

CHAPTER 5

TAXICAB BROKERS

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1/4/07

* [As reads in the Official Compilation of the Rules of the City of New York.]

§5-01 Definitions.

Applicant. An applicant is an individual, partnership or corporation seeking a license as a taxicab broker.

Broker, taxicab. A taxicab broker is an individual, partnership or corporation, who may hereinafter be referred to as “broker,” who, for another and whether or not acting for a fee, commission or other valuable consideration, acts as an agent or intermediary in negotiating the transfer of a taxicab license (medallion) or of stock of or in a corporation which holds a taxi license (medallion), and/or negotiating a loan secured or be secured by an encumbrance upon or transfer of a taxicab license (medallion), or licensed vehicle.

Commission. Commission means the New York City Taxi and Limousine Commission.

Mailing address of broker. Mailing address of broker means the address, maintained by the broker as his principal place of business, and designated by him for the mailing of all notices and correspondence from the Commission and for service of summonses. However, a broker may also designate a post office box number address as a mailing address.

Medallion. A medallion is a plate issued by the Commission as the physical evidence of a taxicab license, and affixed to the outside of such taxicab.

Net listing. Net listing means an agency or other agreement whereby a prospective vendor of a taxicab or an interest therein, lists such taxicab or interest therein for sale with a licensed taxicab broker authorizing the sale thereof at a specified net amount to be paid to the seller and authorizing the broker to retain as commission, compensation, or otherwise, the difference between the price at which the taxicab or interest therein is sold and the specified net amount to be received by the vendor.

Owner. Owner means an individual, partnership, limited liability company or corporation licensed by the Commission to own and operate a medallion taxicab or taxicabs.

Renewal applicant. Renewal applicant means a broker seeking a renewal of a valid taxicab broker's license.

Taxicab license. Taxicab license means the authority granted by the Commission to an owner to operate a designated vehicle as a taxicab in the City of New York evidenced by a medallion.

Transfer. A transfer is a conveyance of any interest in a taxicab license or stock in a corporation holding a taxicab license, from one party to another.

§5-02 General Provisions for the Licensing of Taxicab Brokers.

(a) (1) An individual, the members of a partnership, or the officers and shareholders of a corporation, applying for a taxicab broker's license must provide proof of identity to the Commission in the form of:

- (i) A valid form of photo identification issued by the United States, any state or territory thereof, or any political subdivision of such state or territory; and
- (ii) A valid, original social security card.

(2) An individual, the members of a partnership, or the officers and shareholders of a corporation applying for a taxicab broker's license or its renewal:

- (i) shall be at least twenty-one (21) years of age;
- (ii) shall be of good moral character;
- (iii) shall be able to speak, read, write and understand the English language; and
- (iv) shall have actively participated in the taxicab brokerage business under the supervision of a licensed taxicab broker for a period of not less than one (1) year, or shall have had the equivalent experience in the general taxicab business for period of at least two (2) years, the nature of which

participation or experience shall be established by affidavit duly sworn to under oath and/or other and further proof as required by the Commission. This requirement may be waived by the Commission in its discretion.

- (b) The applicant for a broker's license shall be in such form and detail as the Commission shall prescribe, and shall include the following:
 - (1) the place or places, with the street and number, where the business is to be conducted;
 - (2) the business or occupation theretofore engaged in by the applicant, or, if a partnership, by each member thereof, or, if a corporation, by each officer and shareholder thereof, for a period of two years immediately preceding the date of such application, setting forth the place or places where such business or occupation was engaged in and the name or names of employers, if any;
 - (3) if, in addition to services as a broker, the brokerage or any principal thereof will be acting as a lender, insurance broker or automobile dealer, or has a financial interest in such lender, insurance brokerage firm or automobile dealership, full information as to extent of such interest; and
 - (4) such further information as the Commission may require in order to determine if the applicant is qualified to assume the duties and obligations of a taxicab broker.

- (c) The applicant shall deposit with the Commission a bond, in the penal sum of fifty thousand (\$50,000) dollars, containing one or more sureties to be approved by the Commission. Such bond shall be payable to the City of New York and shall be conditioned that the license applicant or licensee will comply with the provisions of the Administrative Code and any rules or regulations of the Commission, and shall pay all fines imposed by the Commission and all judgments awarded for damages occasioned to any person by reason of any such licensee, his agents or employees, while acting within the scope of their employment, made, committed or omitted in the business conducted under such license, or caused by any other violation of

Title 19, Chapter 5 of the Administrative Code in carrying on the business for which such license is granted. The term judgment shall include but not be limited to an order of an Administrative Law Judge of the Commission directing restitution to an aggrieved party. The broker is immediately liable for satisfaction upon determination of the fine or award judgment, or, if timely appeal is taken, upon final determination of the appeal.

