

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON TRANSPORTATION JOINTLY WITH
COMMITTEE ON OVERSIGHT AND INVESTIGATION

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June 24, 2019
Start: 10:25 a.m.
Recess: 3:45 p.m.

HELD AT: Council Chambers - City Hall

B E F O R E: YDANIS A. RODRIGUEZ
Chairperson

RITCHIE J. TORRES
Chairperson

COUNCIL MEMBERS: Fernando Cabrera
Chaim M. Deutsch
Rubin Diaz, Sr.
Rafael L. Espinal, Jr.
Peter A. Koo
Stephen T. Levin
Mark Levine
Carlos Menchaca
I. Daneek Miller
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Deborah L. Rose
Diana Ayala
Ben Kallos
Rory I. Lancman
Keith Powers
Carlina Rivera
Rafael Salamanca, Jr.

Mark Treyger
Kalman Yeger

A P P E A R A N C E S (CONTINUED)

Bhairavi Desai, Executive Director, New York Taxi
Workers Alliance

Carolyn Pratz, Medallion owner

Muhammad Dua Oliy, Immigrant, Medallion Owner, Taxi
Cab Driver

Golanis Yek. Immigrant Medallion Owner, Taxi Cab
Driver

Chritie Peale, Center for New York City
Neighborhoods

Bill Heizen, Acting Commissioner, New York City Taxi
and Limousine Commission

Chris Wilson, Deputy Commissioner for Legal Affairs,
New York City Taxi and Limousine Commission

Alicia Hans, Taxi Driver

Alise Brewer, Taxi Driver

Tamara Mishnacova, Cab Driver

Janet Tro, Taxi Driver

Nicolai Hans, Medallion

Alise Brewer, Medallion Owner

Dan Eckman, Law Firm or Wolf Haldensten

Golina Kominker, Medallion Owner

Ydanis Chowdry, Medallion Owner

Vito Lanzer, Medallion Owner

Richard Lisky

Nino Hervias, Medallion Owner

Nina GodowskY, Yellow Taxi driver, Medallion owner

Aviz Khan, Taxi Driver

Gilmer Omar, Taxi Driver

Raoul Rivers, Taxi Driver

Shihan Namon, Medallion Owner

Darik Monet, Taxi Driver

Dorothy Laconte, Medallion Owner

Salaam Walekum

Mohammed Hauck, Medallion Owner

Saline Mannitala, Medallion Owner, Member of Taxi Alliance

Ruben Finkel

Mr. Chowdry, Medallion Owner

Andy Momadat Demusolet, Medallion Owner

Ahad Ahmed, Medallion Owner

Mohammad Dosan, Medallion Owner, Member Taxi Workers Alliance

Sherpa Borodin, Medallion Owner

Jonathan Janowitz, Medallion owner

Greg Waldman, G1 Quantum Clean Energy Company

3 [sound check] [pause] [gavel]

4 CHAIRPERSON RODRIGUEZ: Good morning and
5 welcome to today's joint hearing of the Council's
6 Transportation Committee and Oversight and
7 Investigation Committee. First, let me recognize my
8 colleagues who are here with us Council Members
9 Torres, Levine, Ayala, Koo and Lander. This is an
10 oversight hearing on Taxi and Limousine Commission's
11 role in the Taxi Medallion Crisis. The first thing
12 I'm going to say is that this hearing is only a
13 beginning of many of the hearings that we will be
14 holding. Today, we are starting with the Yellow Taxi
15 Medallion, but one of the things that I want to
16 accomplish is to see a level of the reorganization of
17 Taxi and Limousine to reorganize their four sectors:
18 The Yellow Medallion, the Livery, the Corporate car-
19 Black car, and the other-our car, a Black car so that
20 we can define the rights and responsibility, and have
21 a clear understanding of what is the expectation that
22 we expect for them to follow what they will do
23 business with us. I'm Ydanis Rodriguez, the Chair of
24 the Transportation Committee. Today we will be
25 hearing four bills. The first is Intro 1584
sponsored by Council Member Adrienne Adams, which

3 will require annual financial disclosure from each
4 person who has any interest in any taxicab license.
5 The second is Intro 1605 sponsored by Council Member
6 Francisco Moya, which is related to the approval-
7 approval of a-of a purchase or transfer of a taxicab
8 license followed by Intro 1610, which is a bill
9 that's sponsored by the Council Member-- Council
10 Member Ritchie Torres, Chair of the Committee on
11 Oversight and Investigations, which will create an
12 Office of Financial Stability within the Taxi and
13 Limousine Commission. Today's hearing focuses on
14 the-the plan and the Medallion value, and
15 understanding the blind eye Taxi and Limousine took
16 that may have led to this problem that allow
17 corruption and backroom deals to take advantage of
18 immigrant workers.

18 SERGEANT-AT-ARMS: [interposing] [off
19 mic] Folks, are not allowed to talk. (sic)

20 CHAIRPERSON TORRES:

21 CHAIRPERSON RODRIGUEZ: As I have said
22 before, this crisis didn't happen overnight. This
23 crisis is an accumulation of-of lack of leadership in
24 the past. So, one thing that I want to be clear that
25 also as there's new entering Taxi and Limousine

3 Commission today, they're doing the best they can.

4 So, this conversation today, this question today is

5 not at a personal level, but it's about how the

6 institution has been functioning, and things that

7 have to be done to improve it. The Yellow Medallion

8 Taxi is a sym—is a symbol of New York Transportation

9 network, and for decades served a vital role in our

10 city's transportation system for those who live, work

11 and visit here, but fares and ridership are down

12 considerable, and many individual Medallion owners

13 are facing foreclosure and bankruptcy upending their

14 personal lives and destroying their savings. These

15 are small business owners, many of them immigrants

16 who invested hundreds of thousands of dollars into

17 Medallion in hope of achieving their piece of the

18 American Dreams. We have 6,000 individuals Medallion

19 owners in the city of New York. We need to stand

20 there for them. We will hear a number of bills that

21 seeks to increase their regulation of the Medallion

22 market. The bill that I have—my bill Intro 1608 will

23 require the Taxi and Limousine Commission to evaluate

24 the character and integrity of taxicab brokers,

25 agents, and taxicab license. This is another step to

ensure that Taxi and Limousine Commission is properly

3 overseeing the industry, and to ensure that bad
4 actors are not able to enter the market. As a city,
5 we should have done more to ensure that our Taxi
6 Medallion drivers were protected. As the
7 Transportation Committee Chair, I will continue to
8 work alongside my colleague and the Speaker Johnson
9 to ensure that we help our struggling Taxi Medallion
10 drivers. We must also find a way to hold the people
11 responsible for their—for this financial crisis
12 accountable. This crisis was not accident, and we
13 must make sure that Taxi Medallion owners receive
14 justice. Now, we will hear from the Co-Chair of the
15 Committee, Council Member Ritchie Torres, Chair of
16 the Committee on Oversight and Investigations.

17 CHAIRPERSON TORRES: Good morning
18 everyone. I'm City Council Member Ritchie Torres,
19 and I'm the Chair of the Committee on Oversight and
20 Investigations. It's an honor to co-chair today's
21 hearing with Council Member Rodriguez. The collapse
22 of the Medallion market properly understood should be
23 remembered as one of the greatest government scandals
24 in the history of New York City. The bankruptcies
25 and foreclosures, the suffering and the suicides were
not the consequences of market forces beyond the

3 city's control. The humanitarian crisis is the
4 product of a deregulated, overpriced, over-leveraged
5 Medallion market that the city not only failed to
6 regulate, but also help create through aggressions
7 auctions, advertising, and approvals of predatory
8 transactions. Indeed, the central culprit of the
9 Medallion crisis is the Taxi and Limousine
10 Commission, which succeeded as a speculator but
11 failed as a regulator, and for those seeking greater
12 clarity about the origins of TLC's decline as a
13 regulator, listen carefully to these words: "What
14 we've created here is the currency and the Medallions
15 themselves. We've diverted the attention of the
16 industry from serving the public to be concerned
17 about the value of that commodity. These words were
18 not spoken in 2013--19. These word were spoken long
19 before there was a Medallion bubble, long before
20 there were even Medallion auctions. Back in 1987 by
21 former TLC Commission Gorman Gilbert who 30 years ago
22 could see clearly TLC's dangerous slippery slope
23 towards speculation. He saw clearly the corrupting
24 culture shift from a TLC that served the public to
25 one that cashes in on a commodity even if cashing in
meant abdicating its role as a regulator. In the mid

1 '90s, the city began the practice of auctioning off
2 Medallions, and in the 2000s the city took the
3 auctions to new extremes. Over time TLC became more
4 interested in being a speculator than in being a
5 regulator. It was more interested in the paper value
6 of the Medallion as an asset than it was in the real
7 world incomes of drivers or the real world revenues
8 of the Taxi industry. It did not matter that brokers
9 were systematically preying upon unsuspecting buyers.
10 It did not matter that lenders like Andrew Murstein
11 were widely disbursing loans that financially enslave
12 driver/owners. It did not matter that speculators
13 like Gene Freidman or Michael Cohen were manipulating
14 the market or evading taxes or stealing wages from
15 their workers. The things that should have mattered
16 did not matter to your government. The only thing
17 that mattered to TLC was the holy grail of Medallion
18 values and the money it made for the City. The City
19 had no interest in reigning in the market, and
20 breaking up the party because there was money to be
21 made. Billions of dollars on the backs of driver
22 owners who have committed suicide or filed for
23 bankruptcy or being condemned by crushing debt to a
24 life of indentured servitude. Drivers who were
25

1 promised the American Dream have been given a
2 nightmare, and the city that sold them that American
3 Dream ultimately sold them out. The Medallion market
4 collapse is a cautionary tale of what happens when
5 both government and markets are governed not by laws
6 but by greed. Just like there were brokers, lenders
7 and speculators all too eager to kill the Golden
8 Goose for short-term profits, the City of New York
9 was all too eager to kill a once golden asset for
10 short-term revenues. When it comes to the Medallion
11 market, money was indeed the root of all evil. Our
12 purpose here today is not simply to hold a City
13 Council hearing, our purpose is more profound, to
14 force the city to come to grips with its own role in
15 creating a bubble that impoverished and immiserated
16 many for the sake of enriching a few. A moment of
17 reckoning is long overdue. So, too, is restitution
18 for the drivers, and so, too, is regulation of the
19 Medallion market, which has been left unchecked.
20 Now, I just want to note that three weeks ago we
21 requested from TLC the Roth Report, and three hours
22 ago, our committee received a copy. The Roth Report
23 was written in 2010, and it confirms that TLC and
24 City Hall knew everything. TLC knew that there was
25

3 speculation in the market by the likes of Gene
4 Freidman. They knew that there was predatory lending
5 in the Medallion market. They knew that the marker
6 was at risk of collapse, and it's a damning
7 indictment of TLC's failure as a regulator. So, with
8 that said, I will hand it back to of Council Member
9 Rodriguez. [applause]

10 CHAIRPERSON RODRIGUEZ: Thank you, Co-
11 Chair Torres. We will have the first panel composed
12 mainly by drivers and those who advocate for them.
13 I'm going to call the names. Golan Stiatti (sp?),
14 Mohammed Ali, Bhairavi Desai, Christie Peale. [pause]

15 BHAIRAVI DESAI: Good morning. My name
16 is Bhairavi Desai I'm the Executive Director of New
17 Yorker Taxi Workers Alliance. It's hard to imagine
18 the conditions that are facing the drivers in New
19 York City today, and it's even harder to imagine the
20 extent to which this crisis that's taken so many
21 lives and ruined so many futures as all manufactured,
22 and it was all done in consort between public
23 government and private capital. In the middle of it
24 was a workforce of 95% immigrants that have left now
25 practically penniless. From 19—the Medallion was
first traded in 1937. At the time, 12,000 were sold

3 for \$10 each. No more were sold again for another 60
4 years in 1997 under the Giuliani Administration.

5 Prices were considered stable from 1995 to 2002, and
6 then the spike started primarily in 2004 to 2014 when

7 it finally crashed. Despite the Medallion values
8 coincides with almost the entirety of the term of the

9 Bloomberg Administration, but what we want to put on
10 the record is it did not end in 2014 and their slight

11 of hands we believe has absolutely continued since
12 2014. Many of the same government officials that

13 oversaw the over, you know, the over inflation, the
14 over-valuing of the Medallion were the same forces

15 then went—then ahead to go and work for Uber and
16 Lyft, and today some of them even work in the State

17 Government. At the Governor's Mansion no less, the
18 same person who has been the champion of these

19 companies since they entered the market in New York
20 City. We don't think this is a coincidence, and we

21 want questions to be answered. We ask you as—the
22 City Council to call those people into these halls

23 because we want answers from them. We want to see
24 that Roth Report be publicly issued. We want to see

25 every single line of it. We also want to see the
reports that were written by the State Department of

3 Financial Services in 2000 and—from-between 2010 to
4 2014 that found a number of illegalities and renting
5 practices, but the never even issued one summons.
6 They didn't issue one summons, and they never even
7 increased their oversight. In that same time period,
8 they still went ahead and watched this city sell
9 1,500 more Medallions knowing that the price had been
10 artificially inflated, knowing that the lenders were
11 not looking to have these buyers even make a minimum
12 deposit let along the 20% that would otherwise have
13 been required under federal law had they not been
14 exempt from those regulations by Congress. All of
15 these regulators according to the New York Times,
16 seven government agencies knew what was happening.
17 They allowed it to continue, and in that time period
18 from 2004 to 2014, the City of New York made \$850
19 million. That's just from the auctions, and the—the
20 private market transactions alone. There's another
21 over \$600 million that the State of New York made
22 from the 50 cent tax, and I ask you to understand
23 that these two things are connected. I was there in
24 2009 when the state looked to impose the tax, and the
25 belief was that the Medallion market was so healthy
that it could take that extra tax on. That same

3 Administration today in—a year ago in 2018 in wrote a
4 report of how the current surcharges \$2.50 would
5 reduce revenue by an additional 30%. They ignored
6 that. They ignored the fact that four drivers had
7 already committed suicide by the time that they
8 imposed that tax. There are nine drivers in total
9 that have committed suicide. Three of them, 33% are
10 owner-drivers even though owner-drivers represent
11 less than 5% of the entire workforce. They have
12 disproportionately represented the drivers in crisis
13 despair across this industry. We want answers as to
14 how these officials were allowed to keep that
15 revolving door going to go from public office into
16 the very halls of private capital that they were
17 supposed to be regulating, and make no mistake that
18 the storyline does not end in 2014. [background
19 comments] The impact of Uber and Lyft has not been a
20 10% drop in revenue. It's closer to 36% drop in
21 revenue for each individual taxi cab from 2011 up to
22 today. Adjusted for inflation that's a 44% drop in
23 revenue. What we are seeing is that at the end of
24 the year owner-drivers end up in deficit of an
25 average \$30,000. Almost every single penny they earn
behind the wheel, on the meter goes entirely to

3 either operating expenses of back to the state in the
4 form of the taxes or back to the city for the
5 improvement funds. Almost none of is left over for
6 them to spend on for their cost of living for their
7 families, and so at the end of the year their
8 averaging a deficit of \$28,000. People are dying in
9 debt. They're maxing out credit cards as cash flows
10 to go week to week, month to month sometimes day to
11 day because they don't have enough revenue even after
12 working 60 to 70 hours a week. They're going from
13 working six days to now seven days. We have so many
14 members who are now in their late 60s and early 70s.
15 They expected to retire. Some of them have retired,
16 and they had to come back to work and drive behind
17 the wheel, one of the hardest jobs in the United
18 States of America where a worker is 30 times more
19 likely to be killed on the job, 80 times more likely
20 to be robbed on the job. They have, you know, some
21 of the highest levels of stress and physical pain of
22 any occupations in the U.S., and in their 70s when
23 they finally thought they were going to be able to
24 retire after serving the streets of New York for 40,
25 30, 25 years of their life, almost the entirety of
their adult life. They're back to driving and that is

3 absolutely criminal. It is criminal. Every single
4 person in the city of New York should feel a deep
5 shame when you look in that taxi and you see a man or
6 a woman in their late 60's and 70's back behind the
7 wheel because they're retirement was stolen. It was
8 literally taken out of their hands. It was stolen
9 from them with any warning. There was no time for
10 preparation for themselves or any member of their
11 family. I want to ask the David Yaskies (sp?) and S.
12 Winnie Chabricks (sp?) and the Andrew Cuomos of this
13 world, I want to ask the Gene Friedmans an the Mr.
14 Mursteins of this world, did Dorina Nutesku (sp?)
15 whose husband spent his entire adult life driving
16 with his medallion so he could have a retirement in
17 case God forbid he passed away for his wife of over
18 40 years? Did--did they understand what they cause
19 that family? She had nothing left for herself. She
20 gets less than in the Medallion per month from the
21 broker than what she pays to the bank and she's one
22 of the luckier ones because she has less than
23 \$200,000 on that loan. We know of members who have
24 \$90,000 left on their loans, they're paying mortgages
25 of \$3,000 a month. That's unacceptable, and how
dare--how dare these--these lenders and these credit

3 unions Melrose, Lantos, Progressive, Montauk, Bay
4 Ridge, Mega, they all have to answer. How dare they
5 continue to sell the Medallion to a predominantly
6 immigrant workforce who they left penniless while
7 behind closed doors they make plans to exit the
8 industry. All of these forces in private capital and
9 in government they not only look to jump the ship and
10 go into a private yacht, but they left that ship with
11 holes when they pulled out the oars from the side and
12 they left it sinking, and that's the crisis we are in
13 today. We have also found that on average--

14 CHAIRPERSON RODRIGUEZ: [interposing]

15 Sorry. If you may summarize, please.

16 BHAIRAVI DESAI: I will summarize. We've
17 found on average that not only is the deficit at the
18 end of the year close to \$28,000 for owner-drivers,
19 but also we have found that the average Medallion
20 expenses are \$5,003. The average Medallion payment
21 alone is \$2,800. The City Council needs to establish
22 a permanent task force that is going to establish the
23 current value of their Medallion. Any loan amount
24 that is above that value must be forgiven first and
25 foremost. [applause] Must be forgiven. Two more
minutes. One minute. Secondly, there needs to be a

3 cap on the mortgage. You should not have tot pay
4 more than \$900 a month on the mortgage of that
5 Medallion. We need a retirement fund for all
6 drivers, and we need an immediate payout to our older
7 drivers who are seniors who we love and for whose
8 labor and sacrifices we are grateful for having
9 served this city. They need to be able to retire
10 immediately with dignity, and the city needs to
11 ensure that. The City Council Task Force needs to be
12 authorized by law to oversee this current crisis,
13 become a permanent task force fully authorized to cap
14 prices, mortgages and freeze sales when necessary.
15 Stop the predatory lending practices, require credit
16 review, band concession of judgment, ban interest
17 only payments, require attorney review of agreements.
18 Financial clinics are not enough. Provide free legal
19 representation for every individuals owner-driver to
20 go through bankruptcy and other proceedings to
21 negotiate loan modifications and come up with a
22 longer term solution and continue to regulate first
23 time regulate the entire industry as a whole
24 including those that are being bank-bank rolled by-by
25 Wall Street, the same forces that work hand-in-hand
with the very Administration that oversaw and

3 encouraged this crisis that we're in today. Thank
4 you.

5 CHAIRPERSON RODRIGUEZ: Thank you, thank
6 you. [applause] Thank you and because of the
7 important role that you've been playing in standing
8 for the drivers we extended the time. For the rest,
9 you're going to be put on the clock in three minutes.
10 Thank you. [background comments/pause]

11 MUHAMMAD DUA OLIYU: Hi. Good morning.
12 My name is Muhammad Dua Oliyuu (sp?) and I just want
13 to go straight and say what's going on in the
14 industry is not American. It's not New Yorker. I
15 can't even say--it's not humane. It is brutal. I
16 don't know how to describe what's going on here.
17 That being said, I came from West Africa in 1993 to
18 America. This is the land of opportunity. This is
19 the land of dream, and I took advantage of it. When
20 I came here I was working in the warehouse as a
21 helper until 2001 a friend of mine talked me to drive
22 the Yellow Industry, which I did, and then there was
23 an option--option in 2004. I heard of it and another
24 friend of mine say you can get a Medallion, which I
25 did, and this is what--this was my dream, and it was
going nice and fair and beautiful, and this was

3 America, the land of opportunity and dreams, and I
4 was living it until 2007 I got my house here in the
5 Bronx in my community. It's not many of us that have
6 a—that own a house. So, everything was fine, and
7 then now come 2010, then the dream start getting bad,
8 slowly and slowly. I have four kids. One is
9 mentally ill, and then I got three kids one is a
10 girl. She's five years, a two-years old and other 7
11 months old. I'm working—I'm doing everything for
12 them, and now today everything is taken away from me.
13 I do not understand what's going on in this city.
14 This is not New Yorker. We don't do things like this
15 in this country. We're American. This is the
16 country of our immigrants. I do not believe. This
17 is not for us, as we're lining these up by scent of
18 immigrants. (sic) Whatever is going on right now
19 will happen. There is so much injustice. I don't
20 believe people—people are looking the other way.
21 That's unbelievable. So, today I'm calling on you to
22 have mercy on us. We are immigrants. We came here
23 and we're American. We're part of the system, and we
24 want to live and we believe in this. I owe more than
25 \$700,000, and today I when I check my Medallion value
it's less than \$100,000. I work seven days a week

3 when I drive I don't even know where to go find a
4 job. I owe so much. I net \$54,000 a year minus
5 \$54,000. I don't even know how to get out of this
6 debt. I think there the only way out is for you to
7 make it straight, to make it American, to make it New
8 Yorker, to make it the way it's supposed to be.
9 Until then, do not be surprised when you get nine
10 people thinking about suicide that had suicide.
11 Every single day, every single hour I'm thinking
12 about taking my own life. I think about suicide.
13 The only thing that stops me is my four kids because
14 is mentally ill and the other ones they're very
15 little. So, if I do so, what's going to happen to
16 them? Otherwise, I don't want to live, and we
17 learned that today, and I'm proud of it being a meal
18 owner today, and you guys are trying to take that
19 away from me. It's not acceptable. I'm calling on
20 you please, please have mercy on us. Help us. Thank
21 you. [applause]

22 SERGEANT-AT-ARMS: Quiet, please.

23 ISIA AKYEKE: Good afternoon. My name is
24 Isia Akyeke. I came from this country in '97. On
25 2006 under auction that a New York Taxi Medallion, I
buy it, \$396,000. After 2014, this thing is pretty

3 bad to me. When the price is going up, Mega-not only
4 the Mega the World Trade, Melrose everybody is
5 calling to us to take out the money from the
6 Medallion. I take out the money from the Medallion
7 on 2014. So, the billing total is okay, but it
8 should be over after three years May 1, 2017, but
9 when the loan is over, I try to negotiate it with
10 them. They say it's not possible, and after six
11 months later this is my Medallion without any
12 portion. At the same time, I found that they charge
13 \$3.75 but the bank charged me \$350. I negotiate and
14 tried two of them. At the same time I am very sick.
15 Suddenly the switch my Medallion without any portion.
16 I pay on time. This is the Medallion, November 2017,
17 but I discharged from the hospital November 2017, and
18 after this I have letters (sic) to me. I cannot work
19 for two months, and after this they put the loan for
20 three years at New York Community Bank, but at the
21 same time I found that the make-the New York
22 Community Bank is paying to Mega Funding \$6,058--
23 \$658,000, but I don't know yet. I don't want to do
24 that. They push me to do it, and on the pretty
25 Credit Board, the history is not over there that they
are lending you the money. On 2019 March, I go and

3 try to negotiate with them that look I cannot do the-
4 my business because this is going-the monthly payment
5 is too high. They offer me, you have to buy the
6 other Medallion because it has two partners, and both
7 of them is the call literal (sic) and the interest
8 you have to pay on for the parts and for two years.
9 I have a lot of debt. I buy the house on 2015. I
10 have little income from the house for the rent, but I
11 have the expense. I have three child, me and my
12 wife, my father and mother live with me. Whatever I
13 make the income of 2018, the cash is going to the
14 \$11,971 and the credit card is \$37,000. On the
15 credit card it should have the \$3.75 charge then on
16 top of that. So, after the route I'm shown, I cannot
17 afford it. I tell them do something. They cannot
18 want to do it. The million financing and the other
19 interest liability I cannot afford it. The Mega
20 Funding and the other-

21 SERGEANT-AT-ARMS: [interposing] Quiet
22 please. Turn off your cell phones.

23 GOLANIS YEK: --Mega Funding and the other
24 New York Community Bank they push us. If you are not
25 doing that, we will take your house and the
Medallion. Then what I do? I am the immigrant.

3 Then I have to go to the street with my three-three
4 children? [bell] Everybody has the same problem.
5 Everybody gets all the money, buy the house and we
6 are set. This again they're idiots. [pause]

7 CHAIRPERSON RODRIGUEZ: Thank you.

8 GOLANIS YEK: Yes. [applause]

9 CHRISTIE PEALE: Good morning. My name
10 is Christie Peale. I run the Center for New York
11 City Neighborhoods. Thank you Council Members Torres
12 and Rodriguez for inviting me here today. The Center
13 promotes and protects affordable homeownership. We
14 were founded by a group of city government officials
15 and philanthropy including the City Council back in
16 2008 to address the foreclosure crisis. It's worth
17 asking what a housing agency is doing here at a Taxi
18 Medallion hearing. We're here to remind us all of
19 the parallels between the Taxi Medallion net prices
20 and the foreclosure crisis, and also to remember what
21 we are able to do collectively at the city to respond
22 to that. So, the—the parallels are—are many. Not
23 only were there a series of brokers peddling
24 unaffordable loans to homeowners during—in the run-up
25 to financial crisis we see that in the Medallion
crisis as well. There—I lay out a couple of others

3 in my written testimony. It's kind of short. I'm
4 going to try and be quick. But another important
5 parallel is that the majority of New Yorkers who were
6 harmed—harmed in both circumstances are people of
7 color. Members of these communities have
8 traditionally been excluded from means of building
9 wealth through homeownership and access to small
10 business capital. So, it's doubly cruel that these
11 New Yorkers have been denied safe and fair financing
12 to pursue both or either. So, quickly so lessons
13 that we learned and some recommendations and to
14 address your point, this is how we can do it in New
15 York. Since 2008, the Center with funding from the
16 Council and the Administration We've not only
17 responded to the foreclosure crisis, but we responded
18 to Hurricane Sandy, and we represent a network or
19 housing counseling and legal services groups, and we
20 really—we have the chops (sic) to be able to respond
21 to discuss this as well collectively as the city.
22 But one of the most important things that we need to
23 do immediately is, you know, put borrower protections
24 in place and make sure the borrowers have access to
25 free legal services like Bhairavi mentioned. It's
really important that we get into the—the loan

3 documents. We understand the effect patterns and the
4 issues that were happening to a greater degree so we
5 can begin to make sense with some policy changes at
6 scale. Most notably, 1605 requires an assessment of
7 a borrower's ability to repay. Obviously, this is a
8 fundament tenant behind the Dodd-Frank Rule and the
9 forming of the Consumer Affairs—production of CFEB.
10 Obviously, there's a lot of concern about the way
11 these—these loans have been classified as business
12 loans when they require so much personal debt, and
13 there are no consumer protections here. So, that's a
14 huge issue. We need to provide the lease stabilizing
15 (sic) on Medallion owners. We can do this in many
16 different ways. We can provide individuals loan
17 restructuring services just like we did in the
18 foreclosure crisis. We want to be able to sit down
19 and evaluate the individual financial circumstances,
20 and the legal rights and remedies that might already
21 exist, and if they don't exist, you know, it helps us
22 go to Albany and make changes to really, you know,
23 get the—some changes in place. For example, we had
24 to entirely rewrite the Mortgage Servicing Rules.
25 [bell] Oh, my gosh. Okay, principal reduction is—is
critical. You can do the loan by loan approach. You

3 can do a pooled approach by buying the loans and—and
4 a sale passing the benefit of—of the purchase price
5 onto the borrower, and direct financial assistance is
6 also a way to help borrowers by giving a 0% loan that
7 can help bring them current if you can't restructures
8 a loan. But there are two other really important
9 points I want to make. First of all, we must act
10 quickly. Time is not on our side in this case. It
11 was time was our greatest enemy in trying to combat
12 foreclosure crisis. Every day a borrower gets
13 further in debt, and it makes it harder for us to
14 help them, and secondly we really must engage an
15 activist regulator such as the Attorney General. We
16 cannot do any of this without DFS and the AG either,
17 you know, either we're changing our laws in Albany
18 and really enforcing them or really calling on our
19 regulators to enforce the protections that may be in
20 place that we haven't discovered yet. So, also the
21 city, the City Council and the Administration and all
22 of us, it's going to take a tremendous collective
23 role on our part to get the NCUA here, and to get the
24 credit unions here, and I really just can't emphasize
25 that enough. It was so difficult for us to get the—
the banks to negotiate with our borrowers in good

3 faith in the State Mandated Settlement Conferences,
4 and we don't have that kind of structure here. So,
5 we really do need to get the credit unions to the
6 table, and--and the debt owners to the table to
7 renegotiate with these borrowers. So thank you to--
8 [bell] [laughs] I missed a couple of other points,
9 but thanks for this opportunity. [applause]

10 CHAIRPERSON RODRIGUEZ: Thank you and we
11 know that your story represents the story of
12 thousands and thousands, 6,000 individuals Medallion
13 owners, the thousands of drivers also that they're
14 renting, that they're leasing. So, as you know,
15 we've been working for years trying to address this
16 crisis that we know, as I said before didn't happen
17 overnight. So, your presentation here will help us
18 to get the Administration to answer some of them, but
19 before we call the Administration some of our
20 colleagues they have some questions. Council Member
21 Levine.

22 COUNCIL MEMBER LEVINE: Well, thank you
23 so much, Mr. Chair. That was--that may have been the
24 most powerful opening to any hearing that I've ever
25 heard, and I--I want to thank Mr. Oliy and Mr. Isia
Akyeke for your bravery and speaking out today and--

3 and your—your raw emotion, and the powers of your
4 story were very important to get on the record, and
5 they reflect the experience of thousands of other
6 drivers who are suffering because of actions that New
7 York City government took. That is the reason this
8 hearing is being held today, and we owe you
9 accountability, and we are in search of it today, and
10 I'm confident that will emerge. We also owe you
11 relief. It's not enough to make sure this doesn't
12 happen again, because thousands of families are
13 already suffering because of this scandal. The moral
14 debt remains unpaid while you continue to labor under
15 this crushing debt, and we need to look at dramatic
16 solutions from Medallion buy-back to purchasing
17 mortgages to putting the full legal force of city
18 government behind your negotiations with banks that
19 are refusing to negotiate in good faith with you and
20 a variety of other measures. I'm wondering whether
21 perhaps Ms. Desai because I know you thought about
22 this deeply whether your can recommend the course of
23 action that you think would bring the most direct
24 relief, and that is the most practical at this time.

24 BHAIRAVI DESAI: Well, really it's
25 everything that you've just outlined, Council Member

3 Levine. I mean I-I think that, you know, we've been
4 writing hardship letters to banks as in filling out
5 applications. There's been very slow progress to
6 date. So, certainly to being with I think that the
7 city government needs to bring all of the lenders in
8 and, you know, put pressure on them to modify these
9 loans, and really the main thing for us is it--the
10 real Medallion value at the moment has to be
11 established, and any outstanding loan balance above
12 it has to be forgiven. You know, owner-drivers
13 should not be carrying that lifelong debt, you know,
14 forever. I mean you're seeing some contracts right
15 now million dollar loans that are 50-year terms, and
16 they're being written to individuals who are in their
17 40s, right. And so, you know, we--and we need the
18 city to really consider some sort of a joint
19 partnership where perhaps between the city and the
20 bank the burden--the financial burden of debt
21 forgiveness needs to be shared.

