

ALJ/RCI

Decision 96-03-013 March 13, 1996

Mailed  
CALIFORNIA SEO-11-261  
MAR 13 1996

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

(A XAM to 88)

In the matter of the Order )  
Instituting Investigation the to title no )  
Commission's own motion into the )  
operations and practices of Hansen's Moving and Storage, Inc., I.95-11-032, entitled  
Jack D. Hansen, doing business as Hansen's Moving and Storage, )  
doing business as Hansen's Moving and Storage, Inc., I.95-11-032, entitled  
Jack D. Hansen, doing business as Hansen's Moving and Storage, )  
as Hansen's Moving and Storage, )  
respondent on this, even date, and other to result upon notice )  
and to no later than the date of filing of the complaint )  
Respondent, even date of filing of the complaint )  
(B XAM to (d) 88)

ORIGINIAL

O P I N I O N

Background

On November 21, 1995, we issued Order Instituting an investigation, (I.95-11-032), into the operations and practices of Jack D. Hansen, doing business as Hansen's Moving and Storage, Inc. (Hansen or respondent), to determine whether respondent had:

1. Violated Section 5133 of the Public Utilities Code by operating as a household goods carrier during a period or periods, when his permit was not in force;

2. Violated Section 5135.5 of the Public Utilities Code by failing to have valid workers' compensation insurance on file and with the Commission at a time when he was operating as a household goods carrier, and failing to inform the Commission that he had employees;

3. Violated Section 5161 (a) of the Public Utilities Code by failing to procure and continue in effect during the life of his permit, adequate protection against liability imposed by law for the payment of damages for personal injuries and property damage;

4. Violated Section 5161(c) of the Public Utilities Code by failing to procure and continue in effect during the life of his permit, cargo insurance coverage in the amount of \$20,000;

5. Violated Section 5311 of the Public Utilities Code by failing to furnish to each prospective shipper a copy of the

Information specified in Item 470 of MAX 4, in violation of Item 88 of MAX 4;

6. Violated Section 5311 of the Public Utilities Code by failing to mail the "Important Information" booklet to each prospective shipper when the move was arranged and confirmed by telephone three or more days before the move, and no in-person contact was to be made prior to the move, in violation of Item 88(b) of MAX 4;

7. Violated Section 5311 of the Public Utilities Code by, having failed to furnish to each prospective shipper a copy of the information specified in Item 470 of MAX 4; failing to then pay \$100.00 to each such prospective shipper upon completion of the move, in violation of Item 88(e) of MAX 4; and, ~~and shall do so forth~~

8. Violated Section 5311 of the Public Utilities Code by giving estimates not in writing, in violation of Item 108 of MAX 4; ~~and shall do so forth~~

9. Violated Section 5311 of the Public Utilities Code by giving estimates not based upon visual inspection of the goods to be moved, in violation of Item 108 of MAX 4; ~~and shall do so forth~~

10. Violated Section 5311 of the Public Utilities Code by charging in excess of the maximum allowable charge on estimated services, in violation of MAX 4 item 108(2) (a); ~~and shall do so forth~~

11. Violated Section 5311 of the Public Utilities Code by failing to execute, provide to each shipper prior to commencement of any service, and to have the shipper sign, the "Agreement for Service," in violation of MAX 4 Item 128; ~~and shall do so forth~~

12. Violated Section 5311 of the Public Utilities Code by failing to include upon the Agreement For Service a Not To Exceed Price, in violation of MAX 4 Item 128(2)(q); ~~and shall do so forth~~

13. Violated Section 5311 of the Public Utilities Code by failing to state rates and charges on the Agreement, for services ~~and shall do so forth~~

and materials described on the Shipping Order, in violation of items MAX 4 Item 128(2)(k); and by failing to keep informed board to claimant  
14. Violated Section 5311 of the Public Utilities Code by failing to have shippers declare the value of their goods, in their own handwriting, (MAX 4 Item 128 Note 3); and by failing to obtain the shippers' signature for said declared value on the Goods Agreement, in violation of MAX 4 Item 136(3) requiring that failing to

15. Violated Section 5311 of the Public Utilities Code by failing to issue a Change Order for Services for additional services not covered in the Estimated Cost of Services and by failing to properly describe additional services to be performed, with rates to be applied on the Change Order for Services; in violation of MAX 4 Item 120(1) requiring bus companies to identify the

