

1 **BEFORE THE STATE OF NEVADA TAXICAB AUTHORITY**

2 **OCT 8 '25 FILED**

3 IN THE MATTER OF THE AMENDED)
4 APPLICATION OF DESERT CAB CO. TO)
5 ADJUST TAXICAB CHARGES TO INCLUDE)
A PASS-THROUGH SOFTWARE LICENSE)
CHARGE)

Agenda Hearing: October 15, 2025

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7 **INTERVENER IVSC IP LLC'S CLOSING BRIEF IN SUPPORT OF THE AMENDED**
8 **APPLICATION OF DESERT CAB CO. TO ADJUST TAXICAB CHARGES TO INCLUDE**
9 **A PASS-THROUGH SOFTWARE LICENSE CHARGE**

10 COMES NOW Intervener, IVSC IP LLC ("IVSC"), by and through its undersigned counsel,
11 and hereby submits its Closing Brief in Support of the Amended Application of Desert Cab Co.
12 ("Desert Cab") to Adjust Taxicab Charges to Include a Pass-Through Software License Charge.

13 **I.**

14 **INDEX OF KEY HEARING EXHIBITS**

15 <u>Exhibit No.</u>	<u>Description</u>	<u>Bates Nos.</u>
16 EXHIBIT 1	Testimony of George Balaban	DC001-DC005
17 EXHIBIT 2	Supplemental Testimony of George Balaban	DC006-009
18 EXHIBIT 3	Abstract of the IVSC Portfolio of Patents	DC010-017
19 EXHIBIT 4	Draft Non-Exclusive Patent License Agreement	DC018-DC025
20 EXHIBIT 5	Declaration of George Balaban in Support	DC026-DC027
21 EXHIBIT 6	Draft Release and Settlement Agreement	DC028-DC034
22 EXHIBIT 7	Direct Testimony of Noah Mesel	IVSC001-IVSC008
23 EXHIBIT 8	Supplemental Testimony of Noah Mesel	IVSC009-IVSC070
24 EXHIBIT 18	Letter from Deborah Peacock to Andrew Meyers	KAP00032-KAP00061
25 EXHIBIT 21	Testimony of Andrew Meyers	KAP00066-KAP00069
26 EXHIBIT 22	Supplemental Testimony of Andrew Meyers	KAP00070-KAP00074
27 EXHIBIT 23	Testimony of Chris Bordonaro	KAP00075-KAP00082
28 EXHIBIT 24	Supplemental Testimony of Chris Bordonaro	KAP00083-KAP00087

1 EXHIBIT 43 Amended Application of Desert Cab
2 EXHIBIT 44 Confidential Financials for Amended Application
3 EXHIBIT 45 Second Amended Application of Desert Cab
4 EXHIBIT 46 Deposition of George Balaban
5 EXHIBIT 47 Deposition of Andrew Meyers
6 EXHIBIT 48 Deposition of Chris Bordonaro
7 EXHIBIT 50 Deposition of JJ Bell
8 EXHIBIT 51 Deposition of Noah Mesel
9 EXHIBIT Hearing Transcripts, Day 1, 2 and 3

10 II.

11 SUMMARY OF RELEVANT FACTS

12 Applicant, Desert Cab, submitted its Amended Application, pursuant to NRS 706.8819(1)(a),
13 NAC 706.471 and NAC 706.909, to adjust taxicab charges to include a pass-through software license
14 charge. As clearly stated in the Amended Application (and Second Amended Application), it is
15 specifically an application for changes of rates or rules as provided for by NRS 706.8819(1)(a), NAC
16 706.471 and NAC 706.909, discussed below.

