

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of Determining the Proper  
Carrier Classification Against

SEATTLE 7 DAYS LIMO

DOCKET TE-180401

ORDER 02

INITIAL ORDER CLASSIFYING  
RESPONDENT AS A CHARTER  
PARTY OR EXCURSION CARRIER;  
ORDERING RESPONDENT TO  
CEASE AND DESIST; IMPOSING  
AND SUSPENDING PENALTIES ON  
CONDITION OF FUTURE  
COMPLIANCE

**BACKGROUND**

- 1 The Washington Utilities and Transportation Commission (Commission) initiated this special proceeding to determine if Seattle 7 Days Limo (Seattle 7 Days Limo or Company) is operating as a charter party or excursion service carrier for transportation of passengers for compensation between points in the state of Washington and on the public highways of Washington without the necessary certificate required for such operations. The Commission, through its regulatory staff (Staff), also complains against the Company, alleging two violations of RCW 81.70.220, and requests that the Commission impose penalties of up to \$5,000 per violation for a total potential penalty of \$10,000.<sup>1</sup>

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<sup>1</sup> On August 27, 2018, the Commission entered Order 01, Order Instituting Special Proceeding; Complaint Seeking to Impose Penalties; and Notice of Mandatory Appearance at Hearing. The Commission also issued a *Subpoena* and *Subpoena Duces Tecum* for Production of Documents ordering Jagdip Singh and Gurdip Singh to appear before the Commission at a special proceeding and to bring the documents specified in the *Subpoenas*. On November 14, 2018, Jagdip Singh appeared at the special proceeding and requested to present evidence to contest the allegations set out in the Complaint. The Commission concluded that a classification hearing was necessary, and the parties agreed to a hearing date of January 3, 2019.

- 2 The Commission convened a brief adjudicative proceeding before Administrative Law Judge Laura Chartoff on January 3, 2019. At the proceeding, Staff presented documentary evidence and testimony from Commission compliance investigator Jason Hoxit. Jagdip Singh, owner of Seattle 7 Days Limo, testified and presented documentary evidence for the Company.
- 3 Mr. Hoxit explained that the Commission granted Seattle 7 Days Limo authority to operate as a charter party and excursion services carrier in 2015. Then on December 23, 2016, the Commission cancelled the Company's certificate due to insufficient proof of insurance. Staff further explained that the Company has an active limousine endorsement through the Washington State Department of Licensing, which allows a carrier to operate an automobile with a seating capacity behind the driver of no more than 14 passengers.
- 4 Mr. Hoxit testified about the contents of the Company's website, [www.seattle7dayslimo.com](http://www.seattle7dayslimo.com), as he observed it on April 30, 2018. The website advertised limousine services and charter party and excursion carrier services, and specifically advertises at least 3 vehicles that hold 15 or more passengers behind the driver.
- 5 Mr. Hoxit testified that on May 9, 2018, he called the phone number listed on the Company's website and posed as a potential customer. Mr. Hoxit requested transportation for a group of 22-29 persons for a bachelor party. The Company responded that it had available a Hummer and a party bus that would each accommodate a group of that size. Staff's evidence shows Mr. Hoxit next requested a quote for up to eight hours.<sup>2</sup> The Company responded with pricing information for eight hours for both vehicles.
- 6 Mr. Singh testified that Seattle 7 Days Limo ceased operating as a charter and excursion carrier on December 22, 2016, when its certificate was cancelled. He further testified that the Company continued to operate two limousines under its limousine license until recently, when he closed the limousine business.
- 7 Mr. Singh acknowledged that [www.seattle7dayslimo.com](http://www.seattle7dayslimo.com) was the Company's website, but testified that he attempted to remove the charter and excursion vehicles from his website after he lost his certificate but was unable to do so. He provided copies of emails describing how the third-party web developer he hired to create and manage the website lost the access credentials for the website in December 2016, making it impossible to

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<sup>2</sup> Exh. JH-1, Attachment F

make any changes to the website.<sup>3</sup> The email explains that the domain would expire in November 2018, at which point the website would go inactive automatically. As of the morning of the hearing, the website was no longer active.

8 Mr. Singh acknowledged that the phone number Mr. Hoxit called to obtain the quote was his business number, and that the man who answered the phone provided price quotes as Staff alleged. However, Mr. Singh explained that he works with several passenger transportation businesses, and that when the Company receives requests to provide charter and excursion services, he arranges for a licensed company to provide the service and, in exchange, takes a commission.