22 COUNCIL MEMBER LEVINE: I'm sorry to
23 interrupt only because time is short and I-I totally
24 agree with everything you're saying. Could you
25 clarify again what you think is the actual value of a
medallion today, and what you think a reasonable

3 monthly payment, a debt burden is today based on the
4 actual income and expenses of owner-drivers?

5 BHAIRAVI DESAI: I mean I think in terms
6 of the value I don't want to lend to this situation,
7 but I will say that some-what we see is that it would
8 be between like \$150 to \$200,000, but there needs to
9 be a task force that scientifically and responsively
10 establishes that value, and without a doubt the
11 monthly mortgage should not be more than \$900, and I
12 just want to remind you that based on our-our
13 analysis that if given that the outstanding debt's
14 yearly debt that families are in is-is about \$28.000
15 a year. If the mortgages are brought down to \$900 a
16 month debt will get wiped out and they can be kept
17 whole, and so that amount needs to be capped.

18 COUNCIL MEMBER LEVINE: Thank you to this
19 panel and thank you to the Chairs.

20 BHAIRAVI DESAI: Thank you.

21 CHAIRPERSON RODRIGUEZ: Council Member
22 Lander.

23 COUNCIL MEMBER LANDER: Thank you to the
24 Chairs and thank you to this really exceedingly
25 powerful panel. Thank you to the Taxi Workers
Alliance for the organizing, and I also want to thank

3 Brian Rosenthal in the Times for the reporting that
4 is four star attention to this issue. I really want
5 to drill down a little more on this question of what
6 the city can do right now to provide relief to the
7 set or people who are under this crushing debt. I
8 hope we can find a way to force debt right down, but
9 I know that we can do something to work out the kind
10 of public-private partnership that the Center for New
11 York City Neighborhoods and the housing community has
12 done in foreclosure relief. So, I just want to
13 sketch out one version. Let's say for a minute that
14 they're currently worth \$200,000, and let's say that
15 there's, you know, an average debt outstanding of
16 \$700,000 on them just for today's purposes so we've
17 got that kind of \$500,000 gap. I hope we find a way
18 to, you know, the task force to establish the value,
19 and I hope we find a way with the Attorney General
20 and some others to force lenders to the table, but
21 I'm also will to have the city put some resources on
22 the table because the city bears substantial share of
23 the—of the blame and harm here. It seems to me
24 pretty straightforward that if the city put a
25 \$100,000 up and said we'll buy those \$700,000
mortgages for \$300,000, the \$200,000 they're worth

3 plus \$100,000 in subsidy that the city is going to
4 put out. Obviously those lenders are in some ways
5 getting over on us by getting \$100,000 more than the
6 Medallions are worth, but at least they'd have to
7 crush \$400,000 on average of that debt, and then we
8 could rewrite mortgages to those owners from this new
9 public-private entity for the \$200,000 those that are
10 worth, you know, well regulated way with like a soft
11 second mortgage as we've done so often in housing
12 that evaporate over time or, you know, be there to
13 make sure that those things are kept in place, and
14 drivers would have a sustainable mortgage, and we'd
15 have a way out of this crisis that we could do soon
16 whether or not we can find a legal pathway to crush
17 that debt, and even as we establish a new regime
18 going forward. Does something like that make sense?
19 What do you see as the barriers to it, and shouldn't
20 we in addition to the good legislation that's on the
21 table today move forward as quickly as we possibly
22 can to get that established?

23 BHAIRAVI DESAI: I'll-I'll just say very
24 quickly, Council Member Lander that are banks who
25 will—who foreclosed on Medallions, right, and then
they turned around and resold that same Medallion for

3 \$150 to \$200,000. Why couldn't they have just
4 forgive the loan on the individual who made the down
5 payment and paid that mortgage for years and years?
6 So, you are absolutely right, you know, that all of
7 that can be done. It should be done, and that these
8 banks they're—they're finding ways to do it when it
9 suits them. We need to force them to do it, you
10 know, for the benefit of all of the individuals that
11 have already invested hundreds of thousands of
12 dollars into these Medallions.

13 COUNCIL MEMBER LANDER: And I so hope we
14 can, and if I get started on how I feel about these
15 lenders, my head is going to explode, but I don't
16 want to run the risk also of us holding out the idea
17 of lender accountability like that someone is going
18 to go to jail or be forced to do the right thing,
19 which we know they're not going to, and try to do
20 that for 10 years and have that prevent us from
21 taking collective action now to do something to help
22 the drivers. I know that's not what you're saying,
23 but I—I worry a little that if we only focus on
24 accountability, we will fail to come up with a real
25 approach to relief, and I just—I know you feel that,

3 and your drivers feel it, and we feel it. We must
4 find a way to do both.

5 CHRISTIE PEALE: So, so if I may. Sorry.
6 I'm going to step on your— The—the Council has
7 already done this, right? So, the Council was the
8 first money in to the Community Restoration Fund,
9 which helped a consortium of not-for-profits with the
10 City backing by distressed FAJ debt directly from the
11 government as well as to buy some distressed Fannie
12 and Freddie Notes. I'm sorry, just Fannie notes. So,
13 you know, we have the wherewithal and, you know, it's
14 very possible to determine what sort of a fair price
15 to pay is on the city side, and put it on the back
16 end as a soft bucket in the possibilities that the
17 market might up. But, just another point, the market
18 knows what these Medallions are valued, right, to
19 study this point, you know, if—if distressed debt
20 buyers are buying Medallions out of foreclosure
21 that's the value, right. What we struggled with in
22 getting the banks to do—control collection
23 modifications during the crisis as a modification
24 today means that writing the debt down and carrying
25 it on their books. They would much rather sell—the
banks. I don't know about the—with mortgages. They

3 would much rather get rid of that debt, take the loss
4 and be done with it rather than to carry it on a
5 devalued basis. So, I think a distressed debt
6 purchasing model especially on a pooled basis where
7 you could get the benefit of it on a counting (sic)
8 scale would really make the most sense here. You
9 know, otherwise again, you're just kind of fighting
10 on a loan-by-loan basis, which we're going to have to
11 do anyway, but to be able to purchase a debt on math
12 like that I think would be a really smart idea.

13 CHAIRPERSON RODRIGUEZ: Thank you. We—as
14 you know, we've been working with this for years
15 already, we have our responsibility. You know, we
16 cannot—we are against the clock.

17 CHRISTIE PEALE: Uh-hm.

18 CHAIRPERSON RODRIGUEZ: Any time, any day
19 that we lose a life of a good working New Yorkers is
20 the shame of us, and I'll also say we know that all
21 human beings are at some point go through a breaking
22 point, and having your four children there, as you
23 know, as the only motivation in the strength that you
24 find when those feelings go—go through your head,
25 continue being strong because, you know, as you we
know we don't have choices when we have children in

3 front of us we don't have choices more than to stand
4 there today. How common is, as you will speak to
5 other individual Medallion owners a conversation
6 about the rest of your friends not being able to
7 handle it and—and going through a tough situation?

8 MUHAMMAD DUA OLIYU: Thank you, once
9 again, Council Member. This give us placement. I
10 have a friend I think maybe 6 of 7 months ago he lost
11 his Medallion. I have to talk to him day and night
12 don't take your life. He's a very young man and that
13 he worked very hard. He worked deeply hard, but he
14 never want to give up the Medallion, but for whatever
15 reason he has a—he has to hospital. He has a heart
16 attack. I told him don't you push too much, but when
17 I take him out of, you know, he went back on the
18 street because he don't want to lose his Medallion
19 because of his family. And I have another one right
20 now he doesn't even know what to do. He did
21 everything. He put money into the sum to go to
22 college. They kid is about to finish. He has to go
23 back to NYU. He push and he push and, in fact, he's
24 now finding no way out. So, we hold beyond big bill,
25 big debt. We don't even know what to do, and my
story is just like many of my friends that they are

3 the same way. We are really struggling. We have not
4 been able to pay our bill, and then it's very
5 stressful and then whatever I'm telling you about
6 suicide I know it's not really you, it's our life,
7 but believe me, every single day, every time I go on
8 the street from Upper West Side all the way to
9 Downtown where I don't find a job, I think about
10 taking my life. I really do. The only thing that
11 stops me until now is my kids, because I cannot
12 believe what's going on in the industry. It's not
13 possible. What's going in the industry, no way. It's
14 not possible. This is not America. This is not how
15 America treats its people. America don't treat its
16 people this way. The only thing that come up of my
17 mind is a matter of fact, give me grace. That's the
18 only reason. That's only excuse for this to happen.
19 Otherwise, this won't happen. Therefore, I want you
20 to go the way America treats its people such as in
21 New York. This is New York City. This is the
22 immigrant city. This is our city. This is our place,
23 and we're here forever. Therefore, please once
24 again, look after us. Please have mercy on us. We
25 belong here even if we're immigrants, we are
American. We belong here. Please look after us. The

3 trouble is big. The debt is huge. We can't--there's
4 no way. I make \$54,000 a year. How am I going to
5 get out of this? This is every year you guys serve
6 here. How am I going to out of this thing? I don't
7 know. I have to pay my mortgage further out. I'm
8 not going to lose it. If I lose my house, I'm
9 killing myself period because my house is now for my
10 children. They're going to go to school. The
11 fellowship (sic) is going to save our house. I'm
12 going to do anything I can. If I fail I kill myself,
13 period. It's not--I'm not going to care for--for
14 somebody for life. This is what I believe. If I do
15 lose my house, I will kill myself because my house is
16 for my children. [cheers/applause] And my house is--
17 that's my children. That's my children, and I'm not
18 going to play with that. I'm not messing around. I
19 work hard seven days a week. No less than hours a
20 day. There is no way to find a job. There is
21 nowhere to find a driver. There is no way to find
22 anything.

23 CHAIRPERSON RODRIGUEZ: Thank you.

24 MUHAMMAD DUA OLIYU: Thank you, sir.

25 CHAIRPERSON RODRIGUEZ: And--and we know
that what you are describing is not only--it's not

3 something unique. It's not only about your
4 situation. We know because very often we get the
5 email. We get a phone call, and I know that sitting
6 here in this room we have others that they've been
7 dealing with the same situation that is holding us as
8 much as it can, but we are committed to work, and
9 that's why also the package of bills that we also are
10 discussing today are bills that we hope again that
11 working together we can expedite as soon as possible
12 working with the Administration to put a solution to
13 that crisis. So, with that, thank you, and now we're
14 going to be calling the Taxi and Limousine Commission
15 who they will come and testify.

16 MUHAMMAD DUA OLIYU: Thank you.

17 CHAIRPERSON RODRIGUEZ: Thank you.

18 CHRISTIE PEALE: Thank you. [background
19 comments/pause]

20 CHAIRPERSON RODRIGUEZ: So, let me also
21 acknowledge that we've been joined by other Council
22 Members Rivera, Powers, Richards, Reynoso, Kallos,
23 Yeger, and now I have the Committee Counsel to
24 administer the affirmation, and then by the TLC, the
25 TLC Commission. I'm sorry, the TLC representatives to

3 deliver their opening statement. [background
4 comments/pause]

5 CHAIRPERSON RODRIGUEZ: So, we've been
6 joined by William Heinzen, Acting Commissioner, Taxi
7 and Limousine-

8 SERGEANT-AT-ARMS: [interposing] Keep it
9 down please.

10 CHAIRPERSON RODRIGUEZ: --and Christopher
11 Wilson, Deputy Commissioner of Legal Affairs. Thank
12 you for your services and, you know, it's a tough day
13 for all of us, and I know that nothing here is
14 personal, but it's about addressing the crisis that
15 we are committee all together to put a solution.

16 LEGAL COUNSEL: Please raise your right
17 hand. Do you affirm to tell the truth, the whole
18 truth and nothing but the truth in your testimony
19 before this committee, and to respond honestly to
20 Council Member questions?

21 ACTING COMMISSIONER HEINZ: I do.

22 CHRISTOPHE WILSON: I do.

23 LEGAL COUNSEL: Thank you.

24 ACTING COMMISSIONER HEINZ: Good morning
25 Chair Torres, good morning Chair Rodriguez and
members of the Oversight and Investigations Committee

3 and members of the Transportation Committee. My name
4 is Bill Heinzen. I'm the ACTING Commissioner of the
5 New York City Taxi and Limousine Commission, and I
6 want to thank you for inviting me today to testify
7 about the Medallion crisis, about TLC's regulation
8 and licensing of Medallion Taxicabs and to share
9 TLC's views on the legislation that is before us
10 today. With me today is Chris Wilson, who is TLC's
11 Deputy Commissioner for Legal Affairs. The first
12 thing I want to say today is that the testimony that
13 we just heard from Mr. Oliy is unfortunately
14 testimony that is common rather the sentiments are
15 common to everyone who works at the TLC. Everyday
16 TLC employees interact with members—with drivers and
17 other licensees. Every—certainly on a regular basis
18 every employee interacts with them. Daily people do
19 in Licensing and Inspection and External Affairs. I
20 meet with them on a regular basis. We have hearings.
21 We have TLC Commission hearings. We hear the pain on
22 a regular basis. We do hear it. It does affect us
23 very deeply these stories and all of the stories that
24 we've heard and the pain that the families are
25 feeling it can be—speaking for myself it has at times
when—when I have heard the driver has killed himself

3 or herself it is devastating. It-it can be
4 overwhelming. I know from my own experience of
5 suicide that it is perhaps the worst thing that can
6 happen to someone and the worst thing that could
7 happen to a family. I would say that anyone who
8 thinks that they are doing their children a favor
9 because people will be better off without them is
10 wrong. I would encourage you to immediately seek
11 assistance. We have people here today who can help
12 you, but obviously the city has a wide range of
13 mental health services through Thrive. I want to
14 talk today about the TLC's mission, which is to
15 ensure safe, accessible and reliable for-hire
16 transportation options to every New Yorker in every
17 neighborhood. Under this Administration New York
18 City has become a national leader in the regulation
19 of for-hire transportation through innovative ways to
20 measure and control the impact of the app companies
21 to ensure that passengers with disabilities have
22 access to full range of for-hire transportation
23 services to make sure that drivers have a voice and
24 that they are heard and to provide economic
25 protections for drivers that have yielded real
victories for workers who have suffered and it

3 categorizes independent contractors not entitled to
4 the full range of employment benefits in today's
5 economy. Much of this progress has been made in
6 partnership with you, City Council. We have been
7 asked by City Council to shorten our testimony, which
8 I would say is something that in 15 years of
9 preparing for hearings I've never been asked. I've
10 never heard of. I thought it was hearing. However,
11 we will shorten that testimony in order that other--

12 CHAIRPERSON TORRES: [interposing] It's
13 because of that--

14 ACTING COMMISSIONER HEINZ: -- drivers can
15 be heard.

16 CHAIRPERSON TORRES: Commissioner, I just
17 want to--it's unusual to have 17 pages of testimony.
18 So, in the interest of time that's why we've asked
19 you to summarize.

20 ACTING COMMISSIONER HEINZ: This is an
21 oversight hearing on a serious issue restoring trust.

22 CHAIRPERSON RODRIGUEZ: Commissioner, how
23 long would that--would that you to read the testimony
24 as you have the original?

25 ACTING COMMISSIONER HEINZ: I would think
10 minutes.

3 CHAIRPERSON RODRIGUEZ: Okay, read it.

4 ACTING COMMISSIONER HEINZ: Much of the
5 progress that we have made to help drivers has been a
6 direct result of the partnership between the
7 administration and the City Council. Under the
8 Charter, the City Council obviously has an oversight
9 role over all city agencies including the TLC, but to
10 a greater extent and with many other agencies the
11 Council's relationship with TLC is larger than just
12 oversight. Council plays an important role in
13 setting the agencies' regulatory priorities. TLC has
14 nine commissioners appointed by the Mayor, with the
15 advice and consent of the Council. One of them
16 serves as Chair. Of these nine, the City Council has
17 a direct role in the appointment of five
18 commissioners. In other words, the majority of the
19 Commission each of whom resides in one of the city's
20 five boroughs and must have the support of the
21 Borough Delegation before nomination by the Mayor and
22 confirmation by the Council. We regulate the industry
23 through rule making, which we do at regular meetings
24 according to the Citywide Administrative Procedure
25 Act. The Council also regulates the industry by Local
Law and you have often required us to not only set up

3 priorities, but you've often required us to do
4 specific rulemaking. In this way, the Council has
5 created specific categories. You've set penalties
6 for violations—violations of these, and you've
7 authorized the sale of Medallions at times. The
8 Council has also ordered studies in task forces to
9 address and measure issues it finds to have a
10 critical impact on the city's for-hire industries. In
11 the past year the Council has required us to set up
12 an Office of inclusion, which we've done to offer
13 driver assistance services, which we did, and which
14 we have deepened to study the impact of the for-hire
15 vehicle industry on congestion and driver income
16 citywide and to come up with solutions for that,
17 which we've done. So during regular hearings through
18 legislation and in meetings with individual members,
19 the Council has always made clear to the TLC it's
20 preferred priorities for this agency, and you let us
21 know when you think that we've got something wrong.
22 But our TLC Regulatory authority does have limits.
23 We write license and regulate Medallion owners. We
24 do not regulate the lending industry including banks
25 and credit units who wrote, refinanced, and hold
Medallion loans. We do regulate persons and entities

3 have played a role in connecting buyers with
4 Medallion sellers and, therefore, under Mayor de
5 Blasio's direction TLC and Department of Finance and
6 the Department of Consumer Affairs have undertaken a
7 45-day review to under—to evaluate the role that
8 brokers played in the Medallion crisis to identify
9 the brokers' conduct and to consider new, more
10 stringent regulations that can identify and prevent
11 potential conflicts that may put Medallion buyers and
12 sellers at a disadvantage. The TLC now licenses over
13 205,000 drivers and 135,000 vehicles who safely and
14 reliably transport over a million passengers a day.
15 The Taxi Medallion, as Ms. Desai said, was create in
16 1937 by the Haas Act. It conveys exclusive the right
17 to pick up street hails throughout the five boroughs.
18 The city—the Haas Act set the number of allowable
19 taxi licenses when it created the Medallion system.
20 It also allowed for the transfer of Medallion between
21 owners, and this transferability combined with the
22 limit on the overall number of Medallions is core to
23 the market value of the Medallion. The city may
24 auction up new Medallions only after State or City
25 Council authorization. For many years the number of
Medallions has remained consistent at 11,787, but

3 since 1996 when the Council approved the first modern
4 option the 400 new Medallion licenses, these sales
5 have raised the number—raised the number of licenses
6 to 12,000. Through subsequent auctions that number
7 has increased and today the number is 13,587. That
8 most increase came about as a result of the 2012 Hail
9 Law. The Hail Law was the state law that was done in
10 response findings that the existing taxi cab system
11 in New York City did not have sufficient capacity to
12 serve citywide and did not have a sufficient number
13 of wheelchairs accessible vehicles. At the time,
14 there were 233 wheelchair accessible vehicles. Today
15 there are ten times that many. So, those options
16 were scheduled. They did occur. They occurred in
17 2013 and the early parts of 2014. Although by 2014
18 Uber, Lyft and Juno had begun operating in New York
19 City, the app's initial growth was, in fact, slow
20 until around 2015. While the TLC lacked the
21 authority to limit the number of for-hire vehicle
22 licenses they have always operated subject to the
23 city's for-hire vehicle licenses, and I really want
24 to underline this because this is something we as an
25 agency and we as Council and the Administration and
we as a city should be incredibly proud of. Unlike

3 any other city we strongly and strictly regulate the
4 app companies here. This has taken time. Over the
5 years we have got to a point where we require more
6 data on-on trips and fare payment than any other city
7 not just in the country, any other city in the world.
8 We require the app companies to pay an actual living
9 income to their drivers. This is 85,000 drivers.
10 This was done in partnership with City Council
11 through Councilman Lander's legislation last year.
12 You required us to study. You required us to rule
13 make. We did both. We did and now app drivers,
14 85,000 of our TLC drivers have earned at least
15 \$172,000 in-in extra money. This is not done
16 anywhere else not just in the country, nowhere else
17 in the world. We heard often from the Medallion
18 industry, we heard at TLC the Administration heard
19 and I know you heard at City Council we heard often
20 that it wasn't fair that the apps had different rules
21 than the wheelchair-rather than the Yellow industry.
22 So, we've looked at those rules. In many instance we
23 have even and-and made uniform those requirements.
24 We've done that through rule. You've done that
25 through Local Law. We've worked together on doing
that so that the one big thing we heard was the app

3 companies don't have to provide wheelchair-accessible
4 service and we do. We agreed it wasn't fair for one
5 sector to have that responsibility and for one
6 sector, which had grown tremendously to over 80,000
7 vehicle to not have that responsibility. So, in
8 fact, we imposed that requirement. We heard often
9 from the Yellow industry that it wasn't fair, and it
10 wasn't right, but there was no limit on the number of
11 for-hire vehicle licenses for the app companies to
12 grow and grow and grow, and I know you heard that as
13 well. In 2015, we almost got there. We didn't get
14 there. That legislation didn't happen, but it did
15 happen in 2018. So, we've done that together. So, I
16 think, in fact, the TLC has made incredible progress
17 and has done—taken many concrete apps that are
18 designed to even the playing field to make sure that
19 all sectors are carrying their burden equally. So,
20 the increase in competition from the apps was not the
21 sole cause of the Medallion values decline, but the
22 eventful steep decline in the Yellow Taxi trips has
23 resulted in real economic loss as we heard earlier
24 and has impacted Medallion owners' ability to make
25 loan payments and to support the families, and sub
fare—fare box data demonstrates this when you look at

3 the revenue a driver takes home excluding taxes and
4 fees, the decline per cab is significant, and it's
5 well over the 10% that has been reported as Ms. Desai
6 said. This decline is only part of the story for
7 Medallion owners. Not only have they lost passengers
8 when they're driving their cab, they've also lost
9 lease income of second and third shift drivers who
10 previously leased cabs during those times when the
11 owners and drivers were not work. In evaluating how
12 this crisis occurred, and what more might have been
13 done to help the traditional for-hire industries, it
14 is important to look at the role of TLC, but it is
15 also important as—as the witnesses before me have
16 testified to look at the role of the large Medallion
17 owners who impacted the market, the banks and the
18 credit unions who financed and refinanced Taxi
19 Medallions and the financial regulatory agencies with
20 oversight of those institutions. Medallions sold at
21 auction do represent a portion of all Medallions
22 purchases, but as mentioned previously, because the
23 Haas Act made Medallions meaning that they're an
24 asset that could be bought and sold, there was
25 created a secondary market for Medallions. The
purchase price of these private sales, as you know,

3 is subject to a city transfer tax, which is now .5%.

4 TLC is the agency that reviews and approves the

5 transfer of Medallions from one owner entity to

6 another whether that is by auction or the secondary

7 market, and this review consists of review of several

8 documents including information about the person or

9 persons who are buying the Medallion, whether they're

10 a human, whether they are officers, shareholders ,

11 partners or members. The purchasing party is subject

12 to a criminal background check. All parties to the

13 transaction the person who is selling, they're also a

14 licensee. They have also been submitted to a

15 criminal background check. What receive is a

16 commitment letter, which demonstrates that the

17 purchaser has the funding necessary that is a loan to

18 sell. What we have never received are the actual loan

19 documents that go into that purchase. We don't—we

20 don't look—we don't have the documents that a bank or

21 credit union had before it before when it determined

22 to make that loan. The power to oversee that lending

23 institutions in a set role—rules for evaluating those

24 to make loans for the terms of those loans or terms

25 of those—sorry. In order to make rules for the--or

the terms of those loans, guys (sic) would stay in

3 federal agencies. First the New York State
4 Department of Financial Services, as was earlier
5 testified is a primary regulator for all state
6 licensed and state charter banks, credit unions and
7 large bankers and brokers. All mortgage loan
8 services doing business in New York must be
9 registered and licensed. They—that department
10 investigates and prosecutes fraud and they work with
11 law enforcement and other regulatory agencies.

12 Another government entity with regulatory oversight o
13 the banks that held Medallions loans was the Federal
14 Deposit Insurance Corporation or FDIC an independent
15 federal agency that ensures deposits in U.S. banks.

16 In order to minimize lawsuits for the Insurance Fund
17 the FDIC accedes dominance (sic) and supervises the
18 process of all FDIC insurance financial institutions
19 for safety soundness. The deregulator with the most
20 power over Taxi Medallions loans and the only
21 regulator that direct—directly impacting the
22 financial scalability of many drivers today is the
23 National Credit Union Administration or the NCUA.

24 This is an independent federal agency created by
25 Congress to regulate, charter and supervise federal
credit unions. At the height of the Medallions

3 crisis credit unions held New York City Taxi
4 Medallions loans valued in excess over \$2.5 billion.
5 After the failure of three credit unions heavily
6 concentrated in the Taxi Medallion loans, Melrose
7 Credit Union, Lomto Federal Credit Union, and Bay
8 Ridge Federal Credit Union the NCUA Office of
9 Inspector General reviewed the actions of these
10 institutions, their boards and the NCUA's own
11 regulators to determine the cause of the credit
12 unions' failure and the resulting estimated 7--\$765.5
13 million loss to the National Credit Union Share
14 Insurance Fund, and also to assess the supervision by
15 the NCUA of the credit unions. In March of 2019, the
16 NCUA self-audit report found that the credit unions
17 failed due to deeply flawed lending practices, weak
18 board oversight, and risky management decisions. The
19 report found that credit unions often fail to do even
20 the most basic analysis of borrowers' ability to
21 repay the loan. These lending practices impacted not
22 only purchasers, but all Medallions owners. Set up
23 the short-term balloon loans, borrowers were required
24 to go to their lenders each time the loan became
25 fully due typically after three years to refinance
these loans for another term. At each refinancing

3 borrowers were made aware of the current value of
4 their Medallion on the market, and they were informed
5 that they could borrow against the equity in their
6 Medallion. In other words I believe that they were
7 encouraged to cash out of their loans, and to receive
8 immediate funds, which were, of course, added on top
9 of the principal they already owed, and were subject
10 then to a new interest rate. So, the growing value
11 of the Medallion led many hard working families to
12 borrow against the equity in their Medallion to
13 purchase a home for their family and to put their
14 kids through college. However, the result is that
15 today many owners we speak to regardless of when they
16 purchased their Medallion at what price owe as much
17 \$600,000 and in some cases more. Although loan
18 examiners for the NCUA documented these unsound
19 lending practices. The credit unions refused to
20 address the examiners' concerns. The reasons for
21 inaction were varied, but one fact from the report to
22 me I think illustrates the larger problem. After a
23 law firm was hired to perform an internal
24 investigation, they determined that the CEO of
25 Melrose Credit Union had authorized spending of over
\$1.3 million of Credit Union funds on sports tickets

3 for his friends and family over a five-year period.

4 Most troubling, however, were the findings the audit

5 related to the NCUA's inaction in response to loan

6 examiners' findings. That audit revealed that NUCA

7 was available to unsound lending practices as far

8 back as October of 2011. However, they took no

9 action until April 2014 only after the Medallions

10 market began showing signs of weakness when it

11 released the supervisory letter, which it was—it was

12 intended to establish a consistent framework for the

13 examination and supervision that field staff used to

14 review loans secured by Taxi Medallions, but instead

15 of calling for the lending institutions to work with

16 borrowers to right size loans to appropriate balances

17 that could be supported by their income, the guidance

18 called for the opposite. Specifically, NCUA

19 instructed the lending institutions to shorten their

20 amortization period if industry volatility was

21 evident or expected. For Medallion owners and

22 drivers this meant that as the value of Medallions

23 began to fall, the NCUA directed vendors to shorten

24 the amortization schedule, therefore, increasing

25 drivers' monthly loan payments. The NCUA is

particularly important here because it serves not

3 only as the regulator after having taking over
4 several of the credit unions active in Medallion
5 loaning, but also as the direct lender. Today, in
6 fact, the NCUA is almost certainly the holder of the
7 largest number of Medallion loans, and thus it is the
8 NCUA that is deciding whether or not to provide
9 financial relief to many of our drivers. Based on
10 our outreach to drivers it is the institutions that
11 are now controlled by them that have been the most
12 aggressive with drivers during this challenging
13 period.

14 CHAIRPERSON RODRIGUEZ: We understand.
15 Would you mind to summarize because you're like 20
16 minutes.

17 ACTING COMMISSIONER HEINZ: Okay. So
18 under former Commissioner Joshi and continuing today,
19 the TLC has regularly with lenders as well as the
20 NCUA to advocate for borrower relief. The TLC has on
21 a regular basis raised the concern about Medallion
22 loans and has urged Medallion loan lenders and the
23 NCUA to write down the loans and to allow people to
24 borrow in amounts and at rates that would allow them
25 to continue to operate, and to make payments on right
sized loans. I know that some lending institutions

3 are beginning to modify those loans but our driver
4 outreach tells that most have not received any relief
5 and for those that are, often the relief does not go
6 far enough. I hope that together we can continue to
7 advocate for lenders to right size these loans and
8 for the regulators to require that they take these
9 steps if they refuse. Writing down loan principals
10 to a level supported by the income a driver—a cab
11 driver actually earns would provide immediate relief
12 to drivers as well as stability to the Medallions
13 industry. As I mentioned—as I mentioned in my
14 written testimony, we have take several steps to
15 address this, and I listed some of those steps
16 earlier. I want to point out that the Mayor has also
17 directed that the existing Driver Assistance Centers
18 Services that were established by Local Law last year
19 by City Council be expanded and located in a
20 permanent driver assistance. So, in addition to that
21 broker review, the Mayor has also—in addition to the
22 broker review we're doing, we will have a permanent
23 location for drivers to come in with access to the
24 full range of city services with access to financial
25 counseling including dedicated consumer credit
professionals who will be there to help and to go

3 with them to the lenders and to help them advocate
4 both right sizing the loans—the loan relief. We will
5 also continue to make drivers aware of and make
6 contacts to services that are available to them
7 through other city programs. Yes, including Thrive,
8 the mental health services program. Also, we'll have
9 a dedicated staffer there from the Human Resources
10 Administration who will make them—can make immediate
11 connections to a range of benefits, city benefits
12 that are available for people who are in economic or
13 other types of pain. The Mayor has also—

14 CHAIRPERSON RODRIGUEZ: [interposing]

15 Well as long as you wrap—Bill—Bill, you need to wrap
16 it up.

17 ACTING COMMISSIONER HEIZEN: The Mayor
18 has also directed that the TLC expand its capacity—
19 to conduct ongoing reviews of our licensees, and we
20 intend to do that through a new Business Practices
21 Accountability Unit. That unit's mission will be to
22 protect TLC drivers, medallion owners and other
23 licensees from dangerous and unfair industry
24 practices by businesses that fall under TLC
25 regulation. The Accountability Team will be tasked
with increasing accountability and transparency and

3 business practices in the for-hire transportation
4 sector. To promote sound business practices the
5 Accountability Unit will collaborate with agency
6 partners to investigate violations of TLC rules, and
7 relevant local stated of federal regulations. We
8 will expand the 45-day study of worker practices to
9 the other TLC licensed businesses, and undertake a
10 comprehensive review of our existing rules governing
11 those TLC licensed business conduct to identify areas
12 where new regulations are needed to protect drivers.
13 This will be fully incorporated into TLC's
14 operations, and into the policy making and decision
15 making process at the agency, and working with other
16 divisions within TLC including Licensing, Prosecution
17 and External Affairs. We will work on any necessary
18 revisions to the Licensure Renewal process, and
19 assist in investigation of any rule violations by TLC
20 licensed businesses, and educating our drivers of
21 their rights when working with the TLC Licensed
22 business. You've asked me to summarize. I just want
23 to say in summary, I want to thank you for the
24 opportunity to appear today, and I just want to say
25 that in answer to the question of what has TLC done,
again, I think we have done a tremendous amount. We

3 have reduced the taxes and fees on Medallions. We've
4 just announced that we're waiving collection of the
5 renewal fee. We've increased the amount of money
6 available to wheelchair accessible Medallions owners
7 and drivers. We've taken control of the streets back
8 from the apps. We've made sure that the app
9 companies bear their fair share of responsibilities.
10 We've capped the number of for-hire vehicle license
11 to allows us to study and determine what that number
12 should be. We've subjected the app companies to
13 income requirements that require them to pay 85,000
14 drivers a living income in this city. So, I think
15 that in fact we have done a tremendous amount, and
16 we've done a tremendous amount to level the playing
17 field, and I believe that these are, as I said,
18 shared victories with the City Council, and when I
19 say 'we', I really mean we, and I think our work
20 continues, but that does mean that we need to
21 continue to work together. When I testified at the
22 budget in May, Chair Dromm and Chair Rodriguez were
23 very clear that they thought that there was—a leaf
24 had been—a page had been turned from most of the
25 unproductive actions of last year by a prior
committee, and I take them at their word that they

3 want to work together and I hope you know that we
4 want to work together and I think we have always—
5 always been ready to work with City Council, and have
6 worked with City Council. Thank you.