- (d) An individual, the members of a partnership, and officers and shareholders of a corporation, applying for a broker's license, shall be fingerprinted. Fingerprinting shall also be required of new officers and shareholders of such corporation. The Commission must be notified of any new officers or shareholders within five working days of their selection and continued use of the brokerage license may be permitted contingent upon completion of the background investigation. An individual, the members of a partnership and officers and shareholders of a corporation who provide funds for the brokers, shall be fingerprinted, unless such provider is a licensed bank or loan company. The requirements of this subdivision (d) may be waived by the Commission in its discretion.
- (e) An attorney, applying for a taxicab broker's license, who demonstrates that he is a member in good standing of the Bar of the State of New York, need not submit proof as herein required by subdivisions (a) and (d) hereof.
- (f) If the applicant is a partnership, it shall file with its license application a certificate from the clerk of the county where the principal place of business is located.
- (g) No corporate or trade name will be accepted by the Commission which is similar to a name already in use by another taxicab broker.
- (h) If the applicant is a corporation, it shall file with its license application a certified copy of its certificate of incorporation. A list of its officers and shareholders and a certified copy of the minutes of the meeting at which the current officers were elected shall also be furnished.
- (i) An applicant or renewal applicant shall not offer or give any gifts or gratuity to any employee(s), representative(s) or member(s) of the

- Commission, any public servant(s) or other person(s) either to a specified recipient or to a general group and whether or not the donor indicates an expectation of something in return in the course of occupation as a taxicab broker or applicant therefor, and shall immediately report to the Inspector General of the Commission any request or demand for any gift or gratuity by any employee(s), representative(s) or member(s) of the Commission, any public servant(s) or such other person(s).
- (j) If the Commission determines that the applicant has failed to meet the requirements for a taxicab broker's license it will within a reasonable time deny the license or its renewal and specify in writing to the applicant the reason for such denial.
 - (k) Any material falsification contained in an original or renewal application for a license, any failure to notify the Commission of any material change in the information contained therein or any attempt by an applicant or broker to conceal the identity of a party having an interest, direct or indirect, in his business of taxicab brokerage shall be cause for denial of such application or revocation or suspension of such license, in addition to any other sanctions imposed by the Commission.
 - (l) Taxicab broker's licenses shall be issued as of January first and shall expire on December thirty-first next succeeding, unless sooner suspended or revoked by the Commission.
 - (m) If at any time during the term of the taxicab broker's license the Commission becomes aware of information that the broker no longer meets the requirements for a taxicab broker's license, the Commission may deny his renewal application, or suspend or revoke his license in the manner provided in the Procedures in the Event of a Violation of Commission Rules (§5-08).
 - (n) A taxicab broker's license issued to an individual may be used after the death of such licensee by his duly appointed administrator or executor in the name of the estate pursuant to authorization granted by the surrogate under the provisions of section two hundred fifteen-a of the surrogate's court act for a period of not more than one hundred twenty days from the date of death of such licensee in order to

complete any unfinished taxicab transactions in the process of negotiation by the broker existing prior to his decease. The period of one hundred twenty (120) days may be extended upon application to the Commission, for good cause shown.

§5-03 Taxicab Broker's License.

- (a) An individual, partnership, or corporation shall not engage in the business or occupation of, or hold himself out or act temporarily as a taxicab broker in the City of New York unless currently licensed by the Commission.
- (b) A broker shall conspicuously display a license or copy thereof at all times in every place of business maintained by such broker.
- (c) A broker shall not display a taxicab broker's license which is expired, suspended, or revoked, but shall surrender same to the Commission immediately.
- (d) A broker shall submit an application for renewal of the license no later than the expiration date of the license unless the time to do so is extended by the Commission.

§5-04 Office Procedure.

- (a) A broker shall report to the Commission at its main administrative office, Legal Affairs, in person or by registered or certified mail return receipt requested, a change in his mailing address and in the address of any other office where his taxicab brokerage business is conducted, within seventy-two (72) hours, exclusive of weekends and holidays.
- (b) A broker
 - (1) shall not request nor permit a party to sign a Power of Attorney or any other instrument in blank nor accept any such instrument signed in blank;

- (2) if the broker shall request any instrument or document to be signed by any interested party and returned to said broker, the broker shall provide said interested party with a duplicate copy of the instrument for the party's own records. If any interested party attends a closing, at which time the interested party is presented with an instrument or other document for signature, the broker shall furnish such interested party with a photocopy of the signed instrument at the closing;
 - (3) upon completion of a closing, or other transaction, the broker shall, within ten (10) business days of such completion, deliver to the interested party copies of all other documents prepared by the broker or under the broker's supervision on behalf of such party;
 - (4) the broker shall request the party receiving such papers to acknowledge, in writing, receipt of same.
- (c) A broker shall keep and maintain for a period of three (3) years the following records:
- (1) the names and addresses of transferor(s), transferee(s), mortgagee(s), or other lien holder(s) if any;
 - (2) the purchase price;
 - (3) amount of deposit paid on contract;
 - (4) amount of commission paid to broker;
 - (5) expenses of procuring the mortgage loan, if any;
 - (6) closing statements; and
 - (7) listing placed with the broker.
- (d)

