

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

In the matter of:

Complaint No. 341864

JACKSON CITY CAB/STARLITE CAB CO.
RANDALL MCDONALD, OWNER
Unregistered Taxicab Carrier

Respondent.

Issued and entered
This 24th day of April, 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 Jackson City Cab/Starlite Cab Co., Randall McDonald, Owner (Respondent) to cease and desist from violating the Act. Specifically, Respondent is ordered to cease and desist from engaging in the business of a taxicab carrier until it obtains a registration with the Department under the Act.

I. BACKGROUND

A. Respondent

1. Jackson City Cab/Starlite Cab Co., is an assumed name of Randall McDonald and was registered in Jackson County on August 28, 2015, with a business address of 706 Francis St, Jackson, Michigan 49203. A copy of the Business Registration Certificate is attached as Exhibit 1. The Department also has a business address of 706 Martin Luther King, Jr. Dr, Jackson, Michigan 49203 listed for Respondent.

B. Findings of Fact

2. The Act became effective on March 21, 2017.

3. Respondent has never been registered with the Department under the Act. A copy of a certificate of registration status is attached as Exhibit 2.
4. On or about October 31, 2019, an anonymous complaint was filed with the Department alleging Respondent was engaged in activity regulated under the Act without being registered with the Department. A copy of the statement of complaint is attached as Exhibit 3.
5. On November 1, 2019, the Department sent a Notice to Respondent along with a copy of the complaint, requesting a response by November 18, 2019. A copy of the Notice to Respondent is attached as Exhibit 4.
6. On November 13, 2019, in its response to the Department's November 1, 2019 letter, Respondent's Owner, Randall McDonald, admitted it was engaged in activity regulated under the Act without being registered with the Department. A copy of the response is attached as Exhibit 5.
7. On November 18, 2019, the Department received a Transportation Network Company, Limousine Carrier or Taxicab Carrier Application from Respondent.
8. On November 19, 2019, the Department sent Respondent a Notice of Incomplete Application. The letter cited numerous deficiencies in Respondent's application and required Respondent to correct the deficiencies within 30 days. A copy of the letter is attached as Exhibit 6.
9. On December 9 and 19, 2019, Department staff called Respondent's Owner, Randall McDonald, and reminded him of the application deficiencies. Department staff advised Mr. McDonald that all documentation was due to the Department by December 20, 2019.
10. On January 10, 2020, Department staff performed an internet search of Respondent's name and found social media activity and customer reviews that show Respondent providing taxicab carrier services as recently as December 2019, without a registration issued by the Department. A copy of the Department's internet search results is attached as Exhibit 7.
11. To date, the Department has not received any of the requested documentation, and Respondent's application remains incomplete.

II. RELEVANT STATUTORY PROVISIONS

12. MCL 257.2102 provides the following definitions as used in the Act:
 - (i) "Taxicab" means a motor vehicle with a seating capacity of 8 passengers or fewer, including the driver, that is equipped with a roof light and that carries passengers for a fee usually determined by the distance traveled. Taxicab does not include a commercial vehicle.

(j) "Taxicab carrier" means a person who, either directly or through any device, dispatch system, or arrangement, holds himself or herself out to the public as willing to transport passengers for hire by taxicab.

13. MCL 257.2104(1) provides that a "taxicab carrier . . . shall not operate in this state without first having registered with the department under this act."

14. 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.*]

15. 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.

16. 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

17. Respondent engaged in activity regulated by the Act by providing transportation services by taxicab to passengers for hire and for a fee without first registering with the Department under the Act, contrary to MCL 257.2104(1).

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 ceasing to hold itself out to the public as willing to transport passengers for hire by taxicab in this state until it obtains a certificate of registration from the Department under the Act.
- B. 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 \$308.62 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.
- C. This CEASE AND DESIST ORDER IS IMMEDIATELY EFFECTIVE.
- D. 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.**

- E. 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.
- F. 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 imposition of the fine described in section IV.B. The fine is due to the department within 60 days after the date this order becomes final:


\$308.62 fine – imposed against Respondent, 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. 341864 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 this Order becomes final 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

April 24, 2020
Date