7 CHAIRPERSON RODRIGUEZ: Thank you, and
8 the questions about for this section we believe our—
9 the Co-chair Council Member Ritchie Torres was
10 committed. He chairs the Oversight and Investigation
11 Committee that have been working for months on this
12 issue, but before I get into those questions I just
13 want to highlighted that the way of how—

14 SERGEANT-AT-ARMS: Folks, please silence
15 your phones.

16 CHAIRPERSON RODRIGUEZ: I will call TLC
17 not to rush on the voting of rules. I think that I
18 connected to the report. The report that was supposed
19 to be due in August, a report that as the Chairman of
20 the Committee of Transportation that I chair that was
21 at TLC, I only get to see that report the evening
22 before the announcement. So, I feel that in the
23 spirit of working together with a type of report that
24 is—that is the result that came out from a bill that
25 we voted here at the Council, should deserve enough
time for us to have any discussion before that

3 information is used to now move and vote on the
4 rules. Council Member Torres.

5 ACTING COMMISSIONER HEIZEN: Thank you.

6 If I could just respond to that, if I could just
7 address that point, Chair Rodriguez. Absolutely
8 we're open to discussions. Absolutely we're in the
9 rule making process now. We have a month before that
10 hearing, that—that's a public hearing that's held
11 under the city's Administrative Procedure Act that's
12 held at the 32 Beaver Street on the 19th floor at
13 noon on July 20–23rd. Everyone is welcome to
14 testify. We will take—we—we do meet—we will meet
15 with stakeholders before that hearing. Just as a
16 reminder, though, the—the August deadline is also
17 when the current vehicle license cap expires and so
18 that is the deadline that is compelling of us to act
19 quickly but—

20 CHAIRPERSON RODRIGUEZ: [interposing] Any
21 chair of this committee and in this case, my case
22 that chair this committee get a copy of that report
23 the evening before the announcement. It's not
24 acceptable. Council Member Torres.

25 CHAIRPERSON TORRES: Okay. Good morning
Commissioner.

3 ACTING COMMISSIONER HEIZEN: Good
4 morning.

5 CHAIRPERSON TORRES: How long have you—
6 how long have each of you been at TLC?

7 ACTING COMMISSIONER HEIZEN: I've been at
8 TLC since August of 2015.

9 DEPUTY COMMISSIONER WILSON: And I've
10 been at—I've been at TLC since February 2006.

11 CHAIRPERSON TORRES: 2006. It felt to me
12 like your testimony seemed to blame the state
13 regulators, the federal regulators even the City
14 Council and you—you—you spoke as if the TLC and the
15 City Council is very much a partnership, but did the
16 City Council have access to the Roth Report until
17 three hours ago?

18 ACTING COMMISSIONER HEIZEN: I don't
19 believe so.

20 CHAIRPERSON TORRES: The TLC had that
21 report since 2011 or 2010, correct?

22 ACTING COMMISSIONER HEIZEN: I—I can tell
23 you that that report just surfaced very recently.

24 CHAIRPERSON TORRES: How far back is that
25 report dated?

3 ACTING COMMISSIONER HEIZEN: I believe
4 it's either 2010 or 2011.

5 CHAIRPERSON TORRES: 2011 and the report
6 warns about manipulation of the Medallion market. It
7 warns about the risk of Medallion market collapse.
8 So, that's information to which.

9 ACTING COMMISSIONER HEIZEN:
10 [interposing] So, here's what I know about the
11 report--

12 CHAIRPERSON TORRES: [interposing] Let me
13 finish. That's information to which TLC unlike the
14 City Council had access. I just want to be clear
15 about that. We requested the report three weeks ago,
16 and we received it three hours ago. That's perfect
17 response.

18 ACTING COMMISSIONER HEIZEN: As I said,
19 that report was not available to--to me or to anyone
20 that I know of until very recently. The--the--but it's
21 not a report that document, which is, as you've seen
22 is a very brief memo. It first came to light last
23 week. That's the first time I saw that document.
24 Your committee had--we had started looking for it in
25 connection with the New York Time article. We were
unable to find it. I know that your committee asked

3 us to look for it more about two weeks ago in June.

4 We did look for it. We looked very hard, and it was

5 located in archives in our database going back to the

6 prior administration.

7 CHAIRPERSON TORRES: I want to—can we put

8 up Exhibit 1, 1 as in the quote from the Mayor not

9 the Roth Report. So, recently on Brian—on Brian

10 Lehrer's show, when asked about potential bail out

11 for a Yellow Cab Medallion, you know, and as the

12 Mayor said, "The challenge is that this is a private

13 market reality. We put the Medallions out there.

14 People—people made a decision of whether to buy them

15 or not. The minute we saw the market was in a bad

16 place, we shut down the Medallion sales. That's the

17 power we had." What—what exactly does the Mayor mean

18 by a quote a "private market reality?" Can you define

19 that for me?

20 ACTING COMMISSIONER HEIZEN: (a) I—I

21 would—I—I didn't make that comment. (b) I would need

22 to see the full comment to really talk about it. So,

23 I can't tell you what—I can't tell you what someone

24 else's was when they said so.

25 CHAIRPERSON TORRES: So, what—what

troubles me about that comment is that it—it sounds

3 like an attempt by the Mayor to wash the city's hands
4 of responsibility, but the fact is what the Mayor
5 just said--

6 ACTING COMMISSIONER HEIZEN:

7 [interposing] But that's--that's not consistent with
8 all of his actions.

9 CHAIRPERSON TORRES: [interposing] But

10 let me.

11 ACTING COMMISSIONER HEIZEN: [interposing]

12 All of the actions.

13 CHAIRPERSON TORRES: [interposing]

14 Commissioner, let me finish about the Mayor, and then
15 you can respond. But what the--just what the Mayor
16 describes as a private market reality, as you know
17 does not exist in a vacuum. It exists within a
18 regulatory scheme that TLC that the city completely
19 controls the Medallions market is a New York City
20 creation. I notice in your testimony you were quick
21 to blame the state regulators, the federal regulators
22 even the City Council. I'm wondering if TLC or even
23 the city at large feels any measure of culpability
24 for the Medallion market collapse and the
25 humanitarian crisis that has resulted from it.

3 ACTING COMMISSIONER HEIZEN: If you--
4 you're asking if--if you're asking if I feel sorry,
5 and if people at TLC feel sorry about the--

6 CHAIRPERSON TORRES: [interposing] Do you
7 feel a moral culpability? Absolutely. No, moral
8 culpability?

9 ACTING COMMISSIONER HEINZEN: I feel very
10 much pain and I feel sorry for the people who have
11 gone through this.

12 CHAIRPERSON TORRES: Did TLC do enough to
13 prevent the bubble?

14 ACTING COMMISSIONER HEINZEN: I can't
15 speak to what TLC might have done back then. I can
16 tell you what we've done since--since the Mayor became
17 the Mayor.

18 CHAIRPERSON TORRES: Well, the general
19 Council has been here for--since from 2006. Do you
20 feel that the city do a substantive amount to prevent
21 the bubble?

22 ACTING COMMISSIONER HEINZEN: He wasn't
23 General Counsel then.

24 ACTING COMMISSIONER WILSON: I wasn't
25 General Counsel until 2014.

3 CHAIRPERSON TORRES: What was your
4 position in 2006?

5 ACTING COMMISSIONER WILSON: I was an
6 Assistant General Counsel.

7 CHAIRPERSON TORRES: Well that's a
8 significant position. So you think TLC did enough to
9 prevent the bubble?

10 ACTING COMMISSIONER WILSON: [pause] I
11 don't have any thinking on that.

12 CHAIRPERSON TORRES: You don't have any
13 thinking on it. Okay. Do you think the TLC had a
14 role in creating the bubble? [background comments]

15 SERGEANT-AT-ARMS: Quiet, Please.

16 ACTING COMMISSIONER HEINZEN: Is that
17 question direct to me?

18 CHAIRPERSON TORRES: Yeah, both. Yeah,
19 either one.

20 ACTING COMMISSIONER HEINZEN: Here's what
21 I can tell you. I can tell you that I can't speak to
22 the motivations of people here—who were here before
23 me. I can tell you everything that we have done to
24 address the Medallions crisis. I can tell you the
25 things we have done to try to help the Yellow
industry.

3 CHAIRPERSON TORRES: [interposing] We
4 recognize the floor.

5 ACTING COMMISSIONER HEINZEN: We're going
6 to help them directly.

7 CHAIRPERSON TORRES: Commissioner, you
8 don't answer whatever question you want to answer.

9 ACTING COMMISSIONER HEINZEN:
10 [interposing] And yes we believed—

11 CHAIRPERSON TORRES: You respond to the
12 questions that I ask. We will explore the solutions
13 later on. I'm asking do you feel TLC had any role in
14 creating the speculative bubble in the Medallions
15 market. The bubble that led to mass foreclosures and
16 mass bankruptcies and suicide and suffering. Do you
17 think TLC had a role in creating that bubble? It's a
18 straightforward question.

19 ACTING COMMISSIONER HEINZEN: What I'm
20 going to do is, and what I've done in my testimony is
21 to provide the context that I think is lacking, which
22 is to show all of the market players here, all of
23 the—all of the forces that played here in terms of
24 the Medallion market. The Medallion, as you know, is
25 a transferrable asset. It has been a transferrable
asset for I guess 60 or 70 years. Well, actually 80

3 years now. The TLC has a role in terms of reviewing
4 transfer documents, but if you're asking me whether
5 TLC is responsible for all of these banks writing all
6 of these loans, and these credit unions writing
7 unsound loans, no.

8 CHAIRPERSON TORRES: Do you think the
9 lenders had a role in creating the bubble?

10 ACTING COMMISSIONER HEINZEN: Yes.

11 CHAIRPERSON TORRES: Do you think the
12 Federal Liquidators had a role in creating the
13 bubble?

14 ACTING COMMISSIONER HEINZEN: As I—as I
15 said, if I read this report, which

16 CHAIRPERSON TORRES: [interposing] Okay.

17 ACTING COMMISSIONER HEINZEN: --I
18 encourage everyone to read--

19 CHAIRPERSON TORRES: Sure.

20 ACTING COMMISSIONER HEINZEN: --from
21 March 2019, they themselves lay the blame at
22 themselves for a lukewarm response to the problem.

23 CHAIRPERSON TORRES: Well, the regulators
24 role. What about the state regulators? Did the
25 state regulators have a role?

3 ACTING COMMISSIONER HEINZEN: Ms. Desai
4 testified, and I'm not aware of this, but she felt
5 that there were documents that were available to them
6 and things that they could have done better.

7 CHAIRPERSON TORRES: So, we know the
8 brokers, the lenders, the speculators are to blame.
9 We know the state and federal regulators are to
10 blame. Everyone is to blame except the city
11 regulator TLC even though the Medallion is controlled
12 by your agency. I want to get to the question of
13 relief. I will come back later to question of
14 culpability. Suppose for a moment you have a million
15 dollar loan and suppose you have a Medallion worth
16 \$200,000. The excess debt is \$800,000. When it
17 comes to relief for the individuals driver owners the
18 city has essentially two options. The city can either
19 pay the excess debt or pressure the lender to write
20 down the loan or some combination of the two. Is the
21 will—is the city willing to pay the excess debt?

22 ACTING COMMISSIONER HEINZEN: What I've
23 said is what I said in my testimony is that we think
24 that you need to focus on who has the power and who
25 has the money here. The people who have the power
and the money here are the banks and the credit

3 unions that hold those loans, and they should be ones
4 who should be forced to write down those loans to
5 something that is human and possible to pay, and they
6 should be forced to write down the monthly payments
7 and at interest rates again that are affordable and
8 the periods that make sense, and that are not
9 predatory.

10 CHAIRPERSON TORRES: So, since the city
11 is not willing to pay the excess debt, have you even
12 attempted to pressure the lenders to write down the
13 loans?

14 ACTING COMMISSIONER HEINZEN: As I said,
15 going back a few years, Commissioner Joshi and other
16 people at TLC have met with lenders. It did-it did,
17 in fact-it did actually meet with the NCUA. I wasn't
18 at that meeting, and urged them to do so, and we've
19 raised this issue pretty repeatedly in public
20 settings at City Council hearings, at TLC Commission
21 hearings, and press interviews to speak--

22 CHAIRPERSON TORRES: [interposing] Now,
23 you're-you're a private lender, Commissioner. Have
24 you met with any of the lenders if you directly
25 pressure lenders to write down the loans?

3 ACTING COMMISSIONER HEINZEN: We did--
4 there was a roundtable with some--there was a meeting
5 with some lenders.

6 CHAIRPERSON TORRES: When was that
7 meeting?

8 ACTING COMMISSIONER HEINZEN: I don't
9 remember. It was in the last meetings.

10 CHAIRPERSON TORRES: [interposing] Which
11 lenders were present?

12 ACTING COMMISSIONER HEINZEN: Sorry.

13 CHAIRPERSON TORRES: Which lenders were
14 present at the meeting?

15 ACTING COMMISSIONER HEINZEN: I don't
16 have--I--I will get you the list.

17 CHAIRPERSON TORRES: What about legal--

18 ACTING COMMISSIONER HEINZEN:
19 [interposing] It was probably--it was probably two
20 months ago. I've been acting for three months and it
21 was when I was acting. So, that's--that's the only
22 way I can narrow it right now.

23 CHAIRPERSON TORRES: What about the
24 proposal for legal representation? Is the city
25 willing to provide each Medallion owner with a lawyer

3 who will advocate for them, and pressure lenders to
4 modify the loan?

5 ACTING COMMISSIONER HEINZEN: I think--

6 CHAIRPERSON TORRES: [interposing] In
7 some sense a right to counsel for Medallion owners?

8 ACTING COMMISSIONER HEINZEN: Uh-hm.
9 We're--what we're looking at is providing a pretty
10 wide range of service and credit--and credit
11 advocates. The whole--the whole package is still
12 being planned, and it's going to--it's going to
13 require finding space and making sure we have
14 sufficient staff assigned to it, and making sure we
15 have contracts with different vendors. So, really
16 everything is under consideration.

17 CHAIRPERSON TORRES: I'm not sure if I'm
18 understanding. So, TLC is going to fund legal
19 representation for Medallion owners?

20 ACTING COMMISSIONER HEINZEN: That's not
21 what I said. I said that--

22 CHAIRPERSON TORRES: [interposing] But my
23 question was about legal representation for Medallion
24 owners whether you're willing to pay for each
25 Medallion owner to have an attorney who will advocate
for them and pressure the lenders to renegotiate the

3 loans. Is that a service that the city is willing to
4 provide?

5 ACTING COMMISSIONER HEINZEN: The city
6 what we're willing to do is to provide credit
7 advocates who—people who are skilled in consumer
8 financing, consumer credit issue and to go and to
9 advocate with the banks. It doesn't have to be an
10 attorney who goes and advocates with a bank or a
11 credit union to downsize and reduce—right size and
12 reduce their loan.

13 CHAIRPERSON TORRES: But you're not
14 willing to provide them with legal assistance?

15 ACTING COMMISSIONER HEINZEN: I'm not
16 saying I'm not willing to provide them with that.
17 It's not—it's not—as far as I know, it's not in the
18 plan right now, but we're still very much planning
19 out this office.

20 CHAIRPERSON TORRES: Among individual
21 driver owners, what's the total amount of—of excess
22 debt?

23 ACTING COMMISSIONER HEINZEN: I don't
24 know but I can that for you.

25 CHAIRPERSON TORRES: I feel like you
should know the answer to that question. Like how

3 could you not know the answer to a question whose
4 stakes are a matter of life and death. You have
5 owners who have committed suicide. You have owners
6 whose lives have been decimated by foreclosures and
7 bankruptcies. You have owners who have lost their
8 livelihood [cheers/applause] have lost. We have
9 owners who have lost their livelihood, lost their
10 retirement, who without relief are going—are
11 condemned to be indentured servants for the rest of
12 their lives. Like are you telling me that TLC does
13 not take the suffering of all these drivers seriously
14 enough--

14 ACTING COMMISSIONER HEINZEN:

15 [interposing] Of course not.

16 CHAIRPERSON TORRES: --to know the total
17 amount of excess debt that has been tormenting these
18 drivers?

19 ACTING COMMISSIONER HEINZEN: Of course
20 that's not what I'm saying, and you know that's not
21 what I'm saying.

22 CHAIRPERSON TORRES: Well, you should
23 know the answer to that question.

24 ACTING COMMISSIONER HEINZEN: But-but one
25 thing that we have said very publicly, and I think

3 that members of the public know this and I think
4 members of the City Council know this is we don't
5 have a full insight into all the loans that are
6 written. We know the amount of the loan that was
7 written at an initial—at a transfer of a Medallion,
8 but as you know, much of the problem has stemmed from
9 refinancing and that is not reported to TLC.

10 CHAIRPERSON TORRES: Yeah, although I
11 think we're going to explore the question of
12 financial stability, and I suspect you have the
13 authority to request their loans as a condition for
14 receiving the Medallion, but I want to get to the—
15 back to the question of culpability specifically on
16 advertising. Did the city engage in misleading
17 advertising about the value of the Medallions
18 particularly at the expense of immigrants who aspire
19 to the American Dream?

20 ACTING COMMISSIONER HEINZEN: I can't
21 characterize the advertising, but it's—without
22 characterizing them.

23 CHAIRPERSON TORRES: [interposing] Well,
24 I guess I characterize—we'll characterize if for you.
25 Exhibit 2. [background comments] So here is a TLC

3 advertisement that says that the Medallion is "Better
4 than the stock market."

5 ACTING COMMISSIONER HEINZEN: Uh-hm.

6 CHAIRPERSON TORRES: Former Commissioner
7 Matthew Daus: "The Medallion has out-performed
8 practically every other type of investment that
9 exists." So, TLC gave the false impression that the
10 Medallion-[pause] [cell phone chiming] TLC gave the
11 impression that the Medallion transcends the
12 fluctuations of the stock market, that the price of
13 the Medallion would keep rising. Can we get to the
14 next slide? And the Medallion the-you gave the
15 impression that the Medallion was a path to the
16 American Dream, right, homeownership, higher
17 education, a worry-free retirement "Worry-free
18 retirement." Do you think it's misleading for the
19 city to associate a Medallion with a "worry-free
20 retirement?" Is that the kind of language that a
21 city regulator should be using?

22 ACTING COMMISSIONER HEINZEN: So, I note
23 that all of this advertising occurred-this occurred-
24 not all of it, but the two things you've shown me
25 occurred in 2004 and 2010. I really can't speak to

3 the motivation of the decision makers at TLC in 2010
4 or in 2004.

5 CHAIRPERSON TORRES: [interposing] Is that
6 the kind of advertising that you would have done if
7 you were the Commissioner at the time?

8 ACTING COMMISSIONER HEINZEN: I--

9 CHAIRPERSON TORRES: [interposing] Would
10 you use terms like worry-free retirement?

11 ACTING COMMISSIONER HEINZEN: I have a
12 pretty--when it comes to finances and my own personal
13 finances, I have a pretty conservative outlook. So,
14 I would like to think I would not have used or
15 approved those type of terms.

16 CHAIRPERSON TORRES: Okay. I want to get
17 to the question of financial stability. Does TLC
18 have a responsibility to ensure that financial
19 stability of the Medallion market in your licensees?

20 ACTING COMMISSIONER HEINZEN: I think the
21 TLC has a responsibility to do as much as we can to
22 help all the licensees including the Medallion
23 licensees, but I--

24 CHAIRPERSON TORRES: [interposing] but
25 specifically on the question of financial response--

3 financial stability, are you responsible for the
4 financial stability of the Medallion market?

5 ACTING COMMISSIONER HEINZEN: Again, I
6 would say that we--

7 CHAIRPERSON TORRES: [interposing] Let
8 me--let me say that--I'll answer that question for you.
9 Exhibit 4, please. Can you read Chapter 52 of your
10 own rules, Section 4?

11 ACTING COMMISSIONER HEINZEN: I'm not
12 going to--I'm not going to read that in the way that
13 you--

14 CHAIRPERSON TORRES: [interposing] I'll
15 read--I'll read it for you. "Establish and enforce
16 standards to ensure all licensees are and remain.
17 [cheers/applause] financially stable." So--
18 [cheers/applause]

19 SERGEANT-AT-ARMS: Quiet down.

20 ACTING COMMISSIONER HEINZEN: Yes, thank
21 you. I'm--I'm aware of that provision. I'm aware that
22 we've been sued--

23 CHAIRPERSON TORRES: Right.

24 ACTING COMMISSIONER HEINZEN: --on it
25 many times, and we may--in fact, we may, in fact be
the subject of current litigation that it is.

3 CHAIRPERSON TORRES: Sure. Do you—do you
4 —so speaking of lending, do you agree that a—a
5 predatory loan undermines the financial stability of
6 your licensees of the Medallion market. Would you
7 agree with that proposition?

8 ACTING COMMISSIONER HEINZEN: I would
9 agree with the proposition that of someone who has a
10 predatory loan or has been the victim or a predatory
11 loan is not in a financially stable situation.

12 CHAIRPERSON TORRES: And yet, even though
13 you have a response—the statutory responsibility for
14 the financial stability of the market, TLC had the
15 authority to deny a license to an owner who had a
16 predatory loan.

17 ACTING COMMISSIONER HEINZEN: So again
18 examine—

19 CHAIRPERSON TORRES: Like you could have—
20 let me finish Michael.

21 ACTING COMMISSIONER HEINZEN: --the new
22 litigation.

23 CHAIRPERSON TORRES: [interposing] You—
24 you could have—you have the authority to deny a
25 license to an owner whose debt was unpayable and as a
result of TLC's failure to exercise that authority

3 there are 950 owners who have filed for bankruptcy.

4 There are thousands more who are drowning in debt who

5 have been condemned to indentured servitudes. So,

6 you're correct that you do not directly regulate

7 lending, but you can have an impact on lending

8 standards because you control the Medallion. There

9 is no Medallion loan without the Medallion, which you

10 ultimately control, and these loans are far more

11 predatory than people realize. Let's go to Exhibits

12 5 and 6. So here is a loan that dates back to 2016.

13 It's a recent loan, and here is the statement about

14 the collateral of the loan. "All the debtors in the

15 New York City Taxicab licenses and Medallions whether

16 now owned or hereafter acquired, all personal

17 property now owned or hereafter acquired by the

18 debtor. So, this loan, which dates back to 2016

19 collateralizes not only the Medallion, it

20 collateralizes everything a borrower will own in the

21 present and everything a borrower will ever own in

22 the future, right? This loan represents lifelong

23 financial enslavement, and these were the kind of

24 predatory loans that were circulating and

25 destabilizing the Medallion market, which your agency

regulates. I want to get to the question of-of

3 auctions. TLC—let's go to Exhibit 7. TLC has—by the
4 way, have you ever seen that kind of loan before, a
5 loan that collateralizes literally everything that
6 you will ever own? Have you seen that loan before?

7 ACTING COMMISSIONER HEINZEN: I haven't
8 seen this—I haven't see this document. I'd want to
9 see the entire document.

10 CHAIRPERSON TORRES: We'll be happy to
11 share it with you.

12 ACTING COMMISSIONER HEINZEN: I don't
13 think I—I don't—I don't think I have seen—I don't
14 know. I don't know that I've seen a loan like that
15 before.

16 CHAIRPERSON TORRES: I've never seen a
17 loan that literally collateralizes everything you
18 will ever own in your life. Exhibit 7. TLC began the
19 practice of auctioning off Medallions under Mayor
20 Giuliani, and then took the practice to new extremes
21 under Mayor Bloomberg. The Giuliani Administration
22 held three act—three auctions and sold 400
23 Medallions. The Bloomberg Administration held 16
24 auctions and sold 1,260 Medallions. The de Blasio
25 Administration held two auctions and sold 200
Medallions. During an auction—let's get to the next

3 slide. During an auction in February 2014, the de
4 Blasio Administration set the upset price at \$650,000
5 the maximum winning bid was \$965,000 nearly a million
6 dollars. As you know, the November 2013 and February
7 2014 auctions were catastrophic for participants, so
8 catastrophic that 40% of participants in the February
9 auction went bankrupt. So, my question is do you
10 regret the November 2014 auction?

11 ACTING COMMISSIONER HEINZEN: I regret
12 that any—any one who participated in that auction
13 would experience any pain at all. I regret that.
14 I'm sorry about that.

15 CHAIRPERSON TORRES: I'm happy that you
16 regret pain in the world. That's great but do you
17 regret the decision to conduct the auction, which led
18 to 40% of the participants becoming bankrupt?

19 ACTING COMMISSIONER HEINZEN: So, what I
20 know about the context of the—of these auctions is
21 that they were done at a certain time, and they were
22 done in large part as authorized by state law to
23 increase the number of wheelchair accessible
24 Medallions on the street. Obviously in this
25 Administration, the auctions stopped almost
immediately, and I can tell you what this

3 Administration has done since that time to stabilize
4 the Medallions.

5 CHAIRPERSON TORRES: [interposing] But
6 you have—you have the ability to shut down that 2014
7 auction. It happened under the de Blasio
8 Administration. You had the authority to forego that
9 auction, correct?

10 ACTING COMMISSIONER HEINZEN: Again,
11 these auctions were established in 2013. Two of them
12 were held in 2014. So, I can tell you—I can't tell
13 you the motivation about establishing these auctions.
14 I can tell you everything that we've done since that
15 time to help the Medallion sector and to help all of
16 the drivers.

17 CHAIRPERSON TORRES: But by 2014, TLC
18 knew or should have known that there was a
19 speculative bubble in the Medallion market, and by
20 2014, TLC knew or should have known that right here
21 in platforms like Uber and Lyft were disrupting the
22 market, and threatening to burst a bubble a decade in
23 the making. Given what you knew or should have known,
24 was it not irresponsible to auction off Medallions
25 for nearly a million dollars in February of 2014?

3 ACTING COMMISSIONER HEINZEN: So, I don't
4 know what information was in front of the people at
5 the time they made that decision. I do know that
6 with that look back, I think the trip numbers of
7 yellow and both the fare box for Yellow they were at
8 or near record highs.

9 CHAIRPERSON TORRES: Let's, can we have
10 the-can we pull up the Mercure slide? That's Exhibit
11 19. So this was immediately after-this was round the
12 same time as the February 2014 Auction on April 1st.
13 Mercure observed speculation in the market. It said,
14 The limited supply of Medallions available in the
15 market can lead to a speculative premium, which
16 occurs when the sales price of a Medallion exceeds
17 the value that is support by the Medallion's ability
18 to generate net operating income citing as one
19 example individual and corporate Medallion prices in
20 New York City increased by 2.5 time and 3.3 times
21 respectively between 2004 and 2012. Fare and lease
22 rates in New York City remain unchanged between 2006
23 and 2012. As you know, astronomical wise in the
24 Medallion values could not be explained by fear of
25 lease rates alone. It was primarily explained by
debt, not by rising incomes or rising revenues, but

3 debt. That was a sign that there was a bubble and
4 TLC knew that there was a bubble because the Roth
5 Report said as much. The Roth Report said that there
6 was speculation in the Medallion lot.

7 ACTING COMMISSIONER HEINZEN: So, with
8 the Roth doc here, I think, as I've said before and
9 I'm going to keep saying, I don't know why it was
10 written and I don't know what information people—I
11 don't know what people did with that—that document.

12 CHAIRPERSON TORRES: Well, like did
13 nothing.

14 ACTING COMMISSIONER HEINZEN: Obviously—
15 obviously--

16 CHAIRPERSON TORRES: [interposing] Yeah,
17 the TLC did nothing about it.

18 ACTING COMMISSIONER HEINZEN: --obviously
19 TLC and the Administration has not done nothing
20 obviously we've taken huge steps since 2014.

21 CHAIRPERSON TORRES: When it comes to
22 preventing a bubble, TLC did nothing, and here's the
23 problem as I see it. TLC is compromised by a
24 conflict of interest. TLC functions as both a market
25 regulator, and a market participant, but as a market
regulator, you have a vested interest in ensuring the

3 financial stability of the Medallion market, but as a
4 market participant you have a vested interest in
5 generating revenue from financial instability from
6 financial speculation in the Medallion market, and so
7 my question to you is how do you reconcile those two
8 fundamentally conflicting rules?

9 ACTING COMMISSIONER HEINZEN: So--so Chair
10 Torres, I agree with you that it is unusual to have a
11 city license that is sold and that can be resold in
12 the private market. It's hard for me to locate other
13 instances of that, but I don't agree with you that
14 that means TLC had a conflict of interest because
15 these sales were--

16 CHAIRPERSON TORRES: [interposing] And
17 still you are a participant in the market?

18 ACTING COMMISSIONER HEINZEN: May I--may I
19 please finish?

20 CHAIRPERSON TORRES: Sure, sure, go--go
21 ahead.

22 ACTING COMMISSIONER HEINZEN: These sales
23 were obviously not--the proceeds of these sales don't
24 go to TLC. They to the General Fund. So, this is
25 something that all of the city has access to. If--if
you're saying that the city has a conflict that's a

3 different issue. I don't think—I don't think it's
4 fair to just sort of localize this because it's a
5 problem--

6 CHAIRPERSON TORRES: It's a fair—it's a
7 fair point.

8 ACTING COMMISSIONER HEINZEN: --but I
9 think—thank you—but I think that this issue that
10 bothers you that obviously bothers you is—does result
11 from the government acting in the marketplace, and I
12 think that what I had hoped to say more about today,
13 and what I think we'll be talking about with this
14 legislation is what do we do going forward on that
15 issue? But, I don't think it's fair to say that TLC
16 has done nothing. TLC has worked extremely—
17 extremely hard over the past few years to help
18 drivers to help owners, to help the entire industry,
19 and it has been difficult, and it hasn't always been
20 successful, of course, but we have given a
21 tremendous—we've been given a tremendous amount to
22 do, and I think we've done it really well. We were
23 just given the power by you last year to cap the
24 number of vehicle licenses. That was something we
25 never had. That was a huffed missed opportunity in
2015. I think that could have staunched a lot of the

3 problems here not all of them, but a lot of them, and
4 we all missed that opportunity, but we took that back
5 and we did in 2018, and as I said, we've leveled the
6 playing field. We've required the app companies to
7 shoulder the burden of operating of having the
8 privilege to operate and carry passengers in New York
9 City. So, we have subjected them to rules from the
10 beginning and we've expanded that, and we've
11 subjected them to--to data requirements. Again,
12 unlike any city in country wheel-chair accessible
13 requirements. The only thing is with the drive-by--

14 CHAIRPERSON TORRES: [interposing]

15 Commissioner, that has nothing to do with what I'm
16 asking about. That's not. It's irrelevant to the
17 subject of this hearing. You were correct.

18 ACTING COMMISSIONER HEINZEN:

19 [interposing] I think it's very relevant.

20 CHAIRPERSON TORRES: You were correct.

21 ACTING COMMISSIONER HEINZEN: I think

22 it's very relevant. I think it should--I think it is
23 the subject of this hearing. The subject of the
24 hearing, the subject of this hearing to--

25 CHAIRPERSON TORRES: [interposing] The

subject of the hearing is all these drivers who do

3 not have the worry-free retirement that you promised
4 them. That's the subject of this hearing.

