

Agenda: Item 7

Disciplinary Case: Taxi Commission v. Driss Ellassali (Ellassali I)

[ACTION]

CITY AND COUNTY OF
SAN FRANCISCO



TAXI COMMISSION
MAYOR GAVIN C. NEWSOM

PAUL GILLESPIE, PRESIDENT
PATRICIA BRESLIN, VICE PRESIDENT
RICHARD BENJAMIN, COMMISSIONER
TOM ONETO, COMMISSIONER
MIN PAEK, COMMISSIONER
R. JAMES SLAUGHTER, COMMISSIONER

**TAXI COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

**ORDER TO APPEAR
NOTICE OF ADMINISTRATIVE
ACTION ON PERMIT**

TO **DRISS "KIKI" ELASSALI**
BUSINESS **UNITED CAB COMPANY**
LOCATION **20 HERON STREET, SAN FRANCISCO, CA 94103**

You are hereby notified that the annexed complaint has been filed with the taxi commission of the City And County Of San Francisco, and you are hereby cited to appear in person before the Hearing Officer of the Taxi Commission on

FRIDAY APRIL 18, 2008 AT **10:00 a.m.**

in room 400, City Hall, #1 Dr. Carlton B. Goodlett Place, San Francisco, CA to show cause why your

TAXICAB DRIVER PERMIT, #P-52819

heretofore granted to you, should not be subjected to the administrative action and for the reasons set forth in said complaint.

BY ORDER OF THE TAXI COMMISSION,

SAN FRANCISCO, CA March 20, 2008
Date


Executive Director

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**SAN FRANCISCO TAXI COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

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COMPLAINT

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1. Complaint is hereby made against Driss “Kiki” Ellassali, Taxi Driver (“A-card”) Permit 52819, that said Permit Holder has conducted his business in a disorderly manner and violated provisions of the *Taxicab and Ramped Taxi Rules & Regulations* and the Municipal Police Code as described below.

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2. Mr. Ellassali has been a P-44 Taxi Driver Permit (“A-card”) holder with the City and County of San Francisco since 2000. He does not hold any other type of permit with the City and County of San Francisco. Officially, he claims to be driving for United Cab at present time. (Exhibit A, Declaration of Vicky Siu, Exhibit 1.)

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3. Mr. Ellassali first came to the attention of the Taxi Commission in Summer 2007 when the office began to receive numerous complaints about illegal “brokering” or “managing” of medallions in the taxicab industry. Investigation revealed severe problems perpetuated by Mr. Ellassali and others who are also brokering medallions. (Exhibit B, Declaration of Scott Leon.)

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4. Municipal Police Code § 1090(a) provides as follows:

(a) Revocation for Cause. Any permit issued under this Article may be suspended or revoked by the [Taxi Commission] for good cause after a noticed hearing. “Good cause” hereunder shall include but shall not be limited to, the following...

(iii) The permittee or the lessee of the permittee’s permit operated without the insurance required by this Article.

1 (iv) The permittee or an agent of the permittee knowingly made false statements to
2 or concealed information from the [Taxi Commission], the [Chief of Police or
Executive Director of the Taxi Commission] or the Police Department.
3 (ix) The permittee violated any applicable statute, ordinance, rule or regulation
4 pertaining to the operation or licensing of the vehicles and services regulated by this
Article...

5 Upon a showing of good cause, the [Taxi Commission] shall have discretion to
6 suspend or revoke a permit as set forth above, except that a suspension and/or
revocation shall be mandatory in the circumstances described in subparts (i) through
(iv) above.

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8 As will be described below, Mr. Ellassali's P-44 driver's permit is subject to revocation for good
9 cause, including but not limited to the circumstances described herein.

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11 5. **Maintaining Leases in Violation of Rule 6.A.11:** Rule 6.A.11 of the *Taxicab/Ramped Taxi*
12 *Rules & Regulations* provides as follows:

13 No Taxicab Driver may lease a permit or medallion, either on a per shift basis or for
14 any term of time from anyone other than the Medallion Permit Holder or the Color
15 Scheme Company under which the permit or medallion is operating.

