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STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
TAXICAB AUTHORITY BOARD MEETING

April 8, 2019

CHAIRMAN: --anybody want to step forward during Public--
we're going to go to Agenda Item No. 2, Public Comment. Anybody
wishing to step forward, please do so. Seeing none.

All right. Agenda Item 3, Approval of the January 24 and
February 28 Meeting Minutes. Has everybody had a chance to read
them?

SPEAKER: Yes.

SPEAKER: Yes.

CHAIRMAN: Is there any corrections or a motion?

SPEAKER: I'll make a motion to approve the minutes for
January 24, 2019 and February 28, 2019.

CHAIRMAN: We have a motion, is there a second?

SPEAKER: I'll second that motion.

CHAIRMAN: Motion and second. All in favor aye. [ayes
around] Opposed? And passes.

Agenda Item No. 4, we're going to take a couple of things out
of order. I'm going to take what is listed as Agenda Item No. 6
first. Application by Certification Holders: Nevada Yellow Cab
Corporation; Nevada Checker Cab Corporation; Nevada Star Cab
Corporation; YCS Acquisition, LLC; Cab Transport, LLC; Taxi

1 Transport, LLC; Taxi Transport, LLC; and Twenty First Century Taxi,
2 LLC, collectively as the Applicant. And, it's in regards to
3 modifying Nevada Taxi Authority regulations NAC 706.462(1) to allow
4 applicants to acquire medallions in excess of the 49% medallion
5 limitation as set by law, and to repeal Nevada Taxi Authority
6 regulation NAC 706.462(1) regarding the 49% medallion limitation.

7 GORDON: Good morning.

8 CHAIRMAN: Good morning.

9 GORDON: Good morning Mr. Chairman, Members of the
10 Board. Attorney Mark Gordon appearing on behalf of the Applicant
11 in this matter. In regard to Item No. 6 on the agenda, there have
12 been some developments since the application was filed. We hope
13 we've reached a consensus that will be satisfactory to the industry
14 and to the Board.

15 So, I'm asking that Item 6 be withdrawn from the agenda and we
16 focus on Items 4 and 5.

17 CHAIRMAN: Okay. Thank you for that. Appreciate it.
18 And, for the record, so everybody understands, for us to do this,
19 we'd have to have work sessions and public notice and everything,
20 so it could not have occurred here today anyway. So, keep that in
21 mind.

22 Mr. Administrator, if you would set that into the—on the
23 agenda in the future, at a time you think best we can get that
24 settled.

25 WHITTEMORE: Absolutely.

1 CHAIRMAN: Thank you Mr. Gordon.

2 GORDON: I think I'll just stay up here.

3 CHAIRMAN: You can just stay there. Okay. We're
4 brought back to Item No. 4, the Disposition of 12 (twelve) Frias
5 Transportation Management Taxicab Medallions, for discussion and
6 possible action.

7 GORDON: Again, Mr. Chairman and Members of the Board,
8 Mark Gordon, Attorney on behalf of the Applicant.

9 Not sure how we want to take this but there has been--there is
10 a consensus that we hope when we talk about it and put it on the
11 record that the industry will--will obtain some benefit from this,
12 as well as, we obtained as the Applicant, the 12 medallions that we
13 brought and paid for from Frias.

14 I'm not sure how we want to move forward on the record, if--
15 there have been some interventions. My understanding from the
16 interventions that I've seen, all of them but one talk about
17 wishing to share in the allocation that we're talking about today
18 and we fully support that proposal that allocation is going to
19 happen. There's one intervention that raised the question about
20 whether the February 28th meeting, when the original Frias
21 acquisition was approved for most of the medallions was properly
22 noticed and complied with Open Meeting Laws.

23 I believe the Attorney for that is Mr. Mark Ferraro. I'm not
24 sure if he's here.

25 SPEAKER: He's here.

1 GORDON: Okay. So, I'm prepared to address that as
2 well.

3 CHAIRMAN: Do you want to hear from Mr. Ferraro first?

4 GORDON: I think we should give him-

5 CHAIRMAN: Mr. Ferraro, could you come forward please?

6 Did we pronounce your name right?

7 FERRARO: Close enough.

8 CHAIRMAN: Good morning.

9 FERRARO: How are you? We filed a petition for an
10 intervention, I'm sure you've seen it. You know, to summarize
11 [inaudible] part of it addressed what-the item that's been
12 withdrawn.

13 So, as we articulate in the Petition for Intervention, if you
14 look at the Notice relating to, I think it was the February 28th
15 meeting, it does not contemplate a partial sale of Certificates and
16 Medallions, it contemplated an entire sale.

17 So, our contention is that when the Board allocated only part
18 of the medallions to-you know, as part of the sale, it violated the
19 Open Meeting Law. We had no notice of that. We couldn't
20 anticipate that. And, the reason for that is obvious, as was
21 articulated in the transcripts that the sale was contemplated
22 violated the 49% requirement set forth in the regulations.

23 So, from our perspective and at this point, we contemplate
24 challenging that action via Petition for Judicial Review. We think

25

1 that the process was flawed from the beginning based upon the
2 inadequate notice that was presented.

3 I'll reserve my comments on the matter that was withdrawn
4 because it's moot today anyhow. It sounds to me like what's
5 contemplated is they're going to allocate these 12 medallions to
6 other companies in the industry and as we set forth in our Petition
7 for Intervention, we don't think that can happen because the
8 medallions have to follow the certificates. That's what the law
9 requires.

10 So, in fact, the action that was contemplated violates a
11 number of provisions in the statutes, in the code, we set that
12 forth in our Petition. So, we think the entire transaction is in
13 jeopardy, quite frankly and we intend to challenge that.

14 CHAIRMAN: And you are entitled to your opinion.

15 FERRARO: I understand that.

16 CHAIRMAN: Mr. Administrator, I'd like you to address
17 that first and then I'm going to go to our legal advisor.

18 WHITTEMORE: Sure. The first [inaudible] making that the
19 Notice was unclear and not complete. I'll just go through our
20 process so everybody understands.

21 The February 28th Agenda was published and posted on February
22 8th in the following locations: it's published at the Taxicab
23 Authority. It's published at Las Vegas City Hall. It's published
24 at the Clark County Commission. It's published at the Grant Sawyer

1 Building, 555. It's published on our website. We also publish it
2 to the State of Nevada Notice Website.

3 Additionally, with any Notice, we provide courtesy copies.
4 Courtesy copies are emailed to members of the industry. The list
5 is extensive, I can provide it to you. What we've done over the
6 years is ask the industry and each certificate holder, who—who do
7 you want to be notified in your company? We have a list; we update
8 that frequently. So, that courtesy copy goes out immediately, the
9 day the Agenda is posted.

10 Additionally, because it was a hearing for allocation of
11 medallions, it was published in the Las Vegas Review Journal, which
12 is a requirement by law. That went out—that was published on
13 February 8th. One of the things I just want to read that was part
14 of that published notice. "The Hearings are expected to involved
15 NRS 706.8819, NRS 706.8827 and any relevant regulations within NAC
16 706."

17 Now, we're trying to put this in—or, we're required to put
18 this in the newspaper. So, we have to be as clear and concise as
19 we can be but also as broad as we can be. Any relevant statutes—
20 any relevant regulations within Nevada Administrative Code 706,
21 which this particular provision resides.

22 Everyone within the industry—I'm going to speak generally if I
23 can—was on notice through a published notice, through a courtesy
24 copy and through a Review Journal published notice that there was a
25

1 massive transfer, I believe the largest transfer in TA history.
2 1,060 medallions, all five of the Frias CPCNs were up for transfer.
3 YCS, as one of the larger companies, was anticipated or was an
4 applicant for four of those. By definition, there was a huge
5 interest for everyone in the industry to show up and I believe the
6 industry did show up. I believe the industry was represented. We
7 went back and looked at the sign-in sheet, at least every single
8 certificate holder had a representative in the room.

9 As part of that agenda notice, there is a clear provision that
10 says, persons wishing to intervene must file the appropriate
11 [inaudible] in accordance with the procedures of NAC 706.8894 and
12 serve their Petitions to Intervene on all appropriate persons
13 pursuant to 706.921, no later than Wednesday, February 13th. So,
14 that February 8th Notice goes out and indicates to the industry they
15 have until the 13th to intervene. Intervention is a normal part of
16 this process. Every single Board Meeting, there's an opportunity
17 to intervene on these agenda items and we often hear from many
18 parties.

19 The process is transparent for a reason. If it's going to
20 affect you, please come and speak and notify the Board that you're
21 an intervener. As part of that, you can be a party to that action,
22 you can oppose that action or you can simply reserve your right to
23 intervene. Well, we heard from one intervener on either one of
24 those applications. One. It was the Union. Ruthie reserved her
25 right and at that time did not oppose the application.

1 So, here we are a month later and the parties who had notice,
2 who had an opportunity to intervene did not—did not take that
3 opportunity. As part of that intervention, they could've been a
4 party, chose not to do so. I think it's hard to fathom knowing the
5 math of 1,060 medallions and the medallions are public. We can
6 bring them up at every meeting. They're published on our website,
7 that YCS was very, very close.