5 [cheers/applause] But I want to--and you're correct
6 that TLC does not act out of its own volition--

7 ACTING COMMISSIONER HEINZEN: Let me say
8 we have taken--

9 CHAIRPERSON TORRES: [interposing]
10 Commissioner, let me finish. You look at the mission
11 or let me finish.

12 ACTING COMMISSIONER HEINZEN: You just--
13 you just--

14 CHAIRPERSON TORRES: [interposing]
15 Commissioner.

16 ACTING COMMISSIONER HEINZEN: --you just
17 made an accusation--

18 CHAIRPERSON TORRES: Commissioner.

19 ACTING COMMISSIONER HEINZEN: --of the
20 steps that we have taken--

21 CHAIRPERSON TORRES: Yes.

22 ACTING COMMISSIONER HEINZEN: --since 2014

23 CHAIRPERSON TORRES: Look--

24 ACTING COMMISSIONER HEINZEN: --to say

25 CHAIRPERSON TORRES: [interposing] TLC
failed to prevent them, though.

3 ACTING COMMISSIONER HEINZEN: --that we
4 failed to help--to help financially drivers in the
5 city is simply untrue.

6 CHAIRPERSON TORRES: [interposing] You
7 can ask the drivers.

8 ACTING COMMISSIONER HEINZEN: I will--I
9 will--I will go to the end. I will defend my record
10 and I will defend TLC's record. I'm incredibly proud
11 of that record.

12 CHAIRPERSON TORRES: Commissioner.
13 [background comments]

14 SERGEANT-AT-ARMS: Settle down, please.

15 CHAIRPERSON TORRES: Oh.

16 SERGEANT-AT-ARMS: Settle down please.
17 [background comments/pause]. Hey, keep it down
18 please.

19 CHAIRPERSON TORRES: It's just I'll--I'll
20 conclude my first round of questioning just by
21 pointing out it seems to me the city not only TLC,
22 but the city has the same perverse incentives as the
23 predatory brokers and the lenders and the speculators
24 just like the brokers, lenders and speculators who
25 are willing to destabilize the Medallion market to
generate short-term profits, the city including TLC

3 the regulator was willing to do the same to generate
4 short-term revenues, and that to me is disgraceful.
5 So, I'll—I'll conclude my first round of questions.

6 CHAIRPERSON RODRIGUEZ: Thank you. Thank
7 you Chair Torres. I'd like to also acknowledge that
8 we've been joined by Council Member Deutsch, Espinal
9 and Levin. Commissioner, in 2014 when the—those
10 Medallions were sold when TLC was advertising, did
11 TLC have any idea about we were in the middle of the
12 devaluation of the value of the Medallions.

13 ACTING COMMISSIONER HEINZEN: I'm not
14 sure what TLC was aware of in 2014. I wasn't there,
15 and I'm not sure what went into that decision making
16 process.

17 CHAIRPERSON RODRIGUEZ: So, when you
18 looked to—when did you join TLC?

19 ACTING COMMISSIONER HEINZEN: 2015.

20 CHAIRPERSON RODRIGUEZ: 2015. So, that
21 conversation had happened that you've been engaged in
22 TLC about the devaluation of the Medallion?

23 ACTING COMMISSIONER HEINZEN: I think
24 there were news reports at the time that there were—
25 there were issues with some Medallion loans, that—
that happened at some point in 2014.

3 CHAIRPERSON RODRIGUEZ: Okay. Because I
4 feel that one of the concerns, which is a legitimate
5 concern that many of those especially individual
6 Medallion owners have, especially that group who
7 bought those Medallions in 2014 is that how much did
8 the city knew about the devaluation of the Medallion
9 when the TLC was advertising opportunity for people
10 to buy those Medallions?

11 ACTING COMMISSIONER HEINZEN: I-I
12 understand the question. I can't give you any
13 insight into what was on people's minds at that time.

14 CHAIRPERSON RODRIGUEZ: Okay, how did
15 those at TLC monitor potential conflict between
16 brokers acting in-in multiple roles in the industry?

17 ACTING COMMISSIONER HEINZEN: I'm going
18 to actually ask Chris to answer that because he's
19 more familiar with the broker licensing system.

20 DEPUTY COMMISSIONER WILSON: And our
21 brokerage-our brokerage rules do require that brokers
22 who have a conflict of interest in a transfer
23 disclose those transfers to the parties of the
24 transaction. We are currently undergoing a review of
25 all the broker documentation for the last three years

3 to determine whether or not those rules were complied
4 with.

5 CHAIRPERSON RODRIGUEZ: How many brokers
6 have been denied license or have or have had their
7 license revoked or suspended based on TLC's taking
8 the determination in the past 15 years and how many
9 actions have been brought?

10 ACTING COMMISSIONER HEINZEN: We've
11 licensed 20 now. I'm not—I'm not aware that we've
12 revoked any.

13 CHAIRPERSON RODRIGUEZ: Not one?

14 ACTING COMMISSIONER HEINZEN: I don't
15 think so.

16 CHAIRPERSON RODRIGUEZ: Have TLC
17 identified some issue in that area or the fact no
18 one's license has been revoked because no one is
19 doing anything wrong?

20 ACTING COMMISSIONER HEINZEN: Sure. As I
21 said, the Mayor has ordered that the TLC in
22 partnership with Department of Consumer Affairs, and
23 Neighbor Relations as well as the Department of
24 Finance undergo a 45-day review of the role of
25 brokers. So, we're currently going through that.
We're looking at all the documentation we get from

3 brokers and we're looking at-at whether they have
4 followed the-we-we-to the extent to which they made
5 their disclosure requirements that are necessary that
6 they make to purchasers, we're also looking at, as
7 I'm sure City Council is, and I know they are through
8 the legislation, what further steps can we take to
9 strengthen that oversight?

10 CHAIRPERSON RODRIGUEZ: Okay. Have-have
11 TLC received any complaints about broken-brokers who
12 are unlicensed?

13 ACTING COMMISSIONER HEINZEN: There have
14 been complaints, but not as many complaints as you
15 might think. I believe it's a low number, but
16 obviously they have complaints-there have been
17 complaints to other people. There are complaints in
18 the New York Times article. So, obviously there have
19 been people who have complained.

20 CHAIRPERSON RODRIGUEZ: How big do you-
21 can analyze (sic) the crisis of the numbers of
22 individuals Medallions owner going into bankruptcy?

23 ACTING COMMISSIONER HEINZEN: Again, I'm
24 not-I can't tell how many people might be. You're
25 asking me how many people are going into bankruptcy?

3 CHAIRPERSON RODRIGUEZ: Right now from
4 the 6,000 individual Medallion owners how many do you
5 know?

6 ACTING COMMISSIONER HEINZEN: I would—I
7 wouldn't know that number of how many people are—are-
8 are on the verge of going into bankruptcy. When
9 there is a transfer as the result of a bankruptcy
10 then that comes to us. So, there could be bankruptcy
11 proceedings now that we're not aware of.

12 CHAIRPERSON RODRIGUEZ: Do you think that
13 that number, and I don't want to put you on the spot,
14 but just based on the information that I have,
15 there's been along—from the 6,000 individual Medal--
16 Medallion owners, do you think that number was raised
17 like to 500, a 1,000?

18 ACTING COMMISSIONER HEINZEN: I don't
19 know the exact number. I'm—I'm sure that it is very
20 painfully high.

21 CHAIRPERSON RODRIGUEZ: So, who from TLC
22 is responsible to get those information on who of
23 those individuals Medallions owner has filled out
24 form for bankruptcy?

25 ACTING COMMISSIONER HEINZEN: Again, my
understanding is that we wouldn't learn about a

3 bankruptcy proceeding unless we were named as a party
4 in the bankruptcy proceeding, which may happen
5 mistakenly. My understanding is, and Chris you
6 should step in. My understanding is we only learn
7 about a bankruptcy proceeding when it—when the asset
8 needed to be transferred, when the Medallion needed
9 to be transferred, when the Medallion need to be
10 transferred. So, that's when we would find out.
11 We're obviously trying to find out more about this.
12 Right now, as you know last year one of the things
13 that City Council asked us to do was to do a study of
14 Medallions and Medallion debt. We've sent out a
15 survey to all Medallion owners. We're having these
16 regular meetings in all of the boroughs with
17 Medallion owners and getting as much information as
18 we possibly can from them.

19 CHAIRPERSON RODRIGUEZ: Uh-hm. How do you
20 see the picture of this industry? How do you-

21 SERGEANT-AT-ARMS: [interposing] Keep it
22 down.

23 CHAIRPERSON RODRIGUEZ: What
24 conversations are you having internally about
25 rescuing or helping those men and women especially

3 from the 15,000 and the 6,000 individual Medallion
4 owners?

5 ACTING COMMISSIONER HEINZEN: Well, we're
6 having a lot of conversations about it, and we've
7 taken a lot of steps. As I said, the driver—the
8 driver assistance centers that were set up under
9 Councilman Salamanca's legislation, and the Mayor
10 just announced or the services that had to be
11 offered. The Mayor just announced we're formalizing
12 that into driver assistance centers. We just
13 announced that we're not collecting Medallion renewal
14 fees. As you know through legislation last year we
15 stopped collecting renewal fees on wheelchair
16 accessible Medallions. We're—we're doing this broker
17 review. We're setting up what I described earlier as
18 the Business Practices Accountability Unit. So, all
19 of these are steps that we're doing to intensify the
20 work—the outreach that we do to drivers, the work we
21 do on their behalf, providing—not only connecting
22 them with available city services, but also providing
23 them with direct services including credit
24 counseling. People who can go and advocate on their
25 behalf to the credit unions and to the other holders
of these loans.

3 CHAIRPERSON RODRIGUEZ: Do you think that
4 TLC should be reorganized?

5 ACTING COMMISSIONER HEINZEN: Do I think
6 the TLC should reorganize? I, no I don't. I think
7 TLC is a very good and strong agency. I think every
8 agency always has things that it can do better.
9 [audience protesting] Some of the things we're
10 talking about today--

11 CHAIRPERSON RODRIGUEZ: [interposing]
12 Please guys.

13 ACTING COMMISSIONER HEINZEN: Some of the
14 things that are the subject of the legislation that
15 you've introduced, so I don't think it's a question
16 of reorganizing. I think it's a question of
17 examining our priorities. The priorities are set not
18 only by us and by our commissioners, they're set by
19 the Mayor, and as I said they're also set by City
20 Council, and you set quite a few for us in the past
21 year. So, it may be a question of do we have the
22 resources we need to fulfill all of these?

23 CHAIRPERSON RODRIGUEZ: Do you know
24 anything about any members that they used to be part
25 of TLC that they later on joined Uber or Lyft.
[audience protesting Uber and Lyft]

3 ACTING COMMISSIONER HEINZEN: We had
4 some. I—I am aware that some people who were at TLC
5 have worked for License have gone on to work for
6 stakeholders, licensees, however you call them

7 CHAIRPERSON RODRIGUEZ: But not at the
8 investor level, not at the--

9 ACTING COMMISSIONER HEINZEN: I don't
10 know.

11 CHAIRPERSON RODRIGUEZ: No one. Okay.

12 ACTING COMMISSIONER HEINZEN: I don't
13 know.

14 CHAIRPERSON RODRIGUEZ: Have your--

15 ACTING COMMISSIONER HEINZEN:
16 [interposing] I—I—I—I don't know the answer that
17 question. I'd be—I don't know the answer to that
18 question.

19 CHAIRPERSON RODRIGUEZ: Okay. Have you
20 looked on any other city because you know the
21 situation that is going on in the city and there is
22 there is not different from other also
23 municipalities? Have you looked at any model in
24 other cities on how they've been addressing that
25 situation and putting some ideas on some of the-

3 ACTING COMMISSIONER HEINZEN:

4 [interposing] So we have talked to a few other
5 cities. Some—there are some other cities that have
6 Medallions. We've spoken with Chicago. We've spoken
7 with San Francisco. We spoke with even a province
8 in—in Australia that regulated them. My
9 understanding is there were—there have been extreme
10 difficulties in trying to make those systems work.

11 CHAIRPERSON RODRIGUEZ: Is there any idea
12 that any of those cities have shared with you that
13 you believe that something like the city of New York
14 should be look at—looking at?

15 ACTING COMMISSIONER HEINZEN: Not from
16 what I recall of those ideas, but we're obviously
17 very open to ideas about how to help—how to help the
18 industry and how to help drivers.

19 CHAIRPERSON RODRIGUEZ: Okay. I—I know
20 Council Member Levin has questions, too, but I just
21 want, you know, for everyone especially those of you
22 guys at TLC, the team also that at the Mayor's
23 Office, everyone from to understand that, you know,
24 today's hearing is not about a hearing where the
25 Council Members and the drivers and the Medallion
owners are here sharing their frustration. I just

3 hope that this hearing is—I want to let you know that
4 we want the discussion about the past, present and
5 the future in New York to have today as the day
6 before and the day after, and we need solutions. You
7 know, this cannot—this is not just another hearing.
8 [cheers/applause] In the history of the Taxi and
9 Limousine Commission. So, I just—I also know—stop
10 please—I also know that I have a lot of respect for
11 your work and—and—and know—I know that you've been
12 trying to do the best you can, but this is not about
13 and individual. This is about the culture on how we
14 are operating to day. So, those of you—those—the
15 members of your team who are here or following this
16 hearing we will follow up with all the conversation
17 with other meetings. We need solutions. This
18 situation cannot hold any more.

19 ACTING COMMISSIONER HEINZEN: So, if I—
20 if-- [cheers/applause]

21 SERGEANT-AT-ARMS: Keep it down.

22 ACTING COMMISSIONER HEINZEN: If—if I
23 could just respond, Chair Rodriguez, I appreciate
24 your comments. I think that over the years, TLC and
25 you, we have achieved—we have achieved results with
drivers. It may not always have felt like the

3 biggest results, but we've done everything that we
4 can and we've often done that in partnership with you
5 and I can cite several examples of legislation that
6 you introduced, and that we worked with you on.

7 Having said that, yes, this--this hearing I understand
8 this hearing is certainly not venting session. The
9 work does not end today by--by any stretch of the
10 imagination. We're very willing to continue the
11 conversation. I hope you know that we are always
12 willing to work with City Council. I know we don't
13 always agree, and we don't agree on methods. I know
14 that at times things can get a little heated, but I
15 think, in fact, that when we have worked together,
16 when the Administration and the Council have worked
17 together in this sphere, we've accomplished very
18 strong results and we've done great things for New
19 York City.

20 CHAIRPERSON RODRIGUEZ: I--I agree. I
21 just hope that everyone understand the urgency of
22 this crisis. We cannot, you know, put ourselves in a
23 situation to be witness on another individual taking
24 their life away from themselves in the family, and I
25 also recognize that the--some of the bad actors that
we have in this industry they're real as we have bad

3 apple everywhere including in government and the
4 private academic sectors, but saying that doesn't
5 mean that everyone that are in the business of the
6 Medallion they are all bad actors. I also believe
7 that we are—as today we are holding the hearing bout,
8 you know, bad actors that they have taken advantage
9 of the immigrant, they trains of immigrants. We also
10 know that as we've been discussing how to put a cap
11 in the past, how to address the—the owner that the
12 city should give by—by allowing Yellow Taxi drivers
13 to be the only ones that have the right to pick up
14 and drop off. We also know that beside this crisis
15 and—and the devaluation of the Medallion the fact
16 that those drivers they love to be closest one. In
17 Midtown, JFK and La Guardia also is another hot place
18 and negative impact, and we will have—hold a future
19 conversation, as we have in the past. But we
20 committed, you know, with the Co-chair, myself, the
21 Speaker and all of us to continue playing our role
22 that the Charter of New York City gave us as a
23 Counsel, and that's what I say, any rule that TLC is
24 looking to move it, we just want to have day-by-day
25 conversation because as I say, I want that to happen.
Yes, for the Mayor to make the announcement, and the

3 day before was when I got the copy of that report
4 that for, I will assume for weeks TLC already had on
5 the cap. So, with that, Council Member Levin.

6 COUNCIL MEMBER LEVIN: Thank you very
7 much, Chair. Thank you very much for your testimony
8 here. I apologize if—if the Chairs have already
9 asked this question. The—the New York Times article
10 that came out a couple weeks ago spoke about some of
11 the initial purchasers of Medallions some time in the
12 past several years driving up the—this—the initial
13 auction price kind of which has the—the ripple effect
14 of—of—or could have had the ripple effect of—of
15 driving the prices ever upward. Did TLC notice that
16 at the time and was—was their concern or ever any
17 concern expressed at the time that particularly some
18 of the larger industry players were purchasing
19 Medallions at a higher price than we thought they
20 were worth at the time?

21 ACTING COMMISSIONER HEINZEN: Can you
22 just—I—let me—give me one second. [pause] So, there—
23 there was awareness, and we they were investigations.
24 I was just confirming that I had my dates right. I
25 believe--

COUNCIL MEMBER LEVIN: Yes.

3 ACTING COMMISSIONER HEINZEN: --it's in
4 2007 there were investigations into one major
5 industry player Gene Friedman.

6 COUNCIL MEMBER LEVIN: Uh-hm.

7 ACTING COMMISSIONER HEINZEN: Where
8 investigations carried on by not--it was not just the
9 TLC. I believe that was the Department of
10 Investigations of that.

11 COUNCIL MEMBER LEVIN: Right, and I know
12 he's facing legal action as are other people in the-
13 in the industry. So, you said that--that TLC has not--
14 does not track or has not tracked subsequent sales of
15 Medallions after the initial sale from the city to--to
16 the first person.

17 ACTING COMMISSIONER HEINZEN: So, let me
18 be--let me be clear because I apologize if I wasn't
19 clear.

20 COUNCIL MEMBER LEVIN: Okay.

21 ACTING COMMISSIONER HEINZEN: We would
22 always track a subsequent sale. We would track any
23 event that resulted in a transfer of ownership--

24 COUNCIL MEMBER LEVIN: Uh-hm.

25 ACTING COMMISSIONER HEINZEN: --but what
we don't track is any refinancing of the assets--

3 COUNCIL MEMBER LEVIN: Okay.

4 ACTING COMMISSIONER HEINZEN: --and it's
5 the-refinancing is--

6 COUNCIL MEMBER LEVIN: [interposing] I
7 see.

8 ACTING COMMISSIONER HEINZEN: --here.

9 COUNCIL MEMBER LEVIN: I'll go with that.
10 Now-but-but you didn't track like the initial
11 mortgage. Well, like-like say ACRIS like the
12 Department of Finance right we have-it does track a
13 refinancing right.

14 ACTING COMMISSIONER HEINZEN: Uh-hm.

15 COUNCIL MEMBER LEVIN: Well, can-is it-is
16 there anything that prevents us from-from tracking a
17 refinancing? So, we dot that with mortgages here New
18 York City, right?

19 ACTING COMMISSIONER HEINZEN: I don't-I
20 don't know if there's anything that would prevent us
21 from doing that. I-I don't know if there's any--

22 COUNCIL MEMBER LEVIN: [interposing] Well
23 do we have a--

24 ACTING COMMISSIONER HEINZEN: --
25 notification on the level of insight we have. I mean
we-we would have to require that as a condition.

3 COUNCIL MEMBER LEVIN: Do we have a
4 right. I mean I'm just wondering. I mean this is
5 just a--I mean are we--is there anything that prevents
6 us from it or do we have right to it or do we know
7 that--have we--have we wrestled with that legal
8 question of whether we have the authority to--to
9 track, to track refinancing or any--an liens or--or--or
10 mortgages out on--on that asset?

11 ACTING COMMISSIONER HEINZEN: So, we
12 would--as I said, we would collect anything that
13 involved any kind of change of ownership even it if t
14 was just a, you know, a small change by a corporate
15 entity. [bell] I don't know the answer to the legal
16 question or whether we are--we can collect that
17 information. I agree with what I think is the
18 premise of your question, which is it would be
19 extremely valuable to the city to have that
20 information. I've, you know, we have discussed--

21 COUNCIL MEMBER LEVIN: Right.

22 ACTING COMMISSIONER HEINZEN: --we have
23 discussed it. Again, it's just a question--to my mind
24 it's a question of the extent of our--the city's
25 jurisdiction, and its ability to compel--

COUNCIL MEMBER LEVIN: Sure, but again--

3 ACTING COMMISSIONER HEINZEN: --

4 refinancing operations to provide that information.

5 COUNCIL MEMBER LEVIN: I mean, you--right.

6 I mean with-with--

7 ACTING COMMISSIONER HEINZEN:

8 [interposing] Or even if--even if we were--I'm sorry to
9 interrupt, but if we were to require purchasers to
10 provide it, you know, it's a question of whether we
11 would have enough information from the lenders
12 themselves to--

13 COUNCIL MEMBER LEVIN: Right.

14 ACTING COMMISSIONER HEINZEN: --kind of
15 gut check that information.

16 COUNCIL MEMBER LEVIN: Sure. I'm sorry.

17 Can I ask if--? Okay, I mean obviously we, I mean
18 with-with ACRIS or and--and subsequently to other
19 sites that use that available information, and then
20 you can really get a wealth of data around mortgages
21 to be able to see a lot of trends and retrospectively
22 understand what has happened in the past, and--and
23 that can help determine some actions moving forward.
24 So, in light of that, I was wondering if there's
25 anything--are we--I mean there is--in my mind there are
several ways that we need to be looking at this.

3 First is what to do about underwater Medallions now,
4 and we can—and—and I'm—I'm sure that there are
5 different—different types of—of distressed Medallions
6 like you said, or degrees or, you know, ways in which
7 they're distressed or how they're—they're over-
8 leveraged whether they were purchased at too high a
9 value to begin with, whether they were further
10 leveraged through—through additional mortgages or
11 refinancing. So, I think to—that is—I think that
12 that is something is that is—we—I agree with the
13 chairs that we need to be examining how—what to do
14 about thank, and I would posit that since the city is
15 inextricably linked to this asset because we
16 originated the asset. We control the—the supply of
17 it. It is inherently valuable because of its
18 relationship to the City of New York and its—and—and
19 TLC that we have this responsibility to—that we have
20 a responsibility to figure out a way to deal with
21 how—how these are distressed. So, I would just posit
22 that as kind of starting point. We have to do
23 something because we have a responsibility. We're a
24 party to this. We originated these—these Medallions
25 and we kind of knew maybe at the time that things
were a little askew or a lot askew or we should have

3 known. I will say that I was a Council Member—I took
4 office in 2010 with—with Council Member Rodriguez,
5 and/or he took office a little bit before. I
6 remember the budgets when we talked about it and
7 these were—these were tough times because we were
8 looking at cuts in New York City.

9 ACTING COMMISSIONER HEINZEN: Right.

10 COUNCIL MEMBER LEVIN: We were down
11 revenue. There was—it was after the Financial Crisis
12 we were losing—we were—we were making cuts across the
13 board and the \$30 million or so on any fiscal year
14 that was coming in through Medallion sales was—was
15 and we—I mean there's a collective responsibility. I
16 take responsibility as a Council Member, and I think
17 that we all have a responsibility because we all
18 looked that at that as a source of revenue, and that
19 was something that was part of out [applause]
20 conversation. I mean when we were getting—when we—
21 when—I—I mean I can't—I can't quote chapter and verse
22 but I recall sitting in rooms where either there was
23 an OMB Director or Mayor Bloomberg himself talking
24 about a budget and Taxi Medallion sales was part of
25 the conversation as a—as a revenue source. So,
again, collective responsibility there. Have we

3 looked at how we are—how—how we can restructure work
4 with a lending industry that has—that has either
5 originated these loans or who now hold these
6 mortgages to—to write down the principals of
7 underwater mortgages on these Medallions. How—how do
8 we do that? What's the process? Have we looked at—
9 have we looked at what's been done through the fund
10 at—during the Financial Crisis the HARP Program or
11 what have you to—to figure out mechanisms by which
12 the city can work with—with the lenders because I
13 think that they would probably want to have a
14 mortgage that—that the Medallion owner is able to
15 pay, and to—to stabilize the asset even if it means
16 taking a loss on the principal or writing down that
17 principal. Is there—I mean how do we do that? I
18 think that that is—ultimately, I think that that's
19 how we're able to—to deal with this historic—the
20 historical problem that we have here of what—of—of—
21 of—of these underwater mortgages and people that are
22 just over-leveraged and work 80 hours a week just to
23 keep up on the interest of these loans. I don't
24 know. What's—what's—I'm assuming we're looking at
25 that. That's got to be something, and then it's
going to require probably working with our state

3 partners potentially on-on-on regulatory or
4 legislative changes. Sorry, I was a little long-
5 winded. I don't know what the question is exactly,
6 but how-what's-what are we looking at there?

7 ACTING COMMISSIONER HEINZEN: Yeah, I
8 think that is the question, and-and yes I agree with
9 you that that work needs to be done. Some of that
10 work has been done. Some of that has been done
11 through asset specificity groups (sic) that have
12 gone, and gone in and presented hardship petitions,
13 and have advocated on behalf of owners to try to get
14 the principals reduced, to try to get the monthly
15 payments reduced. To try to get off of this concept
16 of an interest only loan, which, as you know, goes
17 nowhere. That is the-the loan never goes away if
18 you're just paying the interest. So that work has
19 been done. There-we have had meetings with lenders.
20 We have had meetings with the NCUA a while ago. We
21 are-we hear, and I have heard from owners, and I
22 have-and we have heard from some of the lending
23 institutions that they have-certainly they have taken
24 it off their books. They have taken the value off of
25 their books.

COUNCIL MEMBER LEVIN: Yes.

3 ACTING COMMISSIONER HEINZEN: So, they--
4 in their minds many of them have realized they're not
5 going to collect on that.

6 COUNCIL MEMBER LEVIN: Yes.

7 ACTING COMMISSIONER HEINZEN: The
8 question is having done that, have they communicated
9 that to the owners. I'm hearing often the answer is
10 no or have they actually changed the actual loan
11 terms to reflect that what is now the reality, which
12 is that the loan that might have been at-at a very
13 high number has been written down to a lower number--

14 COUNCIL MEMBER LEVIN: Uh-hm.

15 ACTING COMMISSIONER HEINZEN: --and so,
16 with the follow-up on that has to be is you have to
17 then right size the monthly payments and extend out
18 the lifetime of the loan--

19 COUNCIL MEMBER LEVIN: Yeah.

20 ACTING COMMISSIONER HEINZEN: --and
21 hopefully get it off of a balloon loan where it's--

22 COUNCIL MEMBER LEVIN: [interposing]
23 Absolutely.

24 ACTING COMMISSIONER HEINZEN: --like
25 three years (sic) which

COUNCIL MEMBER LEVIN: Right.

3 ACTING COMMISSIONER HEINZEN: That's the
4 biggest, the balloon loan is the biggest problem.

5 COUNCIL MEMBER LEVIN: Yes, yes, and
6 that's--and that's where I think that there are
7 reforms and we could probably look to thing that
8 happened that whatever Dodd Frank or--or whatever was
9 done after the financial Crisis to--to reform lending
10 practices, and that's--but I think that that's--so
11 that's definitely stuff that we can actually work
12 through.

13 ACTING COMMISSIONER HEINZEN:
14 [interposing] And we're committed. You know, we've
15 committed to with the Drivers Assistance Centers--

16 COUNCIL MEMBER LEVIN: Yeah.

17 ACTING COMMISSIONER HEINZEN: --we've
18 committed to hiring, you know, directly or through
19 and advocacy group hiring a team of credit advocates
20 to work with owners, and to go to the banks and the
21 lenders and to help them--

22 COUNCIL MEMBER LEVIN: Yeah.

23 ACTING COMMISSIONER HEINZEN: --right
24 size these loans.

25 COUNCIL MEMBER LEVIN: I think a couple
things that the Mayor's--the Mayor's Office can do,

3 the Mayor's Office of Operations I think could play a
4 very productive role in-in doing some data crunching
5 to as a whole look at what the-what would be a-a
6 monthly payment that a driver-owner could make, and
7 therefore, what is-what is the right size of a loan.
8 Now, obviously some of these loans are-as I said, you
9 know, some of them are over-extended in different
10 ways and to different degrees--

11 ACTING COMMISSIONER HEINZEN: Uh-hm.

12 COUNCIL MEMBER LEVIN: --but-but like I
13 think that the Mayor's Office and TLC and the Mayor's
14 Office of Operations can probably help to-to create
15 a-to look at the data and understand the data a
16 little bit better, to understand what the long-term,
17 now that-now that there's a-the FHV cap is-- in place
18 and we get a better sense of hopefully the-the
19 overall-the overall system of for-hire vehicles in
20 New York City is stabilized to the extent that we can
21 maybe have a better sense of where things are going
22 to be in three, five, seven, ten years so we can
23 understand what a-what a-what a driver-owner can pay-
24 can pay off, and how-how these loans can make sense,
25 but I think that that could be something that the-the
city could be very helpful with, and kind of then

2 establishing working with the lenders on a—in a large
3 scale either individually or, you know, collectively
4 with the distressed Medallion owners to—to figure out
5 what a right size loan looks like in terms of the
6 size of the principal.

7 ACTING COMMISSIONER HEINZEN: And I just
8 want to acknowledge from the work that I know that
9 NYTWA has done and that they decided to testify to
10 earlier today, they have—they have been doing—they
11 are the that has been doing--

12 COUNCIL MEMBER LEVIN: Uh-hm.

13 ACTING COMMISSIONER HEINZEN: --clinics
14 finding out this information, approaching the
15 lenders. I know that they've helped deliver positive
16 results--

17 COUNCIL MEMBER LEVIN: Uh-hm.

18 ACTING COMMISSIONER HEINZEN: --for some
19 owners, and I know that also as I'm sure she'll be
20 happy to tell you that they have thought a lot about
21 what those monthly payment amounts should be--

22 COUNCIL MEMBER LEVIN: Okay.

23 ACTING COMMISSIONER HEINZEN: --but I
24 agree with you that that could—that-that type of
25

3 conversation would benefit from data analysis as
4 well.

5 COUNCIL MEMBER LEVIN: And then the last
6 question is have we looked at the concept of this?
7 Because if-if the city is going to buy out distressed
8 mortgages, that gets really expensive really quickly,
9 and there's probably more distressed mortgages on the
10 Medallions than we can afford to buy in any given
11 timeframe. So, have we looked at potentially putting
12 the city's collateral to guarantee a refinanced loan
13 that is right sized, and that's a-it's a concept I
14 think that has legal implications and state law and
15 state constitution, but as a concept as a-as a way to
16 provide the backstop--

17 ACTING COMMISSIONER HEINZEN: Uh-hm.

18 COUNCIL MEMBER LEVIN: --something of-of-
19 that is consequential while at the same time not just
20 wholesale buying out mortgages on Medallions that
21 are-that we wouldn't be able to afford to do for as
22 big-larger numbers as I think is necessary, but still
23 has the city on the hook in some sense, but hopefully
24 not ever having to pay because if it's the right size
25 mortgage they wont go into default. The city doesn't
have to come forward with that guarantee.

3 ACTING COMMISSIONER HEINZEN: Well, this
4 one that I was asked earlier by Chair Rodriguez. He
5 thought I was aware of other jurisdictions that have
6 attempted some form of financial assistance and--and
7 that is very similar to what I believe San Francisco
8 did with its Medallion market, and I think it was
9 not--I'm afraid I don't think it was designed
10 properly, and the result is that there's one credit
11 union that held all the loans that thought the city
12 had put up collateral, had guaranteed a certain
13 amount that is now suing the city. So, I believe--

14 COUNCIL MEMBER LEVIN: Okay.

15 ACTING COMMISSIONER HEINZEN: --there re
16 lessons to be learned from that example.

17 COUNCIL MEMBER LEVIN: Sure. Okay, but
18 it's a concept that I've been interested in for a
19 while as a way to try to stabilize everything in a
20 way that--that we could do it at large enough scale
21 instead of just putting cash out to purchase the
22 first Medallion. So, thank, you. I--I appreciate all
23 these answers. I'm--we're going to--there's a lot to
24 be done here.

