

BOARD REPORT
CITY OF LOS ANGELES
DEPARTMENT OF TRANSPORTATION

Date: June 21, 2018

To: Board of Taxicab Commissioners

From: Seleta J. Reynolds, General Manager

Subject: **REVOCATION OF L.A. CHECKER CAB COOPERATIVE, INC.
d.b.a. L.A. CHECKER CAB FOR VIOLATIONS OF BUSINESS AND PROFESSIONS CODE
12510(a)(5), TAXICAB RULE 429, AND VARIOUS PROVISIONS OF ITS TAXICAB FRANCHISE
ORDINANCE**

RECOMMENDATIONS

That the Board of Taxicab Commissioners:

1. **FIND** that from the time period of September 20, 2017 through March 28, 2018, LADOT found taximeter tampering pulse devices, used to overcharge passengers, on four L.A. Checker Cab units;
2. **FIND** that L.A. Checker as the Franchise Grantee is responsible for the conduct of its members, shareholders, drivers, and operators;
3. **FIND** that L.A. Checker Cab is in repeated violation of California Business and Professions Code section 12510(a)(5), which is a misdemeanor;
4. **FIND** that L.A. Checker Cab is in repeated violation of the City of Los Angeles, Department of Transportation Taxicab Rule Book, section 400, rule 429;
5. **FIND** that taxicab owners Marat Khavkin, Simon Gevorkian, Suren Gevorkian, and Maria Gevorkian were in violation of the taxicab rules and regulations as well as Business and Professions Code section 12510(a)(5);
6. **FIND** that L.A. Checker should pay a fine of \$335,000 for violation of the rules of the Franchise Ordinance;
7. **REVOKE** all seals belong to Marat Khavkin which includes L.A. Checker taxicabs numbered 3406, 3411, 3437, 3441, 3463, 3479, 3512, 3514, 3515, 3531, 3582, 3732, and 3735
8. **REVOKE** all seals belonging to Simon Gevorkian which includes L.A. Checker taxicabs numbered 3536, 3446, 3452, 3459, 3464, 3481, 3485, 3526, 3605, 3607, 3628, 3634, and Yellow Cabs

numbered 6051, 0637, and 6591

9. **REVOKE** all seals belonging to Suren Gevorkian which includes L.A. Checker taxicabs numbered 3707, 3555, 3603, 3718, 3731, 3736, and 3741
10. **REVOKE** all seals belonging to Maria Gevorkian which includes L.A. Checker taxicabs numbered 3507, 3448, 3469, 3483, 3530, 3632, and 3636
11. **REVOKE** L.A. Checker Cab Cooperative, Inc., d.b.a. L.A. Checker Cab's franchise permit, with all of its seals and slots being re-distributed to the remaining franchises by direction of the Los Angeles Department of Transportation (LADOT).

INITIATED BY

The Department initiated this report in view of the repeated illegal transportation operations by L.A. Checker Cab Cooperative, INC, (d.b.a. L.A. Checker Cab) and the company's failure to abide by the rules and regulations of the Los Angeles Department of Transportation and the laws of the State of California.

DISCUSSION

On September 10, 2017, the Department received a complaint that the driver of L.A. Checker Cab unit 3536 overcharged someone who traveled from Los Angeles International Airport (LAX) to Las Palmas Avenue in Hollywood. The charge was \$79.15. The distance from LAX to Hollywood is approximately 11.5 miles. However, the printed receipt from the meter of L.A. Checker Cab unit 3536 recorded a distance of approximately 25 miles.

According to the GPS data retrieved from L.A. Checker Cab unit 3536, the route taken from LAX to Hollywood was: Sepulveda Boulevard to La Tijera Boulevard, La Tijera Boulevard to La Cienega Boulevard, La Cienega Boulevard to Sunset Boulevard and Sunset Boulevard to Las Palmas Avenue. The fare for travel from LAX to Las Palmas Avenue in Hollywood is approximately \$42.00. The discrepancies in mileage lead staff to conclude that a "pulse device" might have caused the overcharge.

A "pulse device" is a modified circuit chip wired into the taximeter. This modified chip attaches to the motherboard of a receiver connected by wires to the taxicab vehicles mileage sensor, power source and the taxicab meter itself. This combination of connections allows the driver-user to engage a remote receiver to generate a pulse that overrides the mileage sensor and adds additional mileage to the taximeter.

During the normal operation of a taxicab, the vehicle's mileage sensor sends a pulse to the wiring harness of the taximeter indicating that the vehicle traveled 1/9 of a mile. L.A. taxicab fares are based on 1/9 of a mile increments. Each time the taximeter registers a pulse that the vehicle reached 1/9 of a mile, the taxicab meter charges \$0.30. However, when someone attaches a modified remote receiver to the meter's wiring harness, the driver can send pulses to the meter at will. Each time the driver activates

the hand held transmitter, the remote receiver sends a signal from the pulse device to the mileage sensor connected to the taximeter indicating that the vehicle traveled 1/9 of a mile, even if cab did not cover that distance.

On September 20, 2017, Meter Installation Technician Oracio Franquez conducted an inspection of L.A. Checker Cab unit 3536 at the mechanical facility located at Yellow Cab Company, in the City of Gardena. The technician conducted the inspection at the behest and under the supervision of LADOT Transportation Investigators. During the course of that inspection, the technician found a pulse device attached to the wiring harness of the vehicle. The technician removed the pulse device and the City decals and immediately placed the vehicle out of service.

Hovannes Khachatryan was the driver who committed the overcharge. The Department suspended his LADOT Driver's Permit and ID badge pending revocation (**See Attachment 1**). **Simon Gevorkian** owned the vehicle at the time of the incident.

On January 3, 2018, Artur Martirosyan appeared at Authorized Taxicab Supervision (ATS) for his scheduled hearing related to an overcharging incident from LAX to the city of Santa Monica with a charge on the meter of \$83.00. The vehicle in question was L.A. Checker Cab unit 3406. During the course of that hearing, ATS took the vehicle to a meter shop. A technician inspected the vehicle and found a pulse device. Behzad Bitaraf, the Manager of ATS, had the meter technician remove the meter and the pulse device from the vehicle (**See Attachment 2**). The owner of the vehicle is **Marat Khavkin**.

Shortly after the hearing, L.A. Checker dismissed the driver of the vehicle, Mr. Martirosyan, through the signature withdrawal process. L.A. Checker notified LADOT of the signature withdrawal but not the reason for it.

Neither ATS nor L.A. Checker notified LADOT of this event until LADOT conducted a sweep of the LAX taxicab lot managed by ATS on March 28, 2018. It was on this date that ATS's manager, Behzad Bitaraf turned in the meter and pulse device to the Department.

From January 3, 2018 through March 28, 2018, L.A. Checker taxi vehicle 3406 continued to operate apparently with a new meter not on record with the LADOT. L.A. Checker Cab and ATS both failed to notify the Department of the new meter or that this incident occurred. On March 28, 2018, L.A. Checker Cab unit 3406 was placed out of service. On April 5, 2018, LADOT removed the decals.

As stated earlier, March 28, 2018, was the date that LADOT conducted an inspection operation on taxicab vehicles located in the taxi holding lot at LAX, specifically searching for potential pulse devices.

LAX Vehicle Inspection Sweep

Despite the claims and even news reports from approximately 10 years ago that L.A. Checker vehicles had pulse devices on their taximeters in Los Angeles, prominently featuring L.A. Checker vehicles and including a response by L.A. Checker noting that they have implemented stricter disciplinary action against drivers who engage in this conduct, this information remained relegated to rumor and

conjecture. **(See Below Links and Attachment 3)**

<https://www.youtube.com/watch?v=0bI0MYtq6k8>

https://www.nbclosangeles.com/news/local/Taxicab_Deception.html?cid=29626484&sid=390999

Upon learning that a technician found a pulse device on 3536 in September of 2017, and knowing that the industry was aware that the LADOT had discovered this device, staff chose to wait three months before looking for more devices. Our expectation is that this would give time for companies that want to remain in compliance, including L.A. Checker, to conduct a review of their vehicles to ensure that no one improperly used devices.

On March 28, the LADOT Investigator team conducted random vehicle inspections at the LAX taxicab holding lot. The Investigator team inspected approximately 14 taxicabs that day and took vehicles to a mechanic shop for further inspection.

The Investigator team inspected six L.A. Checker vehicles. Those vehicles included L.A. Checker 3707, 3607, 3605, 3507, 3717 and 3485. Of these vehicles, Investigators found pulse devices on both 3507 and 3707. **(See Attachment 4 - Investigator Reports with Photos).**

While the investigator team conducted the inspection, an alert went out over L.A. Checker dispatch at approximately 9:51 A.M. and again at 9:54 A.M which read "LA DOT IS CHECKING TAXI AT LAX HOLDING LOT. PLEASE MAKE SURE YOUR CARS ARE IN COMPLIANCE." **(See Attachment 5 – Photos of Display)**

Approximately 90 minutes after this message went out, LADOT reviewed vehicles 3605 and 3485. LADOT did not find pulse devices in the vehicles, however the vehicle contained displaced, cut, and dangling wires consistent with pulse device installation indicating an expedited removal of the devices.

Vehicles 3607 and 3717 had no evidence of a pulse device or meter tampering.

At this point, no more L.A. Checker Cab vehicles entered the LAX lot during the rest of the time that the LADOT Investigators remained on premises. The operation ended at approximately 12:30 p.m.

The technician removed the pulse devices and the City decals from L.A. Checker Cabs 3507 and 3707 and immediately placed the vehicles out of service **(See Attachments 6 and 7- Photos of Removal of Devices from 3507 and 3707 Respectively)**. The owner of L.A. Checker Cab unit 3507 is **Maria Gevorkian**. The owner of L.A. Checker Cab unit 3707 is **Suren Gevorkian**.

On April 10, 2018, the LADOT staged a second detail looking for the same devices. LADOT inspected eighteen vehicles that day and found no pulse devices.

Rules and Regulations:

Per Taxicab Rule 429, it is unlawful for a taximeter to contain a rate other than the one that is authorized.

It further states, "The meter shall have installed only the approved rates and extra charges. All mechanisms, devices and/or electronic programs attached, installed or used in connection with the meter shall not facilitate the perpetration of fraud. No schedule of rates contained in the taximeter may be higher than those authorized for the City of Los Angeles unless authorized by the Board of Taxicab Commissioners,"

California Business and Professions Code section 12510(a)(5) reads:

"(a) Any person, who by himself/herself, or through or for another, does any of the following is guilty of a misdemeanor: (5) Sells or uses any device or instrument to be used or calculated to falsify any weight or measurement."

The taximeter is a device that measures time and distance and would therefore be subject to Business and Professions Code Section 12510(a)(5).

Marat Khavkin, Simon Gevorkian, Suren Gevorkian, and Maria Gevorkian were all owners of the vehicles/seals where Investigators found the pulse devices. The LADOT believes it is reasonable that if a device was found in one of their vehicles, it would likely be found in multiple vehicles, or at some point in the life span of a taxicab vehicle bearing the seals owned and controlled by these individuals.

For example, while Investigators found no pulse devices in vehicles 3605 and 3485, there was enough evidence to suggest that the meters in those vehicles had been tampered with. Both of these vehicles belong to Simon Gevorkian, who also owns 3536 which was found to have a pulse meter tampering device.

For this reason, the LADOT believes that the commission should revoke all the taxicab seals related to these individuals, and find that they can no longer be taxicab owners in the City of Los Angeles ever again.

Breach of Franchise Ordinance

LADOT found four pulse devices on L.A. Checker Vehicles. The owners involved in this matter own 39 vehicles that are affiliated with L.A. Checker. This is approximately 15% of their total fleet and significant enough to demonstrate that L.A. Checker inadequately maintained and managed its shareholders and should no longer be allowed to operate as a taxicab company in the City of Los Angeles.

By allowing this behavior to go unchecked, for what may be at least 10 years, L.A. Checker demonstrated that the interest of the public is not served by the existence of this company. Its existence and mismanagement harms the public interest.

L.A. Checker believes that it has no duty to manage or control its drivers or shareholders, but that is inaccurate.

Ordinance Number 181423 signed in 2010, and submitted with this Board Report as (**Attachment 8**) is the current ordinance under which LADOT granted L.A. Checker a franchise to provide taxicab transportation service in the City of Los Angeles. Per the ordinance L.A. Checker is the primary service provider for Service Zone B (Western portion), Service Zone C (Central and Eastern portions), and Service Zone D (Southern Central portion) of the City.

The ordinance defines a Grantee or Franchisee as: "The person or Subchapter S corporation, co-operative, association or membership organization, or company or corporation to which this Franchise has been granted . . ." (See Franchise Ordinance Pg. 2 Section 1.0)

The ordinance defines term "Manage Taxicabs" as: "To have full control of a Taxicab Vehicle Permit including responsibility for contracting with lease drivers, driver and vehicle assignments, lease driver discipline, lease fee collection and distribution, vehicle procurement and maintenance and all other functions normally associated with the operation of a taxicab by a company or corporation."

Section 2.2(c) outlines the reasons the city may terminate a Franchise including:

- (i) The Grantee has failed to comply with or violated any term or condition hereof, or of Board rules or orders, or of Board or Department directives
- (ii) The Grantee has illegally conducted any type of public transportation operation within the City.

Section 2.2(c) also notes that the city may terminate a Franchise if "the public interest would be served by such termination."

L.A. Checker bears the responsibility of inadequate maintenance to ensure the meters have not been tampered with, and clearly did not deter owners and drivers from engaging in such behavior. It allowed its drivers and shareholders to defraud the public, ignored the problem, and allowed this conduct to continue unabated in the company.

L.A. Checker was aware that it had a problem as early as November of 2017 when 3536 was found to be using a pulse device. It was aware that this was more than one rogue driver when 3409 was discovered by ATS as having a meter tampering pulse device. L.A. Checker did not inform LADOT of this problem but rather allowed it to continue, and again two months later the LADOT found more devices on two other vehicles on a random day in the airport parking lot.

L.A. Checker warned its drivers when LADOT inspected vehicles, but failed to hold drivers accountable and create a mechanism to ensure that the public interest was protected in relation to overcharging and illegal pulse devices.

L.A. Checker allowed its owners and drivers to illegally conduct transportation in the City of Los Angeles and further demonstrated that its presence defrauds the public.

Section 4.2 of the Ordinance details the duties of the Franchise as follows

- (a) All vehicles, equipment and appurtenances used under this Franchise shall be operated and maintained in accordance with all applicable Federal and State laws, ordinances of this City and orders of the Board. **Grantee shall be responsible for the compliance of its Members and drivers with all such laws, ordinances, rules and orders.** (Emphasis Added)

Section 4.2(b) goes on further to note

- (b) The number of taxicabs operated pursuant to this Franchise, the manner and time of all operations, the transportation service provided, and the rates or fares charged, shall at all times conform to such regulations as shall from time to time be fixed or prescribed by the City and/or Board.

L.A. Checker Cab's management maintains that the company, the shareholders and the owners of the taxicabs have no knowledge of how or when pulse devices are installed and used. Despite compelling evidence to the contrary, L.A. Checker maintains that the drivers install and use pulse devices without the company's or owner's knowledge. At best, it is disingenuous for L.A. Checker Cab's management to assert that they have no knowledge and that the drivers install and use pulse devices without the knowledge or consent of owners within the company.

L.A. Checker under the ordinance is responsible for the conduct of its drivers. If L.A. Checker believes that this is due to rogue drivers, Section 4.4(d) of the Ordinance requires that the Franchise provide a training program for all drivers and that the training shall include among other things City and State rules and regulations, vehicle safety and maintenance/inspection checks, and customer service and relations.

The lack of oversight by L.A. Checker Cab's management led to a sub-culture of fraud and dishonesty perpetrated by owners and drivers in the industry towards its patrons. This unwanted and criminal behavior is untenable. L.A. Checker Cab's management failed in its responsibility to ensure that the people of the City are not subjected to fraud and dishonest behavior by predatory drivers or owners. By failing to hold its drivers and owners accountable, L.A. Checker Cab management contributed to the re-emergence of pulse devices being used to defraud the public.

Due to the discovery of pulse devices, the inaction by L.A. Checker Cab to inspect and remove these devices from its vehicles after learning of their use in its company, combined with not notifying the LADOT of a device found in one of its vehicles months prior, and the message that L.A. Checker Cab's management sent to their drivers warning them that the Department was conducting inspections at LAX, staff has no choice but to conclude that not only should Marat Khavkin, Simon Gevorkian, Suren Gevorkian and Maria Gevorkian each forfeit their franchise in the City of Los Angeles, but that L.A. Checker Cab Cooperative, Inc., d.b.a. L.A. Checker Cab franchise, must also be revoked for the role it played in this fraud.

Additional Penalties

In addition to revocation of the Franchise, L.A. Checker should be fined a sum of \$335,000 for this misconduct and breach of the Franchise Ordinance.

Under the Franchise Ordinance Section 2.2, the Board has the authority to impose an additional monetary penalty on the Franchise for misconduct.

LADOT believes that L.A. Checker is in violation under section 5.5 subsection 4 for “Conducting any illegal or unauthorized type of public transportation operation,” by allowing tampered meters to be used in taxicab service with the public, and subsection 9, “Failure to conduct minimum weekly taxicab vehicle inspections,” whereby LADOT contends that a proper inspection would have determined that there was a problem with the meter. Especially considering that L.A. Checker knew of the problem for the last 10 years, and at a minimum, knew there was an ongoing problem in November 2017 and January 2018, and knew that this issue likely requires a thorough investigation of the equipment in the taxicab vehicles bearing the company name.

Because LADOT found actual pulse devices in vehicles 3406, 3536, 3707 and 3507, it will accept that there are four violations for each subsection, which totals eight violations for this report.

Under the Franchise Ordinance the Board may levy the following monetary penalties for these violations against the grantee;

1. Up to \$10,000 for the first offense
2. Up to \$25,000 for the second offense within a 12-month period.
3. Up to a maximum of \$50,000 for the third and subsequent offenses within subsequent 12-month periods.

There are eight violations total. Based on the above calculation the total penalty for all eight violations which occurred in less than a 12 month period is \$335,000.

CONCLUSION, REVIEW, AND RECOMMENDATION

Timeline

October-November 2017:

LADOT learns of a complaint related to overcharging a customer in L.A. Checker vehicle 3536. Upon investigation and inspection, LADOT finds a pulse device in the vehicle's equipment and removes the seals from L.A. Checker.

January 2018:

Authorized Taxicab Supervision (ATS) finds and removes a pulse device from L.A. Checker Vehicle 3406 due to a customer complaint regarding overcharging. ATS notifies L.A. Checker of this action and the driver is removed from service with L.A. Checker. ATS and L.A. Checker do not notify the LADOT of this

issue during that time

March 2018:

LADOT conducts an unscheduled vehicle inspection at the ATS parking lot located at LAX. It inspects six L.A. Checker vehicles. Two contain pulse devices, two more are found to have evidence of meter tampering, and two others have no evidence of meter tampering.

April 2018:

LADOT conducts a second unscheduled inspection in the same location. Of the 18 vehicles inspected, none have the pulse devices. LADOT inspects two L.A. Checker Vehicles that day and neither have pulse devices.

Violations

Between October 2017 and March 2018, four L.A. Checker vehicles owned by four different individuals have illegal pulse devices as part of their equipment, leading the LADOT to conclude that L.A. Checker's lack of oversight allowed this behavior to continue unabated.

These four owners and all of the vehicles they own represent approximately 15% of L.A. Checker's entire fleet.

Despite finding evidence of tampering on two additional vehicles, the LADOT determined that it would pursue action only against the four where the devices were physically found. It should be noted that one of the vehicles, Cab 3485, is also owned by Simon Gevorkian.

The use of these devices on these vehicles is in violation of Taxicab Rule 429 and CA Business and Professions Code Section 12510(a)(5).

Upon discovery of the first device in October/November of 2017, it is the LADOT's belief that L.A. Checker Cab did nothing to ensure compliance with the rules and regulations

Upon discovery of the second device in January of 2018, it appears that L.A. Checker again did nothing to ensure compliance with the rules and regulations, and furthermore did not notify LADOT of this continuing problem.

Even after L.A. Checker learned of two pulse devices on its vehicles found at separate times, the LADOT still found two more while conducting an unscheduled inspection, leading LADOT to believe that the problem is persistent within L.A. Checker and that L.A. Checker is not interested in pursuing the type of reform that will drive this problem out of its business.

L.A. Checker failed to conduct minimum weekly taxicab inspections, required under the Franchise Ordinance, which could have exposed this conduct in violation of Franchise Ordinance section 5.5.

L.A. Checker's lack of oversight allowed it, its members, and its drivers to illegally conduct a public transportation operation, in violation of section 5.5 of the Franchise Ordinance.

Per Franchise Ordinance section 4.2(a), L.A. Checker is responsible for the "compliance of its Members and drivers with all such laws, ordinances, rules and orders."

Grounds for termination of the Franchise exists when Franchisee failed to comply with or violated any term or condition in the Franchise Ordinance or any of the Board rules or orders, when the Franchisee illegally conducted public transportation operation in the city, or when the public interest would be served by a termination of the Franchise. (See Franchise Ordinance section 2.2(c))

L.A. Checker violated various provisions of the Franchise Ordinance as well as allowing its members and drivers to violate Taxicab Rule 429 and the Business & Professions Code, and it allowed fraudulent equipment to be used in the vehicles to overcharge customers without doing anything to prevent the conduct.

The public interest is not served by allowing this company to continue its operations when it demonstrated that it will not do anything to protect the public from fraudulent drivers and owners.

The LADOT believes that all of the above grounds exist for termination of the Franchise.

Recommendation

The Board revoke all seals and permits belonging to Marat Khavkin, Simon Gevorkian, Suren Gevorkian and Maria Gevorkian, fine L.A. Checker Cab \$335,000 for violations of the Franchise Ordinance, and revoke the Franchise of L.A. Checker Cab Cooperative, Inc., d.b.a. L.A. Checker Cab.

INVESTIGATOR'S FOLLOW UP REPORT

ATTACHMENT #1

Franchise Regulation Division

Los Angeles Department of Transportation

Date and time occurred 03/28/2018-09:10 am	Subject: L.A. Checker Cab Investigation	To: Jarvis Murray
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Date and time of report 03/29/2018-0900 am	Location of occurrence LAX-Authorized Taxicab Supervision (ATS) Holding Lot
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Code:	PR-Person Reporting	W-Witness	S-Suspect(s)/Subject(s)	V-Victim
CODE:	NAME AND DOB	ADDRESS		PHONE
PR	HORTON, JR. DALE W.	100 S. MAIN STREET, 10 th FL. LA. CA. 90012		(213) 972-5977
PR	SALAZAR, GERARDO	100 S. MAIN STREET, 10 th FL. LA. CA. 90012		(213) 928-9713
W	FRANQUEZ, ORACIO	2129 W. ROSECRANS AVENUE, GARDENA, CA. 90249		(310) 965-5807
S	ARAM HOVHANNISYAN	7442 HAZALTINE AVENUE #102, LA. CA. 90029		(213) 884-3838

SOURCE OF ACTIVITY:

On March 28, 2018, Los Angeles Department of Transportation (LADOT) Investigators Shawn Martin serial number I-1004, Eric Cavarlez serial number I-1007, Gerardo Salazar serial number I-1011, Andrea Mercier serial number I-1015, Joe Richard serial number I-1016 and I, Dale Horton serial number I-1010 conducted an inspection of the taxicabs at the LAX-Authorized Taxicab Supervision Holding Lot. All of the Investigators were in plain clothes. We were there in response to a previous investigation involving L.A. Checker Cab 3536. In the course of that investigation, a pulse device was discovered. In addition to the pervious investigation, rumors have continued to circulate that pulse devices were being used by other taxicabs in the L.A. Checker Cab fleet.

