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8
9 **BEFORE THE**
DEPARTMENT OF CONSUMER AFFAIRS
10 **FOR THE BUREAU OF HOUSEHOLD GOODS AND SERVICES**
STATE OF CALIFORNIA
11

12
13 In the Matter of the Accusation Against:

Case No. HHM 2022-364

14 **POLARIS MOVING SYSTEMS, INC.,**
15 **DBA ROADRUNNER MOVING, INC.,**
16 **DBA CHEAP MOVERS CLUB**
4128 Business Center Drive
Fremont, CA, 94531

ACCUSATION

17 **Permit No. CAL-T 0191723**

18 Respondents.
19

20 **PARTIES**

21 1. Justin Paddock (Complainant) brings this Accusation solely in his official capacity as
22 the Bureau Chief of the Bureau of Household Goods and Services (Bureau), Department of
23 Consumer Affairs.

24 2. On or about July 16, 2018, the Bureau issued Permit Number CAL-T 0191723 to
25 Polaris Moving Systems, Inc., dba Roadrunner Moving, Inc. dba Cheap Movers Club
26 (Respondent). On or about April 1, 2022, the Bureau summarily suspended Respondent's Permit
27 due to lack of liability insurance and cargo insurance. The suspension remains in place.
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JURISDICTION

3. This Accusation is brought before the Director of the Department of Consumer Affairs (Director) for the Bureau under the authority of the following laws. All section references are to the Business and Professions Code (Code) unless otherwise indicated

4. Code section 118 states:

...

(b) The suspension, expiration, or forfeiture by operation of law of a license issued by a board in the department, or its suspension, forfeiture, or cancellation by order of the board or by order of a court of law, or its surrender without the written consent of the board, shall not, during any period in which it may be renewed, restored, reissued, or reinstated, deprive the board of its authority to institute or continue a disciplinary proceeding against the licensee upon any ground provided by law or to enter an order suspending or revoking the license or otherwise taking disciplinary action against the licensee on any such ground.

(c) As used in this section, "board" includes an individual who is authorized by any provision of this code to issue, suspend, or revoke a license, and "license" includes "certificate," "registration," and "permit."

STATUTORY/REGULATORY PROVISIONS

5. Code section 19228 states:

...

(b) All rules, regulations, general orders, forms, and Maximum Rate Tariff 4, as most recently amended as of July 1, 2018, by the Public Utilities Commission, adopted, administered, or enforced by the Public Utilities Commission for purposes of implementing and administering the former Chapter 7 (commencing with Section 5101) of Division 2 of the Public Utilities Code, that are in effect immediately preceding July 1, 2018, shall remain in effect and shall be administered and enforced by the director, until the operative date of regulations adopted by the director to implement this chapter.

...

6. Code section 19237 states:

(a) A household mover shall not engage, or attempt to engage, in the business of the transportation of used household goods and personal effects by motor vehicle over any public highway in this state, including by any means or media, advertising, soliciting, offering, arranging as a broker, or entering into an agreement regarding the transportation of used household goods and personal effects, unless both of the following are satisfied:

1 (1) For transportation of household goods and personal effects entirely within
2 this state, there is in force a permit issued by the bureau authorizing those operations.
3 Permits issued by the Public Utilities Commission pursuant to the former Chapter 7
4 (commencing with Section 5101) of Division 2 of the Public Utilities Code, that are
5 valid and effective on the operative date of this chapter, shall remain in effect, subject
6 to the provisions of this chapter, for a period of not more than two years after the
7 operative date of this chapter, or until the time the bureau issues, reissues, renews,
8 suspends, revokes, or otherwise alters or amends the permit, whichever occurs earlier.

9 (2) For transportation of household goods and personal effects from this state to
10 another state or from another state to this state, there is in force a valid operating
11 authority issued by the Federal Motor Carrier Safety Administration.

12 ...

13 7. Code section 19275 states:

14 ...

15 (b) The bureau may amend or revoke, in whole or in part, the permit of any
16 household mover, upon application of the permitholder, or may suspend, change, or
17 revoke, in whole or in part, a permit, upon complaint or on the bureau's own
18 initiative, after notice and an opportunity to be heard, for providing false or
19 misleading information on an application for a permit or for failure to comply with
20 this chapter or with any order, rule, regulation, or tariff administered by the bureau, or
21 with any term, condition, or limitation of the permit.

22 ...