- (1) A broker shall cooperate with all law enforcement personnel and authorized representatives of the Commission, and shall comply with all their reasonable requests.
- (2) A broker shall answer and/or comply with all questions, communications, directives within seventy-two (72) hours of receipt from the Commission or its representatives. An emergency communication shall be answered immediately.
- (3) A broker shall answer all summonses from the Commission on the scheduled date as same may be adjourned.
- (4) A broker shall, upon demand, furnish the Commission or its representatives for inspection all records and documents listed in §5-04(c).

§5-05 Relationship to Parties of a Taxicab Transaction.

- (a)
 - (1) A broker shall not offer a taxicab for transfer unless he is authorized to do so by the owner.
 - (2) An owner may withdraw his authorization by giving written notice of such withdrawal to the broker except where an exclusive has been given for a fixed period.
- (b) In all agreements obtained by a broker which provide for an exclusive listing of a taxicab, the broker shall have attached to the listing or printed in boldface type on the listing or printed on the reverse side of the listing and signed or initialed by the owner the following explanation in type size of not less than six point;

An “exclusive right to sell” listing, where the owner has surrendered to a specific broker the owners right to sell, means that if you, the owner of the taxicab medallion, find a buyer for your taxicab, or if another broker finds a buyer, you must pay the agreed commission to the present broker.

- (c) A broker shall not be a party to an exclusive listing contract which shall contain an automatic continuation of the period of such listing beyond the fixed termination date set forth therein.
- (d) A broker shall not induce any party to a contract for the transfer of a taxicab medallion to break such contract for the purpose of substituting in lieu thereof a new contract with another principal.
- (e) A broker shall disclose the fact that in writing to his principals if, in addition to his services as a broker for their medallion transaction, he is acting also as a lender, insurance broker, automobile dealer or in any such other capacity, or has a financial or other interest in such lender, insurance brokerage firm or automobile dealership.
- (f) A broker shall not make or enter into a net listing contract for the transfer of a medallion or any interest therein unless it is part of a bulk transfer of ten (10) or more medallions owned by a fleet or minifleet and is completed within no more than six (6) months of the listing.
- (g) A broker shall not accept any commission, rebate or profit on expenditures made by such broker for his principal without the latter's full knowledge and written consent which said consent shall be retained by the broker for a period of three years.

§5-06 Standard of Conduct.

- (a) A broker shall not directly or indirectly buy for himself any interest in a medallion listed with him without first disclosing such fact to the owner in writing.
- (b) A broker shall not sell a medallion in which he owns an interest, unless he makes known to the vendee such interest in writing.
- (c)
 - (1) A broker with whom a medallion and rate card have been left for purposes of sale shall deliver said medallion and rate card to the Commission for placement into storage within 48 hours of receipt of same, exclusive of holidays or weekends.

- (2) A broker shall not operate or cause to be operated any medallion delivered to him without the owner's knowledge and express written and duly acknowledged consent.
- (d)
- (1) A broker, to whom money has been advanced on a contract by a transferee shall not pay over any part of such funds to the transferor or any other person without the written approval of the transferee.
 - (2) The broker shall not commingle such funds with his own, but shall deposit same promptly in a separate, Federally insured, special account.
 - (3) The broker, upon making such deposit, shall notify in writing the person who advanced the money, giving the name and address of the bank in which the money was deposited and the amount of such deposit.
 - (4) The broker shall not retain or benefit from accrued interest, if any, from such account, unless authorized, in writing by his principal.
- (e)
- (1) Any advertisement placed by a broker shall indicate that the advertiser is a licensed broker.
 - (2) A broker shall not use deceptive or misleading advertising.
- (f) A broker, while performing his duties and responsibilities as a taxicab broker, shall not commit or attempt to commit, alone or in concert with another, any act of fraud, material misrepresentation, dishonesty or larceny or perform any willful act of omission or commission which is against the best interests of the public.
- (g) A broker, who arranges a loan for his principal shall give such principal a copy of the lender's commitment and of all other documents provided to the broker by the lender.

- (h) A broker shall advise the parties to a sale, in writing, of their right to be represented by an attorney of their own choosing and/or an accountant with respect to such medallion transfer.