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17 Mr. Ellassali has leases with an estimated two dozen medallion holders which violates this Rule.
18 Specifically, Mr. Ellassali contracts with medallion holders to "broker" or "manage" their
19 medallions. His arrangements with each individual medallion holder are distinct, but share common
20 themes.

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22 6. Mr. Ellassali pays each medallion holder a monthly fee, in cash, ranging anywhere from
23 \$1,800 to in excess of \$3000 per month. He requires the medallion holders to "affiliate" with a color
24 scheme. Mr. Ellassali pays directly to the color schemes, on behalf of the medallion holders, a
25 monthly fee ranging from \$250-\$850 for use of the color scheme's trade dress on the medallion
26 number taxicab vehicle associated with each particular medallion. "Affiliation" also typically
27 includes use of the dispatch service, the credit card machines, and the computer system if
28 applicable. Mr. Ellassali hires the drivers, maintains vehicles, and makes payments to the color

1 scheme for insurance and affiliate fees. He has personally been involved in taxicab vehicle
2 accidents and so have his drivers, and in addition, he moves drivers from company to company
3 without causing them to notify the Taxi Detail as required by Rule 6.A.8. It is also alleged that in
4 some cases he also arranges for the medallion holder to copy the drivers' waybills in the medallion
5 holder's own handwriting so that it falsely appears the medallion holder has been fulfilling his
6 driving requirement. Mr. Ellassali provides these waybills knowingly and with intent to deceive the
7 Taxi Commission and the San Francisco Police Department in violation of MPC § 1110 (false
8 statements to the Taxi Commission and the SFPD.) (Exhibit C, Declaration of Tom Stanghellini;
9 Exhibit D, Declaration of Sgt. Ron Reynolds; Exhibit E, Declaration of Mostafa Syed; Exhibit F,
10 Declaration of Scott Van Leuven; Exhibit G, Declaration of Felix Goldberg; Exhibit H, Declaration
11 of Jamal Tawasha; Exhibit I, Declaration of Anatoly Beliovsky; Exhibit J, Declaration of Yousef
12 Oskoui; Exhibit K, Declaration of Hossein Khousrooze; Exhibit L, Declaration of Jamil Sweidan;
13 Exhibit M, Declaration of Ronald Brother; Exhibit N, Declaration of Rich Hybels; Exhibit O,
14 Declaration of Kamal Heishan.)

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16 7. **Charging Drivers Oppressive and Outrageous Gate Fees:** Mr. Ellassali maintains a stable
17 of drivers whom he uses to drive the medallion taxicab vehicles. Again, the arrangements with each
18 particular driver are distinct, but share a common theme. He may lease the taxicab vehicle for the
19 entire month at rates of up to \$6,000. He may also charge a gate fee to individual drivers of at least
20 \$150 per shift. Mr. Ellassali may also force individual drivers to purchase vehicles, although
21 occasionally he purchases them himself. (Exhibit C, Declaration of Tom Stanghellini; Exhibit N,
22 Declaration of Rich Hybels.)

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24 8. **Operating Without a Permit:** Mr. Ellassali hires and fires drivers, maintains their
25 schedules, pays for insurance and trade dress fees, and handles purchase, maintenance and accidents
26 of vehicles. Taken together, Mr. Ellassali's actions are those of a color scheme holder. The only
27 difference between Mr. Ellassali and permitted Color Scheme Holders is that he has not adopted an
28 actual trade dress for the estimated twenty-two medallions that he manages. A Color Scheme

