

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

In the matter of:

Complaint No. 343916

KACALO CITY CAB TRANSPORT LLC  
Taxicab Carrier Registration No. 58-02-000224

Respondent.

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**ORDER OF SUMMARY SUSPENSION**

1. Section 17(1) of the Limousine, Taxicab, and Transportation Network Company Act, MCL 257.2117(1), provides the Department of Licensing and Regulatory Affairs (“Department”) the authority to summarily suspend a registration if, based on an affidavit of a person with knowledge of the facts, it determines that, after an audit, a registrant’s violation of the Act poses an imminent threat to the public health, safety, or welfare requiring emergency action.

2. Based on Respondent’s conduct, as detailed in the attached affidavits, the Department finds that Respondent’s continued violation of the Act and the terms of a Final Order and Notice and Order to Cease and Desist issued under the Act poses an imminent threat to the public health, safety, or welfare requiring emergency action.


IT IS NOW ORDERED THAT Respondent’s registration under the Act to operate as a Taxicab Carrier in the State of Michigan is summarily suspended for all purposes beginning on the mailing date of this order.

Respondent has the right to petition the Department to dissolve this Summary Suspension Order, under MCL 257.2117(2). If Respondents submit a petition to dissolve this Order, the petition must clearly state it is a Petition to Dissolve Summary Suspension and must be filed with the Department at the address or email address indicated below. In response to the petition, the

Department may deny the request to dissolve the Order, grant the request to the dissolve the Order, or immediately schedule a hearing to decide whether to grant or deny the request to dissolve the Order.

This Order is effective on the date mailed.

MICHIGAN DEPARTMENT OF LICENSING  
AND REGULATORY AFFAIRS

BY  \_\_\_\_\_

Linda Clegg, Director  
Corporations, Securities & Commercial Licensing  
Bureau

Dated: May 5, 2021

Responsive Pleadings Should Be Filed by Mail or Email With:

Department of Licensing and Regulatory Affairs  
Corporations, Securities & Commercial Licensing Bureau  
Regulatory Compliance Division  
P.O. Box 30018  
Lansing, MI 48909  
Email: [CSCL-FOIA@michigan.gov](mailto:CSCL-FOIA@michigan.gov)

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

In the matter of:

Complaint No. 343916

KACALO CITY CAB TRANSPORT LLC  
Taxicab Carrier  
Registration No. 58-02-000224

Respondent.

\_\_\_\_\_ /

STATE OF MICHIGAN )  
COUNTY OF INGHAM )

AFFIDAVIT OF LINDSAY CLERY

Lindsay Clery, being first duly sworn, deposes and says that:

1. I make this Affidavit in support of the Department of Licensing and Regulatory Affairs' Order summarily suspending Respondent's registration set forth above; the following facts are within my personal knowledge or my knowledge and belief; I am competent to testify to the facts and will do so if called as a witness.
2. I am employed by the State of Michigan, Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau ("Department") as a Department Technician within its Securities & Audit Division.
3. In that capacity, I monitor whether a respondent has complied with the terms of disciplinary final orders issued by the Department, Board, Commission, or Administrator.
4. The Department issued the attached Notice and Order to Cease and Desist in Complaint No. 342938 against Respondent Kacalo City Cab Transport LLC's Taxicab Carrier Registration No. 58-02-000224 on December 2, 2020, and it became a Final Order by operation

of law under the Limousine, Taxicab, and Transportation Network Company Act, MCL 257.2101 *et seq.* (“Act”) on January 13, 2021 after Respondent failed to timely request a hearing date.

5. The Final Order found that Respondent operated as a Taxicab Carrier in Michigan without maintaining copies of the above referenced documentation verifying that its drivers met the requirements set forth above, in violation of MCL 257.2107(1).

6. The Final Order also found that Respondent operated as a Taxicab Carrier in Michigan without providing notice of its zero-tolerance policy towards its drivers’ use of drugs and alcohol while driving, in violation of MCL 339.2139(2).

