

L/ddb

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own )  
motion into the operations, rates, and )  
practices of A Aallstar Moving Co., Inc., )  
a California corporation and Ronald A. )  
Zammito, Joan C. Zammito also known as )  
Joan Magistrini, Eugene T. Landers and )  
Charles Walker, a partnership doing )  
business as A Aall American Moving )  
Company, )  
Respondents. )

**ORIGINAL**

**FILED**  
**PUBLIC UTILITIES COMMISSION**  
**JANUARY 15, 1991**  
**SAN FRANCISCO OFFICE**  
**I.91-01-011**

ORDER INSTITUTING INVESTIGATION  
AND ORDER TO SHOW CAUSE

A Aallstar Moving Co., Inc. holds a household goods carrier permit issued by this Commission on August 10, 1988 under T-159,560. It is a California corporation, located at 181 Shooting Star Isle, Foster City, California. The officers of this corporation as shown on its application dated March 1, 1988 are Ronald A. Zammito, President and Treasurer, and Joan C. Zammito, Vice-President and Secretary. The application for this permit was filed with the Commission on March 25, 1988.

On July 24, 1990 Ronald A. Zammito, Joan [Magistrini] Zammito, Charles Walker, and Eugene Thurmond Landers, doing business as, A Aall American Moving Company submitted an application for transfer of Household Goods Carrier Permit T-159,560 from A Aallstar Moving Co., Inc. The application is maintained within CPUC file number T-168,442. The transfer is still pending; whether to approve it is an issue to be addressed in connection with this formal investigatory proceeding. Contained within the application for transfer is a certification of the truth of all representations made on the application and on all attached forms. The application is signed by Eugene T. Landers, Ron Zammito, Joan Magistrini and Charles Walker and dated June 27, 1990. Attached to the application is a

Certification of Household Goods Carrier Permit Application [CPUC form TL741A]. On this document are the driver's names: Ron Zammito -- California Driver's License Number A-3700350 and Bill Conroy -- California Driver's License Number C4715745. The form, signed by Eugene Landers, contains a representation that no officer, director, partner or associate has been convicted of committing any felony or crime involving moral turpitude. Staff alleges that Eugene Landers has been convicted of robbery, a felony, in 1987 and petty larceny in 1983.

In November 1990 the Compliance and Enforcement Branch (C&E) concluded an investigation into allegations that Ronald A. Zammito, Joan C. Zammito, Charles Walker and Eugene T. Landers had stolen household belongings of their customers.

C&E found that the Zammitos, Landers and Walker conducted business primarily by telephone and through the use of large telephone yellow page advertisements. These advertisements were in numerous Bay Area Pacific Bell SMART Yellow Page editions. The Zammitos advertised under the name A AAll American Moving Company without having a valid permit issued by the Commission for their business partnership.

Staff also found that, on at least one occasion, the vehicle used to move household goods did not display a Cal "T" identifying symbol. Furthermore, staff learned from the California Highway Patrol that none of the equipment of either the A AAllstar Moving Company or the A AAll American Moving Company had been registered or inspected as required by the Vehicle Code.

C&E reports that about twenty-five victims were identified in their investigation as having suffered losses and damages to their household and personal items which had been entrusted to the Zammitos, Walker and Landers for moving. Few victims ever received any restitution for their damages, which were estimated in the aggregate at over \$266,000. None of the victims recall being given an information for shippers booklet. C&E informs us that three felony arrest warrants were issued in

October 1990 charging Ronald A. Zammito and Joan C. Zammito with grand theft for check forging and auto theft. Eugene Landers was also cited by the San Mateo Police Department for operating a Household Goods business without a license. The warrants on the Zammitos are summarized as follows:

- A. In the Walnut Creek-Danville Judicial District, 640 Ygnacio Valley Road, Walnut Creek, California, dated October 17, 1990 a warrant was issued in court case docket number [8114551] charging Joan M. Zammito with five counts of violation of Penal Code Section 487.1. Bail was set at \$10,000 and this warrant is still outstanding.
- B. In the Walnut Creek-Danville Judicial District, 640 Ygnacio Valley Road, Walnut Creek, California, dated October 17, 1990 a warrant was issued in court case docket number [8114552] charging Ronald A. Zammito with one count of violation of Penal Code Section 487.1. Bail was set at \$2,000 and this warrant is still outstanding.
- C. In the Hillsborough County Judicial District, South Tampa, Florida, dated October 16, 1990 a warrant was issued in court case docket number [609182760] charging Ronald A. Zammito with violation of Penal Code Section 487. [Grand theft auto]. This warrant is still outstanding; extradition requested.

