

1 STATE OF NEVADA

2 DEPARTMENT OF BUSINESS AND INDUSTRY

3 TAXICAB AUTHORITY BOARD MEETING

4 February 28, 2019

5
6 CHAIRMAN: --to order. Conduct the pledge. Chief,
7 would you be so inclined?

8 EVERYONE: I pledge allegiance to the flag of the United
9 States of America and to the Republic for which it stands, one
10 Nation under God, indivisible, with liberty and justice for all.

11 CHAIRMAN: Mr. Administrator, are we in compliance with
12 the Open Meeting Law?

13 WHITTEMORE: Good morning Mr. Chairman, yes we are.

14 CHAIRMAN: Okay, perfect. And so, we're moving on to
15 Agenda Item No. 2, time for Public Comment. Anybody like to step
16 forward for Public Comment? Step right up, grab a seat.

17 HANIFAN: Mr. Chairman, Jack Hanifan, Frias
18 Transportation. John Mowbray.

19 MOWBRAY: John Mowbray, Frias Transportation, Trustee
20 of the Phyllis Frias Management Trust. I believe Mr. Hanifan,
21 under our three-minute rule is going to yield his three to me.
22 That's right, so I have a total of six.

23 CHAIRMAN: Perfect, yes sir.

24 MOWBRAY: Mr. Chair, Board Members, Staff, the
25 Industry, return with me to Las Vegas 61 years ago, to be precise,

1 February 1958. The population base here was around 60,000. The
2 Las Vegas of February 1958 had no Convention Center. Ground
3 breaking on that facility wouldn't begin for months. The State of
4 Nevada had no Gaming Commission. It would not be established for
5 more than a year later.

6 McCarran Field was a small fixed base operation on the cusp of
7 the old LA Highway with one small terminal servicing four airlines.
8 The startup Bonanza, TWA, United and Western.

9 Where we convened here today was nothing more than a series of
10 flow sand mounds populated by scorpions and what we used to call as
11 kids, blue-bellied lizards. San Francisco Avenue, which formed the
12 southern most boundary of residential Las Vegas didn't extend much
13 beyond the Union Pacific Railroad Tracks where we sit today. And,
14 San Francisco Avenue wouldn't be renamed Sahara for several years
15 in the future.

16 So, what happened 61 years ago today? On February 27th, the
17 youngest daughter of 13 siblings, born on an Ohio farm arrived in
18 town via the Old Route 66 on a Greyhound Bus from San Antonio,
19 Texas, where she was posted after enlistment in the United States
20 Airforce and where she met and married the love of her life.

21 The trip was only intended to be a short visit for an older
22 sister who had recently moved here. Upon arrival, her sister and
23 brother-in-law were working fulltime during the day and she just
24 didn't want to stay home and wait for dinnertime. So, she took a

1 job as a change girl to earn gas money for the anticipated return
2 back to Texas when her husband would come out.

3 One week led to one month and then to two. Frankly, she began
4 to wonder if her husband was ever going to make that 1,000 mile
5 trip and take her back to Texas. What happened next is a moment
6 for the ages. When Charlie Frias arrived here in May of 1958 to
7 drive his bride back to San Antonio, something about Las Vegas
8 caught their fancy and caused them to ponder and consider their
9 fate.

10 As Phyllis would later recall, the safe bet was to return to
11 the safety of family and friends in Texas. With nothing more than
12 the clothes on their backs, their boots and the shoes on their
13 feet, they decided in true Las Vegas tradition, that their destiny
14 should be decided by a flip of the coin. Heads we go, tails we
15 stay. As generations of Nevadans would later appreciate, fate was
16 on Las Vegas' side that day and the coin landed tails up.

17 What was intended to be a short trip turned into a five decade
18 journey that help build Las Vegas into the undisputed entertainment
19 capital of the world. Always a hard worker and designed to
20 supplement their income, Charlie joined a union and was immediately
21 advised that there was an opening for a cab driver.

22 Charlie Frias had a model, the harder you work, the luckier
23 you'd get. On October 31, 1961, Charlie began driving a cab on the
24 first shift for a small company. Not long after that inauspicious
25 start, Phyllis and Charlie purchased that cab company and began to

1 build Nevada's largest transportation company and a legacy that
2 would eventually include five cab companies, a limousine company
3 and an airline shuttle operation. That transportation company
4 would fuel the [inaudible] of Las Vegas tourism economy by
5 providing safe and efficient experiences, well into the 21st
6 century.

7 During their lifetimes, Charlie and Phyllis were also actively
8 engaged here in Southern Nevada supporting children, education and
9 the less fortunate members of our society. Grateful for the
10 successes Las Vegas provided them and resolute in the belief that
11 all children, regardless of background, should be afforded the
12 opportunity for a quality education, the couple's generosity
13 enriched many Southern Nevadan's lives. Many attended college who
14 would not have otherwise been able to do so. Multitudes of high
15 school students in Clark and Lincoln counties benefited from their
16 generosity over the decades. Whether it be by gifts of school
17 buses, underwriting trips to Washington DC or sending each fifth
18 grade graduation class at Frias Elementary—a school named in their
19 honor in 2003—on an all-day expense field trip to Disneyland.

20 After Charlie passed away on October 24, 2006, Phyllis wrote
21 the memoir, Frias with Love in tribute to her husband. Phyllis
22 defined the Frias legacy. God gave us the tools and we did the
23 best to use them wisely. As great a businessman as Charlie was, I
24 think what stood out as some of his best achievements was the way
25 Charlie would give back to our community. We love our town and

1 still do. We're proud of how far it's come and honored to be part
2 of it's history.

3 After Phyllis passed away on October 31, 2016, the Charles and
4 Phyllis Frias Charitable Trust was established to continue their
5 legacy of giving to the community they so cherished.

6 Last December after an extensive discernment process, the
7 Charitable Trust announced its inaugural distribution valued at
8 over \$9 million to the Girls Scouts of Southern Nevada. The
9 largest single gift to any Girl Scout Council in their 106 year
10 history. That would not have been responsible but for the taxicab
11 industry here in Clark County, Nevada.

12 Similarly after an intense and I mean very intense discernment
13 process over the last three months, the Trustees of the Trust
14 determined that no taxicab operations have a better history and
15 commitment to continue the Frias Transportation legacy than the
16 applications that are going to be here, on the Agenda here today.

17 I can tell you this, when word got out after our announcement
18 in January, it sent a resonance from coast-to-coast. From New York
19 to Orange County. I will tell you, the taxicab business is alive
20 and well in Clark County, Nevada. There have been comments in the
21 press about the effects of TNCs and what it's had on this business,
22 if that were the case, and this were a dying industry, our phones
23 wouldn't have been lit up, the computers overheated by the contacts
24 asking, can we have—can we get a piece of this pie here, in Clark
25 County, Nevada.

1 Well, we—and that's a tribute to the industry. The future is
2 great. The opportunity is sky-less here. So, going back to
3 Charlie's favorite motto, the harder you work, the luckier you get,
4 if these applications are approved this morning, our Frias family,
5 our extended family, our drivers, our employees, who have a chance
6 to continue their good work by providing safe and efficient
7 transportation experiences.

8 Las Vegas is uniquely configured. It's one of the largest, if
9 not the only large metropolitan area with it's airport right in the
10 City. Now, while things have changed over the last 61 years. We
11 have a Convention Center. It's a world-class facility. We have
12 airport. The counts at McCarran keep going up every year. The
13 headcounts keep going up. No more just them four small airlines.
14 Those have been pretty much, except for United, lost to the ages.
15 The experience goes on. We have a gaming structure here. A Gaming
16 Commission. The best in the world. A world leader for hospitality
17 and gaming operations.

18 So, I leave you here today—we're going to leave the Frias
19 legacy in good hands. But before I do that, I want to thank you.
20 I want to thank the industry and I want to thank Las Vegas, it's
21 been a great run. Thank you.

22 [applause]

23 CHAIRMAN: Thank you, Mr. Mowbray, it was very well
24 stated. We appreciate that. Anybody else for public comment?
25 Seeing none. Moving on to Agenda Item No. 3, Approval of the

1 Minutes. We're going to roll the minutes to the next meeting. We
2 got the minutes late yesterday and some of the members have not had
3 a chance to digest them. So, we'll roll approval to the next
4 meeting.

5 We'll move to Agenda Item No. 4, an Application by Blue
6 Desert, LLC requesting authority to acquire Virgin Valley Cab, LLC,
7 a certified common motor carrier of passengers authorized to
8 provide taxi service in Clark County, Nevada. Applicant requests
9 that certain information be kept confidential. Interveners on this
10 is the ITPEU and with that, Mr. Administrator.

11 WHITTEMORE: Yeah. Well, good morning. Thank you for the
12 opportunity here. I'm actually in my 10 month, so I want to say
13 thank you for the opportunity and the trust that you continue to
14 place in me. I serve at the pleasure of this Board and its my
15 privilege. So, thank you.

16 I do want to say thank you as well to a few individuals in
17 particular. With-over the past three weeks, we have been busy.
18 Without-and I want to give absolute credit to them. Without their
19 incredible forthrightness, their communication, we would not be
20 here at this time.