7. The Final Order required Respondent to stop violating the Act, pay a \$413.05 administrative fine, and provide the Department with the following documentation within 60 days of January 13, 2021:

- a. Copies of all applications as of December 2, 2020 for each driver that operates taxicabs for Respondent along with a local and national criminal background check of each driver that includes a search of multistate or multijurisdictional criminal records locator and the national sex offender registry, and a driving history research report for each driver; and
- b. Screenshots of its website showing that the website provides notice of its zero-tolerance policy.

8. Respondent paid the administrative fine, but to date, the Department has not received the documentation required by the Final Order from Respondent.

  
\_\_\_\_\_  
Lindsay Clery

I remotely notarized this document under sections 9, 26c, and 26d of the Michigan Laws on Notarial Acts, MCL 55.269, 55.286c, and 55.286d, and certify:

1. The signatory signed this document while I was observing the signatory through a two-way real-time audiovisual technology (Microsoft Teams videoconference) that allowed direct, contemporaneous interaction by sight and sound between the signatory and me.

2. The Microsoft Teams videoconference was capable of creating an audio and visual recording of the complete notarial act, and such recording was made and retained as a notarial record in accordance with sections 26b(7) to 26b(9) of the Michigan Laws on Notarial Acts, MCL 55.286b(7) and 55.286b(9).
3. The individual seeking my services was personally known to me.
4. The signatory affirmatively represented that the signatory was physically situated in the State of Michigan.
5. The signatory and I affixed our signatures to the document in a manner that renders any subsequent change or modification of the remote online notarial act to be tamper evident.
6. The signatory or the signatory's designee transmitted by electronic means a legible copy of the entire signed document directly to me on the same date it was signed.
7. Upon receiving a legible copy of the document with all necessary signatures, I notarized the document and transmitted it back to the signatory.
8. I certified the official date and time of the notarization as of the date and time when I witnessed the signatory's signature via Microsoft Teams videoconference, as required under section 27 of the Michigan Laws on Notarial Acts, MCL 55.287.

My full notarial certification is on the following page; the foregoing representations are incorporated into that certification.

*Diane M. Cortright*

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Diane M. Cortright

Lindsay acknowledged this document before me on May 3, 2021 signature]. At the time of the acknowledgement, this person was located in Ingham County, Michigan, and I was located in Ingham County, Michigan. This document was remotely notarized under sections 9, 26c, and 26d of the Michigan Laws on Notarial Acts, MCL 55.269, 55.286c, and 55.286d; my representations regarding the circumstances of this notarial act are detailed in the preceding page of this document and are incorporated by reference into this certification.

*Diane M. Cortright*

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Diane M. Cortright

Notary Public, State of Michigan

County of Ingham

My commission expires 08-16-2024

Notary located in the County of Ingham

Person making acknowledgement located in Ingham County, Michigan

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

In the matter of:

Complaint No. 343916

KACALO CITY CAB TRANSPORT LLC  
Taxicab Carrier  
Registration No. 58-02-000224

Respondent.

\_\_\_\_\_ /

STATE OF MICHIGAN )  
COUNTY OF JACKSON )

AFFIDAVIT OF BENJAMIN PARKER

Benjamin Parker, being first duly sworn, deposes and says that:

1. I make this Affidavit in support of the Department of Licensing and Regulatory Affairs' Order summarily suspending Respondent's registration set forth above; the following facts are within my personal knowledge or my knowledge and belief; I am competent to testify to the facts and will do so if called as a witness.

2. I am employed by the State of Michigan, Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau ("Department") as the Director of its Licensing Division. In that capacity, I direct the investigation of complaints from the general public and the Department alleging violations of the Limousine, Taxicab, and Transportation Network Company Act (the "Act"), MCL 257.2101 *et seq.*, and review records of registered limousine carriers, taxicab carriers, and transportation network companies, and other documents involving persons and entities issued registrations under the Act.

