

Chapter 62

TAXICAB BROKERS

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Updated July 31, 2020

§62-01 Scope of this Chapter

- (a) To establish procedures for the licensing and supervision of an individual or Business Entity acting as a Taxicab Broker.
- (b) To establish the qualifications, requirements, prohibitions, and procedures for getting and maintaining a Taxicab Broker's License.
- (c) To establish operating rules to protect the customers and the public.
- (d) To establish appropriate penalties for the violation of these Rules.

§62-02 Penalties

- (a) *Unlicensed Activity.*
 - (1) Unlicensed Activity is the act of providing or advertising the provision of any Commission-regulated service or business by:
 - (i) Any Licensee whose License is suspended, revoked, or expired and not yet renewed, or
 - (ii) Any person who does not hold a Valid License from the Commission for the service or business.
 - (2) Unlicensed Activity specifically includes the activities listed in §19-528 of the Administrative Code and can subject the violator to padlocking and other penalties.
- (b) *Specific Penalties.* If there are specific penalties for violating a Rule, they are shown at the end of the Rule. The penalty section also states whether the violator must attend the Hearing.
- (c) *Payment of Fines.*
 - (1) Fines are due within 30 days of the day the Respondent is found guilty of the violation, unless:
 - (i) the Respondent files an appeal of the decision issued by the Taxi and Limousine Tribunal within the time required by Chapter 5 of Title 48 of the Rules of the City of New York, in which case the payment of the fines will be deferred until 30 days after the date of the appeal decision.

- (2) If the fine is not paid by the close of business on the date due, the Commission will notify the Respondent in writing that the Respondent's License will be suspended in 10 business days of the date of the notification until the fine is paid, unless the Respondent demonstrates to the Commission, in person or in writing, that the fine has been paid.

§62-03 Definitions Specific to this Chapter

- (a) *Administrator* means the duly appointed administrator, executor, executrix or personal representative of an estate.
- (b) *Applicant* in this Chapter means an Applicant for an original or renewal License as a Taxicab Broker
- (c) *Broker or Taxicab Broker* is an individual or Business Entity licensed by the Commission to act as an agent for another person or Business Entity in negotiating any of the following:
 - (1) The transfer of any interest in a Medallion
 - (2) A loan to be secured by a Medallion or a Taxicab, including any refinancing, extension or modification of any such loan
- (d) *Brokerage* is the term for the business of being a Broker.
- (e) *De-licensed* means an individual or Business Entity whose License is suspended or revoked.
- (f) *Exclusive Listing* means that the Broker has been given the right to be the only Broker for a particular transaction. Usually the right will be limited to a specific period of time.
- (g) *License* in this Chapter means a License to be a Taxicab Broker.
- (h) *Related Party or Parties* means a spouse, domestic partner, child, grandchild, parent, sibling, or grandparent; a parent, child or sibling of a spouse or domestic partner; and a spouse, or domestic partner of a parent, child or sibling of any natural person who is a Broker, or, if a Broker is a Business Entity, of any natural person who is a partner, member, shareholder and/or officer of a Broker.

§62-04 Licensing – General Information Required

- (a) *Identification.* An Applicant for an original License must provide the following:
 - (1) A Valid government-issued photo ID

- (2) A Valid Social Security number
- (b) *Proof of Age.* An individual Applicant and each Business Entity Person of an Applicant must be at least twenty-one (21) years of age.
- (c) *Fit to Hold a License.* An individual Applicant and each Business Entity Person of an Applicant must demonstrate that they are Fit To Hold a License. Fit to Hold a License will be determined in part through fingerprinting and background investigations, as follows:
 - (1) Fingerprinting Applicants. An individual and all Business Entity Persons applying for a Broker's license must be fingerprinted.
 - (2) Fingerprinting New Business Entity Persons. Fingerprinting is also required when a Business Entity Licensee adds new Business Entity Persons. A Business Entity Licensee must notify the Commission of any new Business Entity Persons within five working days of their addition. The Commission can permit continued use of the Broker's License during completion of the background investigation.
 - (3) Fingerprinting Financiers. An individual or the Business Entity Person who provides funds for Brokers must be fingerprinted unless the provider is a licensed bank or loan company.
 - (4) Waiver of Fingerprinting. The Commission can waive fingerprinting requirements at its discretion.
- (d) *Proficiency in the English Language.* An individual Applicant and at least one Business Entity Person of a Business Entity Applicant must be able to understand, speak, read and write the English language.
- (e) *Experience.* An individual Applicant and at least one Business Entity Person of a Business Entity Applicant must have at least one of the following types of experience:
 - (1) Active participation in the Taxicab Brokerage business under the supervision of a licensed Taxicab Broker for not less than one (1) year
 - (2) Equivalent experience in the general Taxicab business for a period of at least two (2) years

