#### THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Mark Sievers, Chairman Thomas E. Wright Shari Feist Albrecht

In the Matter of the Investigation of **KC Granite &** ) **Cabinetry, LLC, of Lenexa, 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. 13-TRAM-698-PEN

#### **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. Commission Staff conducted a Safety Compliance Review on KC Granite & Cabinetry, LLC (Respondent) on April 22, 2013, wherein Special Investigator Larry Baumchen discovered one (1) violation of the motor carrier safety statutes, rules and regulations.

On June 12, 2013, the Commission issued a Penalty Order assessing Respondent a
\$3000 civil penalty.

3. On or about June 27, 2013, Michael Van Aken, Truck Manager of KC Granite & Cabinetry, LLC and Amber Smith, Litigation Counsel for Staff, discussed the possibility of settlement. As a result of 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.

4. The parties signed a Stipulated Settlement Agreement and submitted a Joint Motion for its approval to the Commission on July 23, 2013. In the Stipulated Settlement Agreement, Respondent stipulates to the violations as set out in the Commission's Penalty Order. Respondent further agrees to not drive a commercial motor vehicle in Kansas, and if it is found doing so, the fine set out in the Penalty Order of \$3,000 will be reinstated and Respondent will become obligated to pay the amount in full.

#### II. FINDINGS AND CONCLUSIONS

5. 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.

6. 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.

7. The Commission further concludes that pursuant to K.S.A. 2012 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. 2012 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 2012 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.

8. 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 KC Granite & Cabinetry, LLC 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 service of this order is by mail, from the date this order was received in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 2012 Supp. 77-529(a)(1).

C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

## BY THE COMMISSION IT IS SO ORDERED.

Sievers, Chmn; Wright, Com.; Albrecht, Com.

Dated: AUG 0 1 2013

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Kim Christiansen Executive Director

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### BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of the Investigation of **KC Granite &** ) **Cabinetry, LLC, of Lenexa, 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. 13-TRAM-698-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 KC Granite & Cabinetry, LLC (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. 2012 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. 2012 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. 2012 Supp. 66-1,129a, 66-1,130 and 66-1,142b, 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**

4. Pursuant to the above jurisdiction and authority, on or about April 22, 2013, Commission Staff (Staff) Special Investigator Larry Baumchen conducted a safety compliance review on the motor carrier operations of Respondent. As a result of the review, Investigator Baumchen identified six (6) apparent violations of the motor carrier safety rules and regulations.

5. On June 12, 2013, the Commission issued a Penalty Order assessing a \$3,000 civil penalty against Respondent.

6. On or about June 27, 2013, Michael Van Aken, Truck Manager of Respondent, and Amber Smith, 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

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

8. 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.

9. Respondent stipulates to the violations as listed in the Commission's Penalty Order, which are hereby incorporated by reference.

10. During informal discussions with Staff, Staff explained the definition of commercial motor vehicle and further explained the different types of vehicles and combination vehicles which would meet this definition. Respondent affirmed its understanding of what constitutes a commercial motor vehicle and indicated it no longer owned any commercial motor vehicles, and did not intend to operate commercial motor vehicles in the future.

11. Based on Respondent no longer operating commercial motor vehicles in Kansas, Staff agrees to recommend that the fine set out in the Penalty Order of \$3,000 be stayed, subject to the conditions set forth in ¶12 and ¶13, below.

12. It is the agreement of the parties and Respondent understands and agrees that Respondent is not to drive a commercial motor vehicle in Kansas, and if it is found doing so, the fine set out in the Penalty Order of \$3,000 will be reinstated and Respondent will become obligated to pay the amount in full.

13. If Respondent wishes to resume commercial motor vehicle operations in Kansas, Respondent must notify the Commission's Director of Transportation, in writing, prior to engaging in future commercial motor vehicle operations. Respondent agrees that prior to resuming commercial motor carrier operations under any name or in any manner, it will consult the Commission's Director of Transportation and resolve the safety concerns as documented in the June 12, 2013, Penalty Order, and will pay the fine set out in the Penalty Order of \$3,000.

14. Staff agrees to recommend to the Commission that this Agreement be approved. Staff further agrees that upon approval by the Commission, this Agreement shall constitute a final resolution of this matter.

#### **IV. RESERVATIONS**

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

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

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

By:

Amber Smith, S.Ct. #23911 Litigation Counsel Kansas Corporation Commission 1500 S.W. Arrowhead Road Topeka, Kansas 66604-4027 Phone: 785-271-3301 Fax: 785-271-3167 Email: <u>a.smith@kcc.ks.gov</u>

Attorney for Commission

By: Michael Van Aken

Michael Váň Aken KC Granite & Cabinetry, LLC 10045 Lackman Rd Lenexa, KS 66219

Respondent

# PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

	NO.	NO.
	CERT.	PLAIN
NAME AND ADDRESS	COPIES	COPIES

AMBER SMITH, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604-4027 \*\*\*Hand Delivered\*\*\*

MICHAEL VAN AKEN, TRUCK MANAGER KC GRANITE & CABINETRY, LLC 10045 LACKMAN RD LENEXA, KS 66219

ORDER MAILED AUG 0 2 2013

The Docket Room hereby certified that on this day of , 20, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.