25 ACTING COMMISSIONER HEINZEN: I agree.

3 COUNCIL MEMBER LEVIN: I-I know you do,
4 and I hope you do understand the level of desperation
5 that people have because, you know, their hopes and
6 dreams are--were poured into and all of their savings,
7 and everything else that they have was poured into
8 something of value that the city had a role in, and
9 then the bucket--the bottom of the bucket fell out,
10 and we have a collective responsibility to get these
11 owners on their feet in a way that I sustainable so
12 that they can support their families, send their kids
13 to college, all the things that make up the American
14 Dream.

15 ACTING COMMISSIONER HEINZEN: I do--I do
16 understand it, and I can assure you that again as I
17 said everyone at TLC we interact with drivers and
18 owners on a regular basis and we meet daily. We're
19 very aware of the pain and the problem and the
20 crisis. We take it very seriously, and we work--well,
21 we work as hard as we can to do what we can. I think
22 we've made great progress. There's obviously much
23 more work that can be done.

24 COUNCIL MEMBER LEVIN: Thanks.

25 ACTING COMMISSIONER HEINZEN: And thanks
to the chairs.

3 CHAIRPERSON TORRES: Commissioner, I want
4 to go back to the February 2014 auction, which
5 resulted--

6 ACTING COMMISSIONER HEINZEN: Uh-hm.

7 CHAIRPERSON TORRES: --in 40% of the
8 participants experiencing bankruptcy.

9 ACTING COMMISSIONER HEINZEN: Uh-hm.

10 CHAIRPERSON TORRES: The decision to
11 conduct and auction the decision to set the upset
12 price is that a decision that TLC makes on its own or
13 in consultation? Who makes that decision? Who are
14 all the players in that decision making process?

15 ACTING COMMISSIONER HEINZEN: I haven't
16 worked there when there's been an auction. So, I have
17 --would have to imagine that that's made in
18 consultation with, you know, that that would be made
19 in consultation with other offices. I'd-I'd be
20 surprised--

21 CHAIRPERSON TORRES: [interposing] Does
22 OMB play a role?

23 ACTING COMMISSIONER HEINZEN: OMB is the
24 institution responsible for the budget so I would be--
25 I would be surprised if they didn't.

3 CHAIRPERSON TORRES: Okay. Who was the
4 head of OMB at the time of the February 2014 auction?

5 ACTING COMMISSIONER HEINZEN: I don't
6 know. That was a period I didn't work for the city.
7 I don't—I don't remember who it was.

8 CHAIRPERSON TORRES: Dose your assistant,
9 does the General Counsel know the answer to that
10 question?

11 ACTING COMMISSIONER HEINZEN: I mean I
12 can look it up.

13 ACTING COMMISSIONER WILSON: Yeah, I can
14 look it up. I don't know off hand.

15 CHAIRPERSON TORRES: You have no idea who
16 it was?

17 ACTING COMMISSIONER HEINZEN: I don't—I--

18 CHAIRPERSON TORRES: [interposing] You
19 want me to give you a guess? He's the first Deputy
20 Mayor.

21 ACTING COMMISSIONER HEINZEN: Okay.

22 CHAIRPERSON TORRES: So, I'll answer the
23 question for you.

24 ACTING COMMISSIONER HEINZEN: Thank you.

25 CHAIRPERSON TORRES: Can we pull up the
Mercure Exhibits. Nicole. So, as Mercure points

3 out, a Medallion has essentially two values. There's
4 the value base on the market, which can be the
5 product of speculation and then there's the value
6 base on the actual ability of the Medallion to
7 generate net operating income right and there's
8 something of a paradox here. It's possible for a
9 Medallion owner to have a million dollar asset on
10 paper, but virtually no net operating income in the
11 real world. A higher Medallion value like meant
12 higher loan payments, which in turn likely meant less
13 income for the driver. TLC knew or should have known
14 the terms of each loan. TLC knew the operating
15 expenses of running a taxi, and so from the loan
16 terms and the operating expenses, TLC should have
17 been able to project the level at which a Medallion
18 would not longer generate a sufficient net operating
19 income, and that operating income that you live on.
20 Did TLC even attempt to make those projections during
21 the bubble?

22 ACTING COMMISSIONER HEINZEN: I'm not
23 aware. Again, I wasn't—I wasn't there during that
24 time. I know that's an unsatisfactory—that may be an
25 unsatisfactory response but I—I was—I don't know what
deliberations went into the auctions. I know that

3 the auctions were set in 20—as I said, they were set
4 in 2013. I know about such a policy--

5 CHAIRPERSON TORRES: [interposing] I'll
6 ask it normally.

7 ACTING COMMISSIONER HEINZEN: --about the
8 base number of wheelchair accessible cars.

9 CHAIRPERSON TORRES: [interposing] Should
10 TLC project the point at which the Medallion values
11 are so high, the monthly loan payments are so
12 prohibitive that it leaves a driver with virtually no
13 or minimal net operating income. Is that the sort of
14 projection that TLC should make before approving a
15 Medallion transaction as part of your statutory
16 responsibility for financial stability?

17 ACTING COMMISSIONER HEINZEN: Which
18 again, as I said is the subject of litigation right
19 now what--what the -what that exact responsibility.

20 CHAIRPERSON TORRES: It's also the
21 subject of the-the subject of your rules, financial
22 stability, but is that the kind of projection--?

23 ACTING COMMISSIONER HEINZEN:
24 [interposing] It's like we've got litigation. Right.
25 It's like litigation.

3 CHAIRPERSON TORRES: Is that the kind of
4 projection that TLC should make before approving the
5 transaction?

6 ACTING COMMISSIONER HEINZEN: Yes.
7 Traditionally, as you know, what we have looked at as
8 whether the purchaser, whether the potential
9 purchaser could provide documentation of sufficient
10 funding to-to enter into the loan. So that would
11 have been a commitment letter. We didn't receive the
12 loan application papers. We're not—we were not in
13 the role of loan examiners or credit examiners.

14 CHAIRPERSON TORRES: But you had the
15 authority to request the loan. You had the authority
16 to examine the loan terms as a condition for granting
17 the Medallion or the license, and from the loan terms
18 and from the operating expenses you could have
19 determined whether the driver would have been able to
20 generate a living income. That's—I want to go to the
21 Roth Report. Can we to page 2 of the Roth Report?
22 [background comments/pause] Not that, no. The
23 individual owner-operator section, Exhibit 30. So,
24 according to Mr. Roth's analysis a TLC employee, a
25 driver can generate \$100,000 in fares and tips every
year in revenue. If you have a loan with a 4 point—

3 let's just say half a million dollar mortgage like a
4 4.5% interest rate over 15 years that costs about
5 \$51,000 every year plus \$40,000 in operating
6 expenses. That's \$91,000 in total operating expenses
7 leaving driver with \$9,000 in net operating income.
8 Those are the kind of transactions that TLC approved.
9 Do you think \$9,000 is a living income?

10 ACTING COMMISSIONER HEINZEN: Again, I'm--
11 I'm not familiar with the analysis that was done
12 here. This--I know the New York Times has published
13 other things.

14 CHAIRPERSON TORRES: [interposing] No,
15 we'll--we'll provide you with more analyses, but do
16 you think \$9,000 is sufficient.

17 ACTING COMMISSIONER HEINZEN: That's a
18 document that was produced by an entity that--

19 CHAIRPERSON TORRES: [interposing] I--I
20 get it. No one--no one in TLC has ever seen the Roth
21 Report. You've made that clear, but is \$9,000 a
22 living income?

23 ACTING COMMISSIONER HEINZEN: [pause] No,
24 of course not.

25 CHAIRPERSON TORRES: Of course not. Okay,
do you think TLC should be approving transactions

3 that leave a driver with \$9,000 in net operating
4 income?

5 ACTING COMMISSIONER HEINZEN: I the TL-as
6 I said, this not information that TLC had in front of
7 it when it approved transactions.

8 CHAIRPERSON TORRES: Yes, but you had the
9 ability to request that information as a condition
10 for receiving the Medallion.

11 ACTING COMMISSIONER HEINZEN: I--

12 CHAIRPERSON TORRES: [interposing] Yes,
13 you did.

14 ACTING COMMISSIONER HEINZEN: --perhaps
15 we did, yeah. I don't know as a point of law, but we
16 probably did.

17 CHAIRPERSON TORRES: You certainly did.
18 Can we go to the. So, what exhibit is this? Exhibit
19 2122. So, in addition to Roth Report, TLC did its own
20 Cost and Revenue Analysis--

21 ACTING COMMISSIONER HEINZEN: Uh-hm.

22 CHAIRPERSON TORRES: --in 2004. So, the
23 presentation contains a Cost of Revenue Analysis for
24 Owner-Drivers assuming a net income for drivers or
25 \$50,000 a year. The annual cost of the loan is
\$18,000 a year. The gross revenue about \$90,000, the

3 operating expenses \$41,000. The net income \$49,000.

4 So, we go to the next page. So using the same
5 assumptions in the 2004 analysis the same assumptions
6 about loan terms and operating expenses, TLC could
7 have projected the impact of higher Medallion loan
8 amounts on that operating income, right. If-if a
9 loan amount at \$250,000 leaves a driver with 8 with
\$49,000 in net annual income--

10 ACTING COMMISSIONER HEINZEN: Uh-hm.

11 CHAIRPERSON TORRES: --a loan amount at a
12 million dollars would leave a drivers with a net
13 operating loss of over \$4,000. Do you think and I
14 know you said you were not there at the time. This
15 is a TLC analysis. Do you think it's responsible for
16 TLC to approve transactions with loan amounts that
17 leave drives with a net operating loss of \$4,000? Is
18 that sort of thing responsible as a policy matter in
19 the abstract?

20 ACTING COMMISSIONER HEINZEN: You've
21 shown me the advertising and sales, which is from--
22 from prior years and I think I've-I have tried to
23 make clear, and I think I've-I've made clear that
24 obviously TLC is not in the business right now of
25 being involved in Medallion auctions. The type of

3 language that was used, and the techniques that were
4 used are not something that I personally would have
5 done. In terms of whether we—whether TLC could have
6 created this calculator, I—I—yes, I think TLC could
7 have created that calculator.

8 CHAIRPERSON TORRES: Is that something
9 that TLC is going to do going forward? Are you going
10 to determine the net operating income that a driver
11 earns before approving the Medallion?

12 ACTING COMMISSIONER HEINZEN: I think
13 that we have—we have changes in place that we've
14 announced. There's changes that are a part of the
15 legislation that you and your colleagues have
16 introduced, and I think, you know, we're not I guess
17 talking about that legislation today, but I would
18 hope that we could have a conversation about what
19 types of things we could increase. When you put it
20 that way it sounds like a good thing to include.

21 CHAIRPERSON TORRES: Can we go to Exhibit
22 20? So, in—in addition to regulating the financial
23 stability or the Medallion market at large, TLC had
24 an obligation to regulate the financial stability of
25 the level of individual licensees, and I call your
attention to Exhibit 20, which I call the incredibly

3 shrinking financial disclosure. TLC went from
4 demanding 21 pages of financial disclosure in the
5 1990s to 4 pages of financial disclosure in the 2000s
6 to zero page of financial disclosure in the 2010s.
7 Why did TLC over time demand less and less financial
8 disclosure from its licensees?

9 ACTING COMMISSIONER HEINZEN: Again, this
10 is not something I've seen before. So, I understand
11 your question. I don't know—I don't know where this—
12 I don't know how you're coming up with this
13 calculation so--

14 CHAIRPERSON TORRES: Well, I'll ask—I'll
15 ask the one question. Did TLC requests less
16 financial information and disclosure over time.

17 ACTING COMMISSIONER HEINZEN: I'm going
18 to—I don't know the answer to that.

19 CHAIRPERSON TORRES: You don't know the
20 answer to that. Okay. Do you review the financial
21 files of your licensees?

22 ACTING COMMISSIONER HEINZEN: Do I
23 personally?

24 CHAIRPERSON TORRES: Your agency. You're
25 here as a representative of TLC, not you personally.

3 ACTING COMMISSIONER HEINZEN: Okay, so my
4 understanding is that what's--what's reviewed is we
5 receive different part of information about our
6 licensees including criminal background checks
7 including other personal information and as I said
8 for a Medallion we require a--something in the form of
9 a commitment letter from a lender demonstrating that
10 there is, in fact, a loan that would secure the
11 purchase of the asset. I'd say additional.

12 CHAIRPERSON TORRES: And who--who is
13 responsible for reviewing those documents in your
14 agency? Which staffers, which unit?

15 ACTING COMMISSIONER HEINZEN: We have a
16 team of people who--who work on it.

17 CHAIRPERSON TORRES: And are these people
18 lawyers? What's--what's their position?

19 ACTING COMMISSIONER HEINZEN: I can--I
20 mean I can provide you with that information if you--
21 if you don't, if you don't have, if you don't have
22 that information, I can provide you with it. I don't
23 know--I don't know--

24 CHAIRPERSON TORRES: Do you know who
25 leads the unit that's responsible for reviewing the
financial files?

3 ACTING COMMISSIONER HEINZEN: I think I
4 do, but I'm not sure. So, I'd rather not speculate.
5 I'd rather not say someone's name out loud in a
6 hearing like this if I'm—if I'm not sure, but I'll
7 commit to providing you that information.

8 CHAIRPERSON TORRES: Okay. Do you know
9 if those—Okay, we'll—we'll—we'll—I'll ask for more
10 information. I want to ask about—we've spoken about
11 financial stability. We've spoken about advertising,
12 we've spoken about the auctions. I want to ask you
13 about the bad actors in the industry. When did the
14 city revoke the license of Gene Friedman?

15 ACTING COMMISSIONER WILSON: We directed
16 him

17 ACTING COMMISSIONER HEINZEN: We him to
18 give us his Medallions and he pled guilty to a
19 federal crime.

20 CHAIRPERSON TORRES: And so when was
21 that?

22 ACTING COMMISSIONER WILSON: Sometime
23 last year.

24 CHAIRPERSON TORRES: Last year. Okay, so,
25 it was a recent. The TLC has known for a long time
that Gene Friedman was a bad actor in the industry.

3 He was one of the subjects of a DOI report in 2007.

4 He was the subject of the Roth Report in 2010, in

5 2012 and in 2015 he boasted about manipulating the

6 market and engaging in speculation. DOI said that

7 there was one of the driving forces behind collusion

8 in the market. In 2013, he had a settlement with the

9 AG for overcharging drives of taxicabs. He was later

10 found to have evaded taxes. Why did it take all

11 these complaints about him? All these findings about

12 him as far as back as 2007 that DOI Report if not

13 before then. Why did it take so long to revoke his

14 license?

15 ACTING COMMISSIONER HEINZEN: I know that

16 there's extensive litigation with Mr. Friedman and

17 that may have had an impact.

18 CHAIRPERSON TORRES: Why would that

19 prevent you from-I mean TLC has the authority to

20 revoke a license based on good moral character. You

21 have the authority to revoke a license based on

22 fitness to hold a license. If-if-if-I'll just frame

23 it in the abstract. If I'm a bad actor in the

24 industry, who's stealing wages from my workers, who's

25 engaging in collusion and manipulating the market,

3 who's evading taxes, do you think that I am fit to
4 hold a license within the meaning of TLC's rules?

5 ACTING COMMISSIONER HEINZEN: In the
6 abstract, I don't want that person or either to have
7 that person hold a TLC license.

8 CHAIRPERSON TORRES: So, you would
9 revoke—you would revoke my license?

10 ACTING COMMISSIONER HEINZEN: Revocation
11 is serious and you look at several factors.

12 CHAIRPERSON TORRES: [interposing] So,
13 it's wage theft?

14 ACTING COMMISSIONER HEINZEN: You're
15 talking about in the overall--

16 CHAIRPERSON TORRES: [interposing] That
17 was overcharging drivers. That's pretty serious.
18 Collusion in the market is pretty serious. If one of
19 these individuals drivers make a mistake, TLC will
20 aggressively crack down on them, but when corporate
21 owners like Gene Friedman -

22 SERGEANT-AT-ARMS: [interposing] Keep it
23 down.

24 CHAIRPERSON TORRES: --are admittedly--
25 admitting to speculating in the market, there seems
to be no accountability. There's--there's enforcement

3 against the underdog, but not enforcement against
4 speculators like Michael Cohen or Gene Friedman.

5 Again, is that—if I engaged in wage theft, if I
6 engaged in collusion would you revoke my license?

7 ACTING COMMISSIONER HEINZEN: When these
8 people were convicted of crimes of those that-of
9 those crimes, their licenses were revoked.

10 CHAIRPERSON TORRES: So, in your opinion—
11 so your opinion about it--

12 ACTING COMMISSIONER HEINZEN:
13 [interposing] Right if any new--

14 CHAIRPERSON TORRES: [interposing] So, so
15 if DOI--

16 ACTING COMMISSIONER HEINZEN:
17 [interposing] So, if there's a new--

18 CHAIRPERSON TORRES: A DOI finding--

19 ACTING COMMISSIONER HEINZEN: --if there's
20 a new--these are entitled due process.

21 CHAIRPERSON TORRES: So, I understand--
22 well, there's--there's criminal process and then
23 there's administrative process. So, if there's a DOI
24 finding of collusion that in your mind is not
25 sufficient grounds for revocation?

2 ACTING COMMISSIONER HEINZEN: That's not
3 what I said.

4 CHAIRPERSON TORRES: I'm asking about
5 that.

6 ACTING COMMISSIONER HEINZEN:
7 [interposing] I'm—I'm not aware of—sorry?

8 CHAIRPERSON TORRES: You said the
9 conviction is grounds for a revocation right? What
10 about a DOI finding of collusion?

11 ACTING COMMISSIONER HEINZEN:
12 [interposing] I think we take it to station. (sic) I
13 don't know that there—I'm sorry. I'm just not
14 familiar with the DOI. I know that there was a DOI—

15 CHAIRPERSON TORRES: What about the
16 settlement with the Attorney General's Office in
17 2013?

18 ACTING COMMISSIONER HEINZEN: I'm sure
19 what—I'm not sure if that settlement resolved with a—
20 with a conviction but—

21 ACTING COMMISSIONER WILSON: Yeah, it
22 didn't result in a conviction and it did result in
23 restitution.

24 CHAIRPERSON TORRES: I want to—hold on
25 for one second. [pause] I just want to walk through—

3 can we go to Exhibit 9? So, I—so I think,
4 Commissioner, have a disagreement. I am—it's my
5 position the TLC had a central role in creating the
6 speculative bubble that led to the mass foreclosures
7 and bankruptcies. The TLC was in the position to
8 prevent the bubble, and in many ways helped create
9 the bubble, and so—and so there were several warning
10 signs that were ignored by TLC. In 1987 then TLC
11 Commissioner Gurman—Gorman Gilbert said the following
12 to the New York Times: What we created here is the
13 currency in the Medallion itself. We diverted the
14 attention of the industry from serving the public to
15 being concerned about the value of that commodity. So
16 there was awareness, TLC awareness of speculation in
17 the Medallion market, dating as far back as 1987.
18 Exhibit 10 the second waring. In 1990, TLC in
19 partnership with several city agencies began to
20 investigate "complaints that taxi Medallion brokers
21 and lenders were selling the Medallion for prices far
22 above the prevailing market rate to unsuspecting
23 buyers." "In one case cited by the Commission, a
24 buyer paid \$130,000 for a Medallion in August while
25 the market price was about \$125,000. So, in 1990, a

3 \$13,000 price differential was enough to spark an
4 investigation from TLC.

5 ACTING COMMISSIONER HEINZEN: That's
6 right. As-as I said the Mayor ordered a 45-day
7 review in to the Royal Brokerage. So, we started
8 that--

9 CHAIRPERSON TORRES: [interposing] Long
10 after the collapse of the Medallion.

11 ACTING COMMISSIONER HEINZEN:
12 [interposing] We've also set up the Base and Business
13 Accountability Unit. We've agreed to set up several
14 offices to look internally at what TLC does and is
15 doing, and how we can strengthen our processes and
16 we've agreed to set up services. Some of them are as
17 a result of legislation from City Council to-to offer
18 more assistance including financial and credit
19 counseling to the drivers and to the owners.

20 CHAIRPERSON TORRES: Several years after
21 the collapse of Medallion market, but 1990
22 demonstrates--

23 ACTING COMMISSIONER HEINZEN:
24 [interposing] I think we're here to talk about what
25 we can do for going forward.

3 CHAIRPERSON TORRES: We're actually here
4 to learn from history and explore the origins of the
5 crisis and talk about how we go forward. Exhibit 13,
6 as you know that I referenced earlier, there was a
7 DOI report finding collusion and speculation in the
8 Medallion market.

9 ACTING COMMISSIONER HEINZEN: Which is
10 not a criminal conviction, which is referred, which
11 was then there's a criminal referral then that was
12 made is my understanding.

13 CHAIRPERSON TORRES: Sure, but DOI warned
14 TLC of collusion and manipulation in the Medallion
15 market. Exhibit 14: In 2010 former Commission
16 Matthew Daus speaking before the International
17 Association of Transportation Regulators cited the
18 willingness of banks to offer loans without a down
19 payment not as cause for concern, but as cause for
20 celebration and cheerleading. "We raised over \$200
21 million for the city of New York, and some of these
22 folks are offering 0% down. You tell me what bank
23 walks around asking for a 0% down on a loan? It's
24 just really amazing, and it's testament to the
25 strength of the Medallion. Exhibit 15, of course is

3 the Roth Report. Exhibit 16 both in 2012 and in
4 2015.

5 ACTING COMMISSIONER HEINZEN:

6 [interposing] I knew you were going to say that.

7 CHAIRPERSON TORRES: Let me—let me.

8 ACTING COMMISSIONER HEINZEN: That comes
9 form the New York Times.

10 CHAIRPERSON TORRES: I'm sorry.

11 ACTING COMMISSIONER HEINZEN: Sure.

12 CHAIRPERSON TORRES: Well, in 2010 the
13 Roth Report came out. In 2012 and in 2015, Gene
14 Friedman was publicly boasting about rigging the
15 Medallion market. "I'd go to an auction. I'd run up
16 the price of a Medallion. Then I'd run to my bankers
17 and say look how high the Medallions are priced. Let
18 me borrow against my portfolio, and they let me do
19 that. Exhibit 18. When asked about Mr. Friedman's
20 public boasting about speculation, Mr. Daus said,
21 Well, we were aware that they were bidding up the
22 prices. Yes, I mean the prices. Yes, I mean the
23 goal was to try to get the highest price. So, not
24 only was TLC aware of speculation by the likes of
25 Gene Friedman, but according to Mr. Daus, your
predecessor, he saw speculation as a good thing as

3 the goal of the agency as the metric of success and
4 then, of course, Exhibit 19 is the public letter from
5 Mercure the National—the Federal Regulator warning
6 about speculation in the Medallion market. So there
7 was warning after warning after warning about the
8 risk or the reality of speculation in the Medallion
9 market and I'll-I'll end with this point. It seems to
10 me TLC failed to regulate the financial stability of
11 the Medallion market. Your agency failed to enforce
12 the law against bad actors like Gene Friedman who was
13 engaged in collusion, tax evasion and wage theft.
14 Your agency failed to heed all these warnings both
15 from within the agency and beyond about market
16 manipulation. Your agency knowingly sold Medallions
17 to unsuspecting buyers at inflated values. Your
18 agency engaged in false advertising to immigrants
19 selling them a false promise of the American Dream.
20 Your agency approved transactions with predatory
21 loans that cannibalized the incomes of drivers. So, I
22 want to return to one of my very first questions.
23 Given these facts, given this hearing, are you
24 finally willing to come to grips with TLC's
25 culpability for the Medallion crisis and the human
costs that it has inflicted on—on drivers? Are you

3 feeling—are you willing to acknowledge some level of
4 moral responsibility and on the part of your agency,
5 on the part of the city of New York?

6 ACTING COMMISSIONER HEINZEN: I'm
7 absolutely willing to acknowledge the pain that
8 people are suffering. I'm sorry for their pain--

9 CHAIRPERSON TORRES: [interposing] Are
10 you responsible for that pain in any way?

11 ACTING COMMISSIONER HEINZEN: I—I—I've
12 described TLC's role in this. I haven't said that
13 TLC doesn't have a role in it.

14 CHAIRPERSON TORRES: I have not heard an
15 acknowledgement or responsibility.

16 ACTING COMMISSIONER HEINZEN:
17 [interposing] But what I have said is—what I have
18 said is the responsibility of regulating this
19 industry goes far beyond TLC. It goes to City
20 Council. It goes the Department of Financial
21 Services and it goes to the federal government.

22 CHAIRPERSON TORRES: Who decides whether
23 someone receives a Medallion? Is it the City Council
24 or is it you as a Commissioner?

25 ACTING COMMISSIONER HEINZEN: We—we—we—we
approve the transfer of the Medallion.

3 CHAIRPERSON TORRES: So, we pass the laws
4 and you implemented them.

5 ACTING COMMISSIONER HEINZEN: And what I
6 have said many times today, and what I will continue
7 to say is if you look at the steps that this
8 Administration has taken to provide relief to drives
9 in this market, and to cap the number of for-hire
10 vehicles licenses to spread the responsibilities of
11 providing services so they don't just fall in Yellow,
12 I think you will see that this Administration has
13 done a tremendous amount for the Yellow industry, and
14 I think that work obviously continues. We just
15 recently announced, as I said, we're waiting
16 collection of Medallion fees. We're working with you
17 to make that a permanent—to make the permanent.
18 Under Council Member Levine's legislation we've
19 expressed—again, we haven't talked about the
20 testimony today. As you see in my written testimony,
21 we've expressed willingness to work with you, which I
22 mean, additional steps that we can take.

23 CHAIRPERSON TORRES: But omission (sic)
24 of your first step toward recovery, and it—and it
25 seemed, you know, throughout the hearing it—there are
people who are suffering. There are people who might

3 die working who will never have a retirement because
4 they have been reduced to the status of indentured
5 servants who have seen all of their income
6 cannibalized by predatory lenders, right. So the
7 tone of self-congratulation--

8 ACTING COMMISSIONER HEINZEN: You want--?

9 CHAIRPERSON TORRES: is out of touch
10 with the plight-

11 ACTING COMMISSIONER HEINZEN:

12 [interposing] I don't that drivers saw the issues on
13 this side--

14 CHAIRPERSON TORRES: --of drivers and the
15 realities of the Medallion collapse.

16 ACTING COMMISSIONER HEINZEN: --but if
17 you want me to, I absolutely accept responsibility
18 for anything I did that contributed to this crisis or
19 that deepened this crisis. Absolutely. There's no-
20 there's no question I would accept that and--

21 CHAIRPERSON TORRES: [interposing] Are
22 you willing to apologize to the drivers here?

23 ACTING COMMISSIONER HEINZEN: I, yes, I-
24 yes, I--
25

3 CHAIRPERSON TORRES: [interposing]
4 Apologize. Are you willing to apologize to the
5 drivers?

6 ACTING COMMISSIONER HEINZEN: I will. As
7 I said--

8 CHAIRPERSON TORRES: [interposing]
9 They're right here. You can apologize to them.

10 ACTING COMMISSIONER HEINZEN: Just Chair,
11 I think you're turning this into something different
12 from what it should be. I was turning to them to
13 talk to them, but I don't need to be told by you what
14 to do or when to do it.

15 CHAIRPERSON TORRES: You're under no
16 obligation to apologize. Are you willing to
17 apologize to them?

18 ACTING COMMISSIONER HEINZEN: I've
19 answered this question several times, and each time
20 you cut me off. So, I've said yes--

21 CHAIRPERSON TORRES: Okay.

22 ACTING COMMISSIONER HEINZEN: No, no, no,
23 no. I've said yes, I accept responsibility for what
24 TLC has done, for what I have done to make this
25 crisis worse. I have tried to explain today my
belief, and I know you don't want to hear it, but

3 that other people are also responsible, but the main
4 cause of this is the lending practices of the banks
5 and credit unions as you have detailed.

6 CHAIRPERSON TORRES: Yes.

7 SERGEANT-AT-ARMS: Keep it down.

8 CHAIRPERSON TORRES: Commissioner, I
9 thank you for your time.

10 CHAIRPERSON RODRIGUEZ: Thank you Chair.

11 Commissioner, this is what I, you know, someone wrote
12 something on the Twitter that I feel that express
13 also how we feel. That person said if corporations
14 were built with such a blow, they would be
15 compensated immediately. Here the suffering is
16 ignored. This is a model outrage. We need to fix it
17 now. You h read from the drivers and—and those that
18 have been advocating for the right of the independent
19 Medallion owners that one of the reasons why we as a
20 city because this is not just only about TLC, it
21 involve many even though the agencies that were
22 responsible leading, you know, the supervision of
23 those that we believe were—have been bad actors, but
24 also the lack of leadership also that we have seen in
25 TLC for not—and again I'm not thinking about just you
as the current leader of the TLC, the agency for say

3 previews (sic). It could be a current individual
4 assisting them all, you know, to fail to make
5 individuals accountable, those that as I said were
6 those bad actors. So, I—I believe, I hope that as the
7 Mayor is going nationwide that he is stepping in
8 helpless at this moment. I think that what we
9 learned from the real estate crisis was that the
10 small one, we're the one affected. Banks will pay
11 back. What we know is that a lot of people took
12 advantage of the real estate crisis, the housing
13 crisis, and I think that this is a-an important
14 moment. I know that we've been trying to address
15 this crisis, but I hope again that you in the role
16 that you play right now, City Hall and, of course, I
17 would like to see the Mayor stepping in and putting
18 together a plan on how we will give the dignity back.
19 This is—I love programs. I love counseling, but this
20 is about money. This is about mortgage. This is
21 about individuals that they use [cheers/applause]
22 that they use the value of the Medallion to send
23 their kid to college. Those who are sitting here
24 that they used the value to buy their house. So,
25 this is about I would like to see a plan. I'd like
to see number. I—we will work together with Council,

3 but this is about are we ready to put the numbers on
4 the table and be able to say as the federal
5 government did it to the real estate when the housing
6 crisis, the real estate crisis. Now, the city of New
7 York should put our own plan. [cheers/applause]
8 And—and, of course, as I said, today we're focusing
9 on the value of the Medallions, but this is about
10 Uber and Lyft, too. [cheers/applause] This is
11 about—this also about enforcement. This is about
12 where are we displaying the TLC officer to do enforce
13 I would say 100% of them they should be just here in
14 Midtown, JFK and—and LaGuardia. I think that this—I
15 believe that even in the middle of the crisis
16 [applause] where we are today, if we as a city will
17 be honoring the exclusive rights of Yellow Taxi being
18 the one that—the only one that will pick up and drop
19 off in the Midtown area in the JFK and LaGuardia.
20 [cheers/applause].

21 SERGEANT-AT-ARMS: Everyone keep it down.

22 CHAIRPERSON RODRIGUEZ: With that
23 situation, we will be having this situation
24 different. Going after the bad actors, but at the
25 same time knowing that the drivers they will be able
to make their living as they work 60 hours a week to

3 support themselves also. I just hope again that we
4 will continue working together, but this is a moment
5 to, you know, step in and understanding that this—we
6 cannot come back in another hearing two months from
7 now, and just putting a Band-Aid. You know, this is
8 not a crisis that will be cured with a Band-Aid.
9 [cheers/applause] This requires—and—and—and my last
10 thing is I hope that no one—first of all, if there is
11 anyone at TLC that plays a role that turn their back
12 to this situation, I hope that those people will step
13 out. I hope that anyone that is—has some level of
14 responsibility would not come back to the agency in
15 any role. If by any chance they were a witness, and
16 they decided not to make those brokers accountable,
17 and I just hope again that there's going to be a
18 moment where those of you guys that, you know, been
19 doing your job, you know, having the interest of the
20 drivers and the individual owners as the top
21 priority, you know, 100% to continue working
22 together. But if there's anyone still in the agency
23 that plays a role today or if they have played a role
24 in the past, I hope that none of those individuals
25 will come back to play a role on any leadership level
at TLC. This is a big crisis that we are facing, and

3 we need solutions, but anyone that have been involved
4 associated with this should step out immediately.