16. Violated Section 5311 of the Public Utilities Code by failing to show on shipping documents information required by sections Items 36 and 132 of MAX 4, including failing to state actual time, minimum number of hours, helpers and packers, units of measurement upon which charges are based, and failing to complete information to make an accurate determination of applicable rates for charges assessed, and by failing to include the signature of the carrier;

17. Violated Section 5311 of the Public Utilities Code by failing to pay, decline to pay, or make a firm compromise settlement offer to claimant within 60 days after receipt of claim, in violation of MAX 4 Item 92(15); and to victims A

18. Violated Section 5241 of the Public Utilities Code by denying a claim against a household goods carrier for loss or damage of goods solely because the lost (or damaged) goods were noted noted at the time of delivery due to carelessness or recklessness (plaintiff)

19. Violated Section 5311 of the Public Utilities Code by permitting drivers, helpers, or packers to be used in the transportation of used household goods or in the performance of

accessorial services, who are not trained and experienced in the movement of used household goods, or who is not adequately supervised, in violation of Commission General Order 142(2), (a).

20. Violated Section 5311 of the Public Utilities Code by failing to determine the size of motor vehicle equipment which is appropriate to provide an adequate transportation service under the particular circumstances of the movement in violation of Commission General Order 142(1)(b); and not took hot lototy .81

21. Violated Section 5311 of the Public Utilities Code by billing for services not originally contracted for by shipper and without an executed "Change Order For Services" and by failing to show on the "Change Order For Services" the description of additional transportation and accessorial services to be performed in violation of MAX 4 item 120(1) 1992 hotloty .81

#### Procedural Background

The state of public participation in MAX 4 item 120 was as follows:  
 A prehearing conference was held on January 4, 1996 and no action was taken by respondent, agreed to mediation authority, and a schedule set for evidentiary hearings in May 1996. On February 14, 1996, the Safety and Enforcement Division (S&E) of the Commission filed a motion to adopt a stipulation for settlement.

In consideration of the above, it is hereby agreed that no further action will be taken by the Commission in this matter.

A proposed settlement, agreed to by S&E and respondent and attached as Appendix A, was offered and recommended for Commission approval (Agreement). This document is the final version of the proposed settlement.

A summary of the terms of the Agreement is set forth below:

1. The operating authority of Hansen (Case #160524) will be suspended for 12 (twelve) consecutive months, all but 30 (thirty) days of which are stayed, subject to the conditions set forth in the Agreement. The remaining 30 days of this twelve month period will be stayed.

<sup>1</sup>In the event of any difference between the following summary and the text of the Agreement, the Agreement shall govern.

month suspension will be served in two segments, as follows: (a) in 15 days, beginning November 24, 1996 and continuing through and including December 8, 1996 and (b) 15 days, beginning January 1, 1997 and continuing through and including January 15, 1997.

2. Hansen will pay to the Commission a fine of \$5,000 (five thousand dollars), less the total amount paid in or due for restitution under paragraph 3 below. The combined restitution and fine is to be paid as soon as possible but no later than twelve months from the date this order is issued notwithstanding

3. Within 30 calendar days of the date of this order, Hansen will begin making restitution to the shippers named in the Agreement.

4. Hansen will pay to the Commission the cost of the cost of placement of a public notice in a weekday edition of the San Jose Mercury News (not to exceed \$10,000) explaining that the Commission took disciplinary action against Hansen.

5. If Hansen is an individual, co-partner, or officer, board manager, director or shareholder of a corporation, applies for (or any Commission operating authority as a household goods carrier, or other type of carrier) within three years of the date of this order, shall notify the Director of the S&E Division, in the plain writing of his intent to apply.

6. Within 30 calendar days of the date of this order, Hansen will deliver or send by first class mail, to designated staff of S&E copies of all records kept by him which pertain or relate to any complaints, claims, or suits by or against his shippers whose shipments were picked up at origin during either calendar year 1995 or 1996.