INVESTIGATION:

On March 28, 2018, at approximately 0845 hours, I briefed Sgt. Jackson, the Airport Police Day-Watch Commander on the inspection that was about to be conducted at the Authorized Taxicab Supervision (ATS) Holding Lot. During that briefing, I notified Sgt. Jackson that LADOT Investigators were inspecting taxicabs for pulse devices. The briefing was approximately fifteen minutes.

At approximately 0910 hours, LADOT investigators arrived at the ATS holding lot. I entered the ATS dispatch office and requested that the drivers of L.A. Checker Cabs 3485, 3507, 3555, 3605, 3607 and 3707 be notified to remain in the holding lot pending inspection by LADOT Investigators. At the time of the notification, units 3507 and 3707 were in the ATS holding lot. Inv. Cavarlez, Inv. Salaraz, Inv. Mercier and I approached the drivers of units 3507 and 3707, with our badges in plain view, identified ourselves as Transportation Investigators with the Los Angeles Department of Transportation (LADOT). We explained to the drivers that we were conducting an on the spot inspection of their vehicles. We asked the drivers for the keys to the vehicles and instructed the drivers to secure their personal belongings. The drivers complied with our requests. We instructed the drivers to remain in the holding lot until the inspection was complete.

Reporting Officer	Serial No.	Supervisor Approving
Inv. DALE W. HORTON, JR.	I-1010	Sr. Inv. PATRICIA BARKER SR-1001

Reporting Officer	Serial No.	Supervisor Approving
Inv. GERARDO SALAZAR	I-1011	

DOT

ATTACHMENT 1

INVESTIGATOR'S FOLLOW UP REPORT

CONTINUATION SHEET

Franchise Regulation Division

Los Angeles Department of Transportation

LAPD DR#

Date and time occurred 03/28/2018 -09:10am	Subject: L.A. Checker Cab Investigation	To: Jarvis Murray
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Inv. Salazar and I entered unit 3707. Inv. Cavarlez and Inv. Mercier entered unit 3507. As we were about to depart, unit 3607 entered the holding lot. Inv. Mercier exited unit 3507 and along with Inv. Richard approached the driver of unit 3607. A brief conversation took place and Inv. Mercier entered unit 3607. We drove the taxicabs to the Yellow Cab Taxi Meter shop located at 2129 W. Rosecrans Avenue, Gardena Ca. 90249. Upon arrival, I spoke with Oracio Franquez, the Meter Installation Technician for Yellow Cab. I asked Witness Franquez to inspect units 3507, 3607 and 3707 for pulse devices.

Witness Franquez began his inspection of unit 3707 by removing the glove box compartment. During Witness Franquez' inspection of unit 3707, a pulse device was found. The pulse device was attached to the meter wiring harness (see photos). I instructed Witness Franquez to remove the pulse device and the City decals from unit 3707. Witness Franquez removed the pulse device and the City decals. I took possession of the pulse device and the decals. Witness Franquez re-attached the glove box and the inspection was concluded.

Witness Franquez began his inspection of unit 3607 by removing the glove box compartment. During Witness Franquez' inspection of unit 3607, no pulse device was found. Witness Franquez stated that the vehicle was clean (see photos). Witness Franquez re-attached the glove box and the inspection was concluded.

Witness Franquez began his inspection of unit 3507 by removing the glove box compartment. During Witness Franquez' inspection of unit 3507, a pulse device was found. The pulse device was attached to the meter wiring harness (see photos). Inv. Cavarlez instructed Witness Franquez to remove the pulse device and the City decals from unit 3507. Witness Franquez removed the pulse device and the City decals. I took possession of the pulse devices and the decals. Witness Franquez re-attached the glove box and the inspection was concluded.

Inv. Cavarlez drove unit 3507 and Inv. Salazar drove unit 3707 to the ATS holding lot. Upon arrival at the ATS holding lot, I approached suspect Hovhannisyan, the driver of L.A. Checker cab unit 3707. I informed suspect Hovhannisyan that during the course of the inspection, a pulse generator was found attached to the meter wiring harness of his taxicab. I informed suspect Hovhannisyan that his LADOT driver's permit and ID badge was suspended. Suspect Hovhannisyan stated he understood and I returned the keys to 3707 to suspect Hovhannisyan.

EVIDENCE:

7 – Photographs of 3707 location of Electronic Pulse Device

11 – Photographs of 3707 removal of Electronic Pulse Device and L.A. City decals



AUTHORIZED TAXICAB SUPERVISION, INC.

6150 W. 96TH Street
Los Angeles, CA 90045-5218
TEL: (323) 776-5324
FAX: (310) 216-4674

ATTACHMENT #2

Investigator Dale Horton
DEPARTMENT OF TRANSPORTATION (D.O.T.)
Franchise and Regulation Bureau
Investigation and Enforcement Section
Mail Stop 725-43
100 S. Main Street, 1st Floor, Los Angeles, California

March 29th, 2018

Dear *Investigator Horton*,

On *January 3rd*, 2018 driver of *Checker taxicab #3406 (Artur Martirosyan - with CDL: F8028525)* had an **ATS Administrative Hearing**.

The Administrative Hearing was regarding a "called-in" complainant's incident report of "overcharge" **From: LAX TO: Santa Monica**. Please see actual, complete incident report.

At the Hearing, I took *Checker taxicab #3406* to a taxicab meter shop and found out that said taxicab had a zapper, so the meter-man removed the taxicab meter and zapper.

The Administrative Hearing resulted in driver of *taxicab #3406 (Artur Martirosyan)* driving privilege to operate at LAX being "**revoked**".

Sincerely,

Behzad Bitaraf
GENERAL MANAGER

AUTHORIZED TAXICAB SUPERVISION, INC.

9468 ALVERSTONE AVE., LOS ANGELES, CA 90045

TEL. (323) 776-5324 - FAX (310) 216-4674

COMPLAINT/INVESTIGATION REPORTCAB COMPANY: **CHECKER**CAB NO. **3406-E**DRIVER'S NAME: **ARTUR MARTIROSYAN**DRIVER'S LIC. **F8028525**LOCATION OF PICK-UP / STAND #: **T-6**ADDRESS OF DROP-OFF: **202 San Vicente Blvd #15**CITY, STATE, ZIP CODE: **Santa Monica CA 90402-**DATE & TIME OCCURED: **12/14/2017 10:28 PM** DATE & TIME REPORTED: **12/15/2017 6:13 PM**

NAME OF COMPLAINANT:

HOME ADDRESS:

HOME PHONE:

CITY, ZIP CODE:

BUS. PHONE:

BUS. ADDRESS:

CITY, ZIP CODE:

NAME OF PERSON MAKING COMPLAINT: **CRAIG GERMAN**HOME ADDRESS: **202 San Vicente Blvd**HOME PHONE: **(310) 963-4865**CITY, ZIP CODE: **Santa Monica CA 90402-**

BUS. PHONE:

BUS. ADDRESS:

CITY, ZIP CODE:

COMPLAINT RECEIVED BY: **CLAUDIA**

HEARING COMMITTEE ASSIGNED TO INVESTIGATE.

AMT. ON METER: **\$46.50**TOTAL AMT. PAID: **\$50.50**AMT. OF AIRPORT SURCHARGE: **\$4.00**AMT. OF OUT-OF-CITY SURCHARGE: **\$0.00****NATURE OF COMPLAINT:*****Overcharge & Non-Professional Cab/Driver******Hello,******I took a taxi from LAX yesterday at Terminal 6 around 10:30 p.m. and the driver tried to charge me significantly and was able to manipulate his meter. The cab was yellow, the phone number on the side of the cab was (800)300-5007, I believe the cab number was 3006 or 3060 but cant be sure. (we have since confirmed the cab is checker cab#3406)******When the cab pulled up and I got in the taxistand manager asked the driver for his slip, the driver had trouble finding one, eventually finding one somewhere in his coat. The taxistand manager appeared to be skeptical of the slip but let the driver take me.******I wasn't paying any attention to the meter, but we took the usual way home to my place. The driver was speeding excessively, but I didn't ask him to stop speeding. When we got nearer to where I live in Santa Monica I looked up at the meter and it said \$77.00 and was continuing to increase quickly. The rate should have been about \$36.00 total, so it was already double was I normally pay. When I raised the issue with the driver he began to raise his voice at me, saying it was costing more because he took the highway. I continued to challenge him, telling him I have never paid more than somewhere in the \$30's. he said that's not true.******When we finally pulled in front of my house, the meter said \$83.00 I told the driver that I would not pay that. He raised his voice again and I told him I would be reporting him. At that point he told me I could just pay \$10.00. I told***

him I was not trying to rip him off, and offered to pay \$48.00 including everything (I don't know why I went that high, but I did). I told him I needed a receipt.

At that point, he turned off his meter, waited for it to reset and then appeared to dial in a new price, for which he printed out a receipt of \$50.50.

I called his company. they asked if I wanted to pursue anything, I told them I just wanted them to know they have a rogue driver. They said they would write him up, but it didn't sound like they would be doing much-they read back a different cab number that didn't seem like the right one. I felt it would be important for me to let LA Authorized Cab team know about this behavior- I've never experienced this in the 20 years I've lived here, nor the the 30+ years I've been traveling to and from LA.

Please let me know if you would like any further information.

Thank you,

Craig German

CITY OF LOS ANGELES
CALIFORNIA

SELETA J. REYNOLDS
GENERAL MANAGER

Detrich Allen
Assistant General Manager
Robert Andalon
Assistant General Manager
Selwyn Hollins
Assistant General Manager



ERIC GARCETTI
MAYOR

DEPARTMENT OF
TRANSPORTATION
P.O. BOX 514507
LOS ANGELES, CA 90051-2507
(213) 972-4949
FAX (213) 972-4910
FRANCHISE REGULATION
100 S. Main St., 1st Floor
LOS ANGELES, CA 90012
(213) 928-9600
FAX (213) 928-9601

Date: October 26, 2017

Memo To: Hearing Officer
Department of Transportation
Taxicab and Franchise Regulation Division

From: Dale W. Horton, Jr., Transportation Investigator
Department of Transportation
Taxicab and Franchise Regulation Division

Subject: **HOVANNES KHACHATRYAN – PERMIT NUMBER 513258**

On Thursday, September 21, 2017, Hovannes Khachatryan appeared for his investigative interview. During his investigative interview, Hovannes Khachatryan was asked to explain the overcharge that occurred on September 10, 2017.

Hovannes Khachatryan stated that he was not sure of the route that was taken from Lax to Hollywood and denied any wrongdoing. I stated to Mr. Khachatryan that according to Google Maps, the route he travelled was approximately 11.5 miles and the fare should have been approximately \$42.00. Instead, the trip was approximately 25 miles and the fare was \$79.15. Again, Hovannes Khachatryan could not explain the overcharge and denied any wrongdoing.

I showed Hovannes Khachatryan (see photos) the meter tampering device that was removed from the taxicab (L.A. Checker Cab 3536) that he was driving on September 20, 2017, at LAX. I stated to Hovannes Khachatryan that the only reason for the overcharge was the use of this device. I asked Mr. Khachatryan to cooperate with the Department and explain who installed the device. Hovannes Khachatryan denied having any knowledge of the meter tampering device and denied any wrongdoing.

In light of the discovery of the meter tampering device that was attached to the meter wiring harness of L.A. Checker Cab 3536 and Hovannes Khachatryan's refusal to cooperate with the Department; I informed him that his permit was suspended pending further Department action.

I recommend that the charge against Hovannes Khachatryan be upheld and that Hovannes Khachatryan's permit be revoked.

DWH



Taxicab Deception

Hidden camera investigation catches cheating cabs again

By Joel Grover and Matt Goldberg

Published at 3:55 AM PDT on Jul 17, 2009 | Updated at 5:13 PM PST on Nov 11, 2008



It was the groundbreaking work of Joel Grover in 2006 that caught taxi drivers in the city of Los Angeles red-handed cheating customers. Now, Joel has uncovered something even bigger with cabs across the LA area.

November 2007 - Since KNBC's first taxi investigation in 2006, the city of LA claims it's cleaned up its cab problem -- but sources tell KNBC, there are still a lot of crooked cabbies in the rest of Southern California.

So KNBC went undercover once again.

KNBC Cameras Capture Taxicabs






KNBC hailed taxicabs in cities across the region and found evidence of several apparent scams.

Rewind to May 2006, when KNBC's hidden cameras uncovered what authorities called a "criminal ring" that was rigging taximeters to charge illegally high rates. Because of KNBC's report, Los Angeles required its cabs to install tamperproof meters. But cabs in other cities in the area still don't have them.

Like in West Hollywood, where you see hundreds of cabs working the famous Sunset Strip. So Grover and his team jumped in a cab, licensed by the city of West Hollywood, for a short ride to Hancock Park. They noticed every time the meter advanced, it clicked 35 cents, not 20 cents, as required by law. When they arrived, the fare was \$21.

"How far did we go?" Grover asked the cab driver.

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- 4  **VIDEO** Lava From Hawaii's Kilauea Creates New Coastline
- 5  **VIDEO** Brother of Gabriel Fernandez Recounts Abuse

WEATHER FORECAST

Los Angeles, CA



71°

Clear
Feels Like 71°



Radar



Forecast



Maps

"Twelve miles," he replied.

He's wrong. The trip was less than 4.5 miles, so he overcharged them \$9.

Grover asked the driver, "How much are you charging me per mile?"

The cab driver wouldn't tell him and said, "Just pay whatever you want, OK?"

"I can pay whatever I want?" Grover asked.

"Yes," the cab driver replied.

We'll catch up with him again in a moment, but first, back on the Sunset Strip, Grover and his team take another taxi. This time, they notice the meter is advancing at lightning speed: 14 times a minute. The cab would have to be going 80 miles per hour for the meter to legally change that fast. But he was driving less than 35 mph.

What should've been about a \$17 fare was \$29.20.

"Is your meter accurate?" Grover asked the driver.

"I don't know. Maybe it's broken. I don't know exactly," the driver said.

He didn't like being questioned. "Free, go ahead," the driver said.

"The cab ride is free?" Grover asked.

"Yes," the driver said.

Every cab KNBC tested that was licensed by the city of West Hollywood, nine out of nine, overcharged. Four of those taxis were Checker cabs.

"When the driver immediately starts cutting the price, what does that tell you?" Grover asked the Eugene Smolyar, president of Checker Cab.

"It's the first sign that he did something wrong. They're getting scared that they've been caught," Smolyar told Grover.

KNBC caught drivers overcharging us in other cities. Like cabs licensed by Long Beach and Beverly Hills. The also got stiffed in another way too: taking cabs to the airport. Many cities require taxis not to use their meter on rides to airport, but to charge a fixed, flat rate.

Like in West Hollywood, where KNBC hopped into a Checker Cab for a ride to LAX. By law, the driver can only charge a \$35 flat rate. Once at the airport, the driver tries charging Grover the much higher metered rate.

"\$68? I thought it was supposed to be a flat rate," Grover asked the cab driver.

"What's a flat rate," the driver replied.

But when Grover questioned him further, he suddenly offers the flat fare.

"Okay, give me \$35 and go ahead," the driver tells Grover and he denies he ever tried charging double that amount.

WHAT DO YOU THINK?

Do you support or oppose a hike in hourly wages for workers who are reliant on tips?

- ☐ Support
- ☐ Oppose
- ☐ No opinion
- ☐ I'm not following this story

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"Didn't your meter say \$68?" Grover asked the driver.

"No," he replied.

"What did it say?" Grover asked.

"\$38," the driver replied.

Another day, Grover and his team took a cab from a Beverly Hills hotel to LAX. The driver is supposed to charge a \$38 flat rate. But he tries to charge the higher metered rate of \$55.40 and blames it on the rush-hour traffic.

"From Beverly Hills, it's supposed to be a flat rate, right?" Grover asked the driver.

"Yeah, flat rate, but when traffic..." the cab driver replied.

"Isn't always supposed to be a flat rate?" Grover asked.

"Yeah," the driver replied.

All told, 12 out of 23 cabs KNBC tested appeared to cheat. This was a surprise to the cities that license them, like West Hollywood.

"Wow. It's something we are going to correct," West Hollywood Assistant City Manager Joan English told Grover.

It was also a surprise to the cab companies, like Checker Cab, who promised KNBC after their investigation last year to stop the cheating.

"I'm shocked. I really thought that we really get rid of the problems to the core and right now I see we still have a big problem," Smolyar said.

But no one was more surprised by KNBC's investigation than the drivers themselves, who had plenty of excuses for the overcharges on hidden camera, but when Grover told him he was with NBC:

"Are you charging me the correct rate? Why are you driving away? I want to know if you're charging me the correct rate," Grover asked a cab driver as he drove off.

Checker Cab tells KNBC it has now terminated the four drivers caught on tape. A spokesman for Independent Cab tells KNBC they plan to terminate the six drivers Grover caught overcharging. The city of West Hollywood plans to take up this matter and crack down on taxicab cheating at its next city council meeting.

Tips To Avoid Being Taken Advantage Of When Taking Taxis

Plan your trip. Know what distance you are traveling and what the taxi companies/legal rates are. Know roughly what your trip should cost before you take it.

1. If you feel like you're being overcharged, ask the cab driver for a receipt. The receipt should have the driver's name, cab number, as well as pick-up and drop-off locations.
2. Once you have a receipt and you think you are being overcharged, question the driver. If the don't concede, tell them you are going to complain to their company, the city and the police.

L.A. Checker Cab Responds To Report

November 6, 2007

To: Joel Grover, National Broadcasting Center
RE: L.A. Checker Cab

Dear Mr. Grover,

Please be advised that this letter shall serve as a revision to the letter already sent dated 11/1/07. You brought to my attention some problems my company was having in the City of West Hollywood. Four drivers in particular stood out for overcharges. In light of that information, as of 10/31/07, those drivers, whom are listed below, have been **TERMINATED** from our company. To reiterate, the drivers we spoke of were:

<u>Cab</u>	<u>Drivers Name</u>
7766	Shahinyan, Hraycha
7757	Hovhanissyan, Artur
7740	Davtian, Agasi
7752	Yeprem Hovhannisyan

The above-mentioned drivers have been asked to return their **invalid** permits back to the West Hollywood Department of Transportation.

In closing, we would like to add that in no way does Checker Cab condone or accept such behavior from its' drivers. Because of the information we have received, we have implemented new and stricter disciplinary action against our drivers for such behavior. We were also appalled at learning what was happening.

We appreciate your time and thoroughness. Please do not hesitate to contact me should you need any further assistance.

Yevgeny Smolyar, President
L.A. Checker Cab Co-op, Inc.

Various Local Taxicab Rates

Beverly Hills

\$2.20 a mile

\$35.00 flat rate to LAX

TAXICABS AUTHORIZED TO WORK IN BEVERLY HILLS: Beverly Hills Cab;
United Independent Taxi and Independent Taxi.

Santa Monica

The city of Santa Monica does not determine rates. Companies submit their rates to the city. There are dozens of companies authorized to work in the city.

Los Angeles

\$2.65 Flag drop (First 1/7th mile).

\$0.35 for each additional 1/7th mile (\$2.45 per mile).

\$0.35 For each 47.5 seconds waiting time and/or traffic delay (\$26.53 per hour).

\$42.00 Flat fare for trips between LAX and downtown. Area bounded by Alameda St., Santa Monica Fwy., Harbor Fwy., Cesar E. Chavez, Union Station and Chinatown.

\$2.50 Surcharge for all trips originating at LAX. \$15.00 Minimum fare for trips originating at LAX (In addition to the \$2.50 surcharge)

Burbank

\$2.45 flag drop, the first 1/7 mile

\$0.35 each 1/7th mile

\$0.35 for each 47.5 seconds of waiting

TAXICABS LICENSED TO OPERATE IN BURBANK: City Cab, Yellow Cab and Checker Cab.

Pasadena

\$2.45 flag drop, first 1/7 mile or 47.5 seconds of wait time. \$0.35 per additional 1/7 mile.

TAXIS AUTHORIZED TO WORK IN PASADENA: Bell Cab, Yellow Cab, Checker Cab, People's Taxi, City Taxi

Glendale

NOTE: Glendale does not regulate taxi rates. There are 5 authorized taxi companies. Their rates are:

\$2.45 drop flag first 1/7 mile; \$0.35 each additional 1/7 mile or 47.5 seconds of wait time.

TAXIS AUTHORIZED TO WORK IN GLENDALE: Bell, Checker, City Cab, People's Taxi, Yellow Cab.

Orange County

\$2.65 flag drop, first 1/5 mile; \$0.50 each additional 1/5 mile; \$28.80 per hour wait time.

Long Beach

\$2.20 flag drop, first 1/11 mile; \$0.20 each additional 1/11 mile or 30 seconds of wait time. Flat rate to LAX is \$49.00

Manhattan Beach

\$2.65 flag drop, the first 1/11 mile; \$.2227 first mile; \$2.45 for each additional mile.

Hermosa Beach

\$2.65 flag drop. \$ 0.35 for each 1/7 mile. \$0.35 for each 36 seconds of waiting time.

TAXIS LICENSED TO WORK IN THE CITY: South Bay Yellow Cab, Bell Cab, United Independent Taxi and All Yellow Taxi.

West Hollywood

\$2.20 flag drop, the first 1/11 mile; \$0.20 each additional 1/11 mile or 30 seconds of waiting. Flat Rate to LAX is \$35.00.

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INVESTIGATOR'S FOLLOW UP REPORT

Franchise Regulation Division

Los Angeles Department of Transportation

LAPD DR #

Date and time occurred 03/28/2018 9:00 AM	Subject: L.A. Checker Cab Investigation	To: Jarvis Murray
--	--	----------------------

Date and time of report 04/02/2018 9:00 AM	Location of occurrence LAX-Authorized Taxicab Supervision Holding Lot
---	--

Code:	PR-Person Reporting	W-Witness	S-Suspect(s)/Subject(s)	V-Victim
CODE:	NAME AND DOB		ADDRESS	PHONE
PR	Cavarlez, Eric		100 S. MAIN STREET, 10 th FL. LA. CA. 91001	(213) 972-5091

SOURCE OF ACTIVITY:

On March 28, 2018, Transportation Investigators Shawn Martin serial # (I-1004), Dale Horton (I-1010), Gerardo Salazar (I-1011), Andrea Mercier (I-1015), Joe Richard (I-1016) and I, Eric Cavarlez (I-1007), conducted an operation at the LAX-Authorized Taxicab Supervision (ATS) Holding Lot. We were there in response to a previous investigation and tips involving several units from L.A. Checker Cab Company. The units to be targeted were 3485, 3605, 3607, 3555, 3707 and 3507. It was alleged these selected vehicles were utilizing electronic pulse devices to overcharge passengers.

