

Another major Proposition 103 case is still pending before the California Supreme Court. In *Amwest Surety Insurance Company v. Wilson*, 35 Cal. App. 4th 1355 (Dec. 8, 1993), the Second District Court of Appeal struck down a 1990 statute exempting surety companies from the rollback and prior approval provisions of Proposition 103 because it does not "further the purposes" of the initiative and is thus beyond the authority of the legislature. [14:2&3 CRLR 139; 14:1 CRLR 108; 13:2&3 CRLR 130] At this writing, oral argument is set for December 5.

On May 3, the California Supreme Court heard oral argument in the insurance industry's appeal of the First District Court of Appeal's decision in Manufacturers Life Insurance Company, et al. v. Superior Court (Weil Insurance Agency, Real Party in Interest), 27 Cal. App. 4th 67 (July 29, 1994); in that decision, the First District held that an insurance brokerage may not bring a private cause of action for redress of an unlawful group boycott by other insurers under the Unfair Insurance Practices Act (UIPA), Insurance Code section 790 et seq., but it may pursue antitrust remedies under the Cartwright Act, Business and Professions Code section 16720 et seq., and injunctive and restitutionary relief under the Unfair Competition Act (UCA), Business and Professions Code section 17200 et seq. [15:1 CRLR 116-17; 14:4 CRLR 131; 14:2&3 CRLR 139] At this writing, the court has not yet issued its decision.

### NEW MOTOR VEHICLE BOARD

Executive Secretary: Sam W. Jennings (916) 445-1888

**P**ursuant to Vehicle Code section 3000 *et seq.*, the New Motor Vehicle Board (NMVB) licenses new motor vehicle dealerships and regulates dealership relocations and manufacturer terminations of franchises. It reviews disciplinary action taken against dealers by the Department of Motor Vehicles (DMV). Most licensees deal in cars or motorcycles.

NMVB is authorized to adopt regulations to implement its enabling legislation; the Board's regulations are codified in Chapter 2, Division 1, Title 13 of the California Code of Regulations (CCR). The Board also handles disputes arising out of warranty reimbursement schedules. After servicing or replacing parts in a car under warranty, a dealer is reimbursed by the manufacturer. The manufacturer sets reimbursement rates which a dealer occasionally challenges as unreasonable. Infrequently, the manufacturer's failure to compensate the dealer for tests performed on vehicles is questioned.

# MAJOR PROJECTS

NMVB's Award of Attorneys' Fees Questioned. Mathew Zaheri Corporation, dba Hayward Mitsubishi v. Mitsubishi Motor Sales of America, et al., Petition No. P-233-92 and Protest No. PR-1254-92, is a complex matter which involves a number of issues stemming from Mathew Zaheri's claim that Mitsubishi unfairly charged back to Zaheri over \$137,000 in warranty claims over a two-year period. The dispute between Zaheri and Mitsubishi has been pending in both state and federal court for several years; in 1993, the First District Court of Appeal dismissed Zaheri's civil complaint against Mitsubishi on the basis that the plaintiff failed to exhaust his administrative remedies before NMVB. [13:4 CRLR 201] In October 1994, NMVB found that Mitsubishi unfairly charged back over \$57,000 in claims; however, NMVB also found that Zaheri had engaged in "massive warranty fraud," and that it claimed reimbursements for work not done and parts not used in somewhere between 50 and 2,000 claims. Accordingly, the Board denied Zaheri's petition and protest, and awarded costs and reasonable attorneys? fees against Zaheri in favor of Mitsubishi. [15:1 CRLR 162-63]

On March 21, NMVB adopted the proposed ruling of Administrative Law Judge (ALJ) Douglas Drake which granted \$68,132.62 in attorneys' fees and \$38,239.91 in costs to Mitsubishi. According to NMVB, in May 1994, the pending federal action between Zaheri and Mitsubishi was remanded to NMVB, so that "under the doctrine of primary jurisdiction, [NMVB] should decide the federal issues raised in the [federal] lawsuit .... " The Board's decision also declared that NMVB "has jurisdiction to award attorneys' fees once the case has been the subject of a Petition for Writ of Mandate to the California Superior Court," and that NMVB has jurisdiction to award attorneys' fees even when none were requested by Mitsubishi "because the fees were requested in the federal action and the Board was requested to determine all facts necessary to decide the federal issues." The only statutory basis for an award of attorneys' fees in any of the pending actions stems from Zaheri's allegation in the federal proceeding that Mitsubishi violated the Civil Rights Act.