7. If staff determines through any investigation of such records that Hansen should make payment or take other action to compensate any party or parties, staff will notify Hansen, who will comply fully with staff's request to make compensation, or, otherwise do what ever is necessary to make compensation.

in the alternative, make a written offer to the party or parties to submit to binding arbitration through the American Arbitration Association, provided, ~~any~~ <sup>as</sup> if (d) the DCCP is reduced pursuant

8. Hansen agrees and submits to an initial one-year "probation period," beginning on the date of this order on terms set forth in the Agreement. (for self help, ~~and~~ <sup>and</sup> ~~not~~ <sup>not</sup> ~~arbitration~~ <sup>arbitration</sup>)

9. Hansen agrees and submits to a second two-year "probation period," beginning on the day following the expiration of the first probation period on terms set forth in the Agreement, ~~to~~ <sup>and</sup> to ~~and~~ <sup>and</sup> ~~not~~ <sup>not</sup> ~~arbitration~~ <sup>arbitration</sup> ~~and~~ <sup>and</sup> ~~not~~ <sup>not</sup> ~~arbitration~~ <sup>arbitration</sup>

10. If S&E determines that Hansen has failed to fully comply with the Agreement, the staff may, at its discretion, move the Commission to extend any or all of the terms of the initial probation period, to all or part of the remainder of the life of the Agreement. ~~and~~ <sup>and</sup> ~~and~~ <sup>and</sup> ~~not~~ <sup>not</sup> ~~arbitration~~ <sup>arbitration</sup>

11. Hansen agrees to observe and comply with the Household Goods Carriers Act (Public Utilities Code §§5101, ~~et seq.~~), ~~including~~ §§5133, §5135.5, and §5221; the Commission's Maximum Rate Tariff 4 (MAX 4), and any successors thereto; the Commission's General Orders (GO), ~~its~~ applicable to household goods carriers, ~~including~~ GO series 100, series 136, and series 142; and all other laws of this State applicable to its operations as a ~~private~~ household goods carrier. Hansen will comply with the fictitious business name requirements contained in Maximum Rate Tariff 4 Item 88, paragraphs (1) and (2). Hansen will comply with the workers' compensation laws of this State and observe the other requirements referred to in the Agreement.

12. Hansen agrees to comply fully with any and all ~~rebuttal~~ decisions, orders, injunctions, judgments, or rulings, by the Commission or any court or other lawful authority in this State, or the American Arbitration Association, or any other arbitrator to which Hansen is subject or has submitted, arising from its operations as a household goods carrier.

13. The staff may at any time file a request with the Commission to reopen this investigation to bring alleged violation(s) of the Agreement to the attention of the Commission.

Discussion

S&E has achieved a satisfactory settlement agreement with Hansen that addresses the serious issues we identified in our Order Opening Investigation in this matter, particularly with respect to providing for restitution to shippers known to have been harmed by respondent's operations and identifying other possible victims. We expect that S&E will carefully monitor Hansen's operations during the probationary periods, we hope not to see a recurrence of past problems, and we will treat future violations severely. Accordingly, we will approve the Agreement.

Findings of Fact

1. A settlement agreement has been reached between S&E staff and Hansen.
2. The settlement agreement is reasonable and in the best interests of shippers who have been harmed by Hansen.
3. S&E staff will actively monitor Hansen's compliance with the settlement agreement.

Conclusions of Law

1. The settlement agreement should be approved.
2. This proceeding should be closed.

and will report to the court on or before the date of the hearing on the  
 papers filed on **O R D E R** that this report of no cause to continue  
 the hearing to another date, nothing else to the contrary notwithstanding,  
**IT IS ORDERED that**

**1. The settlement agreement attached to this order is approved.**

**2. This proceeding is closed.**

This order is effective today for purposes of receiving of  
 mediation dated March 13, 1996, at San Francisco, California.

Given under my hand this 3rd day of April, 1996.  
**DANIEL Wm. FESSLER**  
 President

**GREGORY CONLON**  
**JESSIE JSA KNIGHT JR.**  
**HENRY M. DUQUE**

**JOSIAH L. NEEPER**  
 Commissioners

It is so ordered, this 3rd day of April, 1996.

Given and signed this 13th day of April, 1996, at the City of San Francisco,  
 in accordance with the requirements of law.

Given and signed this 13th day of April, 1996, at the City of San Francisco,  
 in accordance with the requirements of law.

Given and signed this 13th day of April, 1996, at the City of San Francisco,  
 in accordance with the requirements of law.

Given and signed this 13th day of April, 1996, at the City of San Francisco,  
 in accordance with the requirements of law.

THIS DEED IS MADE AND UNDERTAKEN, THIS DAY OF FEBRUARY,

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the matter of the Order Instituting Investigation on the Commission's own motion into the operations and practices of Jack D. Hansen, doing business as Hansen's Moving and Storage, pursuant to section 102 of the Public Utilities Code, as amended, to arrest self

entitled and the Respondent, Jack D. Hansen, an individual, doing business as Hansen's Moving and Storage, as outlined in the foregoing order, and for the purpose of concluding, as herein set forth, a final and complete Settlement Agreement.

