

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

In the matter of:

Complaint No. 338620

ACE MEDICAL TRANSPORTATION LLC
Limousine Carrier Registration No. 58-03-000868

Respondent.

Issued and entered
This 19th day of July, 2019

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 Ace Medical Transportation LLC ("Respondent"), to cease and desist from violating the Act by failing to: 1) Maintain copies of driver applications and annually conduct criminal background checks and obtain driver history reports for its drivers; 2) developed and implement and provide passengers via its website notice of a zero-tolerance policy regarding drivers' use of drugs or alcohol while providing services; 3) adopt and provide its drivers notice of a policy of nondiscrimination with respect to passengers and potential passengers; and 4) maintain the insurance coverage required by section 19 of the Act, MCL 257.2119. Respondent is also notified of the opportunity to request a hearing in this matter.

Cease & Desist Order
Ace Medical Transportation LLC
Complaint No. 338620

I. BACKGROUND

A. Respondent

1. Ace Medical Transportation LLC has an address on file with the Department's Licensing Division of 7713 Manor Street, Dearborn, Michigan 48126. Respondent has, at all times relevant to this Order, been registered as a Limousine Carrier under the Act.

B. Findings of Fact

2. On October 25, 2018, the Department audited Respondent's records in conformity with section 7(7) of the Act, MCL 257.2107(7). Attached as Exhibit 1 is a copy of the Department's Report.
3. At the time of the audit, Respondent did not maintain copies of driver applications and had not conducted criminal background checks or obtained annual driving history research reports for each of its drivers.
4. At the time of the audit, Respondent did not have a zero-tolerance policy addressing drivers' use of drugs or alcohol while providing transportation services, did not have notice of such a policy on its website, and did not provide a procedure on its website for passengers to report a driver who the passenger reasonably suspects was under the influence of drugs or alcohol during a trip.
5. At the time of the audit, Respondent had not adopted a policy of nondiscrimination with respect to passengers and potential passengers and had not notified drivers of such a policy.
6. At the time of the audit, Respondent's authorized agent, Ali Charara confirmed that Respondent did not have insurance coverage that met the requirements of section 19 of the Act, MCL 257.2119.
7. Following the audit on October 28, 2018, the Department inspector gave Respondent until the open of business on October 29, 2018, to provide proof of insurance coverage to the Department. The Department inspector also gave Respondent 30 days to correct the additional deficiencies found during the audit and provide documentary proof of these corrections to the Department.
8. On October 29, 2018, the Department contacted Ali Charara, who stated that he was on his way to purchase the required insurance. The Department then received a telephone call from an insurance agent who stated Respondent's policy would take a while to write up, but that Respondent did obtain insurance. However, the Department has, to-date, never received proof of reinstated insurance from Respondent.
9. On November 18 and 21, 2018, the Department unsuccessfully attempted to contact Ali Charara.

10. On April 18, 2019, the Department contacted Ali Charara, who stated that Respondent never obtained new insurance and had ceased operations. The Department requested a letter from Respondent to close the license.
11. On April 26, 2019, the Department again contacted Respondent's authorized agent and advised that it needed a letter from Respondent indicating its intent to cease operations by close of business that day.
12. To date, Respondent has failed to provide a letter to the Department indicating it ceased operations, failed to provide proof of insurance coverage, as required by MCL 257.2119, and failed to provide the additional missing documentation identified during the October 28, 2018 audit.

II. RELEVANT STATUTORY PROVISIONS

13. 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.

14. 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 policy 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.

15. 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.

16. MCL 257.2119 provides the following:

A limousine carrier shall acquire the following insurance coverage for acts or omissions of the applicant as a limousine carrier:

(a) Bodily injury and property damage liability insurance with a minimum combined single limit of \$300,000.00 for all persons injured or for property damage.

(b) Personal protection insurance and property protection insurance as required by chapter 31 of the insurance code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179. A limousine carrier shall maintain the insurance described in this section as a condition of maintaining a license issued under this act.

17. MCL 257.2117 provides the following:

(1) If the Insurance Coverage required under section 19, 21, or 23 is canceled for any reason, or if, after an audit, the department determines that a registrant's violation of this act poses a threat to the public health, safety, or welfare, the department shall issue an order summarily suspending the registration issued to that limousine carrier, taxicab carrier, or transportation network company, based on an affidavit by an individual who is family with the facts set forth in the affidavit, or if appropriate, based on an affidavit made on information and belief that an imminent threat to the public health, safety, or welfare exists.