21 So, in particular, I'd like to recognize the efforts of
22 Kimberly Rushton, Mark Gordon and John Mowbray, who have met every
23 single deadline that we have asked and gone so far as to schedule
24 their clients for interviews and made sure we were there, where we

25

1 needed to be. So, they have been incredibly helpful in this
2 process.

3 I think it's helpful to start with the statute. That's always
4 a good place to start as regulators. So, I want to bring your
5 attention, just briefly to a few—one statute in particular and then
6 two Nevada Administrative Codes if I can.

7 So, NRS 706.827(6), it states that the Taxicab Authority may
8 dispense with the hearing on an application if upon the expiration
9 of time fixed in the notice of the hearing, no protest against the
10 granting of the certificate has been filed by or on behalf of any
11 person.

12 So, I'm here to tell you, we are not aware of any formal
13 objection or protest. As the Chairman has indicated, there is an
14 interveners. We have not received any protests or objections from
15 that intervener at this time. That's important to note that we're
16 doing this in full transparency. We're doing this to give the
17 industry an opportunity to hear this. That certainly is the
18 discretion of the Board.

19 The other two regulations I just quickly wanted to point out.
20 So, NAC 706.453 and 465, under 453, the Authority reserves the
21 right to conduct and investigation before issuing a certificate or
22 permit. So, that's important to remember that it's the Board's
23 right to investigation. Under 453, the Authority reserves the
24 right to make an investigation before approving a transfer. So,
25 under the two agenda items before you, in either instance, is a

1 background investigation required by law. It is not mandatory.
2 Instead, the Authority reserves that right.

3 Now, typically what would happen is you would get an
4 application. You would set that hearing and then you would, at
5 that time, indicate by a vote of the Board, hey we'd like our
6 agency to go out and conduct the investigation. Obviously the
7 timing in this instance did not allow for that and I'll walk
8 through that.

9 So, out of an abundance of caution, what we wanted to do was
10 refresh the investigatory work that has already been done and
11 present of the existing CPCN holders and their underlying ownership
12 and present to you new information and refreshed information, so
13 that we did not run out of time.

14 I do want to thank you all. I do recognize—I don't want to
15 forget to say, I think this is 150 pages. You all got this packet
16 very, very late. On behalf of my staff, my legal secretary was
17 printing late last night, just to get agenda items together for you
18 all. We're doing our best to get this to you but I do thank you.
19 The one thing I want to remind you all of is, whenever you want to
20 ask myself, my staff a question, please—please go ahead. Obviously
21 the applicants are here to answer your question. I hope that we
22 demystify this 150 pages. If at any point, if there's a question
23 or a concern, please raise it.

24 So, after we got the notice on March 13, 2019 that Frias would
25 be closing it's doors and terminating 1,097 drivers, we were in

1 direct contact with Frias talking about what this would look like.
2 It was their sincere desire that they would not close prior to a
3 transfer of the assets, but more importantly, the people.

4 You can tell something about dealing with the Frias people.
5 They always talk about their drivers. They always talk about their
6 people. It was a huge commitment to them, that they work with us
7 as quickly as possible to find a suitable buyer and that was always
8 their intent. I think as Mr. Mowbray stated, their focus was
9 trying to keep it local, for good reason. They knew their
10 timeframe.

11 So, if I can, just to walk you through the timeline. We get
12 that letter on January 9th. On January 30th, YCS provided notice to
13 us that they were under contract to purchase 928 medallions. On
14 February 6th, we received the actual application. So, today's the
15 28th, we got the application on the 6th.

16 That application was for the CPCN and the acquisition of the
17 CPCNs of Ace, ANLV, Union and Vegas-Western. So, four of the five
18 Frias entities. On February 8th, we received the application for
19 Blue Desert, LLC, for the transfer and acquisition of 132
20 medallions and a CPCN of Virgin Valley. So, the fifth of the five.

21 That same day, on February 8th, we had to make two important
22 notices. I want to put these on the record so we're all very
23 clear. We published notice of the application and proposed
24 transfers in the Las Vegas Review Journal, on February 8th. So, we
25 actually had a little bit of advanced notice from Blue Desert

1 folks, hey this application is coming in, let's get the notice out.
2 So, that ran on February 8th, which was a 20-day statutory—what's
3 required. As well as, we published our Agenda that day. When we
4 publish our Agenda, it's listed on the Agenda, all the places it's
5 Agendized. We also provide courtesy copies out to the industry.
6 We email them.

7 So, this has been—I don't ever want to give the impression
8 that we're doing something short-noticed. We might be doing it
9 quickly, but we met that 20-day obligation in both instances.

10 So, as you can see, the window was short. Very little room
11 for error, but again, through the attorneys that we've dealt with—
12 again, Mark Gordon and Kimberly Rushton have been excellent to work
13 with. Every time we've picked up the phone, they were there to
14 answer, sometimes calling us two or three times a day.

15 I'd also like to point out if I can and pat the Chief on the
16 back here. We had to go through 14 personal backgrounds and make
17 sure we understood who we were talking to. That was a process he
18 personally undertook. Our enforcement staff is busy. We have lots
19 going on and he oversaw this process and took his time. So, I do
20 want to recognize him.

21 As to the two applications. As we discussed, there's the five
22 Frias entities today. Ace, ANLV, Union, Vegas-Western and Virgin
23 Valley. So, our first application that we're going to hear is Blue
24 Desert.

25

1 Blue Desert is a joint venture, okay. It's a joint venture of
2 Whittlesea Blue Cab Company; a current known persons to this Board.
3 Current operators. Those voting members that we talked to, these
4 are the three voting members representing Whittlesea Blue Cab
5 Company: Gerald Bell, Brent Bell and Larry Bell and the other side
6 is, Mr. George Balaban, Brad Balaban and Dana Balaban, the current
7 ownership of Desert Cab Company. So, again, a joint venture of two
8 locally known operators.

9 With that, I will pause and give an opportunity from a staff
10 perspective, just hit pause and give you all an opportunity to
11 either ask questions or-or if there's something you'd like us to
12 dive into. If not, Ms. Rushton is here to provide her
13 presentation. Is there anything we can answer before coming back?
14 We'll be happy to circle back to the background piece and walk
15 through the summaries and how we undertook what we did, but it's
16 the Board's pleasure.

17 CHAIRMAN: Board Members, questions?

18 HOLMES: Just curious if there were other applicants,
19 from out-of-state or-

20 WHITTEMORE: So, these were the only two applications that
21 we received for the transfer of these CPCNs. If you're asking if
22 there was additional interest in these companies, I believe the
23 answer is yes, but-

24 HOLMES: But, official applicants, no.

25 WHITTEMORE: No ma'am.

1 HOLMES: Okay.

2 WHITTEMORE: These were the two.

3 HOLMES: Okay.

4 SPEAKER: I notice too that in the regulations that
5 there was a--a cost factor there that the agency or the Authority I
6 should say could be reimbursed, I guess, for all the costs you
7 incurred in reviewing the applications.

8 WHITTEMORE: Yes sir.

9 SPEAKER: And, they were supposed to--the industry,
10 whoever--the applicant was supposed to put in 50% up front. Did
11 that occur at all, or was there--

12 WHITTEMORE: Due to the time constraints--so, I'll take--
13 there's parts to that. So, the application fees were paid for all
14 the necessary CPCN applications. So, that's a \$200 application.
15 There was also the notice fee, which both entities paid for.
16 There's also--as to the investigation background, we just could not
17 tally what that number would look like. We have not sent that out
18 yet. I think typically there's just much more time to kind of
19 backfill that number but the answer is no, we have not done that
20 yet.

21 SPEAKER: Okay, thank you.

22 CHAIRMAN: Mr. [inaudible], anything? Anything
23 further, anybody else? Okay. Mr. Administrator, your desire to go
24 to Ms. Rushton now?

25 WHITTEMORE: Yes sir.

1 CHAIRMAN: Okay. Welcome.

2 RUSHTON: Good morning, Chairman Olsen, Members of the
3 Nevada Taxicab Authority Board, Administrator Whittemore and Chief
4 Aquino. For the record, I'm Kimberly Maxson-Rushton, appearing on
5 behalf of the applicant, Blue Desert, LLC. Joining me today on
6 behalf of the company are the Manager Members, Mr. George Balaban
7 and Mr. Brent Bell and also the Vice President and General Manager
8 of Taxi Operations, Ms. Cheryl Knapp.

9 As evidenced by the agenda and as articulated previously, this
10 is the application seeking authority to acquire the Certificate of
11 Public Convenience and Necessity currently held by Virgin Valley
12 Cab, LLC. Both Mr. Mowbray and Mr. Hanifan are here on behalf of
13 Virgin Valley Cab.

14 Chairman, if you have no objection, I have a brief overview of
15 the application and then the corresponding statutory criteria
16 necessary for approval. And then, Mr. Bell is prepared to give
17 further specifics if necessary relative to the proposed operations.

18 CHAIRMAN: Thank you.

19 RUSHTON: As articulated by Mr. Whittemore and by Mr.
20 Mowbray earlier, in January of this year, 2019, the Frias
21 Corporation announced their intent to discontinue transportation
22 operations here in Southern Nevada.