This SETTLEMENT AGREEMENT is the "final and complete expression of the agreement entered into" on the 13th day of February, 1996, by and between the California Public Utilities Commission ("CPUC"), Safety and Enforcement Division ("staff") or "Special Investigations Unit" and Jack D. Hansen, an individual doing business as Hansen's Moving and Storage (Hansen), whom together with his employees, managers, agents and predecessors and successors in interest, if any, is a "party" to this Agreement and which, collectively, are the "parties" referred to in this Agreement.

WHEREAS, the CPUC has had before it a proceeding, numbered I.95-11-032, entitled "Investigation on the Commission's own motion into the operations and practices of Jack D. Hansen, individual" (I.95-11-032).

WHEREAS, the parties each desire to resolve amicably the dispute among them and to settle and forever dispose of all issues raised in I.95-11-032, and return the date hereinafter.

NOW, THEREFORE, in consideration of the foregoing, of the monetary consideration specified hereinafter, and of the mutual promises hereinafter made, and intending legally to be bound, the parties, by their authorized representatives, hereby agree and contract as follows:

1. The operating authority of Hansen (Cal.T-160524) will be suspended for 12 (twelve) consecutive months, all but 30 (thirty) days of which are stayed, subject to the conditions set forth in this Agreement. The remaining 30 days of this twelve month suspension will be served in two segments, as follows:

of the consequences and responsibilities arising from the

**FIRST SEGMENT:** 15 days, beginning November 24, 1996 and continuing through and including December 8, 1996.

**SECOND SEGMENT:** 15 days, beginning January 1, 1997 and continuing through and including January 15, 1997; nothing

The terms of this suspension period, including any stayed portion(s) which may be imposed, are the following: Hansen will not conduct any operations as a household goods carrier, as defined by Public Utilities Code Section 5109; Hansen shall, throughout the period of suspension, remove or cover his "Cal T-number" (160,524) on all vehicles; and Hansen may not act as a sub-hauler, nor engage a sub-hauler, nor refer any member of the public seeking moving services to any other moving company. Nothing in this agreement prohibits Hansen during such period of suspension, from contracting to perform moving services on a date which does not fall within either of the two periods of permit suspension, specified in this Item.

Any violation of this Agreement on the part of Hansen whether or not such violation is specifically named below as being cause for imposing all or part of the stayed portion of this suspension, will be cause for the staff to move the Commission to impose all or part of the stayed portion of such suspension. In the event that any of the stayed portion of the suspension period is imposed on Hansen it will be imposed consecutively with and under the same terms, described above, as the other, imposed portion of the suspension period. In the event that staff determines to move the Commission to impose all or part of the stayed portion of suspension at a time when Hansen has already completed a period of suspension pursuant to this

Agreement, then this additionally imposed suspension time will be imposed separately, and at a time determined by the Commission.

The operating authority of Hansen will not, under the terms of this Agreement, be suspended for more than a total of twelve months. However, nothing in this Agreement will be construed to mean that The Public Utilities Commission relinquishes any part of its Constitutional and statutory authority, separate and apart

from this Agreement, to regulate and impose sanctions upon Hansen, including, but not limited to suspension over and beyond that provided in this Agreement, revocation, fines, or imposition of restrictions or conditions on Hansen's operating authority.)

(2) Hansen will pay to the CPUC a fine of \$5,000 (five thousand dollars) unless the total amount paid in restitution under paragraph 3 below. The combined restitution and fine is to be paid as soon as possible but no later than twelve months after from the date of adoption of this Agreement. Hansen will submit documentation of good faith efforts toward restitution at 1/12 intervals of three months, specifically 90, 180, 270, and 365 calendar days after the adoption of this settlement as Hansen will forward all such documentation, and payment(s) to the extent that the total restitution falls short of \$5,000, to the Commission.

