

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF  
COLORADO

Proceeding No. 14G-0248CP

Civil Penalty Assessment Notice No. 109053

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PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO,

Complainant,

v.

FREEDOM CABS, INC. d/b/a FREEDOM CABS,

Respondent.

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### STIPULATION AND SETTLEMENT AGREEMENT

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Staff of the Public Utilities Commission (“Staff”) and Respondent Freedom Cabs, Inc. d/b/a Freedom Cabs (“Respondent”) (collectively, the “Parties”) enter into this Stipulation and Settlement Agreement (“Agreement”) in the above-referenced Docket as a complete and final resolution of all issues that were or could have been raised in this proceeding.

#### Background

1. On March 21, 2014, the Commission issued Respondent Civil Penalty Assessment Notice No. 109053 (the “CPAN”) seeking civil penalties of \$600,600.00 (or \$300,300.00 if paid within 10 days). The CPAN alleged the following violations: 100 violations of 4 *Code of Colorado Regulations* (“CCR”) § 723-6-6102(a)(1) and 49 CFR § 390.35; 100 violations of 4 CCR § 723-6-6103(d)(II)(D); 80 violations of 4

CCR § 723-6-6105(g)(III); 70 violations of 4 CCR § 723-6-6105(g)(I); and 19 violations of 4 CCR § 723-6-6102(a)(1) and 49 CFR § 396.11(b). The CPAN was served on Respondent by hand delivery on March 21, 2014.

### Settlement Agreement

Staff and Respondent hereby stipulate and agree as follows:

1. Respondent admits liability to all the violations in the CPAN.
2. Respondent agrees to comply with all Colorado and federal statutes and rules including, but not limited to those concerning maintenance of true and accurate records; permitted driver hours; obtaining fingerprint qualifications for drivers; renewing fingerprint qualifications; and required content for driver vehicle inspection reports.
3. The Agreement herein has been reached in the spirit of compromise and in light of the uncertainties of trial. The Agreement has also been reached to avoid the costly expense of litigation. The Agreement promotes administrative efficiency by avoiding the time and expense that would be necessarily devoted to hearing this matter. The public interest is served by requiring the payment by Respondent of a civil penalty in the amount of \$225,000.00 under the terms in this Agreement. In reducing the penalty, Staff considered the following mitigating factors pursuant to Commission Rule 1302(b):
  - a. Respondent acknowledges wrongdoing.
  - b. Respondent admits the maximum level of culpability for all violations in the CPAN.

- c. Respondent immediately engaged Staff in settlement discussions.
- d. Respondent has now implemented a process to bring all drivers into compliance on hours of service.
- e. Respondent has now implemented a process for drivers on completing the Daily Vehicle Inspection Forms and vehicle maintenance.
- f. Immediately following the issuance of the CPAN, Respondent required all drivers who had not submitted fingerprints to submit them to the PUC.
- g. Respondent will assign one employee as the compliance officer to monitor all compliance.
- h. Respondent will provide training on hours of service and all other areas in which Respondent was not in compliance to all current drivers and for all new drivers as they are hired.
- i. Assessing Respondent a civil penalty of \$225,000.00 under the terms herein is sufficient motivation for Respondent to remain in compliance with the Public Utilities Laws and Commission Rules on a going-forward basis.

4. In consideration of Respondent's admission of liability, and for the reasons expressed above, Staff agrees reducing the amount of the civil penalty from \$600,600.00 to \$225,000.00 is appropriate and in the public interest. This \$225,000.00 settlement amount consists of a \$204,545.45 penalty, plus a ten-percent surcharge of \$20,454.55 pursuant to section 24-34-108, C.R.S.

5. Respondents shall pay the total amount of \$225,000.00 in nine installments. The first installment of \$25,000.00 is due within 10 days of the

Commission's final order approving this settlement agreement, and each successive installment will be due within one month of the due date of the prior installment.

6. If Respondent fails to make any of the installment payments when due, Respondent shall be liable for the full civil penalty amount of \$600,600.00 less any payments made, which amount will be due immediately.

7. All matters that were raised or could have been raised in this Docket relating to the issues specifically identified and addressed herein have been resolved by this Agreement. This Agreement may be executed in counterparts, each of which when taken together shall constitute the entire Agreement of the Parties, and no further modification of this Agreement is allowed, except in writing by the parties, and further agreed to in an order issued by the Commission.

8. Respondent's failure to complete its payment obligations as set forth in this Agreement shall also be deemed a waiver by Respondent of any and all rights to file exceptions and/or a request for rehearing, reargument, and reconsideration, or to file any other form of appeal.

9. In the event that this Agreement is modified or not approved in its entirety, either Party, at that Party's option, may withdraw from this Agreement by filing a notice with the Commission in this Docket within seven days of entry of such Order. In that event, this Agreement shall be void and this matter shall be set for hearing.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

Executed this 17<sup>th</sup> day of April, 2014.

STAFF OF THE COLORADO  
PUBLIC UTILITIES COMMISSION

By:   
Cliff Hinson

Manager, Investigations and Compliance  
Colorado Public Utilities Commission  
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FREEDOM CABS, INC. d/b/a FREEDOM CABS

By:   
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*Approved as to form:*

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