The Applicant must provide a sworn affidavit regarding the required experience. The Commission may allow or require the Applicant to provide other proof of the required experience, or waive the requirement entirely.

- (f) *Waivers for Attorneys.* An attorney who is a member in good standing of the Bar of the State of New York, does not need to submit proof as otherwise required in §62-04.

- (g) *Payment of Fines and Fees.*
 - (1) An Applicant, including an applicant for a renewal License, must pay, and provide proof of payment of, any outstanding fines or fees owed by the Applicant to
 - (i) the Commission,
 - (ii) NYC Department of Finance’s Parking Violations Bureau,
 - (iii) NYC Department of Finance’s Red Light Camera Unit,
 - (iv) NYS DMV’s Traffic Violations Bureau and
 - (v) any of their successor agencies.

 - (2) This requirement includes payment of fines and fees owed as of the date of the application by
 - (i) any Business Entity Persons of the Applicant
 - (ii) any Business Entity of which the Applicant is a Business Entity Person, and
 - (iii) any Business Entity of which a Business Entity Person of Applicant is also a Business Entity Person.

- (h) *Business Entities.* An Applicant which is a Business Entity must provide the following documents:
 - (1) *Partnerships.* If the Applicant is a partnership, it must file with its application a certified copy of the partnership certificate from the clerk of the county where the partnership’s principal place of business is located.

 - (2) *Corporations.* If the Applicant is a corporation, it must file with its application:
 - (i) A certified copy of its certificate of incorporation

 - (ii) A list of officers and shareholders

(iii) A certified copy of the minutes of the meeting at which the current officers were elected.

(3) *Limited Liability Companies (LLCs)* If the Applicant is a limited liability company, it must file with its application:

(i) A copy of its articles of organization

(ii) A copy of its operating agreement

(iii) A list of the members, with the percentages of the Applicant owned by each.

(i) *Address.* An Applicant must give the Commission the Applicant's current Mailing Address and Email Address.

§62-05 Licensing – Specific Information Required

(a) *Location of Business Premises.* The Applicant must provide the physical address of the location where the Applicant will conduct business.

(b) *Prior Business or Occupation of Applicant.* The Applicant must provide information on the prior business or occupation of the individual Applicant or, if a Business Entity, information on the Applicant's Business Entity Persons during the two years immediately before the date of the application. The information must specify the place or places of the business or occupation and the name or names of employers.

(c) *Potential Conflicts of Interest.*

(1) The Applicant must disclose all information about Applicant's interest if the Applicant or any principal of the Applicant or any Related Party of Applicant also:

(i) Acts as a lender, insurance broker, or automobile dealer;

(ii) Has a financial interest in a lender, insurance broker, or automobile dealership; or

(iii) Has a financial interest in any business primarily serving applicants or holders of TLC-issued taxicab licenses or offering products or services targeted to applicants or holders of TLC-issued taxicab licenses or which specifically advertises to applicants or holders of TLC-issued taxicab licenses

- (2) Such disclosure must be made at the time of submission of an Application for a new or renewal Broker license in the form and manner prescribed by the Commission.
- (3) The disclosure on file with the Commission must be updated within 30 days of any material change in the terms of the disclosure.

§62-05(c)(3)	Fine: \$2,500–\$10,000 and/or suspension or revocation	Appearance REQUIRED
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- (4) The TLC may post such disclosures on its web site or otherwise make them publicly available.
 - (5) The Applicant must disclose the names of its employees at the time of application.
- (d) *Additional Information as Required by the Commission.* The Applicant must provide any additional information the Commission may require to determine if the Applicant is qualified to assume the duties and obligations of a Taxicab Broker.

