President of the United States, dated February 22, 1980, with FEMA to provide the necessary financial aid. The original capacity of the dam was 1,542,000 cubic yards, which was reduced to 655,000 cubic yards, due to material washed into it by prior rains. A damage survey report was completed on March 22, 1980, and FEMA approved the report with modifications on May 22, 1980. Bids were opened on June 20, 1980 and the contract was awarded on July 15, 1980. The Flood Control advised the contractors to start work within 7 days and to complete the job in 135 days prior to the start of the 1980/1981 rainy season. It was provided that the material removed would become the property of the contractor. This was stipulated because of the quantity and composition of the debris. Chadwick was able to sell or give away all material but that which was of an organic nature which subsequently went to a dump.

#### Discussion

Johnson classifies the transportation as exempt under the provisions of paragraph (a) of Item 70 of MRT 7-A, which reads as follows:

"Rates in this tariff do not apply to the transportation of:

- "(a) Disaster supplies, i.e., those commodities which are allocated to provide relief during a state of extreme emergency or state of disaster; and those commodities which are transported for a civil defense or disaster organization established and functioning in accordance with the California Disaster Act to ultimate point of storage or use prior to or during a state of disaster or state of extreme emergency;



"(b) Property of the United States or property transported under agreement whereby the United States contracted for the carrier's service..."

The staff argues that "earth" and "debris" are not disaster supplies. The latter is traditionally identified as food, water, clothing, bedding, essential medical supplies, and other items needed at the disaster site to preserve human life, or improve living conditions for the survivors. If lives are in danger as the result of a disaster, disaster supplies would be whatever is necessary to reduce or eliminate the threat.

California law requires that disasters be identified by the Governor, or by the chief executive or governing body of a political subdivision (Government (G.) Code Section 8550 et seq., Emergency Services Act). Disasters are normally declared and terminated by separate written proclamations of the Governor filed with the Secretary of State (G. Code Sections 8626 and 8629).

G. Code Section 8558 loosely defines a disaster as an incident which results in extreme peril to the safety of persons and property within the State as the result of "air pollution, fire, flood, storm, epidemic, riot, drought, sudden and severe energy shortage, earthquake, or other condition likely to be beyond the ability of local government to control."

Presidential proclamations for purpose of federal disaster assistance are issued upon the finding of an "emergency" or "disaster" by the President after a request and finding of a Governor. (42 U.S.C. 5181.) We have no proclamations in the record from state, federal, or local officials. The clearing of Eaton Dam was, therefore, not a certified disaster. It was done after the winter rains ceased, in order to avert a possible disaster the following winter, not to alleviate conditions while the storms were still occurring.

The allocation of funds under the Federal Disaster Act of 1974 does not classify the project funded as a disaster. The Act provides financial assistance for disaster-related projects embarked upon before, during, and after the occurrence of a disaster or emergency. (42 U.S.C. 5173.) Post-disaster cleanup after the rains have ceased does not have the immediate threat to life and property required of a disaster. It is provided that the Governor must declare a disaster under state law before requesting assistance from the Federal Government. (43 U.S.C. 5721.)

The Eaton Dam project was not classified as a disaster by either the State or Federal Government. The project did not relieve any present threat to life or property, and Johnson trucks were not transporting "disaster supplies."

Johnson also maintains that the material transported was "debris" under Item 60 of MRT 7-A, which requires application of an hourly rate under Item 390 of the tariff. This argument is not consistent with the written tonnage contract entered into between Johnson and Chadwick.

Item 60 provides in part:

"Application of Tariff-Commodities"

"When reference is made to this item, rates apply to the transportation of the following commodities:

"Debris: From street or highway maintenance, including ice, mud, and slush; also debris from drainage or flood control construction and/or maintenance projects."

Item 390 provides hourly rates for the transportation of "COMMODITIES, as described in Items 30, 40, and 60."

Debris is defined in the American College Dictionary as:

"The remains of anything broken down or destroyed, ruins, fragments, rubbish, and accumulation of loose fragments of rocks, etc."

This definition cannot logically be extended to the transportation of all material deposited in the Eaton Dam by the 1979-1980 winter rains and removed during September even though the Flood Control referred to it as debris in Exhibits 12, 13, 14, and 15. The witness from Chadwick defined "debris" as noted in the specification of the Flood Control.

There is a distinction between the general contract between Flood Control and Chadwick and the contract between Chadwick and Johnson. The Flood Control contract called for the excavation and disposal of debris; Johnson's contract was for hauling material to various locations. Under separate contracts with others, not involving Johnson, Chadwick disposed of debris in semi-end dumps.