INVESTIGATION:

At approximately 9:00 A.M., LADOT investigators arrived at the ATS holding lot. We were to locate several units to investigate and verify if the selected vehicles were in possession of an electronic pulse device. All investigators setup within the perimeter of ATS to verify once the taxis entered the lot.

At approximately 9:35 A.M., we were able to locate three of the six units in question to be checked. The units were 3707, 3607 and 3507. We approached the vehicles, identified ourselves to the drivers as Los Angeles City Transportation Investigators and requested to get both of their permits. We advised that LADOT is conducting an investigation and asked them to exit the vehicle. They were given the opportunity to remove any personal belongings and to wait until the investigation was completed.

Investigators had taken into possession all three units to verify if any of the vehicles possessed any electronic device to overcharge passengers. We drove the taxis to the Yellow Cab Taxi meter shop located at 2129 W. Rosecrans Ave, Gardena CA. 90249. We met with Meter Shop Technician

Reporting Officer	Serial No.	Supervisor Approving
Inv. Cavarlez	I0007	Sr. Inv. Pat Barker Sr.I1001

Reporting Officer	Serial No.	Reviewed

DOT

ATTACHMENT 4

INVESTIGATOR'S FOLLOW UP REPORT

CONTINUATION SHEET

Franchise Regulation Division

Los Angeles Department of Transportation

LAPD DR#

Date and time occurred 03/28/2018 9:00 AM	Subject: L.A. Checker Cab Investigation	To: Jarvis Murray
--	--	----------------------

Horatio Franquez and advised we were conducting an investigation on several taxis. We asked if he can assist us in locating any electronic pulse device that may be connected.

Mr. Franquez was able to locate two electronic pulse devices connected to LA Checker 3707 and 3507. Both units had the device connected and was placed behind the glove box. Mr. Franquez removed both electronic pulse devices and removed the Los Angeles City Taxi Decals for both units.

While at the taxi meter shop, L.A. Checker dispatch sent two messages at 9:51 A.M. and 9:54 A.M. advising all drivers "LA DOT IS CHECKING TAXI AT LAX HOLDING LOT. PLEASE MAKE SURE YOUR CARS ARE IN COMPLIANCE."

We returned to ATS to notify the drivers of our intentions. We advised the drivers of 3707 and 3507 that their driver permits and taxi decals will be confiscated until further investigation.

Upon return to ATS, LADOT resumed the operation to locate the remaining LA Checker Taxi units 3485, 3605 and 3555.

At approximately 11:20 A.M., LADOT Investigators observed units #'s 3485 and 3605 in the ATS holding lot. We approached both units, identified ourselves to the drivers as Los Angeles City Transportation Investigators and requested to get both of their permits. We advised that LADOT is conducting an investigation and needed them to wait until it was completed. They were asked to remove any personal belongings and to wait until we returned.

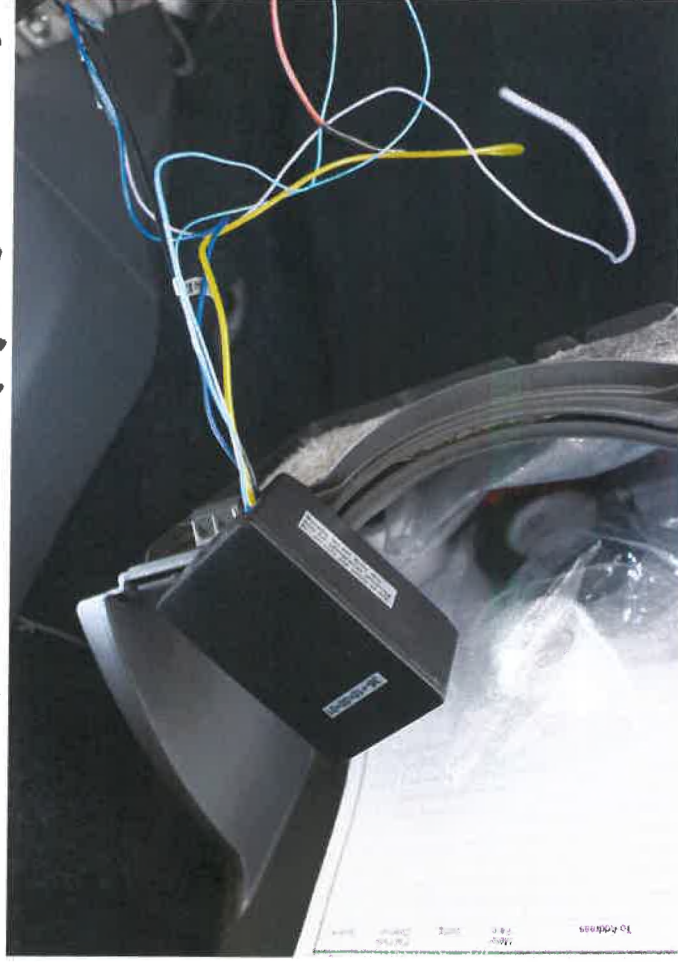
We returned to Yellow Cab Taxi meter shop to further conduct the investigation. We asked Mr. Franquez if he can also verify if the additional two units(3485 and 3605) have an electronic pulse device connected. Upon further inspection of the vehicle, Mr. Franquez was not able to locate any electronic pulse devise. However he did located two cut wires behind the glove box that is consistent with an attachment for an electronic pulse device.

No further action was taken on unit #'s 3485 and 3605. Both taxi units and driver permits were returned to the driver.

EVIDENCE:

- 7 - Photographs of 3707 location of Electronic Pulse Device
- 11 - Photographs of 3707 removal of Electronic Pulse Device and L.A. Taxi Decals
- 7 - Photographs of 3507 location of Electronic Pulse Device
- 10 - Photographs of 3507 removal of Electronic Pulse Device and L.A. Taxi Decals
- 9 - Photographs of 3607 No Electronic Pulse Device located/ no tampered wires
- 8 - Photographs of 3605 No Electronic Pulse Device located/ Wires cut/possible tampering
- 8 - Photographs of 3485 No Electronic Pulse Device located/ Wires cut/possible tampering

cc # 3707 ELECTRONIC DEVICE LOCATION #1 of 2



cc

#

3507

Electronic

Device

Access

#101

#3707 Electronic Device Loc # 2 of 2



#3203

ELECTIONS

DEVICE

LOC

#5 of 5

3707 Removal

#1



62

#3107

General

#1

Q #3707 Removal #2



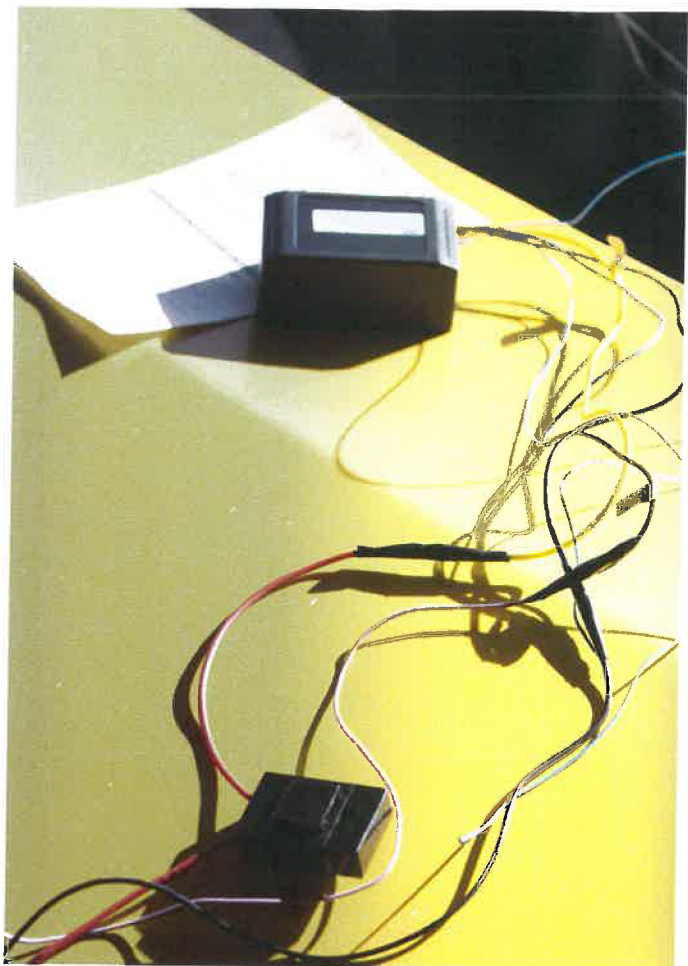
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#3507

forward

#5

2 #3707 Removal #3



#3507

Lowndes

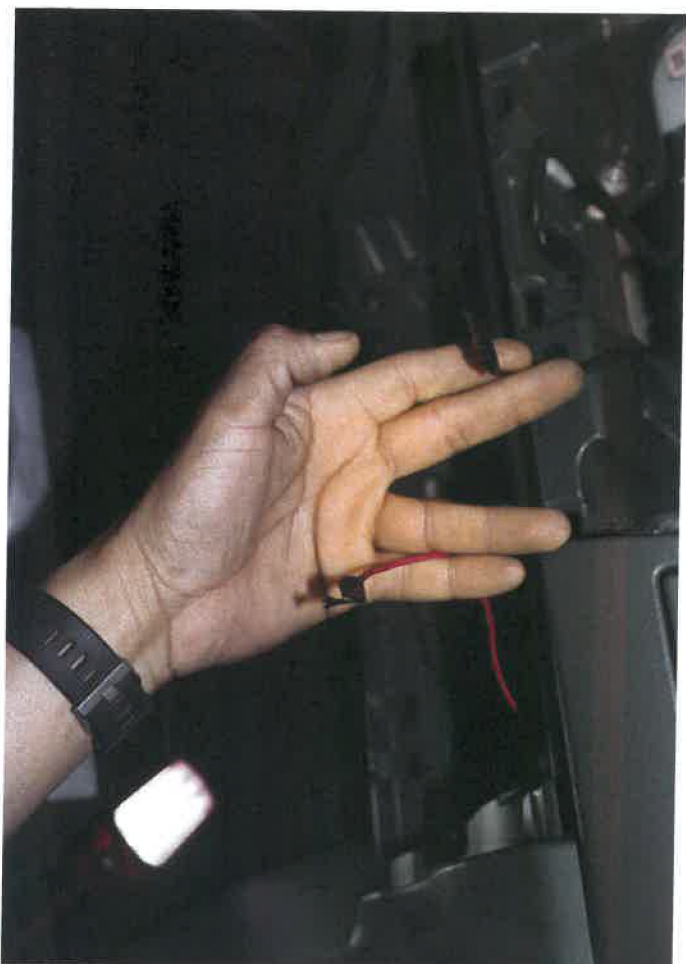
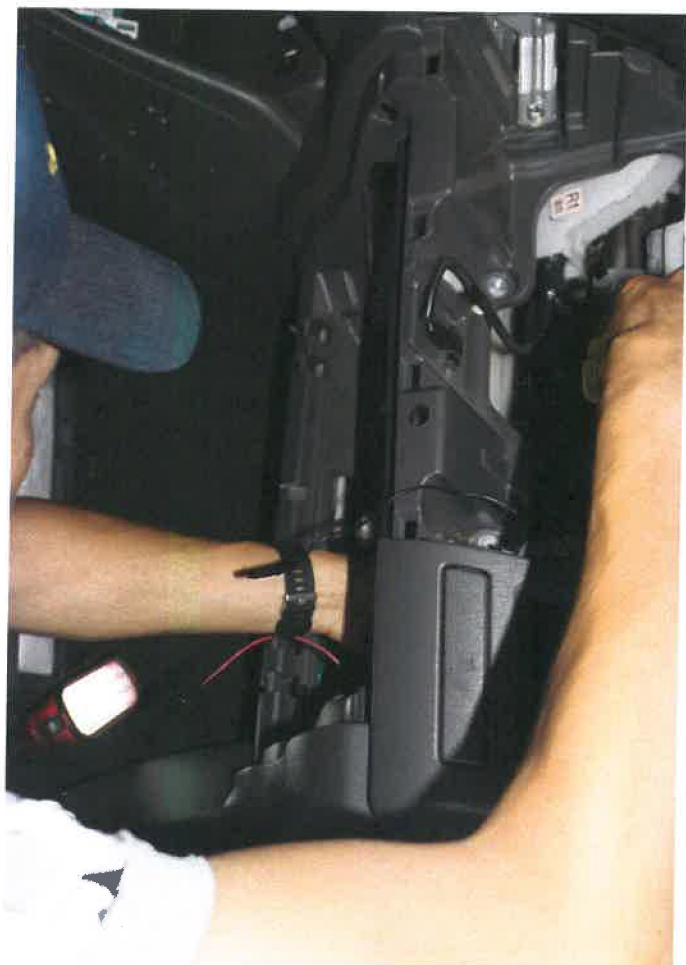
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ev 3605

wires



1 of 2



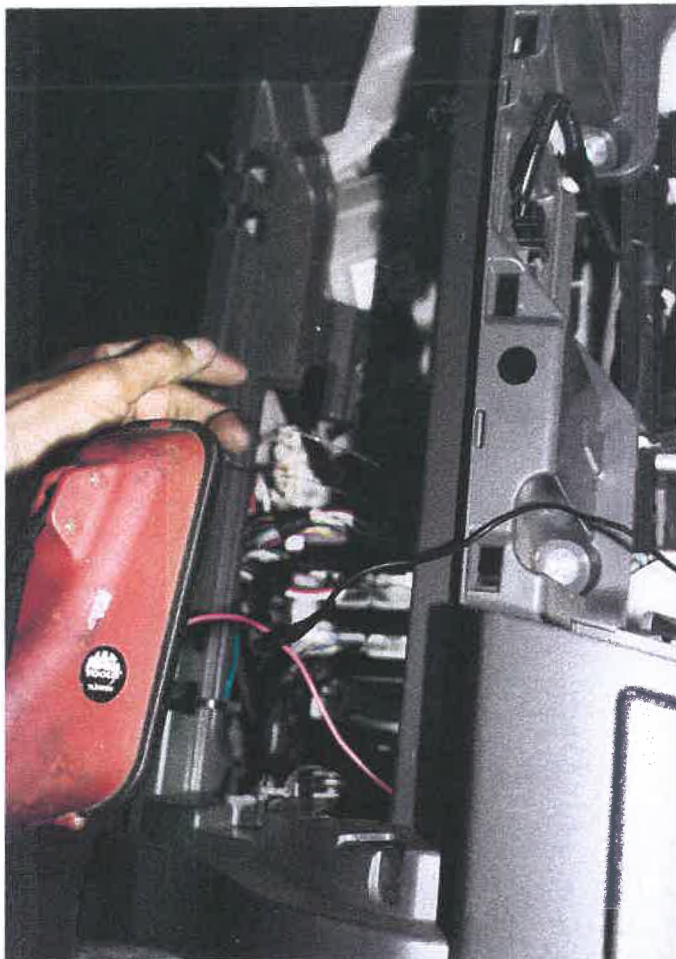
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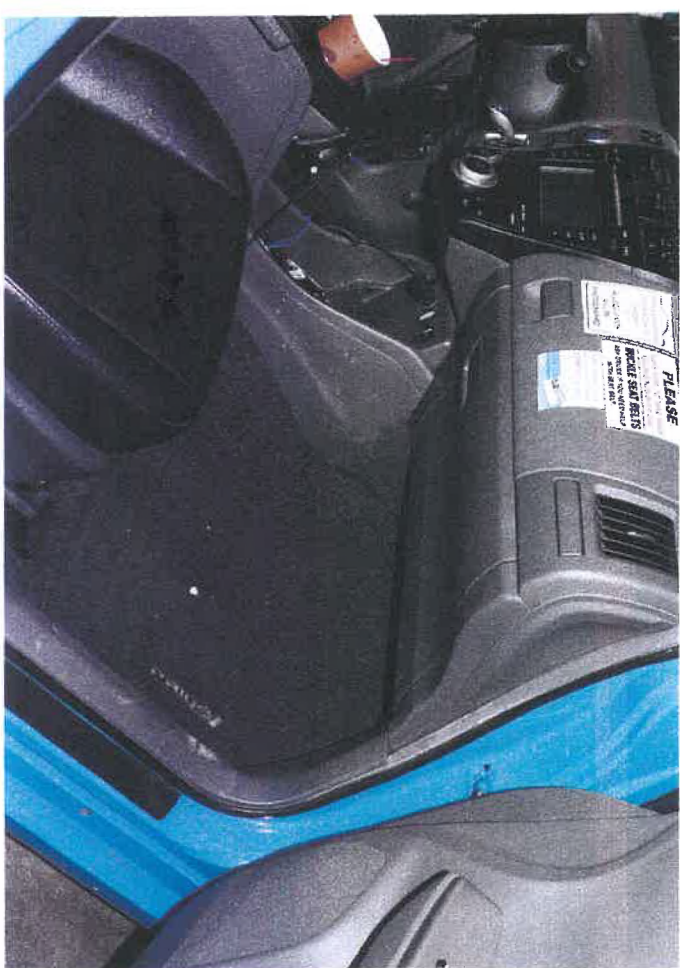
3002

EC 3605

wires



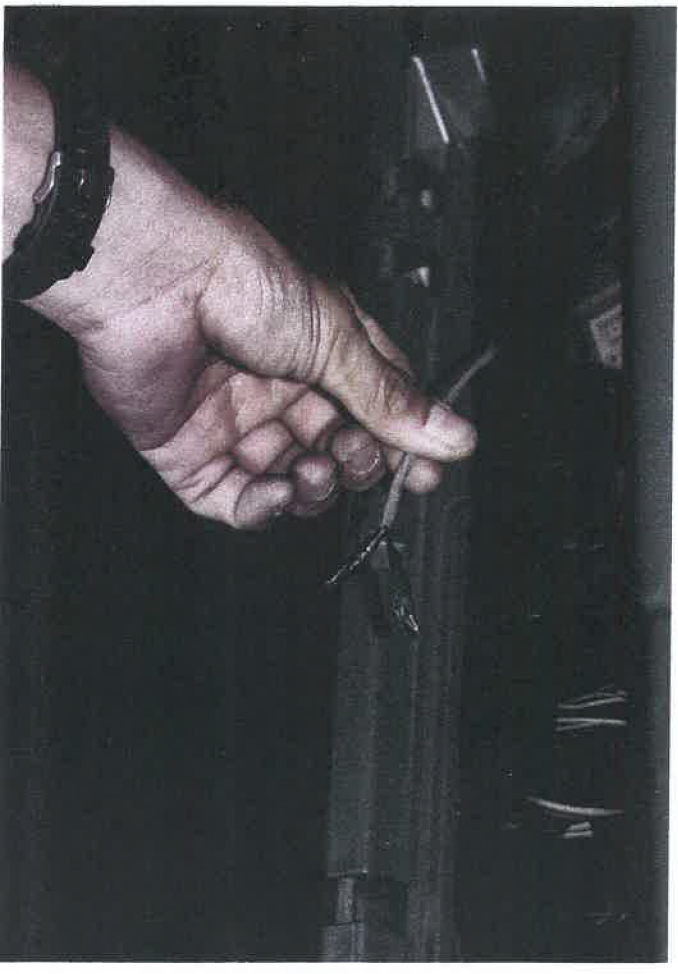
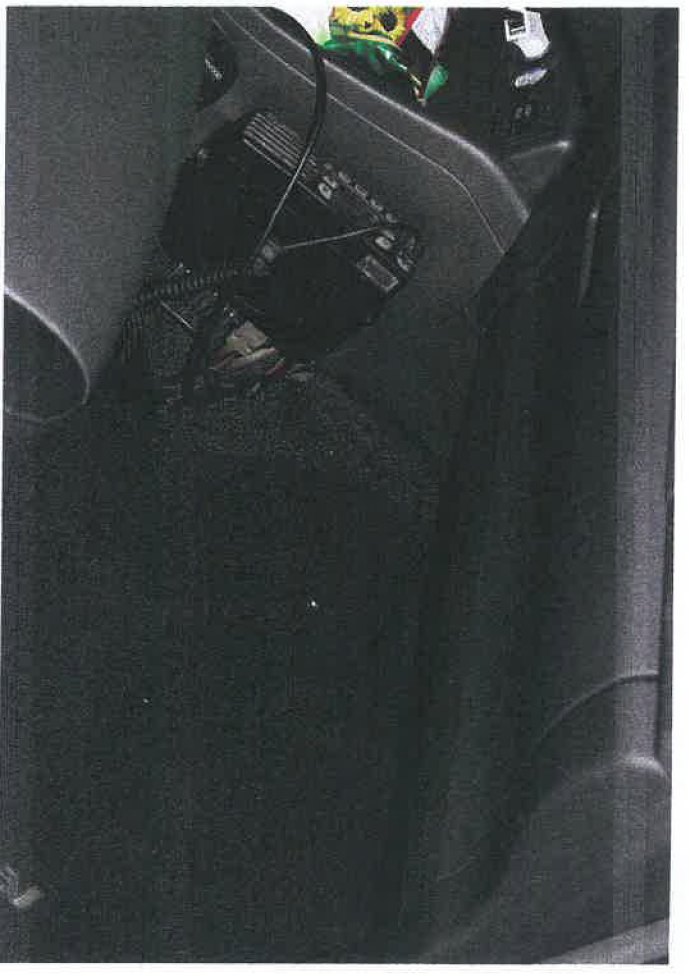
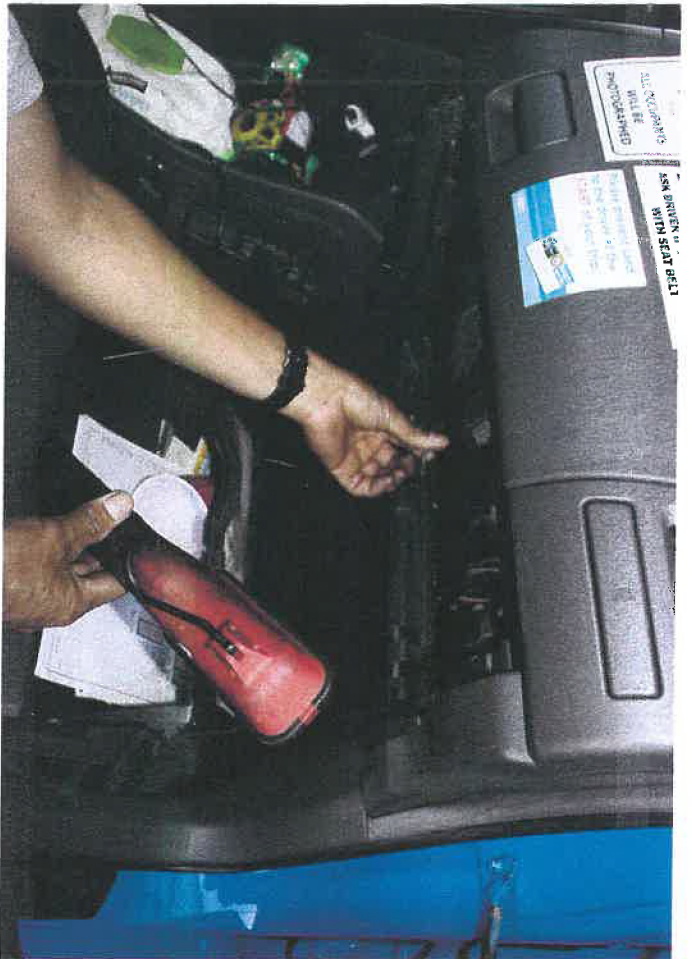
2 of 2