17 IVSC intervened in this proceeding for the purpose of fully supporting the Amended
18 Application and amendments thereto. Desert Cab has satisfied all the statutory and code requirements
19 relevant to its Amended Application, including, but not limited to, NAC 706.909. Indeed, Desert Cab
20 and the supporting interveners, IVSC and Kaptyn, all have offered witnesses who have testified, under
21 oath, to the “circumstances and conditions relied upon as justification for the [Amended Application]”
22 that warrant approval pursuant to NAC 706.909(3) -- the heart of this entire proceeding. NAC
23 706.909(3). Those supporting witnesses include 1) George Balaban from Desert Cab; 2) Andrew
24 Meyers, JJ Bell and Chris Bordonaro from Kaptyn; and 3) Noah Mesel from IVSC, whose key
25 testimony is cited below.

26 The backstory which led to the filing of the Amended Application has been known to every
27 operator in the industry dating back as far as January of 2013. **Hearing Exhibit 8, IVSC011-IVSC012**
28 **at paragraph 8.** IVSC, under its prior name, Frias Transportation Infrastructure, LLC (“FTi”),

1 invented transportation technology products including RideIntegrity, a product conceived and
2 designed specifically to provide real-time data to Nevada’s taxicab industry. *Id.* These inventions,
3 systems, devices and methods later formed the basis for the numerous patents that IVSC obtained at
4 great expense to protect its inventions. *Id.*

5 As set forth in the Amended Application, during the past six (6) or more years, pursuant to
6 NRS 706.8836, the entire Nevada taxicab industry has utilized various software systems, devices and
7 methods to improve taxicab service for the direct benefit of the riding public, including “smart
8 meters”.¹ The primary provider of many of these systems, devices and methods in Clark County is
9 Kaptyn, a company which creates scalable transportation solutions that help solve many of the
10 challenges and complexities of the industry. Kaptyn licenses its systems to current Clark County
11 certificate holders, including Desert Cab.

12 The systems, devices and methods described in five (5) patents issued by the U.S. Patent and
13 Trademark Office (“USPTO”) are held by a third-party technology company, IVSC. There are also
14 five (5) pending related patent applications presently being prosecuted by IVSC (*including a new*
15 *notice from the USPTO advising that another patent will soon be issued*). Those patents are fully
16 described in the Amended Application including its Exhibit 1 (**Hearing Exhibit 3**), which is an
17 abstract of IVSC’s portfolio of patents, and also in **Hearing Exhibit 7** (Written Testimony of Noah
18 Mesel; **IVSC001-IVSC008**), and **Hearing Exhibit 8** (Supplemental Written Testimony of Noah
19 Mesel with exhibits; **IVSC009-IVSC070**).

20 In the course of licensing negotiations between IVSC and Kaptyn, which began as early as
21 September 2021, IVSC identified these patents to Kaptyn as being infringed by its customers, which
22 are certificated taxicab operators in Nevada. **Hearing Exhibit 18** (Letter from IVSC IP counsel
23 Deborah Peacock to Andrew Meyers; KAP00032-KAP00061). Kaptyn, Desert Cab and IVSC have
24 negotiated at arms-length and are prepared to enter into various agreements that would license the
25 technology IVSC asserts is protected by the above-described issued patents.² These draft agreements

26 ¹ NRS 706.8836 addresses the required use and data relating to taximeters, devices, methods and systems to determine
27 passenger fares.

28 ² See **Hearing Exhibit 4 (Exhibit 2 to the Amended Application)** (draft Non-Exclusive Patent License Agreement)
(**DC018-DC025**); **Hearing Exhibit 20** (draft Confidential Release and Settlement Agreement) (**DC028-DC034**); and

(Hearing Exhibits 4, 20 and 8) were described by Noah Mesal during the hearing, which are drafts and remain unsigned because they are contingent on approval of the proposed \$0.50 charge. **Hearing Transcript Day 2, September 18, 2025, at pp. 111:16 to 118:22.** These proposed agreements represent an indemnity proposal that, if accepted, would cover and protect all carriers and technology providers who enter into them from any IVSC patent infringement claims. *Id.* at 153 and 159. These technology systems touch important aspects of the transportation services currently being provided in Clark County, and the riding public directly benefits from their use. **Hearing Exhibit 8, IVSC009 at paragraph 2, and IVSC014-IVSC027** (chart showing how certain statutes correspond to the patents).