1 Holder finds medallions, enters into contracts with the medallion holders, and then recruits drivers
2 to operate the medallion number taxicab vehicles when the medallion holder is not driving the
3 vehicle. Color Scheme Holders also maintain business premises, general liability and worker's
4 compensation insurance, and are subject to regulation as defined in Section 5 of the *Rules &*
5 *Regulations*. (Exhibit P, Declaration of John Lazar.) MPC § 1078(a) provides that any person
6 operating a color scheme within the City and County of San Francisco is required to have a color
7 scheme permit. Mr. Ellassali does not have a permit and therefore he is in violation of MPC §
8 1078(a). In the alternative, Mr. Ellassali has operated taxicab vehicles as if he were the individual
9 medallion holder for each of the estimated two dozen medallions he is brokering. MPC § 1078(a)
10 requires that a person must have a permit to operate a taxicab vehicle, and in addition, MPC § 1120
11 requires that it is "unlawful to own or operate a taxicab in the City and County of San Francisco
12 unless a taxicab permit has been issued by the [Taxi Commission] for operation of that vehicle."
13 Each medallion that Mr. Ellassali operates is held by another individual and therefore he is operating
14 each medallion that is brokering without a permit in violation of MPC §§ 1078(a) and 1120.

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16 9. MPC § 1187.1 provides that any person operating a taxicab without a permit in the City
17 and County of San Francisco must have a permit as required in Section 1078. The Commission may
18 impose administrative penalties for violations of the permit requirement, including \$2,500 for the
19 first offense and \$5,000 for subsequent violations. Mr. Ellassali has been operating his illegal color
20 scheme for at least 3 years. (Exhibit B, Declaration of Tom Stanghellini; Exhibit N, Declaration of
21 Rich Hybels.)

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23 10. **Operating Without Insurance:** "Operator" is defined in the Municipal Police Code, Article
24 16, as "any person...licensed by the City and County of San Francisco pursuant to the provisions of
25 this Article and any agent of such permittee including, but not limited to, any manger or lessee of
26 said permittee." MPC § 1091 requires that "no person...shall operate any motor vehicle for hire
27 unless and until such person...shall comply with the provisions of either Section 1092 or 1094..."
28 In addition to operating without a permit, Mr. Ellassali has not provided the Taxi Commission with

1 evidence of his insurance policy or bond or evidence of self-insurance, as required by MPC § 1092
2 or 1094, and therefore, is operating without insurance as prohibited by MPC § 1091. Nor has Mr.
3 Ellassali filed an annual sworn statement or submitted financial information as required by MPC §
4 1095. (Exhibit A, Declaration of Vicky Siu.)
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6 11. **False Statements to SFPD:** Mr. Ellassali also attempted to conceal his noncompliance from
7 the San Francisco Police Department and the San Francisco Taxi Commission. Specifically, on
8 February 1, 2008, Mr. Ellassali made false statements to Sgt. Ron Reynolds of the San Francisco
9 Police Department Taxi Detail, when he first stated that he did not broker or manage any
10 medallions, and then admitted to brokering three medallions. These statements were knowingly
11 false and Mr. Ellassali made them with the intent to conceal the fact that he has committed the
12 violations alleged in this Complaint. He has therefore violated MPC § 1110 and Rule 6.A.4.
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14 12. Mr. Ellassali holds a driver's permit and therefore, he is required to comply with provisions
15 of Article 16 of the Municipal Police Code as well as Section 6 of the *Rules & Regulations*. Rule
16 6.A.1 provides that each Driver shall comply with applicable laws. By operating a color scheme
17 without a permit, Mr. Ellassali is in violation of Rule 6.A.1.
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19 13. The last color scheme with which Mr. Ellassali was affiliated was United. He falsely
20 informed Sgt. Reynolds at his interview that he was employed at Yellow Cab, yet if this is true, he
21 has failed to notify the Taxi Detail, the Taxi Commission, and the Treasurer's Office of the change
22 in his employment, in violation of Rule 6.A.8 and Rule 6.A.9. If is not true, he knowingly
23 committed a false statement in violation of MPC § 1110.
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25 14. MPC § 1090(a)(vi) provides for mandatory revocation of the permit of a Permittee who has
26 "failed to satisfy any judgment for damages arising from unlawful or negligent operation under any
27 permit issued under this Article." In 2005, Mr. Ellassali hit a police officer with his vehicle and
28 never reported the accident. A lawsuit was filed in 2006 but Mr. Ellassali failed to satisfy the

1 judgment. (Exhibit Q, Declaration of Dmitry Erenkov.)