§62-06 Licensing-Fees

- (a) *Annual Fee.* The fee for a Broker’s License will be five hundred dollars (\$500) annually.
- (b) *When Fee is Paid.* The fee for an original or renewal License must be paid at the time the application is filed.
- (c) *No Refund if Application Denied.* The Commission will not refund fees if it denies or disapproves the application.
- (d) *License Replacement Fee.* The fee to replace any lost, damaged or destroyed License is \$25.

§62-07 Licensing – Bond Required

- (a) *Amount of Bond.* An Applicant for a Broker’s License or a license renewal must deposit with the Commission a bond in the sum of fifty thousand dollars (\$50,000) payable to the City of New York. The bond must be furnished by one or more sureties approved by the Commission.
- (b) *Bond Guarantees.* The bond must guarantee that the Applicant or Licensee will comply with the provisions of the Administrative Code of the City of New York, observe all applicable rules or regulations of the Commission, pay all fines imposed by the Commission, and pay all judgments or settlements arising from any action connected in any way with the Broker’s License.

- (c) *Fines and Judgments.* The Broker is immediately liable for any fine or judgment when the amount becomes due, including in case of an appeal, when the final determination is issued.

§62-08 Licensing – Rules for Business Entity Applicants

- (a) *Partnerships.* If the Applicant is a partnership, its application must include a certificate from the clerk of the county where the principal place of business is located.
- (b) *Corporations.*
 - (1) The Commission will not accept any corporate or trade name similar to a name already in use by another Taxicab Broker.
 - (2) A corporation must file with its license application the following:
 - (i) A certified copy of its certificate of incorporation
 - (ii) A list of its officers and shareholders
 - (iii) A certified copy of the minutes of the meeting at which the current officers were elected

§62-09 Licensing – Term of License

- (a) *Term of License.* Taxicab Broker’s Licenses will be issued as of January 1st and will expire on the next December 31st unless suspended or revoked before then by the Commission.
- (b) *When to File for Renewal.*
 - (1) A renewing Applicant must file a completed application at least 60 days before the expiration date of the License.
 - (2) *Application Submission Date.*
 - (i) Applications filed online: The date of submission is the date an application is filed online.
 - (ii) Applications filed by mail: The date of submission is the postmark date.
 - (iii) Applications filed in person: The date of submission is the date an application is filed in person.

- (3) The Commission will not accept a renewal application after the expiration date of the License. If the application is not filed before the expiration date, the License cannot be renewed.
- (c) *Suspended Licenses.*
- (1) If a License is suspended, the Licensee must apply for renewal as required in (b) above if the Licensee wants to renew the License. Failure to complete the renewal requirements means that the License cannot be renewed.
 - (2) A License that is suspended is not Valid and cannot be used until the suspension ends. This is true even if the Applicant has filed an application for a renewal.

§62-10 Licensing – Cause for Denial

- (a) *Failure to Meet Requirements.* If the Commission determines that the Applicant has failed to meet the requirements for a Taxicab Broker's license, the Commission will notify the Applicant in writing the reason for the denial within a reasonable period of time.
- (b) *Material Falsifications.* The Commission will deny a license application or revoke or suspend a license for any of the following reasons:
 - (1) The Applicant or Broker provided materially false information in an original or renewal application for a license.
 - (2) The Applicant or Broker failed to notify the Commission of a material change in the information contained in the application.
 - (3) The Applicant or Broker attempted to conceal the identity of a party who has an interest, direct or indirect, in his or her business as a Broker.
 - (4) The Applicant failed to disclose any information about Applicant's interest, or that of any principal of the Applicant, or any Related Party of Applicant, in any transaction involving a Medallion, a transfer of a Medallion, or a financing or refinancing of a Medallion in which the Applicant or any Related Party has a financial interest.
- (c) *No Longer Meets Requirements.* Whenever the Commission determines that a licensed Broker no longer meets the requirements to hold a Broker's License, the Commission will deny the renewal application or suspend or revoke the License in the manner provided in Chapter 68 of these Rules.
- (d) *Failure to Complete Application Requirements.*

- (1) The Chairperson will deny an application for a new License if the Applicant has not completed all the requirements of an application within 90 days of the date the application is filed.
 - (2) The Chairperson will deny an application for a renewal License if the Applicant has not completed all the requirements of an application within by the expiration date of the prior License.
 - (3) The Chairperson will not deny an application under this Rule if completion is delayed because the Chairperson has not issued a final decision and the Applicant has complied with any requests made by the Chairperson.
- (e) *Additional Consideration of an Application.* If a review of the application leads the Chairperson to believe that the Applicant may not be Fit to Hold a License (Authorization), the Chairperson may seek additional information from the Applicant. This request for additional information may be an in-person interview, telephone call, letter, e-mail, or other method of communication. This additional consideration may result in the denial of the application. Failure to provide any requested information within the time frame requested, or failure to appear at a scheduled interview will result in a denial of the application.