This is to the California Public Utilities Commission and to the Special Investigations Unit, c/o Bill O'Neil, 505 Van Ness Avenue, San Francisco, CA 94102 and to the Office of the General Counsel, Richard Maniscalco, Attention: Richard Maniscalco. No interest is payable with respect to the Settlement Amount or any installment thereof. In the event that Hansen fails to comply fully with the provisions of Item 2, then all or part of the stayed portion of the suspension period contained in this Agreement may be imposed by the Commission for each such failure not later than 30 calendar days of the effective date of this Agreement, which shall be the date of its adoption by the Commission; Hansen will begin making restitution to the shippers named below (and discussed in the declaration supporting this Agreement) and in the amounts to be determined, and will take all other actions specified below, to wit:

- (1) Helen McKenna
- (2) Suzanne Traver
- (3) Alan & Lori Campbell
- (4) Anna Koch
- (5) Gretchen White
- (6) Sharon Carberry
- (7) Duke Linder
- (8) Judy Gestring
- (9) Paul Klein
- (10) Joan McMahon
- (11) Lucille McGlenen
- (12) Becky Caselli
- (13) Sharon Schmidt
- (14) Roman Adam
- etc.

To the extent that any of these named persons has received more partial but not complete restitution as of the date of adoption of this agreement, Hansen agrees to complete its restitution to those persons within one year of the effective date of this Agreement. As of the effective date of this Agreement, the persons named above in this Item are the only known Hansen shippers to whom, in staff's opinion, Hansen owes any and all restitution. The staff considers, in view of all the facts known by it on the effective date of this Agreement, that by complying fully with this Item (Item 3), Hansen will have provided enough sufficient restitution to all its customers known to the staff.

The Parties understand that additional facts or evidence may become known to the staff after the effective date of this Agreement, which could lead staff to conclude that Hansen should pay additional restitution to shippers, whether those shippers are or are not known to staff on the effective date of this Agreement. For the life of this agreement, which is three years from its adoption by the Commission, the staff and Hansen agree to treat and process all such additional facts and evidence, and the complaints or claims to which they relate, according to the provisions of Item 7 of this Agreement.

In the event that Hansen fails to comply fully with the provisions of Item 3, then all or part of the stayed portions of the suspension period contained in this Agreement may be imposed by the Commission for each such failure, not to exceed \$10,000. Hansen will pay to the CPUC the cost of the placement of a public notice in a weekday edition of the San Jose Mercury News (not to exceed \$10,000) explaining that the Commission took no disciplinary action against Hansen. Staff will notify Hansen at least fifteen (15) calendar days prior to the appearance of this public notice, which will appear no sooner than 60 days from the date of adoption of this settlement. Hansen will make full payment to the CPUC, care of Richard Mahiscalco at the address above, for this public notice no more than 90 days after it appears. The staff will be responsible for preparing and formatting the public notice, which will read as follows:

REBATE AGREEMENT  
PARKER GIBBON (8)

able to each evidence out to each witness of which is

of (After the seal) and based on information from DANIEL Wm. FESSLER  
who has been a member of the California Public Utilities Commission President

The California Public Utilities Commission (CPUC), San Francisco, which licenses and regulates moving companies within California, has recently concluded its investigation of a San Jose moving company by entering into a settlement agreement. The mover is JACK D. HANSEN, also doing business as "HANSEN'S MOVING & STORAGE". (Cal T-160,524) The unlawful business practices alleged occurred during 1994 and 1995, and include failing to respond to loss and damage claims, giving oral estimates, overcharging, misrepresenting rates and services, and failing to provide consumer information to customers. The terms of this final settlement agreement are:

- (1) Twelve months' suspension, all but 30 days of which is stayed,
- (2) A fine of \$5,000,
- (3) Placement of this public notice, to no less than four specified customers,
- (4) Restitution to specified customers,
- (5) A supervised probation period.

The CPUC considers these measures sufficient to correct the problems noted in its investigation and to protect the public. Anyone who believes they have a claim for restitution against this mover should contact CPUC Investigator Richard Maniscalco at (415) 703-1815.

In the event that Hansen fails to comply fully with the provisions of Item 4, then all or part of the stayed portion of the suspension period contained in this Agreement may be imposed by the Commission for each such failure.

If, at any time during the life of this agreement, which is three years from the date of its adoption, Hansen, as an individual, co-partner, or officer, manager, director or shareholder of a corporation, applies for any Commission operating authority as a household goods carrier, or other type of carrier, he shall notify the Director of the Safety and Enforcement Division, in writing, of his intent to apply. Such notification shall be made no later than the date upon which the application is filed with the Commission, shall be accompanied by a copy of this agreement, and shall make specific reference to this item (Item 5).