Finally, the staff's current investigation has disclosed that some victims were quoted a low rate for the moving charges over the telephone when they contacted the Zammitos or Landers for an estimate. However these victims were actually charged a higher rate once the move was in progress, usually under some degree of duress.

**DISCUSSION**

Section 5134 of the Public Utilities (PU) Code requires that the application for a Household Goods Carrier Permit "...shall be in writing, verified under oath, and shall be in such form, contain such information and be accompanied by proof of service upon such interested parties as the Commission requires." Section 5135 of the PU Code requires applicants for a household goods carrier permit, among other things, to demonstrate that they possess sufficient knowledge, ability, integrity and financial resources and responsibility to perform the service within the scope of their application. This section also provides that the Commission may refuse to issue a permit if it is shown that an applicant has committed any act constituting dishonesty or fraud; committed any act which, if committed by a permit holder would be grounds for a suspension or revocation of the permit; misrepresented any material fact on the application; or committed a felony, or crime involving moral turpitude.

After the issuance of authority, the Commission exercises continuing oversight of a carrier's fitness under other provisions of law. PU Code Section 5285 authorizes the Commission, upon complaint or on the Commission's own initiative, after notice and opportunity to be heard, to suspend, change, or revoke a permit for failure of the carrier to comply with any of the provisions of the "Household Goods Carriers Act" or with any order, rule, or regulation of the Commission or with any term, condition, or limitation of the permit. Section 5139 gives the Commission power to establish rules for the performance of the service furnished or supplied by household goods carriers.

It appears that the respondent may have:

1. Violated Section 5139 of the Public Utilities Code by failing to show on shipping documents information required by Items 128 and 132 of Minimum Rate Tariff 4-C;
2. Violated Section 5245 of the Public Utilities Code by assessing charges greater than the maximum allowed on estimated

shipments and making verbal estimates in violation of Item 108 of Minimum Rate Tariff 4-C;

3. Violated Section 5285.5 of the Public Utilities Code by failing to comply with the Vehicle Code or with the regulations contained in Title 13 of the California Code of Regulations relative to Motor Vehicle Safety;

4. Violated Sections 5134 and 5135 of the Public Utilities Code by falsifying material facts on the application for operating authority with the Commission;

5. Violated Section 5132 of the Public Utilities Code by failing to display a Cal "T" identifying symbol as prescribed by the Commission on each vehicle operated for compensation;

6. Violated Section 5139 of the Public Utilities Code by failing to provide the information booklet to shippers of household goods as required by Item 88 of Minimum Rate Tariff 4-C; and

7. Violated Section 5139 of the Public Utilities Code by failing to acknowledge and process loss and damage claims as required by Item 92 of Minimum Rate Tariff 4-C.

Household goods carriers transport goods entrusted to them by relatively trusting consumers, which are often consumers' most valued and irreplaceable possessions. The allegations described herein are serious and if substantiated will constitute grounds for revocation. Unless evidence to the contrary is adduced by the Respondents, it appears that the Respondents have exhibited a pattern of conduct which clearly demonstrates lack of fitness.

IT IS ORDERED that an investigation on the Commission's own motion is instituted into the operations and practices of respondents A Aall Star Moving Co., Inc. and A Aall American Moving Company, Ronald A. Zammito, Joan C. Zammito, Charles Walker and Eugene T. Landers. A public hearing on this matter shall be held expeditiously before an Administrative Law Judge at a time and date to be set, in the Commission's Courtroom at 505 Van Ness Avenue, San Francisco. Respondents may appear and show

cause why the permit should not be revoked and the transfer application (filed July 24, 1990) denied with a finding that they are unfit to hold operating authority from this Commission. The respondents have the burden of showing why, given the facts documented by our staff in the attached declaration, their operating authority should not be revoked. Staff shall present witnesses at the hearing to support the assertions which led to our instituting this proceeding, and additional evidence which it believes is appropriate.

The Executive Director is directed to cause a certified copy of this order to be personally served upon Ronald Zammito, the agent for service of process for A Aallstar Moving Co. and at least one of the following partners in the All American Moving Co.: Ronald A. Zammito, Joan C. [Magestrini] Zammito, Charles Walker or Eugene Landers. If the Respondents cannot be personally served, the Transportation Division and Staff Counsel shall confer with the assigned Administrative Law Judge on what forms of alternative service are appropriate in order to provide legally sufficient notice to the respondents of this investigatory proceeding and any hearing dates.

This order is effective today.

Dated January 15, 1991 at San Francisco, California.

PATRICIA M. ECKERT  
President  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners

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

  
NEIL J. SULLIVAN, Executive Director