Q 3485

WILES

1 of 2

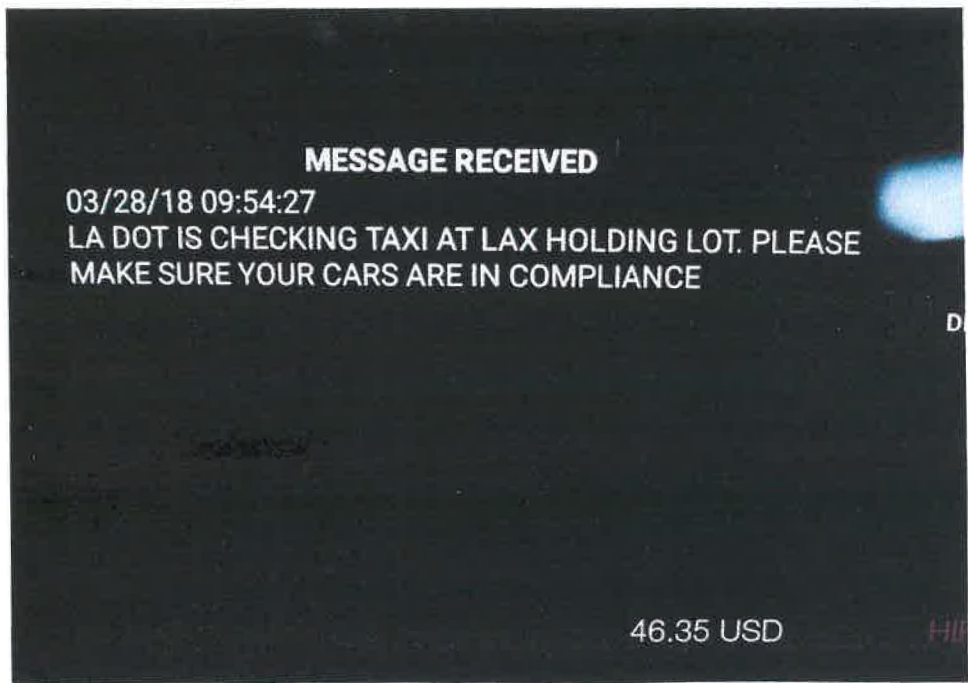
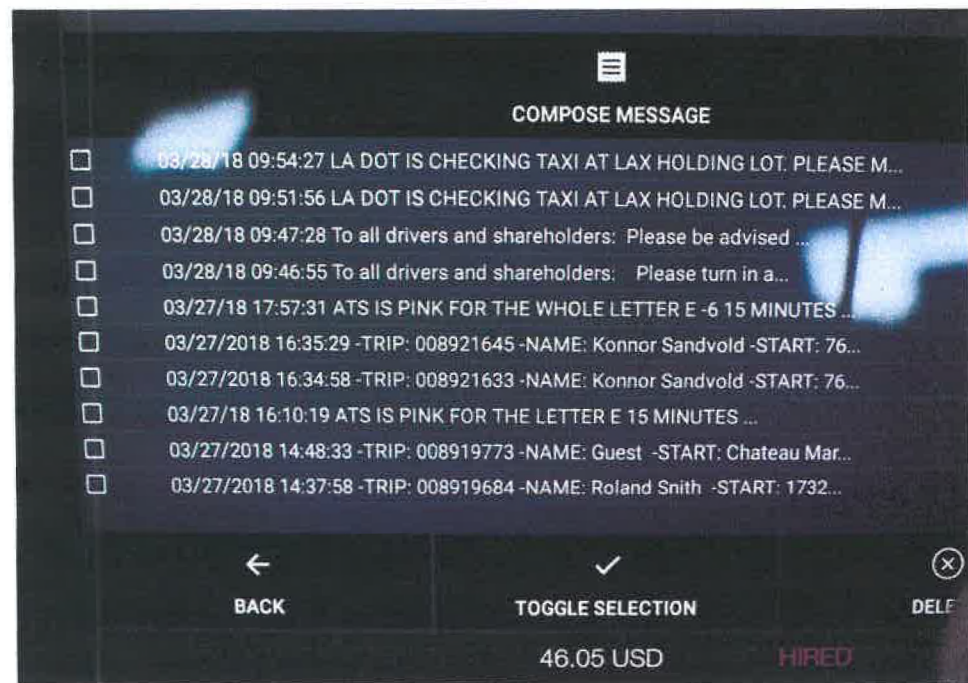


EV 3485

wireless

2 of 2





INVESTIGATOR'S FOLLOW UP REPORT

Franchise Regulation Division

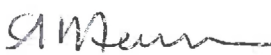
Los Angeles Department of Transportation

LAPD DR # 121020231

Date and time occurred 03/28/2018-09:10am	Subject: L.A. Checker Cab Investigation	To: Jarvis Murray
--	--	--------------------------

Date and time of report 04/04/2018 - 0900	Location of occurrence LAX-Authorized Taxicab Supervision Holding Lot
--	--

Code:	PR-Person Reporting	W-Witness	S-Suspect(s)/Subject(s)	V-Victim
CODE:	NAME AND DOB	ADDRESS		PHONE
PR	MERCIER, ANDREA	100 S. MAIN STREET, 10 th FL. LA. CA. 91001		(213) 928-9712

Reporting Officer 	Serial No. I0015	Supervisor Approving Sr. Inv. PAT BARKER	 SR1001
---	-------------------------	---	----------------

Reporting Officer	Serial No.	Reviewed
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DOT

SOURCE OF ACTIVITY:

On March 28, 2018, Transportation Investigators Shawn Martin serial number I-1004, Eric Cavarlez serial number I-1007, Gerardo Salazar serial number I-1011, Andrea Mercier serial number I-1015, Joe Richard serial number I-1016 and I, Dale Horton serial number I-1010 conducted a sting operation at the LAX-Authorized Taxicab Supervision Holding Lot. The cadre of Investigators were there in response to a previous investigation involving L.A. Checker Cab 3536. In the course of that investigation, a pulse device was discovered. In addition to the previous investigation, rumors have continued to circulate that pulse devices were being used by other taxicabs in the L.A. Checker Cab fleet.

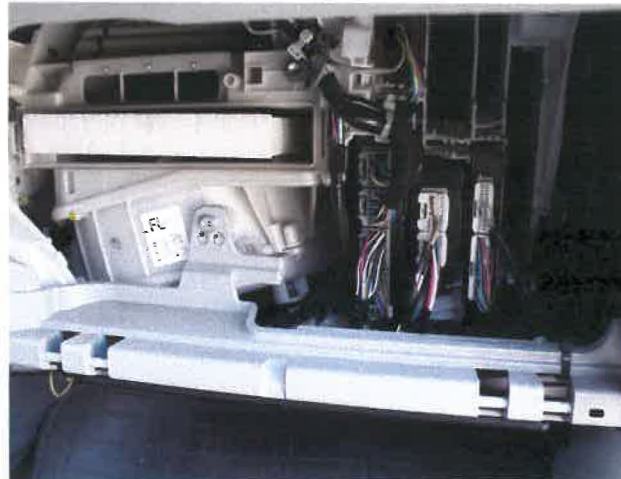
INVESTIGATION:

On March 28, 2018, at approximately 0900 AM, I arrived at the ATS holding lot. I entered the ATS trip dispensary booth and waited for specific LA Checker Cabs to arrive to conduct a surprise inspection. I was notified that LA Checker Unit #3607 had entered the lot and I responded to speak to it's driver. I advised the driver that I needed to take his vehicle to be inspected and for him to remove any personal items that he may need. I proceeded to the Yellow Cab mechanic/meter shop where I met with Technician Oracio Franquez. He inspected the cab and found no pulse device affixed to this vehicle, so I returned to the ATS holding lot. I returned the vehicle to it's driver and thanked him for his cooperation.

EL 3607

NO DEVICE

2 of 2



3007

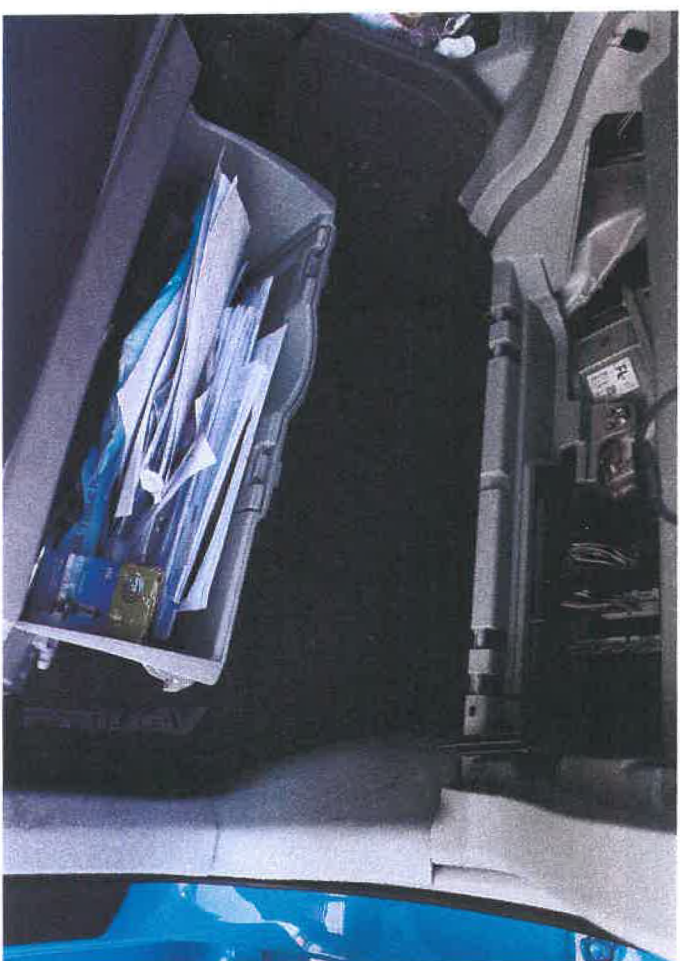
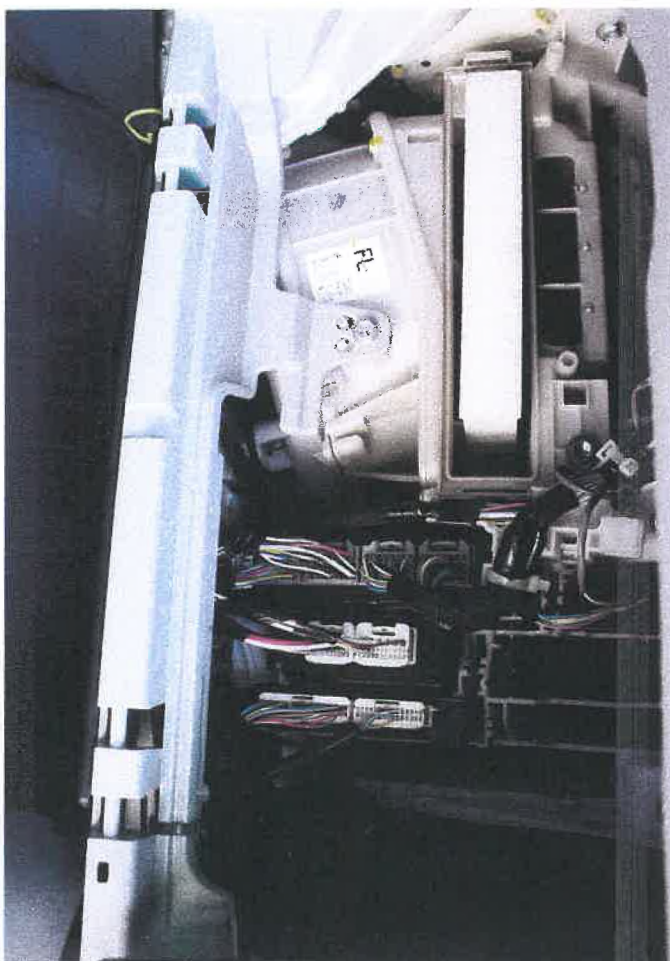
40 DANCE

5 of 5

IC 3607

HO DEVICE

2 of 2

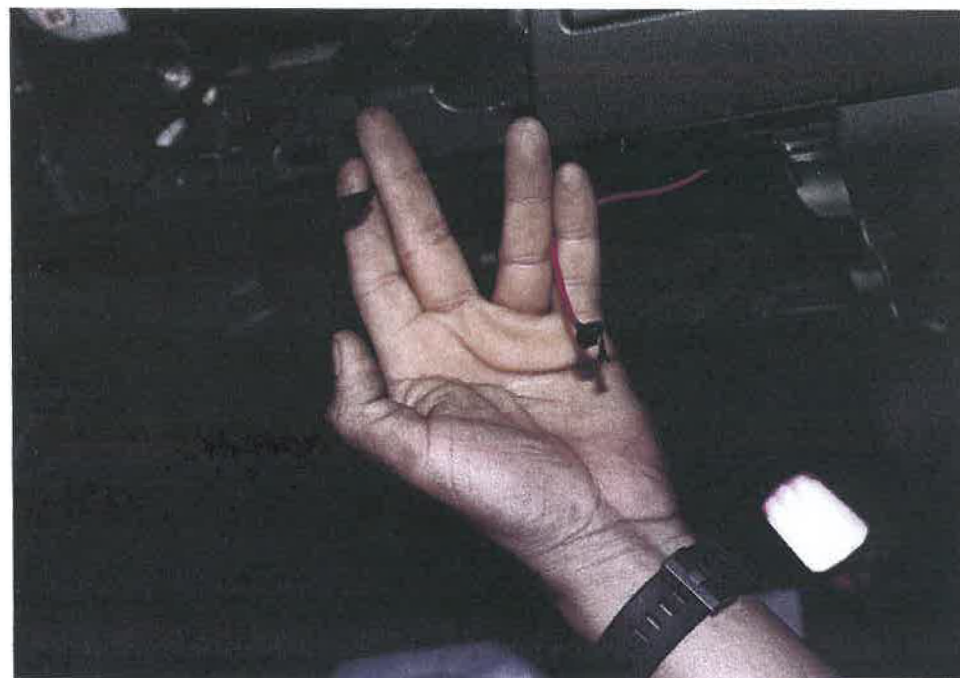


3605

Wires

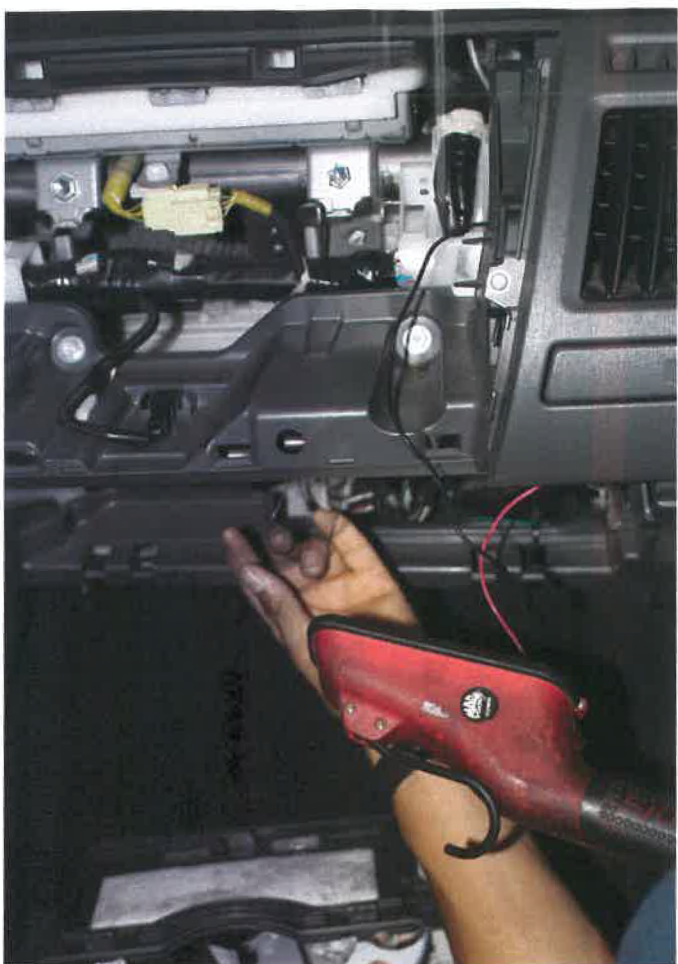
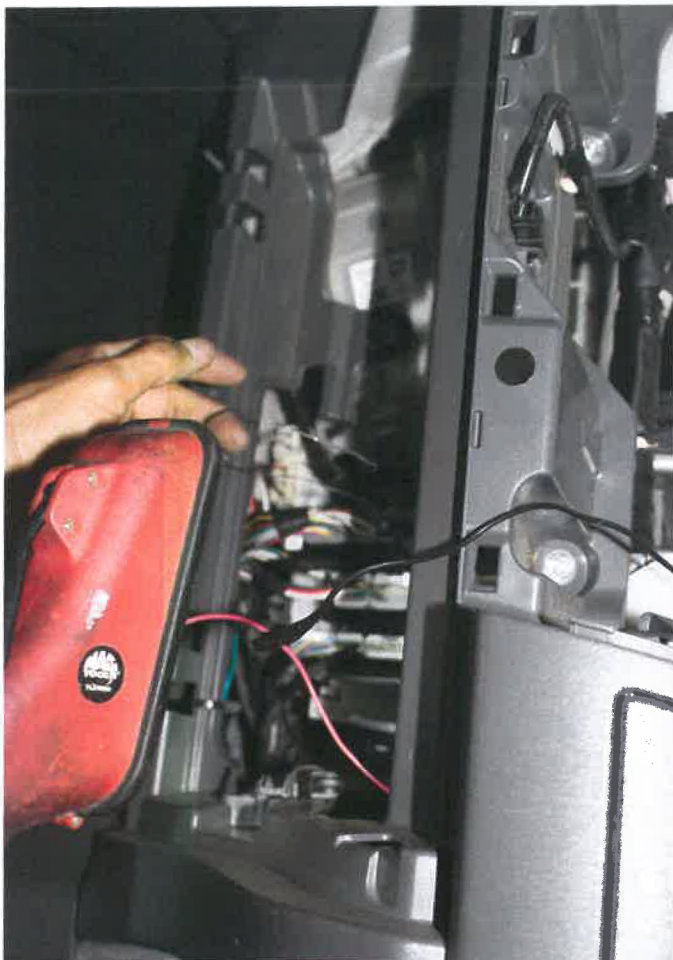
1 of 2

ATTACHMENT #3



EC 3605

wires



2 of 2



4

3602

mler

5 of 5

INVESTIGATOR'S FOLLOW UP REPORT

Franchise Regulation Division

Los Angeles Department of Transportation

LAPD

Date and time occurred 03/28/2018-09:10am	Subject: L.A. Checker Cab Investigation	To: Jarvis Murray
--	--	----------------------

Date and time of report 03/28/2018 - 9:10am	Location of occurrence LAX-Authorized Taxicab Supervision Holding Lot
--	--

Code:	PR-Person Reporting	W-Witness	S-Suspect(s)/Subject(s)	V-Victim
CODE:	NAME AND DOB	ADDRESS		PHONE
PR	Richard II, Joe L.	100 S. MAIN STREET, 10 th FL. LA. CA. 91001		(213) 972-4905

SOURCE OF ACTIVITY:

On March 28, 2018, Transportation Investigators Shawn Martin serial number I-1004, Eric Cavarlez serial number I-1007, Gerardo Salazar serial number I-1011, Andrea Mercier serial number I-1015 Dale Horton serial number I-1010 and I, Joe Richard serial number I-1016 conducted an investigation operation at the LAX-Authorized Taxicab Supervision Holding Lot. The cadre of Investigators was there in response to a previous investigation involving L.A. Checker Cab 3536. In the course of that investigation, a pulse device was discovered. In addition to the pervious investigation, rumors have continued to circulate that pulse devices were being used by other taxicabs in the L.A. Checker Cab fleet.

INVESTIGATION:

On March 28th, 2018, at approximately 8:30a.m, LADOT Investigators set up an operation at the LAX taxi cab holding lot. Our goal was to do spot inspections on L.A Checker taxi cabs, checking for pulse devices connected to the meters.

When we first arrived at the LAX holding lot I observed many L.A Checker cabs entering and exiting the holding lot. At approximately 10:18 a.m. I took a photo of vehicle 3607's tablet screen which had a time stamp of 3/28/18 09:54:27, and a message from L.A Checkers dispatch stating "LA DOT IS CHECKING TAXI AT LAX HOLDING LOT. PLEASE MAKE SURE YOUR IN COMPLIANCE." I did observe after this message was sent out the frequency of L.A Checker cabs entering the holding lot slowed down.

At approximately 11:15 a.m. Investigator Martin and I took cab 3717 to Yellow Cabs meter shop to have the meter checked for a pulse device. Oracio Franquez the meter shop technician checked the meter and found that the meter was not tampered with. We then returned the cab back to the driver at the LAX holding lot without incident.