III.

LEGAL AUTHORITY

The Nevada Taxicab Authority (“Authority”) has complete authority to regulate the taxicab industry in Clark County. *See Lamb v. Mirin*, 90 Nev. 329, 526 P.2d 80 (1974). And the Nevada Legislature (“Legislature”) created the Authority in NRS Chapter 706, which governs the operation and regulation of motor carriers in the state. NRS 706.011 *et seq.*

Within Chapter 706, the Legislature articulated a “Declaration of Purpose” which, in part, gives the Authority the general authority and duty to fully regulate taxicabs in Clark County **in a manner that promotes “. . . safe, adequate, economical and efficient service and to foster sound economic conditions in motor transportation.”** NRS 706.151(1)(c). As part of its specific regulatory powers, the Authority is charged with determining the rates, charges or fares for taxicab service:

1. The Taxicab Authority shall conduct hearings and make final decisions in the following matters:

- (a) Applications to adjust, alter or change the rates, charges or fares for taxicab service . . .

NRS 706.8819(1)(a) (emphasis added).

The Amended Application is further governed by NAC 706.471, which provides that “Only the Authority may set, adjust, alter or change the rates, charges or fares for service by a taxicab,” allows any certificate holder to initiate a hearing concerning rates, charges or fares, and requires

Hearing Exhibit 8, IVSC010 at paragraph 4, and IVSC029-IVSC032 (draft Proposed Term Sheet for Master Services Agreement).

1 such rates, charges or fares of all certificate holders to be uniform “except upon a showing that the
2 public interest requires otherwise.” NAC 706.471(1)(2) and (3). And NAC 706.909, governing
3 applications for change of rates or rules, generally provides that such applications by any taxicab
4 company to increase any rate, fare or charge or rule or regulation resulting in any increase must
5 submit certain data to the Authority.

6 The operative legal authority within NAC 706.909 is focused on section 3, which requires
7 that Desert Cab provide “a complete and accurate statement of the circumstances and conditions
8 relied upon as justification for the application”. In other words, Desert Cab, as the Applicant, must
9 justify to the Authority both the amount of the proposed software license charge and the reasons why
10 it should be passed-through to the riding public.

11 Specifically, NAC 706.909 provides as follows:

12 Applications by any taxicab company to increase any rate, fare or charge
13 or rule or regulation resulting in any increase must, in addition to
14 complying with the provisions of NAC 706.876 to 706.975, inclusive,
15 applicable to all pleadings, submit the following data, either in the
16 application or attached to it as an exhibit:

17 1. A statement showing in full the rates or fares, rules or regulations
18 requested to be put into effect or the general relief asked for.

19 2. A statement or reference showing in full the rates or fares, rules or
20 regulations which will be superseded by the proposed rates.

21 3. A complete and accurate statement of the circumstances and
22 conditions relied upon as justification for the application.

23 4. A reference record to prior action if any by the Authority in any
24 proceeding relative to the existing and proposed rates.

25 5. A financial statement for a full 12-month period including a
26 balance sheet and a profit and loss statement; or in any application filed by
27 or on behalf of a group of companies as parties to a tariff, composite
28 financial statements for all or a representative group of companies
involved for a full 12-month period, and a composite and representative
profit and loss statement.

24 Additional relevant legal authority exists in 1) NRS 706.8824(6)(b), which requires the
25 Authority to review annually the rates, charges or fares of the certificate holders in its jurisdiction; and
26 2) NRS 706.8826(3)(c), which authorizes the Authority to collect a technology fee for each
27 compensable taxicab trip in its jurisdiction.