9 Joe Dallas, Assistant Attorney General, Olympia, Washington, represents Staff.<sup>4</sup> Jagdip Singh, Edmonds, Washington, represents Seattle 7 Days Limo, *pro se*.

### DISCUSSION AND DECISION

10 **Classification as a Charter Party or Excursion Carrier.** RCW 81.04.510 authorizes this special proceeding to determine whether Seattle 7 Days Limo is engaging in business or operating as a charter party or excursion carrier in Washington without the requisite authority. The statute places the burden of proof on the respondent to demonstrate that its acts or operations are not subject to the provisions of RCW Chapter 81.

11 “Charter party carrier” means, in relevant part, persons, other than limousine carriers, “engaged in the transportation over any public highways in this state of a group of persons, who pursuant to a common purpose and under a single contract, acquire the use of a motor vehicle to travel together as a group to a specific destination or for a particular itinerary.”<sup>5</sup>

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<sup>3</sup> Exh. JS-1.

<sup>4</sup> In adjudications the Commission’s regulatory Staff participates like any other party, while an administrative law judge or the Commissioners make the decision. To assure fairness, the Commissioners and the presiding administrative law judge do not discuss the merits of the proceeding with regulatory staff or any other party without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

<sup>5</sup> RCW 81.70.020.

- 12 Under WAC 480-30-036, “motor vehicle,” as it relates to charter party and excursion carriers, is defined as “every self-propelled vehicle with a manufacturer’s seating capacity for eight or more passengers, including the driver.” Limousines and executive party vans with seating capacities of 15 passengers or greater are regulated by the Commission as charter party or excursion carriers. Party buses, defined as any motor vehicle whose interior enables passengers to stand and circulate throughout the vehicle because seating is placed around the perimeter of the bus or is nonexistent and in which food, beverages, or entertainment may be provided, are regulated by the Commission regardless of passenger capacity.<sup>6</sup>
- 13 RCW 81.70.220(1) provides that no person may engage in the business of a charter party carrier or excursion service carrier of passengers over any public highway without first having obtained a certificate from the commission to do so or having registered as an interstate carrier. For the purposes of this section, “engage in the business of a charter party carrier or excursion service carrier” includes advertising or soliciting, offering, or entering into an agreement to provide such service. Each advertisement reproduced, broadcast, or displayed via a particular medium constitutes a separate violation under this chapter.
- 14 Here, the record shows that Seattle 7 Days Limo offered to provide charter party services. Staff called the Company’s phone number and requested transportation for 22-29 people for a bachelor party, and the Company offered to provide such transportation in a stretch Hummer or Party Bus for compensation. The Company argues that it did not intend to perform the transportation itself, but to have a licensed company perform the work in exchange for a referral fee. Mr. Singh’s claim, however, has no bearing on whether the Company’s conduct violates the applicable law. RCW 81.70.220 defines “engaging in business as a charter party or excursion carrier” to include offering to provide such service.
- 15 The record also shows that Seattle 7 Days Limo advertised charter party and excursion carrier services on its website. The Company disputes the advertising violation, claiming it lost control of the website. Indeed, the record shows that the Company hired a third party to create and manage its website, and that the third party lost the access credentials, which rendered the Company unable to change the content between December 2016 and

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<sup>6</sup> WAC 480-30-036(7).

November 2018, when the site expired.<sup>7</sup> Mr. Singh testified that, following the loss of the Company's certificate, he attempted to change the website to advertise limousine service only, but was unable to do so. However, we find that the Company's offer to Staff to provide charter and excursion services contradicts Mr. Singh's testimony that he intended to change the website to only advertise limousine services. When Mr. Hoxit called Seattle 7 Days Limo and stated he was interested in the Hummer advertised on the Company's website, the Company provided a quote for that vehicle type.<sup>8</sup> If the Company intended to cease advertising charter and excursion services, its representative would have explained to Mr. Hoxit that it no longer provides such services.

16 Accordingly, we conclude that Seattle 7 Days Limo meets the statutory definition of a charter party or excursion carrier because it advertised and offered to provide such services. Because Seattle 7 Days Limo does not have the authority required to conduct business as a charter party or excursion services carrier, its conduct violated RCW 81.70.220. We conclude that Seattle 7 Days Limo should be ordered to cease and desist operations without first obtaining the required certificate from the Commission.