In a dissenting opinion, NMVB member George Leaver was highly critical of the Board's decision, stating that it "is

based upon the erroneous and absurd premise that...the United States District Court for the Northern District of California ruled in Hayward Mitsubishi v. Mitsubishi Motor Sales of America that the Board should decide the federal issues raised in that lawsuit." Leaver stated that the U.S. District Court "made no such ruling," and explained that the court stayed action on two federal causes of action "pending the Board's determination of the Petition of Hayward Mitsubishi before the Board involving the validity of its warranty claims." Further, Leaver stated that the U.S. District Court "in its order makes it abundantly clear that the Board's determination of the validity of the warranty claim should provide the federal court with a solid factual foundation on which the federal court may rely in deciding the federal claims." Leave also wrote that "[s]ince no one disputes the fact that the only statutory basis for an award of attorneys' fees in any of the pending actions stems from the provisions of the federal Civil Rights Act, and since the Federal District Court and only the Federal District Court, will decide whether that Act was violated, only the Federal District Court can decide the issue of attorneys' fees. The Board simply has no jurisdiction to make such an award."

Protest/Petition Actions. On March 21, NMVB adopted an ALJ's proposed decision in Santa Monica BMW, Inc. v. BMW of North America and BMW of Beverly Hills (Petition No. P-225-91), rejecting petitioner's claims that-among other things-BMW of North America (BMWNA) violated Vehicle Code sections 11713.3(d) and (o). In 1991, over the objections of BMW of Santa Monica, BMWNA purchased the assets of Zipper BMW in Beverly Hills; BMWNA created BMW of Beverly Hills in 1991 and operated the dealership from August 1991 through April 1994. Between August 1991 and late 1992, BMWNA attempted to negotiate the sale of the dealership to Hans Geisler, a former Zipper general manager, who was ultimately unable to obtain sufficient capital to purchase the franchise. Upon the failure of the Geisler negotiations, BMWNA offered the franchise for sale in both the Los Angeles Times and Automotive News; BMWNA received approximately six responses to the advertisements, and eventually sold the franchise in 1994.

Petitioner claimed that BMWNA violated Vehicle Code section 11713.3(d), which provides that it is unlawful for a manufacturer or distributor to prevent or require the sale or transfer of any part of a dealer's interest in the dealership to another person. Specifically, the petitioner



claimed that BMWNA prevented or attempted to prevent any other qualified individual from purchasing the assets of Zipper. However, NMVB found that Zipper had requested BMWNA to purchase the franchise and its assets, BMWNA had done so "in order to preserve its image in a key and prestigious market," and BMWNA did not prevent or attempt to prevent Zipper from selling its assets or require or attempt to require Zipper to sell its assets.

The petitioner also claimed that BMWNA violated section 11713.3(o), which prohibits a manufacturer or distributor from competing with a dealer in the same line-make in the dealer's relevant market area; however, the section also provides that a manufacturer or distributor shall not be deemed to be competing when operating a dealership either temporarily for a reasonable period, or when in a bona fide retail operation which is for sale to any qualified independent person at a fair and reasonable price, among other things. NMVB found that BMWNA was selling BMWs within the same relevant market area as one of its franchisees. However, NMVB also determined that BMWNA operated BMW of Beverly Hills temporarily for a reasonable period of time, and that BMW of Beverly Hills was a bona fide retail operation that was for sale to any qualified individual at a fair and reasonable price. Accordingly, NMVB rejected petitioner's claims.

On January 25, NMVB adopted an ALJ's proposed decision in Sunnyday Chevrolet v. General Motors Corporation, et al. (Protest No. PR-1407-94), finding that there was good cause to terminate each of petitioner's five General Motors (GM) franchises. The owner of Sunnyday Chevrolet, Robert Lantham, obtained his Barstow dealership in 1981; over the next four years, he added four other GM franchises: Buick, Cadillac, Oldsmobile, and Pontiac. In 1991, Lantham acquired a Victorville dealership for Mazda, Subaru, Isuzu, and Dihatsu. GMAC, a lending institution that finances dealer purchases of new vehicles, provided inventory financing for both dealerships. The GM dealer agreements expressly required Lantham to have and maintain a line of credit from a financial institution to finance the purchase of new vehicle inventory; the agreements also required prompt repayment of the advances on the sale of the vehicles, and stated that failure to comply with these requirements was grounds for termination of the franchise. Between 1991 and 1994, a string of events at both dealerships led the GMAC staff to conclude that Lantham was not performing satisfactorily under