8 Additionally, under the supplemental application that was
9 filed, they specifically talk about the 49% rule. They
10 specifically identify that 12 medallions cannot transfer unless the
11 Board is willing to entertain other options. One of the options I
12 think they proposed was holding them in escrow. The Board heard
13 that potential Plan B and rejected it. Said, there's no mechanism
14 under the law that would allow you to hold them in escrow, we're
15 not comfortable because somebody could challenge on a strict basis
16 that you're over 49%.

17 So, this was an open discussion. We're going to be over 49%,
18 what does the Board think? The Board says, no. We don't want you
19 to be over the 49%. As part of their supplemental application,
20 that was clear, crystal clear. Ruthie was the only and the ITPU
21 was the only party, the only intervener to get it. Because she was
22 the only person who bothered to intervene. Had other parties wanted
23 those documents or understood what was in them, they could've
24 intervened.

1 I think from a perspective of transparency and discussion and
2 deliberation; the process was followed. We're looking at being
3 over 49%. The Board rejected that transfer and the transfer was
4 under. So, I think there's a lot to discuss under that heading,
5 but from a Notice provision, we certainly complied with the law.

6 CHAIRMAN: Thank you. Board Members, any questions of
7 the Administrator?

8 SPEAKER: I have one question. Do you know when Mr.
9 Ferraro's client first became aware of the sale of the Frias
10 companies and did he ever discuss it with you?

11 WHITTEMORE: Well, I believe Mr. Ferraro is entering an
12 appearance on behalf of three CPCNs today, Western, Lucky and
13 Nellis. I did have discussions with Mr. Awad. I had discussions
14 with Mr. Migliori [phonetic] on the day of that meeting. He
15 brought it to my attention, he said, hey I have a concern this is
16 going to be over the 49% and I said, I think the Board is going to
17 deliberate on that very matter here today, we'll see what happens.

18 Post that meeting, I did have I think three phone calls with
19 Mr. Awad, as to what transpired.

20 SPEAKER: Okay. Anything before that meeting?

21 WHITTEMORE: I don't recall.

22 SPEAKER: Okay.

23 SPEAKER: Chairman?

24 SPEAKER: Mr. Chair?

25 [crosstalk]

1 CHAIRMAN: Board Member, do you have any other questions
2 for the Administrator?

3 SPEAKER: Hey Scott?

4 WHITTEMORE: Yes sir.

5 SPEAKER: On the Notice that was sent out, published in
6 the newspaper I should say, you mentioned that it referenced
7 certain Nevada Revised Statutes, those statutes deal with the—
8 obviously the Taxicab Authority and what regulations we operate
9 under.

10 WHITTEMORE: Yes sir.

11 SPEAKER: So, we would have to be in compliance, if you
12 will, with the law under those statutes, which would say that we
13 could not grant somebody a percentage more than 49%.

14 WHITTEMORE: Yes sir.

15 SPEAKER: Okay. So, that—that's clear out there, that
16 was our mandate, I guess that we had. We had to make sure that we
17 comply with. Thank you.

18 [crosstalk]

19 CHAIRMAN: Before I go to you, I'd like to go to the
20 Attorney for the Board.

21 FERRARO: Okay.

22 CHAIRMAN: Okay.

23 SPEAKER: Yes, Mr. Chairman. [inaudible], Deputy
24 Attorney General, Board Counsel. I would simply provide that based
25 on the representations made by the Administrator, the Board and the

1 Taxi Authority were in full compliance with NRS 241, the Open
2 Meeting Law and there are no outstanding or—you know, clear and
3 complete agenda issues that I would identify at this time.

4 CHAIRMAN: Thank you.

5 SPEAKER: Of course.

6 CHAIRMAN: Okay, who would like to go first?

7 MOWBRAY: Mr. Chair, I would. For the record, I'd like
8 to supplement and I'm in complete agreement with the recollection
9 of Mr. Whittemore. I would like to mark, because I can see where
10 we're going to go, as an Exhibit, the actual published Notice in
11 the Review Journal as #1.

12 #2, I'd like to mark it as Exhibit—the sign-in sheet for the
13 February 28th hearing. We had a representative of Lucky, Western
14 and Western. Two representatives for Western. One for lucky.

15 #3, I would like to mark as Exhibit 3, the supplement that Mr.
16 Whittemore referred to and specifically Exhibit C, which addressed
17 this issue on the 49%.

18 And, #4, I'd like to mark as an Exhibit the medallion count
19 that appeared on the website at the time of the hearing. The
20 purpose of this is, this transaction was very transparent. All you
21 had to do was go to the website for Exhibit 4. Everyone signed in
22 on Exhibit 2 and Exhibit 3, if you wanted to take a look, you were
23 invited to go down, file a Petition to Intervene at that time.

24 So, with that, do I mark it with the Clerk?

25 CHAIRMAN: Yes, please.

1 MOWBRAY: I will do that. May I approach?

2 CHAIRMAN: Yes.

3 MOWBRAY: And, on another matter, Commissioner Groover,
4 you asked, was the Representative the Owner for Lucky aware of the
5 pending transaction of the Frias-

6 GROOVER: Correct.

7 MOWBRAY: Yes. Mr. Awad signed a non-disclosure
8 agreement in December, late December 2018.

9 [crosstalk]

10 GORDON: If I may?

11 CHAIRMAN: Just one second.

12 [crosstalk]

13 SPEAKER: Mr. Mowbray, do you have copies of Exhibit 3,
14 by any chance? That's the supplement--

15 MOWBRAY: Yes, I do.

16 SPEAKER: Okay.

17 [crosstalk]

18 SPEAKER: Thank you, I want to refresh my memory on
19 that. I did read it.

20 CHAIRMAN: Go ahead Mr. Gordon.

21 GORDON: I don't have much because I think Mr. Mowbray
22 and Mr. Whittemore already stole my thunder on this issue but I
23 also have copies of the sign-in sheets from the February 28th
24 meeting and it shows that virtually--as far as we can tell, every
25 carrier was represented at the February 28th meeting.

1 The second point I would mention on the notice issue is that
2 there is a provision in the Nevada Administrative Code governing
3 the Taxicab Authority which says that if you're going to appeal
4 from an order of this Board, you have 30 days to do so. You've got
5 to move for a Reconsideration or Appeal, you have 30 days from
6 February 28th. That in my mind is March 30th. We received no
7 Motions for Reconsideration. We've seen no appeals.

8 I think the notice issue is time barred.

9 FERRARO: It's interesting hearing all the dialogue
10 about the 49%, the transparency. I would just call your attention
11 to the agenda item. Not where it was published, the agenda item.
12 Read the agenda item. Joint application of certificate holders and
13 I'm not going to go through all the names, for approval of buyer's
14 purchase of sellers' CPCNs, medallions and taxi vehicles.

15 Nowhere in there is there any mention of an allocation to defy
16 the 49% requirement. In fact, this agenda item, even if it was--
17 assumed that it was properly published it was really dead on
18 arrival because the transaction contemplated violated your very
19 regulations. Nowhere in here does it say you're going to shuffle
20 the deck. Nowhere in here does it mention anything Mr. Whittemore
21 said. Nowhere in there is there any mention of a supplemental
22 petition.

23 That's the problem. I would call your attention to our
24 Petition for Intervention. 241.0202(d) requires a clear and
25 complete statement of the topics scheduled to be considered during

1 the meeting. There is nothing in there that talks about what these
2 gentlemen just discussed here in front of you to justify what
3 occurred.

4 So, I would simply stand on that. It's not our job to fair it
5 out what might happen. It's not the public's job to guess at what
6 might occur in a meeting. It's the governing body's job to
7 properly notice the meeting and simply put, that wasn't done here.

8 Now, you talk about show up, sign in, intervene. That's not
9 the process. We just had to intervene in this proceeding. There's
10 time limits to do that and the gentleman sitting next to me, Jason
11 Hicks, my associate is much more familiar with those time limits,
12 but you just don't show up and say, I want to intervene. There's a
13 process. You have to do it well in advance. That's why you look
14 at the Notice and you contemplate what's going to occur and then
15 you file your Petition for Judicial Intervention—or, Petition to
16 Intervene rather, if you think it's appropriate.

17 Here, anyone looking at this—and if they did the math count—
18 would know that this transaction could not be approved by this body
19 if you were going to follow the regulations. No one could've
20 contemplated what would've occurred and what occurred ultimately
21 was a violation of your own regulations and statutes because you
22 withheld 12 medallions but you let the certificate associated with
23 those go to the buyer, that also is a violation.

24 So, and to your point in terms of challenging, that date runs
25 from when the order is final and again, Mr. Hicks presents me with

1 14th day of March 2019, so we're well within our time limit to
2 challenge that action by a Petition for Judicial Review.

3 With that, we've set out our rationale here. I don't really
4 have much more to add. I think it's pretty clear. Especially a
5 lot of the dialogue that was presented this morning that what
6 occurred at the February 28th meeting was done in violation of the
7 Nevada Open Meeting Law.

