

**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

Before Commissioners: Jay Scott Emler, Chairman  
Shari Feist Albrecht  
Pat Apple

In the Matter of the Investigation of **Chris** )  
**Varela, d/b/a CVT, of Garden City, Kansas,** )  
Regarding the Violation of the Motor Carrier )  
Safety Statutes, Rules and Regulations and the ) Docket No. 17-TRAM-335-PEN  
Commission's Authority to Impose Penalties, )  
Sanctions and/or the Revocation of Motor )  
Carrier Authority. )

**ORDER APPROVING STIPULATED SETTLEMENT AGREEMENT**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration. Having examined its files and records and being duly advised in the premises, the Commission finds and concludes as follows:

**I. BACKGROUND**

1. On January 11, 2017, Commission Staff (Staff) Special Investigator Penny Fryback conducted a compliance review on Respondent's motor carrier operations. As a result of the review, Investigator Fryback identified eight (8) violations of the Motor Carrier Safety Regulations.

2. On February 2, 2017, the Commission issued a Penalty Order in this docket assessing a \$4,200 civil penalty against Respondent.

3. To date, Respondent's unpaid balance on the civil penalty assessed in the above Penalty Order is \$4,200.

4. On Friday, March 3, 2017, Chris Varela, Owner/Operator of CVT and Ahsan Latif, Litigation Counsel for Staff (Staff), informally discussed the possibility of a settlement. During the informal discussions, Staff and Respondent were able to reach mutually agreeable terms in

anticipated settlement of the issues. It was agreed that Staff would subsequently reduce the terms to writing and forward the draft to Respondent for approval and signature.

5. The parties signed a Stipulated Settlement Agreement and submitted a Joint Motion for its approval to the Commission on March 22, 2017. In the Stipulated Settlement Agreement, Respondent stipulates to the violations as set out in the Commission's Penalty Order. Respondent has submitted documentation stating it is no longer operating and has inactivated its USDOT number. Thus, Respondent agrees to pay fines totaling \$4,200 for the above violations. In signing the Stipulated Settlement Agreement, the parties agree that the Agreement constitutes a reasonable and fair resolution of the outstanding issues raised in this proceeding.

## **II. FINDINGS AND CONCLUSIONS**

6. The Commission finds that the terms and provisions of the Stipulated Settlement Agreement and the payment agreement of the civil penalty contained therein constitute a reasonable and appropriate final resolution of this matter.

7. The Commission concludes that settlements are favored by the law. *Bright v. LSI Corp.*, 254 Kan. 853, 869 P.2d 686 (1994). A settlement of issues, all or part, with or without unanimous agreement, will be entertained by the Commission.

8. The Commission further concludes that pursuant to K.S.A. 2015 Supp. 66-1,108b, 66-1,111, 66-1,112, 66-1,114, 66-1,114b and 66-1,115, the Commission is given full power, authority and jurisdiction to supervise and control motor carriers, as defined in K.S.A. 2015 Supp. 66-1,108b, doing business or procuring business in Kansas, and is empowered to do all things necessary and convenient for the exercise of such power, authority and jurisdiction. The Commission may fine, sanction, suspend, cancel or revoke a carrier's authority in accordance with K.S.A 2015 Supp. 66-1,129a, 66-1,130 and 66-1,142b. Further, the Commission has the authority to investigate a party in accordance with K.A.R. 82-1-237.

9. The Commission has reviewed the Stipulated Settlement Agreement attached to the Joint Motion for Approval of Stipulated Settlement Agreement of the parties and concludes that the terms and provisions therein are an appropriate and reasonable disposition of this matter. The Commission therefore adopts and incorporates by reference the terms of the Agreement.

**THE COMMISSION THEREFORE ORDERS THAT:**

A. The Joint Motion to Approve the Stipulated Settlement Agreement entered into by Chris Varela, d/b/a CVT and Staff is hereby granted. The terms of the Stipulated Settlement Agreement are approved and are hereby incorporated by reference.