5 Thank you. [applause]

6 ACTING COMMISSIONER HEINZEN: Thank you,
7 Chair. Thank you, Chair.

8 CHAIRPERSON RODRIGUEZ: [off mic]
9 Commissioner, [off mic] We want to share with you. I
10 want to share with these by one of the Medallion
11 owners Bernardo Salavino, which is something I can
12 share with you. I say you owe \$356 of additional
13 taxicab and Hail Vehicle Tax interest and penalty,
14 and they say: Information received from the New York
15 City Taxi and Limousine Commission indicate you have
16 additional taxable tips. The enclosed schedule
17 reflects the details of the proposed audit
18 adjustment. Is this something that--

19 ACTING COMMISSIONER HEINZEN: I'll
20 certainly look into it if you can provide it to me.
21 If you can give me that or we can try to make a copy
22 here today.

23 CHAIRPERSON RODRIGUEZ: Okay, okay.
24 Thank you. Thank you, Commissioner.

25 ACTING COMMISSIONER HEINZEN: Thank you,
Chair Rodriguez. Chair Torres, thank you.

3 CHAIRPERSON RODRIGUEZ: [off mic] Now we—
4 [on mic] now we're going to the next panel. Janna
5 Shoal and we're putting on—I'm sorry. Sorry,
6 Commissioner.

7 CHAIRPERSON TORRES: So, I have a
8 statement from one of the sponsors of—of or
9 legislation, a legislative package Council Member
10 Adrienne Adams, she-she-it writes, it reads: Dear
11 Chairs Torres and Rodriguez, thank you for this
12 important hearing today. I represent District 28 in
13 Southeastern Queens. I work in a middle-class
14 community where a substantial number of taxi drivers
15 reside. For many drivers in my district Medallions
16 were the ticket to the American Dream. When the Taxi
17 Medallion burst in 2014, my constituents were left
18 with the short end of the stick.

19 SERGEANT-AT-ARMS: [interposing] Quite,
20 please.

21 CHAIRPERSON TORRES: They work hard to
22 scrape together every penny, and took on loans to
23 purchase a million dollar asset they believed would
24 bring them something with stability. Instead, they
25 were duped into partaking in predatory loans. There
was a lack of financial transparency in the taxi

3 industry, and my bill Intro 1584 seeks to change that
4 by requiring all Medallion buyers to submit an annual
5 financial statement to prevent hardworking drivers
6 from being afraid of harm and taken advantage of.

7 Some may argue that revenue from Medallions is
8 projected to increase as the years went on, but even
9 if the revenues were to steadily increase, it still
10 wouldn't justify a million dollar price tag, and
11 would not be enough for drivers to pay off their
12 loans with such predatory terms. The crash

13 eventually led to more that 950 Medallion owners to
14 file for bankruptcy. It's fairly easy to see
15 parallels between the Medallion bubble and the real
16 estate mortgage bubble. Prices of these assets were
17 bound to crash, and the bubble was bound to pop.

18 There are many entities that bear responsibility.

19 Lenders kept on giving out money with very little
20 regard to the borrowers' ability to pay back. TLC

21 was not effectively monitoring or regulating the
22 Medallion sales, and leaders within the taxi industry
23 were pushing an asset, which was clearly over-valued.

24 We must do better by hard working New York City taxi
25 derives. Intro 1584 will certainly help to do just

3 that. Respectfully submitted, Council Member
4 Adrienne Adams.

5 CHAIRPERSON RODRIGUEZ: [off mic] Thank
6 you, Chair. [on mic] So, we're going to be continue
7 calling Nicolai Hans (sic), Alicia Hans, Alise Brown,
8 Bernado Salarino, Tama-Tamara Mishnacova (sp?), Janet
9 Tro. We're putting the clock in two minutes, please
10 because of the numbers of other-other of these. Two
11 minutes. So, what I'm saying is that we are now
12 passing the two minutes. Please, if you-if you take
13 more than that, summarize. [background
14 comments/pause] Anyone can begin so we can start
15 there on the left, and then we can go to the right.

16 MALE SPEAKER: Thank you, Mr. Chairman
17 Rodriguez. Thank you, Mr. Councilman Torres. I
18 really appreciate you for what you did today, and for
19 all that you do in the future, but I-I will say
20 please be careful. I don't want to happen to you
21 what happened to me sir, Ruben Diaz. Your colleagues
22 Speaker of the City Council, Mayor Cuomo would be
23 ready eliminate me. I should start with to this:
24 Thanks to the New York Times for one-year long
25 investigation and cost them a lot of money.
Personally I shopped for move at least times for

3 them. I took to JFK to expose to elaborate what has
4 been done for us. One, the investigation was not
5 cheap. Now, I have here a paper from Crane's from
6 2015. It says her: Cuomo and Johnson to Uber debate
7 urge Council to delay vote on-on Mayor's plan. Is
8 anybody here from the state? No. They have a big
9 criminal hand in this robbery what has been done to
10 us. Further doubt? (sic) [applause] We have a chance
11 to correct this, but it is not going to be easy. You
12 saw them tonight took the 1990 the Medallion with the
13 explicit right to hail in New York City. The law was
14 on the books, 52-0484. You took my exclusive rights
15 and give others for free not only robbing me, but
16 robbing the city of the income revenue. They don't
17 care about the city, they care about their pockets.
18 Thank you.

19 ALICIA HANS: I'm Alicia Hans and I
20 wanted to give my time to Nicolai Hans. Thank you.

21 NICOLAI HANS: Thank you. I love it.
22 Where to go from here? You either give my exclusive
23 rights back and I will continue to work and do the
24 job what I did for—for more than 31 years, or if you
25 want to buy my exclusive rights back as a city you
can do that, but not the pending loan the \$945,000

3 what was the last selling of the Medallion in 2000
4 auction—2014 auction. [cheers/applause]

5 SERGEANT-AT-ARMS: Folks.

6 NICOLAI HANS: Not a penny less, only up.

7 If you want to do something soon and Lyft, you can do
8 it tomorrow. In La Guardia and JFK special terminals
9 of the Jet Blues are more flights. It's true. La
10 Guardia has construction (sic), but not only—only for
11 Yellow, not for Uber or Lyft. We used to have seven
12 places where we pick up in La Guardia. All those
13 places are out from us and seen are Uber and Lyft.

14 [applause] In the two front rows the Port Authority
15 at that La Guardia Airport. Garbage (sic) like
16 Cuomo, people like Cuomo. [woman protesting]

17 Tomorrow you can do that if you want it because it's
18 a fifty lane, not the Cuomo jams, and JFK taking our
19 rights. Why we are out one mile from the terminal
20 and in are Uber, Lyft and all the helpless. Do what
21 General Terminal, terminal 1, Terminal 8, Terminal 4.
22 All the problems that we have, I don't know how much
23 I'm going work, one, two more, three years, for thank
24 God I'm still able to work, but whatever plan you
25 will do to correct this, it has to do with my

3 retirement, too. Not-not-I'll never give up. Thank
4 you very much.

5 CHAIRPERSON RODRIGUEZ: Thank you.

6 [applause]

7 SERGEANT-AT-ARMS: Folks, please.

8 MALE SPEAKER: Thank you, Council

9 Members. I understand we have only two minutes. It
10 used to be three. TLC and Councilman Torres, TLC do
11 not have the guts to admit their culpability. We
12 demand immediate recoupment (sic) from TLC even in
13 the next meeting. Okay. Also to say that we also
14 Council Members or somebody, some authority to
15 contact NCUA National Credit Union Administration
16 because I personally did. I went to sue them in
17 court and I lost my case because the judge and the
18 court found that to go up from 4% interest rate to 6-
19 1/4% interest rate is not overcharging, and I'm
20 positive sure if I charge that judge \$62.50 for a \$40
21 ride TLC is going to send me a ticket for overcharge.
22 Okay. So, basically, I want to say that I have
23 contacted also LCA and Midland Fund Services. They
24 are responsible for more that 3,000 loans from
25 Melrose Credit Union. Melrose-Midland is doing it in
a city way, SUA is going to bring them, Midland so

3 there is no way to appeal any case. The time has
4 expired already. The Yellow Cab industry to not ask
5 for welfare help. We don't need welfare. We need
6 your help, and your help means to investigate as not
7 just you guys can to find out what can we do, and if
8 eventually we can be compensated for all these
9 damages. I'm 63 already. I'm also close to retire.
10 I'm expecting to collect my own 401(k). I don't want
11 to have it. In fact, it's very difficult to find
12 drives today because there are no more drivers, and
13 they just learned about the new fashion for Uber and
14 Lyft owners that they're leasing staff for the shift.
15 So, they're allowed to rent to get money from—to get
16 our passengers, okay, or our ex-passengers in their
17 own benefit, and the TLC is overlooking to that
18 [bell] and Uber and Lyft also doesn't do any—doesn't
19 do anything. Maybe you can do something, guys.

20 CHAIRPERSON RODRIGUEZ: Thank you.

21 JANICE TRO: Hello, everybody. We come
22 her today together to look for justice, and I think
23 you, Mr. Rodrigues, Mr. Torres. I'm impressed with
24 all the expression what you approached to Taxi and
25 Limousine Commission. The Commissioner was not
prepared. He didn't do his homework. He came very

3 unprepared for everything that we present tonight and
4 today here. I'm an owner of a Yellow Cab. I bought
5 this—it was timeshare in 2012. So, in this time the
6 Commissioner says he doesn't have clue about—he's not
7 informed when the trans sale. When you do the trans
8 sale, TLC is charging you. It cost me \$10,000 to do
9 this. My husband died so we have to do this from his
10 100% own to 100% to his wife. So, in this case I own.
11 What I own? I own fire tires. I'm an owner? What I
12 own? I own nothing. I'm 64 years old and—and always
13 I have to change the car or do the bankruptcy. I
14 have—I bought the—the trans sale. It was \$560,000.
15 For seven years I pay and I'm in the same boat
16 because the Melrose Credit Union is out. Midlands is
17 playing game with us. So, what we're going to do
18 now? I've been asking to do certified because now I
19 have two choices, buy the car or do bankruptcy. So,
20 how old I am? I'm 64. I'm going to—I'm going be
21 retired in two years. So I understand all the owners
22 who comes today together to look for—for something to
23 be done. Some things can be today to stop all this
24 today because the Commissioner of the Taxi and
25 Limousine Commission they put their hands up when
they [bell]—the city is everything.

3 CHAIRPERSON RODRIGUEZ: Thank you.

4 JANICE TRO: Thank you.

5 CHAIRPERSON RODRIGUEZ: Sorry, Miss. Can
6 you say your name please for the record?

7 JANICE TRO: Janice Tro.

8 CHAIRPERSON RODRIGUEZ: Okay.

9 JANICE TRO: Thank you.

10 TAMARA MISHNACOVA: [off mic] Could you
11 turn it on? [on mic] I am Tamara Mishanacova and then
12 taxi fleet owner. I'm as Taxi Medallion owner that
13 has been--Medallion has been paid for completely and,
14 however, I am still in a big problem, and some of
15 taxi owners are 80 plus years old and have sacrificed
16 our life savings because we invested in the city's
17 Yellow Cab franchise, which is now worth nothing.
18 This is a time when drivers, owners and the city of
19 New York were making money. Right now everything is
20 zero. My investment is zero and the monthly income
21 is 3.5 times less. I want to remind you what is
22 written on the top of our heads: A government of the
23 people by the people, for the people, and we are the
24 people. We are the people that in last place here.
25 We're begging TLC to for help. We are begging and
knocking on each door. We heard hearings and meeting

3 emails and what we got? All we got just mental hot--
4 hotline. I'm not crazy. How a mental hotline on the
5 phone can help me to bring back all my investments?
6 I'm not crazy. I was not begging for a mental
7 hotline. So, we are beginning to bring our industry
8 up. We are begging to put the cap on Uber and Lyft.
9 We are begging to exempt taxis from \$2.50 surcharge.
10 How did we--can compete with Uber when our customers
11 see right away on the data, \$3.50 on the needle and
12 at night even more. Sometimes they just leave our
13 taxis our poor beaten and bleeding taxis. They are
14 left on the side and they are bleeding and beaten
15 with us whoever does.

16 CHAIRPERSON RODRIGUEZ: Thank you, miss.
17 So thank you. [background comments]

18 ALISE BREWER: Hello. My name is Elise
19 Brewer and to tell a little bit about myself, I
20 worked in my taxi practically every day for 25 years
21 and at times I would wonder when I could take a day
22 off. My daughter at the time was a little girl and
23 she would sit in front of--she would sit in front with
24 me because at times I didn't have a babysitter. She
25 would sometimes fall asleep. This little kid, but
nothing stopped me from believing that one day my

3 taxi as I'm giving to it, it would give back to me,
4 and so now I come to this. What happened to the taxi
5 industry was the faux pas. What happened to the
6 industry was not at a time of financial despair in
7 New York City. It was at a time of great prosperity.
8 It was when greed outweighed everything conceivable.
9 New York City did not care about those men and women
10 who believed desperately in the system. It only
11 cared and still does about the new kid in town, Uber,
12 and how much money it could derive from it. You—it
13 became insatiable with greed. Okay. Have you
14 decided what you want from us and how we can survive?
15 You must keep the cap, and have a committee to unwind
16 the damage that has been done. Don't throw away the
17 vestiges that you already created because one day it
18 may be too late.

19 CHAIRPERSON RODRIGUEZ: [off mic] Thank
20 you, thank you. [bell]

21 CHAIRPERSON TORRES: The next witnesses
22 are David Byer of the Committee for Taxi Safety. Pat
23 Russo, Daniel Eckman, Taxi Medallion Buyer, Galina,
24 Taxi Medallion owner, Ganesh from Elmhurst, and Suvez
25 from Elmhurst. I apologize in advance if I'm
mispronouncing anyone's name. Okay, and is Lina

3 Lanthrop from the New York City Taxi Alliance?

4 [background comments/pause] Emanuel Soffel (sp?),

5 Carolyn Pratz. [background comments/pause]

6 CAROLYN PRATZ: Good morning, Chairmen
7 including those who are cell phoning and Council
8 Member. My name is Carolyn Pratz. I'm a Medallion
9 owner, and I'll be addressing TLC's role in the
10 debacle. There's a lot that hasn't been covered
11 today. That problem has always been the excessive
12 number of cars on the road. In 2011, there were
13 50,000 for-hire vehicles including taxis. There is
14 now 135,000, and the problem continues to get worse.
15 Seven after the cap that you passed last summer,
16 there's 6,000 more cars on the road than there were
17 last summer. It's not complicated math. As I've
18 already explained to the Council in the past, the
19 crux of the problem lies with the TLC, their lack of
20 enforcement as existing rules, a list of which is
21 attached to my testimony. The strategy of the TLC is
22 to expect to be throw us a few crumbs so that they'll
23 have talking points, and then continue their apparent
24 policy of dismantling the Medallion system. The 2016
25 Congestion Study to the 4,000-page dossier that I
acquired through someone who did FOIL, was much more

3 of a study about congestion. According to the many
4 documents and emails, it was to be a road map for the
5 future of the entire industry. The documents are
6 heavily redacted. The conclusions and policies
7 remain secret. Judging by what has ensued between
8 January 16 and now, I think we can surmise what they
9 were and are. Chair Torres wondered if the TLC had
10 become more of a spectator than a regulator, but it's
11 worse than that. The facts paint an ugly picture of
12 collusion by regulators who have become in essence
13 the compliance department of a multi-national
14 corporate predator. The TLC became the enabler of
15 the destruction of the franchise, the Taxi Medallion
16 system that was created by the city, sold at a price
17 determined by the city at the many auctions that were
18 held by the city all the while laying out the red
19 carpet for that predator, and at the same time
20 continually professing that it had no authority to
21 control the situation. As previous Commissioner
22 Joshi said, "The TLC watched. They watched while
23 they created a vast pool of slaves with no paths for
the middle-class."

24 CHAIRPERSON TORRES: If you—if you can
25 summarize. We just have so many.

3 CAROLYN PRATZ: The idea of an office of
4 financial stability that should reside within the TLC
5 makes about as much sense as inviting Shola Alatoye
6 back to New York City. You remember who I'm talking
7 about.

8 CHAIRPERSON TORRES: I know.

9 CAROLYN PRATZ: The supervised lead
10 remediation of NYCHA buildings. It would be far
11 better to have an independent body perhaps the still
12 yet to be formed Medallion task force overseeing the
13 TLC.

14 CHAIRPERSON TORRES: Thank you. I just
15 want to quickly correct that the legislation calls
16 for DOI to be part of that investi--that investigative
17 partnership. So, DOI is independent--has the kind of
18 independence that you're looking for.

19 CAROLYN PRATZ: Right, but the
20 information will be good--as good as what they get
21 from TLC, and I don't believe anything that you're
22 going to get from TLC.

23 CHAIRPERSON TORRES: I understand.

24 PAT RUSSO: Mr. Chairman. I appreciate
25 it. My name is Pat Russo. I'm going to concede my
time--

3 CHAIRPERSON TORRES: Okay.

4 PAT RUSSO: --to Ms. Pratz today.

5 CAROLYN PRATZ: Okay. Thank you, Pat.

6 Okay. Under the rules that they will be considering,
7 and by them I mean TLC in July guided by the DOT, CLC
8 Congestion Study that was released last week, the
9 excess cars and the 62% increase in greenhouse gas
10 won't be removed from the roads. They and their
11 emissions will be offloaded to the boroughs including
12 your borough, the Bronx, which is already number 62 I
13 think out of 62 counties in New York State in terms
14 of health. So, get ready Bronx. Instead, the
15 continued--instead of the continuation of pretend and
16 expand policies by TLC, I would suggest a number of
17 things. Firstly, the TLC's role in the Medallion
18 debacle should be investigated point by point. There
19 should be a thorough house cleaning including major
20 personnel changes. Their mission statement--and this
21 is the most important part that nobody has talked
22 about--must be made crystal clear to them when you
23 leave it to them to decide what their policies are
24 going to be, they just leave at consumer choice and
25 safety, driver welfare and accessibility. That
doesn't go far enough. They're responsible for the

3 stability of the entire industry including the Yellow
4 Taxi Medallion Franchise. The remediation measures
5 that they're proposing to paper over their past
6 negligence and malfeasance will provide them with
7 talking points all the while pushing more Medallion
8 owners under the poverty line. Lastly, I'd like to
9 point out that it is in New York City's interest to
10 protect the franchise the Taxi Medallion. You
11 already through away \$2 billion in Medallions that
12 you can't sell. I'm sure the city budget would be in
13 much better shape with those \$2 billion, and those
14 with the wheelchair accessible Medallions if the city
15 were to re-instill confidence in the Medallion. It
16 would be to everyone's benefit particularly the
17 taxpayer since thinking about bailouts. This—that
18 cannot be accomplished by a TLC left to its own
19 devices. It cannot be accomplished without the
20 encouragement and supervision by a elected officials.
21 Thank you.

22 DANIEL ECKMAN: Councilman Rodriguez,
23 Councilman Torres thank you for this opportunity and
24 fellow Council Members. My name Dan Eckman. I
25 represent along with the Law Firm or Wolf Haldensten
a class action lawsuit—two—two class action lawsuits

3 pending in Queens on behalf of buyers of the 2013 and
4 2014 auctions. A lot has been said about the
5 auctions, but also something has been said about the
6 TLC's response to these problems. In our case, we've
7 been met with constant prejudice(sic) and
8 stonewalling. We had to get a court order to get
9 Chairman Joshi to testify, which we finally did. We
10 had to get a court order for the TLC to produce a
11 documents drafted by OMB following these auctions
12 about why the Medallion values had crashed, and I
13 want to focus on that aspect today because I think
14 that part of it has been—has received a lot less
15 focus on why the Medallion prices went up. I think
16 the key thing is why they went down, and I think what
17 happened is after the 2013—at the 20—before the 2013
18 and 2014 auctions, the CLT made a series of false and
19 misleading statements, the most important of which
20 are their omissions. They never said to the
21 potential buyers that the CLT would soon license an
22 effect—effectively unlimited number of black cars
23 affiliated with Uber and Lyft and allow them to
24 compete directly with Yellow Cabs. That's what
25 caused the Medallion prices to crash. It wasn't that
they—they might have been high, but they weren't too

3 high because at the time Medallions were taking in as
4 much as \$100--\$170,000 a year in net revenue, and
5 even if they were to sell them for a million dollars
6 and very few sold at that point at that--at that
7 amount, but even the ones that did sell at that
8 amount, you can certainly finance that kind of loan
9 when you have \$170,000 in gross income, which is what
10 they had at the time. The problem is the TLC let
11 100,000--first 10,000 extra Black cars, then 20,000,
12 then 30,000. Now, there's 90,000 additional blacks
13 to compare--compared to what to where they were in
14 2014. [bell] That's what caused the crash. That's
15 what caused the problems. It's not the lenders, it's
16 not the speculation, and it's not really the brokers
17 either. It's what the TLC did after the fact that
18 caused the demise of the Taxi Medallion. Thank you.

[background comments/pause]

19 GOLINA KOMINKER: Okay. Hi. My name is
20 Golina Kominker and I am taxi owner, Medallion owner.
21 I'm must say as I was sort of sitting here, that's my
22 worst dream, but I guess it is a reality. So, I'm
23 here to try to save the industry and I'm here to
24 speak in behalf of myself, all immigrants and all
25 people unfortunately that they lost--nine people that

3 we know have lost. There are so many that we do not
4 know that's died because of health implications. So,
5 I'm here to speaking up on their behalf as well. If
6 I say today they have lost everything that they
7 worked so hard for the past 36 years, I'd be lying.
8 We lost our future as well. So, I hope they're
9 accountable for—for what happened for partial or
10 partially not fully, but I do hold the city and TLC
11 accountable for what happened to our industry. I am,
12 as I said am a Medallion owner with fortunately
13 \$200,000 in loan. I guess I'm lucky I'm not in a
14 million, but that does not say that I can make my
15 monthly payments because what I'm currently getting
16 from the leasing company is much less than what I owe
17 to the bank. I'm expecting that soon enough the bank
18 will be after me. They will probably repossess my
19 car, my Medallion, and that's the best scenario. The
20 worst scenario I will still have to hire a lawyer. I
21 will still have to pay the money for the lawyer to go
22 through this process, which I don't have the money,
23 and all the humiliation. Humiliation by—I never
24 wanted this. I never expected this, and that's—
25 that's all I can say. Today I'm here to plead, beg.
If I have to get on my knees I will do. We need you

3 to save our industry. We need you to save our
4 industry. [bell] We need the money. We can't—we're
5 not looking for bailouts, and we need the new TLC
6 rules, which I'm not for Mr. Roth. He is, I
7 understand is the future one to be nominated. We
8 need the fresh blood. He were there during Joshi.
9 She never listened to us. I—I've seen her so many
10 times. I was there. Nobody even listened to me. We
11 need somebody who can be fresh blood and Mr. Roth
12 does not qualify for fresh blood, so he cannot be
13 biased. [bell]

14 CHAIRPERSON RODRIGUEZ: By the way, you
15 don't have to stand on your knees because we are here
16 to--

17 GOLINA KOMINKER: [interposing] But I
18 guess I could send an email.

19 CHAIRPERSON RODRIGUEZ: [interposing] No,
20 all I'm -all I'm saying is that we are here to be
21 there for you guys.

22 GOLINA KOMINKER: I hope so. I—I have
23 faith. [applause]

24 MALE SPEAKER: Hi. Good afternoon, and
25 thank you so much all of you. Please give us some
time and hearing from us about Medallion that a

3 crisis. My name Ydanis Chowdry in the business for
4 almost 20 years. We bought the Medallion in 2006.
5 Talking about the Medallion, I had one dream when I
6 paid the Medallion I had my daddy's money who had
7 come from my—rest of the life for retirement life,
8 but now after 2014, now Medallion has a the
9 detention. It is not a Medallion no other. They
10 have the detention because we cannot put it to pay
11 the mortgage now. My higher mortgage. We are losing
12 for business after 2014, but it's stopping all our
13 plans. All the time we pay, all this we pain in
14 business to have a big problem. We request all of
15 you please, please if you have a kindness, if you
16 have realizing jobs of the general and the general
17 owners to help us and forgive me the mortgage, that
18 give me the mortgage, forgiveness. I request to you,
19 all of you I am going to one time in the bank, loan
20 that we sought honestly tell me that no one is your
21 side. No city Mayor, not your governor nor your TLC,
22 nor brokers. So, you try the big campaign. Go to the
23 city talk with them. You can get some help from the.
24 So, I'm really appreciative of you. Please help us
25 to get owner the sight of any frustration. So, we
request all of you help us. Give me some forgiveness

3 of the loan. Thank you so much. [background
4 comments/pause]

5 VITO LANZER: Okay. My name is Vito
6 Lanzer. I'm an individual Medallion owner. I've
7 been driving a New York City Taxi full time since May
8 4, 1978 over 41 years. [applause] The Medallion
9 owners had the same technology before Uber and Lyft,
10 and the TLC said we can't use because it's a street
11 hail. When Uber and Lyft came in, they said it's a
12 different business. It's pre-authorization, and then
13 they allowed what they called Gypsy taxis because
14 they didn't have Medallions. They came into the
15 city free to steal our business. They say Uber and
16 Lyft has more lobbyists than anybody. What they
17 should be saying is they have more drivers than
18 anybody, and what were they lobbying for to rob what
19 I had to pay for my whole life. I had to work for a
20 company for five years to save money to put a down
21 payment on a Medallion and they want to rob the value
22 of my labor so they can get everything for free. You
23 know, why don't they keep the congestion price for
24 Uber and Lyft because they didn't pay for anything,
25 and compensate the Medallion owners who they rob and
take away the congestion fee from us because we have

3 an asset that was worth a million dollars, and they
4 destroyed that asset, 85% or 90% of it and we
5 shouldn't have to pay for being robbed. Let them pay
6 for robbing us. Let them pay a congestion fee. Let
7 them comp—let them compensate us for stealing what I
8 had to work for my whole life so they can get
9 everything for free at the expense of the my labor or
10 over 41 years. Thank you.

11 CHAIRPERSON RODRIGUEZ: Thank you. Thank
12 you. Go ahead. [background comments/pause] The next
13 panel Nissan Agman (sic), Mahbu Odet. [background
14 comments] Golan Taluker (sp?) John Field Logi (sic)
15 Nini Kodashi (sp?) [background comments] Richard
16 Lisky. Nino Ferbias (sic) [background comments] Donna
17 Sorine, Fuba Lama. [background comments]

18 RICHARD LISKY: Thank you, Mr. Chairman.
19 My name is Richard Lisky and I'm sad to sit here and
20 stand with the immigrant Medallion owners. As
21 everyone has pointed out, this is a city of
22 immigrants and never has an immigrant class been
23 treated to disrespectfully as this class of
24 immigrants. Listening to the painful testimony of
25 the TLC Acting Chair I was reminded of the old
expression the operation was a success, but the

3 patient died. Everything they did for Medallion
4 owners was just this much short of effective I guess.
5 I'm also reminded of the old saying, please don't
6 help us any more. [laughter] The—as my—as my
7 colleague Carolyn Pratz has mentioned, there was a—
8 not only a willful blindness here, it wasn't that the
9 TLC was not an honest broker, they were willfully
10 involved in the destruction of the Taxi Medallion.
11 Now what's interesting, and I want to give a shout-
12 out to the staff that put that report together. It
13 is an outstanding piece of work. As someone who
14 taught for ten years at Queens College, I would give
15 it an A+, but I'm waiting for the second volume
16 before I'm going to grade it because the first volume
17 focuses as the Times story did on the banks, but the
18 second volume needs to focus on the TLC's regulatory
19 disgrace in undermining the value of the Medallion,
20 and as Counselor Eckman pointed out, not only did
21 they take the money, but while they were taking the
22 money, they were funneling FHV's into the system,
23 which is contrapuntal to your narrative, which is the
24 city was only interested in the money because they
25 were [bell] taking all this money, and yet at the
same time they were taking this money and needed that

3 money, they devalued the Medallion. That's needs to
4 be investigated. Why would a TLC in charge of
5 regulating this environment [bell] disregard the
6 revenue stream and allow 137,000 FHV's to come in?
7 What the sea change from being greedy revenue
8 enhancers to being promiscuous FHV enablers? That's
9 a good question to investigate.

10 CHAIRPERSON RODRIGUEZ: Thank you, Rich.

11 NINO HERVIAS: Mr. Chairmen Torres,
12 Rodriguez, thank you for what you're doing up here.
13 We appreciate it. My name is Nino Hervias (sp?)
14 I've been driving a taxi since 1984 and since 1990 as
15 I'm a Medallion owner. I thought I had it all
16 figured out, and on the part of achieving the
17 American Dream. Right now what I'm facing is as
18 thousands of others the American Nightmare, and not
19 because we didn't did our work the way it should
20 because and facing our responsibilities. We all agree
21 that Medallion owners need immediate help to mitigate
22 our loans or buy back our Medallions. You have to
23 find a way. Our present situation has both to me and
24 my family of dire consequences, and to thousands of
25 other Medallion owners. We know about suicide,
bankruptcies. Each day that goes by with no

3 solutions is one owner that is losing everything
4 they've been working for. Solutions. Let's find
5 focus on solutions right now, immediate solutions
6 that we need. It is bailout or whatever you call it,
7 to remedy these toxic loans that we have, and find
8 out the real value of the Medallion. Not just
9 anything that can be made up just to make us feel
10 good about it, but the other immediate solution that
11 is needed in that much having said, it is the numbers
12 of Ubers and it's imitative (sic) cars on the road.
13 They—they are on every single street, hotels,
14 airports and also doing some illegal pickups by the
15 thousands every single day. They must be cut by at
16 least 50% to begin with. That—that is one of the
17 major problems why no one makes ends meet. My
18 retirement I already forgot about it. It has been
19 wiped out. So, we need your help as soon as possible
20 please.

21 POLISSA BOTT: My name Polissa Bott. I
22 am from the Nepal. So, I'm here. I'm talking about
23 personal things. I come here in 2004 [coughs] as
24 immigrant, and I go for seven years without my kids
25 and wife, and I make money from the [coughs] grocery
store and consulting and the money I spend for the—I

3 brought all the money for the down payment like
4 \$60,000 and I brought the Medallion for \$675,000 and
5 still I have loan for \$520,000 loan from the
6 Signature Bank, Signature Bank, and in 2011 I bought
7 this Medallion and so since then two-two years later
8 2013, it's every day it's cars and I'm driving. Like
9 I've been driving like 7 days for 8 years. It's—they
10 been tracking my license with TLC with MODA.
11 [coughs] Now, I have problem. I'm below the payments
12 because I sit too much. [coughs] And so [coughs] I
13 cannot work now, and my partners, I heard about my
14 partners. My partner Pat Green because he's got too
15 much pressures because of all this trafficking,
16 traffic and all this—the torture of these bearing
17 loans and just paying the loan, and he said that
18 every day that what I can do we have back up this
19 asset. We have to wait. This is America. Somebody
20 look at us. That's what I tell him, but-but he
21 passed away on September 25, 2018, and he drive all
22 day and he come back and he got a heart attack, and
23 this problem is my Medallion is no move nowhere and
24 TLC suspended and I did work like 10 days and then
25 now I paid for my wife to work, and the money I paid
and that money [bell] I will give it to TLC and then

3 it's okay, but how do-transfer to my name or I look
4 at market. Please buy my Medallion for \$200,000
5 because Signature are asking me \$200,000. I said
6 please anybody who wants to buy it, it's still on
7 here. I get a \$200,000 that dilutes-the Signature
8 Bank is asking me. So, thank you so much for having
9 us for everyone to come here and all my friends and
10 community. Thank you.