Chadwick's vice president testified that of the 900,000 cubic yards of material to be removed, 350 to 400 thousand cubic yards was delivered to the Simpson pit. Both Simpson and Johnson testified that this material, which constituted approximately 44% of the total removed, was sandy, silty soil and good compactible material. Chadwick also testified that 200,000 tons, 14% of the total material, was washed sand, screened, loaded and hauled by another crew. An additional 63,000 tons of fill, or 4.5% of the total material removed was delivered to the City of Long Beach during the month of September by Johnson. In November, Johnson hauled 300 to 400 thousand tons of muck to other destinations. This accounts for another 29% of the total material deposited behind the dam. Chadwick testified that material other than that suitable for landfill and the washed sand could not be sold or given away and subsequently went to a dump.

MRTs 7-A and 17-A were revised to increase rates and amend hourly and distance rates in Decision 82081 (October 1973), Case 5437 (OSH 213), 76 CPUC 12. The Commission notes on page 12 of the decision that hourly rates are essential to "cover special

or unusual transportation conditions." On page 32, the decision states that distance rates will be the basic rate charged, except where the carrier and shipper specifically agree, prior to the performance of the transportation, that the transportation should be performed under hourly rates. This rule is subject to a footnote, however, which reads as follows:

"10. The conclusion here as to distance rates do not apply to the transportation of debris from the demolition of buildings. At present such transportation is subject only to hourly rates. No one proposed the establishment of distance rates for debris. None should be provided."

According to the record in this proceeding, the project was approved by FEMA during May 1980. Bids were opened in June and the job was awarded on July 15, 1980. There was sufficient time to apply for a deviation through an interim order until a hearing could be scheduled. Charges would be paid by Chadwick, the contractor, not the Federal Government. The latter's responsibility extends only to providing an agreed upon sum to be used as a partial payment for the flood control project.

Johnson's brief includes an entry from the Federal Register for Tuesday, March 4, 1980, page 14145, which was not placed in evidence during the hearing. The entry refers to a "Presidential declaration of a major disaster in the State of California dated February 21, 1980, and extending for a period of six months. The location of the disaster is identified as the Counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura. The disaster is defined as "resulting from severe storms, mudslides, and flooding, beginning or or about January 4, 1980..." The entry qualifies the six counties named for federal "Public Facility and Public Housing Assistance" for six months from the date of the declaration. This broad reference to flood damage in six counties is too general to classify the Eaton Dam project as a disaster under federal law.

Johnson argues that records are not required where exempt (from minimum rate regulation) items are being transported; also where there is controversy about whether the document must be produced, that Johnson must be allowed a reasonable period within which to comply. Johnson argues that the records available were produced shortly after Johnson realized that the Commission was entitled to review them. Not all records were available due to Johnson's belief that the transportation was exempt. Johnson denied that there was any intent to violate tariff provisions or to withhold records from the Commission's representative.

The staff position is succinctly stated on the first page of the staff brief, as follows:

"The records' disclosure and maintenance of proper records involved in this matter are two of the most crucial requirements allowing the Commission to pursue its regulatory duties. The nondisclosure of records or inadequate maintenance of shipping documents by a licensed carrier frustrates the regulatory function of the Commission as established by the Legislature. Such actions cannot be tolerated."

Item 170 describes the shipping documents required when transportation is to be performed and describes how they are to be filled out in detail. It notes how copies are to be distributed and to whom; then in the last paragraph of Item 170 it provides that all documents the carrier is required to issue:

"shall be retained and preserved by the carrier, at a location within the State of California, subject to the Commission's inspection, for a period of not less than three years from the date of issue."

This item requires that all carriers provide and retain a complete record of all transportation performed. Johnson failed to satisfy this requirement on the Eaton Dam transportation. His apparent belief that the transportation was not subject to minimum rate regulation does not justify the failure to have shipping documents available for inspection by the Commission's representative. It can be inferred that the missing documents were either lost, thrown away, or never prepared at all.

The transportation performed by Johnson was not exempt from minimum rate regulation. Finally, Johnson failed to present shipping documents for the Commission's inspection as required by Item 170 of MRT 7-A.

Only one conclusion can be made from testimony received; material transported by Johnson during the review period of September 1980 was compactible fill, more specifically described in MRT 7-A as earth. While the contract between the Flood Control and Chadwick called for removal of debris, the material Johnson delivered to Simpson dump and City of Long Beach during the month of September was used to fill land under strict city requirements.

The hours and hourly charges shown on invoices were the result of converting the agreed tonnage charges to hourly charges by using spurious hours. The Commission has consistently held that such conversion is illegal and should be punished by the imposition of heavy fines or suspensions.

#### Findings of Fact

1. During September 1980 Johnson operated under Commission authority and regulation as a dump truck carrier.
2. Johnson was served with all applicable tariffs and supplements.
3. Johnson was engaged by Chadwick under separate contract to remove earth from Eaton Dam in Pasadena during September 1980.
4. This material was removed under a contract between Chadwick and the Flood Control with 84% of the funding contributed by the Federal Government as a disaster relief project.
5. Federal intervention was under the authority of a presidential declaration that six Southern California counties had become disaster areas due to flooding in January 1980.
6. This declaration used the term disaster to justify the allocation of federal funds, and the six-month period it was effective lapsed on August 21, 1980.
7. Eaton Dam held no water in September 1980. It was dry and provided no basis for a declared disaster due to flood conditions.