§62-11 Provisions in the Event of Licensee’s Death

- (a) When an individual Broker dies, the Administrator of his or her estate may complete any unfinished Brokerage business.
- (b) The Administrator must be authorized for this purpose under the provisions of §2108 of the Surrogate’s Court Procedure Act.
- (c) The Administrator’s authority cannot extend beyond 120 days from the date of the Broker’s death unless the Commission extends this time period for good cause.

§62-12 Requirements & Prohibitions – No Unlicensed Activity

- (a) *Must Have Valid License.* An individual or Business Entity must possess a valid Taxicab Broker’s License in order to act as a Taxicab Broker or hold himself or herself out as a Taxicab Broker.

§62-12(a)	Fine: \$1,500; after the third violation occurring within two years, \$10,000	Appearance REQUIRED
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- (b) *Must Display License.* A Broker must conspicuously and continuously display a copy of his or her Broker’s License in every place of business maintained by the Broker.

§62-12(b)	Fine: \$100	Appearance NOT REQUIRED
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- (c) *Must Not Display Invalid License.* A Broker must not display a Taxicab Broker's License that is expired, suspended, or revoked and must surrender such a license immediately to the Commission.

§62-12(c)	Fine: \$500 - \$1,500	Appearance REQUIRED
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- (d) *Must Renew Before Expiration.* A Broker must submit an application for renewal of the License no later than the expiration date of the License unless the Commission grants an extension.

§62-12(d)	Fine: \$25	Appearance NOT REQUIRED
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- (e) *Must Not Employ Certain De-Licensed Persons.* A Broker must 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 without the prior written consent of the Commission.

§62-12(e)	Fine: \$10,000 and/or suspension or revocation	Appearance REQUIRED
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- (f) *Must Not Act on Behalf of De-Licensed Broker.* A Broker must not act on behalf of any Broker whose License has been suspended or revoked without the prior written consent of the Commission.

§62-12(f)	Fine: \$10,000 and/or suspension or revocation	Appearance REQUIRED
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§62-13 Requirements & Prohibitions – Broker as Fiduciary Agent of Owner

- (a) *Owner Authorization Required*

- (1) A Broker must not offer a Taxicab for transfer unless the Broker is authorized to do so by the owner.

§62-13(a)(1)	Fine: \$2,500–\$10,000 and/or suspension or revocation	Appearance REQUIRED
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- (2) A Broker must not operate or cause to be operated any Medallion delivered to the Broker without the owner's written consent.

§62-13(a)(2)	Fine: \$2,500–\$10,000 and/or suspension or revocation	Appearance REQUIRED
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- (b) *Withdrawal of Authorization.* An owner can withdraw his or her authorization by giving written notice to the Broker except where an Exclusive Listing has been given for a fixed period.

§62-13(b)	Fine: \$500–\$1,000	Appearance REQUIRED
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- (c) *Storage with Commission.* A Broker holding a Medallion and Rate Card for purposes of sale must deliver them to the Commission for storage within 48 hours of their receipt, not including holidays or weekends.

§62-13(c)	Fine: \$250–\$1,000	Appearance REQUIRED
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- (d) *Broker Compensation.* A Broker must not accept any commission, rebate, or profit on expenditures that the Broker makes for the owner unless the Broker has disclosed to the owner that the Broker expects to profit in an estimated amount and the owner provides written consent. The Broker must retain the written consent for three years.

§62-13(d)	Fine: \$250–\$2,000 and restitution may be ordered to the owner if the Broker has not disclosed the compensation or the owner has not consented	Appearance REQUIRED
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§62-14 Requirements & Prohibitions – Intentional Interference with Contract

A Broker must not encourage any party to break a contract for the transfer of a Taxicab Medallion in order to substitute a new contract with another owner.