3. Respondent is actively registered under the Act as a Taxicab Carrier, as of today's date.

4. Section 7(2) of the Act, MCL 257.2107(2), requires a limousine carrier, taxicab carrier, or transportation network company to ensure that an individual who operates a limousine or taxicab or accepts a transportation network company prearranged ride meets the minimum driving record requirements, has not been convicted of certain criminal felony offenses within the past five years, is not listed on the national sex offender registry database, is at least 19 years of age, and possesses a Michigan driver's license and, if applicable, proof of vehicle registration and insurance.

5. Section 39(1) of the Act, MCL 257.2139(1), requires a limousine carrier, taxicab carrier, or transportation network company to develop and implement a zero-tolerance policy regarding their drivers' activities while providing transportation services or accessing the transportation network company's digital network. It must address a driver's use of drugs or alcohol while they are providing transportation services or a transportation network company prearranged ride or logged into a transportation network company's digital network and available to receive a transportation request. Subsection (2) of that section also requires them to provide notice of their zero-tolerance policy on their website or the website of their parent company.

6. Respondent's conduct, as detailed in the Affidavit of Lindsay Clery, demonstrates that it is holding itself out to the public as an actively registered Taxicab Carrier without ensuring that its drivers meet the requirements set forth in MCL 257.2107(2) and without ensuring that its customers have notice of its zero-tolerance policy towards its drivers' use of drugs or alcohol while driving, consistent with MCL 257.2139(1) & (2).



7. Respondent's conduct, as detailed above, constitutes a threat to the public health, safety, or welfare justifying the summary suspension of its registration set forth above under MCL 257.2117.

  
Benjamin Parker

I remotely notarized this document under sections 9, 26c, and 26d of the Michigan Laws on Notarial Acts, MCL 55.269, 55.286c, and 55.286d, and certify:

1. The signatory signed this document while I was observing the signatory through a two-way real-time audiovisual technology (Microsoft Teams videoconference) that allowed direct, contemporaneous interaction by sight and sound between the signatory and me.
2. The Microsoft Teams videoconference was capable of creating an audio and visual recording of the complete notarial act, and such recording was made and retained as a notarial record in accordance with sections 26b(7) to 26b(9) of the Michigan Laws on Notarial Acts, MCL 55.286b(7) and 55.286b(9).
3. The individual seeking my services was personally known to me.
4. The signatory affirmatively represented that the signatory was physically situated in the State of Michigan.
5. The signatory and I affixed our signatures to the document in a manner that renders any subsequent change or modification of the remote online notarial act to be tamper evident.
6. The signatory or the signatory's designee transmitted by electronic means a legible copy of the entire signed document directly to me on the same date it was signed.
7. Upon receiving a legible copy of the document with all necessary signatures, I notarized the document and transmitted it back to the signatory.
8. I certified the official date and time of the notarization as of the date and time when I witnessed the signatory's signature via Microsoft Teams videoconference, as required under section 27 of the Michigan Laws on Notarial Acts, MCL 55.287.

My full notarial certification is on the following page; the foregoing representations are incorporated into that certification.

*Diane M. Cortright*

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Diane M. Cortright

Benjamin Parker acknowledged this document before me on May 3, 2021. At the time of the acknowledgement, this person was located in Jackson County, Michigan, and I was located in Ingham County, Michigan. This document was remotely notarized under sections 9, 26c, and 26d of the Michigan Laws on Notarial Acts, MCL 55.269, 55.286c, and 55.286d; my representations regarding the circumstances of this notarial act are detailed in the preceding page of this document and are incorporated by reference into this certification.

*Diane M. Cortright*

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Diane M. Cortright

Notary Public, State of Michigan

County of Ingham

My commission expires 08-16-2024

Notary located in the County of Ingham

Person making acknowledgement located in Jackson County, Michigan

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

In the matter of:

Complaint No. 342938

KACALO CITY CAB TRANSPORT LLC  
Taxicab Carrier Registration No. 58-02-000224

Respondent.