2 15. **Conclusion:** Mr. Ellassali is a blight upon the San Francisco taxicab industry with his illegal
3 activities and poor business judgment and practices. He has violated MPC § 1110, MPC § 1187.1,
4 and Rules 6.A.1, 6.A.4, 6.A.8, 6.A.9, and 6.A.11. He has violated MPC § 1078(a) and MPC § 1120.
5 He has also violated MPC §§ 1091, 1092, 1094, and 1095. Pursuant to MPC § 1090(a)(iii), (iv), and
6 (ix), his P-44 driver's permit must be revoked and fines of at least \$2500 must be administered. This
7 Complaint shall constitute the Executive Director's Notice pursuant to MPC § 1188. A statement
8 including a list of witnesses shall be provided to Mr. Ellassali at least five days prior to the hearing.
9 The hearing shall occur on April 18, 2008 at 10:00 am in Room 408 of San Francisco City Hall, 1
10 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

MPC § 1078(a). PERMIT REQUIRED FOR OPERATION OF MOTOR VEHICLES FOR HIRE; EXCLUSIONS.

(a) Permit Required. No person, business, firm, partnership, association or corporation shall drive or operate any motor vehicle for hire on the public streets of the City and County of San Francisco, nor shall any person, business, firm, partnership, association or corporation operate any taxicab radio-dispatch service or taxicab color scheme in the City and County of San Francisco, without a permit issued by the Taxi Commission authorizing such driving or operation in accordance with the provisions of this Article.

MPC § 1090(a)(iii), (iv) and (ix). REVOCATION OF PERMITS

(a) Revocation for Cause. Any permit issued under this Article may be suspended or revoked by the Police Commission for good cause after a noticed hearing. "Good cause" hereunder shall include, but shall not be limited to, the following:

- (i) The permittee ceased to be a full-time driver.
- (ii) The permittee failed to pay a permit fee after notice of nonpayment.
- (iii) The permittee or the lessee of the permittee's permit operated without the insurance required by this Article.
- (iv) The permittee or an agent of the permittee knowingly made false statements to or concealed information from the Police Commission, the Chief of Police or the Police Department.
- (v) The permittee has been convicted of any crime involving moral turpitude.
- (vi) The permittee has failed to satisfy any judgment for damages arising from unlawful or negligent operation under any permit issued under this Article.
- (vii) The permittee has been convicted of a misdemeanor under Section 1185 of this Article.
- (viii) The permittee violated the Traffic Code of the City and County of San Francisco or the Vehicle Code or related laws of the State of California.
- (ix) The permittee violated any applicable statute, ordinance, rule or regulation pertaining to the operation or licensing of the vehicles and services regulated by this Article, including any rules and regulations enacted by the Chief of Police pursuant to this Article.

Upon a showing of good cause, the Police Commission shall have discretion to suspend or revoke a permit as set forth above, except that a suspension and/or revocation shall be mandatory in the circumstances described in Subparts (i) through (vi) above.

MPC § 1091. INSURANCE REQUIRED.

Unless otherwise provided by ordinance, no person, firm or corporation, shall operate any motor vehicle for hire unless and until such person, firm or

corporation shall comply with the provisions of either Section 1092 or 1094 of this Article.

MPC § 1092. FILING INSURANCE POLICIES OR BOND WITH POLICE COMMISSION.

(a) Each person, firm or corporation holding a permit to operate a motor vehicle for hire pursuant to this Article shall file with the Police Commission and thereafter keep in full force and effect a policy of insurance in such form as the Police Commission may deem proper and executed by an insurer approved by the said Commission insuring the public against any loss or damage that may result to any person or property from the operation of such vehicle or vehicles.

MPC § 1094. SEC. 1094. PROVISIONS FOR SELF-INSURERS.