§62-14	Fine: \$100-\$750	Appearance REQUIRED
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§62-15 Requirements & Prohibitions – Self-Dealing

- (a) A Broker must not directly or indirectly buy or otherwise acquire for himself or herself, nor may a Related Party acquire any interest in a Medallion listed with the Broker without first disclosing that fact in writing to the owner and obtaining the owner’s written consent to such transaction, in the form and manner prescribed by the Commission. Where the Broker has an interest in such purchase or acquisition, the Broker may not charge a fee for his or her services.

§62-15(a)	Fine: \$10,000 and suspension for 30 days; restitution may be ordered.	Appearance REQUIRED
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- (b) A Broker must not sell a Medallion in which he or she or a Related Party owns an interest without first disclosing that interest in writing to the purchaser and obtaining the purchaser’s written consent to such transaction, in the form and manner prescribed by the Commission. Where the Broker has an interest in such sale, the Broker may not charge a fee for his or her services unless the necessary disclosures have been made to the purchasing and selling parties as required by these rules.

§62-15(b)	Fine: \$10,000 and suspension for 30 days; restitution may be ordered.	Appearance REQUIRED
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- (c) The Broker must disclose any financial interests in writing to the purchaser and seller in any transfer of an interest in a Medallion or any other transaction facilitated by the Broker, including but not limited to financing or refinancing,

where the Broker or any Related Party acts as a lender, insurance broker, or automobile dealer or has a financial interest in the lender, insurance brokerage firm, or automobile dealership or any other business entity providing services in relation to such transaction. The Broker must obtain the written consent of such purchaser and seller to any such conflict prior to offering any such products or services in the form and manner prescribed by the Commission.

§62-15(c)	Fine: \$10,000 and suspension for 30 days; restitution may be ordered.	Appearance REQUIRED
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- (d) If a Broker has failed to disclose any interest held by the Broker or any Related Party in a transaction as required by this section or has failed to obtain the written consent of the other party or parties to such transaction, the Broker may be ordered to pay restitution to the other party for any fees charged or tangible or intangible benefit received by the Broker.
- (e) No Broker may represent any party in any transaction in which the Broker or a Related Party has a conflict if the Broker has not filed the disclosure of such conflict with the Commission as required by section 62-05.

§62-15(e)	Fine: \$10,000 and suspension for 30 days or revocation; restitution may be ordered.	Appearance REQUIRED
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§62-16 Business Procedures – Mailing and Email Address

- (a) *Required Mailing Address.* A Broker must provide to the Commission the street address of his or her primary business location whether or not this is the Mailing Address.
- (b) *Additional Mailing Address.* A Broker may also designate a post office box number as a Mailing Address.

§62-16(a)-(b)	Fine: \$50-\$500 and/or suspension	Appearance REQUIRED
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(c) *Mailing and Email Address.*

- (1) A Broker must have a working Email Address at all times.
- (2) A Broker must report any change of Mailing Address or Email Address to the Commission in person or by mail within ten days.

§62-16(c)(1)-(2)	Fine: \$100	Appearance NOT REQUIRED
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- (3) Any communication from the Commission is sufficient if sent to the last Mailing Address provided by the Broker.

- (4) Any communication from the Commission, except notices and summonses for which the manner of service is specified in §68-05 of these Rules, is sufficient if sent by email to the last Email Address provided by the Broker.

§62-17 Business Procedures – Exclusive Agreements

- (a) *Specific Disclosure.* The Broker must include the following explanation in type size of not less than six point in all agreements that provide for an Exclusive Listing of a Taxicab Medallion:

An “Exclusive Right to Sell” listing with a Broker is one where the owner has surrendered his or her own right to sell. This means that if you, the Taxicab Medallion owner, find a buyer for your Taxicab, or if another Broker finds a buyer, you must nonetheless pay the agreed commission to the Broker who has the Exclusive Right to Sell.

This explanation must be signed or initialed by the owner and attached to the listing, printed in boldface type on the listing, or printed on the reverse side of the listing.

§62-17(a)	Fine: \$100-\$500	Appearance REQUIRED
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- (b) *No Automatic Continuation.* A Broker must not be a party to an Exclusive Listing contract that contains an automatic continuation of the period for the listing beyond the end date specified in the contract.

