

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 6376

IN THE MATTER OF:

Served October 3, 2001

Investigation of Forfeiture of)
Corporate Charter of V.I.P. TOURS,)
INC., and Unauthorized Operations)
of V.I.P. TOURS, L.L.C.)

Case No. MP-2001-98

Certificate of Authority No. 85 was issued to V.I.P. Tours, Inc., on March 29, 1995. Prior to that, it had been held by V.I.P. Tours, a partnership consisting of James L. Davenport, James L. Hughes, and Luther Ray Huff. Commission records identify Davenport and Hughes as the sole shareholders and officers of V.I.P. Tours, Inc.

On August 2, 2001, the Commission received what purports to be the 2000 annual report for Carrier No. 85. The report, however, has been filed not in the name of V.I.P. Tours, Inc., but, rather, in the name of V.I.P. Tours LLP.

Records obtained by the Commission from the Business Services and Finance Division of the Maryland State Department of Assessments and Taxation (MSDAT), show that V.I.P. Tours, Inc., forfeited its charter on October 6, 1998. Under Maryland law, a corporation ceases to exist upon forfeiture of its charter, and all assets owned by a corporation at the time of forfeiture are transferred by operation of law to the corporation's directors.¹ Under the Compact, Commission approval must be obtained to transfer a WMATC Certificate of Authority.²

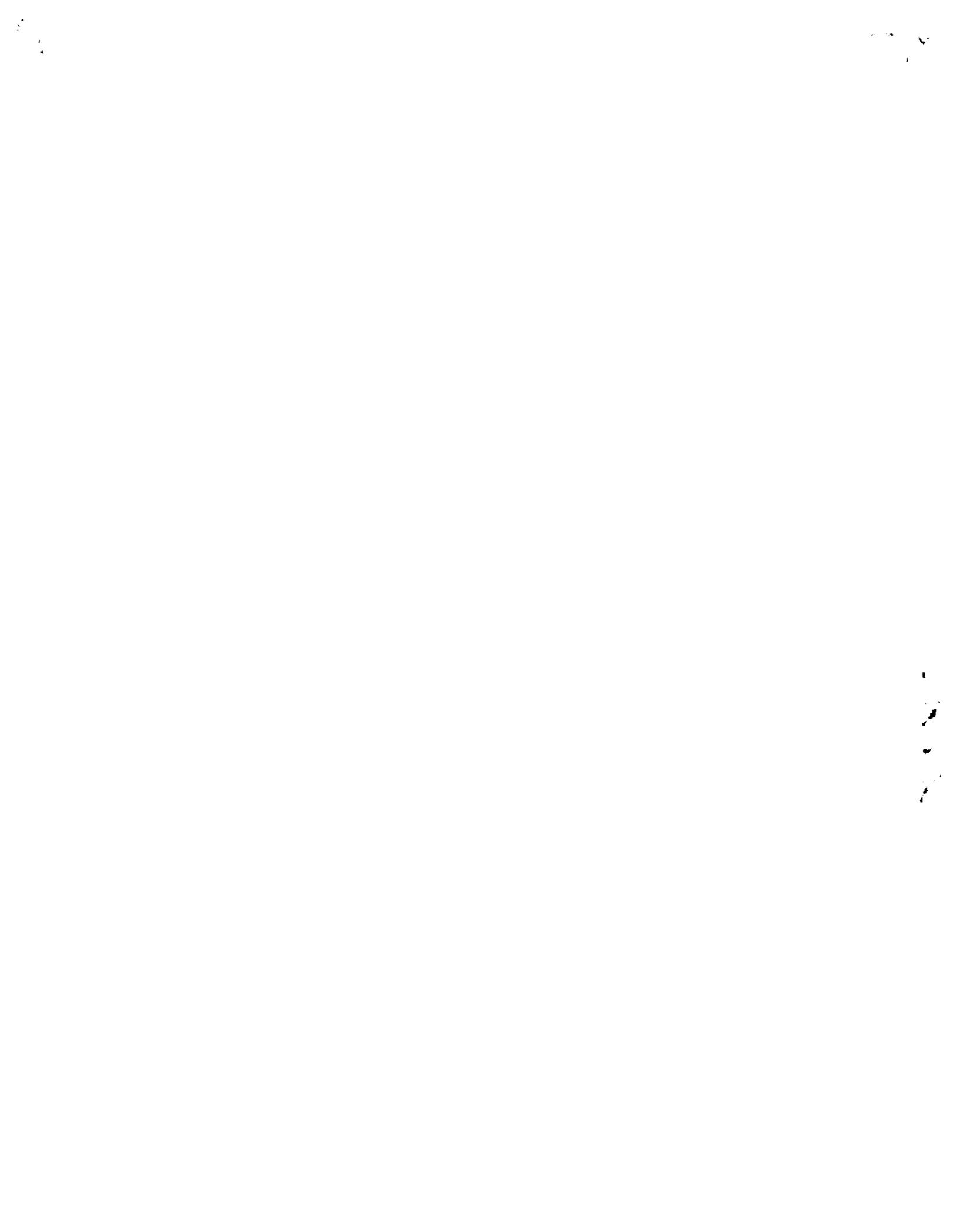
MSDAT records also show that Hughes filed articles of organization for V.I.P. Tours, L.L.C., on June 30, 2000. Under the circumstances, it appears V.I.P. Tours, L.L.C., may have transported passengers for hire in the Metropolitan District since being formed last year. Under the Compact, a person may not engage in transportation subject to the Act unless there is in force a certificate of authority issued by the Commission authorizing the person to engage in that transportation.³ A person other than the person to whom an operating authority is issued by the Commission may not lease, rent, or otherwise use that operating authority.⁴