Reporting Officer	Serial No.	Supervisor Approving	
Inv. Joe L. Richard II.	I-1016	Sr. Inv. Pat Barker	I-1001

Reporting Officer	Serial No.	Reviewed

INVESTIGATOR'S FOLLOW UP REPORT

CONTINUATION SHEET

Franchise Regulation Division

Los Angeles Department of Transportation

LAPD DR# 121020231

Date and time occurred 03/28/2018 -09:10am	Subject L.A. Checker Cab Investigation	To: Jarvis Murray
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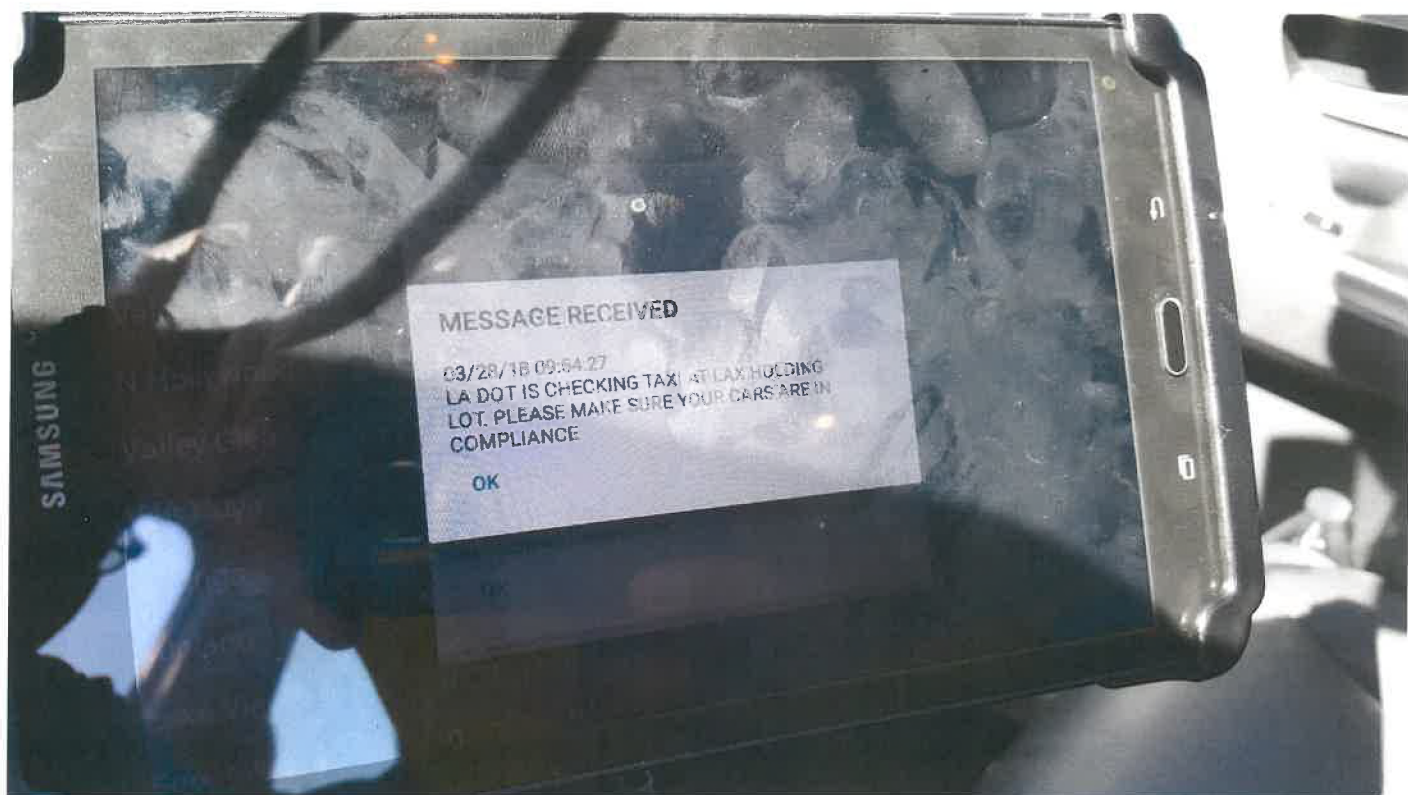
EVIDENCE :

- 3 - Photographs of cab 3717 Exterior
- 1 - Photographs of Technician removing glove compartment
- 2 - Photographs of untampered wiring
- 1 - Photograph of Message on tablet of cab 3607









2 3485

wires

1 of 2



5 of 1

23413

3482

13

EV 3485

WILDS

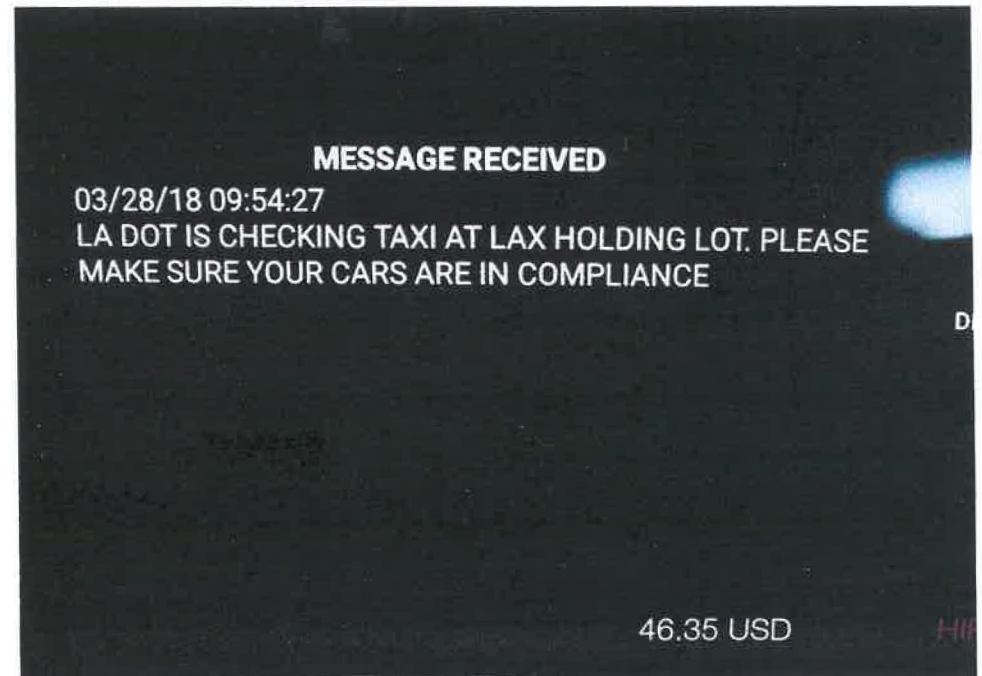
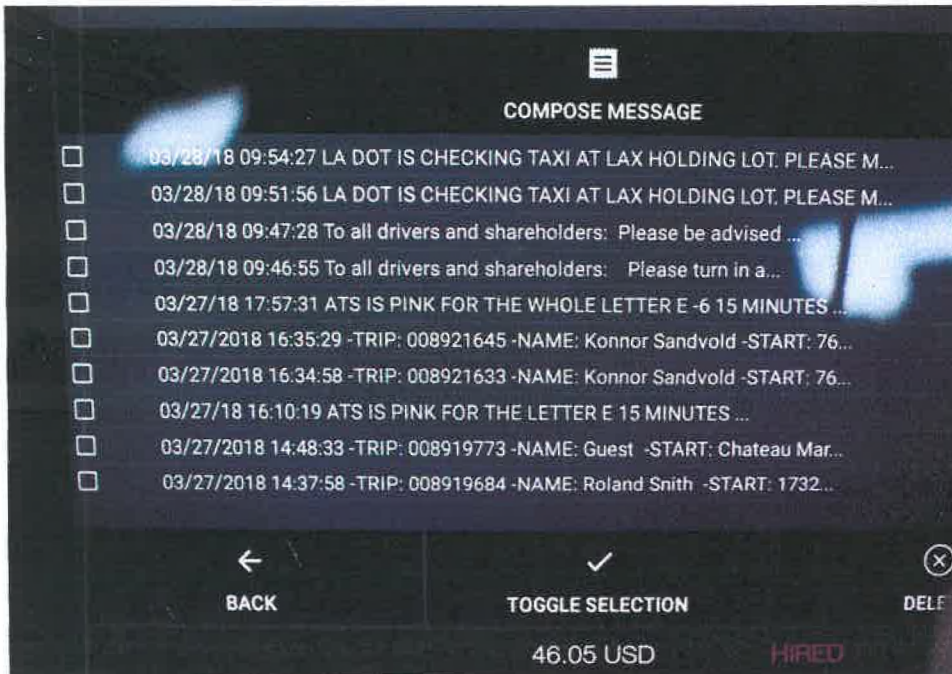
2 of 2



3482

20913

5 of 5



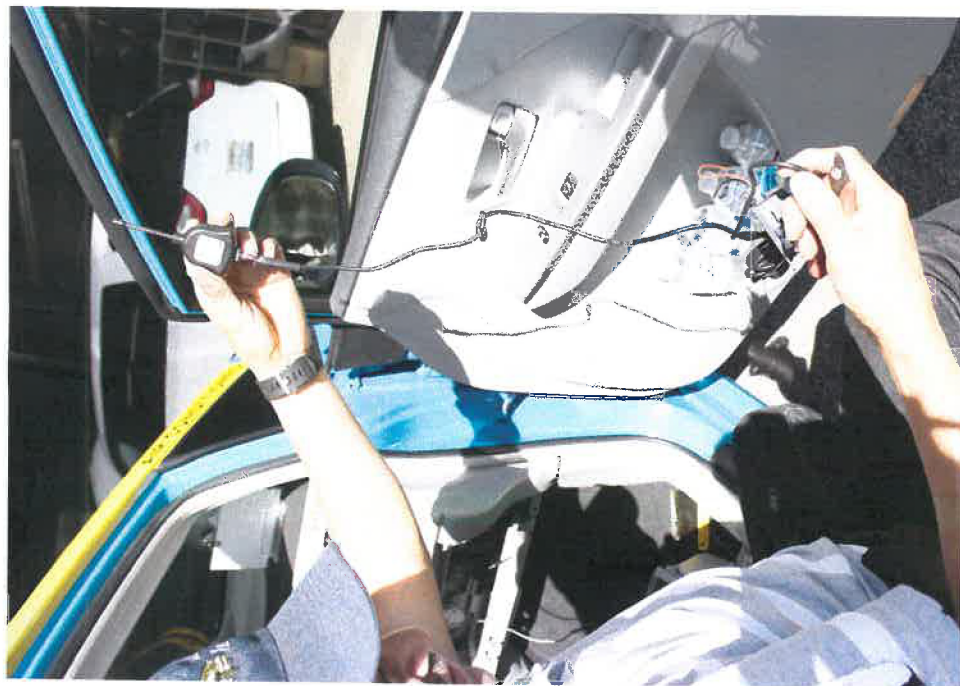
EC

3507 Removal

ATTACHMENT #5

2 of 3

ATTACHMENT 6

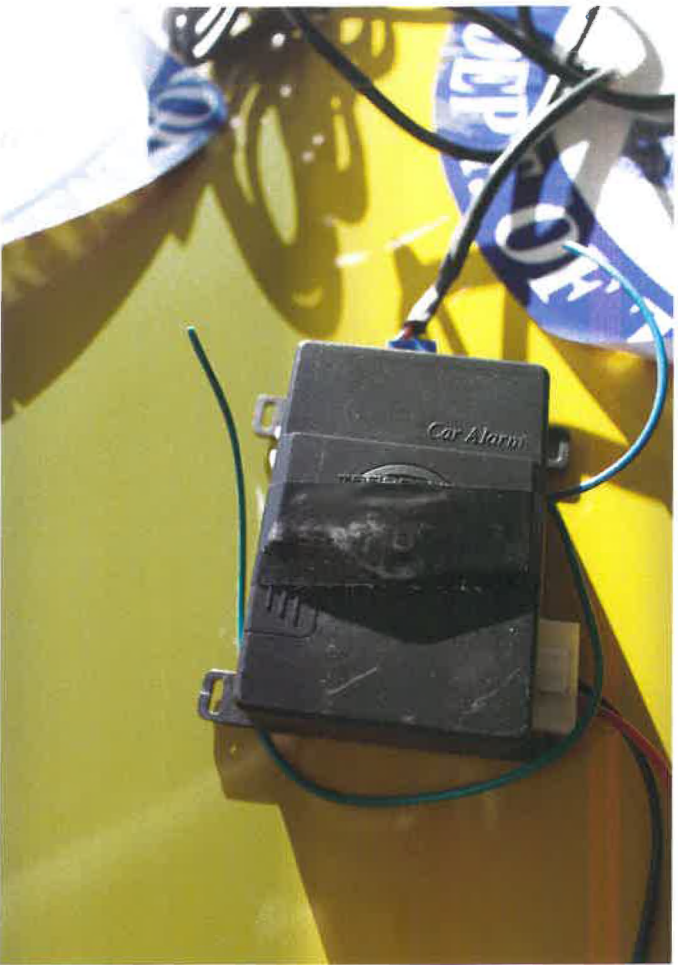


3207 Benney

5 of 3

EC 3507 Ramon

3 of 3



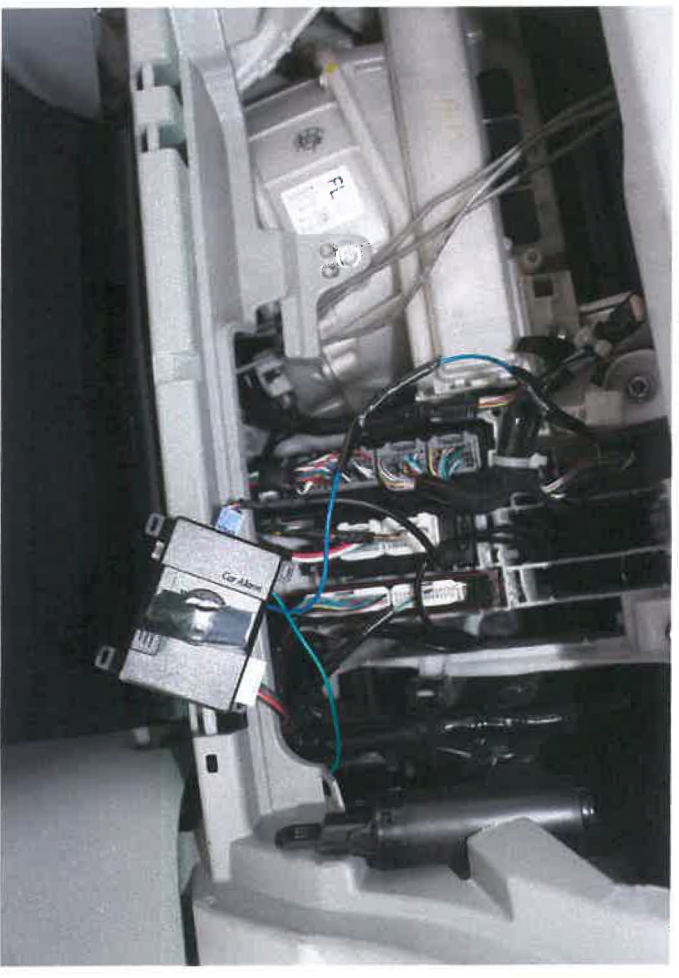
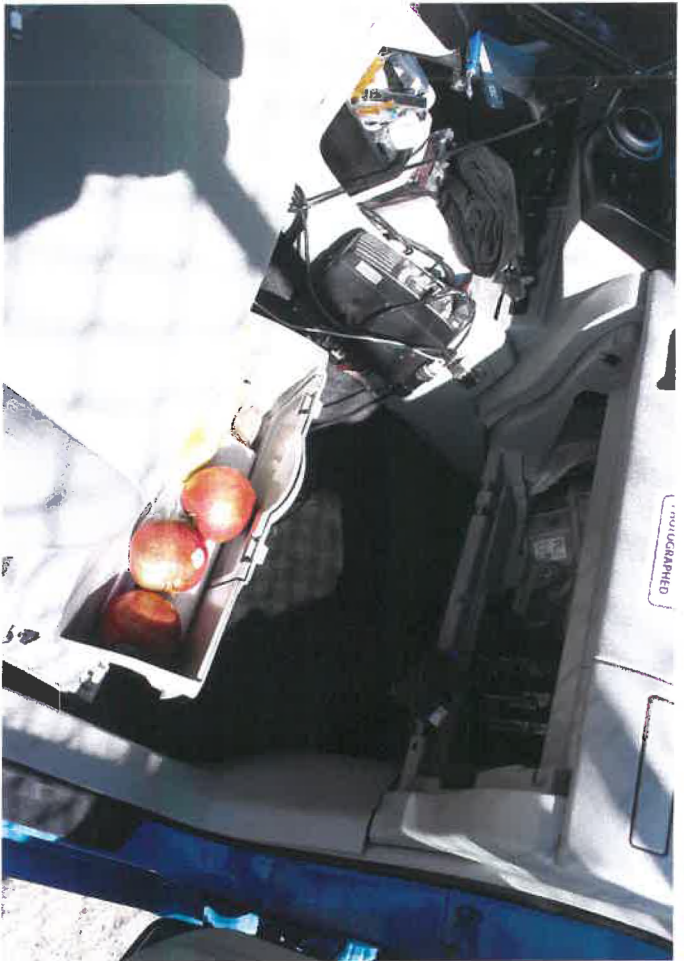
27

327

5000

2703

3507 Electronic Device Counted 1.8-2



3207

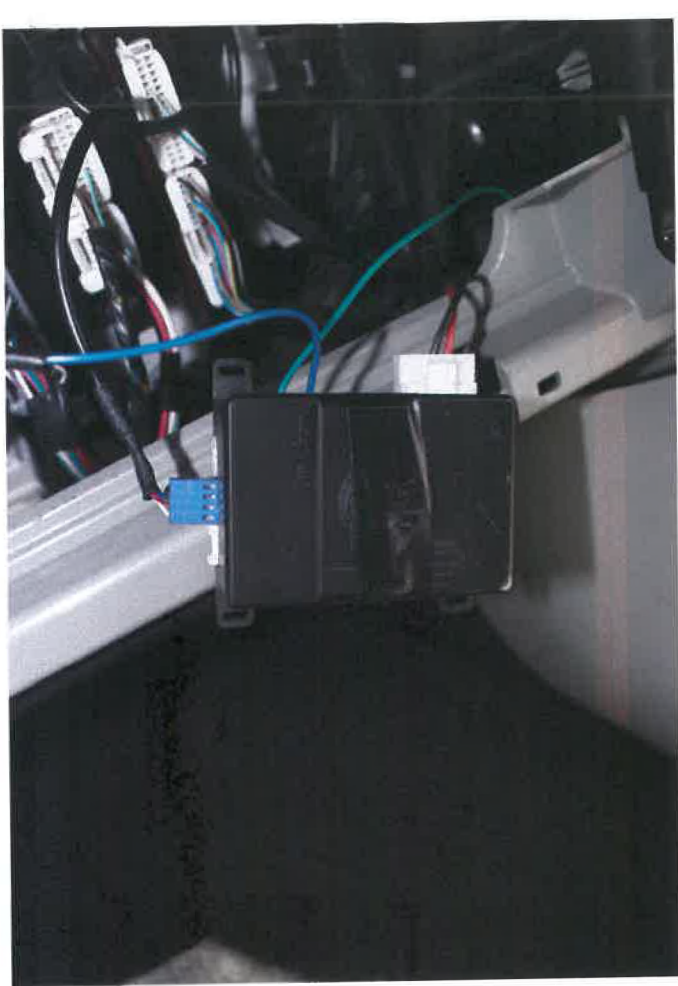
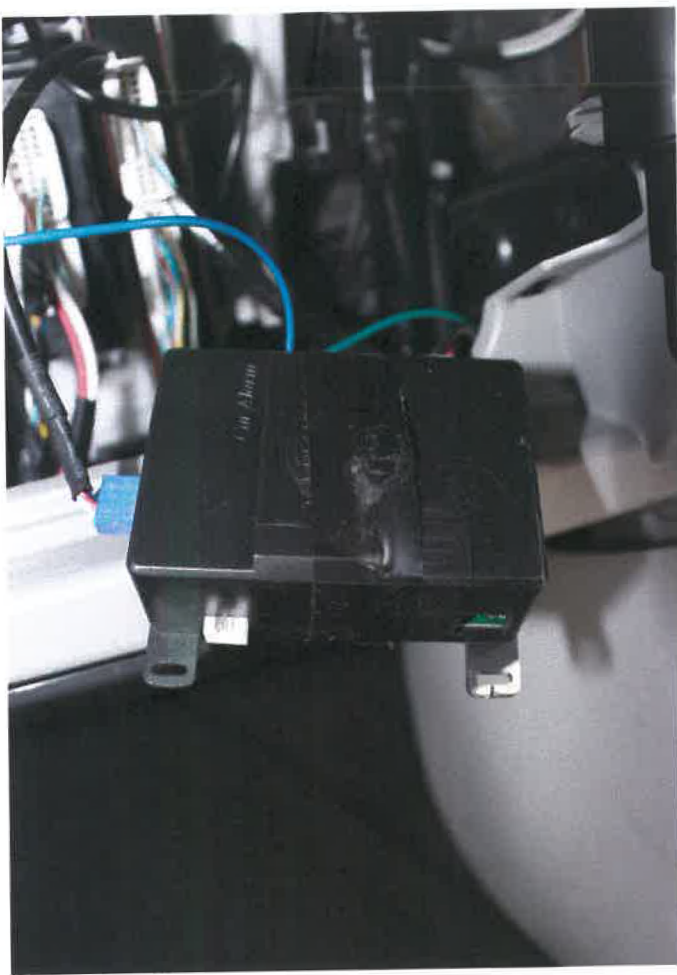
Evergreen

Deer

Canary

1045

6 3507 EVAPORATOR DEVICE LOCATED 2 OF 2



3207
ELECTRONIC DEVICE
REMOVED 5.6.5

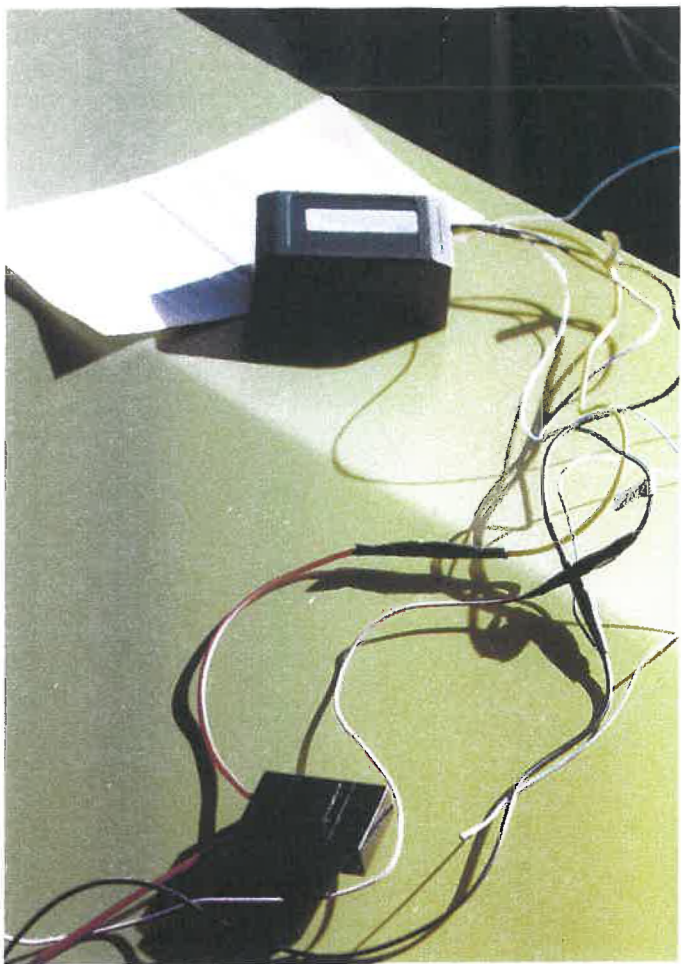
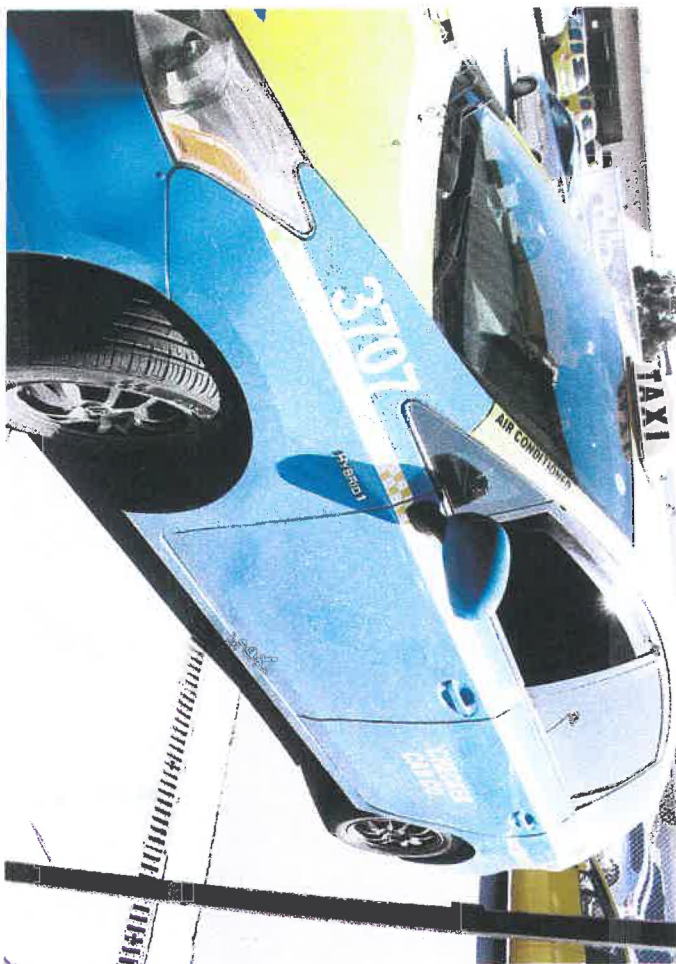
or 3507 Repair