the GMAC agreement; this ultimately led GMAC to cancel Lantham's wholesale credit on February 13, 1993. Upon receiving notification that GMAC had canceled its financing agreement with Lantham, GM advised Lantham that he was in breach of the GM dealer agreement. Lantham was unable to secure another source of financing over the next fourteen months and on April 19, 1994, GM notified Lantham and NMVB of its intent to terminate Lantham's franchises. On May 23, 1994, Lantham filed a timely protest pursuant to Vehicle Code section 3060.

GM alleged that Lantham committed a material breach of the GM Dealer Sales and Service Agreement because he failed to maintain inventory financing as required. GM also contended that, as a result of his breach, Lantham's new vehicle inventory and sales declined to an unacceptable level. Lantham claimed that GM and GMAC harassment and breach of their implied covenants of good faith and fair dealing excused any breach he may have committed. Lantham claimed that GM and GMAC wanted to remove him as a dealer because he is African-American, and that they conspired to deprive him of his inventory financing in order to make the termination appear legitimate.

NMVB found that Lantham materially breached his inventory financing agreement with GMAC by failing to provide GMAC with access to his inventory and files, failing to promptly pay GMAC from the proceeds of his sale of GMAC-financed inventory, failing to pay allowances for excess mileage on new vehicles, manipulating records to conceal the actual dates of vehicle sales, and failing to respond to financial information requests by GMAC. Additionally, NMVB found that Lantham failed to establish that either GM or GMAC unreasonably harassed him in administering the inventory financing agreement, that GMAC acted unreasonably in canceling the financing agreement, or that GMAC interfered with Lantham's efforts to replace his canceled financing with another financial institution. NMVB also found that GM and GMAC sufficiently established the relevant facts and circumstances surrounding the termination as required by Vehicle Code section 3061.

On January 25, NMVB adopted an ALJ's proposed decision in *Don Lucas* International, Inc. dba Stevens Creek BMW Motorsport v. BMW of North America, Inc. (Protest no. PR-1421-94), permitting BMWNA to relocate Allison Bavarian, Inc., dba Allison BMW, which is currently located in Sunnyvale, to a new location in Mountain View; Allison's current facility lacks freeway accessibility and has inadequate customer and repair facilities. Stevens Creek is a new motor vehicle dealer franchised to sell BMW vehicles at its location in Santa Clara. BMW seeks to move Allison, currently located 3.73 miles from Stevens Creek, to a new location that is 6.3 miles from Stevens Creek. On June 1, 1994, pursuant to Vehicle Code section 3062, BMWNA gave Stevens Creek notice of the relocation; on June 9, 1994, Stevens Creek filed this protest with NMVB.

NMVB found that the relocation will expand Stevens Creek's primary market area by almost 10,000; with the relocation, Stevens Creek will also become the closest service dealership for an additional 3,000 currently operating BMW vehicles. NMVB also found that Stevens Creek failed to prove any of the five elements under Vehicle Code section 3063 needed to establish good cause not to permit the relocation of Allison BMW.

On January 25, NMVB adopted an ALJ's proposed decision in *Rancourt Inc. dba Carmichael Honda v. American Honda Motor Company, Inc.* (Protest No. PR-Unassigned), dismissing on procedural grounds Carmichael's protest of a franchise termination. Honda's basis for the termination was an alleged violation by Carmichael of a consent decree between Honda and the Consumer Products Safety Commission concerning the sale of all-terrain vehicles (ATV) to children.

On September 3, 1994, Carmichael received, by certified mail, notice of Honda's intention to terminate Carmichael's franchise; although Vehicle Code section 3060 requires that a protest be filed within thirty days from receipt of the notice of termination, NMVB did not receive Carmichael's protest and request for hearing until October 5, 1994. In response to Honda's claim that the protest was untimely, Carmichael challenged the manner in which Honda served the notice of termination; specifically, Carmichael argued that Honda's method of serving notice of termination through the U.S. Postal Service was defective, and claimed that a notice of termination requires personal service. Carmichael further argued that Code of Civil Procedure section 1013(a) extends the time for filing a protest by five days.