28 IV.

DISCUSSION

A. THE RELEVANT FACTS SATISFY THE APPLICABLE LAW

1. The Authority has a duty to fully regulate taxicabs in Clark County in a manner that promotes “. . . safe, adequate, economical and efficient service and to foster sound economic conditions in motor transportation.” NRS 706.151(1)(c). Facts supporting this portion of the applicable law include, but are not limited to, the following:

- a. The IVSC-invented technology being used in taxicabs certainly promotes “safe, adequate, economical and efficient service” because it 1) helps direct taxicabs more efficiently to where they are needed through dispatch, 2) ensures taxicabs take the most efficient, timely and/or cost-effective routes, 3) oversees taxicabs so they do not engage in long-hauling routing that increases fares, and 4) assures that both the Authority and operators have accurate information relating to trip, fare and vehicle data through the use of the real-time data system. **Hearing Exhibit 7 (Direct Testimony of Noah Mesel at IVSC004 at paragraph 7.**
- b. Further, the technology in use by Desert Cab (and others) includes dispatch optimization, digital metering, route efficiency tools and compliance reporting which systems have “allowed Desert Cab to reduce internal administrative and dispatching costs, improve ride efficiency, and enhance passenger experience and data security”. **Hearing Exhibit 1 (Written Testimony of George Balaban at DC001, paragraphs 4-6).** The system also provides real-time data and reports required by regulatory authorities. *Id.*
- c. If the Amended Application is not granted, “sound economic conditions” would not be fostered within the industry because Desert Cab (and presumably the other operators) “. . . do not have the legal or financial capacity to absorb litigation costs of that magnitude . . .” *Id.* at **DC002, paragraph 11.**
- d. In his written testimony, Chris Bordonaro, Kaptyn’s VP of Engineering, described Kaptyn’s current software platform and its functions – many of which include various software systems, devices and methods to improve taxicab service for the

1 direct benefit of the riding public – which is the system functionality developed by
2 IVSC which later led to the issued and pending patents owned by IVSC. **Hearing**
3 **Exhibit 23 (Testimony of Christopher Bordonaro at KAP00075-KAP00082 at**
4 **paragraphs 3-5).**

5 2. The operative legal authority within NAC 706.909 is focused on section 3, which requires
6 that Desert Cab provide “a complete and accurate statement of the circumstances and
7 conditions relied upon as justification for the application”. Desert Cab, along with the
8 supporting interveners, Kaptyn and IVSC, have collectively provided such a “complete and
9 accurate statement of the circumstances and conditions relied upon as justification for the
10 application” through both sworn written and deposition testimony, including but not
11 limited to the witnesses identified above in section II (George Balaban, Andrew Meyers,
12 JJ Bell, Chris Bordonaro and Noah Mesel). Specific facts supporting this portion of the law
13 include, but are not limited to, the following:

14 a. George Balaban, on behalf of Applicant Desert Cab, in his sworn written testimony,
15 goes through the painstaking process and evaluation he performed before Desert
16 Cab decided to move forward with its Amended Application:

17 i. He describes the technology systems Desert Cab is using and why it is so
18 beneficial to all stakeholders – the passengers, the operators and the
19 regulators. ***Id.* at DC001, paragraphs 4-8; DC002, paragraphs 9-13.**

20 ii. He describes how Kaptyn took the laboring oar to find an industry solution
21 to the infringement claims and help negotiate an arms-length tentative
22 agreement for the \$0.50 trip charge and why it is justified under the
23 circumstances presented. ***Id.* at DC002, paragraph 14 through DC003,**
24 **paragraph 21.**

25 b. In his sworn supplemental written testimony, George Balaban goes even further in
26 justifying not only the \$0.50 software license charge, but also the breakdown of
27 why it is important for Kaptyn, or any technology company providing similar
28 technology, to retain 25% of the charge – because it will allow other eligible

1 technology companies to participate thus ensuring “autonomy and freedom of
2 choice of service providers. **Hearing Exhibit 2 (Supplemental Written
3 Testimony of George Balaban at DC006, paragraph 6).**

- 4 c. George Balaban also describes in detail why it is reasonable and justified for the
5 passenger to pay the charge:

6 “I believe that the transporting public rider benefits from the real-time data
7 systems used by taxicab operators in their vehicles. The incremental cost to the
8 rider on average is 2.5%, Real time data systems are not only for convenience
9 of the riding passenger(s), but they are an operational and consumer necessity,
10 preventing unauthorized long-hauling, preservation of data regarding the
11 identity of passenger and trip information, tracking of information to address
12 driver disputes retroactively, and overall operator efficiency which merging the
13 operations with reporting and administrative requirements.” *Id.* at DC007,
14 **paragraph 12.**

- 15 d. In his sworn written testimony, Andrew Meyers from Kaptyn described their
16 technology system, and also justified both the \$0.50 charge and the breakdown of
17 25% to whoever is providing technology. **Hearing Exhibit 21 (Written
18 Testimony of Andrew Meyers at KAP00066, paragraph 4; and KAP00068,
19 paragraph 14 to KAP00069, paragraph 16).**
- 20 e. Similarly, Noah Mesel, in his sworn written testimony, justified both the charge
21 amount and breakdown. **Hearing Exhibit 7 (IVSC001 at paragraph 3 through
22 IVSC004 paragraph 7), and Hearing Exhibit 8 (IVSC010 at paragraph 3
23 through IVSC011 at paragraph 7).**
- 24 f. Noah Mesel also described how the proposed \$0.50 charge is reasonable and
25 compares it to a range of rates that could be used to calculate patent royalties.
26 **Hearing Exhibit 7 at IVSC002-IVSC004 at paragraph 5; Hearing Transcript
27 Day 2, September 18, 2025 at p. 139:13-140:7.**
28

1 In summary, each and every requirement within NAC 706.909 has been satisfied by Desert Cab
2 and the supporting interveners. This includes the Amended Application itself (**Hearing Exhibit 43**),
3 the Second Amended Application (**Hearing Exhibit 45**) and the Confidential Financial Statement
4 (**Hearing Exhibit 44**).

5 B. THE RELEVANT TESTIMONY AND EXHIBITS OVERWHELMINGLY SUPPORT THE
6 FACTS

7 An extensive record has been made by the Applicant in this matter through sworn written and
8 deposition testimony along with supporting exhibits. In addition, all supporting witnesses testified in
9 person, under oath during the 3-day hearing – and all testified credibly and consistent with their prior
10 sworn written and deposition testimony. When taken *in toto*, the evidence presented by the Applicant
11 and supporting interveners overwhelmingly supports both the facts cited herein and the law. IVSC
12 urges the Authority to read the record as cited herein, in particular the sworn written testimony and
13 sworn supplemental testimony (with accompanying exhibits) provided by the witnesses referenced
14 herein.

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V.

CONCLUSION

WHEREFORE, based on the above, Intervener IVSC respectfully requests as follows:

1. That the Authority find that Applicant's Amended Application, all amendments thereto, supporting sworn witness testimony and exhibits, have satisfied all legal requirements, including, but not limited to, NRS 706.151, NRS 706.8819(1)(a), NAC 706.471 and NAC 706.909.
2. That the Authority grant Applicant's Amended Application to implement, as described in the aforementioned sworn witness testimony and exhibits, a pass-through software license charge of \$0.50 on all taxicab trips originating in Clark County, Nevada; and
3. For any other such relief that may be just and proper to implement the pass-through software license charge.

DATED this 8th day of October, 2025.

HYPERION ADVISORS

/s/ D. Neal Tomlinson



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Counsel for IVSC IP LLC

I certify that I am an employee of Hyperion Advisors and that on this 8th day of October, 2025, I caused to be served the foregoing INTERVENER IVSC IP LLC'S CLOSING BRIEF IN SUPPORT OF THE AMENDED APPLICATION OF DESERT CAB CO. TO ADJUST TAXICAB CHARGES TO INCLUDED A PASS-THROUGH SOFTWARE LICENSE CHARGE upon all parties to this action via email, along with personally submitting an original plus 9 copies to the Taxicab Authority:

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/s/ Neal Tomlinson

An employee of Hyperion Advisors