(2) A limousine carrier, taxicab carrier, or transportation network company whose registration is summarily suspended under this section may petition the department to dissolve the order. The department may grant or deny the petition without a

hearing, or may immediately schedule a hearing to decide whether to grant or deny the petition.

(3) At a hearing described in subsection (2), an administrative law hearings examiner shall dissolve the summary suspension order unless sufficient evidence is presented that an imminent threat to the public health, safety, or welfare exists that requires emergency action and continuation of the department's summary suspension order.

18. 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.*]

19. 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.

20. 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

21. Respondent operated as a Limousine Carrier in this state without maintaining copies of driver applications and without annually conducting criminal background checks, in violation of MCL 257.2107(1)(a).
22. Respondent operated as a Limousine Carrier in this state without obtaining annual driver history reports for its drivers, in violation of MCL 257.2107(1)(b).
23. Respondent operated as a Limousine Carrier in this state without developing and implementing a zero-tolerance policy regarding drivers' use of drugs or alcohol while providing services, in violation of MCL 257.2139(1).
24. Respondent operated as Limousine Carrier in this state without providing notice of a zero-tolerance policy required by MCL 257.2139(1) on its website and failed to provide a procedure on its website for passengers to report a driver who the passenger reasonably suspects was under the influence of drugs or alcohol during a trip, in violation of MCL 257.2139(2).
25. Respondent operated as a Limousine Carrier in this state without adopting a policy of nondiscrimination with respect to passengers and potential passengers and without notifying its drivers of such a policy, in violation of MCL 257.2145(1).
26. Respondent operated as a Limousine Carrier in this state without maintaining the insurance required by section 19 of the Act, MCL 257.2119, in violation of MCL 257.2119(b).

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 developing and implementing a zero-tolerance policy regarding drivers' use of drugs or alcohol while providing services as required by MCL 257.2139(1).
- C. Respondent must immediately CEASE AND DESIST from further violating the Act, as set forth above, by and providing notice of a zero-tolerance regarding drivers' use of drugs or alcohol while providing services on its website and by providing a procedure on its website for passengers to report a driver who the passenger reasonably suspects was under the influence of drugs or alcohol during a trip, as required by MCL 257.2139(2).
- D. Respondent must immediately CEASE AND DESIST from further violating the Act, as set forth above, by adopting a policy of nondiscrimination with respect to passengers and potential passengers and notifying its drivers of this policy, as required by MCL 257.2145(1).
- E. Respondent must immediately CEASE AND DESIST from further violating the Act, as set forth above, by obtaining the insurance coverage, as required by MCL 257.2119(b).
- F. 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 driver applications for each driver that operates limousines 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;
 - 2) Screenshots of its website showing that the website provides notice of a zero-tolerance policy regarding drivers' use of drugs or alcohol while providing service and showing a procedure for passengers to report a driver who the passenger reasonably suspects was under the influence of drugs or alcohol during a trip;
 - 3) A copy of a nondiscrimination policy that it implemented with respect to passengers and potential passengers; AND
 - 4) Proof of the insurance coverage required by section 19 of the Act, MCL 257.2119.

- 5) In lieu of the above, written notice that Respondent ceased operations and the date it ceased operations.
- G. 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 \$507.95 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.
- H. This CEASE AND DESIST ORDER IS IMMEDIATELY EFFECTIVE.
- I. Under MCL 257.2149(1), a limousine carrier who requires or knowingly permits a driver to drive or operate a limousine 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.
- J. 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.
- K. 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 addressed to:

Corporations, Securities & Commercial Licensing Bureau
Regulatory Compliance Division
P.O. Box 30018
Lansing, MI 48909

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** shall 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.G. and the imposition of the fine described in paragraph IV.G. The fine and documents are due to the department within 60 days after the date this order becomes final:

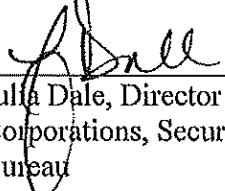
\$629.57 fine – imposed against Ace Medical Transportation LLC
under MCL 257.2149(2).

- B. The FINE must be made payable to the STATE OF MICHIGAN, by cashier's check or money order with Complaint No. 338620 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



Julia Dale, Director
Corporations, Securities & Commercial Licensing
Bureau

7/16/19

Date