8 [crosstalk]

9 CHAIRMAN: Wait a minute, no I want to address
10 something. Using your own statement of, all you had to do was do
11 the math. That's exactly what your client could've done. I did.
12 And we knew that it was over the 49%. That's why we stopped part
13 of this. Now, at the time, should we have stopped all of it? I'll
14 leave that to the attorneys and everybody. I can tell you that I
15 did the math. Did your client do the math and if he did, why
16 didn't your client file an Intervention?

17 FERRARO: Because I think when you are sitting on our
18 side of the fence, okay, you assume the Board is going to follow
19 the law.

20 CHAIRMAN: We did follow the law.

21 FERRARO: The transaction as-no, this transaction
22 that's noticed and I'll read it again. It's a-

23 CHAIRMAN: You don't have to read it again.

24 FERRARO: It's a joint application for the transfer of
25 everything. This would've been a very short meeting. Come back to

1 us next month when you can meet the requirements of the 49%
2 regulation. That's all that should've occurred.

3 CHAIRMAN: And again, if your client or anybody else's
4 client felt that there was an increase over the 49%, because they
5 can do the math the same as anybody else, why didn't they--any of
6 them--any of them file an intervention? We get interventions as the
7 Administrator said, all the time. Everybody's filed interventions
8 and this time, they didn't?

9 FERRARO: I understand what you're saying.

10 CHAIRMAN: Okay. Yes, you wanted to say something?

11 HANIFAN: I'd like to join the party here. Jack
12 Hanifan for Frias Transportation. Mr. Ferraro seems to be reading
13 into the caption of the Notice. I'm just wanting to point out, he
14 just used the word "transfer everything". He seems to be reading
15 the word "all" into it. The word "all" doesn't appear anywhere in
16 the Notice whatsoever.

17 It talks about transfers of CPCNs, medallions and taxi
18 vehicles. I want to point out that the application was filed, on
19 February--the matter that was heard on February 28th, the relief that
20 was sought was exactly what was granted. The application itself
21 talks about 12 medallions being withheld, so we're not violating
22 the 49% rule.

23 There was never any intent to transfer those during the
24 February 28th hearing, hence the follow-up application. He has
25 every right to object to this, you know, or intervene on these 12,

1 but the exact—the Notice was clear that we were transferring—it
2 doesn't begin—I'm repeating myself, CPCNs, medallions and taxi—it
3 doesn't say "everything". It doesn't say "all".

4 All he would've had to do was read the application. The
5 application itself is, the supplement, 2. Yeah, Exhibit C.

6 SPEAKER: No, 3, in Exhibits.

7 HANIFAN: Exhibit 3, the one that Mr. Mowbray marked.
8 They're very clear. Pursuant to the asset purchase agreement
9 between seller and buyer, applicants seek approval to immediately
10 transfer to buyer the maximum number of medallions that when
11 combined with the number of medallions presently owned by buyer and
12 buyer's affiliates would result in buyer/buyer's affiliates in the
13 aggregate owning not more than 49% of all medallions issued by the
14 TA. The difference between such maximum number of medallions that
15 can be transferred without causing buyer to exceed such 49%
16 limitation and the 928 presently owned by seller is referred to as
17 the excess medallions. Assuming present allocation of medallions
18 by the TA remain unchanged. Between now and approval by the TA,
19 the number of excess medallions withheld from the immediate
20 transfer by seller to buyer would be 12 medallions. Such excess
21 medallions will reduce the 248 medallions immediately transferred
22 from Ace Cab to Cab Transport, LLC to 236 medallions.

23 That's exactly the relief the Board granted. It's exactly the
24 relief that was sought. I'm sort of—you know, sitting here

1 thinking, how could this Board be any more—or the applicants—be any
2 more transparent than that? You know, I'm at a loss.

3 SPEAKER: May I respond? Chair, may I respond?

4 CHAIRMAN: Yes sir.

5 FERRARO: Again, the more we talk about this, the more
6 it is demonstrated that the Notice was inadequate. With all due
7 respect, you say "all" right? Where's the word "all"? Let's read
8 what the Notice says. It says, approval of buyer's purchase of
9 seller's CPCNs, medallions and taxi vehicles. Nowhere does it
10 indicate and I think anyone reading that would assume, it's the
11 entire purchase.

12 Now, you tried to correct it with the supplemental—apparently,
13 a supplemental application recognizing that what was posted and
14 what you had proposed was in violation of the 49% requirement.
15 Nowhere was it noticed that you were going to consider the
16 supplemental application and that is precisely the problem with the
17 Notice. That's precisely the issue.

18 SPEAKER: Sure. Counsel, I appreciate your zealous
19 representation of your client, but the Open Meeting Law is not
20 supposed to be here to list every single point of a contract or a
21 transaction and to ask that the Board or the Authority list every
22 single term of this transaction on the agenda is, in my mind,
23 frankly unreasonable and it would be unwieldy and it would
24 impossible to conduct any sort of government business if you wanted
25 every term, which could be the subject of a legal challenge, to be

1 noticed on the agenda. That is not efficient and it is the
2 responsibility, in my mind, I would advise the Authority of people
3 who are interested in the agenda item to read the supplemental
4 information provided with the agenda.

5 So, I believe that the Authority is full compliance with the
6 Open Meeting Law, based on the representations that were made by
7 the Administrator. Frankly, I believe that what Counsel is asking
8 is quite unreasonable.

9 FERRARO: I understand and I appreciate your comments.
10 It wouldn't be the first time someone says something I argued was
11 unreasonable.

12 AGUILERA: If I may--

13 FERRARO: I would just disagree. I would like to make
14 that for the record because it's not listing everything, it's
15 listing the topics. The topic that was to be discussed was not a
16 complete transfer as the--as Item 5 on that agenda obviously
17 indicates. It was to talk about an allocation on the fly to meet
18 the 49% requirement. With that, I'll--

19 CHAIRMAN: Mr. Vice-Chair.

20 AGUILERA: Yeah, Scott?

21 WHITTEMORE: Yes sir.

22 AGUILERA: The supplemental is dated February 7th, the
23 day before you actually sent the notice out.

24 WHITTEMORE: Yes sir.

25

1 AGUILERA: Was that received by you, by the—I should
2 say, your office, on that date?

3 WHITTEMORE: Yes sir.

4 AGUILERA: So, anybody that had to go and look at the
5 file would've saw that this was in fact filed.

6 WHITTEMORE: Absolutely. Any intervener would've received
7 and anyone who would've asked for a Public Records Request,
8 would've had a copy of it.

9 AGUILERA: And, that's 21 days before the meeting.

10 WHITTEMORE: Yes sir.

11 AGUILERA: Okay, thank you.

12 CHAIRMAN: Board Members, any—

13 HOLMES: I just have a point of clarification. Is
14 there anything in the statute or in the regulations that say you
15 can't sell part of a business with the certificate? Does it say
16 everything must go, including the washers and dryers and
17 everything?

18 WHITTEMORE: Great question. So, I would say a few
19 things. In the Notice to Intervene, filed in opposition to the
20 transaction, they can seek—and this is a verbatim quote. "It is
21 the Taxicab Authority alone that has the authority to allocate
22 medallions amongst the certificate holders". That's in their
23 brief.

24 The point being, I don't know that it's ever—it's certainly
25 not in a statute or regulation that I can find, that once a

1 medallion has been allocated to a CPCN, that it is attached forever
2 and that the Board could not reallocate. That's a whole different
3 issue. I would go to NRS 706.8824, Allocation of number of taxicab
4 by Taxicab Authority, Subsection 5, except as otherwise provided in
5 this subsection, the Taxicab Authority may attach to the exercise
6 of the rights granted by the allocation any terms and conditions
7 which in its judgment the public interest may require.

8 Certainly, if there's a provision under the law that says you
9 can't have more than 49% and the Board openly deliberated the 49%
10 threshold, again, in front of everyone—and what they're saying is,
11 no we're not going to violate the law, thank you very much. We are
12 going to withhold those 12 and the 12 cannot transfer with that
13 CPCN. It seems to me that's a reasonable exercise of the rights
14 granted.

15 So, to answer your question, I think that's certainly within
16 the Board's view of the law.

17 HOLMES: Okay.

18 CHAIRMAN: Thank you. Board, any other questions of the
19 administrator or the panel? Okay. I want to table this item for
20 the time being and go to Agenda Item No. 5 and then we may revisit
21 No. 4.

22 Agenda Item No. 5, Allocation of a minimum of 12 and up to 30
23 taxicab medallions to qualified Certificated Taxicab Applicants for
24 discussion and possible action.

25 Administrator, I'll turn to you for a moment on this.

1 WHITTEMORE: Certainly. If I could [inaudible]. [pause]
2 YCS and the group of certificates, a total of seven now would have
3 1,741 if you included the 12 that Frias currently has. The Board
4 has options in front of it, obviously, that were discussed at that
5 meeting and then could be discussed here again today which is the
6 12 could be pulled back to the Board and not reallocated. The 12
7 could be removed from Frias and reallocated to someone else. The
8 Board could effectuate the proposed sale and the 12 from Frias
9 would transfer along with the 236, I believe that Ace—that were
10 transferred on the 28th.