6. Within 30 calendar days of the effective date of this Agreement, Hansen will deliver or send by first class mail, to Richard Maniscalco at the address above, copies of all records kept by it which pertain or relate to any complaints, claims, or suits by or against its shippers whose shipments were picked up at origin during either calendar year 1995 or 1996. These documents will include, but not be limited to, any and all shipping or other documents kept or required to be kept under the provisions of Maximum Rate Tariff 4, written correspondence and records of phone conversations pertaining or relating to such shipments; complaints, claims, or suits; and all records pertaining to payments or settlements of such complaints, claims, or suits.

In the event that Hansen fails to comply fully with the provisions of Item 6, then all or part of the stayed portion of the suspension period contained in this Agreement may be imposed by the Commission for each such failure.

7. The staff will examine the documents which Hansen provides to it pursuant to Items 6, 8, and 9 of this Agreement and, at its discretion, investigate any or all complaints, claims, or suits contained therein. The staff will also examine and investigate any and all complaints, claims, or suits against Hansen which come to staff's attention by any other means during the life of this Agreement, which is three years from its effective date. The staff may also examine and investigate any previously known complaints, claims, suits, or shipments in view of any additional facts which may come to staff's attention during the life of this Agreement. If staff determines through any such investigation that Hansen should make payment or take other action to compensate any party or parties, staff will make a request in writing to Hansen specifying the party or parties to be compensated, and the amount of money to be paid thereto and/or the specific action staff is requesting Hansen to take. Upon receiving such a request from staff, Hansen will, within 30 calendar days, either comply fully with staff's request, or, in the alternative, make a written offer to the party or parties to submit to binding arbitration through the American Arbitration

(7) Association (AAA): Such written offer will include the provision that Hansen and the party to whom the offer is made will each pay half (50%) of any fee for such arbitration to AAA in advance. Such written offer will also include the provision that should AAA's judgement be either against Hansen or a compromise, Hansen will refund to the other party the entire amount which that party paid to AAA. Should the judgement of AAA be in favor of Hansen, Hansen will make no claim to the other party for payment of any part of the fee paid to AAA for arbitration. Should Hansen make an offer of binding arbitration to any claimant pursuant to this Item and should such offer be accepted by that party, Hansen will expeditiously arrange for and submit to such binding arbitration, pay its share of any fees to AAA as required by this Item, and obey fully any judgement arising from arbitration. Hansen will, within seven (7) calendar days of sending or receiving any correspondence with such parties, or with AAA, send copies of all such correspondence by first class mail to Richard Maniscalco at the address above set forth.

(8) In the event that Hansen fails to comply fully with the provisions of Item 7, then all or part of the stayed portion of the suspension period contained in this Agreement may be imposed by the Commission for each such failure, so behaving.

(9) Subject to the provisions of Item 10 of this Agreement, Hansen agrees and submits to an initial "probation period", beginning on the date of adoption of this Agreement and ending one year (365 days) thence. The terms of this initial probation period are as follows:

- (a) Hansen will respond in writing to any and all written or oral complaints and claims, including any received through the CPUC, the Better Business Bureau or other consumer agencies or parties, within fifteen (15) calendar days of receipt. Hansen will settle all claims within thirty (30) calendar days of receipt; or explain to the claimant in writing the reason(s) for the delay.

Hansen will, on or before the sixtieth (60th) calendar day after receiving a written claim, either reach a settlement which is satisfactory to the claimant, or

anywhere or offer it to the claimant, in writing, to submit to and pay the costs of binding arbitration through AAA. Should Hansen make an invitational offer of binding arbitration to any party pursuant to Section 7 of this Item, Hansen shall include in such offer each and every, ~~and all~~, of the provisions required to be in such an offer under Item 7 of this Agreement.

10. Should Hansen make an offer of binding arbitration to any claimant pursuant to this Item, and should such an offer be accepted by that party, Hansen will use its best efforts expeditiously to arrange for and submit to such binding arbitration; pay its share of any fee to AAA as required hereof, if any, by this Item; and, obey fully any judgement arising from participation in arbitration.

At the beginning of each calendar month, Hansen will send, by first class mail to Richard J. Maniscalco at the address above, copies of all notices to Hansen, correspondence sent and received by Hansen, and all other records pertaining to customer complaints, and claims which can be related to complainants brought by Hansen under section (b). In the event that any person or corporation files suit against Hansen in any court in this State, including any Small Claims Court, arising from any moving service provided or alleged to have been provided to them by Hansen, plaintiff by Hansen or in the event that Hansen files a suit against any person or corporation in any such court arising from any such moving service provided or alleged to have been provided to the defendant by Hansen, Hansen will, within seven (7) calendar days of being served, serving, or causing service of notices of such action (or suit, as the case may be) by first class mail to Richard J. Maniscalco at the address above, the following information:

(a) The name(s) and all known addresses and phone numbers of all parties bringing suit, or against whom Hansen has brought suit, to whom notice was filed (or)

(b) The name and address of the court in which suit was filed (or notice filed), and to whom notice was mailed.