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Issued and entered  
This 2nd day of December, 2020

NOTICE AND ORDER TO CEASE AND DESIST

The Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau (the “Department”), under its statutory authority and responsibility to administer and enforce the Limousine, Taxicab, and Transportation Network Company Act, MCL 257.2101 *et seq.* (the “Act”), orders Kacalo City Cab Transport LLC (“Respondent”), to cease and desist from violating the Act by failing to maintain copies of driver applications and annually conduct criminal background checks and obtain driver history reports for its drivers and by failing to implement and provide passengers notice of its zero-tolerance policy. Respondent is also notified of the opportunity to request a hearing in this matter.

**I. BACKGROUND**

**A. Respondent**

1. Kacalo City Cab Transport LLC has a registered office address on file with the Department’s Corporations Division of 824 Withworth Avenue, Kingsford, MI 49802. Respondent’s address on file with the Department’s Licensing Division is the same. Respondent has, at all times relevant to this Order, been registered as a Taxicab Carrier under the Act.

**B. Findings of Fact**

2. On June 22, 2020, the Department received a statement of complaint filed by S.D. against Respondent alleging violations of the Act. A copy of the statement of complaint is attached as Exhibit 1.
3. On August 18, 2020, in conformity with section 7(7) of the Act, MCL 257.2107(7), a Department investigator asked Respondent's resident agent, Edward Kacalo, to provide the Department copies of records for all of its drivers, including their applications, criminal background checks, and driving history reports, as well as evidence that its zero-tolerance policy was posted to its website by September 17, 2020. Attached as Exhibit 2 is a copy of the Department's e-mail.
4. On October 16, 2020, the Department investigator provided Respondent with an extension until October 21, 2020 to provide the previously requested information. See Exhibit 2.
5. On November 4, 2020, the Department investigator conducted an internet search and confirmed that Respondent did not have its zero-tolerance policy posted to its Facebook page. Printouts from Respondent's Facebook page are attached as Exhibit 3.
6. To date, Respondent has not provided the Department copies of records for all of its drivers including their applications, criminal background checks, and driving history reports nor has it provided the Department with evidence that its zero-tolerance policy is posted to its website.

**II. RELEVANT STATUTORY PROVISIONS**

7. MCL 257.2107 provides the following:

(1) Before an individual may operate a limousine or taxicab on behalf of a limousine carrier or taxicab carrier or accept transportation network company prearranged ride requests as a transportation network company driver using a transportation network company's digital network, he or she shall submit an application to the limousine carrier, taxicab carrier, or transportation network company. The application required under this subsection shall include, but is not limited to, the applicant's name, address, age, operator's license number, driving history, motor vehicle registration information, and automobile liability insurance information. A limousine carrier, taxicab carrier, or transportation network company receiving an application under this subsection shall do both of the following before allowing the applicant to operate a limousine or taxicab or accept transportation network company prearranged ride requests as a transportation network company driver using the transportation network company's digital network:

(a) Annually conduct, or use a third part to annually conduct, a local and national criminal background check of the applicant. The background checks required under this subdivision shall include a search of all of the following:

- (i) A multistate or multijurisdiction criminal records locator or similar commercial nationwide database with validation.
  - (ii) The national sex offender registry database.
- (b) Annually obtain and review a driving history research report for the applicant.

8. MCL 257.2139 provides the following:

(1) A limousine carrier, taxicab carrier, or transportation network company shall develop and implement a zero-tolerance policy regarding a limousine, taxicab, or transportation network company driver's activities while providing transportation services or accessing the transportation network company's digital network. The zero-tolerance policy required under this subsection shall address the use of drugs or alcohol while the driver is providing transportation services or a transportation network company prearranged ride or is logged in to a transportation network company's digital network and available to receive a transportation request.