11 In order to maintain a 49% threshold within the industry, the
12 other nine certificate holders, outside of the seven maintained by
13 YCS, could receive an allocation of medallions. In order to
14 balance, it would be 27. So, you would have three medallions
15 allocated to those other nine certificate holders. That is a
16 potential—go ahead sir.

17 CHAIRMAN: That would exclude YCS.

18 WHITTEMORE: Yes sir, because YCS cannot receive more than
19 49%.

20 CHAIRMAN: Okay, go ahead, I didn't mean to cut you off.

21 WHITTEMORE: No, that's—I think that describes the options
22 as it relates to the allocation.

23 CHAIRMAN: Okay. Board. Dr. Holmes?

24 HOLMES: That seems like a fair [inaudible] to me. I
25 don't really understand the full process of how that ends up being—

1 having 27 more medallions, does that hurt the industry or help the
2 industry, I don't understand the implication.

3 CHAIRMAN: Well, in light of 41,000 plus TNCs out there,
4 it can only help them in the long-run. I mean, we can't—we can't
5 issue 41,000 of them, but every little bit helps to compete against
6 the TNCs. Mr. Vice-Chair.

7 AGUILERA: I agree. I agree that seems like a solution.

8 CHAIRMAN: [inaudible]

9 SPEAKER: It seems like a solution. Are we going to
10 hear from the industry on this?

11 [crosstalk]

12 CHAIRMAN: Yeah, I know he's waiting. I'd like to go to
13 Counsel here, are we on solid ground with this?

14 SPEAKER: Yes sir. The option that have been provided
15 by the Administrator are within the statutes and regulations in the
16 49% rule, so the Board has a few options here.

17 CHAIRMAN: Okay. Let's hear from the industry on this
18 idea. Who would like to start. Let's start over here on this end.
19 You're too anxious.

20 [crosstalk]

21 CHAIRMAN: Mr. Mowbray, go ahead.

22 MOWBRAY: Mr. Chair, this is good for the industry.
23 There's a need for regulated FBI background checked, fully-insured
24 transportation services for Clark County, Las Vegas, Nevada. It is
25 well within the purview of the Board to grant this excess to allow

1 the taxicab industry to basically have the tools that they need,
2 the mobility that they need to address these needs.

3 I think a specific finding that this is warranted with the
4 changing conditions, with the increased traffic count at McCarran.
5 If you read the papers, every Court, the traffic numbers of the
6 passengers arriving at McCarran goes up year-after-year, quarter-
7 after-quarter.

8 We do not have a light rail. We do not have a robust public
9 transportation system. Those passengers need to grab their bags,
10 go out to appropriate pickup area and then be transported to the
11 Golden Triangle. That Golden Triangle is that irregular shape, I
12 don't know how it ever got the name "Triangle", starting at the
13 point of Las Vegas Boulevard and Tropicana, all the way down to
14 Downtown Las Vegas.

15 This grant of the additional medallions for the industry will,
16 like I said, give the operators the ability, the flexibility to
17 address those needs moving forward, as the tourism industry
18 continues to grow in Las Vegas, Nevada. That's what I'd like to
19 say on that.

20 CHAIRMAN: Go ahead, Mr. [inaudible]

21 SPEAKER: Just to quickly, Mr. Chairman and Members of
22 the Board, I think this is the perfect solution and I commend Mr.
23 Whittemore for proposing it. As I understand it, we get the 12
24 medallions that we bought and paid for. The industry gets an

25

1 additional three per carrier. Everybody gets something. I just
2 think it's good for the industry and makes perfect sense.

3 CHAIRMAN: Mr. Ferraro?

4 FERRARO: Well, I'm glad to hear Mr. Mowbray say the
5 taxicab business is robust because in response to the earlier item
6 that was withdrawn, I was going to have to get the comments from
7 the hearing earlier where everyone was saying how the robust the
8 industry was. I was really prepared to deal with that when we were
9 going to talk about the need to change the 49% requirement. I
10 don't have to do that now.

11 Again, I would incorporate the arguments I made previously
12 regarding this entire process. I would also call your attention to
13 Paragraph 8 of our Petition for Intervention. We set forth our
14 position visavie the transfer of these medallions. Quite frankly,
15 the entire transaction, as it relates to the 12 medallions in
16 dispute is void.

17 A medallion cannot remain without a certificate. The
18 medallion has to follow the certificate. That's the system that
19 you have set up. You're now creating another hybrid version. You
20 tried to help them the first time around with holding back 12.
21 Okay. Now, you're going to create another situation to try to let
22 this transaction go through which I don't find any support in the
23 law for what you're talking about doing.

24 Quite frankly, by operation of law, those 12 medallions went—
25

1 CHAIRMAN: Mr. Ferraro, address your comments to the
2 Board.

3 FERRARO: Okay, I'm sorry. Those—sorry about that.

4 CHAIRMAN: That's okay.

5 FERRARO: Those 12 medallions went with that
6 certificate at the time it was transferred. So, it sounds to me
7 like, what you're talking about doing is holding those 12 in
8 abeyance and then reallocating them or creating some sort of a
9 mechanism where that transaction can survive and meet the 49%
10 requirement.

11 Again, I don't see any reference to what was just discussed in
12 today's agenda. So, I would stand on those comments and I would
13 call your attention to Paragraph 8 of our Petition for Intervention
14 where we set for our ration.

15 CHAIRMAN: Sir, I don't have your name, do you want to
16 say anything?

17 HICKS: Jason Hicks and no.

18 FERRARO: He's with me, he's my associate.

19 HOLMES: I have a question. Can those 12 medallions
20 go back to the Authority upon transfer of the rest of them?

21 CHAIRMAN: They can. The issue becomes that, YCS
22 purchased X number of cabs and medallions and the—correct me if I'm
23 wrong, anybody—and then the 12 that were withheld, they actually
24 purchased but don't have. Is that a fair way to put it?

25 SPEAKER: Yes.

1 FERRARO: That's correct. And you just pointed out
2 again the problem with this entire process.

3 CHAIRMAN: And then by expanding the number of
4 medallions by 27, putting it out to the other nine companies, those
5 that with to purchase, those 27 go out and then balances the 12
6 going there, it balances the 29 or excuse me, the 49%. Okay so,
7 you see why we're doing this. Now, that doesn't mean everybody
8 would want to buy their three medallions. Maybe somebody doesn't
9 want any of them. Which, they'll still go out, if one person buys
10 five and then another person buys three and whatever. The 27 could
11 still go out. Am I correct on that, Mr. Administrator?

12 WHITTEMORE: Yes sir.

13 CHAIRMAN: And again, we're on solid ground.

14 SPEAKER: Yes sir.

15 CHAIRMAN: And just so—for the record, the Board has
16 total purview in allocating medallions, I think you know that. Go
17 ahead.

18 SPEAKER: No I was going to make that same point.

19 CHAIRMAN: Great minds think in the same—[crosstalk]
20 Mr. Groover, do you have anything to add?

21 GROOVER: No.

22 CHAIRMAN: Does anybody have any questions in regards to
23 this? Is there anybody in the audience who wants to come forward
24 and discuss this? Come on up. Can you—can one of you vacate a
25 seat? Thank you.

1 BELL: Good morning Mr. Chair, Members of the Board.
2 Brent Bell, President of Whittlesea Blue Cab, Henderson Taxi and
3 Managing Member of Virgin Valley. I think this solution makes
4 sense. Being the other purchaser, Mr. Baliban and I, being the
5 other purchaser of Virgin Valley Cab, the other Frias operation,
6 it's a long--was along tenuous process that we tried to get done
7 rather quickly for the benefit of the traveling public and the
8 industry.

9 I would even hate to see something like that be unwound with
10 my competitor in Yellow Checker Star because I know how much work
11 was involved, just with Virgin Valley. I can imagine the kind of
12 work and effort that was involved with the four other companies.

13 Allocating the additional companies three medallions makes an
14 awful lot of sense, but what I did want to caution you on, you do
15 need to make sure that they're allocated equally. If one company
16 decides not to accept the allocation then you need to redo the math
17 to make sure that each company is allocated equally. So, I just
18 wanted to make that point and also let you know that Whittlesea,
19 Henderson and Virgin Valley would be accepting of the additional
20 medallions. No other comments.

21 CHAIRMAN: Mr. Ferraro, I'd like to hear from you again.
22 Do you have anything else to say?

23 FERRARO: No, I--

24 CHAIRMAN: You said it?

25 FERRARO: I addressed--

1 CHAIRMAN: [crosstalk] can you come up here please? You
2 are here, right? Oh, there you are.

3 [crosstalk]

4 JONES: I'm not supporting any additional medallions.
5 I don't feel there's a need for them. The tourism is down and it
6 was down prior to October 1 when the massacre occurred and now it's
7 really down. I just don't feel that there's a need for it. We
8 talked about additional medallions that's needed to service the
9 public--the public is really well served because the TNCs are all
10 over the place and I must say, I feel, we and the County, make sure
11 that they're well served because they're everywhere. They're in
12 every business. They're in the hotel.