§62-17(b)	Fine: \$100-\$750	Appearance NOT REQUIRED
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§62-18 Business Procedures – Net Listings

Net Listings. A Broker must not enter into a net listing contract for the transfer of a Medallion or any interest in it unless the contract is part of a bulk transfer of 10 or more Medallions owned by a fleet or minifleet and is completed within six months of the listing.

§62-18	Fine: \$100-\$1,000	Appearance REQUIRED
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§62-19 Business Procedures – Documents, Transactions, and Closing Procedures

- (a) *Interested Parties.*
- (1) A Broker must not request, accept or permit a party to provide a Power of Attorney or any other legal document that has not been completed and signed.
 - (2) If a Broker requests a party to sign a document and return it to the Broker, the Broker must give the party a duplicate copy for the party’s own records. If any party attends a closing and is presented with a document

for signature, the Broker must furnish that party with a copy of the signed document at that closing.

- (3) All other documents prepared by the Broker for an interested party must be delivered to that party within 10 business days after the completion of a closing or other transaction unless otherwise provided in these Rules.
- (4) The Broker must request and retain written acknowledgement that the party received the papers. The Broker must be able to provide proof of compliance with this paragraph upon request of any party or the TLC.

§62-19(a)(1)-(4)	Fine: \$400-\$2,000 and/or suspension	Appearance REQUIRED
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- (5) A Broker must give written notice to all sellers and buyers involved in a Medallion transfer of their right to be represented by an attorney or an accountant of their own choosing.

§62-19(a)(5)	Fine: \$500-\$1,000	Appearance REQUIRED
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(b) *Principals.*

- (1) A Broker who arranges a loan for his or her principal must give that principal a copy of the lender's commitment and of all other documents provided by the lender to the Broker. The Broker must be able to provide proof of compliance with this paragraph upon the request of any party or the TLC. The Broker must also be able to provide proof of compliance with the requirements of section 62-15(c) of this chapter, if applicable.

§62-19(b)(1)	Fine: \$400-\$2,000 and/or suspension	Appearance REQUIRED
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- (2) Within 10 business days after the completion of a closing (including the financial closing), a Broker must give his or her principal(s) and the Commission a written closing statement including 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) List of all disbursements or payments made on behalf of the principal(s) including an explanation of the purpose for the individual payments

§62-19(b)(2)(i)-(viii)	Fine: \$500-\$2,000	Appearance REQUIRED
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- (3) Within 10 business days after completion of the financial closing, a Broker must forward all monies due to his or her principal(s).

§62-19(b)(3)	Fine: \$2,500 and/or suspension or revocation	Appearance REQUIRED
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(c) *Brokerage Agreements*

- (1) A Broker must execute with each client of such Broker a written agreement, signed by the Broker and the client, which specifies each transaction or service to be performed by such Broker for such client.
- (2) A copy of each fully executed agreement must be provided to the Broker's clients upon execution of the agreement and upon the client's request.
- (3) Brokerage agreements must be written in plain language.
- (4) *Terms.* Each agreement must provide:
 - (i) All parties represented by the Broker.
 - (A) If the parties represented by a Broker change after the execution of an agreement, the agreement must be amended to reflect this change.
 - (B) If the Broker is representing more than one party in a transaction, the Broker must indicate the fee paid by each party to the transaction.
 - (ii) The fee to be paid to the Broker or, for purposes of net listing agreements pursuant to section 62-18 of these Rules, the amount to be paid to the seller.
 - (iii) All services provided by the Broker.
 - (iv) The Broker's duty to act in the interest of his or her client.
 - (v) The Broker's duty to disclose any financial interest of the Broker in the transaction beyond the fee specified in the agreement.
 - (vi) The Broker's duty to account for all money and property of his or

her client that is entrusted to the Broker.