(2) A limousine carrier, taxicab carrier, or transportation network company, or the parent company if the limousine carrier, taxicab carrier, or transportation network company does not have a website, shall provide notice of the zero-tolerance required under subsection (1) on its website, and shall also provide on its website a procedure for a passenger to report a complaint about a driver who the passenger reasonable suspects was under the influence of drugs or alcohol during a trip or a transportation network company prearranged ride.

9. MCL 257.2145(1) provides the following:

A limousine carrier, taxicab carrier, and transportation network company shall adopt a policy of nondiscrimination with respect to passengers and potential passengers and shall notify limousine drivers, taxicab drivers, and transportation network company drivers of the policy adopted under this subsection.

10. MCL 257.2149 provides the following:

(1) A limousine carrier, taxicab carrier, or transportation network company, or an officer or agent of a limousine carrier, taxicab carrier, or transportation network company who requires or knowingly permits a driver to drive or operate a limousine, taxicab, or personal vehicle in violation of this act, or a rule promulgated under this act, is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00 per violation or imprisonment for not more than 90 days, or both.

(2) In addition to the fine authorized by this section, the department may assess a fine against a person who violates this act that covers the actual cost to the department of the investigation and enforcement of the violation, including attorney fees.

(3) A proceeding held under this act shall be held under chapter 4 of the administrative procedures act of 1969 [MCL 24.271 *et seq.*] . . . .

11. MCL 257.2151 provides the following:

All of the following apply to a person that violates this act or rules or an order promulgated or issued under this act:

- (a) The person is subject to denial of a registration or renewal of a registration.
- (b) The attorney general or the proper prosecuting attorney may institute appropriate criminal proceedings under this Act against the person with or without a reference from the department.
- (c) The department or any other person, to enforce compliance with this act, may bring an action in a circuit court in any county in which the limousine carrier, taxicab carrier, or transportation network company has solicited or sold its services, whether or not that person purchased or used the limousine carrier's, taxicab carrier's, or transportation network company's services or is personally aggrieved by a violation of this act. The court may award damages, issue equitable orders in accordance with the Michigan court rules to restrain conduct in violation of this act, and award reasonable attorney fees and costs to a prevailing party.

12. MCL 257.2153 provides the following:

- (1) The director of the department or his or her designee may order a limousine carrier, taxicab carrier, or transportation network company to cease and desist from a violation of this act, a rule promulgated under this act, or an order issued under this act.
- (2) A limousine carrier, taxicab carrier, or transportation network company that receives an order to cease and desist described in subsection (1) may request a hearing before the department if the limousine carrier, taxicab carrier, or transportation network company files a written request for a hearing no later than 30 days after the effective date of the cease and desist order.
- (3) If a limousine carrier, taxicab carrier, or transportation network company violates an order to cease and desist issued under subsection (1), the attorney general may apply to a court of competent jurisdiction to restrain and enjoin, either temporarily or permanently, that limousine carrier, taxicab carrier, or transportation network company from further violating the order to cease and desist.

### **III. CONCLUSIONS OF LAW**

- 13. Respondent operated as a taxicab carrier in this state without maintaining copies of its drivers' applications and without annually conducting criminal background checks and obtaining annual driver history reports for its drivers, in violation of MCL 257.2107(1).
- 14. Respondent operated as taxicab carrier in this state without providing notice of a zero-tolerance policy on its website, in violation of MCL 339.2139(2).