23 In response to that, Blue Desert, LLC was born by Mr. Bell and
24 Mr. Balaban specifically for the purpose of acquiring Virgin Valley
25 Cab, LLC and operating it.

1 The criteria that are set forth as Mr. Whittemore stated are
2 contained in both the statute and the regulation. I would
3 respectfully submit that the application that is before you meets
4 all of the necessary criteria and should be approved if there are
5 no other objections.

6 Specifically, both Mr. Bell and Mr. Balaban are well-known to
7 the TA. They are seasoned taxicab operators here in Southern
8 Nevada and have prior performance as operators coupled with Ms.
9 Knapp's 30 years of experience in the taxi industry demonstrate the
10 fact that the applicant has sufficient experience to properly
11 manage a taxi company. When you couple the decades of operational
12 experience with their knowledge of the regulatory obligations
13 specific to taxicab operations, it demonstrates the fact that the
14 applicant is clearly fit, willing and able to perform the services
15 of a Taxicab Motor Carrier.

16 In addition to that standard, you also have to look at the
17 Legislative Declaration of Purpose. What that means is, will the
18 proposed operations be in the public interest? Will they harm
19 other carriers and will they benefit the public? I respectfully
20 submit that the application before you and the proposed operations
21 meet the Legislative Declaration of Purpose.

22 I state that based on a couple of key factors. 1) the
23 employment—the continuing employment of the employees of Virgin
24 Valley Cab. Those employees have been extended offers for
25 employment with the respected taxi companies that the Manager

1 Members already operate and they will be afforded the opportunity
2 to enter into lease agreements should this application be approved.

3 In addition to that, you also have the continuation of the
4 operation of taxis which benefits the State. Specifically through
5 the excise tax, the 25% meter drop and then all other requisite
6 fees that are incurred as a result of the operations of the taxi
7 company.

8 Most importantly though, I would note the fact that there will
9 not be any adverse or negative impact on other carriers in the
10 industry. I can state that with certainty based on the fact that
11 this will maintain the current allocation of medallions that is in
12 place. In turn, that benefits the traveling public because it
13 gives you the assurance that there are consistent, safe, reliable,
14 on-demand services available to meet the public need.

15 In addition to that, there's the obligation that the applicant
16 demonstrate their financial suitability. As the financials in the
17 application show, the applicant has the means to provide continuous
18 service and maintain equity capital necessary to purchase the
19 equipment to operate the taxi company and thereafter to meet all
20 required safety and insurance obligations.

21 Chairman, as you're aware, central to any application for a
22 privileged license is the obligation to determine that the
23 applicant is suitable. In this instance, the burden resides with
24 Blue Desert to demonstrate their suitability. I can tell you that
25 pursuant to the background review conducted by staff that the

1 applicants before you, as well as the key employee, Ms. Knapp are
2 people of good moral character. They do not associate with
3 individuals who have been deemed unsuitable and they do not have
4 criminal backgrounds that would otherwise negatively reflect on the
5 taxi industry or the State of Nevada.

6 At this time, Chairman, again at the pleasure of the Board,
7 I'm happy to bring up Mr. Bell, to give you an overview of the
8 proposed operations and as always, we're happy to answer any
9 questions that you may have. Thank you.

10 CHAIRMAN: Board, I'm inclined to go with the statement
11 made by Ms. Rushton, as it stands rather than details from Mr.
12 Bell, if the Board is in agreement with that.

13 SPEAKER: I'm in agreement.

14 SPEAKER: I know the companies, so yes, I agree.

15 CHAIRMAN: Thank you for your time.

16 RUSHTON: Certainly.

17 GROOVER: Very nice, nice job.

18 RUSHTON: Thank you.

19 WHITTEMORE: So, Mr. Chairman, as we indicated, I think at
20 this time, it would be helpful if you understand what it is that we
21 did on our process.

22 Again, given the timing, the short period that we were in, we
23 focused on voting ownership of both of these applications. I think
24 that's an important point to talk about. The silent and the
25 regulation both are silent as to who is ultimately investigated and

1 that's ultimately up to the Board. What we felt was appropriate
2 was, who are the control persons? Who are going to ultimately set
3 the direction of these companies and then understand who their
4 managers are on a day-to-day basis, key controlled persons.

5 So, with that, we got lists of who the voting interests were
6 from both of these applications and that's how we conducted our
7 investigations to make sure, on our end, that we agree that these
8 individuals are suitable.

9 With that, I'll turn it over to Chief and he can walk through
10 this process.

11 AQUINO: Thank you.

12 CHAIRMAN: Thank you.

13 AQUINO: Ruben Aquino, Chief Investigator for the
14 Nevada Taxicab Authority. So, by way of historical information
15 about me. I've been with the Taxicab Authority as the Chief
16 Investigator since August 25, 2011. Prior to that, I worked with
17 the Nevada Transportation Authority beginning 2005.

18 So, I say this because many of these principles, I've dealt
19 with in the past in my professional capacity as a regulatory
20 enforcer. Beginning from when I was an investigator, going through
21 at the supervisor and finally the Chief of the Taxicab Authority.

22 So, I am familiar with these players, these principles and so,
23 I was very comfortable in going through this background. I'll
24 explain the process to you as far as what was reviewed and what was
25 actually written down.

1 So, part of my process was to look at TA archives, to look at
2 the history. And so, to be honest with you, I found that there
3 were portions of information in our files and it's my
4 understanding—I'm sorry that I didn't have enough time to actually
5 go to Carson City or order archived information.

6 So, I put together as best I can a file, a beginning file
7 again, or a continuation file for each of these principles and I'm
8 going to continue to do so for the rest of the year on the other
9 companies so that when somebody [inaudible] with Taxicab Authority,
10 there's going to be a better and clear record, okay. So, that was
11 one of the purposes of my review.

12 I'll begin with the applicant Blue Desert, LLC, which consists
13 of six principle operators. They've already been mentioned. Mr.
14 Brent Bell, Gerald Bell and Larry Bell. On the Desert Cab group,
15 it's George Balaban, Brad John Balaban, known as BJ and Dana
16 Balaban.

17 So, for the record, I spoke to these individuals in a personal
18 interview and/or on the phone. Reason being on the phone was
19 because of the fact that they may have been out of town or they
20 don't live here in the State. So, I did the best I could as far as
21 interviewing these folks.

22 So, I know before you is a brief summary report and Mr. Chair,
23 how would you like me to proceed? Do you want me to go through
24 each and every single one? Or, I could summarize by saying—

25

1 CHAIRMAN: I think a summary of each one is fine. Your
2 process is more important, how you did it. So, let's go that way.

3 AQUINO: So, as far as process wise, a complete--again,
4 a review of the first individual, Mr. Brent Bell, who has been
5 operating and serving the riding public since 1984 when he was in--
6 during his college days.

7 SPEAKER: High school.

8 AQUINO: I'm sorry, high school.

9 SPEAKER: I graduated '84 as well. [inaudible]

10 AQUINO: So, in the process, there's documentation,
11 archived documentation in the files and transfers and there's a
12 whole web of estate planning transfers. That's not what I'm going
13 to--I'm not going to get into that obviously. Recognizing Mr. Bell,
14 Gerald Bell, Larry Bell as the principles that operate the--who is
15 going to be operating Blue Desert.

16 So, in reviewing Mr. Bell--so, there was an application
17 compared to a shortened application. We strayed away from our full
18 application which consists of around 30--pages. So, this
19 application was six--pages and it hit upon some basic information to
20 refresh the information that we currently have, which includes his
21 current address, current employer, right. More importantly, there
22 was a question that they attested to that whether or not they've
23 been convicted of any criminal offenses. In particular, felony or
24 crimes involving moral turpitude, okay.

25

1 So, each of these individuals, Mr. Bell, Gerald and Larry were
2 asked that specifically and we've discussed any type of criminal
3 convictions that they've received since the last time that the
4 Taxicab Authority had spoken to them. Each and every one of these
5 applicants said, no. They attested to the fact that they have not
6 been involved in any criminal convictions since our last contact.

7 So, with that being said, as a summary, pursuant to NAC
8 706.453, you see in my investigator's summary, no record of a
9 conviction of a felony or a crime involving moral turpitude.
10 Applicant is not associated with controls, is controlled by or
11 exercises common control with an unsuitable person. Applicant has
12 sufficient experience or has employed persons with sufficient
13 experience properly to manage the Taxicab Company and good moral
14 character.

15 WHITTEMORE: Mr. Chairman, if I can, just to talk about
16 that process. From a 50,000 foot level to understand it. The-the
17 applicant is attesting to all of the information, right, that these
18 individuals are suitable. They meet all the criteria, it's filed
19 with us as a formal-formal document. Then we take that
20 information, we've prepared a supplemental background on top of the
21 background that we already have to say, hey let's refresh it.
22 They're signing that and saying, yes, I attest under the penalty of
23 perjury that all of this is accurate.

24 Then Chief is following that up with either a phone or
25 personal interview that asks them a number of questions and hear

1 any feedback. It's amazing the history and stories he got along
2 the way, as you can imagine.