- (vii) The purchasers' and sellers' right to be represented by an Attorney.
 - (viii) Agreements for the transfer of an interest in a Medallion must provide the following additional terms:
 - (A) The Broker's duty to disclose any facts known to the Broker which materially impacts the value of the Medallion.
 - (B) If the Broker is representing the seller, the Broker's duty to disclose all offers to purchase the Medallion.
- (5) The following documents must be attached to each agreement:
- (i) A copy of the Broker's annual disclosure, signed by the Broker's client, in a form and manner prescribed by the Commission.
 - (ii) A disclosure of the Broker's actual interest in the transaction, signed by the Broker's client and affirmed by the Broker as accurate and complete, in a form and manner prescribed by the Commission.
 - (iv) A copy of a Broker Client Rights document, signed by the Broker's client, in a form and manner prescribed by the Commission.

§62-19(c)	Fine: \$1,000-\$2,500 and/or suspension or revocation	Appearance REQUIRED
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(d) *Broker Duties*

- (1) Brokers must act in the interest of their clients.
- (2) Brokers must disclose any financial interest in a transaction, in a form and manner prescribed by the Commission.
- (3) Brokers must disclose all fees received from any party related to services provided by the Broker in a transaction, in a form and manner prescribed by the Commission.
- (5) In transactions including the transfer of an interest in a Medallion:
 - (i) Brokers must disclose any facts known to the Broker which materially impact the value of the Medallion, including but not limited to, any liens, encumbrances or judgments against the

medallion or an upcoming wheelchair accessible vehicle cycle known to the Broker.

- (ii) If a Broker is representing the seller, the Broker must disclose all offers to purchase the Medallion.
 - (iii) Prior to the transfer of an interest in a Medallion, Brokers must provide their clients and the Commission with a closing statement, in a form and manner prescribed by the Commission, as well as an executed agreement with all attachments required by paragraph (4) of subdivision (c) of this section.
- (6) In transactions including the financing or refinancing of a Medallion:
- (i) A Broker must provide his or her client with all documents provided by the lender for such client.
 - (ii) Brokers must disclose all material loan terms, in a form and manner prescribed by the Commission.
 - (iv) For financing or refinancing transactions that do not include the transfer of an interest in a Medallion, Brokers must provide the Commission with the disclosure of all material loan terms and an executed agreement with all attachments required by paragraph (4) of subdivision (c) of this section within 10 business days of the transaction.

§62-19(d)(1-6)	Fine: \$1,000-\$2,500 and/or suspension or revocation	Appearance REQUIRED
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- (7) Brokers must account for all money and property of their clients that is entrusted to the Broker.
- (8) Brokers may not charge or request any additional payment or fee in excess of the dollar amount or percentage set forth in the Brokerage Agreement.
- (9) Within 10 business days following any transaction, a Broker must forward to his or her client all monies due to such client.
 - (i) *Exception.* The Broker may maintain the monies due to such client in an Escrow account to permit recovery against outstanding obligations owed by the client.

§62-19(d)(7-9)	Fine: \$2,500-\$10,000 and/or suspension or revocation; restitution may be ordered.	Appearance REQUIRED
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§62-20 Business Procedures – Record Keeping

- (a) *Retention of Records.* A Broker must keep and maintain all documents required by Section 62-19 of this chapter and any other documents provided by the Broker and signed by the Broker’s client for ten years.

§62-20(a)	Fine: \$250-\$1,000 for each missing document	Appearance NOT Required
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- (b) *Inspection of Records.* Upon demand, a Broker must furnish all records and documents listed above to the Commission or its representatives for inspection.

§62-20(b)	Fine: \$500-\$1,500 and/or suspension	Appearance REQUIRED
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§62-21 Business Procedures – Handling of Funds

- (a) A Broker must not pay any part of funds advanced by the transferee to the transferor or any other person without the written approval of the transferee.

§62-21(a)	Fine: \$2,500-10,000	Appearance REQUIRED
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- (b) The Broker must not commingle funds advanced from a transferee with his or her own funds. He or she must deposit advanced funds promptly in a separate, federally insured, special account.

§62-21(b)	Fine: \$1,000-\$2,500 and/or suspension or revocation; restitution may be ordered.	Appearance REQUIRED
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- (c) The Broker must provide written notification to the person who advanced the funds, giving the name and address of the bank in which the money was deposited and the amount of the deposit.

§62-21(c)	Fine: \$100-\$500	Appearance REQUIRED
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- (d) The Broker must not retain any of the interest earned from the deposited funds unless he or she has written permission from the principal.