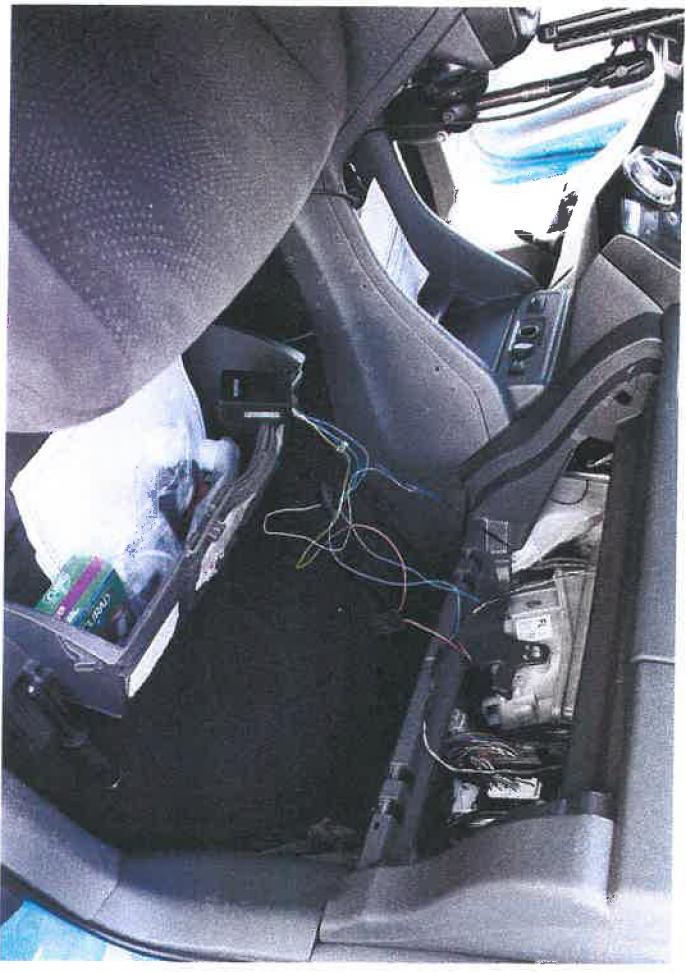
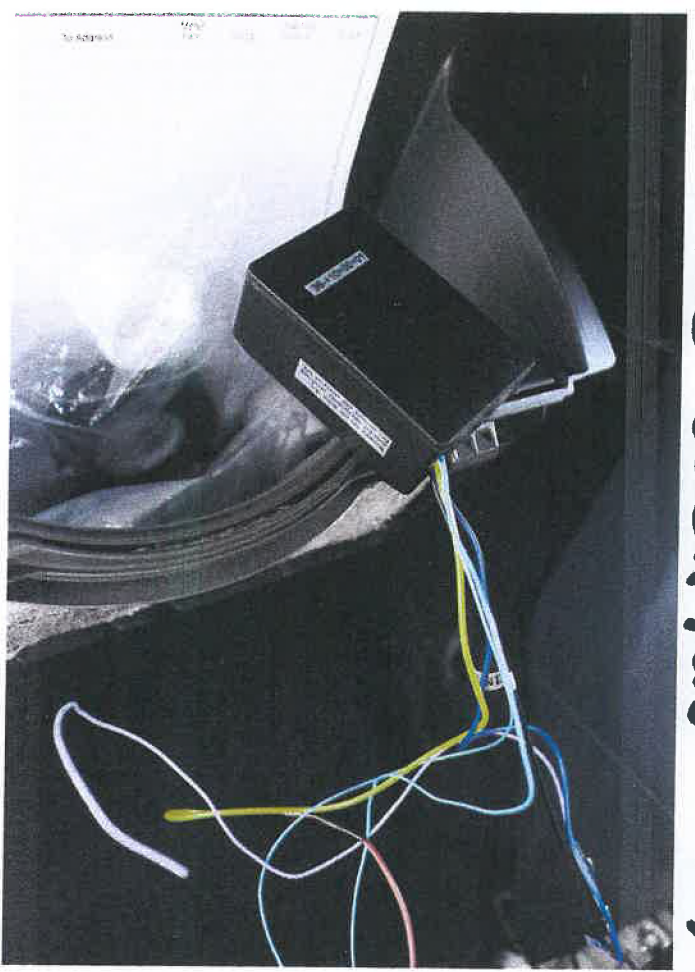
3207 Keweenaw

1 of 3

22 #3707 Removal #3



cc # 3707 ELECTRONIC DEVICE LOCATION #101

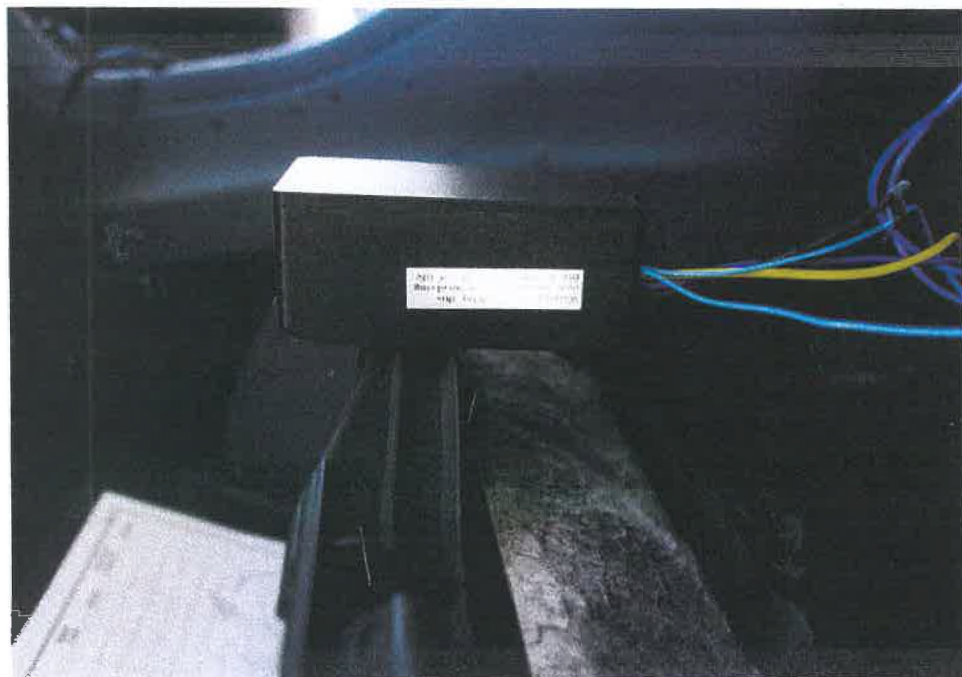


#3707

ELECTRONIC DEVICE

LOC

2 of 2



ATTACHMENT #1



#3707 Removal



#1



α #3707

Removal

#2



P RECORD

3-18
3707
CK
4.00
22097200

Stamp
3A

Serial 9117

AUTHORIZED TAXICAB SUPERVISION

6150 W. 96th Street
Los Angeles, CA 90045
customer@authorizedtaxi.com

PLEASE RETAIN THIS RECEIPT FOR YOUR RECORDS

AUTHORIZED LAX TAXICAB RECEIPT

NAME OF _____ DATE _____

ADDRESS _____

PHONE _____

TO ALL PASSENGERS

For your records. There is a \$4.00
surcharge for taxis originating at the airport.
Airport surcharge.

Supervision

6150 W. 96th Street
Los Angeles, CA 90045
customer@authorizedtaxi.com
PLEASE RETAIN THIS RECEIPT FOR YOUR RECORDS
TAXICAB RECEIPT

DATE _____

ORDINANCE No. 181423

THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:

An Ordinance replacing Ordinance No. 173655, as assigned by Ordinance No. 174474, granting to L. A. Checker Cab Cooperative, Inc. d.b.a. L. A. Checker Cab, a taxicab franchise to provide taxicab transportation service in the City of Los Angeles as a primary service provider for Service Zone B (Western portion), Service Zone C (Central and Eastern portions), and Service Zone D (Southern Central portion) of the City.

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Section 1.0 DEFINITIONS

Unless it is apparent from the context that it has a different meaning, each of the following words and phrases has the meaning herein stated wherever it is used in this Franchise, that is:

BOARD: The Board of Taxicab Commissioners of the City of Los Angeles.

CITY: City of Los Angeles, State of California, in its governmental capacity.

CO-OPERATIVE, ASSOCIATION or MEMBERSHIP: An independent taxicab enterprise or organization owned and operated by its Members for the financial benefit of its Members. Each authorized taxicab fleet slot correlates to a share and/or ownership in the Membership.

COUNCIL: The Council of the City of Los Angeles.

DEPARTMENT or LADOT: The Department of Transportation of the City of Los Angeles.

DRIVER/MANAGER: A Member of Grantee who drives, controls and manages taxicabs in Grantee.

FRANCHISE PROPERTY: All property installed, operated or maintained in or upon the public streets pursuant to any right or privilege granted by this Franchise.

GRANTEE or FRANCHISEE: The person or Subchapter S corporation, co-operative, association or membership organization, or company or corporation to which this Franchise has been granted, and any person or Subchapter S corporation, co-operative, association or membership organization, or company or corporation to which it may be lawfully transferred as herein provided.

INVESTOR/SHAREHOLDER: A Member of Grantee who does not manage or control taxicabs in Grantee.

LEASE DRIVER: A person who is an independent contractor possessing a valid City Driver Permit and who drives a taxicab in Grantee pursuant to an approved Lease Agreement with the Taxicab Operator or Vehicle Permittee.

LOS ANGELES INTERNATIONAL AIRPORT (LAX): For the purpose of taxicab regulation, LAX shall include all of the upper and lower roadways of World Way and all areas and facilities adjacent thereto, and the taxicab holding lot and West Imperial Terminal.

MANAGE TAXICABS: To have full control of a Taxicab Vehicle Permit including responsibility for contracting with lease drivers, driver and vehicle assignments, lease driver discipline, lease fee collection and distribution, vehicle procurement and maintenance and all other functions normally associated with the operation of a taxicab by a company or corporation. Grantee shall be responsible for obtaining automobile and general liability insurance as described in Sec. 4.7 (a) and (b) herein.

MEMBER: An individual person or Subchapter S corporation, as defined in the United States Internal Revenue Code Section 1361, who owns one or more taxicabs and/or shares, but not more than the maximum number allowed by this ordinance, in Grantee. Only those individuals applying for Investor/Shareholder membership status may apply as a Subchapter S corporation.

OPERATE OR DRIVE A TAXICAB: To be in control of a taxicab which is transporting a passenger or is available for receiving passengers.

STANDBY: The time period during which a taxicab driver waits for a passenger, at the passenger's request and with the taximeter activated, until the passenger returns or until the taxicab is dismissed.

STREET: The portion of any public street, road, highway, freeway, lane, alley, sidewalk, parkway, or public place which now exists or which may hereafter exist within the City.

TAXICAB: Any motor vehicle used as a taxicab as defined in Sec. 71.00 of the Los Angeles Municipal Code.

TAXICAB DRIVER: Any person possessing a valid City Driver Permit driving and in immediate possession of a taxicab for the purpose of providing a taxicab transportation service. The individual may be an employee of a Taxicab Operator, a lease driver, or a Member of Grantee.

TAXICAB OPERATOR: The Grantee or Franchisee including directors, officers, members, management and administrative personnel. A taxicab operator may be the bearer or grantee of more than one franchise.

TAXICAB POOL or POOL: The fleet of taxicabs that is managed and controlled completely by Grantee and not by a member of Grantee.

TAXICAB RULES: The rules and regulations established for taxicab operations in the City by the Board in Board Order Nos. 471, 482, 524, 546 and 052 as may be amended in the future by subsequent Board Orders.

TAXICAB VEHICLE PERMIT: A non-transferable authorization to drive or operate a vehicle in a City authorized taxicab transportation service in order to pick up or attempt to pick up passengers within the City limits of the City of Los Angeles, whether as owner, lesser, or lessee, or otherwise.

TAXICAB VEHICLE PERMITTEE OR VEHICLE PERMITTEE: Grantee or Member of Grantee who has been granted a Taxicab Vehicle Permit in accordance with Sec. 4.3 (a) as described herein.

TAXICAB STAND: The portion area on private property (such as hotels, LAX, Union Station, etc.) designated by the owner for parking taxicabs while waiting for passengers.

TAXICAB ZONE: The portion of a street area as posted and designated by the Department for the standing or parking of taxicabs while awaiting employment.

TAXIMETER: An instrument for indicating and recording charges for taxicab services in proportion to distance traveled, time in use, or both.

Section 2.0 FRANCHISE GRANT

Sec. 2.1 NATURE AND EXTENT OF GRANT

The Franchise hereby granted by the City authorizes the Grantee, subject to the provisions herein contained, to conduct a public transportation business by taxicab in the City, that is, to pick up persons and property by taxicab within the Service Area herein described, to transport such persons and property for hire over any street within the City, and to stand taxicabs at designated taxicab zones within said Service Area.

Sec. 2.2 DURATION OF FRANCHISE

- (a) This Franchise shall become effective on the same day the enacting ordinance is effective, but not before January 1, 2011, provided the Grantee has filed with the Board, within twenty (20) days of such publication, a written instrument, addressed to the Council, accepting the terms of this Franchise and agreeing to comply with all the provisions hereof. The Board may, in its discretion but only after receiving a written request from Grantee, waive the 20 day period and allow a longer period. Failure to accept the Franchise within the 20 days or the time set by the Board shall make this Franchise null and void.
- (b) This Franchise shall expire no sooner than 11:59 P.M., December 31, 2015, and no later than 11:59 P.M., December 31, 2017, unless revoked or terminated by Council action. Grantee shall have no more than a five year effective Franchise term at any point in time during the Franchise. The Board and/or City Council may approve and order an extension of the Franchise based on review and evaluation of Grantee performance with the total effective Franchise term granted not to exceed five years or final Franchise expiration date, whichever is sooner. If Board and/or City Council approval is not provided for an extension of the Franchise term, the Franchise may expire prior to 11:59 P.M., December 31, 2017. Public hearings regarding any potential extension of the franchise period may begin as early as July 2013, and must include all performance review information and any documented plans for future permit authorization changes. Should an extension of the franchise grant be provided by either the Board or the City Council, such grant may be issued in single one-year increments, or in a maximum two-year increment.
- (c) This Franchise may be terminated by the Council, by ordinance, after due notice and a public hearing, if the Council finds that:
 - (i) The Grantee has failed to comply with or violated any term or condition hereof, or of Board rules or orders, or of Board or Department directives;

- (ii) The Grantee has illegally conducted any type of public transportation operation within the City;
 - (iii) Any provision hereof becomes invalid or unenforceable and the Council expressly finds that such provision constituted a consideration material to the grant of the Franchise; or
 - (iv) The public interest would be served by such termination.
- (d) The Board may, after due notice and a public hearing, place Grantee in probationary status or suspend any and all operating rights of Grantee under this Franchise for one or more days pursuant to Los Angeles Municipal Code Section 71.02.1 under any of the following grounds:
- (i) Material noncompliance with terms and conditions of this Franchise, Board rules and orders or Board or Department directives when such noncompliance has not been cured after reasonable notice thereof and opportunity to cure.
 - (ii) The Grantee illegally conducts any type of public transportation operation within the City.
 - (iii) The Grantee accumulates total operator penalty points in a Board defined period for violation of Board Rules, in an amount greater than the allowed threshold level as provided for in the Board's Taxicab Rules.
 - (iv) The level of service as measured in accordance with the Board's Taxicab Rules or similar Board Order falls below the minimum acceptable level as established by the Board.
 - (v) The overall performance evaluation as measured in accordance with the Board's Taxicab Rules or similar Board Order falls below the minimum acceptable level as established by the Board.
 - (vi) The Grantee fails to pay any monetary penalty in accordance with the procedures established by the Board in its Taxicab Rules, Board Orders and Sec. 5.5 of this Ordinance.

Any probationary status may affect extension of the Franchise term and may lead to or be inclusive of further Board actions such as suspension, assessment of monetary penalty and/or recommendation for revocation.

Any suspension may be of one or more Grantee vehicles throughout the City or any portion or area of the City and/or suspension of the right to pick up at certain taxicab stands and at Los Angeles International Airport.

Any suspension of 30 days or more or any suspension after an aggregate of 30 days suspension in any 12 month period, is subject to appeal to the City Council.

- (e) The Board may levy a monetary penalty pursuant to Los Angeles Municipal Code Section 71.02.2 as an alternative to, or in addition to, suspending all or part of the Franchise privilege or placing Grantee on probationary status. Penalties shall be in accordance with schedules specified in the Board's Taxicab Rules, Board Orders and Sec. 5.5 of this Ordinance. The Board may also levy interest upon the monetary penalty, which shall be calculated as of the date on which the monetary penalty is unpaid and delinquent. The Grantee shall pay any monetary penalty and interest in accordance with procedures adopted by the Board. The Department shall deposit at least monthly all monetary penalties and interest collected with the City Treasurer in a special fund to be drawn upon by the Department for use of vehicle-related regulation and enforcement duties, these funds to be in addition to any funds regularly budgeted for the functions of the Department.
- (f) The right of the City to place Grantee on probationary status, to levy monetary penalties and to suspend, revoke or terminate this Franchise pursuant to the terms of this Section shall be in addition to all other rights and remedies which may otherwise accrue to the City by reason of any failure or refusal of the Grantee to perform any obligation imposed by the terms of the Franchise.

Sec. 2.3 DESCRIPTION OF SERVICE AREA AND SERVICE ZONES

The Service Area referred to in Sec. 2.1 hereof includes areas of the City described as follows:

- (a) The Primary Service Area consisting of Service Zone B, C and D, as described in Sec. 2.3 (e) hereof.
- (b) The Los Angeles International Airport subject to the provisions of this Franchise and to any additional conditions that may be prescribed by the Board of Airport Commissioners and/or the Board of Taxicab Commissioners.
- (c) The City to its boundaries or any portion thereof except areas defined in (a) and (b) herein, for pick up on a telephone or equivalent communication order subject to the provisions of this Franchise and to any additional conditions that may be prescribed by the Board.
- (d) Additional areas of the City, by Service Zone, except areas defined in (a) and (b), as authorized by the Board for the standing or parking of taxicabs and flag down of passengers without a telephone or equivalent communication order. The start of such service may occur on the first day after the Franchise is approved by the Mayor and the City Council, pending verification by the Department that said Grantee has complied with all the requirements for computerized dispatch, digital communication system for each vehicle, and a company-wide computerized collection and recording

system for all service calls. Grantees must maintain good service in their primary service area, and meet all other Board conditions, in order to maintain access in other zones for vehicle staging and flag down of passengers.

The staging/standing of vehicles outside of a Grantee's primary service area shall be limited to City-designated sites, except for the staging of up to 10 additional vehicles (total within a zone) in private facilities. The City stand at the Flyaway Terminal in Van Nuys shall be restricted to primary service area Grantees. No exclusive arrangements, solicitation or advertising shall be allowed outside of a Grantee's primary service area.

Any such service authority may be conditioned, modified or rescinded by the Board in writing, after a public hearing, with a (30) day notice provided to Grantee for the discontinuation or modification of said Service Zone operation.

- (e) Service Zones within the City are currently separated into areas defined as A (San Fernando Valley), B (Western Portion), C (Central and Eastern Portions), D (Southern Central Portion) and E (Southern Portion) and described as follows:

ZONE A - San Fernando Valley

The area of the City lying north of Owen Brown Road, Mulholland Drive, the Hollywood Freeway and a line extending due south from the southern most tip of Universal City.

ZONE B - Western Portion

Beginning at a point on the westerly boundary of the City at its intersection with the common boundary of the San Fernando and Westgate Annexations, thence easterly along said common boundary to Mulholland Drive, easterly along Mulholland Drive to Bowmont Drive, southerly along Bowmont Drive to the City boundary, southerly and westerly along the City Boundary to La Cienega Boulevard near Olympic Boulevard, southerly along La Cienega Boulevard to the Santa Monica Freeway, easterly along the Santa Monica Freeway to Washington Boulevard, southwesterly along Washington Boulevard to the City boundary, southwesterly along the City boundary to Overhill Drive near 63rd Street, southerly along Overhill Drive to the City boundary, westerly and southerly along the City boundary to the Pacific Ocean, northwesterly along the shoreline to the City boundary west of Castellamare, and northerly along the City boundary to the point of beginning.

ZONE C - Central and Eastern Portions

Beginning at the intersection of Mulholland Drive and Bowmont Dr., easterly along Mulholland Drive to the Hollywood Freeway, northerly along the Hollywood Freeway to a point due south of the southernmost tip of Universal City, due north to the City boundary at Universal City, northeasterly along and around the City boundary to the Los Angeles River near 25th Street, northerly along the Los Angeles River to the Santa Monica Freeway, westerly along the Santa Monica Freeway to La Cienega Boulevard, northerly along La Cienega Boulevard to the City boundary near

Olympic Boulevard, northeasterly along the City boundary to Bowmont Drive, and northerly along Bowmont Drive to the point of beginning.

ZONE D – Southern Central Portion

Beginning at a point on the common boundary of the cities of Los Angeles and Culver City at its intersection with Washington Boulevard; thence northeasterly along Washington Boulevard to the Santa Monica Freeway, easterly along the Santa Monica Freeway to the Los Angeles River, southerly along the Los Angeles River to the City boundary near 25th Street, westerly and southerly along the City boundary to Alondra Boulevard, westerly along Alondra Boulevard to the City boundary, northerly and westerly along the City boundary to the westerly line of Overhill Drive near 63rd Street, northerly along Overhill Drive to the City boundary, and easterly and northerly along the City boundary to the point of beginning.