3 So, really a three-tiered process. On each step of the way
4 there should be a vetting and a gatekeeper function. Whether it's
5 the attorney preparing all of this information and the individual
6 signing it and then the Chief verifying that it's all true.

7 CHAIRMAN: Okay, I do have one question.

8 WHITTEMORE: Sir.

9 CHAIRMAN: On each one of the applicants it has a
10 statement that, for example, Mr. Bell declared under penalty of
11 perjury that he has not been convicted of any felony crimes, as did
12 George Balaban and Dana Balaban. However, under Brad Balaban, it
13 states different. It states Ms. Balaban—maybe it's Dana, but
14 anyway, it says, Ms. Balaban has not been convicted of any felony
15 crimes. There is no under penalty of perjury in that statement.
16 What happened?

17 AQUINO: So, that may have been an oversight as far as
18 the edit on that, but if you look at her application, which I do
19 have, she does attest that under perjury and penalty of the law,
20 she did attest.

21 CHAIRMAN: Okay.

22 AQUINO: And I did, for the record, I did have an
23 opportunity speak with Ms. Dana Balaban. She was not in town at
24 the time and so the conversation took place on the telephone.

25

1 CHAIRMAN: Okay. Thank you. Board, any other questions
2 on that one?

3 SPEAKER: Chief, did we check further on these? Was
4 there additional background work done or are we going by the
5 declarations, under penalty of perjury?

6 AQUINO: As far as additional background, obviously we
7 looked at the file, looked at what had been previously done. And
8 so, that I recorded on the report as well. Also, we did a media
9 website check to see if there's anything of interest that has
10 popped up. Obviously these are individuals that are part of our
11 community and typically if someone gets in a situation, they're the
12 headline news. So, nothing I've found on these individuals has
13 alerted me to any other situations or any type of issues.

14 CHAIRMAN: If you would also clarify the—to do a really
15 deep background, we need to have fingerprints.

16 AQUINO: Yes sir.

17 CHAIRMAN: And, explain to the Board so everybody
18 understands your inability to use fingerprints.

19 AQUINO: Go ahead and take that.

20 SPEAKER: [inaudible] for the record. Prior to—the
21 Board is very aware, one of the things that we take pride in is we
22 fingerprint every single driver. You should all know that we
23 fingerprint every single employee, as a Public Safety Agency. Not
24 just our enforcement officers but actually our front desk personnel
25 because they handle sensitive criminal driver history.

1 CHAIRMAN: And your Board Members.

2 SPEAKER: And the Board Members, yeah.

3 SPEAKER: Yeah.

4 SPEAKER: So, in the past, for a number of years, we
5 were able to fingerprint and request that biometric data. We are
6 using data from the federal government, in particular the FBI.
7 That information, they treat very, very sensitively. They have a
8 number of criteria that you have to meet, including you meet
9 absolute statutory written authority to take fingerprints of any
10 individual. So, there's very specific circumstances.

11 Because it's in statute for the drivers we can do that.
12 Because there's an employment circumstance, on our side and under
13 the agency, we can do that. We have no authority to ask these
14 individuals to provide fingerprint data.

15 Having said that, there are other occupations that I'm aware
16 of, for instance, the Division of Mortgage Lending, you have to
17 provide fingerprints as part of the Mortgage Broker or Mortgage
18 Banker. So, that is something that I think if the Board is
19 interested in looking at to-to-as a process, additionally, there's
20 nothing that would stop the Board-well, let me say this, put it in
21 another way.

22 I think it would be possible for the Board to craft a
23 regulation that would say as part of any application process, we
24 would ask the applicant to go get their own-so, you go down to
25 Fingerprints Express, for example, so that we're not taking it.

1 We're not demanding it. What we're asking is, as part of the
2 application process, we'd like to see it and you bring that report
3 in. It takes 48-hours. That's certainly something we can look at
4 in the future.

5 CHAIRMAN: That might be wise. Everybody satisfied with
6 that answer? Okay. Chief, go ahead.

7 AQUINO: So, yeah. Just to summarize, as far as the
8 investigator summary that I read on the record. I'm at a
9 professional comfortable level that they hit all of those gates at
10 this time. If there's any specific questions that you have in
11 regard to each individual, I'd be more than happy to answer it at
12 this time.

13 CHAIRMAN: Board Members, any specific questions on a
14 specific applicant?

15 SPEAKER: No, I agree with your assessment on a
16 professional level. There's no problems. I think this is a small
17 enough community, anybody [inaudible].

18 CHAIRMAN: Okay. Does that complete-

19 WHITTEMORE: Yes sir. Unless you have any more specific
20 questions as to process, or we can go into other individuals as it
21 relates to Blue Desert but we wanted to give you an overview. We
22 can certainly step into the Balabans, we don't need to just focus
23 on the Bells, but we gave you the process. The information is
24 here. We will entertain, obviously, any questions.

1 CHAIRMAN: Okay. I have no questions. I did enjoy the
2 beads of sweat on Mr. Bell's forehead [crosstalk, laughter] Okay.

3 WHITTEMORE: Would you like to move on to the other group
4 then?

5 CHAIRMAN: No, I want to complete this agenda item
6 first.

7 SPEAKER: Right.

8 CHAIRMAN: Okay.

9 AQUINO: They were part of that group. I know I just
10 discussed the Bell part, but the other side-

11 CHAIRMAN: Yeah, let's go-I thought you meant going on
12 to the other application.

13 AQUINO: No, no, no. I was-I was concluding with the
14 Bells, but I would like to move on with the-

15 CHAIRMAN: Let's do it.

16 AQUINO: --the Balabans. It's pretty much the same
17 information. Again, I had the opportunity to meet with Mr. George
18 Balaban, as well as his brother, Brad John Balaban in just the last
19 couple of years. Again, I didn't find anything there. They-very
20 cooperative. We went through the application, as well as went
21 through the application with Ms. Dana Balaban. And so, again, for
22 the record, my investigative summary under NAC 706.453, the record
23 of conviction of a felony or crime involving moral turpitude is not
24 associated with controls, is controlled by or exercises common
25 control with an unsuitable person. Applicant has sufficient

1 experience or has the employed person with sufficient experience to
2 properly manage a taxicab company and have good moral character.

3 So, individually, we can go through. I believe that my
4 summary report is in-[inaudible], if the Board wishes to-if you
5 have further questions, I'm happy to answer them.

6 CHAIRMAN: Board Members, questions?

7 SPEAKER: No.

8 CHAIRMAN: None? Okay. That completes it. I'll
9 entertain a motion on Agenda Item No. 4, involving Desert Blue
10 [sic].

11 SPEAKER: I'll make a motion to approve the application
12 by Blue Desert, LLC for authority to acquire Virgin Valley Cab,
13 LLC, a certified common motor carrier of passengers, authorized to
14 provide taxi service in Clark County, Nevada.

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

16 HOLMES: Second.

17 CHAIRMAN: We have a second by Ms. Holmes. All in
18 favor. [ayes around] Opposed? Passes. Congratulations.

19 Moving on to Agenda Item No. 5, Joint Application of
20 Certificate Holders, Union Cab, LLC, Ace Cab, LLC, North Las Vegas
21 Cab, LLC, Vegas-Western Cab, LLC; collectively "Sellers". And then
22 YCS Acquisition, LLC, Cab Transport, LLC, Taxi Transport, LLC,
23 Twenty First Century Taxi, LLC; collectively "Buyers" for approval
24 of Buyers purchase of Sellers CPCN medallions and taxi vehicles.

25

1 Interveners again, ITPEU and I need to apologize. You had nothing
2 the last time?

3 JONES: I would've called you on it.

4 CHAIRMAN: Okay. I apologize Ruthie. I should've
5 remembered. Okay. So, interveners is, ITPEU and with that, Mr.
6 Gordon. Oh, sorry. Yes, my apologies, go ahead.

7 WHITTEMORE: Okay. So, again, I'll just try and give you
8 the synopsis here from Staff's perspective. The ownership group
9 of-comprised of existing YCS Members has made an application.
10 There are four new entities to track here and I know that can be a
11 little confusing. If I can-Ace, with 248 medallions would be going
12 to Cab Transport, LLC. ANLV with 221 medallions would be going to
13 Taxi Transport, LLC. Union Cab, 238 medallions, YCS Acquisition,
14 LLC. Vegas-Western with 221 medallions to Twenty First Taxi, LLC.

15 These are four entities moving to four entities. The way that
16 I was able to make sense of this-if I could draw your attention to
17 YCS Supplement in your book. It's the blue tab that says, YCS
18 Supplement. Bear with me just [crosstalk] Yes, under YCS
19 applications, the blue tab that says YCS Supplement. And then,
20 Exhibit B.

21 [crosstalk]

22 YCS Supplement, Exhibit B. So, it gives the name of the
23 entity. You can see they're Limited Liability Companies.
24 According to their application, these are all Nevada Limited
25 Liability Companies.