§62-21(d)	Fine: \$100-\$500; restitution may be ordered.	Appearance REQUIRED
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§62-22 Business Procedures – Advertising

- (a) A Broker must indicate in any advertisement placed by the Broker that he or she is a licensed Broker.

§62-22(a)	Fine: \$100-\$750	Appearance REQUIRED
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- (b) A Broker must not use deceptive or misleading advertising.

§62-22(b)	Fine: \$500-\$2,000	Appearance NOT REQUIRED
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§62-23 Comply with Laws – Conduct Rules

- (a) *Bribery.* A Licensee or anyone acting on behalf of the Licensee must not offer or give any gift, gratuity or thing of value to any employee, representative or member of the Commission, or any other public servant.

§62-23(a)	\$2,000 and/or suspension or revocation	Appearance REQUIRED
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- (b) *Failure to Report Bribery.* A Licensee must immediately report to the Commission any request or demand for a gift, gratuity or thing of value by any employee, representative or member of the Commission, or any other public servant.

§62-23(b)	\$500-\$1,000 and/or suspension or revocation	Appearance REQUIRED
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- (c) *Fraud, Theft.* A Licensee must not commit or attempt to commit any act of fraud, misrepresentation or theft while performing the duties and responsibilities of a Licensee.

§62-23(c)	\$100-\$2,500 and/or suspension or revocation	Appearance REQUIRED
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- (d) *Willful Acts of Omission.* While performing the duties and responsibilities of a Licensee, a Licensee must not deliberately fail to perform, alone or with another, any act where this failure is against the best interests of the public, although not specifically mentioned in these Rules.

§62-23(d)	\$100-\$2,500 and/or suspension or revocation	Appearance REQUIRED
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- (e) *Willful Acts of Commission.* While performing the duties and responsibilities of a Licensee, a Licensee must not deliberately perform or attempt to perform, alone or with another, any act that is against the best interests of the public, although not specifically mentioned in these Rules.

§62-23(e)	\$100-\$2,500 and/or suspension or revocation	Appearance REQUIRED
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- (f) *Threats, Harassment, Abuse.* A Licensee, his or her representatives, and his or her employees must not threaten, harass, or abuse any governmental or Commission representative, public servant, or other person while performing the duties and responsibilities of a Licensee.

§62-23(f)	\$1,000-\$2,500	Appearance REQUIRED
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- (g) *Use or Threat of Physical Force.* A Licensee, his or her representatives, and his or her employees must not use or attempt to use any physical force against a Commission representative, public servant, or other person while performing the duties and responsibilities of a Licensee.

§62-23(g)	\$2,000-\$5,000 and/or suspension or revocation	Appearance REQUIRED
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- (h) *Notice of Criminal Conviction.*

- (1) A Licensee must immediately notify the Commission when he or she is convicted of a crime. The Licensee must also report any criminal

convictions of any of the Licensee’s Business Entity Persons or employees.

- (2) The notification must be in writing and accompanied by a certified copy of the certificate of disposition issued by the Clerk of the Court.

§62-23(h)	\$500-\$1,000	Appearance REQUIRED
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- (i) *Failure to Cooperate with Law Enforcement.* A Licensee must cooperate with all law enforcement officers and all authorized representatives of the Commission, and comply with all their reasonable requests.

§62-23(i)	\$500-\$1,500 and/or suspension	Appearance REQUIRED
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- (j) *Failure to Cooperate with the Commission.*

- (1) A Licensee must answer or comply with all questions, communications, or directives received from the Commission or its representatives within 72 hours. An emergency communication must be answered immediately.

§62-23(j)(1)	\$250-\$750 and/or suspension	Appearance NOT REQUIRED
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- (2) A Broker must answer all summonses from the Commission on the scheduled date.

§62-23(j)(2)	\$250-\$750 and/or suspension	Appearance NOT REQUIRED
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- (k) *Retaliation.*

- (1) A Broker may not retaliate against any Owner or client for making a good faith complaint against any Broker.
- (2) Retaliation will be broadly construed, and will include imposing any adverse condition or consequence on the Owner or client or withholding or withdrawing any beneficial condition or consequence from the Owner or client.

§62-23(k)	Fine: \$1,000 plus restitution to the owner or client for losses for the first violation and a fine of \$10,000 plus restitution to the owner or client for the second violation and subsequent violations within five years.	Appearance NOT Required
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