23 8. Code section 19279.3 states:

24 Every corporation or person who knowingly and willfully issues, publishes, or
25 affixes, or causes or permits the issuance, publishing, or affixing, of any oral or
26 written advertisement, broadcast, or other holding out to the public, or any portion
27 thereof, that the corporation or person is in operation as a household mover without
28 having a valid permit issued under this chapter is guilty of a misdemeanor punishable
by a fine of not more than two thousand five hundred dollars (\$2,500).

9. Code section 19292 states:

The employees, representatives, auditors, and inspectors of the bureau may,
under its order or direction, inspect and examine any books, accounts, records,
memoranda, documents, papers, and correspondence kept by any person, corporation,
or person having direct or indirect control over a person or corporation subject to this
chapter. A permittee's failure to allow an inspection pursuant to this section is
grounds for suspension or revocation of the permit.

10. Public Utilities Commission General Order No. 100-M states:

...

9. Upon cancellation of an insurance certificate or surety bond, or the

1 cancellation of equivalent protection authorized by this Commission, the operative
2 authority of any highway carrier, freight forwarder subject to this order or household
3 goods carrier shall stand suspended immediately upon the effective date of such
4 cancellation. The registration issued by this Commission to any highway carrier
5 engaged in interstate or foreign transportation of property in or through California
6 who is exempt from regulation by the Interstate Commerce Commission or to any
7 Integrated Intermodal Small Package Carrier, shall stand suspended immediately
8 upon the effective date of cancellation of any insurance certificate, surety bond or
9 equivalent protection.

10 ...

11 **COST RECOVERY**

12 11. Code section 125.3 provides, in pertinent part, that the Board may request the
13 administrative law judge to direct a licentiate found to have committed a violation or violations of
14 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
15 enforcement of the case.

16 **FACTUAL ALLEGATIONS**

17 12. On or about April 1, 2022, pursuant to Code section 19228, subdivision (b) and
18 Public Utilities Commission General Order No. 100-M(9), the Bureau suspended Respondent's
19 Permit due to lack of liability insurance and cargo insurance. The Permit remains in suspended
20 status.

21 13. On or about July 1, 2022, the Bureau received a consumer complaint regarding
22 Respondent. In an attempt to obtain documents relevant to the complaint against Respondent, a
23 Bureau investigator telephoned Respondent on three occasions. Each time, the investigator left a
24 message on voicemail or with a receptionist requesting that Respondent call back; however,
25 Respondent failed to do so.

26 14. On or about July 3, 2024, a Bureau investigator discovered that despite its Permit
27 suspension, Respondent had a fully operational website at <https://www.goroadrunnermoving.com>,
28 where it advertised both local (in-state) and cross-country moving services, and claimed to be
"Licensed and Insured." The website listed an active number (888-888-1295) through which
customers could reach a live person and schedule moving services.

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1 **FIRST CAUSE FOR DISCIPLINE**

2 **(Failure to Permit Bureau Inspection)**

3 15. Respondent's Permit is subject to discipline under Code sections 19292 and 19275
4 because, as described in paragraph 13 above, Respondent did not permit a Bureau investigator to
5 inspect or examine documents kept by Respondent.

6 **SECOND CAUSE FOR DISCIPLINE**

7 **(Advertising Without Permit)**

8 16. Respondent's Permit is subject to discipline under Code section 19275, subdivision
9 (b) in conjunction with sections 19237, subdivision (a) and 19279.3 because, as described in
10 paragraphs 14 and 15 above, Respondent publicly advertised and held itself out to the public as a
11 moving company in the absence of a valid Permit.

12 **PRAYER**

13 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
14 and that following the hearing, the Director of the Department of Consumer Affairs issue a
15 decision:

16 1. Revoking or suspending Permit Number CAL-T 0191723, issued to Polaris Moving
17 Systems, Inc. dba Roadrunner Moving, Inc. dba Cheap Movers Club;

18 2. Ordering Polaris Moving Systems, Inc. dba Roadrunner Moving, Inc. dba Cheap
19 Movers Club to pay the Bureau of Household Goods and Services the reasonable costs of the
20 investigation and enforcement of this case, pursuant to Business and Professions Code section
21 125.3; and, if placed on probation, the costs of probation monitoring; and,

22 3. Taking such other and further action as deemed necessary and proper.

23
24 DATED: August 27, 2024

Justin Paddock

JUSTIN PADDOCK
Bureau Chief
Bureau of Household Goods and Services
Department of Consumer Affairs
State of California
Complainant

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