13 I had a guest come up and ask me how were we dealing with that
14 and I said, it's not going very well. I said, drivers are really
15 hurting because of them. She showed me her room key. Her room key
16 had, \$20, free ride, Uber. So, I start checking with some of the
17 hotels, MGM, all of them, they have--they're promoting Uber.

18 So, and it's like our guys that was leaving, coming back to
19 the industry from Uber. Uber has cleared its act up a little bit
20 and you've got some that's not going to come back. So, my stance
21 is, I don't feel there's a need for them. I feel that it would
22 further impact the drivers that are suffering, trying to survive it
23 now and this would just cut right into it even more so. So, I
24 disagree with it.

25

1 CHAIRMAN: Do you think it would make it easier for
2 people who live out in residential areas to actually get a cab when
3 they call for one?

4 JONES: They get Uber.

5 CHAIRMAN: Not all of them.

6 JONES: Well, a lot of them do. I've communicated
7 with some of the drivers and one of the drivers were telling me
8 about some hotel where they didn't even know the place existed.
9 Once they got out there and transported the customer, they got
10 another call while they were there. So, I don't know, but Uber is
11 everywhere and unfortunately we are promoting Uber in this town
12 because they have the hotels to have free \$20 rides for Uber, which
13 impacts our guys. So, am I going to take a taxi after I've gotten
14 free rides with Uber? No.

15 So, you know, it's like, drivers getting tickets because they
16 don't feel they should take a ride. Uber comes to the airport, the
17 driver says they came up and asked him how much did the fare cost
18 to go downtown. He told him, he said, no, we'll take an Uber.
19 Well, at the same time, there was a ride for the second vehicle.
20 It was a short ride, so the guy declined the ride and sent him up
21 front and he said, I'm not taking it, it's a short ride, it's your
22 ride so he got a ticket from the airport. Fairly new, not aware of
23 the fact that he didn't really have the option.

24 I mean, Uber is just like the little Pacman. Just eating up
25 everything and we are enabling Uber by promoting Uber. The hotels.

1 You've got one of the hotels, the driver got an internal document
2 where it says, if a customer requests transportation you are to
3 promote Uber.

4 CHAIRMAN: Ruthie, this Board nor the TA promotes TNCs
5 and you know that.

6 JONES: Well, some of the hotels are.

7 CHAIRMAN: Well, we're not the hotels.

8 JONES: Well, you've got—I won't go there. I'll
9 leave that alone. You know what I'm saying.

10 CHAIRMAN: I know what you're saying.

11 JONES: Thank you.

12 CHAIRMAN: Mr. Groover, do you have anything to add?

13 GROOVER: No, just wanted to get back to—

14 [crosstalk]

15 CHAIRMAN: Yeah, [crosstalk] I'm sorry go ahead.

16 JONES: So anyway, I do not support it. Okay?

17 CHAIRMAN: All right, thank you. I appreciate you
18 coming up.

19 JONES: Thank you.

20 CHAIRMAN: Mr. Nady.

21 NADY: I'm Jay Nady and I'd like to—I'm the Owner of
22 A-Cab. I'd like to address the elephant in the room which I've
23 been called several times because of my size, but—why did Frias
24 close, why did they sell? Probably because they couldn't make much

25

1 money at it. And they sold it at such a reasonable price because
2 they couldn't—they couldn't perform.

3 CHAIRMAN: Mr. Mowbray, would you address that, because
4 we've had this conversation.

5 MOWBRAY: Yes. Yes, the reason the—Frias Taxicab
6 Operations were sold—the IRS has a regulation that if a charitable
7 foundation is set up, which it has, and at last meeting I addressed
8 one of the [inaudible] distributions of that Foundation, \$9 plus
9 million distribution to the Girl Scouts of Southern Nevada. The
10 largest single distribution ever received by any Girl Scout Council
11 in its 107 year history, there's a rule that you have to divest
12 yourself within five years of date of death; otherwise, face
13 horrific penalties.

14 We were going into year three and the prudent thing as a
15 trustee was, I decided along with my counsel, Mr. Hanifan to move
16 forward and put the company up for sale. That is the reason.

17 CHAIRMAN: Thank you.

18 NADY: It wasn't because you lost money. The
19 company wasn't profitable.

20 MOWBRAY: We're not going to [crosstalk]

21 CHAIRMAN: Mr. Nady, questions to the Board.

22 NADY: I don't want to argue it either but—

23 CHAIRMAN: [crosstalk] the Board.
24
25

1 NADY: --I would imagine that it wasn't making-I
2 would assume something different. I would assume it was a
3 financial reason--

4 CHAIRMAN: You're entirely entitled to do that.

5 GROOVER: Can we get back to the medallions?

6 CHAIRMAN: Yeah. We are. Anything else Mr. Nady?

7 [crosstalk]

8 NADY: I don't agree with everything in the world,
9 the ridership at least in my ridership, A-Cab, one of the smallest
10 companies. They're not the smallest, went down from 16 to 17,
11 about 50%. It went down, a year later, it went down another 50%.
12 I can't believe that anybody would think that there's--that there's
13 a lot of money in the cab business right now.

14 Do we really need more cabs? Do we really need more cabs?
15 I'm not opposed to what you're suggesting. I think the elephant in
16 the room is, we don't really need any more cabs. I think that the--
17 that--why would someone buy a cab company unless they thought maybe
18 they're going to sell it, maybe it has greater value. None of my
19 business. But, do we really need more cabs today?

20 Normally allocations are made when there's a demand for more
21 cabs.

22 CHAIRMAN: Let me address that. Several years ago,
23 before I came on this Board, there were a number of medallions that
24 industry wanted given out to them that--so they didn't have to keep

25

1 coming back. Okay, I don't believe I read anywhere where you
2 opposed that at the time.

3 NADY: Is that the issue here today?

4 CHAIRMAN: No. The issue is, we're talking 27
5 medallions. 27 medallions and by the way, I've just been advised
6 by our legal counsel that we do not have to go evenly if somebody
7 chooses not to purchase.

8 NADY: Well, I'll take all you want to give me, just
9 because down the road-

10 CHAIRMAN: There's no give here.

11 NADY: Right, I understand they're for purchase.
12 Don't get me wrong, I-I still think the most obvious thing here is,
13 sales are not good for cab companies today and allocations are kind
14 of curious.

15 CHAIRMAN: Anything else Mr. Nady?

16 NADY: You keep trying to get rid of me, I think.

17 CHAIRMAN: Moving along. Okay, yes sir. Go ahead,
18 [inaudible] please identify yourself.

19 CORRARIO: Oh, Mark Carrario. Mr. [inaudible] has got
20 some comments-

21 [crosstalk]

22 CORRARIO: --the comments of the last two speakers
23 regarding the state of the industry.

24

25

1 AWAD: Jason Awad for the record, President Lucky
2 Cab, Western Cab and I can speak on behalf of Nellis Cab
3 [inaudible]

4 SPEAKER: Yes sir.

5 AWAD: I believe industry, specifically Lucky Cab
6 and the petitioners, we have the right to rely on the law. The
7 right to rely on the Board following the law. The right for the
8 Board to receive the proper advice from the AG.

9 The concern I have this morning is this. I want to refer to
10 your discussion of November, the November meeting and November 15th.
11 Mr. Thompson raised this question in the discussion and I'm reading
12 from the minutes: "my feeling about medallions is that they should
13 be used and my feeling is that there are a number of cab companies
14 sitting on unused medallions, which I think is a mistake. It
15 devalues the medallions" and he goes on.

16 There's not one single person in this audience today can stand
17 under oath and say, they are using all their medallions. Every
18 company has medallions in drawers. That's your discussion in
19 November. For you today, to come back and say, we're going to
20 allocation 30 medallions, unconscionable.

21 Because, there's a statute. We must follow the law. You have
22 to receive evidence and the evidence is very clear. Need and
23 necessity. You must show that. You just ad hoc—you just do—
24 passing laws and making your own rules and not following the

25

1 statutes, that's—I don't believe the public is expecting that from
2 you.

3 So, if you intend to allocate, follow the statute. See if
4 there's need and necessity. Take evidence. But if you try to do
5 it to accommodate transaction, this matter will be appealed and
6 your decision will not stand.

7 So, I'm asking you to do this. Get the advice of the AG
8 regarding the fact that you need to show need and necessity, that
9 the public needs it. Just adding 30 medallions from the air so
10 that they comply—what should have been done ought to be done. The
11 question that was raised—I'm sorry about your name, but the
12 question was raised by you is, can you really allocate medallion
13 without certificate? The answer is no. You transfer certificates.
14 You cannot hold medallions without certificates. You just can't do
15 it. For putting 12 medallions in limbo, that number is wrong.

16 The only reason I believe you're doing this, 30, is to show
17 that we are still below 49%. I hope you do the right thing.