#### IV. ORDER

IT IS THEREFORE ORDERED, under MCL 257.2153(1), that:

- A. Respondent must immediately CEASE AND DESIST from further violating the Act, as set forth above, by maintaining copies of driver applications and annually conducting criminal background checks and obtaining annual driver history reports for its drivers, as required by MCL 257.2107(1).
- B. Respondent must immediately CEASE AND DESIST from further violating the Act, as set forth above, by and providing notice of its zero-tolerance on its website, as required by MCL 339.2139(2).
- C. Within 60 days of the date that this order becomes final, Respondent must provide to the Department at the address indicated in paragraph VI.B. each of the following:
  - 1) As of the date of this Order, copies of applications for each driver that operates taxicabs for Respondent along with a local and national criminal background check of each driver that includes a search of a multistate or multijurisdictional criminal records locator and the national sex offender registry and a driving history research report of each driver; and
  - 2) Screenshots of its website showing that the website provides notice of its zero-tolerance policy.
- D. The Department, under MCL 257.2149(2), intends to recoup the costs of its investigation and enforcement of this matter by way of a FINE of \$413.05 against Respondent, plus any additional costs incurred by the Department after the issuance of this Order, if any, payable within 60 days of the date that this order becomes final.
- E. This CEASE AND DESIST ORDER IS IMMEDIATELY EFFECTIVE.
- F. Under MCL 257.2149(1), a taxicab carrier who requires or knowingly permits a driver to drive or operate a taxicab in violation of the Act is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00 per violation or imprisonment for not more than 90 days, or both. **ACCORDINGLY, FAILURE TO COMPLY WITH THIS ORDER MAY SUBJECT RESPONDENT TO THESE ADDITIONAL CRIMINAL SANCTIONS, FINES, AND/OR PENALTIES.** A referral may be made to the appropriate law enforcement authority at any time after the issuance of this order.
- G. Under MCL 257.2151(c), the Department may bring an action in a circuit court in which Respondent solicited or sold its services to enforce compliance with the Act. The court may award damages, issue equitable orders to restrain violations of the Act, and award reasonable attorney fees and costs to a prevailing party. The Department retains the right to pursue a civil action against Respondent under MCL 257.2151(c) if it determines that such action is in the public interest.

H. Under MCL 257.2153(3), if Respondent violates this Cease and Desist Order, the attorney general may apply to a court of competent jurisdiction to restrain and enjoin Respondent from further violating this Cease and Desist Order.

**V. NOTICE OF OPPORTUNITY FOR HEARING**

Respondent has thirty (30) days beginning with the first day after the date of service of this **NOTICE AND ORDER TO CEASE AND DESIST** to submit a written request to the Department asking that this matter be scheduled for a hearing. If the Department receives a written request in a timely manner, the Department will schedule a hearing. The written request for a hearing must be mailed or emailed to:

Corporations, Securities & Commercial Licensing Bureau  
Regulatory Compliance Division  
P.O. Box 30018  
Lansing, MI 48909  
Email: [CSCL-FOIA@michigan.gov](mailto:CSCL-FOIA@michigan.gov)

**VI. ORDER FINAL ABSENT HEARING REQUEST**

A. Respondent's failure to submit a written request for a hearing to the Department within 30 days after the service date of this **NOTICE AND ORDER TO CEASE AND DESIST** will result in this order becoming a **FINAL ORDER** by operation of law. The **FINAL ORDER** includes the requirement to provide documentation described in paragraph IV.C. and the imposition of the fine described in paragraph IV.D. The fine and documents are due to the department within 60 days after the date this order becomes final:

\$413.05 fine – imposed against Kacalo City Cab Transport LLC  
under MCL 257.2149(2).

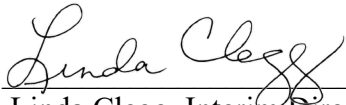
B. The FINE must be made payable to the STATE OF MICHIGAN, by cashier's check or money order with Complaint No. 342938 clearly indicated on the check or money order, and mailed to the following address:

Corporations, Securities & Commercial Licensing Bureau  
Final Order Monitoring – Securities & Audit Division  
P.O. Box 30018  
Lansing, MI 48909

C. Failure to pay the fine within six (6) months after it becomes overdue may result in the referral of the fine to the Michigan Department of Treasury for collection action against Respondent.



DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS



\_\_\_\_\_  
Linda Clegg, Interim Director  
Corporations, Securities & Commercial Licensing  
Bureau

December 2, 2020  
Date