1 So, below you have the members, as proposed. In all four
2 entities, the ownership group is proposed to be the same. The way
3 that I was able to make sense of this—the James D. and [inaudible]
4 Burton Revocable Trust and the YCS Acquisition Burton, LLC Trust,
5 that you can tell by the last name, those are related family
6 members. If you add those—those two portions together, you get
7 about 16.7%.

8 Then you have the Dudley Family Trust, Esterry LLC,
9 [inaudible] Taxi Acquisition, LLC, Milt Enterprises, LLC and then
10 the last two, it's the David J. [inaudible] Trust, retained annuity
11 trust [inaudible]. So, those last two are family related [sic].

12 So, you have six underlying family ownership groups currently
13 at YCS. What they are proposing as part of the four new LLCs is
14 the same six underlying family ownership trusts. In the
15 application, the applicant used the word "identical", okay. So,
16 what we're looking at are different vehicles, either a trust or an
17 LLC, but the way that I made sense of how it looks today versus
18 what they're proposing is the same break-up of 16.67% between those
19 six families.

20 So again, what we did with the applicant was we took the same
21 [inaudible], we said, okay, who are the voting interests of these
22 YCS entities? It happens to line up with, I believe, their Board
23 of Directors. It's eight individuals. Those eight individuals are
24 known to the Taxicab. They have—the Taxicab Authority. They've
25 been vetted by the Taxicab Authority.

1 So, those were the individuals we reached out to again and we
2 said, okay, we need to have conversations with you. The Chief
3 undertook the exact same process. So, as you can see, there's
4 again, a total of eight.

5 Mr. Schwartz, Mr. William Warren, Jamie Burton, Howard Dudley,
6 Harry [inaudible], Pete [inaudible], David Wilden and Joel Wilden.
7 Okay. Go ahead Chief.

8 AQUINO: So, again, just repeating what the
9 Administrator has said that it was the same process. Each of these
10 individuals had submitted an application and I had the opportunity
11 to either meet with them in person or have a telephone interview.
12 You can dive into that now or if you want—

13 WHITTEMORE: I'm sorry, yeah, I think last time we came
14 back to this but if you'd like us to go forward?

15 CHAIRMAN: Let's go, Mr. Gordon, you go first.

16 GORDON: Okay. First of all, good morning, Mr.
17 Chairman and Members of the Board. Good to see you all again. I
18 also want to mention the fact that in the—in our eyes, at the time
19 that I've been—10 years I've been part of this industry, we think
20 this is a historic day for the industry and we're very proud and
21 honored to be a part of that.

22 We have—as Ms. Rushton described, we have also gone through an
23 extensive process leading up to this day and I want to thank Mr.
24 Whittemore, Administrator Whittemore and Chief Aquino, they were
25 the point people in that process. They left no stone unturned,

1 believe me. It has a been pleasure working with them and I admire
2 their efficiency and their diligence. I think that what is being
3 presented to you in your packages represents that diligence and
4 that thoughtfulness and that work on behalf of these gentlemen.

5 So, I know that I have been involved in my 40 years of
6 practicing law with many purchase and sales of all types of
7 businesses, this in particular has been a real challenge. Has been
8 enjoyable to me, I enjoy a challenge. There are many moving parts
9 and there are many stakeholders, many of them are here today. I
10 want to mention in particular, from our side, we have Jonathan
11 Schwartz is here today. He's a Director of both Yellow Checker
12 Star and the applicant. We also have Joel Wilden, he is a Director
13 as well of Yellow Checker Star.

14 CHAIRMAN: Mr. Gordon, may I interrupt one second.

15 GORDON: Yes.

16 CHAIRMAN: So that the Board knows who everybody is, as
17 you name them, would you stand? Mr. Schwartz is in the light blue
18 shirt over there. Thank you. We have a new Board Member, so it'd
19 be helpful.

20 GORDON: That's Mr. Schwartz. Mr. Joel Wilden is in
21 the back. These are two of our Directors. We have six directors
22 in total. These two represent the Board today. In addition, we
23 have a number of our key executives in the room. I'd like to
24 mention Michael Baylin, he's our Director of Operations. Jerry
25

1 McBride, who is our Director of Technology. Who am I missing,
2 okay, I apologize, I think I got them.

3 CHAIRMAN: Thank you.

4 GORDON: And of course, if I didn't mention for the
5 record, I am General Counsel for both Yellow Checker Star and the
6 new entities that are applying today for approval.

7 I think I already mentioned, hopefully Mr. Whittemore and Mr.
8 Aquino, because I just think it's been—it's been just a wonderful
9 thing, on behalf of this Taxicab Authority, to be able to work with
10 gentlemen that are so diligent and thoughtful in their process.

11 We also want to thank, of course, the Frias Company. It's
12 been an honor and a privilege to have such fine individuals on the
13 other side of the negotiating table. You've already heard from Mr.
14 Mowbray. Mr. Jack Hanifan is also a Trustee of the Frias
15 organization, the Frias Trust. Mr. Dan Wade is here, he is the CEO
16 of the Frias organization. All of these gentlemen have worked
17 tirelessly in a very short period of time so that we could get here
18 today and be ready and prepared to proceed.

19 All of us have a common mission and that common mission is
20 really to transport the traveling public safely, affordably and
21 efficiently. We will continue to do so for years to come in this
22 21st Century Las Vegas. We feel the best is still to come for this
23 industry. We're embracing it and we're moving forward with that
24 challenge and that opportunity in mind.

25 At this point, I'd like to just turn it over for questions.

1 CHAIRMAN: Board, questions at this point?

2 SPEAKER: Probably not so much a question for you is,
3 as Frias as well, were all the provisions of the Warren Act met?

4 MOWBRAY: Yes. John Mowbray, for the record. Trustee
5 of the Phyllis Frias [inaudible] Trust. Yes, we are in full
6 compliance with the Warren Act.

7 SPEAKER: Thank you.

8 CHAIRMAN: Any questions? I have a question. How many-
9 with the acquisitions of these cabs, 900 and whatever it was cabs.

10 SPEAKER: 28.

11 CHAIRMAN: 928, thank you, what percentage of cabs does
12 that put you at in the Valley?

13 GORDON: It puts us at 49%.

14 CHAIRMAN: Exactly, or-

15 GORDON: Medallions, you mean medallions?

16 CHAIRMAN: Medallions, yeah.

17 GORDON: It puts us at exactly 49%. There has been
18 discussions about that is the legal limit.

19 CHAIRMAN: Right.

20 GORDON: And there are some extra medallions that are
21 being held back.

22 CHAIRMAN: Twelve of them to be exact.

23 GORDON: Twelve of them right.

24

25

1 CHAIRMAN: Okay. I have to tell you, I'm under the
2 opinion, those 12 need to be surrendered so that we're not in any
3 violation. Other than that, I see no problems, but-

4 GORDON: May I suggest, because I know there's been
5 some conversations along this line about possibly having the
6 regulation changed, as it may not represent current market
7 conditions-it may be obsolete.

8 CHAIRMAN: It is obsolete, I agree.

9 GORDON: Right, and so our suggestion was to hold
10 those 12 medallions in escrow. Pending, hopefully, a change or
11 modification to the regulation to-so that 49% will go higher than
12 49%.

13 CHAIRMAN: Well, I believe that the 49% is an archaic
14 law and I believe it should be changed. There's no-to my
15 understanding and I'll turn to my attorney to ask for verification,
16 there's nothing that allows us to put those into escrow, is there?

17 SPEAKER: That's correct sir, I mean, the regulation
18 very clearly states it's 49%. You can request a waiver but the
19 Board, you know, I would advise the Board to follow the regulation
20 and the statute to the letter of the law and unfortunately, that is
21 not what the statute and the regulation permits at this time.

22 GORDON: Could I suggest we, for the purposes of
23 today, just kind of hold that particular issue in advance and let
24 us all study it and see if there are options available that you may
25 want to-

1 CHAIRMAN: I see no options at this point, unless we
2 change the regulation. So, I would be inclined to say no on that.
3 If we want to take a break a minute and talk to Mr. Schwartz.

4 GORDON: No, that's fine. If that's what your
5 decision is, we'll accept it.

6 CHAIRMAN: Okay. Go ahead.

7 GORDON: I just opened for questions.

8 SPEAKER: Oh, one question. Mr. Whittemore, did you
9 see any options to this issue?

10 WHITTEMORE: I'd like the regulation in front of me. I
11 believe my Counsel has it here. Criteria for multiple licenses
12 under NAC 706.462, the Authority will consider the acquisition of
13 another company or companies by an operator with an existing
14 certificate if after the acquisition of the new company, the
15 combined medallions will not exceed 49% of the total number of
16 medallions in the industry.

17 I believe the math is, 49.3% with 928—those 12 medallions
18 being over. It is a—the medallion will not exceed 49%. As to what
19 accommodations you're going to make, I would defer to the Board as
20 to, I think, you know, turn to your Counsel.

21 In terms of looking in advance at a regulation, we all have
22 some regulations I think we look at and say, hey we need to review
23 these, but the letter of the law is today, not down the road. So,
24 it says, 49%, I don't know what other options I can give you. It
25 sounds like you might hear some here.