18 CHAIRMAN: Mr. Awad, I have a question for you.

19 AWAD: Yes sir.

20 CHAIRMAN: What if we pulled back medallions that are
21 out there?

22 AWAD: I'm sorry, what do you mean by "pulled back"?

23 CHAIRMAN: The ones that you say are in the drawers,
24 what if we started pulling those back?

25

1 AWAD: Listen, that's—you need to get the license
2 cancelled whether you can pull back or not. There's a right
3 attached to these medallions. But for you to allocate, you need to
4 follow the law. Do you really need more medallions? Or, are you
5 doing this just for the purpose to accommodate the transaction.
6 Let's be honest about it.

7 So, question I have is this, I'm referring to your discussion.
8 I think this is part of the record. It shows that—everyone was
9 complaining—complaining about, we have cars and medallions that are
10 not being used, and now you're trying to say well, we're going to
11 allocate 30 more?

12 CHAIRMAN: But the industry has also come out and said
13 that, you know, they've got the—the TNCs have 41,000 plus vehicles
14 out there, how do we compete with that?

15 AWAD: One-hundred percent. That's where you should
16 have evidence, that's where you should have hearing. That's where
17 you should have experts to come and testify. You need it or you
18 don't need it. That's what it is. That's what you need to do.

19 CHAIRMAN: Okay, thank you. Anything else, Mr. Awad?

20 AWAD: No.

21 SPEAKER: Just so it's clear, the meeting that was
22 being referenced was November 15, 2018. It's the comments that
23 were made at that meeting. Again—

24 CHAIRMAN: The ones by Dr. Thompson?
25

1 SPEAKER: Yeah. As we've articulated here, you
2 shouldn't be doing what you're doing simply to facilitate a
3 transaction. That is not your statutory or regulatory mandate and
4 that's what's happening here is, as my client has articulated and
5 your torturing the regulatory process to facilitate a transaction.
6 That's not appropriate.

7 CHAIRMAN: All right, thank you. Anybody else?

8 BELL: One final comment, Mr. Chairman. Brent Bell
9 again for the record. Whittlesea and Henderson had medallions in
10 the drawer and we still do, but I have approximately 20 less in the
11 drawer than I did two months ago and we brought Virgin Valley on.
12 So, we're starting to put a dent in it. Kabit, the companies that
13 are associated with Kabit are doing substantially more radio calls
14 than we ever have. We are in talks with the RTC about doing an
15 awful lot of work with them that they can't sustain right now
16 because the federal government continues to cut their funding.
17 They want to find cheaper ways to provide that service and cab
18 companies are interested in doing that, particularly the companies
19 involved with Kabit.

20 So, there is going to be a need for those medallions. We're
21 gaining on it. We are definitely improving. So, I just wanted to
22 make that point and reiterate to you that Whittlesea, Henderson and
23 Virgin Valley will accept any allocation that you deem appropriate.

24 CHAIRMAN: Thank you. Let's take a 10 minute break.

25 We'll come back. Use the facilities.

1 OFF THE RECORD

2 ON THE RECORD

3 CHAIRMAN: Call the meeting back to order.

4 SPEAKER: Good morning.

5 CHAIRMAN: Good morning.

6 SPEAKER: I didn't want to feel left out. [inaudible],

7 Deluxe Taxi. Just for the record, we do want the Board to know, we

8 do have medallions in the drawer also.

9 CHAIRMAN: If 27 are allocated, would you purchase any?

10 SPEAKER: That I'm not allowed to answer yet, but I
11 just wanted, for the record, we have medallions in the drawer also.

12 CHAIRMAN: Fair enough. Sir, identify yourself.

13 SPEAKER: Jamie [inaudible] with Nellis Cab. I also
14 want to let you know what we do have medallions in the drawer. I
15 don't see any evidence that there's a need for more medallions.
16 Just wanted to pass that on to you guys.

17 CHAIRMAN: Okay. And, if we allocate the 27, would you
18 purchase any?

19 SPEAKER: That I would have to discuss with legal team.

20 CHAIRMAN: Fair enough. Anybody else wish to step
21 forward at this point? Mr. Baliban, have a seat.

22 BALIBAN: Good morning, George Baliban, Desert Cab. If
23 there's an allocation, Desert Cab would participate in the
24 allocation [inaudible], we would take them.

25 CHAIRMAN: Okay.

1 BALIBAN: Thank you.

2 CHAIRMAN: Anybody else. Going once-okay.

3 SPEAKER: I was just informed, [inaudible] with Deluxe,
4 yes we will purchase the allocation.

5 CHAIRMAN: You will, okay, thank you. Okay. Anybody
6 else? Once, twice. I'll call it back to the Board. Last chance.
7 Okay. Back to the Board for discussion and decision. Board
8 Members. Dr. Holmes, any comment?

9 HOLMES: It seems like compromise is the best way to
10 go in this situation. Whatever-whatever it takes to keep the
11 motors running, keep going.

12 CHAIRMAN: Are we back recording, by the way?

13 SPEAKER: We are recording.

14 CHAIRMAN: Okay, thank you Dr. Holmes. Mr. Groover?

15 GROOVER: Well, going through it, I do believe that the
16 meeting was properly noticed. I do believe there was a time to
17 intervene, nobody did at that point. I think we need to proceed
18 and make a decision.

19 CHAIRMAN: Okay. Mr. Vice-Chair?

20 AGUILERA: Are we still on Item 4?

21 CHAIRMAN: No, we went to 5.

22 AGUILERA: Okay.

23 CHAIRMAN: About the distribution.

24 AGUILERA: Yeah. Well, again, is it compromise and
25 based on what we've heard today as far as other-certain cab

1 companies have indicated that they would receive the additional
2 allocation of medallions, I'm okay with us allocation 27 more
3 medallions. If we don't need to redo them under equal, I'm okay
4 with certain companies, just allocate them out there and certain
5 companies can buy as many as they want, if that's-

6 CHAIRMAN: Try it equal and then go from there, huh?

7 AGUILERA: Yeah.

8 CHAIRMAN: Is that a motion?

9 AGUILERA: Not yet.

10 CHAIRMAN: Okay.

11 SPEAKER: Chair, I have one question.

12 CHAIRMAN: Yes sir.

13 SPEAKER: Mr. Whittemore, is there anything else to add
14 on the allocation of medallions, authority to do so?

15 WHITTEMORE: On the authority to do so, I've provided the
16 Chairman the NRS. He's got it in front of him there to look at.
17 You have an annual basis, at a minimum, it's required, at a minimum
18 to review, but it uses the words "existing allocation". It doesn't
19 even talk about a future allocation. It talks about the medallions
20 that have already been allocated, that the Board should review
21 that. So, that gives you an indication of what the law says, that
22 it's the Board's sole authority.

23 CHAIRMAN: Anything else [inaudible]

24 SPEAKER: No.

25

1 CHAIRMAN: So, for everybody's [inaudible]. #1, the
2 Board has full and total authority to decide on medallions. In
3 determining whether circumstances require the establishment of a
4 system of allocation or a change in existing allocations, the
5 Board—or, excuse me, the Taxi Authority shall consider the
6 interest, welfare, convenience, necessity and wellbeing of the
7 customers of taxicabs.

8 Now, one of my pet concerns has been since I've been here is
9 the lack of servicing to the residential areas. And the fact that
10 people just can't or are refused to get cabs. And, each of you
11 have testified in the past that, you know, many of your drivers
12 just don't answer the call to go somewhere.

13 I see that there is a need and otherwise, how could 41,000
14 TNCs exist? And, you know, Ruthie is correct. There's a lot of
15 advertising that they do through different venues that the rest of
16 you either have tried and not been able to do it or just flat don't
17 do it. I think that in itself is a mistake.

18 The authority to do this, does lie with the Board. So, I will
19 entertain a motion to allocate 27 additional medallions on a—if
20 possible, even basis and if not, legal counsel advised us, they do
21 not have to go evenly out. Is there a motion?

22 SPEAKER: I'll make a motion based on the what the
23 statutes indicate, that the Board allocate to the industry 27 more
24 medallions.

25

1 CHAIRMAN: Okay. We have a motion to allocate 27
2 medallions, is there a second?

3 HOLMES: I'll second.

4 CHAIRMAN: We have a second from Dr. Holmes. All in
5 favor say aye. [ayes around] Opposed? Motion passes.

6 We'll move back to—yes sir, Mr. Gordon?

7 GORDON: Wondering about #4?

8 CHAIRMAN: Yeah, going back to #4. Okay, Item No. 4,
9 the Disposition of 12 Frias Transportation Management Taxicab
10 Medallions, for discussion and action. Come on up, you wanted to
11 say something? Thank you Mr. Gordon. And, please identify
12 yourself for the machine.

13 GORDON: Yes. Mr. Chairman. Attorney Mark Gordon on
14 behalf of the Applicant. I think I've—hopefully I've made my
15 points. I think there is a need. We have 12 medallions that are—
16 we contracted to purchase and we'd like to proceed and I'd like the
17 approval of the Board to do so.