ZONE E - Southern Portion

The area of the City lying south of Alondra Boulevard.

The City boundaries and streets referred to are existing at the date of the award of this Franchise, according to the official records of the City Engineer together with any annexations that may be approved from time to time.

- (f) The Board shall be allowed to modify Service Zone definitions and distribution of vehicles per Primary Service Area, or portion thereof, as approved by City Council by ordinance. Any such modification shall be considered as an additional condition of the Franchise ordinance. Any action to modify Service Zone definition or vehicle distribution shall have been justified pursuant to Public Convenience and Necessity standards and Los Angeles Municipal Code provisions, Board Orders and Franchise terms and conditions.

Section 3.0 CONSTRUCTION OF FRANCHISE

Sec. 3.1 INTERPRETATION

Unless otherwise specifically prescribed herein, the following provisions shall govern the interpretation and construction of this Franchise:

- (a) The singular number includes the plural, and the plural number includes the singular.
- (b) Time is the essence of this Franchise. The Grantee shall not be relieved of its obligation to promptly comply with any provision hereof by any failure of the City to enforce prompt compliance with the same or any other provisions.
- (c) Any right or power conferred, or duly imposed upon, any officer, employee, department, or board of the City is subject to transfer by operation of law to any other officer, employee, department or board of the City.

- (d) The Grantee shall have no recourse whatsoever against the City for any loss, cost, expense or damage arising out of any provision or requirement of this Franchise or the enforcement thereof.
- (e) This Franchise does not relieve the Grantee of any requirement of the City Charter or of any ordinance, rule, regulation or specifications of the City, other than exceptions provided for in Sec. 5.2 (c) of this Franchise.
- (f) This Franchise shall not constitute an exclusive grant of any right to carry persons or property for hire within the City or any portion thereof.

Sec. 3.2 LIMITATION UPON GRANTEE

- (a) No privilege or exemption is granted or conferred by this Franchise except as specifically prescribed herein.
- (b) This franchise is a privilege to be held in personal trust by the original Grantee. It cannot in any event be transferred in part, except as provided for herein; and it is not to be sold, transferred, leased, assigned, or disposed of as a whole, either by forced sale, merger, consolidation, or otherwise without prior consent of the City expressed by ordinance, and then only under such conditions as may be therein prescribed; provided, however, that no such consent shall be required for any transfer in trust, mortgage, or other hypothecation, as a whole to secure an indebtedness or for the purpose of renewing, extending, refunding, retiring, paying or canceling, in whole or in part, any such indebtedness at any time or from time to time. Any consent of the City hereunder shall be subject to such terms and conditions as may be recommended by the Board unless otherwise determined by the City Council. Any such sale, lease, assignment, or other disposition of this Franchise for which consent of the City is required hereunder shall be evidenced by a duly and jointly executed instrument in writing addressed to the City Council and filed with the Board.
- (c) A Grantee which is considered a membership organization shall not sell, transfer, exchange or release, or permit the sale, transfer, exchange or release of any part of the membership of the Grantee without prior consent of the Board, and then only under such conditions as may be therein prescribed.
- (d) A Grantee which is considered a non-membership organization shall not sell, transfer, exchange or release, or permit the sale, transfer, exchange or release of any part of the ownership of the Grantee without prior consent of the City Council, and then only under such conditions as may be therein prescribed.
- (e) Grantee shall not install, construct, or maintain any property in the public streets or public place within the Service Area unless in each instance the Board shall first determine that such property is reasonably necessary to the conduct of the taxicab business authorized by this Franchise.

- (f) The Grantee's right to operate does not constitute a class of property which may be capitalized or used as an element of value for rate setting purposes in an amount in excess of that actually invested by the Grantee.

Sec. 3.3 RIGHTS RESERVED TO CITY

- (a) There is hereby reserved to the City every right and power which is required to be herein reserved or provided by any provision of the City Charter, Ordinance No. 58,200 or any other City Ordinance, the Los Angeles Administrative Code and the Los Angeles Municipal Code, as amended, and the Grantee by its acceptance of this Franchise agrees to be bound thereby and to comply with any action or requirement of the City in its exercise of any such right or power.
- (b) Neither the granting of this Franchise nor any provision hereof shall constitute a waiver or bar to the exercise of any governmental right or power of the City.

Section 4.0 OPERATIONS AND SERVICE

Sec. 4.1 ESTABLISHMENT AND ABANDONMENT OF SERVICE

- (a) When the Grantee shall have been authorized by this Franchise to furnish transportation service, such transportation service shall be provided by the operation of a fleet of taxicabs in the Service Area as described in Sec. 2.3 of this ordinance with a maximum total fleet of 269 vehicles to be established in accordance with the management business plan. The number of vehicles includes those needed for maintenance purposes.

At least 2% of the authorized fleet vehicles shall be wheelchair accessible in compliance with standards provided by the Americans with Disabilities Act (ADA) and Board policies as of the effective starting date of the Franchise and thereafter. The Board may require by resolution that the Grantee increase the minimum percentage of wheelchair accessible fleet vehicles and may specify vehicle service availability for general wheelchair accessible trips notwithstanding any existing contractual arrangements. In addition to the 2% minimum requirement, a total of twenty-four (24) vehicles of the authorized fleet shall be wheelchair accessible taxicabs as stated in the management business plan, unless modified by the Board.

The Board may require by resolution that the Grantee increase the minimum percentage of clean fuel vehicles.

25% (67 taxicabs) of the authorized fleet vehicles shall be dedicated, as necessary, to taxicab service in Service Zone B of the Primary Service Area, 50% (134 taxicabs) of the authorized fleet vehicles shall be dedicated, as necessary, to taxicab service in Service Zone C of the Primary Service Area, and 25% (68 taxicabs) of the authorized fleet vehicles shall be dedicated, as necessary, to taxicab service in Service Zone D of the Primary Service Area. The number of vehicles designated for each Service Zone

of the Primary Service Area shall not preclude the Grantee from distributing its fleet throughout these Service Zones as it deems necessary to meet demand and service response levels. However, if a service deficiency occurs in a Service Zone within the Grantee's Primary Service Area, Grantee shall be obligated to provide taxicab service in the deficient Service Zone, on its own initiative or as directed by the City, up to the number of vehicles as dedicated herein for the specific Service Zone.

The minimum and maximum number of fleet vehicles, the percentage of wheelchair accessible vehicles and/or clean fuel/emission vehicles, and the distribution of vehicles per Service Zone, shall be set until modified by the Board and only after such action has been justified pursuant to Los Angeles Municipal Code provisions, Board Orders or Franchise terms and conditions.

- (b) After the Grantee shall have established any transportation service pursuant to this Franchise, such service shall not be suspended or abandoned unless such suspension or abandonment is authorized or ordered, in writing, by the Board.
- (c) The Grantee shall not refuse to accept any passenger in the Service Area for transportation, for hire, by taxicab to any destination to and at which the Grantee may legally transport and discharge such passenger, unless the attitude or condition of the passenger is such that it would not be in the public interest for the Grantee to accept such passenger or unless the passenger is unable to show the ability to pay the fare.
- (d) Whenever the Grantee shall file with the Board a written application alleging that public convenience and necessity no longer require that the Grantee furnish transportation service as authorized, or required by, or pursuant to, this Franchise in any part or all of the Service Area, the Board shall take evidence at a public hearing upon that question and shall make a finding with respect thereto. Notice of such hearing shall be given for a period of 15 days prior thereto by posting such notice in each of the Grantee's taxicabs in service in the area affected or in a manner acceptable to the Board; such notices, in a form satisfactory to the Department, are to be posted by the Grantee. If the Board shall find that public convenience and necessity no longer require that the Grantee furnish such transportation service, then the Board may, after hearing as provided herein, authorize in writing the suspension or abandonment of such service upon such reasonable terms and conditions as may be prescribed by the Board. The shared-ride taxi service described in Sec. 4.6 of this ordinance is not subject to the above procedures for the suspension or abandonment of service.

Sec. 4.2 OPERATIONS AND SERVICE - GENERAL

- (a) All vehicles, equipment and appurtenances used under this Franchise shall be operated and maintained in accordance with all applicable Federal and State laws, ordinances of this City and orders of the Board. Grantee shall be responsible for the compliance of its Members and drivers with all such laws, ordinances, rules and orders.

- (b) The number of taxicabs operated pursuant to this Franchise, the manner and time of all operations, the transportation service provided, and the rates or fares charged, shall at all times conform to such regulations as shall from time to time be fixed or prescribed by the City and/or Board.
- (c) The Grantee shall participate in any transportation coupon (user-ride subsidy) program sponsored by the City of Los Angeles. The grantee shall accept the transportation coupons, vouchers, stamps, etc. issued by the City or its agents in lieu of cash as payment for taxicab service. The coupons, vouchers, stamps etc. will be redeemed by the City or its agents upon receipt of billing documentation from the Grantee in a manner acceptable to the Department. Grantee shall comply with any agreements required and established by the Board and Department for the administration and billing of said program.
- (d) Grantee shall provide 24-hour road and office supervision. Grantee shall implement and maintain a computer dispatch record keeping system capable of determining who is driving a particular taxicab at any time.
- (e) Grantee shall establish a procedure, subject to approval by the Board, for the review and resolution of complaints from the public and violations of company rules and City Regulations by Grantee's officers, Members, employees, and drivers. Grantee shall provide to the Department a monthly summary of the number of public complaints received, in categories as determined by the Department. The Board by resolution may require a separate complaint input and/or tracking or verification system or any other variance in Grantee's complaint resolution program.
- (f) The Grantee shall provide to the Department as specified by the Board, and keep current a list of the following:
 - 1) The Board of Directors and officers.
 - 2) All Members, by class of membership and the number of shares held by each Member, including taxicab fleet number as provided by the Department, and address of Member.
 - 3) All management and administrative personnel and their job titles.
 - 4) All lease or employee drivers.
- (g) Grantee shall have full-time management, subject to approval of Grantee and the Board, to direct activities of the organization on behalf of its Members or owners. Responsibilities include, but are not limited to, establishing, maintaining and reporting the taxicab operations and records, collecting and paying franchise and other fees, conducting day to day activities including managing and operating the taxicab pool, representing Grantee in disputes and discussions between regulatory agencies and the Grantee, its drivers and Members, and adhering to all areas of the Grantee's management/business plan. Management is not precluded from membership or ownership in Grantee. The Department shall review management credentials and background experience including a criminal history and fingerprint

check.

- (h) Grantee shall submit annually to the Department for Board approval a Management/Business Plan (Plan) as described herein. Grantee shall update the Plan at least annually or as directed by the Board. Updates and revisions to the Plan may be requested by the Board or the Grantee, at any time, subject to final Board approval. Updated information related to specifics of the Plan that do not alter the content of the Plan may be received and placed on file by the Department without a requirement for Board approval. (i.e. Grantee officers, contacts, addresses, etc.) Grantee shall comply with the provisions of its Management/Business Plan. The Department and Board shall review Grantee's adherence to the Plan at least annually as part of performance review and evaluation of Grantee.

The Management/Business Plan (Plan) shall establish the Grantee's approach and methods to be used in meeting the requirements of this Franchise, the Board's Taxicab Rules, Board Orders, City, State and Federal mandates, and Board and Department directives. The Plan will be used as the basis for evaluating the capability of the Grantee to provide taxicab operations and service in accordance with the service demands of the public and standards of the City. The specific sub-items and components under each Plan category will be supplied by the Department, as approved by the Board, and will thereafter be amended or added to as necessary by the Board. Minimum Plan categories shall include the following:

- 1) Grantee Organizational Structure and Procedures;
 - 2) Management/Administrative Structure and Procedures;
 - 3) Financial Status and Related Information;
 - 4) Dispatch and Communications - Description of Facilities, Personnel and Technology;
 - 5) Operating Location(s), Storage/Parking of Vehicles, Maintenance and Inspection - Description of Facilities and Personnel;
 - 6) Programs and Activities for Driver Training, Testing, Supervision and Social Benefits;
 - 7) Vehicle Maintenance and Inspection;
 - 8) Procedures for Maintaining Service Levels, Programs for Addressing Service Deficiencies;
 - 9) Service/Operation Procedures for Discipline, Driver Evaluation, Complaint Processing and Accident/Safety Control;
 - 10) Special Programs, Agreements and Services;
 - 11) Record Keeping;
 - 12) Grantee's Plan Evaluation & Response to Changes or Additions.
- (i) Performance review and evaluation of Grantee shall be conducted by the Department and the Board at least annually and may be reviewed more often if Grantee is in a probationary status or if the Board determines it is in the best interest of the public. Results of the review and evaluation shall be used by the Board in determining authorization for Franchise extension, continuation, probation, suspension, penalty assessment, recommendation for revocation, or any combination thereof.

Review and evaluation criteria shall be specified in the Board's Taxicab Rule or similar Board Order. Components of the evaluation shall include, but not be limited to:

- 1) Service response levels;
- 2) Telephone or equivalent communication response levels;
- 3) Number of complaints received by the Department as compared to the number of vehicles in service, miles and shifts driven, and number of trips completed;
- 4) Number of Board Rule violations and penalty points assessed for operator and drivers as compared to the number of vehicles in service, miles and shifts driven, and number of trips completed;
- 5) Percentage of taxicabs passing annual Department inspections on the first attempt;
- 6) Timeliness of payments for all fees and monetary penalty assessments;
- 7) Service level statistics or reports regarding special programs for hard-to-serve areas as determined by the Board;
- 8) Adherence to the Management/Business Plan;
- 9) Compliance with vehicle, driver, and member standards and record keeping policies;
- 10) Timely submission of all requested and required information, data, reports and statistics;
- 11) Responsiveness to Board, Department or City requests and directives;
- 12) Compliance with all requirements set by Ordinance, Board Order, Rule Book, and City, State or Federal mandate.

Sec. 4.3 OPERATIONS AND SERVICE - TAXICABS

- (a) The Board may grant a non-transferable Taxicab Vehicle Permit to Grantee or a Member of Grantee for each vehicle operated under this Franchise. No vehicle shall be operated under this Franchise unless the Board has issued such a permit for each specific vehicle. A taxicab operated under this Franchise may not continue in service if the Taxicab Vehicle Permit for the vehicle is expired, suspended, canceled or revoked.

Grantee shall be invoiced annually for all Taxicab Vehicle Permits. Any authorized fleet position which contains a City decaled taxicab as determined by the Department on January 1 of each year shall be included in the annual invoice per the fee specified in the Los Angeles Municipal Code, Sec. 71.06.1. Any taxicab which is authorized and added to the fleet in a previously empty fleet slot, will require payment of the fee associated with the Taxicab Vehicle Permit at the time of vehicle decaling. Once the Taxicab Vehicle Permit fee has been paid for a fleet position for the year, no other Vehicle Permit fee will be required during the same calendar year, regardless of membership and permit name changes associated with the vehicle and fleet position.

- (b) All taxicabs used by the Grantee within the City shall be operated under and pursuant to the provisions of this Franchise and Board requirements and not otherwise. Each such taxicab shall be equipped with City decals and/or equivalent City identification as ordered by the Board by resolution. Grantee shall not allow any taxicab to be driven which is in violation of the terms of this Franchise or any Board requirement.
- (c) All taxicabs operated under this Franchise must be registered to either the Grantee or to a Member of Grantee. They shall either be owned by the Member, the Grantee or a commercial lending agency, or leased from a licensed leasing agency whose primary business is the sale or leasing of vehicles. Any taxicab, utilized by the Grantee which is owned by it or one of its Members, shall have been acquired by way of bona fide purchase, lease, or other transaction approved by the Department. The Grantee and/or Member shall submit to the Department, upon request, the method utilized for vehicle acquisition. Members shall have the right to sale or transfer a share and/or taxicab under these same provisions.
- (d) All taxicabs used by Grantee within the City shall be equipped with a taximeter and mobile data terminal or equivalent device capable of receiving and sending digital data related to dispatch and service response. This equipment shall also be capable of two way voice communication between taxicab and Grantee dispatch operation.
- (e) The Board may require by resolution that the Grantee equip each taxicab used within the City with a taximeter or device connected to the taximeter capable of issuing a printed receipt for each trip. An accurate and legible receipt shall be made available to any requesting passenger and shall include, at minimum, information pertaining to the fare paid, the driver's full and correct name, the taxicab number, and the taxicab operator's name and telephone number.
- (f) All taxicabs used by Grantee within the City shall be capable of accepting credit/debit card payment and shall relay charge and authorization data regarding such payment through a digital information system used in connection with the taximeter or mobile data device operating in concert with the taximeter. Grantee is not required to accept a credit/debit card payment less than \$10.00, unless required by the Board by resolution. The Board may require by resolution that the Grantee equip each taxicab used within the City with an automatic card reading device to be used for payment and authorization purposes.
- (g) The Board may require by resolution that the Grantee equip each taxicab used within the City with a smart card or equivalent payment technology device to be used in conjunction with the taximeter and/or mobile data device.
- (h) The Board may require by resolution that the Grantee equip each taxicab used within the City with an automatic vehicle location device to be used in conjunction with the dispatch system and the vehicle taximeter and/or mobile data device.

- (i) All taxicabs used by Grantee within the City shall have an air conditioning system installed and in good working order at all times.
- (j) All taxicabs used by Grantee within the City shall have an approved safety shield installed and in good working order. This requirement shall not apply to wheelchair accessible vans nor to specific taxicabs granted exemptions by the Board.
- (k) Grantee and driver/manager Members shall provide, or contract with, Department approved maintenance and repair facilities. Grantee or driver/manager Members of Grantee shall monitor and be responsible for all maintenance, repair, and replacement of Grantee's or driver/manager Member's managed taxicabs.

Preventive maintenance shall be performed at least once every 5,000 miles or sooner per manufacture recommendations for each taxicab.

As established in the Board's Taxicab Rules, certain taxicabs shall be periodically inspected for maintenance purposes as prescribed by the Department. The Board may require a certified automobile mechanic as approved by the Department to conduct the maintenance inspection or may require Grantee to submit taxicabs for periodic maintenance inspection by a City-employed or contracted mechanic with a surcharge on the total monthly fee to be paid by Grantee to cover the City's costs. A copy of the maintenance inspection report shall be filed with the Department including any necessary repair documentation.

Records pertaining to required preventive maintenance, maintenance inspections, repair work mandated by the Department, major repair work to vehicle or engine, and vehicle replacement shall be maintained by Grantee, on behalf of its Members and the taxicab pool, in a central location, filed by vehicle to verify compliance with these requirements.

- (l) Grantee, through its management or other Board authorized agency, shall, at intervals as directed by the Board but not less than weekly, check each vehicle for cleanliness (inside and out) and safety (brakes, tires, lights, steering, etc.) and shall check drivers for valid Driver Permit, California Driver License, Identification Card, waybill and appearance.

All taxicabs shall be periodically inspected by the Department or other Board authorized agency to verify vehicle condition and safety as prescribed by the Department.

Records pertaining to Grantee vehicle inspection results shall be maintained by Grantee, on behalf of its Members and the taxicab pool, in a central location, filed by vehicle, to verify compliance with these requirements.

- (m) No taxicab fleet vehicle authorized by this Franchise shall be in excess of nine years of age unless authorized by the Board by resolution. The Board shall also mandate

minimum age requirements for taxicab start of service. Grantee shall maintain such requirement unless otherwise authorized by the Board.

- (n) Grantee shall provide garaging or off-street parking facilities within one-half mile of its main operating location(s) or as specified by the Board where its taxicabs shall be parked when not in passenger service or when not being repaired or when not in the possession of a driver/manager Member or lease driver. Grantee shall have sufficient vehicle parking capacity within the main operating location(s) or the garaging or off-street parking facilities to meet the requirements for Grantee's operations including vehicle inspection and maintenance, administrative functions, training, etc.

Sec. 4.4 OPERATIONS AND SERVICE - DRIVERS

- (a) The Grantee shall not issue or dispatch any taxicab operated on behalf of this Franchise to any driver who is in violation of any terms of this Franchise or any Board Order.
- (b) Drivers shall be required to check in with the Grantee, in a manner approved by the Department, at the beginning and end of each shift, and such activity shall be recorded by the Grantee. Daily logs shall be maintained by the Grantee to indicate the vehicle and driver assignments for each shift at all times. Grantee or a driver/manager Member shall make all such assignments. Grantee shall issue and collect waybills in the manner and within the time limits established by the Board. Grantee shall review waybills upon collection to ascertain that the required information is fully and accurately provided.
- (c) Grantee and its driver/manager Members are authorized to provide taxicab service through a contracting or leasing type of operation with an independent contractor driver. No independent contractor driver shall be permitted to subcontract or sublease the vehicle, or the right to operate the vehicle, to another person. All contracting and/or leasing arrangements shall be evidenced in writing and subject to Department approval. Such lease contract shall provide for the collection and documentation of lease fees by the Grantee management and driver/manager Members. The lease contract shall not be instituted or changed without approval of the Department and the Board. The independent contractor driver shall not use a taxicab as his/her personal vehicle within the City except driving to or from the beginning or ending of his shift. Grantee shall maintain current files of all lease agreements, on behalf of its Members and the taxicab pool, in a central location, filed by driver, to verify compliance with these requirements.
- (d) Grantee shall provide a comprehensive screening, testing and training program for all its drivers, including the lease drivers contracted for by Grantee or by driver/manager Members. The training program including curriculum and delivery shall be approved by the Board and shall include City and State rules and regulations; geography including map reading, major points of interest in Los Angeles, and familiarity with the City of Los Angeles and surrounding area; driver safety and

defensive driving; vehicle safety and maintenance/inspection checks; customer service and relations; sensitivity guidelines for disabled, frail and elderly passengers; behind the wheel driver training; and accessible vehicle operation training and CPR certification or equivalent for accessible vehicle drivers. The Board may authorize or require additional training program components, a change in delivery of program components, or a training facilitator or program outside of the Grantee's program at the Grantee's or driver's cost if it deems such change will best serve the public interest.

- (e) Grantee shall enroll all permitted drivers in the "Pull Notice System" of the Department of Motor Vehicles as defined in California Vehicle Code, Sec. 1808.1, as amended, and shall receive an annual driving record from the Department of Motor Vehicles. Grantee shall review such records for compliance with company and City requirements and shall notify the Department, by the end of the next Department business day, if any permitted driver's record or their ability to operate a taxicab fails to comply with the requirements of the Board. Grantee shall maintain "Pull Notice" and annual driver record information on behalf of its Members and the taxicab pool, in a central location, filed by driver, to verify compliance with these requirements. Driving record requirements may be revised by the Board by resolution.
- (f) Grantee shall be responsible for scheduling pre-employment/pre-permitting driver drug and alcohol testing and for enrolling all current drivers in a mandatory controlled substance and alcohol testing certification program as mandated by California Government Code, Sec. 53075.5 and which follows program components and testing requirements of the Federal Code of Regulations, Title 49, Part 40 and Part 382, as amended. Testing shall be conducted as a condition for initial driver permit authorization. Annual testing shall be conducted as a condition for permit renewal. Random testing shall be conducted and additional tests may also be required including post accident testing, rehabilitation and return-to-service testing, and reasonable suspicion testing. Drivers must show a valid California driver's license at the time and place of testing.