1 CHAIRMAN: You know what, let's take a 10 minute break,
2 you can talk to Counsel, we'll come back, okay?

3 OFF THE RECORD

4 [crosstalk and side conversations]

5 ON THE RECORD

6 CHAIRMAN: Call the meeting back to order. Did you have
7 time to talk to-

8 GORDON: Yes, we did.

9 HANIFAN: Yes. Mr. Chairman, Board Members, Jack
10 Hanifan for Frias Transportation. Thank you for the conference,
11 the sidebar if you will.

12 What our agreement provides with the YCS Group is a transfer
13 of medallions up to the maximum allowed by the regulation, up to
14 49%. The current math--the math that we have done on that means
15 that, Frias would have to withhold 12 of those Medallions from a
16 transfer and we've identified I think both parties agreed to this,
17 that the company that has the most medallions, Ace Cab, that has
18 248 medallions, we would simply hold those 12 back. We're not
19 applying to transfer those. We're applying to transfer everything
20 but. By doing so, the applicant does not exceed the threshold and
21 that gives us time and liberty to look at new regulations and so
22 forth where maybe some day in the future, you will get a subsequent
23 application from us to transfer those remaining 12. If not, then
24 you know, some day in the future, we'll have to--Frias will have to
25 decide what to do with those 12.

1 CHAIRMAN: Fair enough. Board Members, any concerns
2 with that?

3 [crosstalk]

4 HOLMES: Good compromise.

5 CHAIRMAN: Yeah. Go ahead.

6 SPEAKER: I have a question. Since Frias is going to
7 go, being out of business as a transportation company, can they
8 hold medallions?

9 WHITTEMORE: So, they have until—their Warren Letter says
10 until March 13th, I think staying in the present moment now, today,
11 they can maintain those 12. It sounds like they have a very clear
12 intention to work rapidly and come to a solution in the near
13 future. I don't know of anything that would prevent Frias from
14 maintaining those 12. And then, that would be certainly be a
15 decision of the Board if you felt otherwise.

16 CHAIRMAN: Okay. So, is he correct that you intend to
17 move quickly on trying to get the regulation changed?

18 HANIFAN: I think that is a correct statement.
19 [inaudible] more on, you know, your side about how quick you want
20 to—I mean I think the answer is yes, but I don't know—

21 GORDON: We will work as quickly as we can, to get it
22 done, it's just a matter of time, timing.

23 CHAIRMAN: Okay. All right. So, at this point then,
24 you'll withhold the 12 medallions within Frias, correct?

25 HANIFAN: That's correct, with Ace Cab.

1 CHAIRMAN: I understand. All right. Okay, Board, any
2 other questions for Mr. Gordon on this topic? For the record, I
3 want to say that we're not trying to be difficult. We do believe
4 that the regulation is clear, the law is clear, it's 49% and we
5 need to stick with the law. Whether we like it or not, we have to
6 stick with it.

7 I do—I want to also say, I do think it's archaic and it needs
8 to be looked at. So, I encourage you to basically get on the stick
9 on that.

10 GORDON: I have—if I could—

11 CHAIRMAN: Yes sir.

12 GORDON: I have one more comment to make. Just in
13 general to let the Authority know that, our company is taking
14 applications from Frias drivers every day. We are open to offering
15 employment to as many as we can work it out with under terms that
16 are agreeable and we've had some very, very good response to date.

17 CHAIRMAN: Board Members, any other questions?

18 SPEAKER: No, I'd just like to commend you on getting
19 the packages together—both groups on getting the packages together.
20 Mr. Whittemore, Chief Aquino, everybody that worked so hard to get
21 this thing put together. It was excellent. Frias, we're going to
22 miss you.

23 SPEAKER: We are.

24 CHAIRMAN: Yeah.

25

1 HANIFAN: Well, I appreciate the—you know, I've been
2 coming to these meetings now for about three years and I've seen,
3 you know, this Board just kind of [inaudible] and now act in such
4 great—just in unison now, it's a privilege to see the growth and
5 change. I'm gonna miss it and I wish you all well. I really do.

6 SPEAKER: Thank you.

7 SPEAKER: Thank you.

8 CHAIRMAN: Board, any other—

9 GORDON: Can I note for the record—

10 CHAIRMAN: Yes.

11 GORDON: --that I grew up down the street from John
12 Mowbray in Las Vegas. I'm gonna miss that [inaudible] tie of his.

13 CHAIRMAN: Really. You lived down the street—did I ever
14 chase you down for speeding in that area? Because I did John.

15 GORDON: You did look familiar.

16 [crosstalk and laughter]

17 CHAIRMAN: Any other comments from Board or questions?
18 Seeing none. Let's go to the Intervener. Ruthie? And again, I
19 apologize for not getting you earlier.

20 JONES: That's okay. I forgive you.

21 CHAIRMAN: I know.

22 JONES: [inaudible] Good morning. Welcome. I just
23 have one question, I'm Ruthie Jones, preferably Ruthie,
24 representing Yellow Checker Star and Henderson taxi drivers. I've
25

1 just got one question, I wanted to find out, are the same owners
2 that own YCS are the sole proprietors of the new entity, correct?

3 GORDON: Correct.

4 JONES: That's all I wanted. Thank you.

5 CHAIRMAN: Thanks Ruthie. Wait a minute, anybody have a
6 question? No? Thank you.

7 JONES: Thank you.

8 GORDON: Just a follow-up on my answer there. Just to
9 note that, for estate planning purposes, there have been some
10 changes, but the same original six founding families of Yellow
11 Checker Star are the same six who control the new entities.

12 CHAIRMAN: Okay, thank you. Okay, with that, anything
13 else, Mr. Administrator? Okay, we'll go back to the Board for a
14 motion.

15 SPEAKER: I'll make the motion to approve the Joint
16 Application of Certificate Holders; Union Cab, LLC, Ace Cab, LLC,
17 ANLV Cab, LLC and Vegas Western Cab, LLC and YCS Acquisition, LLC,
18 Cab Transport, LLC, Taxi Transport, LLC and Twenty First Century
19 Taxi, LLC, as the buyer for them to purchase all of the sellers
20 application-approval.

21 HOLMES: Except.

22 SPEAKER: And, with the exception that the total number
23 of medallions that will be transferred or purchased would be 916.

24 SPEAKER: And will not exceed the 49%.

25 CHAIRMAN: To not exceed the 49%.

1 SPEAKER: And, would not exceed 49% as per Nevada
2 regulation.

3 CHAIRMAN: Okay, do we have a second, Ms. Holmes?

4 HOLMES: Second. Second.

5 CHAIRMAN: Okay. We have a motion and a second. All in
6 favor, aye. [ayes around] Opposed. Passes, congratulations.

7 SPEAKER: Thank you all very much.

8 CHAIRMAN: Agenda Item No. 6, Administrator's Report.

9 WHITTEMORE: I'm going to be brief. You guys have
10 certainly reviewed a lot. The one thing I do want to put on the
11 record, we've already begun discussions with YCS and the folks at
12 Blue Desert as to how to transfer these drivers over. YCS has
13 been, to their credit, pounding down my door, Mr. Administrator,
14 you do not want 600 drivers showing up. How are we going to make
15 this work. Mr. Baylin, in particular, has been trying to make this
16 work.

17 I want to put this on the record. Here's where I think we're
18 at. A driver needs a valid permit, any time they're driving. All
19 of these drivers should have a valid permit today, it says Frias.
20 What the law contemplates is that when you go to a new company, you
21 have a new referral and you would come back in and we issue a new
22 permit.

23 What we're looking at is providing a 90-day grace period
24 whereby they're going to give us all of those referrals, in
25 advance, literally every single driver name and they're going to

1 have their existing permit. With those two things together, they
2 comply with the law. Then that will allow, when somebody calls
3 into our dispatch, one of our enforcement officers makes contact
4 with a driver and says, he's operating this Frias TA Permit. We'll
5 have a referral list sent by the new YCS entities or by Blue Desert
6 that says, this driver drives for us and they're holding a current
7 Frias permit.

8 Now, that is 90-days. So, we have a lot of work to do, to
9 move this many drivers over in 90-days. So, we're going to work on
10 messaging the companies directly. I think we're just going to try
11 and break it up alphabetically, into thirds and have drivers come
12 in over that 30-day period.

13 That should suffice with both the law, if they have a current
14 referral and it gives their ability--again, our goal in this, we
15 were very, very sensitive to the fact that there's 1,000 drivers--
16 1,060 medallions, but hundreds of drivers who could potentially be
17 out of work. What we wanted to do was anticipation of potential
18 approval here today was make sure that we're keeping those drivers
19 on the road. So, when that turnover happens, they can get behind
20 the wheel at either a YCS entity or at Blue Desert.

21 So, just want to put that on the record for the industry.
22 We're going to create a 90-day grace period that complies with the
23 law.

24 CHAIRMAN: I think that's an excellent solution. Yes
25 sir.

1 SPEAKER: Is there a cost to the driver to-

2 WHITTEMORE: It's a \$10 transfer fee. We have already
3 notified the new YCS entities. To their credit, I got a check
4 yesterday for the full amount, so they're doing this ahead of time,
5 trying to be proactive. So, those drivers are going to be able to
6 come in and actually our staff, because of that is going to be able
7 to go through our database and start transferring those drivers
8 over.