11 NINA GODOWSKY: Hi. My name is Nina
12 Godowsky. I'm a Yellow Taxi driver and Medallion
13 owner. I want you-to thank you for your support
14 today and I want to say zero worth. It's down to
15 half the Medallion owners from the city of New York
16 from the TLC. Nobody is helping us as today. We're
17 just fighting come into this room, and everybody I
18 listen they try to blame the lenders, they try to put
19 it on the brokers and 99% is the fault of New York
20 City and the State of New York. They robbed us. They
21 took our money and now today they should reimburse us
22 all the Yellow Cabs. So, today I'm fighting for my
23 friends because I'm losing them everyday. The person
24 pushed me to buy the Medallion she lost three
25 Medallions. She's fighting with Consort and her
husband is fighting with the HUD problems. So, and

3 they have disabled kids. So what these people like
4 the 69-year-old what they can do right now. So, I'm
5 saying, I'm crushing you to give me the answer today
6 about my friends I'm losing every day the people I
7 know and I need the support. The city has to do
8 something. We need the solution now. We cannot wait
9 any more. We're dying everyday. Our people is
10 fighting every day to raise their kids, to bring food
11 on the table. We're not talking about to make money
12 or have investments. We're talking to bring the food
13 on our tables to our kids today and nobody—I listened
14 to this room. Everybody is trying to blame somebody
15 else to put it on the lenders. We was making enough
16 money. You cannot have one million medallions and
17 zero give to somebody for free. We pay \$1 million
18 and you can give it to someone for free. So, how
19 this-how are you trying to make a playing field? How
20 you going to make a playing field when you have a
21 million and zero? How you going to feel? How going
22 to make sense playing field. It's impossible. It's
23 really impossible. You cannot. When this cost \$1
24 million and this costs zero and we make the same
25 money. The people they work in their 80s, age 80, 90
their retirement. Where is their money? Where? How

3 are they going to survive? How are you going to
4 make—you going to make playing fields for these
5 people? How? They cannot work any more. They
6 cannot find drivers. What these people they're going
7 to do? Thank you.

8 CHODRI MABUT: [off mic] Okay, my name is
9 Mr. Chodri Mabut, and I'm driving a taxi for five
10 years.

11 CHAIRPERSON TORRES: Can't hear.

12 CHODRI MABUT: [on mic]--five years, and
13 I'm 74 now and I'm not—right now I'm not working, but
14 very difficult for me to survive because nobody is
15 leasing nor the van, a lot of problem and we already
16 complaining our job that we miss. So, I am in death
17 pretty soon. For me life is a lot of the work.
18 Those who sought five years for Diaz, and they are
19 now zero. They have no retirement. They can't sell
20 it. Very difficult position, and—and also we want,
21 you know, advise the debts that you miss because
22 still I have a loan and I want to see what you can
23 do. I kindly appreciate for it. Thank you, sir.

24 MALE SPEAKER: And yes Mr. Torres and all
25 of you guys, and I'm talking personally because I'm
driving since 1987. I think I bought Medallion and I

3 lost some house them. I bought them in 2006 and
4 still I'm driving, but I have a lot of loans about
5 like \$450,000 and right now my problem is I don't
6 know drivers. It's like one year I don't know driver
7 and I'm 65 years old, and I-I need you guys to help
8 me personally like forgiveness of my loans and I try
9 to be-help myself. I have two daughter. One is
10 college and more right there today. I should go to
11 have a sick day there, but I came here for a reason.
12 So I cannot go there. So I try to be-you guys try be
13 help us forgiveness or monthly payment for \$900 a
14 month and right now I have no driver. I have it very
15 hard to pay my mortgage or house or mortgage for
16 Medallion. So this is the issue I am telling you
17 guys so you help us. Thank you very much.

18 CHAIRPERSON RODRIGUEZ: and to Nina and
19 all of you like we will not let you down.

20 NINA GODOWSKY: I hope.

21 CHAIRPERSON RODRIGUEZ: We-we understand.

22 NINA GODOWSKY: I trust you.

23 CHAIRPERSON RODRIGUEZ: We understand.

24 You know we've been in this battle together, and this
25 even in our years here from all, you know, another
hearing, we will continue organizing together. As a

3 crowd organizer that I have been and that we have
4 been, we know that some of the work is at the
5 legislative body, but there's going to be some level
6 that we also are ready to move on, and be there with
7 you guys. So, listening to the story of this panel
8 you represent not only--

9 NINA GODOWSKY: [interposing] I felt so
10 good last week.

11 CHAIRPERSON RODRIGUEZ: [interposing]
12 Sorry. Not only the previous one members of the
13 public but the future to come. So, when we see your
14 faces, you know, you know, the group of individuals
15 that we are so committed to help. Rescuing-rescuing
16 is like, you know, not only what you represent for
17 your family, but what you represent for the city.
18 Thank you.

19 MALE SPEAKER: Thank you. [background
20 comments/applause]

21 CHAIRPERSON TORRES: The next panel
22 consists of Raoul Rivera, Johan Nishman, Gomala Marr,
23 Sarin Manatella, Ferbie Sarin from Woodside,
24 Elmhurst, [pause] Aviz Kahn (sp?) [background
25 comments/pause] Genese from 8215 Queens Boulevard,
Elmhurst. Having troubling deciphering the name.

3 Vinad-Vinad, 17 Fountain Street. [background
4 comments/pause] Jorge Caporte, Chabal Chow-Ghos from
5 the Taxi Alliance, Tarik Manur. [background
6 comments/pause]

7 MALE SPEAKER: [heavy accent] Hello.
8 Good afternoon everyone. We really appreciate for
9 your big, big, big help. We really appreciate it.
10 We are really need help with the like ICU in order to
11 help them because they fell well. So, thank you for
12 giving that for them. This very, very much needed
13 for this very, very hardship and I see crisis of the
14 owners all over on the fact that [coughs] suddenly we
15 have New York to thank too. We really appreciate for
16 this very important help. This help will not stop
17 another dance and fight. It will make our cases
18 healthy. They need to pay the interest that's
19 reflect to their, even all through it. So, the feel
20 only that your help you do save our lives. This help
21 will also stop sell out of our assets, which I just
22 spent on my-I'll get [crying] life will pass it to
23 the company because they have to pay their mortgages
24 and they cost fees so- [coughs] excuse me. So,
25 saying that this help also helps professionals to
stay in the city working like a New Yorker. This

3 help also makes us to help our big families and
4 members in the road who have no other members
5 [coughs] to—to get them the—and them to dying like
6 friend. His mother get like fourth grade cancer in
7 India. He went there. He had to come back here
8 because he had to pay the mortgage. He had to pay
9 the other bills so that's—that's a bill due his
10 financial crisis. So, he—he had to come back in
11 order to pay his loan and other bills. After help
12 here mother [bell] Mydle and left many of her prayers
13 in this easement. So, please pray for her and for we
14 need your help, but also help those people and, of
15 course, many who's family members are sick and
16 they're broken and they cannot go to see them. This
17 will help to go them there and to stay with them
18 until they get well. Thanks so much for your help.
19 This is a big help for our children who can for all
20 very free. This enables to make them tuition for
21 free a little easy. Important also our [coughs] our-
22 sorry. So, I have another account and so we are
23 facing, and most of us are facing with robberies.
24 So, last week I got robbed right before this house.
25 They rolled me. They just stole my phone. The stole
my bag. So, please do something so we can—able to

3 get these front-upfront fare or begin able to see
4 their ID or something like that. Thank you so much.
5 I appreciate for that, and thank you. God well the
6 Council Members.

7 Aviz KAHN: Thank you so much for Mr.
8 Chair Torres and Rodriguez and the Council members.
9 My name is Aviz Kahn. I'm in it all night and he
10 drivers. I'm working in this industry since 1987. I
11 had the hope that when I get older around 60 or 65
12 I'd be happy with the money to these and then I can
13 go and have my savings and my family, but all the
14 years an advocacy has been gone under water, and you
15 know all the decisions has been described and the TLC
16 they collect their money from us and then they don't-
17 they doesn't use caution at all. They know nothing
18 until now. We cannot help, too, and my savings, my
19 position is that Uber and Lyft without investing any
20 money. They're around the city and have under the-at
21 every corner they're standing there. They work for
22 the-the person that they come from the same borough
23 park through and they create the problem to the
24 conditions of the traffic conditions. We don't stay
25 for anybody. We keep moving. We go. We don't make
the conditions in the city. So, to help the

3 condition you have to at least talk about what I need
4 for the registration, and I am 62 years old, and I
5 have no ability. Particularly I'm free to drive and
6 who am I to drive a cab, and who? If I hire a
7 drivers, they drive one week and the next cab on the
8 city and go away. Don't demand, don't pay. So, I-
9 have \$4,000, \$3,000 is the loan and another \$1,0000
10 the tax, insurance and other things. So, who will
11 make \$4,000 to pay the mortgage? And the city
12 dollars because stick together and you are the only
13 department that try to understand us. So stick
14 together with their bank and the private owner and
15 the, and many of the brokers stick together to find a
16 solution. There's premium valuation and how much is
17 a premium valuation? \$150--\$52,000 for \$200,000. So
18 pick the price and with the rest of the money from
19 the banks we cannot pay that. Whatever the premium
20 valuation we want keep their value then so that the
21 bank will get money or eventually all the amenities
22 go to the personal driver. This is a banking loan.
23 This a banking that the private own would lose. So,
24 please right we see the problem whatever the price is
25 now, but I agree to do the other one.

CHAIRPERSON RODRIGUEZ: Thank you.

3 AVIZ KAHN: Thank you so much.

4 CHAIRPERSON RODRIGUEZ: Thank you.

5 GILMER OMAR: Good afternoon everybody.

6 Actually, the first time I came to the United States
7 it was 1984. I'm a Medallion owner. I'm driving and
8 I have a Bachelor Degree, I have the Medical signs
9 and the first time I come in this meeting because of
10 one thing, I forget my education to work as a driver
11 to put my future to my kids, and what happened I put
12 my daughter in the American school and I get to find
13 I couldn't pay the tuition for my kids, and my
14 cushion is we're adding the super power of the
15 warriors, and I'm not going to talk politician, but
16 we been here in this country for more than 20 or 30
17 years. We're a part of community. In this country
18 we can-it's impossible to look at us as hard worker.
19 People come and they are part of the community to
20 help us. It's something going on because an
21 immigrants are not-are not educated because we work
22 hard. We didn't any unions support us because our
23 unions or weak people. I don't think if other people
24 or other part of the city we have suffering or
25 hardship and we have power in unions and strong
unions do not let their people in this kind of

3 situation. We have already nine people commit
4 suicide. We have people over 70 years who are still
5 driving. Why the city or why the country you look
6 you look to us this long, and our very hard working
7 people were suffering just to survive. So, please
8 Council, look to us as a human being who are part of
9 community. We're working hard. We're not—and if you
10 make investigation or searchable these kinds of
11 people most of these people are educated. They are
12 not part of any criminal or anything. These people
13 work very hard, very honest, and hopefully we can
14 solve this issue. We're not going to talk for
15 details, but look to us as a human being who tried to
16 live as good people. That's enough hardship we been
17 suffer. Thank you.

18 CHAIRPERSON RODRIGUEZ: Can you please
19 say your name?

20 GILMER OMAR: Gilmer Omar

21 CHAIRPERSON RODRIGUEZ: Thank you.

22 SHIHAN NAMON: Good afternoon, Chairman.

23 I thank you for the work that you have done to put
24 this hearing together. My name is Shihan Namon and
25 you might know me from a different, but my Medallion
number is 4FO28. I'm a Medallion owner myself and

3 when I bought my Medallion in '90-'92 for \$240,000, I
4 though I was building something for the future, and
5 my idea was from where I-when I came to this country
6 where the bump, where the Medallion was and when I
7 bought it. I thought that I would have enough equity
8 to have a pension. Now, I did Yellow 10 years and
9 then this 4, 5 and 6 started giving the total. So I
10 had to lease my Medallion and find something else to
11 do. [coughs] Now, there was no one in this industry
12 that cared about individuals that are diverse. I
13 don't want to hear brokers. I don't want to hear
14 owners, [coughs] the guys who own 50 and 60
15 Medallions. I don't want to hear them come her and
16 crying that the mean where they didn't The Taxi and
17 Limousine Commission was nowhere to be found to help
18 us wherever we were, but that's same issue was there
19 for to make their money on the back of drivers, but
20 never for the drivers. Let's be clear on that.
21 After there was a rule in the book, Chairman. I hope
22 you could bear with me so you could hear my story.
23 There was a rule in the book that was called for
24 owner must drive. It was never implemented, and one
25 day TLC came and implemented that rule [coughs] to
the point that we had to pay about \$2,500 if we did

3 not drive. [bell] So, most of us our emergency
4 department was at the broker. So, when the finances
5 came the brokers turned on us and say you have to pay
6 it, and we didn't have the money so we say okay, I'm
7 taking my Medallion, and what they did, they took us
8 to court. [bell] \$150,000 they—they sue us. As a guy
9 who has a Medallion, they sue us. So, when they come
10 here today and try to play all this clean, they were
11 the bad actors as well. So we had—I had to settle
12 for \$15,000 for my Medallion. [bell] Got my
13 Medallion and I give the broker—Chairman, I want you
14 to listen to me. I gave the broker 12 months of
15 payments to pay my Medallion. I don't know that
16 exact number, but let's assume its \$4,000. I owed
17 two loans. One loan was a balloon what we call a
18 balloon in the business and one was for the
19 principal. (sic) So, I wrote a check for \$4,000. That
20 has to repay the balloon and the principal. They did
21 not pay the balloon. They paid the principal and
22 with within three months, Chairman, I come outside
23 one morning to go work, and my Medallion is not in my
24 car, and meter is not in my car, and this happened on
25 Memorial Day. They wanted to kill me. This happened
on Memorial Day. So, when they come here and say

3 lenders are not responsible, and this and that they
4 killed us. [bell] There is a lot of stories I need
5 to share with you because drivers, individual drivers
6 that don't have their Medallions no more have nowhere
7 to go, have nothing to fall back on. I am working
8 right with Uber and Lyft. It's not easy. I'm fighting
9 every day over there for the drivers school, but the
10 still the pain, the suffering, my future, everything
11 I gone. I have nothing to day. My Medallion is
12 gone. Everything is gone, and I didn't ask for that.
13 I wanted to work hard my whole life. Thank you.

14 CHAIRPERSON RODRIGUEZ: [off mic] Thank
15 you.

16 RAOUL RIVERA: Good afternoon. My name
17 is Raoul Rivera. I'm a New York City TLC driver. I
18 was born and raised in the Bronx. Mr. Rodriguez, we
19 had a New York City agency that is treating fellow
20 New Yorkers like animals, like criminals. NO one
21 gets treated like the New York City Taxi driver does.
22 The New York City Taxi and Limousine Commission has
23 grossly failed New York City taxi drivers. More
24 importantly, it has failed your fellow New Yorker and
25 it personally since re-assaulted as we are spat on,
26 cursed at and do on. Drivers-drives deserve

3 protection and respect. We move this city and
4 drivers demand a reform of the TLC. Sign my petition
5 and vote for the TLC drivers. Do it now. Mr.
6 Rodriguez, 90% of drivers are immigrants with a
7 language barrier. Drivers are being hammered with
8 tickets holders both the NYPD and he TLC. I support
9 and attended every remedy (sic) in the NYPD tow.
10 Let's put a stop to ticket holders and let's stop
11 attacking The TLC driver. Mr. Rodriguez, on February
12 20, 2019, just the day before the election you agreed
13 with me that the Taxi and Limousine Commission needed
14 to be reformed. Stand by your word. Sign my
15 petition. Thank you, Councilwoman Carlina Rivera for
16 signing my petition. Thank you Families for Safe
17 Streets for supporting my petition. I have a message
18 for Margaret Chin, Corey Johnson, Ydanis Rodriguez,
19 Andy King, Ruben Diaz, Sr., Carlos Menchaca, Ritchie
20 Torres, and all City Council Members, don't ignore
21 the TLC driver. Vote for the TLC drivers. Sign my
22 petition. Do it now. You know New Yorkers are
23 watching you. #Reform TLC #Do it now. Do it now. I
24 got it right here. You can sign my petition.

25 CHAIRPERSON RODRIGUEZ: [off mic]

RAOUL RIVERA: Right here.

3 DARIK MONET: Thanks, Chairperson. My
4 Darik Monet. I am here a part of your team. I am a
5 taxi driver since 1991. So, 20—almost 27 years later
6 I'm driving a taxi. So, the first 20 years I drive
7 taxi and save money \$100,000 and I put that money
8 down payment 20 years money for down payment and then
9 by the Medallion a high—high prices. So, in this
10 time the prices goes very low. So, I mean that's—my—
11 my 20 years of saving and the next how many years I
12 mean the next many years only goes to batteries and
13 the signals only. So, I urge to say forgive the
14 loans and the—the loan of the value of the Medallion
15 and the rest of the money made the lower investor and
16 the monthly lower payments like less than \$900—less
17 than \$900 it should be. Thank you.

18 CHAIRPERSON RODRIGUEZ: [off mic] Thank
19 you. We want [on mic] and, of course, we are working
20 on reforming TLC. That's what we're doing.

21 [background comment] Yeah, so, I all the voices is
22 important. So, this hearing today and all--

23 MALE SPEAKER: [interposing] Call us day
24 or night.
25

3 CHAIRPERSON RODRIGUEZ: --and other bills
4 that we have reflect how committee-committees are too
5 wait from the TLC. Thank you.

6 DARIK MONET: Chairman, would you allow
7 me to make one suggestion to you, if you will.
8 Chairman, I'm going to ask you if you could work to
9 us a pension fund for the guys who lost their
10 Medallion, a pension fund that could give them
11 something because when MP was in trouble they came to
12 Yellow. When the city was in trouble they came to
13 Yellow Taxi--the Taxi and Limousine Commission--

14 CHAIRPERSON RODRIGUEZ: [interposing]
15 Yes.

16 DARIK MONET: --can't get bad by just
17 these drivers.

18 CHAIRPERSON RODRIGUEZ: We-we are
19 committed to explore any ideas or suggestions so
20 after you leave, when you step out, one of our staff
21 can, you know, talk to you and take your ideas as
22 suggestions.

23 DARIK MONET: Appreciate it. Thank you
24 very much.

25 CHAIRPERSON RODRIGUEZ: Thank you. The
next panel. Anne Warby, Seton-Seton (sic) Niese from

3 32-12 70th Street; Mohammad Mamou (sp?) Akter Halsan
4 (sp?), Mohammed Rohm, Attiar Wager, Duana Shetissan
5 (sp?), Mark Esterberg Asalan (sp?) Dalipe Singh,
6 Dorothy Laconte, Mohammed Ashahan. [pause] Sammy
7 Magalli. Yes, you may begin.

8 DOROTHY LACONTE: Good afternoon. My
9 name is Dorothy Laconte, and I've been driving a
10 Medallion for the past 32 years. I was very young
11 when I started and I'm well known at that airport.
12 I'm one of everybody's sisters, everybody's friend
13 and I'm well know in to a lot patient cab drivers,
14 and I tell you with my Medallion, I chose my
15 Medallion. I used to say this is my husband because
16 I have two divorces because of the Medallion. I
17 never have time. I was very ambitious. I spend my
18 time I raised two sons. I spent all my time doing
19 this business. For the past 7 or 8 years we're
20 having Uber been in a totals to us. We cannot
21 believe it. I understand. Alone I used to work very
22 hard, pay my bills. I understand the loan was very
23 bad because I know. I took my-all contracts—took to
24 a lawyer. They said this is a bad loan, but there's
25 nothing we can do. Nobody can help. So, we—we take
it easy with it, but I used to work and pay the bill

3 easily. I used to go on vacation. I haven't got any
4 time to go on vacation at all. So, I'm looking at
5 this, this how things are going down. My main
6 concern right now is the congestion prices. We could
7 know. We--each customer pays \$2.50 for the 80 cents
8 that's \$3.30, but Uber only pays 75 cents per
9 customer, [background comment] they call themselves
10 sharing rides. There is only one person in a car.
11 Hey pay 75 cents, they got a choice. We have days
12 that's like on Fridays that this week, this Friday
13 this weekend past year where all the gay people are
14 outside. They're all enjoying themselves. That--that
15 used to be the day that I'm making so much money.
16 I've been driving from Harlem all the way down with
17 nobody [bell] picking up. Every corner we got a
18 couple of people waiting for Uber. We can't make our
19 payments, but the thing is with the prices the way
20 the market goes, I don't understand how a bank
21 calling somebody to say give me \$250,000. You owe me
22 \$700,000. Forget about the rest. Why the city don't
23 step in because we don't have \$250,000. If I had
24 \$250,000, I'd be gone by now because I'm so healthy.
25 Could go outside and work somewhere else and save my
\$250,000 for my payments. We have another point. I

3 have my friend here. He couldn't talk today. He came
4 too late. He's talking about the Access-A-Ride the
5 wheelchair. I understand the wheelchair is the
6 government. We had to settle a law. We have to put
7 car in the wheelchair, but his main concern TLC have
8 to know a person who's old cannot push a wheelchair.
9 He's already an old person. He cannot push a
10 wheelchair. He has to be exempt. You have to take
11 another young person at his side. He cannot push the
12 wheelchair. His Medallion been on the shelf for the
13 past five years because of the wheelchair. [bell] He
14 has to take mortgage from his own pockets from his-to
15 show security to pay for the market because he cannot
16 work. So, all these issues TLC has to look at it
17 because there's so many young people driving cars,
18 it's dangerous streets for him to go in a wheelchair
19 to go to a younger. They could look at the age. I'm
20 62. I'm a woman. You think I'm going to push a
21 wheelchair to a car? I can't, but there's so many
22 Medallions out there who's willing to go into
23 wheelchair but TLC will not make the switch. So, all
24 these problems here it's in your hands, and I'm glad
25 that you take all matters to your hands not now
because I have people have stroke, have people die in

3 the car. I work 7 days a week, and I'm watching
4 young people, people older than suffering, sleeping
5 in their own car because they become homeless. They
6 have to rent a car from the brokers 7 days a week
7 driving a car to make a living because they have no
8 home. Their wife is leaving them, all of these
9 things. So, we're waiting for you guys, and I'm
10 going to keep on pushing, and I'm going to be here at
11 every meeting to see the male promises is going to
12 keep my job. That's what Mayor de Blasio. I met him
13 several times. I go to town hall meetings. I ask him
14 to save my pension because I have nothing left
15 because even my house not now. It's under-it's-it's
16 merged with the Medallion. I'm on the way to lose
17 everything. So, please.

18 CHAIRPERSON RODRIGUEZ: [off mic] Thank
19 you, thank you.

20 SALAAM WALEKUM: Good afternoon, Good
21 afternoon Chair Rodriguez and Torres and all other
22 very important person and our friends and family.
23 Salaam Walekum. We are here today. We have very
24 crisis, and my question is today's my bet black. I
25 bought a Metro Card, but trips I collect the \$3.00
from customer for the MTA, but today I buy for myself

3 the MetroCard. What is the worth? I don't know. I
4 collect everyday \$150, for that MTA. So, I can
5 think, sir. Do you want to come to the city at 4:00
6 in every blocks, 5th Avenue, Madison and 6th Avenue.
7 Every block particular-party card is 25, car is Uber,
8 Lyft, Via only for two classes of testing. One they
9 publish on TV news or the newspaper they take the
10 picture. It's news media, Capital Taxi and only for
11 two cars is Uber. This is a lie. I don't know who
12 controls the city Governor or Mayor. I don't know.
13 We are texting that there is the sink hole. It's
14 like enticing. Who has this, I don't know. Thank
15 you Mr. Rodriguez, and the notice (sic) you are
16 pushing asking of Mr. Tial Ahmed (sic) they don't any
17 answer. I don't know. I have my idea who is the top
18 and didn't give any department, he is a hard body
19 student of Columbia or graduate. I think the Tial
20 Ahmed (sic) is my behind the next door for Long
21 Island City. He got it from Long Island City as to
22 quality. So, thank you, Rodrigues and Torres. So, I
23 want to have a build a corporation so your proposal
24 and what you described is very good for me. I'm 56
25 years also. My mortgage. I don't know when I failed.
My next month, next year my car is retired. Maybe I

3 give up the bank and I have the street car. (sic)
4 This is my plan. You know, woman-every woman like
5 your money, not the mouth. So, I don't give any
6 money and my wife. I have not drive the last four
7 years, and that's why there's been so many of them
8 look at the car and I lady also. Nobody call me.
9 Thank you.

10 MOHAMMED HAUCK: To the panel, I'm
11 Mohammed Hauck (sp?) and I'm that Mohammed Hauck.
12 You can see in the New York Times 'Men and Team'.
13 How horrible is my Family Life. I bought one
14 Medallion in 2014. It was \$1 million, and right now
15 closing with \$1,901,000+ and my broker is the Omega.
16 They tow my car five times. Every time they tow,
17 they're asking the cash money on the-all the targets
18 I set. That's the record here. Last time they took
19 my Medallion with the car, mass a team. They told us
20 now they're our hand. (sic) I have three kids. They
21 are ages 8+, 3+ and 6 months. Four months even I
22 don't have my car. So, this horrible situation right
23 now I have for me how terrible this Medallion. I took
24 now more than 12 medications daily. Not before 2014,
25 after that. Now I can sleep properly. You know, I
don't have car. I spend here around \$200,000 and

3 last Friday I struggled behind the wheel. Now, I
4 have three kids. They are two out of—now in the
5 school with a figure. So nothing left. I spend my
6 savings. I spend my hard-working money now like I'm
7 newborn here. I spend—I lost everything. So, now I
8 have regressed. I feel everybody you want to help us,
9 we are hard-working people. We want to move to the
10 city, and also our family we need to survive. Please
11 help. Please. I have a loan now \$915,000. They give
12 me the last time before they towed my car, before
13 they seize my car. For 50 years [bell] I have to pay
14 one person so he's going to be help. They need
15 \$6,000. I say I don't have that. I under money. So
16 then they took my car. So, now I'm out of work and
17 out of car, and I have a family to take it. I need
18 everyone's help. Please to realize how our
19 situation, our family and personal life. Thank you
20 so much everybody.

21 CHAIRPERSON RODRIGUEZ: Thank you.

22 [pause]

23 Thank you, Mr. Rodriguez. Thank you Mr.
24 Torres, and thanks to the Mayor de Blasio, and I give
25 a special thanks to Brian, New York Times. He's a
reporter. He's a very friendly reporter. He went to

3 our home and talked to families all those things,
4 probation, but that's for real and he published on
5 New York Times and thanks again. My point is we need
6 loan forgiveness. Whatever I—we say, it's not of the
7 stops, but we need loan forgiveness, and as the
8 surcharge, the surcharge is like we are almost the
9 last—the last thing they—the—the government did, we
10 put our shoulder to surcharge and that surcharge is
11 killing us rapidly. And TLC, the most unfriendly
12 organization in the city. They are really kind of—
13 I'm not what a butcher, but they are, and they kill
14 us. They kill us once because they revoke my
15 license. Tomorrow my is my drive test, and I just
16 put the wrong date on the—my calendar, and I did
17 explain to them. Says no way. You're license is
18 going to be revoked because tomorrow is your drive
19 test, and you cannot go because everybody—the office
20 is closed now. They're not going to allow me to
21 tomorrow drive test, and that's why they—they revoke
22 my license. In three months I was hungry with my
23 kids and family. They not even look at me once, and
24 they're not giving every—just a new driver. I exam
25 again. I test again, all those things and I come
back on the taxi after three months, and I'm the

3 Medallion owner. When I bought the Medallion owner,
4 they say you are the ambassador of New York City
5 because you are a Yellow Taxi driver, and after that
6 situation is now you see, you're hearing from
7 everyone the situation. So, I'm not going to go that
8 way. The last word of my mother: Son, I want to see
9 you. I said, Mom, I can't give you answer why I
10 can't come. My mother died three months ago, and I
11 never going to get hurt, but thanks to the Commission
12 Taxi, Mr. Chairman, I am talking in front of you.
13 That's my luck and I hope the problem going to be
14 solved, and we're going to back everyone the golden
15 time the taxi was, and TLC—again, TLC is not a right
16 commission for us. TLC—when I heard that they're
17 going up office for drivers, I said, oh, again. So
18 that's why I oppose that TLC is not going to solve
19 our problem. If city will, yes. Thank you very much.

20 CHAIRPERSON RODRIGUEZ: [off mic] Thank
21 you.

22 SALINE MANNITALA: Good afternoon, ladies
23 and gentlemen. My name Saline Mannitala. I thank you
24 everyone again for patiently listening to all of us.
25 I'm an unusual taxi owner and driver, and I'm a
members of Taxi Alliance, and I wish we had a bigger

3 union like all the other unions in the city who have
4 the better wise at the Council and the state. There
5 with--[pause] Why we are collecting the taxis or the
6 state? Taxi Medallion honors our and a big slip by
7 MTA, State and City rules. It's not our fault that
8 the city has too much traffic congestion or MTA can't
9 function properly. If, in fact, city and state for
10 who ignored the dire situation the city was doing
11 when they issues thousands of the new Medallions and
12 for-hire vehicle licenses, and failed to ignore MTA
13 crisis and contracts. Please help Medallion owners
14 by asking banks to help refinance the loans so their
15 monthly payments can go no more than \$900 a month. I
16 have over \$200,000 debts on my credit cards because I
17 can't keep up the mortgages. Thousands more will go
18 bankrupt and make them a liability to the city and
19 other tax paying citizens. We can't keep paying
20 \$4,000 a month mortgage and taxis. We have to feed
21 our families and pay our tax. Please understand our
22 plight, and make our live livable. We are the
23 presenters and investors to New York City to the
24 tourists of the world. Treat us like humans. We
25 want a stronger union [bell] and good faith to
negotiate with the TLC and the state. I don't

3 understand how come the state is governing the
4 Medallions when the Medallions were originally issued
5 by the city. We want the city to help us negotiate
6 that forgiveness with the banks. The city should pay
7 back to the owners which was stolen from them. Thank
8 you very much.

9 SANNI MAGALI: Good afternoon Mr.
10 Chairman. My name is Sanni Migali. It's just a
11 coincidence, you know. Usually when I wake up every
12 morning, you know, I go online and read the news, and
13 they're talking about loan forgiveness, and I read
14 today that, you know, Mr. Bernie Sanders if he
15 becomes the president he is going to wipe off student
16 loans for \$1.4 trillion. \$1.4 trillion. Young
17 people [siren] healthy, and they're going to start
18 with their life with like brand new, not nothing, and
19 to help our class who spent all our life working hard
20 trying to do the right thing, and now we are paying
21 for a problem that we did not create, a crisis that
22 has ruined our life. The nine people—the nine people
23 that committed suicide they died fast, but we are
24 dying slowly little by little and it is very painful.
25 This is very painful debt since the middle of 2016.
At my age, I have taken a day off. I didn't take a

3 day off. It's human rights. It's not just a normal
4 problem. It's a human right problem. Labor Law says
5 you will work 8 hours a day, and you take a day or
6 two days—two days off a week. I'm not even human.
7 I'm worst than a human, you know. It's like I'm not
8 even working like, you know, it's—it's that you—I
9 work—you—it's a animal. You work and you don't take
10 a day off. Open your mouth. A few months ago I—I got
11 a—a—a problem in my lung, and they—I have to go for
12 a—a—a medical test that based on that see what's
13 wrong with me, and I took a week off—a week off just
14 to see what's wrong with me, and I paid my monthly
15 payment. I was short \$1,050. My bank, I have the
16 paper here. It says they wanted to foreclose on my
17 Medallion. They close with \$1,000--\$1,050. I'm not
18 even entitled to see what's wrong with me. I have to
19 die just to pay the bank, and the congestion tax and
20 the MEP Tax, and the 30 cents tax. It's even those
21 tax that makes it what I'm due to myself. I'm dying
22 little by little, and what—what—what—what am I going
23 to get in the end? I need the vacation. I'm dying
24 to get a vacation, but I can't. Believe me—believe
25 me, Mr. Chairman, I cannot get it. [bell] Thank you.
[applause].