(c) Three (3) copies of any and all documents which Hansen has filed relating to the moving service provided by Hansen to

the date of plaintiff(s) or defendant(s), as applicable, which  
herein gave rise to the suit, unless otherwise directed by the court.

(c) During this initial one-year probation period, Hansen  
shall attend no fewer than two meetings of the Northern  
Region of the California Moving and Storage Association  
[CMSA], and shall provide written verification from CMSA  
regarding such attendance to itself or to other firms.  
(d) In the event that Hansen fails to comply fully with the  
terms of this initial, one-year probation period,  
as set forth in Item 8, then all or part of the stayed  
and/or still portion of the suspension period contained in this  
Agreement may be imposed by the Commission for each such  
act of violation. In such an event, the Commission may, in  
its sole discretion, to or in lieu of imposing such suspension, or  
otherwise, invoke any or all of the provisions of Item 10 of this  
Agreement, or to drag to its office and inspect  
the same. Subject to the provisions of Item 10 of this Agreement,  
Hansen agrees and submits to a second "probation period," each  
beginning on the day following the expiration of the first  
probation period and ending on the same date two years thence.  
The terms of this second probation period are identical to those  
of the first probation period, described in Item 8 of this  
Agreement, except as follows:

(a) The last sentence of Item 8(a), beginning with "At the  
above-mentioned beginning of," will not apply during this period.  
However, during this period, upon written request from  
a Director or Richard Maniscalco or any other member of the Special  
Investigations Unit for such records as described in  
connection with Item 8(a), Hansen will mail all such records to the  
said person at the address above within seven (7)  
business days of receiving such request. (S) has (1) signed  
on (S). The provisions of Item 8(b) will apply in their entirety  
throughout the life of this Agreement which is three  
calendar years from its adoption. (S) has (1) signed  
on (S). The provisions of Item 8(c) will not apply during this  
period due to the nature of this case and the fact that  
the firm involved has been engaged to perform and is engaged to do

10(h)(d) In the event that Hansen fails to comply fully with the terms of this second/two year probation period, which is contained in Item 9, then all or part of the stayed probation portion of the suspension period contained in this initial Agreement may be imposed by the Commission for each such subsequent violation. In such an event, the Commission may, in addition to or in lieu of imposing such suspension, but without invoking any or all of the provisions of Item 10 of this initial Agreement, impose and do adopt by 10: The provisions of Items 8 and 9 of this Agreement to the contrary notwithstanding, if, at any time during the life of this Agreement, which is three years from its date of adoption, the staff determines that Hansen has failed to fully comply with its terms; the staff may, at its discretion, move the Commission to extend any or all of the terms of the initial probation period, described in Item 8, to all or part of the remainder of the life of this Agreement. This provision (Item 10) of this Agreement does not prohibit the Commission from imposing any other usual sanction(s) for which provisions are made in this Agreement, whether in addition to, or in lieu of, such an extension. The staff will give prior notice in writing to Hansen of its motion for any such extension, including the specific terms of the extension, and the specific violation(s) which staff noted and is citing as cause for the extension, provided that (a)

(b) Hansen will observe and comply with the Household Goods Carriers Act (Public Utilities Code §§5101, et seq.), including §§5133, 5135.5, and 5221, the Commission's Maximum Rate Tariff 4 (MAX 4), and any successors thereto; the Commission's General Orders (G.O.'s) applicable to Household goods carriers, including G.O. series 100, series 136, and series 142; and all other laws of this State applicable to its operations as a household goods carrier. Hansen will comply with the fictitious business name requirements contained in Maximum Rate Tariff 4, Item 88, paragraphs (1) and (2). Hansen will comply with the workers' compensation laws of this state. Hansen represents that he understands his obligations to maintain at his place of business, and to provide at the request of authorized Commission staff, any