17 **Penalty.** Any person who engages in business as a charter party or excursion service carrier in the state of Washington without first having obtained a certificate from the

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<sup>7</sup> JS-1 includes an email from the web services provider stating, in relevant part:

Although we have explained [this] to you earlier. . . Let us explain again, that one of our Web Developer[s] who built the website at the domain www.seattle7dayslimo.com has left the job . . . on 2nd Dec 2016. Later when you contacted us to make changes in the website, we got to know that he mistakenly erased the data from his system containing the access credentials for the domain. . . . [N]o one can access the domain, without having login information.

<sup>8</sup> Exh. JH-1, Attachment F, Jason Hoxit's summary of the phone call with Seattle 7 Days Limo, states in part:

I explained that I went to both the company's website and the company's Facebook page and noticed that they had a party bus on Facebook without pricing, and the Hummer on the website had pricing, but only provided pricing up to 4 hours. I asked the man how much it would cost for each vehicle for 8 hours, potentially more.

The man stated that the party bus for 28-30 people would be \$240 per hour plus the driver's tips . . . The man stated that the stretch Hummer for 28-30 people would be \$1,560 plus the driver's tips for 8 hours.

Commission or after its certificate has been cancelled is subject to a penalty of up to \$5,000 per violation.<sup>9</sup>

- 18 At the hearing, Staff recommended that the Commission impose penalties of \$5,000 for each of the two violations alleged in the Complaint, for a total penalty of \$10,000.
- 19 The Commission may consider a number of factors when determining the level of penalty to impose, including whether the violations were intentional, whether the company was cooperative and responsive in the course of Staff's investigation, and whether the Company promptly corrected the violations once notified.<sup>10</sup>
- 20 Seattle 7 Days Limo was previously certificated as a charter party or excursion services carrier. Mr. Singh was therefore familiar with Commission rules and laws, and knew or should have known that advertising and offering to provide charter party or excursion services following the lapse of its certificate violated RCW 81.70.260.
- 21 While the Company demonstrated it was unable to change or take down its website, the Company failed to take steps to mitigate the violation. For example, the Company did not self-report the violation to the Commission and request advice. Nor did the Company disavow the advertising, instead continuing to accept charter and excursion business from its website.
- 22 Mr. Singh has, however, shown good faith by allowing the Company's website to become inactive. In addition, he testified that he has ceased engaging in business as a charter party or excursion carrier, or a limousine carrier.
- 23 Given the factors discussed above, the Commission determines that Seattle 7 Days Limo should be penalized for an amount that will both punish the Company's wrongdoing and encourage compliance with state laws and Commission rules going forward. Accordingly, the Commission finds that Seattle 7 Days Limo should be penalized \$5,000 for each violation, for a total of \$10,000. Because Mr. Singh has corrected the violations by no longer advertising or offering passenger transportation services, the Commission will exercise its discretion to suspend a \$9,000 portion of the penalty for a period of two

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<sup>9</sup> See RCW 81.70.220; RCW 81.70.260.

<sup>10</sup> Docket A-120061, Enforcement Policy for the Washington Utilities and Transportation Commission (January 7, 2013).

years, and then waive it, subject to the conditions that the Company: 1) permanently refrains from engaging in business as a charter party or excursion services carrier in the state of Washington without first obtaining a permit, and 2) promptly pays or arranges to pay the \$1,000 portion of the penalty that is not suspended.

### FINDINGS AND CONCLUSIONS

- 24 (1) The Commission is an agency of the state of Washington, vested by statute with authority to regulate rates, rules, regulations, and practices of public service companies, including charter party and excursion carriers, and has jurisdiction over the parties and subject matter of this proceeding.
- 25 (2) The Commission has jurisdiction over the subject matter of this proceeding and over Seattle 7 Days Limo.
- 26 (3) RCW 81.70.220 provides that no person may engage in the business of a charter party carrier or excursion service carrier of passengers over any public highway without first having obtained a certificate from the Commission to do so.
- 27 (4) Seattle 7 Days Limo does not have a certificate authorizing the Company to engage in business as a charter party or excursion service carrier in this state. The Commission granted Seattle 7 Days Limo a certificate in 2015, and later revoked its certificate in December 2016.
- 28 (5) For purposes of RCW 81.70.220, to “engage in business of a charter party carrier or excursion carrier” includes advertising or soliciting, offering, or entering into an agreement to provide such service. Each advertisement reproduced, broadcast, or displayed via particular medium constitutes a separate violation.
- 29 (6) On at least one occasion, Seattle 7 Days Limo offered to provide charter and excursion carrier services in violation of RCW 81.70.220. The record shows that on May 9, 2018, Seattle 7 Days Limo offered to provide passenger transportation for compensation for a group of 22-29 people in a stretch Hummer or party bus.
- 30 (7) On at least one occasion, Seattle 7 Days Limo advertised charter and excursion carrier services in violation of RCW 81.70.220. The record shows that on April 30, 2018, Seattle 7 Days Limo’s website advertised charter and excursion services.