9 SPEAKER: Thank you.

10 CHAIRMAN: Board, any other questions?

11 GROOVER: I have just a couple of questions.

12 CHAIRMAN: Yes sir.

13 GROOVER: At the last meeting, I believe, you had
14 updated us you were doing a count on the medallions?

15 WHITTEMORE: Yes sir.

16 GROOVER: Is that completed or?

17 WHITTEMORE: Yes sir. So, we did a field audit, all of
18 our vehicle inspectors went out, in particular to the Frias yards.
19 We wanted to know where each and every medallion was. 1,060, we
20 need an accurate count. We were able to verify 1,060. Not every
21 one is on a vehicle. Some of them might be in a drawer or in a
22 safe, as the case may be. We were able to verify the number to
23 the-to the medallion itself.

24 GROOVER: Second question. The United States Supreme
25 Court recently came out with a ruling on impounds. I think it

1 probably impacts this, but your opinion on that, if you've had a
2 chance to review it and where do we go from here with that?

3 WHITTEMORE: So, certainly. Scott Whittemore for the
4 record. This is an important question. We are working with our
5 counsel from the Attorney General's Office, as well as our in-house
6 counsel, David Ricker.

7 If I can, in particular, what that case was addressing was
8 acts of civil and criminal forfeiture where they—a driver, I think
9 in the case, the present case was—he had a \$200 traffic violation
10 turned into a \$42,000 seizure of his vehicle and sale by the
11 jurisdiction, by the police department. What the case was pointing
12 out is that, we're using—not—local jurisdictions are using nominal
13 fines and turning those into massive seizures for their own
14 benefit.

15 Our current impound process is entirely different. It is not,
16 in my view a civil forfeiture. What we are doing, is per the law,
17 we are compliance with the law that says, the Administrator must
18 impound a vehicle if it's operating unlawfully. Without a CPCN,
19 either as a taxi, a limo, or offering unlawful passenger services.

20 When we impound that vehicle, we are setting a fine amount and
21 that is done by a Hearing Officer. That's done by a third-party,
22 not by us. The third—then, that vehicle is impounded by a tow
23 operator. We receive none of the proceeds, from the tow operator,
24 if the vehicle is liquidated.

25

1 Let me take this just a step further. We hold the hearing.
2 Assuming they pay the fine, they go down to the tow yard, they pay
3 the impound cost, they get their vehicle back. The minute they
4 file an appeal, assume that they don't like the Hearing Officer's
5 decision and they file an appeal to you folks, that vehicle cannot
6 be liquidated. There is a stay of that process. Assuming they do
7 not like your decision, they go to the District Court. Petition
8 for Judicial Review and have another opportunity before that
9 vehicle is liquidated.

10 From our process, very few vehicles are liquidated. It's for
11 individuals who do not show up. It's for individuals who don't
12 show up to the hearing. It's individuals who are not responsive
13 and we have to provide notice after notice. They in fact get a
14 notice at the time of impound and then they would get another
15 opportunity of hearing that their vehicle is subject to
16 liquidation.

17 So, long answer, important question. We're looking at it with
18 our AGs, but I think what they described was local jurisdictions
19 enriching themselves off the total value of these assets. We are
20 not receiving any of those proceeds. So, there's a difference
21 there.

22 SPEAKER: If I may, Member Groover, if I do remember
23 the facts of that case correctly, the gentleman had a car that was
24 purchased with his father's life insurance policy seized and the
25 law was really made to seize assets that were proceeds of criminal

1 acts. And, this—what we do here is not seizing assets in
2 furtherance of criminal acts or that were gained in furtherance of
3 criminal acts. So, there's a little bit of a different set of
4 facts here as far as our impounding and the other civil asset
5 forfeitures that were considered under the [inaudible] case.

6 GROOVER: Thank you.

7 WHITTEMORE: So, if I can, just to follow that up, I—it is
8 something that we're looking at very carefully and we're going to
9 continue to work with the folks at the Attorney General's Office,
10 our Counsel, I should say, not our folks, our Counsel, our attorney
11 to make sure that we're staying within the letter of the law.

12 GROOVER: So, as to impounds, we're still kind of in a
13 stay process on those, or we're—

14 WHITTEMORE: No sir, we are active.

15 SPEAKER: If I can touch on that.

16 GROOVER: Sure.

17 WHITTEMORE: And, that's part of his report.

18 GROOVER: Good.

19 CHAIRMAN: Are you complete with your report?

20 WHITTEMORE: Yes sir.

21 AQUINO: So, Ruben Aquino, Chief Investigator for the
22 Taxicab Authority. I'm going to yell at you guys because I've been
23 told that my—they're not picking up my voice. So, to answer that
24 question, yes, our enforcement team is back on the street,
25 impounding vehicles, uncertificated carriers, folks that are

1 operating not under their regulation. So, those vehicles are being
2 impounded. We're seeing activity, obviously, on the Craigslist
3 advertisements as well as street activity at your most frequented
4 places by certain types of drivers that are operating cash rides.

5 So, we are--been in effect for the last 30 days and we're just
6 wrapping up our activities now.

7 WHITTEMORE: And, if I can just to piggyback on that.
8 Some of these cases that we're seeing, just off the top of my head,
9 there was Mesquite Gophers. Mesquite Gophers was operating as a
10 taxi. Mesquite Gophers had a taxi meter in their vehicle.
11 Mesquite Gophers had business cards that said "taxi". We did an
12 enforcement action, we impounded that vehicle and held a hearing.

13 I'm very comfortable in that case. The City of Mesquite had
14 said, hey you're operating without a CPCN, in Clark County, please
15 go see the folks at the Taxicab Authority. They filed that cease
16 and desist.

17 The other instances we're seeing, as Chief indicated, our
18 officers, plain clothes, are walking down Fremont Street, or you
19 know, at an intersection there, maybe Casino Center, \$20 I'll take
20 you downtown. They're being solicited for cash rides. If that's
21 an unlawful passenger transport, we're impounding that vehicle.

22 This is not merely taking--I think there has been a narrative
23 that somehow this is mom and pop. What we are finding in each of
24 these instances, they're operating without commercial insurance.
25 Why is that important? That means that if they get in a car

1 accident, almost no one is covered. Not their passenger, not the
2 driver, not the vehicles involved. That insurance is going to say,
3 no thanks, we don't have business coverage for that. Even if an
4 Uber or Lyft is operating off-app and they're giving a cash ride,
5 now Uber and Lyft aren't going to cover them and it's likely that
6 their own insurance is not going to cover them.

7 So, how does a passenger who gets injured recover? How does
8 anyone involved recover? So, having insurance is a huge issue. On
9 top of that, there's public safety. No one has been vetted on a
10 Craigslist driver who says, I'll give you \$20 rides from EDC, \$40
11 rides, whatever it is and people say, well why can't you just let
12 those people be in private enterprise? The vehicle has not been
13 inspected. The driver has not been vetted. Again, the insurance
14 issue. On top of that, at one of our impounds, we found a meth
15 pipe—a meth pipe in the driver's side door.

16 One of my investigators came from—he had done narcotics work,
17 was able to identify it immediately. It does not look like, you
18 know, a marijuana pipe. It does not look like a tobacco pipe. It
19 looks like a meth pipe. He walked me through the differences. So,
20 this individual, in the driver's side door has a meth pipe. Are
21 they getting high while they're offering passenger services?

22 So again, our regulations exist so that taxi drivers are
23 vetted, the vehicles are inspected. There's tremendous oversight
24 by these entities of those drivers. And, safety, safety, safety,
25 that's what we're all trying to ensure.

1 SPEAKER: Can I make a comment? We're all aware of
2 that and thank you for reiterating it. I don't know if you wanted
3 to do an interview with the paper, local paper or TV just to get
4 that out there so the public knows how valuable or the problems
5 that arise from people taking a ride someplace. Because I mean,
6 we're trying to protect the public and they should be aware that,
7 oh my, I didn't know that, you know what I'm saying?

8 WHITTEMORE: Yes sir. I think there might be one or two
9 members of the press here today.

10 SPEAKER: I think you're right, yeah.

11 WHITTEMORE: We are always [inaudible] transparent, but I
12 appreciate the point. There is a PSA, public service announcement
13 related to this which is do not get in a vehicle of somebody that
14 you do not know and this goes as to rideshare folks. And again,
15 it's not picking on TNCs, but there's an issue, if you don't know
16 who that driver is, if they roll down the window and say, hey I'm
17 here to pick you up and that individual gets in without having
18 verified that driver and that passenger, there's an issue. So,
19 yes, there's an important public safety issue there.

20 SPEAKER: Thank you.

21 AQUINO: And, just a little bit of—Ruben Aquino, Chief
22 Investigator for the Taxicab Authority. So, just to touch on that
23 just a little bit more on the impounds and what we're seeing out
24 there.

25

1 So, we talked about in the past about impostures, people that
2 are printing out trade dress or obtaining some sort of trade dress
3 of one of the TNCs and putting it on there and posing as a TNC
4 driver. So, we're still running into that as well as, former TNC
5 drivers who still have that trade dress on their vehicle and
6 they're still going around offering cash rides.