¹ Cloverfields Improvement Ass'n, Inc., v. Seabreeze Properties, Inc., 362 A.2d 675 (Md. Ct. Spec. App. 1976), *aff'd*, 373 A.2d 935 (Md. 1977).

² Compact, tit. II, art. XI, § 11(a); In re Atlantic Valet, Inc., t/a Atlantic Transp., & Atlantic Servs. Group, Inc., No. AP-01-34, Order No. 6254 (June 15, 2001).

³ Compact, tit. II, art. XI, § 6(a).

⁴ Compact, tit. II, art. XI, § 11(b).



The Commission may investigate a person to determine whether that person has violated the Compact.⁵ The Commission may require the production of books, papers, correspondence, memoranda, contracts, agreements, or other records or evidence which the Commission considers relevant to the inquiry.⁶ A person that knowingly and willfully violates a provision of the Compact shall be subject to a civil forfeiture of not more than \$1,000 for the first violation and not more than \$5,000 for any subsequent violation; each day of the violation constitutes a separate violation.⁷

Davenport and Hughes will have thirty days to show cause why the Commission should not assess a civil forfeiture for knowing and willful violation of the Compact and why Certificate No. 85 should not be revoked. V.I.P. Tours, L.L.C., will have thirty days to produce any and all records in its possession, custody or control relating to operations in the Metropolitan District. In the meantime, Davenport, Hughes, and V.I.P. Tours, L.L.C., will be ordered not to transport passengers for hire between points in the Metropolitan District, unless and until otherwise ordered.

THEREFORE, IT IS ORDERED:

1. That an investigation is hereby initiated under Article XIII, Section 1, of the Compact.

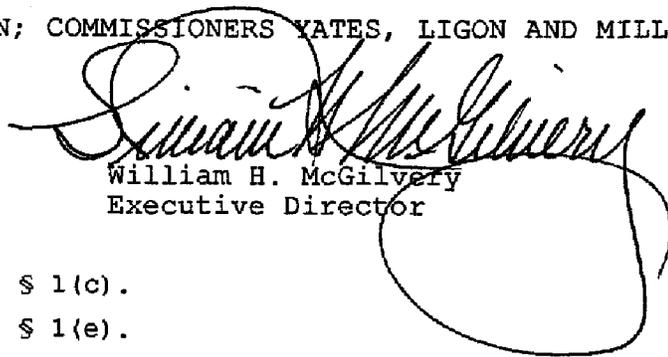
2. That James L. Davenport, James L. Hughes, and V.I.P. Tours, L.L.C., shall not transport passengers for hire between points in the Metropolitan District unless and until otherwise ordered by the Commission.

3. That James L. Davenport and James L. Hughes shall have thirty days from the date of this order to show cause why the Commission should not assess a civil forfeiture against them for knowingly and willfully violating Article XI, Section 11(a), of the Compact and why Certificate No. 85 should not be revoked.

4. That V.I.P. Tours, L.L.C., shall have thirty days from the date of this order to produce any and all records in its possession, custody or control relating to its operations in the Metropolitan District.

5. That James L. Davenport, James L. Hughes, and V.I.P. Tours, L.L.C., may each file within 15 days from the date of this order a request for oral hearing, specifying the grounds for the request, describing the evidence to be adduced and explaining why such evidence cannot be adduced without an oral hearing.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS YATES, LIGON AND MILLER:


William H. McGilvery
Executive Director

⁵ Compact, tit. II, art. XIII, § 1(c).

⁶ Compact, tit. II, art. XIII, § 1(e).

⁷ Compact, tit. II, art. XIII, § 6(f).