18 CHAIRMAN: Mr. Administrator? By additionally
19 allocating the 27, does that adequately address the 49% concern?

20 WHITTEMORE: I believe it does sir and if you give me just
21 a moment, I could give you the math.

22 CHAIRMAN: Okay.

23 WHITTEMORE: 3,557 medallions is what would be
24 contemplated with this recent allocation, that's in total.

25 CHAIRMAN: Say that number again.

1 WHITTEMORE: 3,557. There was 3,530 prior to the 27
2 allocation that you all just voted on. So, there's 3,557,
3 including the 12 being transferred from Frias to YCS, specifically
4 I believe, the Ace Certificate. YCS would have 1,741. I'm going
5 to run that one more time just to-[pause] That would leave the YCS
6 Group, if I could call them that, at 48.95% of the industry
7 medallions.

8 CHAIRMAN: All right. So, then the vote—thank you,
9 anything else Mr. Gordon?

10 [crosstalk]

11 CHAIRMAN: Yes sir, come on up.

12 FERRARO: Excuse me, Mark Ferraro again. Since we're
13 on a different agenda item, can I just incorporate my comments
14 previously?

15 CHAIRMAN: Absolutely.

16 FERRARO: We think that this—the action that you've
17 just taken, again violates applicable law and we're finding it now,
18 but you've got—you're going to allocate, I think an additional 27
19 medallions, yet they have yet to be dispersed through the industry
20 and you're going to use that as a calculation now to justify the
21 transfer that you just mentioned, I think that may be an issue, but
22 we're pulling that Reg up now. I'll just stand on my prior
23 comments. I think the entire process has been flawed, thank you.

24 CHAIRMAN: Thank you. Thank you Mr. Gordon.

25

1 Okay, on Agenda Item No. 12, the Disposition—excuse me, Agenda
2 Item No. 4, the Disposition of the 12 Frias Transportation
3 Management Taxicab Medallions. Is there a motion by the Board to
4 allow them to stay with YCS.

5 SPEAKER: Would that be effective once the 27
6 medallions are given to the industry?

7 WHITTEMORE: I don't think you have to but I think it
8 would be helpful if the Board just wanted to clarify that this
9 allocation would only happen once the 27 have been distributed.

10 SPEAKER: Yeah.

11 [crosstalk]

12 CHAIRMAN: Okay. So, is there a motion to that effect?

13 FERRARO: Mr. Chair? Real quick, I apologize—

14 CHAIRMAN: Sir, but we've already called it back to the
15 Board.

16 FERRARO: But I found the language. I'll just call
17 your attention it says, that when you're doing the math it has to
18 be—hang on, total number of medallions in the industry and your
19 allocation today to me doesn't meet that standard because they
20 haven't been given out to members of the industry, so I don't think
21 you can approve this transaction.

22 CHAIRMAN: Okay. Is there a motion to approve the 12
23 but withhold them until the 27 are allocated, am I saying it wrong?

24 WHITTEMORE: Well, not withhold them, just effectuate the
25 transfer as of the—after the date of the other allocations.

1 CHAIRMAN: Okay. Is there a motion to that effect and
2 please state it.

3 SPEAKER: I'll make a motion to allow the allocation of
4 the 12 Frias medallions to YCS effective when the industry has been
5 granted the—not granted, has been—

6 SPEAKER: Allocated.

7 SPEAKER: --allocated the 27 additional medallions that
8 the Board approved at this meeting.

9 CHAIRMAN: Okay. Does everybody understand the motion?
10 Is there a second?

11 HOLMES: I second.

12 CHAIRMAN: Dr. Holmes has seconded. All in favor, aye.
13 [ayes around] Opposed? Passes, thank you.

14 Okay, we'll go on to Agenda Item—Staff Report. Mr.
15 Administrator.

16 WHITTEMORE: Good morning. It is still morning, so that
17 is good. Good morning Members of the Board. Scott Whittemore,
18 Administrator for the Nevada Taxicab Authority. I will be brief.
19 A few items to bring to your attention.

20 The statistics. We are going through a major database
21 changeover which is exciting news for us. We've been a paper
22 agency. This is a brand-new records management system. You can
23 imagine any time you're integrating a new records management
24 system; things begin to change.

25

1 So, we're having some issues, just tracking all of these
2 numbers exactly but I wanted to bring something to your attention.
3 We did 17 impounds, if my notes are correct and I'll be crystal
4 clear in the next meeting, in the month of February.

5 I want to bring this to your attention because it's important
6 as to the discussions that were had today. These are impounds of
7 vehicles that are either doing cash rides or offering their
8 services on Craigslist. There are trips, in Las Vegas, there is
9 demand in Las Vegas, all over the town for qualified certificated
10 background searched individuals that the taxi companies are
11 providing.

12 These impounds are happening because you have an individual
13 operating off-app. Our officers are in plain clothes. They're
14 walking downtown on Fremont Street. They're being solicited.
15 Where you going? Take you there for \$20. We're impounding that
16 vehicle.

17 It's incredibly important that the industry understand why
18 we're doing this. I think the industry knows very well. I should
19 say the public. There is a public safety issue in this town right
20 now as it relates to rides that are being given by individuals who
21 may be criminals, who may have backgrounds that have not been
22 vetted by anyone.

23 So, actively on Craigslist right now, I could pull it down and
24 we are—we are creating operations on every single one that we find.
25 To give you just some greatest hits in the last month, we found a

1 meth pipe in the passenger—or not the passenger, the driver door.

2 So, in between rides, this individual was smoking meth.

3 We found an individual with an ankle bracelet. He was under
4 home arrest. He was a domestic violent—a domestic abuser. He was
5 operating on a suspended license for DWI out offering rides.

6 And so the riding public in Las Vegas needs to be very, very
7 careful. There was just an incident that received a ton of
8 national press, I believe in South Carolina. A young woman late at
9 night mistaken a vehicle for her Uber. This is happening in this
10 town all of the time where somebody is waiting in a well lit area
11 or next to a casino and saying, after a couple of drinks, I need a
12 ride home and a car pulls up, rolls down the window and says, I'm
13 your Uber, I'm your Lyft, not to pick on one or the other, and that
14 individual gets in. Then conveniently along the way, they say, hey
15 my—you know, the system is down or whatever, you want to just pay
16 me cash. This is happening all the time.

17 Beyond the public safety risk, there's an insurance risk. No
18 one is covered in that scenario. The minute they're operating off-
19 app, Uber and Lyft are not going to cover them and their own
20 personal insurance is likely not to cover them.

21 So, my point is, from an enforcement standpoint, we are doing
22 this every day. We are doing this every night. We are out looking
23 and we're finding it. We're being solicited. Our undercover
24 officers are being solicited all the time. So, from our
25 perspective, not only do we recognize the 41,000 TNC drivers, not

1 only do we recognize the now 3,557 medallions in the industry, we
2 recognize that there are illegal trips happening.

3 So, it's incumbent on us, we do the best we can with our
4 staff, but we're seeing it. We appreciate tips that we get from
5 the industry, any time. I just got a tip today about a location
6 where it seems that Uber and Lyft are staging.

7 So, these are things that we're working on and it just wasn't
8 reflected here. We're talking with both Metro and NHP about doing
9 a public service announcement. We think it's incredibly important
10 that if you're going to ride with someone, you've identified who
11 they are and that they are in fact the right driver.

12 Now, the benefit with taxis is they are fingerprint background
13 drivers, they're permitted by us, that vehicle has been inspected
14 once a year, they have nexus to the regulations that the companies
15 have created. So, we see a huge benefit to more taxis on the road.
16 They are easy to spot and I believe the public can trust those
17 individuals to a greater degree than any other transportation
18 option in town.

19 I do want to make one special introduction. I'm pleased to
20 announce in our 50 year history, this is our 50th year for those of
21 you who didn't know. 2019 is the 50th year of the Nevada Taxicab
22 Authority. For the first time ever we have promoted a female
23 officer to the rank of Sergeant and she is our new Compliance
24 Enforcement Supervisor, Heather Withers is in the crowd. If she
25 just wants to stand up and say hello.

1 [applause]

2 WHITTEMORE: Five and a half years with the TA.

3 Outstanding officer. So, very excited about that.

4 As it is to anything else, I'm happy to answer. I did want to
5 be brief; I know that we've discussed a lot today. Anything, or
6 other concerns that you have? I understand that there's an agenda
7 item in the future that you'd like to hear from. Anything else
8 that I can do for you

9 CHAIRMAN: Board Members?

10 SPEAKER: [inaudible] wait and talk to me about that
11 later?

12 WHITTEMORE: I'm happy to give you an update now.

13 SPEAKER: Okay.

14 WHITTEMORE: Assemblyman [inaudible] has put forward a few
15 transportation related bills. One bills is Assembly Bill 402. It
16 has not received a hearing yet. 402 has been marked for exemption
17 which means it's going to live almost to the very gavel strike.
18 So, that means, we're just going to have to continue to watch what
19 transpires there.

20 I'll give you the preface or I guess, the synopsis, not
21 preface. There's two components. The Taxi Workers Cooperative,
22 that he is proposing, whereby each and every driver would own their
23 own vehicle. They would form together in a cooperative that would
24 be governed by that cooperative. This model has popped up in a few

25

1 locations around the United States. I think the jury is still out
2 on whether or not—how it's going to work.