NMVB found that the service of a notice of termination pursuant to Vehicle Code section 3060 by the franchisor to the franchisee is not a writ or summons to a civil court; in deciding the section 1013 claim, NMVB relied on *Citicorp North America, Inc. v. Superior Court*, 213 Cal. App. 3d 563, 568 (1989), which holds that section 1013 may not be utilized to extend



jurisdictional limits or statutes of limitation. Since the time limitations in section 3060 are statutes of limitations, NMVB decided that section 1013(a) does not extend the time for filing a protest under section 3060.

Further, in Colyear v. Tobriner, 7 Cal. 2d 735 (1936), the California Supreme Court held that where a statute requires notice and does not specify how it shall be given, the presumption is that personal service is required; however, the court stated that personal service may be made through the instrumentality of the mails, and that the post office, as well as any other type of messenger, may be used to effect personal service. Accordingly, NMVB concluded that Honda's service of its notice of termination by means of the U.S. Postal Service is valid, and thus refused to accept Carmichael's protest as being timely filed.

On March 21, NMVB adopted an ALJ's proposed decision in Greenwood Pontiac v. General Motors Corporation, Pontiac Motor Division, and GMC Truck Division, Protest No. PR-1418-94, in which Greenwood challenged General Motors' (GM) disallowance of several dealer incentive payments. Following a warranty and sales audit of Greenwood's franchise, GM informed Greenwood that its auditors found deviations from GM's policies and procedures concerning the sales of 73 vehicles for which Greenwood had been credited with incentive payments; specifically, the auditors determined that 68 of the vehicles had been sold for resale and another two had been reported as stolen. GM took the position that because none of these units were sold to retail buyers, they were not eligible for dealer incentive payments. GM subsequently debited Greenwood's dealer account in the amount of \$81,644.72.

GM contended that its Dealer Sales and Service Agreement contains a general prohibition against new vehicle exports by any dealer, and that its documented policies for allowance and incentive programs do now allow incentive payments for vehicles sold for export or resale. Greenwood did not contend that the subject vehicles were not sold for resale, or not exported as alleged by GM; instead, Greenwood claimed that it did not have a current copy of the GM Truck Dealer Incentive Allowance Program Manual, and that it interpreted the incentive programs differently. Greenwood contended that the chargebacks constitute an unlawful contractual penalty, whereas GM claimed that the chargebacks were merely debits for payments it had already advanced but which were not rightfully earned by Greenwood.

Based on the information provided by GM to all of its franchisees, NMVB determined that the 68 vehicles sold for resale were not eligible for incentives and allowances; however, NMVB found that GM failed to show that the stolen vehicles were ineligible at the time the allowances were made. The Board also found that the chargebacks did not constitute penalties, as GM was merely recovering payments already awarded to Greenwood after discovering that the payments were made improperly.

**NMVB** Drops Proposal to Increase Fees. In December 1994, NMVB published notice of its intent to amend section 553, Title 13 of the CCR, in order to raise its original and renewal licensing fees from \$300 to \$350; the action also would have increased from \$0.45 to \$0.55 the amount paid per vehicle distributed by a manufacturer or distributor in California, and increased from \$300 to \$350 the minimum distribution fee to be paid by each manufacturer. [15:1 CRLR 163] The Board received public comments on the proposal until January 23; since that date, however, the Board had decided to drop this proposed regulatory action.

#### LEGISLATION

AB 28 (Gallegos). Existing law makes it unlawful for the holder of any dealer's license, as specified, to fail to disclose in writing to the buyer of a new motor vehicle, that the vehicle, as equipped, may not be operated on a highway signed for the requirement of tire chains if the owner's manual or other material provided by the manufacturer states that the vehicle, as equipped, may not be operated with tire chains. As amended April 25, this bill would require the dealer to provide the disclosure to the buyer with a specified statement in not less than 14-point boldface type on a single piece of paper. The bill would require the dealer to furnish the buyer with a copy of the disclosure, signed by the buyer, at the time of purchase of the vehicle. The bill would impose a specified fine for a violation of those provisions. [A. Appr]

**AB** 1383 (Speier), as amended May 4, would repeal existing law which requires the Department of Consumer Affairs' Arbitration Review Program to regulate and certify arbitration programs for "lemon law" disputes between auto manufacturers and consumers.