7 So, just a little bit of information for you folks in regard
8 to some of the things, issues that we're running into. Okay.

9 A couple of other things and then I'll wrap this up.

10 SPEAKER: Chief, real quick. Are those insignias
11 numbered or can you just order them off Amazon?

12 AQUINO: They are not numbered. The trade dress that
13 we are very familiar with, for both the major TNC operators, they
14 do not have numbers on their particular trade dress. You can print
15 it off of a computer, off the website. Right. So, as far as
16 numbering wise, there's a TNC sticker on there that's actually
17 generated and so those numbers can be tracked through that
18 particular issuing company, right and through the NTA. Nevada
19 Transportation Authority.

20 So, some of this is just for you guys to be aware of, that
21 that's some of the issues that we're seeing, that those particular
22 [inaudible].

23 Two other things and I'll wrap it up. We have NASCAR coming
24 up. NASCAR 2019. One of the things—one of the changes that I've
25 been notified about is the fact that instead of going through the

1 Nellis Airforce Base, right, drivers will be allowed to just come
2 up the Boulevard. Right. I will be sending some information out
3 from the NASCAR team that we met with yesterday in regards to the
4 routes that the cab drivers can take to get into NASCAR and where
5 to stage at NASCAR.

6 So, there's been some changes and actually, the information I
7 received from one of my supervisors is that it's going to be closer
8 to the--to the entrance, okay. So, speaking of closer to the
9 entrance, that's the second part of this. Working with Electric
10 Daisy people, Insomniac. So, we're still on track of getting the
11 taxicab stand closer to the front of the door for Electric Daisy
12 concert.

13 So, hopefully in our next Board Meeting, I will be providing
14 you with the map and some additional information and hopefully some
15 great news. That's all I have. If you have any questions, I'm
16 happy to answer.

17 CHAIRMAN: Board, any questions? Okay. Future agenda
18 items. Along those lines, I am out of town next month. So, I
19 don't know--are you here, for our next meeting?

20 [audio silent]

21 SPEAKER: Isn't the meeting on the 28th of next month?

22 [crosstalk]

23 SPEAKER: Oh, the next meeting is on the 28th. March
24 28th.

25

1 CHAIRMAN: I will not be here. I'll be gone from March
2 16 to April 8.

3 SPEAKER: I get back on the 27th.

4 CHAIRMAN: And, you're gone during that time period too,
5 on the 28th?

6 SPEAKER: No, I'll be here on the 28th.

7 CHAIRMAN: Oh, you will be? Okay.

8 SPEAKER: What about Roger?

9 CHAIRMAN: Roger should be here, he just had a
10 structural emergency up in Utah he had to go to. You'll be here?

11 HOLMES: I'm here.

12 CHAIRMAN: You don't need me then. Is there any topics
13 for the next meeting? I know we talked over a couple last month
14 that we put off. Anybody else have anything for the next meeting?

15 SPEAKER: I would always like to hear a Legislative
16 update. [inaudible]

17 WHITTEMORE: From me sir, or from-

18 SPEAKER: Everybody.

19 CHAIRMAN: Yeah. Hopefully the industry is watching the
20 legislature, I don't know.

21 SPEAKER: Well, we have one thing we know that needs to
22 happen regarding medallions. [inaudible]

23 CHAIRMAN: Well, that's regulation.

24 [crosstalk]

25

1 SPEAKER: Is there anything else? [inaudible]
2 legislature.

3 WHITTEMORE: There is a BDR from Assemblyman [inaudible],
4 I apologize, I do not have the number, if somebody from the
5 industry-

6 BELL: 1053.

7 WHITTEMORE: Thank you Mr. Bell. Assemblyman [inaudible]
8 has put forward a BDR having to do a driver cooperative. We have-
9 there are no details that are forthcoming yet. It's just a BDR.
10 When we have the bill, then we'll certainly know more.

11 CHAIRMAN: Okay, that'd be good. [inaudible] you'll be
12 here, I won't be here.

13 SPEAKER: We'll approve it. [laughs]

14 CHAIRMAN: Okay. No you won't. [laughs] Anything
15 else, Board? Nothing, okay. Let's go to Agenda Item No. 7.
16 Public Comment. Anybody-step forward, come on up. Please state
17 your name and if you're with a specific group.

18 KELLEY: My name is Dean Kelley, K-E-L-L-E-Y. I am a
19 former veteran driver. My original TA #10801. You can dig in your
20 records to see how far that goes back. 1985. I had 11 years'
21 experience as a driver, I was also one of the unindicted
22 coconspirators in the creation of Steel Workers Local 711A to
23 represent a number of the drivers.

24 That's when I saw this agenda item-I came in late, so I missed
25 some of this, so this may be redundant, I'm not sure. Regarding

1 Item 4, this Blue Desert, LLC, requests that certain information be
2 kept confidential. Who is Blue Desert, LLC?

3 CHAIRMAN: Under the Agenda, you will see, if you have a
4 copy of it—oh, I can't answer that.

5 SPEAKER: Yeah, no. Sorry, it's just public comment
6 right now, no discussion can be had amongst the Board Members and
7 the public.

8 CHAIRMAN: But you can talk to the Administrator after
9 the meeting.

10 SPEAKER: After the meeting.

11 KELLEY: Okay. I just—because you know, I know who—
12 I've been around long enough that I know who all these other
13 entities and individuals are. Some legalese. I realize the
14 lawyers get paid by the work. That was my—that was primary
15 question, you know, who was—this is a whole new player in the—on
16 the stage and I was kind of curious as to who that would be.

17 CHAIRMAN: You would talk to the Administrator after we
18 adjourn. I'm sure he can answer that for you.

19 KELLEY: Okay. All right. Well, oh yeah, one item
20 regarding the issue of long-hauling. As I say, I have veteran
21 experience as a driver. I was never cited for long-hauling,
22 because I didn't do it. The pressures that were placed upon me by
23 my employers at various times that you got to get your book up, you
24 got to get your book up and so, I'm kind of curious, why is it that
25 whenever there are issues regarding long-hauling that the brunt of

1 the enforcement falls upon the drivers when it's ostensibly under-
2 you know, it's not open encouragement but it's certainly not
3 discouragement of--why don't the companies share in the blame and
4 why don't the companies get, you know, some kind of--some kind of
5 slap on the wrist attached to them because it's--because any long-
6 hauling that takes place, quite frankly, is it--is it because the
7 company has threatened my term of employment with Frias, in 1997
8 was in fact terminated due to low book. I had been specifically
9 challenged by the then incumbent General Manager, D'jore as I like
10 to call him. That I had to do something to get my book up. So, I
11 asked him, I said, okay George, I figure I got three options. I
12 could start driving like a crazy maniac, cutting corners, running
13 lights, etc., to get a couple extra--to have time to get a couple
14 extra trips. I can take the tunnel, long-haul etc., any chance I
15 get. Or, I can start ghost riding, putting my toks on the meter
16 with nobody in the cab. Thereby, losing half my toks, but yes,
17 I'll get half of them back in my check. Still, [inaudible]. His
18 reaction was, quite frankly worthy of an Emmy, a Tony and an Oscar
19 all combined is [inaudible], we absolutely do not condone any form
20 of dishonesty whatsoever.

21 SPEAKER: Mr. Kelley, I would add that if you have
22 direct evidence of collusion, I'd ask you to get in touch with
23 Chief Aquino.

24 KELLEY: Any statute of limitations would be--this was
25 1997, this was 22 years ago, so I don't think there's any way to do

1 it, but I just—because of my observation of the industry, including
2 the fact that my son was a driver and prior to his leaving his
3 employment at Frias was the President of the Steelworkers Local—

4 CHAIRMAN: Sir, your three minutes are now up.

5 KELLEY: Yeah.

6 CHAIRMAN: If you have any other questions you need
7 answered, feel free to follow up with the Administrator.

8 KELLEY: I just wanted to kind of put that out there.

9 CHAIRMAN: Okay, thank you. Anybody else for public
10 comment? Okay. I would like to make a statement. My statement
11 is: I want to congratulate all the parties involved in this
12 process that made it one of the smoothest things we've had to deal
13 with since I've been on the Board. It's to the credit of the
14 Administrator, Chief Investigator, and you guys—the attorneys and
15 administrators of Frias and the same with Whittlesea Bell and
16 Desert and YCS, all of you. We get into this, we expect it
17 different than what we got. You guys were asked for information.
18 You brought it. And it shows that you can work together when you
19 really, really want to. And we appreciate it. Thank you.

20 SPEAKER: Thank you.

21 CHAIRMAN: Okay, moving on to—the next one is, I think
22 Adjournment. Yep, adjournment. Agenda Item No. 7, is there a
23 motion to adjourn, no #8. Motion to adjourn?

24 SPEAKER: [inaudible]

25 SPEAKER: Second.

1 CHAIRMAN: We have a motion and a second to adjourn, all
2 in favor, aye. [ayes around] Opposed? It passes. Thank you all
3 for your time.

4 [end of meeting]

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