3 From a regulator, I have concerns with a model like that. We
4 have 16 certificates. Every certificate holder, I know exactly who
5 to call. Chief knows exactly who to reach out to when we have an
6 issue. If we have a car that needs to come back in, we can contact
7 them.

8 So, this system we have now is regulated and it's working.
9 Our motor carrier laws I think are great. They're providing for a
10 very efficient services. So, I have concerns with a cooperative
11 and what our regulatory role of that cooperative would be.

12 The second component would be creating a compliance
13 enforcement division whereby, essentially striping out three-
14 quarters of my staff and three-quarters of the NTA staff, roughly
15 maybe half of their staff and putting them together in one
16 division. This is obviously one of those kind of left field—where
17 is this coming from, why not—but, you know, assembly people
18 certainly have the right to put forth these bills and have their
19 ideas heard. I had discussions with Mr. [inaudible] on a weekly
20 basis. He understands my concerns.

21 I encourage the industry to be active at the Legislature.
22 These hearings can happen at any time. I will do my best to let
23 them know. They want to hear from people. When you turn on the
24 microphone and show up, they listen. If your employees show up,
25 they will listen. And, I think they need to understand who the

1 industry is, not just sometimes the people who are paid to be in
2 Carson City but these individuals that do a ton in our community,
3 that employ a great number of people in our community. I think the
4 Legislature needs to hear from them when this bill is heard.

5 SPEAKER: So, we're talking about a third agency. NTA,
6 Taxicab Authority and then a third one.

7 WHITTEMORE: That is correct, sir. A compliance
8 enforcement division that would in theory, write citations. It's
9 not clear whether or not he intends all of those to be cease and
10 desist at some point, but it's a [inaudible] in the language and
11 then they would go to either Authority to dispense with-

12 SPEAKER: And then the Cooperative Cab Agreement, how
13 do you monitor that?

14 WHITTEMORE: It's an issue. My concern is whose in
15 charge? The driver in charge? Is there a supervisor in charge?
16 When you have less and less nexus between an employer, that's my
17 vehicle, versus, no it's my vehicle. As a regulator, I have
18 concerns over that individual. How many hours a day are they going
19 to drive? Who are they going to sublease that vehicle to? It
20 starts-you start to get down this road of concern.

21 SPEAKER: The transaction that we approved last
22 meeting, did all the drivers, I understand, get transferred to the
23 new companies and you did all the work to get them permitted and
24 stuff?

25

1 WHITTEMORE: YCS has been very transparent, very
2 communicative with our staff, in particular Michael Baylin
3 [phonetic] and Jerry McBride, I believe, have done their level best
4 to onboard as many of those employees as they can. I think they
5 would—I don't know if it's appropriate, but I'm certain they would
6 give you an update next time. I don't think it's appropriate now
7 under this comment, but as well as, the folks at the joint venture
8 between Whittlesea, Blue and Mr. Balaban. They're working hard on
9 getting these cars retrofitted. Frias did not use the DT5. So,
10 these vehicles that are having to be retrofitted with the new DT5
11 so that they can participate in Kabit and everything else, also
12 those vehicles have to be rewrapped, renumbered, etc.

13 Both companies are working hard. My understanding is they've
14 got waiting lists of drivers who are eager to drive for them. I
15 think that's probably fair to repeat. So, they're reporting is
16 that it's been very good for them.

17 SPEAKER: I'm going to commend you and your staff too
18 for getting that transaction and working with all the drivers to—
19 smooth transaction, I guess.

20 WHITTEMORE: We're doing our best. There's a lot to
21 permit there, but we're doing our best.

22 SPEAKER: Yeah, thank you.

23 CHAIRMAN: Dr. Holmes, anything?

24 HOLMES: No.

25 CHAIRMAN: Okay. Chief.

1 AQUINO: Ruben Aquino, Chief Investigator of Nevada
2 Taxicab Authority. I'll be brief. Just have several items.

3 Circling back to Investigator Withers, now Supervisor
4 Investigator Withers, I'm not sure if a lot of you people know up
5 there that she's done such an incredible job for the last three
6 years, doing all the backgrounds for the permitting of drivers here
7 in Clark County. So, I just wanted to recognize her for that.
8 Herself and the front team have done an exceptional job. Every
9 day, looking through criminal records, driving records, to vet
10 these drivers, to have safe drivers out there, in your industry.

11 So, just wanted to say that publicly for the record in regard
12 to a superb job that Ms. Withers has been doing.

13 Another personal or personnel announcement is, in the back row
14 there, sitting along side of her is Jennifer O'Brien, she's a
15 recent hire. LAPD, 22 years with the rank of Lieutenant. She's
16 just joined our ranks. If you don't mind standing up O'Brien.

17 [applause]

18 We're continuing, obviously, based on what the Administrator
19 said in regard to operations, sting operations with uncertificated
20 carriers. We recently had done a joint operation with Nevada
21 Transportation Authority a couple of weekend ago when we were
22 involved in again, a joint operation with them. They took down two
23 uncertificated limousines that were operating here in Southern
24 Nevada.

25

1 So, we continue to promote operating jointly through these
2 operations and with that common goal of the public safety and the
3 uncertificated carriers out there that we are finding.

4 Last thing, Electric Daisy Concern. May 17th, 18th and 19th,
5 that is upon us again. I'm going to be circling back to the
6 industry here in the next couple of weeks. I've met with Electric
7 Daisy folks. In regard to the new site where the cabs are going to
8 be staged, it's not going to be in the same place as last year.

9 I'm happy to report, that it's going to be actually closer to
10 the front door. It's along with—it will be a transportation hub,
11 which is right in the same area as the TNCs. So, when the majority
12 of the concert goers will come out, they're going to hit that
13 transportation hub. Part of that is going to be the TNCs as well
14 as the representative cab companies.

15 To put things in perspective, when Electric Daisy first came
16 here in Las Vegas and the TA has been involved since day one.
17 Looking at the numbers it started in the 80,000 to 90,000 concert
18 goers in three day period. So, what I'm being told by Electric
19 Daisy is there's going to be upwards to 150,000 people in that
20 three-day period. So, they are putting a lot of reliance on us,
21 specifically the cab companies to get those people out of that
22 concert venue when lights are out.

23 That's all I have. If you have any questions, I'd be happy to
24 answer them.

25 CHAIRMAN: Any questions from the Board. Go ahead.

1 SPEAKER: Chief, I noticed that citation/violation
2 report for the month of February, it seems—I don't remember what it
3 was last, in January, but verbal arguments/physical violence is 13?
4 Is that high and what is that—the things it covers?

5 AQUINO: So it's—it covers all of those things. It
6 could be—you know, when you look at that, physical violence, oh my
7 goodness.

8 SPEAKER: Yeah.

9 AQUINO: Are they out there fighting a lot? No, not
10 necessarily. It's verbal arguments. Meaning that, drivers are
11 having arguments and basically a verbal altercation, yelling. You
12 know being disrespectful, that sort of thing.

13 SPEAKER: To other drivers or to customers? Or to your
14 officers?

15 AQUINO: Both.

16 SPEAKER: Both, okay.

17 AQUINO: Right, in some cases both. Where the—where
18 the driver is being disrespectful to the officer, that's something
19 that he could charge. The physical violence part, I could—I could
20 count on maybe one hand, that occurring in the last several years.
21 That's hardly the case.

22 SPEAKER: Thank you.

23 CHAIRMAN: Any other questions of the Chief? Okay. Do
24 you need to go over—

25

1 SPEAKER: I'm sorry, if I could interrupt briefly, just
2 for the record, I wanted to segue or piggy back on something
3 Administrator Whittemore just mentioned about Frias drivers and
4 I've just asked Michael Baylin, our Director of Operations, how
5 many Frias drivers have we hired to date and the number is 591. I
6 think that's a very positive amount.

7 CHAIRMAN: Thank you. Do you need to go over the stats
8 or are [inaudible]. All right. Future agenda items. Board
9 Members, anything other than what we're already aware of? [pause]
10 Okay. Seeing none. Let's move on to Agenda Item No. 8, Report by
11 Legal Counsel.

12 SPEAKER: I have nothing to report at this time.

13 CHAIRMAN: Okay. Agenda Item No. 9, Public Comment.
14 Anybody wishing to step forward, now is the time. You can yell at
15 us, tell us we're great, complain about something. Nobody. All
16 right-

17 SPEAKER: Tell us we're great again.

18 CHAIRMAN: Yeah, tell us we're great again. Nobody,
19 okay. Good to know. Okay. So that everybody knows, starting with
20 today's meeting and going forward, we will start the meetings at
21 9:30 in the morning instead of 9:00.

22 HOLMES: On Thursdays.

23 CHAIRMAN: Huh?

24 HOLMES: On Thursdays.

25

1 CHAIRMAN: Yeah, they're always on Thursdays, right.

2 With that, I'll take a motion to adjourn.

3 SPEAKER: I'll make a motion to adjourn the meeting.

4 CHAIRMAN: Second? Do I have to do that? We're

5 adjourned. Thank you.

6 [end of meeting]

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