and all records described in Public Utilities Code Section 5225, and agrees to comply with those obligations. Hansen additionally agrees that any and all of his employees, managers, or agents who participate in any operations of Hansen which are subject to the Household Goods Carriers' Act, will be familiar with and obey all those provisions of the Household Goods Carriers' Act, MAX 4, and G.O. 142 which Hansen was alleged to have violated in 1.95-11-032. Those provisions, detailed in the Declaration Supporting Issuance of 1.95-11-032, are not detailed herein, but are cited as follows: and fails to observe and execute of his interpretation of the Public Utilities Code; Sections 5133 and 5135.5; and does not violate General Order 142; Rules (1)(a), (1)(b) and (2)(a); and Maximum Rate Tariff Article Items 36(5), 88(9) (e), 92(15), 108, 108(1), 108(1)(b), 108(2), 128, and 128(1), 128(2), 128(3), 132, and 132(1). No legal relief has been denied to Hansen, and as a condition of this Agreement, Hansen agrees to comply fully with any and all decisions, orders, injunctions, judgments, or rulings by the Commission or any court or other lawful authority in this State, or the American Arbitration Association, or any other arbitrator to which Hansen is subject or has submitted, arising from its operations as a household goods carrier, whether or not Hansen submitted thereto pursuant to this Agreement. It is agreed that no legal relief has been denied to Hansen. In the event that Hansen fails to comply fully with the provisions of Item 12, then all or part of the stayed portion of the suspension period contained in this Agreement may be imposed by the Commission for each such violation, and that Hansen may at any time file a request with the Public Utilities Commission to reopen this investigation to bring alleged violation(s) of this Agreement to the attention of the Public Utilities Commission. Hansen understands and agrees that the Commission may consider any violation of this Agreement to be a cause for further sanctions, including fines, suspensions (not exceeding 12 months), or revocation of operating authority, or a combination thereof, and to omit breaching terms and conditions.

Article 14. The Parties acknowledge and confirm that they have been received sufficient consideration for the settlement set forth in this Agreement, and represent and warrant that no promise or inducement has been made or offered to them except as set forth in this Agreement; that they are executing this Agreement without reliance upon any statement or representation by any person or party released, or the representative of any person or party released, except as set forth in this Agreement, that they are legally competent to make the settlement set forth in this Agreement and to execute this Agreement; that this Agreement sets forth the entire understanding of the Parties with respect to the terms and conditions of their settlement agreement; that they fully understand their right to discuss with their respective legal counsel any and all aspects of the settlement set forth in this Agreement; that they have availed themselves of that right; that they and their legal counsel carefully have read and fully understand all of the provisions of the settlement set forth in this Agreement; that they voluntarily are venturing into this agreement; and that this Agreement cannot be modified except in writing signed by all parties to the modification.

Article 15. The Parties acknowledge and stipulate that the Agreement is fair and is not the result of any fraud, duress, or undue influence exercised by any party upon another Party or by any other person or persons upon either; that the provisions herein made are adequate, reasonable, and satisfactory to each of them; that they have arrived at the compromise that forms the basis of their settlement agreement after thorough bargaining and negotiation; and that review of the applicable factual and all allegations and legal authorities and their settlement agreement represents a final and mutually agreeable compromise of the matters set forth in this Agreement.

Article 16. This Agreement is to be governed and construed in accordance with the Commission's Rules of Practice and procedure, particularly those applicable to settlement agreements; and with the laws of the state of California applicable to settlement agreements either entered into or to be performed in the state of California.

17. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, and all of which shall constitute one single agreement.

IN WITNESS OF the settlement set forth in this Agreement, the parties, by their authorized officers, have signed this Agreement as of the date first above written,

By:

William R. Schulte, Director  
Safety and Enforcement Division  
California Public Utilities Commission

Dated 2/14/96

By:

Carol Dumond,  
Attorney for the Safety and Enforcement Division

Dated 2/13/96

By:

Jack D. Hansen, Respondent

Dated 2-13-96

(END OF APPENDIX A)

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document, entitled "MOTION OF SAFETY AND ENFORCEMENT DIVISION TO ADOPT STIPULATION FOR SETTLEMENT; SETTLEMENT AGREEMENT" upon all known parties of record in this proceeding, by mailing by first-class a copy thereof properly addressed to each party.

Dated at San Francisco, California, this 14th day of February, 1996.

Cindy Philapii  
*Cindy Philapii*

Leigh D. Miller  
Counsel for Plaintiff  
Safety and Enforcement Division  
Attorney for Defendants

DR. M. S.  
by [Signature]  
Counsel for Plaintiff  
Safety and Enforcement Division  
Attorney for Defendants

(END OF APPENDIX A)