B. The parties have fifteen (15) days, plus three (3) days if mailed service, from the date this order was received in which to petition the Commission for reconsideration. K.S.A. 66-118b; K.S.A. 2015 Supp. 77-529(a)(1).

C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders, as necessary.

**BY THE COMMISSION IT IS SO ORDERED.**

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: MAR 28 2017

  
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Amy L. Green  
Secretary to the Commission

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Order Mailed Date

MAR 29 2017

**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

Before Commissioners:      Pat Apple, Chairman  
                                     Shari Feist Albrecht  
                                     Jay Scott Emler

In the Matter of the Investigation of **Chris** )  
**Varela, d/b/a CVT, of Garden City, Kansas, of** )  
**Louisburg, Kansas,** Regarding the Violation of )  
the Motor Carrier Safety Statutes, Rules and )  
Regulations and the Commission's Authority to )  
Impose Penalties, Sanctions and/or the )  
Revocation of Motor Carrier Authority. )

Docket No. 17-TRAM-335-PEN

**STIPULATED SETTLEMENT AGREEMENT**

This Stipulated Settlement Agreement (Agreement) is entered into by and between the Staff of the Corporation Commission of the State of Kansas (Staff and Commission, respectively), and Chris Varela, d/b/a CVT, (Respondent). Its effective date will be the date the Commission enters an order approving or amending the terms of the Agreement.

**I. JURISDICTION**

1. Pursuant to K.S.A. 2015 Supp. 66-1,108b, 66-1,111, 66-1,112, 66-1,114, 66-1,114b and 66-1,115, and amendments thereto, the Commission is given full power, authority and jurisdiction to supervise and control motor carriers, as defined in K.S.A. 2015 Supp. 66-1,108, doing business or procuring business in Kansas, and is empowered to do all things necessary and convenient for the exercise of such power, authority and jurisdiction.

2. Pursuant to K.S.A. 2015 Supp. 66-1,129a, 66-1,130 and 66-1,142b, and amendments thereto, the Commission may suspend operations, revoke or amend certificates, and initiate sanctions or fines against every motor carrier and every person who violates any provision of

Kansas law in regard to the regulation of such motor carriers and persons, or who fails to obey any order, decision or regulation of the Commission.

3. The Commission has the authority, pursuant to K.A.R. 82-1-237, to investigate a party under its jurisdiction.

## **II. BACKGROUND**

1. Under the above jurisdiction and authority, on January 11, 2017, Commission Staff (Staff) Special Investigator Penny Fryback conducted a compliance review on Respondent's motor carrier operations. As a result of the review, Investigator Fryback identified eight (8) violations of the Motor Carrier Safety Regulations.

2. On February 2, 2017, the Commission issued a Penalty Order in this docket assessing a \$4,200 civil penalty against Respondent.

3. To date, Respondent's unpaid balance on the civil penalty assessed in the above Penalty Order is \$4,200

4. On Friday, March 3, 2017, Chris Varela, Owner/Operator of CVT, and Ahsan Latif, Litigation Counsel for Staff (Staff), informally discussed the possibility of a settlement. During the informal discussions, Staff and Respondent were able to reach mutually agreeable terms in anticipated settlement of the issues. It was agreed that Staff would subsequently reduce the terms to writing and forward the draft to Respondent for approval and signature.

## **III. TERMS OF THE STIPULATED SETTLEMENT AGREEMENT**

5. The parties agree that the Commission has jurisdiction and authority over this matter.

6. The parties also agree that adoption of this Agreement is in the public interest and that the Commission should approve the stipulations as set forth below.

7. Respondent submitted a letter declaring that it was closing down its business and inactivating USDOT number 2313142.

8. Respondent agrees to pay fines totaling \$4,200 for the above violations. Staff agrees to extend the timeline for total payments due to March 1, 2018, to be repaid as follows: Respondent will make a total of twelve (12) payments beginning April 1, 2017. The payments will consists of twelve \$350 payments beginning with the first payment by April 1, 2017 and continuing monthly until March 1, 2018. Payments shall be due on the 1st day of each month until paid in full. Payments shall be made payable to the Kansas Corporation Commission and mailed to the Kansas Corporation Commission, Legal Division, 1500 S.W. Arrowhead Road, Topeka, Kansas, 66604-4027. ***Respondent shall include the docket number of these proceedings (17-TRAM-335-PEN) in the memo field of the payment.*** Respondent understands and agrees that failure to make the payment will result in the entire remaining balance becoming due in full at that time, as well as the immediate suspension of the carrier's operating authority (if then applicable) without further notice.