- (i)
 - (1) A broker within ten (10) business days after the completion of a closing (including the financial closing) shall provide his principal(s) and the Commission with a written closing statement setting forth the following:
 - (i) Names and addresses of seller(s) and purchaser(s).
 - (ii) Medallion(s) being sold.
 - (iii) Sales price.
 - (iv) Vehicle cost (if any).
 - (v) Amount of personal funds furnished by purchaser.
 - (vi) Names and addresses of lenders together with amount(s) of loan(s).
 - (vii) Broker's commission.
 - (viii) Itemization and explanation of all disbursements or payments made on behalf of such party.

 - (2) A broker shall, within ten (10) business days after completion of the financial closing, remit all monies due his principal(s).

§5-07 Responsibility to the Commission.

- (a) A broker, his representative(s) and/or employee(s), shall not offer or give any gift or gratuity to any employee(s), representative(s) or member(s) of the Commission, or any public servant(s), either to a

specified party or to a general group of persons and whether or not there is an expectation of something in return.

- (b) A broker shall immediately report to the Commission or to the New York City Department of Investigation any request or demand for a gift or gratuity by any employee(s), representative(s) or member(s) of the Commission, or any public servant(s).
- (c) A broker, including a member of a partnership or any officer or shareholder of a corporation or representative and/or employee thereof, shall immediately notify the Commission of his conviction of a crime. Such notification shall be in writing and must be accompanied by a certified copy of the certificate of disposition issued by the Clerk of the Court.
- (d) A broker, his representative and/or employee shall not threaten, harass or abuse any governmental or Commission representative, public servant or other person, in the course of his occupation as a taxicab broker or representative and/or employee of a broker.
- (e) A broker, his representative and/or employee shall not use or attempt to use any physical force against a Commission representative, public servant or other person in the course of his occupation as a taxicab broker, or representative and/or employee of a broker.
- (f) A broker without the consent of the Commission, shall not employ or use the services of any individual whose license as a taxicab broker has been revoked or is suspended or who was the chief executive officer of a partnership or corporation whose license has been revoked or is suspended.
- (g) No broker or attorney in the capacity of a broker, without the prior written consent of the Commission, shall act on behalf of any broker who has not been licensed by the Commission or whose license has been suspended or revoked.

§5-08 Procedures in the Event of a Violation of Commission Rules. [Repealed]

§5-09 Penalties for Violation of Rules Governing Taxicab Brokers.

Rule	Number	Penalty	Personal Appearance Required
		All fines listed below also include a separate license suspension, to run concurrent with any underlying suspension, until such fine is paid, unless such fine is paid by the close of business on the day assessed.	
§5-03	(a)	\$500-1500	Yes
	(b)	\$100	No
	(c)	\$500-1500	Yes
	(d)	\$25	No
§5-04	(a)	\$50-500 and/or suspension	Yes
	(b)(1)-(4)	\$400-2000 and/or suspension	Yes
	(c)(1)-(7)	\$250-1000	No
	(d)(1)	\$500-1500 and/or suspension	Yes
	(d)(2)	\$250-750 and/or suspension	No
§5-05	(d)(3)	\$250-750 and/or suspension	No
	(d)(4)	\$500-1500 and/or suspension	Yes
	(a)	\$500-1000	Yes
	(b)	\$100-500	Yes
	(c)	\$100-750	No
	(d)	\$100-750	Yes
	(e)	\$250-2000	Yes
§5-06	(f)	\$100-1000	Yes
	(g)	\$250-2000	Yes
	(a)	\$500-2000	Yes
	(b)	\$250-750	Yes
	(c)	\$250-1000	Yes
	(d)	\$1000-2500 (1), (2) \$100-500 (3), (4)	Yes
	(e)(1)	\$100-750	Yes
	(e)(2)	\$500-2000	No
	(f)	\$100-2500 and/or suspension or revocation	Yes
	(g)	\$400-2000 and/or suspension	Yes
(h)	\$500-1000	Yes	
(i)(1)	\$500-2000	Yes	
(i)(2)	\$1000-2500 and/or suspension or revocation	Yes	

Rule	Number	Penalty	Personal Appearance Required
		All fines listed below also include a separate license suspension, to run concurrent with any underlying suspension, until such fine is paid, unless such fine is paid by the close of business on the day assessed.	
§5-07	(a)	\$2000 and/or suspension or revocation	Yes
	(b)	\$500-1000 and/or suspension or revocation	Yes
	(c)	\$500-1000	Yes
	(d)	\$1000-2500	Yes
	(e)	\$2000-5000 and/or suspension or revocation	Yes
	(f)	\$2500 and suspension	Yes
	(g)	\$2500 and suspension	Yes

Violation of any of these rules may also lead to revocation or suspension of a taxicab broker's license.

Any discretionary suspension would be for a minimum of fifteen days.