- 31 (8) Mr. Singh's testimony that Seattle 7 Days Limo tried unsuccessfully to change the website to remove vehicles that seat more than 14 passengers is not credible because his assertion is inconsistent with the Company's actions. The record shows that on May 9, 2018, Seattle 7 Days Limo offered to provide charter and excursion services to Staff, consistent with the Company's advertisements on its website.
- 32 (9) Upon proof of unauthorized operations, RCW 81.04.510 authorizes the Commission to order an unpermitted charter party or excursion carrier to cease and desist its activities. Seattle 7 Days Limo should be directed to cease and desist from providing charter party and excursion services over public roads in Washington as required by RCW 81.04.510.
- 33 (10) Any person who engages in business as a charter party or excursion service carrier in the state of Washington without first having obtained a certificate from the Commission or after its certificate has been cancelled is subject to a penalty of up to \$5,000 per violation.
- 34 (11) Seattle 7 Days Limo should be penalized \$10,000 for two violations of RCW 81.70.220, a \$9,000 portion of which should be suspended for a period of two years, and then waived, provided the Company ceases and desists from operating as a charter party or excursion services carrier without first obtaining the required certificate from the Commission.
- 35 (12) The Company should pay the remaining \$1,000 portion of the penalty or file jointly with Staff an agreed payment arrangement no later than 10 days from the effective date of the Order.

## ORDER

### THE COMMISSION ORDERS:

- 36 (1) Seattle 7 Days Limo is classified as a passenger charter party or excursion carrier within the state of Washington.
- 37 (2) Seattle 7 Days Limo is ordered to immediately and permanently cease and desist operations as a charter party or excursion carrier within the state of Washington without first obtaining a permit from the Commission.



- 38 (3) Seattle 7 Days Limo is assessed a penalty of \$10,000. A \$9,000 portion of the penalty is suspended for a period of two years from the date of this Initial Order, and waived thereafter, provided Seattle 7 Days Limo: 1) permanently ceases and desists from further operations as a charter party or excursion carrier in the state of Washington without first obtaining the required permit from the Commission, and 2) pays the remaining \$1,000 penalty or files jointly with Staff a proposed payment arrangement no later than 10 days from the effective date of this Order.
- 39 (4) The Commission retains jurisdiction over the subject matter and the parties to this proceeding to effectuate the terms of this Order.

DATED at Olympia, Washington, and effective January 14, 2019.

LAURA CHARTOFF  
Administrative Law Judge

### NOTICE TO PARTIES

This is an Initial Order. The action proposed in this Initial Order is not yet effective. If you disagree with this Initial Order and want the Commission to consider your comments, you must take specific action within the time limits outlined below. If you agree with this Initial Order, and you would like the Order to become final before the time limits expire, you may send a letter to the Commission, waiving your right to petition for administrative review.

WAC 480-07-610(7) provides that any party to this proceeding has twenty-one (21) days after the entry of this Initial Order to file a *Petition for Review*. What must be included in any Petition and other requirements for a Petition are stated in WAC 480-07-610(7)(b). WAC 480-07-610(7)(c) states that any party may file a *Response* to a Petition for review within seven (7) days after service of the Petition.

WAC 480-07-830 provides that before entry of a Final Order any party may file a Petition to Reopen a contested proceeding to permit receipt of evidence essential to a

decision, but unavailable and not reasonably discoverable at the time of hearing, or for other good and sufficient cause. No Answer to a Petition to Reopen will be accepted for filing absent express notice by the Commission calling for such answer.

RCW 80.01.060(3) provides that an Initial Order will become final without further Commission action if no party seeks administrative review of the Initial Order and if the Commission fails to exercise administrative review on its own motion.

Any Petition or Response must be electronically filed through the Commission's web portal as required by WAC 480-07-140(5). Any Petition or Response filed must also be electronically served on each party of record as required by WAC 480-07-140(1)(b).