9. Respondent acknowledges that if operations resume, at least one safety compliance review will be conducted within 18 months from the date this Agreement is approved or amended pursuant to entry of an order by the Commission. Staff will contact Respondent at a later date to determine an appropriate time for this review.

10. Respondent understands that failure to pay the stipulated civil penalty as set out in ¶ 8 above, could result in the suspension of its authority without further notice and the Commission could submit the matter for judicial enforcement or enforcement through the Kansas Attorney General's Office.

11. Staff agrees to recommend to the Commission that this Agreement be approved. Staff further agrees that upon approval by the Commission, and barring default proceedings pursuant to K.S.A. 2015 Supp. 77-520, as described in ¶ 14 above, this Agreement shall constitute a final resolution of this matter.

#### **IV. RESERVATIONS**

12. This Stipulated Settlement Agreement fully resolves issues specifically addressed between the parties. The terms of this Agreement constitute a fair and reasonable resolution of the issues addressed herein.

13. The terms and provisions of this Agreement have resulted from negotiations between the signatories and are interdependent. In the event the Commission does not approve the terms of the Agreement in total, any party has the option to terminate this Agreement and, if so terminated, none of the signatories hereto shall be bound by, prejudiced, or in any way affected by any of the terms or provisions hereof, unless otherwise provided herein.

14. Unless (and only to the extent) otherwise specified in this Agreement, the signatories to this Agreement shall not be prejudiced, bound by, or affected in any way by the terms of this Agreement: (1) in any future Commission or court proceeding; (2) in any proceeding currently pending before the Commission under a separate docket; and/or (3) in this proceeding, if the Commission decides not to approve this Agreement in total or in any way conditions its approval of the same. This paragraph is not meant to limit future enforcement of this Agreement, should either party fail to fulfill all terms and provisions.

15. Unless (and only to the extent) otherwise specified in this Agreement, this Agreement does not prejudice or waive any party's legal rights, positions, claims, assertions or

arguments in any proceedings in this docket, or any other proceeding before the Commission or in any court.

16. If the Commission approves this Agreement in its entirety and incorporates the same into a final order in this docket, the parties agree to be bound by its terms and the Commission's order incorporating its terms as to all issues addressed herein, and will not appeal the Commission's order.

17. This Stipulated Settlement Agreement shall be binding on all parties upon signing.

IN WITNESS WHERETO, the parties hereby execute and approve this Stipulated Settlement Agreement by subscribing their signatures below.

By:



Ahsan A. Latif S.Ct. #24709  
Litigation Counsel  
Kansas Corporation Commission  
1500 S.W. Arrowhead Road  
Topeka, Kansas 66604-4027  
Phone: 785-271-3118  
Fax: 785-271-3124  
Email: a.latif@kcc.ks.gov

Attorney for Commission Staff

By:



Chris Varela, Owner/Operator  
d/b/a CVT  
3618 Westport Ave.  
Garden City, Kansas 67846

Respondent



**CERTIFICATE OF SERVICE**

17-TRAM-335-PEN

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of first class mail/hand delivered on **MAR 28 2017**.

CHRIS VARELA, OWNER/OPERATOR  
CHRIS VARELA  
D/B/A CVT  
3618 WESTPORT AVE  
GARDEN CITY, KS 67846-7916

AHSAN LATIF, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604-4027  
Fax: 785-271-3354  
a.latif@kcc.ks.gov

/S/ DeeAnn Shupe  
\_\_\_\_\_  
DeeAnn Shupe

**Order Mailed Date**

**MAR 29 2017**