Grantee shall contract with a consultant (program administrator) and authorized lab approved under the Federal Register to facilitate the program and shall provide a copy of the contract(s) to the Department for approval. Test results shall be provided to the Grantee as the employing entity. Information shall be supplied to the Department pertaining to any positive test result and shall include driver name, identifying information, and driver permit status including any entry into a rehabilitation program. Specific driver test results shall remain confidential, on file by driver with Grantee, but testing information including date of annual test and random test, and positive or negative results shall be available for Department review. The cost of testing shall be the responsibility of the driver, if they are an independent contractor of the Grantee, or the responsibility of the Grantee, if the driver is an employee receiving social benefits.

Per the Federal Code of Regulations, the Grantee's certification program must include information regarding the controlled substance and alcohol use policy and

procedures as well as educational materials made available to all drivers and other pertinent staff. Grantee or its authorized agency, must advise drivers of the resources available to them to resolve problems associated with misuse of alcohol and controlled substances. Materials for education and company policies must be made available to all current and potential drivers and a signed statement of their receipt shall be in every permitted driver's file as retained by the Grantee.

Grantee shall train supervisory personnel per federal guidelines in order to determine whether reasonable suspicion exists to require a driver to undergo additional testing. Grantee shall use custody and control forms similar to that used under the federal testing guidelines. Any changes in the federal program guidelines or other state mandates will be considered by the Board for modification to the Grantee's program.

- (g) Grantee shall comply with all applicable state and federal rules, regulations and statutes concerning mandated social benefits programs for employees. It shall be the sole responsibility of the Grantee to determine whether legislation concerning these social benefits is applicable to Grantee's operations. In the event Grantee determines that it is not required to comply with City, state and federal rules, regulations and statutes concerning mandated social benefits programs for drivers, it shall submit for Board approval a proposed life, health and disability benefits program for its drivers which complies with the current guidelines established by the Board. Grantee shall implement such benefits program within 90 days of Board approval. The benefits program shall be made available to the Grantee's drivers at the driver's option and cost.

Sec. 4.5 OPERATIONS AND SERVICE - DISPATCH, COMMUNICATION AND SERVICE REPORTING

- (a) The Board may require the Grantee to establish an appropriate order-referral-interconnect-telephone loop with all other grantees servicing the same Service Area or Zone.
- (b) The Grantee shall have authorized usage of an FCC-assigned radio frequency(s) and shall maintain the capability of two way voice radio communication in working order in each taxicab operating within the City under the authorized frequency(s). Grantees operating within the same areas of the City must use separate frequencies within the same areas. Grantee shall notify the Department in writing of such frequency or frequencies to be used in all areas of the City including the Service Area or Zone covered by each.
- (c) Grantee shall provide and use a computer dispatch system capable of digital data communication. The dispatch system shall be capable of geographically identifying each service call by programmable sub-zone and by Service Zone as defined in Sec. 2.3 (e) of this ordinance. Grantee shall record and store service data using computer dispatch time stamping for each telephonic or equivalent call received and include time call was received, time of order reservation, time of order acceptance by driver, time of arrival at service location, time of meter activation, time of meter

deactivation, and length of trip in miles.

Grantee shall provide total (100%) telephonic or equivalent service order data to the Department monthly, within the first week of the following month in which data was collected, in a transfer and data format as prescribed by the Department. This requirement shall not preclude Department personnel from reviewing Grantee dispatch records via a modem or equivalent connection and browsing or retrieving information.

Grantee shall also supply summary monthly data reports from (100%) telephonic or equivalent service calls as prescribed by the Board, and as may be changed from time to time by the Board, with minimum reporting requirements required at the beginning of the Franchise to include:

- (i) Service response data summaries by area, aggregated for all vehicles in City service, reported by:
 - (1) Total City;
 - (2) Individual Service Zones;
 - (3) Department specified sub-zone(s);

Each of the above three categories will include the total number of trips separated into response categories including response time up to 15 minutes, between 16 minutes and 30 minutes; between 31 minutes and 60 minutes, greater than 60 minutes, and no show or no load.

- (ii) Service response data by vehicle, aggregated for all vehicles in City service, reported by:
 - (1) Total City;
 - (2) Individual Service Zones;
 - (3) Department specified sub-zone(s);

Each of the above three categories will include the total number of trips completed.

- (iii) Service response by wheelchair accessible vehicle, aggregated for all wheelchair accessible vehicles in City service, reported by:
 - (1) Total City;
 - (2) Individual Service Zones;
 - (3) Department specified sub-zone(s);

Each of the above three categories will include the total number of trips separated into response categories including response time up to 15 minutes, between 16 minutes and 30 minutes; between 31 minutes and 60 minutes, greater than 60 minutes, and no show or no load.

- (iv) Service response by wheelchair accessible vehicles, for wheelchair accessible requested trips, aggregated for all wheelchair accessible vehicles in City

service, report by:

- (1) Total City;
- (2) Individual Service Zones;
- (3) Department specified sub-zone(s);

Each of the above three categories will include the total number of wheelchair accessible trips separated into response categories including response time up to 15 minutes, between 16 minutes and 30 minutes; between 31 minutes and 60 minutes, greater than 60 minutes, and no show or no load.

The Board may require that trips completed per requests from outside contracts or agreements be reported separately.

Response time shall be defined as the period of time from dispatch of the fare (when the trip is first offered or designated by dispatcher) to activation of the taximeter as denoted in the dispatch record. Arrival time may be used in lieu of taximeter activation if the taxicab is equipped with an automatic vehicle location system that can identify and verify in the dispatch record that the vehicle was within one-quarter (1/4) mile of the arrival target, or as otherwise defined, established and authorized by the Board.

Grantee shall have six months from the effective date of the Franchise to establish computer dispatch including communication with each vehicle's digital mobile data system and reporting to the Department, unless an extension of time is authorized by the Board.

- (d) Grantee shall provide a computerized method or phone company switching program to obtain information pertaining to telephonic order response. The system shall be capable of identifying and storing information pertaining to each call received including the length of time required to answer call and the length of time each call was placed on hold, if at all.

Grantee shall provide total (100%) telephonic service order response data to the Department monthly, within the first week of the following month in which data was collected, in a transfer and data format as prescribed by the Department.

Grantee shall also supply summary monthly data reports aggregated from total (100%) telephonic service phone response, as prescribed by the Board, with minimum reporting requirements required at the beginning of the Franchise to include:

- 1) Total (100%) number of telephonic or equivalent service calls received;
- 2) Total number of telephonic or equivalent service calls answered in more than 45 seconds;
- 3) Total number of telephonic or equivalent service calls placed on hold longer than two minutes during any period of the reservation process.

- (e) Grantee shall provide summary statistical operating data to the Department monthly in written form, included with the franchise fee payment, pertaining to all taxicabs and types of service requests provided within the City. Summary data shall include at minimum the total number of all trips provided, total miles driven, total paid miles driven, total gross revenue received, total shifts assigned, and total number of telephonic or equivalent service orders received. The Board may direct the Grantee to supply additional information.

Sec 4.6 SHARED-RIDE TAXI SERVICE

The City Council may authorize a shared-ride taxi service as an additional type of taxicab service under this Franchise including the initial number of vehicle authorities to be allowed. Operating provisions for vehicle definition and rates to be charged shall be specified by ordinance as approved by the City Council.

The Board by resolution shall specify the operation and service standards for the shared-ride taxi service including rules and regulations for Grantee, drivers, members and vehicles, driver permitting, training and testing requirements, vehicle permitting, maintenance, inspection and insurance requirements, and dispatch and vehicle technology standards. The Board shall also prescribe conditions for the inclusion, abandonment and reporting conditions of such service, under the authority of this Franchise, by either resolution or separate contract agreement with Grantee. Abandonment may be requested by the Board or the Grantee as specified by the Board in such resolution or contract agreement. A discontinuation of shared-ride taxi service by Grantee shall not affect its overall performance review and evaluation for normal taxicab activities and service as dictated and described elsewhere in this ordinance.

Vehicles used in the shared ride taxi service shall be authorized exclusively for the Grantee. The total number of vehicles may be increased or decreased by the Board only after such action has been justified pursuant to Public Convenience and Necessity standards and provisions of the Los Angeles Municipal Code, Board Orders and Franchise terms and conditions.

Grantee may request participation in the service as prescribed by the Board and City Council. The Board is not obligated to extend this program to Grantee as part of this Franchise and may request a new Franchise or permitting procedure for this service, or any combination thereof.

Sec. 4.7 PUBLIC LIABILITY INSURANCE

- (a) In accordance with the requirements of Los Angeles Municipal Code (LAMC) Section 71.14, Grantee shall procure and at all times maintain a policy of insurance or program of self-insurance covering all vehicles operating under authority of this Franchise. Any vehicle operating without such coverage shall be considered under suspension, regardless of whether the City is aware of the lack of coverage.

- (b) Grantee shall also obtain comprehensive general liability insurance, to include contractual liability, in such amounts as the Board, with the concurrence of the City Risk Manager, may from time to time require, to insure against any claims arising out of the activities of the Grantee, its employees, its Members, and its drivers.
- (c) Grantee shall file evidence of insurance or program of self-insurance with the Department, in such form as the Department requires, for approval by the City Attorney and concurrence by the City Risk Manager prior to the commencement of operation under this Franchise. Grantee shall maintain such evidence on file with the Department throughout the life of this Franchise.
- (d) Grantee's failure to procure and maintain required insurance or to establish and adhere to a program of self-insurance shall constitute a material breach of contract under which the City may immediately terminate this Franchise. Suspension and other monetary penalties may also be assessed.
- (e) Grantee shall submit to the Department, in a form approved by the Board, a quarterly summary of all taxicab accidents including date of accident, driver name and identifying information, and vehicle number.

Sec. 4.8 AFFIRMATIVE ACTION POLICY

Grantee shall not discriminate in its membership or employment practices against any Member or employee or applicant for employment or membership because of race, creed, color, ancestry, national origin, religion, sex, age, sexual preference, marital status, medical condition (cancer), Acquired Immune Deficiency Syndrome (AIDS)- acquired or perceived, or disability, while engaged in any activity covered by this Franchise. Grantee agrees to adhere to the provisions of Ordinance No. 147,030 and any additional conditions that may be prescribed by the Board.

Section 5.0 INDEMNIFICATION, COMPENSATION AND GUARANTEE TO CITY

Sec. 5.1 INDEMNIFICATION

Except for the active negligence or willful misconduct of the City, Grantee undertakes and agrees to defend, indemnify and hold harmless the City and any and all of the City's Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to the following: attorneys' fees and cost of litigation; damage or liability of any nature whatsoever; death or injury to any person, including Grantee's Members, employees and agents; or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of, or incident to, the performance of this Franchise on the part of Grantee or sub-contractor of any tier.

Sec. 5.2 PAYMENTS TO CITY

- (a) By its acceptance of this Franchise the Grantee agrees to pay to the City the total monthly fee and any interest or late penalties specified in LAMC 71.05(b) for each authorized taxicab listed for the Grantee on City records for any portion of the previous month.
- (b) On or about the first of each month the Department shall bill the Grantee for the total monthly fee due for the previous month, based on Department records and in accordance with the provisions of Section 71.05(b) of the LAMC.
- (c) The payment made to the City pursuant to this Section for any period shall be in lieu of any license fee or business tax now or hereafter prescribed by the City Municipal Code for taxicabs operated pursuant to this Franchise during said period and for any lease fees the Grantee receives from its drivers.
- (d) The use of the service tests specified in LAMC 71.05 and their results to determine Franchise payment shall not in any way preclude the Board's use of those results, or the results of any other test, investigation or study, to determine Board actions regarding its power to regulate rates and services.

Sec. 5.3 FAITHFUL PERFORMANCE BOND

- (a) Within 30 days after the approval of this Franchise by the City Council and the Mayor, the Grantee shall file with the Department an acceptable corporate surety bond in duplicate, effective for the entire term of the Franchise, running to the City in the penal sum of \$ 86,080, conditioned that the Grantee shall well and truly observe, fulfill, and perform each and every term and condition of this Franchise and that:
 - (i) If the Grantee shall fail to observe, fulfill and perform any term or condition fixed or prescribed by or pursuant to Section 5.1 or 5.2 of this Franchise, then any damage to the City caused by such failure shall be recoverable jointly and severally from the principal and surety named in such bond; and
 - (ii) If the Grantee shall fail to observe, fulfill and perform any term or condition fixed or prescribed by, or pursuant to, any section of this Franchise, then the whole amount of the penal sum named in such bond shall be taken and deemed to be receivable jointly and severally from the principal and surety named in such bond.
- (b) If at any time during the term of this Franchise the condition of the corporate surety shall change in such manner as to render the bond unsatisfactory to the City, the Grantee shall forthwith replace such bond with a bond of like amount and similarly conditioned, issued by a corporate surety satisfactory to the City.

- (c) In the event the Grantee's obligations under this Franchise shall so warrant, the Board may from time to time authorize or require appropriate adjustments in the amount of the bond. The Department may accept cash in lieu of a bond or a Certificate of Deposit provided that it is submitted in accordance with an agreement containing all the requirements of the aforementioned bond in a format acceptable to the City.

Sec. 5.4 INSPECTION OF PROPERTY AND RECORDS

- (a) At all reasonable times, the Grantee and its driver/manager Members shall permit any duly authorized officer or employee in the classified service of the City to examine all property of the Grantee and driver/manager Member, whether such property be situated within or outside the City, and to examine and transcribe any and all books, accounts, papers, maps, and other records kept or maintained by the Grantee or driver/manager Members under their control which treat of the operations, affairs, transactions, property or financial condition of the Grantee, including those which treat of the operations and property of the Grantee outside the City. If any of the books, accounts, papers, maps, or other records referred to in this Section are kept outside the City and if the Department shall determine that an examination thereof is necessary or appropriate to the performance of any of its duties, then all travel and maintenance expense necessarily incurred in making such examination shall be paid by the Grantee.
- (b) The Grantee shall prepare and furnish to the Department, at the times and in the form prescribed by the Department, such data with respect to Grantee's operations, affairs, transactions, property or financial condition as may be reasonably necessary or appropriate to the performance of any of the Department's duties.

Requested data may include but shall not be limited to: membership and lease driver records, waybills, maintenance records, financial statements, insurance, fleet schedules, dispatch records, vehicle records, affirmative action records, and employment records. In addition, a copy of every application, petition or schedule concerning rates and service within the City filed by the Grantee with any local or State of California agency, and all amendments thereof, shall be filed with the Department within one day thereafter.

- (c) Failure to comply with a Board or Department request for any information shall result in temporary suspension of all permit processing activities by the Department for the offending Grantee.

Sec. 5.5 MONETARY PENALTIES FOR VIOLATIONS OF FRANCHISE ORDINANCE TERMS AND CONDITIONS - VIOLATIONS AND SCHEDULE

As described in Sec. 2.2 (e) of this ordinance, the Board may levy a monetary penalty on Grantee for failure to abide by the terms and conditions of this Franchise ordinance, as an alternative to, or in addition to, suspending all or part of the Franchise privilege or placing Grantee on probationary status. Any of the following activities shall constitute a Grantee

violation of the terms and conditions of the Franchise Ordinance and may subject Grantee to a monetary penalty. The Board's monetary assessment for a second, third and subsequent offense, as noted in the schedule herein, shall only be applied to the same offense.

1. Failure to submit to the Department or Board any requested or required information as specified in this ordinance, Board Order or Board or Department directive.
2. Fraudulent reporting to the Department or Board of any requested or required information, including any tampering of files, data, or reports necessary to provide the required information.
3. Operation of unlicensed or unauthorized vehicles as taxicabs in the City. This includes, but is not limited to, the operation of previously approved taxicabs with suspended, canceled or revoked vehicle permits and the use of vehicles licensed as taxicabs in other jurisdictions.
4. Conducting any illegal or unauthorized type of public transportation operation.
5. Unauthorized sale, lease, assignment, or other disposition of the Franchise for which consent of the City is required.
6. Falsification of or failure to inform or request membership/share ownership changes.
7. Operation of a taxicab without approved insurance on file with the Department and the City.
8. Failure to submit required taxicab insurance documentation to the Department in a timely manner as specified by the Department or Board.
9. Failure to conduct minimum weekly taxicab vehicle inspections.
10. Failure to provide taxicab preventive maintenance service.
11. Failure to provide drivers, members or personnel with training as specified in this ordinance or as detailed in the Grantee's management/business plan.
12. Failure to enroll drivers in a controlled substance and alcohol testing certification program.
13. Failure to adhere to the policies and procedures specified in the Grantee's management/business plan as approved by the Board.
14. Failure to provide access to property and records.

The Board may levy the following schedule of monetary penalties for these violations against the Grantee:

1. Up to \$10,000 for the first offense.
2. Up to \$25,000 for the second offense within a 12-month period.
3. Up to a maximum of \$50,000 for third and subsequent offenses within subsequent 12-month periods.

Only single penalty assessments that exceed \$30,000 are subject to appeal to the City Council and shall be stated in writing to the City Council within 30 days of Board assessment. Payment of a monetary penalty or the serving of a suspension shall constitute a waiver of the right to further appeal of any monetary penalty or suspension to the Superior Court.

Judicial review process, payment due date, late payment penalty and interest charges shall be as stated in the Los Angeles Municipal Code, Sec. 71.02.2, as amended.

Section 6.0 REQUIREMENTS OF A MEMBERSHIP ORGANIZATION

Sec. 6.1 ORGANIZATIONAL STRUCTURE

The Grantee shall be composed of the following:

- (a) A maximum of 269 Members who shall be either Driver/Managers or Investor/Shareholders in Grantee. Such maximum shall be set until modified by the Board concurrently with an action pursuant to Section 4.1(a) herein. In addition, the Board may establish a minimum number of Investor/Shareholders in order to assure a reasonable size taxicab pool and/or a minimum number of Driver/Managers in order to maintain a "hands-on" working environment within the Grantee.
- (b) A Board of Directors and officers whose identity, election and term shall be specified in the management/business plan. The election of officers and a Board of Directors shall be completed and supplied to the Department within 90 days of the effective date of the Franchise.
- (c) The Grantee shall establish bylaws which shall include provisions for a taxicab pool and two classes of membership, Driver/Manager Members and Investor/Shareholder Members, and the bylaws shall be subject to Department and Board review and approval.

Sec. 6.2 MEMBERSHIP RESTRICTIONS

The following restrictions shall be placed on membership in Grantee:

- (a) The number of Members and shares shall each be limited to the number of taxicabs authorized for Grantee. Joint Memberships are prohibited.
- (b) Members shall be limited to owning a maximum of five percent of the total taxicabs and shares authorized for Grantee with the maximum figure determined by rounding the number of vehicles and shares equivalent to 5% of the fleet to the nearest whole number.
- (c) An Investor/Shareholder Member shall not manage or control any taxicab in Grantee. All taxicabs owned by an Investor/Shareholder shall be controlled and managed completely by Grantee as part of the taxicab pool, on the Member's behalf, pursuant to a contract approved by the Department, between the Member and Grantee. The Investor/Shareholder Member shall have no control over or perform any function for a taxicab under the control of Grantee other than being the registered owner of the taxicab.

- (d) A Driver/Manager Member may not control or manage more than three taxicabs in Grantee. All taxicabs owned by a Member in excess of three and any others that the Member does not control or manage shall be classified as Investor/Shareholder memberships and shall be controlled and managed completely by the Grantee as part of the taxicab pool, on the Member's behalf, pursuant to a contract approved by the Department, between the Member and Grantee. Grantee shall assure that all Driver/Manager Members comply with all Board rules and orders and this ordinance relating to the number of vehicles managed.
- (e) Members must qualify for a Taxicab Vehicle Permit under the current standards established by the Board.
- (f) If any Taxicab Vehicle Permit is revoked or canceled pursuant to the procedures of Sections 71.07 through 71.09 of the Los Angeles Municipal Code, a Member, if any, who was the cause of such revocation or cancellation will be subject to revocation or cancellation of his/her Driver Permit and will be precluded from operating a taxicab or exercising any other rights granted by such Driver Permit. Any Member whose Driver Permit is revoked or canceled must convert all Driver/Manager memberships into Investor/Shareholder memberships or transfer membership and any other taxicabs owned by the Member shall be operated, controlled and managed by Grantee on the Member's behalf, pursuant to a contract approved by the Department, between the Member and Grantee as part of the taxicab pool.

Sec 6.3 GENERAL MEMBERSHIP PROVISIONS

- (a) All vehicles in service at the beginning of this assignment will be permitted to operate under a general authorization, but individual Members must submit an application and fee for membership with the Department within the first three months of the Franchise. No vehicle associated with any new or replacement Member shall be operated under this Franchise unless the Board has received and approved an application for membership, including a non-refundable processing fee, and has granted a Taxicab Vehicle Permit for each specific vehicle under the Member's name.
- (b) Grantee shall assure that each Driver/Manager Member is aware of and complies with any requirement of the Board regarding the filing of an annual profit and loss statement. Grantee shall submit the required statistical information quarterly or as directed by the Board.
- (c) The Grantee shall require all Members to enter into a security agreement, subject to Department approval, as a condition of membership in Grantee. By such agreement, the Member grants to the Grantee a security interest in the Member's taxicab(s) which will ensure the Member's compliance with his/her obligations as a Member.
- (d) The Grantee shall establish a procedure for the approval, transfer, and sale of memberships and a procedure for the dismissal of Members. Grantee shall provide information to each Member pertaining to their role in the organization, the City and

the taxicab industry, basic record keeping and reporting requirements, the City's rules and regulations and any other Board mandated information.

- (e) All agreements, including any Security and/or Membership Agreements, and all contracts, including those under which the Co-operative operates vehicles on behalf of its Members, that affect the method by which taxicabs are operated or service is provided shall be subject to review and approval by the Department and the Board.
- (f) The Grantee shall obtain vehicle liability insurance for all vehicles in the fleet; contract with lease drivers for all vehicles in the taxicab pool; provide maintenance for all vehicles in the taxicab pool; provide a computer dispatch service; collect and maintain all records, including waybills, pertinent to its taxicab operations; collect vehicle lease fees for vehicles in the taxicab pool; notify driver/manager Members and drivers of violations and/or hearings; and make all vehicle and driver assignments for vehicles it controls on behalf of Members in the taxicab pool.

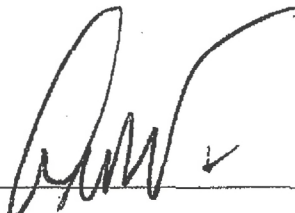
Sec. 7. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that the foregoing ordinance was introduced at the meeting of the Council of the City of Los Angeles NOV 17 2010, and was passed at its meeting of NOV 24 2010.

JUNE LAGMAY, City Clerk


By  Deputy

Approved NOV 29 2010

 Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By 
MICHAEL D. NAGLE
Assistant City Attorney

Date November 15, 2010

File No. 10-0996