2 SERGEANT-AT-ARMS: Keep it down, please.

3 CHAIRPERSON TORRES: The next panel Alex
4 Minnard, Gerral Croy, Anna Lama, I can't quite make
5 out the name but someone from 10320 168th Place. Jess
6 Beer from 234 East 20th Street the Bronx; Como Hadar,
7 Ruben from 420 42nd Street; Apcar Theen (sp?) Mr.
8 Chowdry; Sanam from 4152 63rd Street, Woodside; Mr.
9 Tashi from Woodside; Ahad Ahmed. Mr. Ahmed, Mohammad
10 Assan. [pause]

11 CHAIRPERSON RODRIGUEZ: Sir, you may
12 begin.

13 CHAIRPERSON TORRES: That should be the
14 last panel.

15 CHAIRPERSON RODRIGUEZ: Just say your
16 name first.

17 COMO HADAR: My name is Como Hadar. I'm
18 the Medallion owner [coughs] about—almost 10 years I
19 think. Thank you Chairman and thank you all
20 Councilors and other delegates, and hopefully the New
21 York Times who are here. When—when we buy the
22 Medallion, we have the hope there's good business at
23 good—we can create the life. After the TLC or City.
24 I don't know about that, they cheat us. What can
25 cheat us? Because they sell Medallion close to a

3 million dollars, and overnight they give the
4 permission to, just how fast. They don't get the
5 permission to at the department other plans to this
6 fund. There's a cheat-cheating because we have a
7 million dollars on my head and after they assign us
8 free billing us other company. So, who going to be
9 take care of? Secondly, everybody has life,
10 everybody has human life. Right now we are like a
11 slip (sic). We work 6-8 days a week because we don't
12 have any driver. Six months I'm working for the
13 driver and it's still now I'm getting my own self.
14 Last night I wasn't home, 1:00 my daughter asked me,
15 Dad, can you buy the food for me like there's food.
16 I bought it, but after 2:00 when I go home. When I
17 go home I saw my daughter sleepy with the hungry.
18 She was hungry. I call she wait. This is the right
19 now we're living. This is an example. When I
20 picture some tears like that, the first time I open
21 my mouth, I call my old friend, he has an old friend,
22 200 people. We are-we are-went with our group and we
23 go to hearing to 2 years before that our TLC public
24 hearing-2-1/2 years before I think so, and I tell
25 them when I-when I get ready to speak I say, take the
gun. I say to the Commissioner, take the gun and

3 shoot us. What that mean? Do something. Otherwise,
4 kill us because we don't have any respect behind
5 because we are creatures and going to be very, very
6 tough. I understand. I understood before because
7 [bell] that thing nobody wants to cite. I request
8 the TLC to take the gun and shoot us. That means we
9 don't have any respect because and-and tomorrow going
10 to be dark in our life. We don't provide. TLC can
11 do nothing. There's still out there, they can do
12 nothing. We go to—we call the TLC. We make
13 appointment. We go to Bay Body Street and present
14 the flow, and present them for. The Acting
15 Commissioner talks for me, sits down with us while I
16 bring the lawyer Morris. He's living in Brooklyn.
17 Very nice guy. He tried to help us—help us. The
18 lawyer and our—my other friends and me, we persons.
19 We sit down. They talk maybe one and a half hour.

20 CHAIRPERSON TORRES: [interposing] If
21 you—if you can conclude just in the interest of time.

22 COMO HADAR: No. Give me two minutes,
23 please.

24 CHAIRPERSON TORRES: No. We—we have to—

25 COMO HADAR: I'll go—I'll go. Okay, sir.
I'll go, sir.

3 CHAIRPERSON TORRES: I think there are 20
4 speakers left.

5 COMO HADAR: Okay because I was too
6 unhappy-happy that-that this is happen. I long
7 history.

8 CHAIRPERSON TORRES: Right

9 COMO HADAR: That's right. Okay. About
10 that, TLC can do nothing, and right now this is the-
11 the City Hall, the public hearing. We have a very
12 hope because the-the-the new kinds all we got-I work
13 with them 15 days I think so, Brooklyn, Jackson
14 Heights and Jamaica with a plan, you know before ban.

15 CHAIRPERSON TORRES: Yes.

16 COMO HADAR: And they say the way for us,
17 the city can do-do something.

18 CHAIRPERSON TORRES: Okay.

19 COMO HADAR: The city can do something
20 well for all of us. Maybe people knows-

21 CHAIRPERSON TORRES: Yeah, so-

22 COMO HADAR: --the city can do something.

23 CHAIRPERSON TORRES: Yeah.

24 COMO HADAR: That's why nobody on two
25 side.

CHAIRPERSON TORRES: Well-well-

3 COMO HADAR: If after all goes you can do
4 nothing?

5 CHAIRPERSON TORRES: So-so--

6 COMO HADAR: So, nothing, otherwise we're
7 going to the suicide.

8 CHAIRPERSON TORRES: We're going to have
9 to go to the next speaker but I--

10 COMO HADAR: Thank you very much.

11 CHAIRPERSON TORRES: --I appreciate your
12 testimony.

13 COMO HADAR: Do something now otherwise--

14 CHAIRPERSON TORRES: Yeah.

15 COMO HADAR: --tomorrow going to be
16 another guy's suicide because we're--they're working
17 hard. Look at the city.

18 CHAIRPERSON TORRES: Okay, thank you.

19 CHAIRPERSON RODRIGUEZ: Have a nice day.

20 COMO HADAR:

21 CHAIRPERSON TORRES: Thank you, thank
22 you very much.

23 RUBEN FINKEL: Hello. [coughs] My name
24 is Ruben Finkel and I'm surprised and thankful that
25 you are so aware of the scope and the depth of the
problem, and that you are on this fact finding

3 mission to expose the full extent of the corruption
4 the obscenity of all the members of the particular
5 people and elements involved with this cash grab, and
6 as a result the decimation of my industry. [coughs]
7 one of the things that others have brought up that I
8 want you to make further--make further aware to you
9 about is the--the TLC's use of penalties and fines to
10 further extract monies out of the industry and the
11 drivers and the owners of the--of the taxi industry.
12 And as an example, one of the drivers that called the
13 police on an individuals that assaulted him with a
14 weapon and assaulted the driver physically, was fined
15 by the TLC for \$50,000 in fines and penalties for
16 calling the police on the City Link. That was the
17 justification for fining the driver. Okay, I think
18 also that if--if at the end of your expiration of that
19 you--[bell] okay, okay.

20 CHAIRPERSON TORRES: Just quickly
21 conclude.

22 RUBEN FINKEL: Okay, at the end of your
23 investigations that you're able to uhm, uhm find
24 liability in all those members that--all the people
25 that were involved with this, that would be fine, but
in the future if you don't regulate the boundaries,

3 the guidelines of how the transportation industry in
4 New York City is operated, then when automation comes
5 in, we'll be subjected to this tenfold because every
6 car industry, every car company, every transportation
7 service in the world including Dyson a vacuum company
8 is going to become part of the transportation
9 industry, and without regulation, they'll just come
10 in as Uber did, and operate with impunity as Uber did
11 and I hope that you create regulations that create
12 guidelines for the future taxi industry. Thank you.

13 MASA CHOWDRY: [off mic] My name Masa.

14 SERGEANT-AT-ARMS: Set the volume.

15 MASA CHOWDRY: The volume. [pause] --

16 Chowdry and—and I am driving taxi from 1988 and every
17 time I find it was okay before. I used to work 8
18 hours. Now I have to reverse the 8 hours I had to
19 work in order to make them myself, and I pay
20 mortgages and everything. Everything is getting very
21 hard and high, and I tried to sleep, and all this
22 conjunction charge come up. \$50, \$60 goes to
23 conjunction charge, which is killing us, you know,
24 and some of the persons that is very educating about
25 this charge, and I—I would want to let—I would like
to let you know conjunction charge. We were out the

3 Sunday and people complain. Why is that there?

4 There is—why after 12:00, 1:00 in the conjunction
5 charge. It's supposed to be if you want to put it up
6 in the rush hours the conjunction tax it's okay.

7 Maybe people justify it. Sometime and as that one
8 problem we always pay. They make to Fifth Avenue,
9 two bus lanes now. Madison Avenue two bus lanes now,

10 and buses coming throughout the lanes, too, and we
11 cannot move. I pick the changer from Guggenheim

12 Museum to go to the 40th Street, Fifth Avenue and

13 here was what we are talking a lot of big cop come

14 on, tow? Because we cannot we cannot move, this guy

15 finally throws money and get out. This kind of thing

16 we are—you're supposed to let—let us ride in a non-

17 stopping, not pick up something, but it's been in the

18 fast lane. They learned on the law detection they

19 were, too, driving in the bus lane, no stopping, no

20 pickup but we are also striving to put something

21 together. (sic) Buses have been more, we are having

22 less, but we have been in the same job. And we have

23 to remind that another thing we are raising money for

24 them in order to finance them. They are a problem

25 MTA, and we are paying money in order to bring this,

and we are—we are dying for that thing, and I'd like

3 to take care of this matter. And another thing about
4 the insurance, you know, the Workman's Compensation,
5 which just kill us because no laborer likes to work,
6 and you cannot put labor over there because
7 Workman's' Compensation is too much, and he died
8 himself. He's 17 years old because he take out
9 Workman's Compensation and all these things. It's
10 too much money. Every time I wanted to change it
11 they were burying the insurance. Yes, you know, I
12 think you better look on this. It's a big problem
13 because Workman's Compensation, I don't know anybody
14 that they were getting money. When you claim for the
15 Workman's Compensation, they don't give money or some
16 like that, they could take \$10 and give it even if
17 they do not give the business to us back. I never
18 got it. For years I never had the Workman's
19 Compensation or something unnecessary, everything all
20 this burden putting on us, and taking us-keeping our
21 money in-

22 CHAIRPERSON TORRES: [interposing] Sir,
23 if you can-if you can conclude.

24 MASA CHOWDRY: Thank you.

25 CHAIRPERSON TORRES: Thank you.

3 MOMADAT DEMUSOLET: Hello, good evening
4 Mr. Chair, Councilmen and present our brothers and
5 honorable press. So, my name is Andy Momadat
6 Demusolet. (sp?) I'm the driver owner. I--this is in
7 my personal history. I worked this--I started the
8 driving in 2003. I'm saving my money to buy the
9 Medallion. It was a dream to buy my Medallion. So,
10 bought--in in 2009, I bought my Medallion for
11 \$600,000 putting down \$100,000 in my cash money. So,
12 it was a dream to buy and I was dreaming to have a
13 better life. So, since the 2009, it's going well
14 until 2014. So, after 2014 when we see the different
15 fares. The Yellow when I bought this Medallion so we
16 knew that the Yellow is-is-is for the City. Yellow
17 in the city. Yellow means city. So the people trust
18 the Yellow. That's why we invested. I invested. I
19 bought it for dreaming my life. So, in 2014, since
20 2009 to 2014, it's going well. So, in 2014, it's--we
21 see the different fare. It's not--not for the city--not
22 rot the city for the Yellow. It's for the different.
23 We bought, the Medallion for the [coughs] from the
24 city, and city sold--sold that ground to other
25 persons. We don't understand what's--what is wrong
here. So, we need the real solution. Many that are

3 asking for the debt forgiveness, this and that so
4 that's my cushion is to find a real solution. What
5 is going on? We need our ground back. If we don't
6 get our ground back, it's never going to happen.
7 Yellow is not going to stay here. Thank you very
8 much. Thank you, Mr. Chair.

9 CHAIRPERSON TORRES: Thank you.

10 AHAD AHMED: Good afternoon, Mr. Chair
11 and City Council Member, and the New York Times for
12 your presences today. (sic) Thank you for hearing
13 us. My name is Ahad Ahmed. I'm living in Bellerose,
14 Queens. I am driving Medallion Taxicab since 1982.
15 I'm sorry, 1984, and I bought Medallion Fast T (sic)
16 Auction from the TLC, and it was my dream. I went—I
17 go to retirement, then I do something. I rent or
18 give it to the broker and I—I can do nothing and stay
19 home. This dream is bad. I have—I—I had another
20 dream, I owe money and spend my children. One is—two
21 children. One is going to the—going somewhere
22 upstate, and the studying in our city and was dream
23 of his and mine that he become a lawyer. After his
24 graduation, he can't go to the law college because I
25 don't have the money. I can't afford it. He's still
home and no job and I'm taking care of my family. I

3 bout this home family is right now on foreclosure.

4 If somebody like from the bank or what I'm going to

5 do? I'm going to do with the state. I don't have

6 anything to leave. Please do something for us, not

7 for me—only my situation. A lot of my brothers have

8 are having I think this situation and we have

9 neglect. We're ordered that city pick up passengers

10 from the hotels completely Yellow Taxi is not pick up

11 from there. We pick up from the doorman. We go to

12 the pickup especially I work at night and last night

13 I—I dropped the one passenger on 96th Street and

14 Second Avenue. I take them and left off in the

15 downtown, then come in the back of me, then come 8th

16 Avenue. I use to work, nothing there no passengers.

17 Then I think I go to club. There is two or three

18 clubs on 16th Street between 8th and 9th. I went there

19 and I see so many illegal people standing on the—

20 super van or something like this, and doorman or one

21 of doorman or some—somebody say, okay, get out from

22 here. I say I'm going to pick up passenger. I don't

23 get any passenger--

24 CHAIRPERSON TORRES: [interposing] If

25 you—

AHAD AHMED: --in one hour.

3 CHAIRPERSON TORRES: If you can conclude.

4 AHAD AHMED: Yes, sir. So, I think it's—
5 where we go. Please, where are we going on the
6 pickup? We can't pick up people from the airport.
7 We can't pick up people from the hotel. [bell] This
8 is what our futures are right, and we can't drive,
9 you know, a lot of Uber and Lyft this and that, and I
10 don't know where I'm going to. I and 63 years old
11 and I have the Diabetes, [bell] and I am work 6 days,
12 12, 13 hours. I can't afford my family. I can't
13 afford my two mortgage house and Medallion mortgage.
14 I-I stop—I can't because my—my mother was in hospital
15 and she died after one week. I can't work like two
16 or three weeks. I'm behind and my broker took the car
17 one day. One like come like 12:00 at my home, knocked
18 door and said give your key. I said who? Give your
19 taxi key. I said who are you? He said give it to
20 me. They took the car and after the next day I
21 borrow money from my relative my brother-in-law just
22 give me loan, but still I don't get them. [bell] I
23 pay \$6,000 and they give me the car.

24 CHAIRPERSON RODRIGUEZ: Right. Thank
25 you, sir.

3 MOHAMMAD DOSAN: Thank you for all of you
4 here. Thank you. My name is Mohammad Dosan (sp?).
5 I drive taxi since 1996. I'm sorry, '98, and I'm a
6 member of Taxi Workers Alliance. I bought a Taxi
7 from last auction, 2014 and I invest here is \$138
8 grand and I work 7 days, sometimes more than 10 hours
9 a day. I work the same as Doggi. So, I don't have
10 the time for my family and money nothing. I—even I
11 don't have enough money to pay my bills. So, my
12 broker did not tell me anything about the loan
13 agreement. What is the bill? Even I don't know. I
14 paid for lawyer, but I don't have a lawyer. The
15 broker tell me completely lie. My income is less
16 than \$25,000. How I get a loan of \$750 grand? I
17 want to talk to the New York Times, Mr. Ryan he is
18 explained to me my loan and demand and he asked me
19 how long it's been to sign these agreements, and I—I
20 told him I spend all this time 10 to 15 minutes not
21 more than 15 minutes, and I'm asking if Ryan is here,
22 so how long you spend time to read this paper and you
23 signed this paper agreement? That is the say neither
24 one of us. (sic) So, family did everything here. So
25 he's a reporter. He said super fast and he is not
ordinary people. He needed [bell] 24—this time and I

3 needed 12 to 48 hours, and I have another question.

4 How—how they set the price of the price? The

5 Medallion auction is high bid price. I said that New

6 York State is—is robbed my money. The city how they

7 work say to the Medallion and who give the permission

8 to the work to app companies. The city don't know,

9 the state don't know what the agreements because I'm

10 the last person to buy the Medallion. The state they

11 knew what going, \$2 million. This is the artificial

12 and they knew that their Medallions are going to

13 doing the balloon. It is, you know, just everybody

14 knows. So I need the money back.

15 CHAIRPERSON RODRIGUEZ: Thank you, sir.

16 MOHAMMAD DOSAN: Thank you so much.

17 CHAIRPERSON RODRIGUEZ: Thank you
18 everyone. So, the next panel Jaquaine Hasan.

19 MOHAMMAD DOSAN: Thank you, thank you.

20 CHAIRPERSON RODRIGUEZ: Masson Shoberry
21 (sp?) Shamu Markan (sp?), Abdul Pratt, Purva Sherpa,
22 Elhie Indi (sp?) Mohammed Hasan, Janna Beck,
23 Jonathan, Mo Cabir (sp?) So, there was anyone from
24 the public that I did not call? [background
25 comments] Sir, you may come. Greg and you—if you

3 testify, it's only about this topic, okay?

4 [background comment] Okay

5 CHAIRPERSON TORRES: Yes, please. Come in
6 if you haven't--yes [background comments/pause]

7 CHAIRPERSON RODRIGUEZ: You may begin,
8 sir. You may start. [background comments]

9 MR. WILSON CITIZEN: Good afternoon to
10 you. My name is Mr. Wilson Citizen. (sic) I've been
11 driving a taxi since 1979 and Yellow Cab since 1982.
12 I purchased my Medallion on 1983. Now after 40 years
13 driving, I'm still can walk but then I got a cane,
14 but I'm still unable to work. My Medallion sits on
15 storage. My--my--my Medallion come on Wheelchair. My
16 Medallion was irregular Medallion. Now, the TLC told
17 he's Mr. Cuomo, he's the state put the Medallion on
18 wheelchair, which is I'm not able to drive to
19 accessible car, and then to push--to push someone.
20 So, my Medallion sits on storage for four years. I
21 never get. I never make one payment for it. I got
22 to pay the Medallion every month. I can--I can tell
23 you this is the men of evil. I'm here and then
24 price--the price of the Medallion come down. I cannot
25 pay the full amount. I got to pay the interest every
month because in case I lost the Medallion they're

3 going after my house, and I've been for 40 years.

4 So, I'm here to ask you please do something for me at
5 least to get an addition (sic) for me to purchase a
6 normal car to drive because the wheelchair I cannot
7 do it. If I let the Medallion sit on-on storage for
8 four years, that means I cannot drive it. So, please
9 help me out.

10 CHAIRPERSON RODRIGUEZ: Thank you.

11 MR. WILSON CITIZEN: Alright.

12 SHERPA BORODIN: All of thanks to Betty
13 Danpur (sp?) I am one of them. [coughs] I
14 appreciate all of you. Thank you. My name is Sherpa
15 Borodin, Medallion Owner. My Medallion number is
16 4W31. I bought it last auction in 2014. After I
17 bought it I am killing myself. I am driving since
18 1998 before I didn't buy Medallion [coughs] because
19 it's too much headache. So, I drive from the seaport
20 (sic) all the way down to west(sic) weekly. Weekly it
21 is. Once a day I went to put my lease money or for
22 my Medallion to Mamie Spilini (sic) She told me why
23 you take [coughs] lease from us? You have you own
24 boss. Today is the last auction. She took me to the
25 boss. His name Habas. He told me if you're
interested to buy you have to pay up like \$800 to 9-

3 9-\$900 you can get it. Otherwise not possible.

4 [coughs] Then some 50/50. If you put your line to

5 10, to a \$100,000, it's \$100,000. I you put up \$900-

6 -\$100 or two more, you're 100%. You're ready. [bell]

7 So, day by day I am going to see if I cannot buy

8 that. [coughs] I am driving four years and no driver

9 because this is handicap, no driver. No driver

10 cannot like the handicap. [bell] I am right sick.

11 [coughs] I am-I have home mortgage. I have three

12 kids, one going to university and another one is

13 Stuyvesant High School, another one gifted (sic) and

14 in a school. I take care-I cannot take care of them.

15 I need to love my children every day. I'm trying.

16 Well, where is my God? Where are you? Town Hall,

17 going-going-I don't like too much work, [coughs] but

18 I am very, very frustrated right now.

19 CHAIRPERSON RODRIGUEZ: [off mic] Please

20 summarize.

21 SHERPA BORODIN: [coughs] So, please

22 help-help us. Right now TLC price is one-not more

23 than \$150. If you give me \$150, I cannot afford it.

24 If your mortgage like \$150, I cannot afford it.

25 Otherwise, I have to be permitted.

3 CHAIRPERSON RODRIGUEZ: Thank you so
4 much.

5 SHERPA BORODIN: Please help us, please
6 help us.

7 CHAIRPERSON RODRIGUEZ: Thank you.

8 JONATHAN JANOWITZ: Good afternoon to you
9 all, Chairmen Rodriguez and Torres, and all--all the
10 City Council. My name is Jonathan Janowitz. I'm
11 driving since 1970. [coughs] I bought my first
12 Medallion with my brother many years ago for \$9,000
13 and over the years I've seen that the Medallion went
14 up and when I saw what I bought and the last--the last
15 time I bought was in 2006 because I've seen for--for
16 the--for the last 30 years or something that the price
17 kept on going up and it was prosperous business. So
18 when I bought in 2006 and I buy it from my friends
19 and my relatives close to \$100,000 and also with the
20 money I saved over the years to put down on a
21 Medallion, which would be--ultimately would be my
22 American Dream. From the American Dream became the
23 American Nightmare. I'm more--I'm single. I live by
24 myself. I work 7 days a week. Recently I lost--I
25 lost my driver of a year ago, and I can't make ends
meet. We need and I need desperately the Medallion--I

3 mean the debt reduction program that you're talking
4 about that they're going to bring the-[coughs]-the-
5 the mortgage every month down a little bit-a lot.
6 Currently, I'm paying with insurance and everything
7 close to \$3,800 a month. I cannot make it. [coughs]
8 I'm on the verge of about going into bankruptcy
9 because the business is not there because of Uber,
10 because of the fluctuation, the fluctuation of Uber
11 over 100,000 cars on the streets. No one even-no
12 one-no one even wants to-to-to-to-to hire-to hire a
13 driver and Yellow in our, you know, cab. Everyone-
14 everyone stands on the corner with a-with a phone to
15 call Uber. So, and besides the phones, when I bought
16 in 2006, they had-they had the program Alternative
17 Fuel Medallion. I went into it because I liked a
18 bigger car, but the whole system was-it was-it was-it
19 was very slow. You know, that I mean. I have big
20 tanks in the back. My car didn't take no-no-no
21 gasoline whatsoever. Because of that-because of that
22 I had a check light and I had through thousands and
23 thousands of dollars just to repair the thing and
24 because no one in New York City knew how to repair
25 the system. Sometimes-sometimes I left the car for
two or three months in the Taxi and Limousine

3 Commission in the storage because, you know, no-no
4 one wanted to fix that system. I liked—I liked the
5 big car and that's why because of that I went a debt
6 of \$90,000, which I'm about to lose my Medallion
7 because of that whole situation.

8 CHAIRPERSON RODRIGUEZ: Thank you, sir.

9 JONATHAN JANOWITZ: Okay.

10 DORENE ANAFESCO: Good afternoon. My
11 name is Dorene Anafesco. My issues for my
12 refinancing my Medallion, it's—I was going to the
13 broker. My husband—I lost my husband a couple of
14 months ago. So after my husband died the broker still
15 come to cash my check. My last check for this month
16 was cut, and he send me a big letter all the extra
17 fees we have to pay. So, now on the meter to the
18 bank to make or change my loan to the bank and
19 broker. So, my loan is too high and I-I have money
20 to cover it and it's not just my loan. I have
21 expenses my place where I live, my rent, my other
22 expenses, and my husband, I was not ready to bury my
23 husband. My husband fight for this issue. Look,
24 those are all the letters my husband make. He came
25 for all the protests. Two weeks ago I went to
Albany. I spoke with a senator. I showed the

3 letters. He make a copy for me, and between bank and
4 broker the broker he wants to—he invite to—to
5 bankruptcy. After if I do that he can take my-my-my
6 assets and he's going to sell. That was my retired—
7 me and my husband. We work, we pay taxes, we are
8 honest people in this country. I have a good job.
9 He worked very hard, but he die. He cannot take the
10 pain. He had issues with a heart—heart problem, and
11 I don't know what I'm going to do. At my age my
12 retirement is gone. My husband is gone, and the bank
13 when I—they called me last week. They say we cannot
14 do better than that. [bell] The—my loans is still
15 high, my loan is still high, and my broker still cash
16 my—my checks every month. I don't know next month
17 how my letter is going to be, my check how it is
18 going to be. So, I live after my husband, we don't
19 each—can you pay that? Can you help me? I don't
20 know what is going to happen. Thank you.

21 CHAIRPERSON RODRIGUEZ: [off mic] I'm
22 sorry.

23 DORENE ANAFESCO: I'm sorry, too.

24 GREG WALDMAN: Chair Torres, Chair
25 Rodriguez, General Counsel, Greg Waldman. I'm
speaking from G1 Quantum Clean Energy Company.

3 Hearing the testimony from Medallion owners and, you
4 know, it comes down to a few issues. You have market
5 mechanisms that are—have conflicts of interest like
6 Chair Torres pointed out that sometimes the
7 Administration's interests in market making activity
8 whether it be Uber undercut Medallion auctions and
9 then that leaves the debt burden, and then you Chair
10 Levin who spoke upon collateral debt obligations or a
11 CDO that could be packaged to—and tethered to the
12 city so you could refinance and offset the loss that
13 Medallion owners have incurred, but the it also
14 becomes okay, we'll—is Uber better structured and
15 positioned in the market other Lyft—better positioned
16 markets. Does the TLC need to restructure its
17 business to an extent in that—in that, in that
18 regard, and—and when we—we talk about collateral debt
19 obligations and securitizing them to offset the debt
20 that these, you know, these owners have incurred, you
21 know, where you—where you turn to the revenue I mean
22 I don't want to go back to solar and parsing through
23 the Green New Deal Amazon value narratives, and—and—
24 and those things, but when you can contractually
25 originate that asset from New York a solar contract
and then offset that CDO that these—these people have

3 incurred and the debt that these people have
4 incurred, then you can create the type of synergy you
5 need to-to then advance and-and kind of, you know,
6 kill two birds with one stone, and leave that type of
7 issue and the value weight where it belongs. Thank
8 you.

9 CHAIRPERSON RODRIGUEZ: [off mic] Thank
10 you.

11 MALE SPEAKER: Good afternoon everybody.
12 I'm not going to speak very well because I'm not an
13 educated person and I'm retired. I come here in 1995.
14 I come, my one neighbor friend and I believe in him
15 too much. I started taxi driving in 1998, and I make
16 some money and I go to Ohio (sic) City and I lost
17 \$150,000 and I come back to New York, and my-my
18 roommate he want to buy Medallion. He has only
19 \$1,000, \$1,100 in his account. He want to buy one
20 Medallion and then he's asking me money. I said to
21 him I can't buy papers (sic). I had some problem in
22 Ohio a problem. So you can buy your name, I can give
23 half of it in this time. We in with \$1,600, \$20,000.
24 In 2007, we bought our first Medallion in 7 of 19,
25 and then when we funded the first Medallion to buy
second Medallion, he give \$160,000 to buy Medallion.

1 Melrose give me money. Just it wouldn't. He said
2 that you are my partner, and then Melrose given me
3 another Medallion 1 of 18, and after that my partner
4 he sue me in a suit in court. He said that he's not
5 my partner. I am his driver. Yes, I'm his driver.
6 Why he me \$160,000 to buy second Medallion, and I
7 lost the case in court. Just that he gave me
8 \$210,000 in line costs and interest. I do second
9 division and second division said just what is not
10 correct, but my lawyer they don't work for me. The
11 lawyer he bought my lawyer because do first sue me.
12 After so many proof I cannot speak very well, and I
13 told my lawyer don't do hearings [bell] and I lost in
14 second division. I paid him \$255,000 in cash. I
15 have a loan right \$740,000. I try last year in my
16 Bank Esper Bank give me the modification. They don't
17 give me. I give only interest and this is Medallion
18 last November and then after I paid another \$3,000 in
19 fines and he give me Medallion back. I cannot afford
20 The \$4,000 a month mortgage. Please give me
21 modification. Then last week, he give me the
22 modification, and I am still working. I don't want to
23 do Chapter 7 because I bring some money back how in
24 my country and I buy houses with it, and I-I-I feel
25

3 bad. I can say to in the city of New York say you
4 have the highest priced emergency department price
5 \$1.3 million. I have Medallion—my Medallion price
6 cost I still feel bad if they do file suit against
7 me and they accuse me—I lost \$500,000. [bell] All
8 the money I lost my—my income money. I have a loan
9 of \$740,000. Still I do continue Medallion. Please
10 help me to punish my partner. Please help me. I—I—I—
11 explain it to—they expect to you and I—and I need
12 help to punish my—my—my Medallion honor. How he sue
13 me in a false suit—a suit in court.

14 CHAIRPERSON RODRIGUEZ: Thank you, sir.

15 MALE SPEAKER: Please help.

16 CHAIRPERSON RODRIGUEZ: Thank you.

17 MALE SPEAKER: I appreciate it, too, if
18 I—I—you do help me to do something to my partner.

19 CHAIRPERSON RODRIGUEZ: Thank you.

20 MALE SPEAKER: We have—we have also and
21 we buy [bell] house. We bought also, also in the
22 Bronx apartment. How could they do false suit?
23 Please help me to do something.

24 CHAIRPERSON RODRIGUEZ: Thanks, thank
25 you, and we before I think my Co-Chair Council Member
Torres officially close the hearing, I would like to

3 say that we appreciate the great job that the
4 Committee that Council Member Torres Chairs and all
5 the staff for the great work that they've been doing
6 for the last couple of months, and I know that their
7 contribution will be very important as we from the
8 Committee on Transportation will continue looking at
9 how to bring a solution to this crisis so this cannot
10 be another hearing two months from now. As we said
11 before, this level of crisis demands an action right
12 now, and we will continue working together to be sure
13 again that we give the dignity, the respect to all
14 the men and women, the drivers, but those individuals
15 Medallion owners because we have said over and over
16 the city has failed and this is my understanding, and
17 it's not the first time that I say it. I believe
18 that with all the new facts that committee shared
19 with Council Member Torres we were able to discover,
20 we will continue making a strong case and we as a
21 city have to be responsible. The plan cannot work
22 alone. We cannot wait for another individual
23 Medallion owner or driver to take away their life,
24 and that's call to any men and women that we know
25 that worked so hard. Please it doesn't matter how
tough the moment is right now. You think about our

3 family before, you know, in those tough moments you
4 think or your thought go through your mind about, you
5 know, committing suicide. So, hopefully we will
6 become stronger, and we are committed to, you know,
7 get there. So, with that, the Co-Chair of this
8 Committee Council Member Ritchie Torres.

9 CHAIRPERSON TORRES: Well, thank you
10 Council Member--

11 CHAIRPERSON RODRIGUEZ: [interposing] and
12 I'm sorry if I said Co-committee. I say co-chair of
13 this hearing.

14 CHAIRPERSON TORRES: Well, thank you
15 Council Member Rodriguez. Thank you for your
16 partnership. There's no question that the city
17 failed the driver owners, but I now want to assure
18 each and every one of you that this hearing is only
19 the beginning, but we are committed to finding a
20 solution because there should be no New Yorker who is
21 stripped of their livelihood or stripped of their
22 retirement who's contemplating suicide. All of you
23 did everything right. You played by the rules. You
24 worked your heart out. You trusted the city of New
25 York. When the city of New York tells you something,
you trusted us and we failed you, and we have to make

3 restitution to you, and we have to do right by you.

4 So, I want you to know that your wellbeing is a

5 priority for the City Council, and I'm going to work

6 very closely with the Chair of the Transportation

7 Committee Ydanis Rodriguez with my colleagues like

8 Brad Lander, and work with TLC to find a solution to

9 what is genuinely a humanitarian crisis. We can

10 longer afford to turn a blind eye to the suffering of

11 you and your family because all you want is not a

12 handout. What you want is fighting chance a decent

13 life, and that's what you deserve. So, with that

14 said, I thank you, Councilman. [applause]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date July 8, 2019