Existing law generally provides for relief for a failure to comply with the Song-Beverly Consumer Warranty Act. That Act requires, if a manufacturer or its representative in this state is unable to service or repair a new motor vehicle to conform to the applicable express warranties after a reasonable number of attempts, the manufacturer to either promptly replace the new motor vehicle or promptly make restitution to the buyer, as specified. Existing law specifically provides that if the buyer establishes a violation of this provision, the buyer shall recover damages, reasonable attorneys' fees, and costs and may recover a civil penalty, except as specified. This bill would delete the specific provisions regarding recovery of damages, attorneys' fees, and costs, and a civil penalty. [A. Appr]

AB 1381 (Speier). The Automotive Consumer Notification Act requires the seller of a vehicle to include a specified "lemon law" disclosure if that vehicle has been returned, or should have been returned, to the dealer or manufacturer for failure to conform to warranties. As amended April 26, this bill would revise and recast the Automotive Consumer Notification Act within the provisions of the Vehicle Code. The bill would require the manufacturer to retitle specified defective vehicles in its name, request DMV to inscribe the ownership certificate with a "lemon buy-back" notation, affix a "lemon buy-back" decal to the left door frame of the vehicle, deliver a specified notice to the transferee of the vehicle, and obtain the transferee's acknowledgment. The bill would provide that any person damaged by the failure of a manufacturer or dealer to comply with these requirements shall have the same rights and remedies as those provided to a buyer of consumer goods by specified provisions relating to warranty. The bill would provide that it shall apply only to vehicles reacquired by a manufacturer on or after the effective date of the Act. [A. Floor]

SB 1085 (Wright), as amended April 5, is a spot bill making minor changes in the law requiring DCA to certify qualified third-party dispute resolution processes to resolve "lemon law" disputes. [S. Rls]

AB 770 (Aguiar). Existing law prohibits the holder of any motor vehicle dealer's license from advertising for sale or selling any new vehicle of a line-make for which the dealer does not hold a franchise; a violation of that provision is a misdemeanor. Existing law makes several exceptions to that general prohibition, including transactions involving a commercial vehicle. As amended May 11, this bill would limit the exception for transactions involving a commercial vehicle to commercial vehicles with a gross vehicle weight rating of more than 10,000 pounds. The bill would add to the list of exceptions specified above a transaction involving a manufactured home, a vehicle purchased for export and exported outside the territorial limits of the United States without



being registered with DMV, or a new vehicle that will be substantially altered or modified by a converter, which the bill would define, prior to resale.

Existing law requires DMV to furnish an autobroker's registration certificate to a dealer who registers with DMV as an autobroker. This bill would, instead, require DMV to furnish the dealer with an autobroker's endorsement to the dealer's license. [S. Trans]

AB 1218 (Sher). Existing law makes it unlawful for a licensed dealer, as defined, to, among other things, advertise that the selling price of a vehicle is above, below, or at, among other things, the manufacturer's or distributor's invoice price to the dealer. As introduced February 23, this bill would make it unlawful for any person to use the terms "invoice," "dealer invoice," or "dealer cost" in an advertisement relating to the sale or lease of a vehicle. The bill would make conforming charges in the existing provisions governing dealer advertising. [S. Trans]

### LITIGATION

In Roulette Dealership Group of California, Inc. v. American Honda Motor Co., Inc., No. H010858 (Sixth District Court of Appeal), Honda is challenging a jury verdict of nearly \$7 million in favor of Roulette on claims of breach of contract, bad faith denial of existence of contract, and conspiracy to interfere with prospective economic advantage arising out of Honda's termination of a letter of intent agreement with Roulette for an Acura dealership in San Jose. In an amicus curiae brief, NMVB contends that the judgment should be reversed because Roulette failed to exhaust its administrative remedies before the Board. At this writing, the Sixth District has not yet scheduled oral argument.