8. Disaster supplies are defined as food, water, blankets, medical supplies, tents, and other equipment needed to preserve human life, or to better living conditions during or immediately after a disaster has occurred. The transportation of disaster supplies is exempt from minimum rate regulation under the authority of Item 70 in MRT 7-A.

9. The removal of material deposited by the prior winter's rains from a dry, or empty dam, is not transportation of disaster supplies, even though the removal is to prevent a potential overflow caused by the following winter rains.

10. Johnson charged \$1 for every ton of material transported to Irwindale and \$3.40 per ton for material transported to Long Beach. The total revenue for each destination was divided by the hourly rate to obtain a total identified as hours worked.

11. The hours indicated on the respective worksheets were a conversion of agreed tonnage charges to hourly charges.

12. The material transported by Johnson should be classified as earth, not debris.

13. The applicable minimum rates and charges covering the transportation for Chadwick are set forth in Exhibit 10, resulting in undercharges in the amount of \$94,992.93.

14. As a result of the undercharges set forth in Finding 13, Johnson paid the subhaulers less than 95% of the applicable minimum rates.

15. Johnson failed to preserve shipping documents on transportation performed during September 1980, and to have the documents available for the Commission's inspection as required by ITEM 170 of MRT 7-A.

#### Conclusions of Law

1. Johnson violated PU Code Sections 3664, 3668, and 3737 by charging, demanding, collecting and receiving a lesser compensation for the transportation of property for respondent Chadwick than the applicable rates and charges prescribed in MRT 7-A and Supplements thereto by failure to assess correct distance tonnage rates as provided in Items 260, 290, and 310 of MRT 7-A.

2. Johnson should be ordered to collect from Chadwick the difference between the charges collected and the charges due under MRT 7-A, the difference being \$94,992.93.

3. Johnson should be ordered to determine and pay the difference between what was previously paid to the subhaulers and 95% of the applicable minimum charges.

4. Johnson has violated PU Code Section 3737 by failing to issue and maintain shipping documents as required by ITEM 170 of MRT 7-A.

5. Johnson has violated PU Code Section 3706 by failing to produce records upon proper request by an authorized Commission employee.

6. Johnson should be fined the sum of \$4,749.65 under Section 3800, the difference between the undercharges to be collected and the sums to be paid to subhaulers.

7. Johnson should be fined the sum of \$5,000.00 under Section 3774.

8. Johnson should be ordered to cease and desist from any and all unlawful operations and practices in the future.

### O R D E R

IT IS ORDERED that Johnson shall:

1. Pay a fine of \$5,000.00 to this Commission under PU Code Section 3774 on or before the 40th day after the effective date of this order.

2. Pay 7% annual interest on the fine beginning when the payment is delinquent.

3. Pay a fine of \$4,749.65 to this Commission under PU Code Section 3800 on or before the 40th day after the effective date of this order.

4. Take such action, as may be necessary, to collect the undercharges set forth in Finding 13, including timely legal action under PU Code Section 3671.



5. Notify the Commission in writing upon collection of the undercharges set forth in Finding 13.

6. Pay all underpayments to subhaulers and file with the Commission a report naming all subhaulers and the amount of underpayment remitted to each one on or before the 60th day after the effective date of this order.

7. In the event undercharges ordered to be collected or underpayments ordered to be paid as indicated above, or any part of such undercharges or underpayments, remain uncollected or unpaid 60 days after the effective date of this order, Johnson shall file with the Commission on the first Monday of each month after the end of 60 days, a report of the undercharges remaining to be collected and the underpayments remaining to be paid, specifying the action taken to collect such undercharges and action to pay such underpayments and the results of such action, until such undercharges have been collected in full and such underpayments have been paid in full or until further order of the Commission.

8. Shall cease and desist from any and all unlawful operations and practices.

The Executive Director shall have this order personally served upon Johnson and served by mail upon all other respondents.

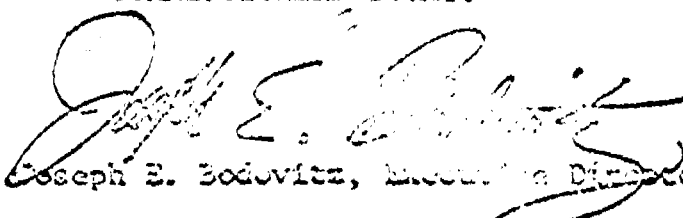
The order shall become effective for each respondent on the date they are served.

Dated OCT 5 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.  
President

DONALD VIAL  
WILLIAM T. BAGLEY  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

  
Joseph E. Bodovitz, Executive Director

I dissent.

VICTOR CALVO, Commissioner

I dissent.

PRISCILLA C. GROW, Commissioner