Mark K. Edward, et al. v. Mazda Motor of America, Inc., et al., No. CV736159 (Santa Clara County Superior Court), arises from the plaintiffs' failed attempt to purchase a Mazda dealership. Plaintiffs claim that the defendants wrongfully interfered with the purchase; specifically, the plaintiffs' claims against Mazda and its agents involve alleged intentional and negligent interference with economic relations, breach of implied covenant of good faith and fair dealing, and violation of Vehicle Code section 11713.3. In February 1994, NMVB submitted an amicus curiae brief supporting Mazda's demurrer based on the plaintiffs' failure to exhaust administrative remedies before the Board: the trial court sustained the demurrer with leave to amend on the ground that the plaintiffs failed to exhaust their administrative remedies, and sustained a second demurrer on plaintiffs' amended complaint. The plaintiffs have appealed to the Sixth District Court of Appeal, where the matter is now pending.

#### **RECENT MEETINGS**

At its January 25 meeting, NMVB unanimously elected Manning Post to serve as President and Lucille Mazeika to serve as Vice-President for 1995.

#### **FUTURE MEETINGS**

September 7 in Sacramento.

# OSTEOPATHIC MEDICAL BOARD OF CALIFORNIA

Executive Director: Linda Bergmann (916) 322-4306

n 1922, California voters approved a constitutional initiative which created the Board of Osteopathic Examiners; 1991 legislation changed the Board's name to the Osteopathic Medical Board of California (OMBC). Today, pursuant to Business and Professions Code section 3600 et seq., OMBC regulates entry into the osteopathic profession, examines and approves schools and colleges of osteopathic medicine, and enforces professional standards. The Board is empowered to adopt regulations to implement its enabling legislation; OMBC's regulations are codified in Division 16, Title 16 of the California Code of Regulations (CCR), The 1922 initiative, which provided for a five-member Board consisting of practicing doctors of osteopathy (DOs), was amended in 1982 to include two public members. The Board now consists of seven members, appointed by the Governor, serving staggered three-year terms.

At this writing, OMBC is functioning with two vacancies—one professional member and one public member. Additionally, the term of Richard Bond, DO, is scheduled to expire on June 1.

### MAJOR PROJECTS

**Board's Budget Woes Appeased, But** Not Abated. At this writing, OMBC has exhausted its budget for fiscal year 1994– 95. At OMBC's March 3 meeting, staff reported that it has requested a deficiency appropriation of \$60,000 so that the Board may continue its enforcement functions until June 30. OMBC has also benefitted from the license fee increase authorized by AB 3732 (Takasugi) (Chapter 895, Statutes of 1994). [15:1 CRLR 163; 14:4 CRLR 196] AB 3732 contained an urgency clause, enabling OMBC to immediately seek the fee increase, which it did in October by adopting amendments to section 1690, Title 16 of the CCR. On January 26, the Office of Administrative Law (OAL) approved the fee increase (*see below*); OMBC has been collecting the increased licensing fees and using them to support its ailing enforcement program since that date. At this writing, OMBC is also awaiting response on a budget change proposal it submitted seeking additional funds of \$150,000 for fiscal year 1995–96.

Infection Control Regulations Approved. On January 26, OAL approved OMBC's adoption of new section 1633, Title 16 of the CCR, which sets forth minimum standards for infection control in the practice of osteopathy through reference to U.S. Centers for Disease Control documents. [15:1 CRLR 164] The standards are aimed at preventing the transmission of bloodborne pathogens, especially HIV and hepatitis. The Board is currently considering the most cost-efficient method of distributing the standards to its licensees.

Regulatory Package Approved. Also on January 26, OAL approved OMBC's amendments to sections 1609, 1610, 1630, 1635, 1636, 1641, 1646, 1647, 1650, 1651, 1669, 1670, 1673, 1678, 1681, and 1690, Title 16 of the CCR. Among other things, these amendments change annual fees to biennial fees and raise specified fees; add chiropractors to the list of those authorized to be included in osteopathic medical corporation registration; provide that a license will not be renewed if there is a continuing education deficiency at the time of biennial renewal; raise fees for restoration of forfeited certificates; and delete required forms contained in an appendix. [15:1 CRLR 163-64]

#### **RECENT MEETINGS**

At its March 3 meeting, OMBC noted that the number of applicants for the osteopathic examination has declined.

#### FUTURE MEETINGS

July 22 in Sacramento.

# PUBLIC UTILITIES COMMISSION

Executive Director: Neal J. Shulman President: Daniel Wm. Fessler (415) 703-1487

The California Public Utilities Commission (PUC) was created in 1911 to regulate privately-owned utilities and ensure reasonable rates and service for the