Any person, firm, corporation, association or organization of owners of vehicles for hire who have a certificate of self-insurance from the State of California pursuant to Sections 16500 and 16056 of the Vehicle Code may file said certificate together with a policy of insurance providing excess insurance over self-insurance retention for single limit of not less than \$1,000,000 applying to bodily injuries or property damage or a combination thereof, with the Police Commission, and shall thereupon be deemed in compliance with the provisions of Section 1092 of this Article.

MPC § 1095. INFORMATION TO BE FILED WITH CHIEF OF POLICE.

(a) Information Re Other Permits. No person, firm or corporation shall operate or cause to be operated any motor vehicle for hire, unless and until such person, firm or corporation shall file with the Police Commission a sworn statement setting forth the permits and/or certificates held, or proposed to be acquired, by applicant from other governmental bodies relating to the proposed operation, and annually thereafter, and not later than the first week in May of each year, and as often as said Commission shall direct, file a sworn statement setting forth the permits and/or certificates then held by applicant from other governmental bodies relating to said operation, together with a sworn statement showing full compliance with all provisions of the Municipal Code and/or State or federal laws applicable to said operations. Failure to file such statement or statements shall constitute a violation of this Article and shall be deemed a cause for cancellation of any and all permits to so operate.

Excepting, however, every person, firm or corporation having heretofore filed such statement with the Board of Supervisors, shall file such annual statement as provided herein.

(b) Financial Information. The Controller of the City and County of San Francisco shall establish rules and regulations for the keeping and filing of financial statements, and accounting books and records, by permittees under this Article. The purpose of such rules and regulations shall be to provide information to the Board of Supervisors with respect to maximum rates to be authorized for motor vehicles for hire and to the Police Commission for the performance of its duties under the law.

MPC § 1110: SEC. 1110. FALSE STATEMENTS PROHIBITED.

It shall be unlawful knowingly to make any false or misleading representation, or knowingly to conceal information where this Article requires that information be disclosed, in connection with the application for, renewal of, or possible revocation of a permit issued under this Article.

MPC § 1120: SEC. 1120. TAXICAB PERMITS.

It shall be unlawful to own or operate a taxicab in the City and County of San Francisco unless a taxicab permit has been issued by the Police Commission for the operation of that vehicle. Taxicab permits shall be applied for and issued pursuant to Sections 1079 through 1081 and this Division of this Article.

MPC § 1187.1: OPERATING WITHOUT A PERMIT; VIOLATIONS; ADMINISTRATIVE PENALTIES.

(a) Permit Required. Any person operating a motor vehicle as a taxicab or other motor vehicle for hire licensed under this Article must have a permit as required in Section 1078.

(b) Administrative Penalties. The Taxi Commission (the Commission) may impose administrative penalties for violations of the permit requirement, in accordance with the procedures established in Section 1188. The penalties may be assessed against the driver or against the vehicle's owner if it is proven that the driver operated the vehicle as a taxicab with the owner's knowledge. These penalties are in addition to any other penalties or methods of enforcement authorized by law.

For purposes of Section 1188, the violator shall be referred to as "the permit holder." If any penalties are not paid to the Taxi Commission within 30 days of the notice, the Commission shall refer the unpaid penalties to the Bureau of Delinquent Revenue.

(c) Amount of Penalty. The administrative penalties assessed against the violator by the Commission shall not exceed two thousand five hundred dollars (\$2,500) for a first violation or five thousand dollars (\$5,000) for a subsequent violation.

In determining the amount of the penalty in an individual case, the Commission shall take into account:

- (i) Whether the violator has in the past violated the permit requirement, other provisions of Article 16, the Taxi Commission's rules and regulations, or state law relevant to the operation of a taxicab permit;
- (ii) Whether the violator concealed or attempted to conceal his or her non-compliance with the permit requirement; and
- (iii) Such additional factors as the Commission may determine are appropriate.

MPC § 1188. PROCEDURES FOR ADMINISTRATIVE PENALTIES.

(a) Director's Notice. Upon a determination that a permit holder has violated the full-time driving requirement or the Commission's rules and regulations, the Executive Director of the Taxi Commission (the Director) shall send a written notice, by first class mail or hand-delivery, to the permit holder, at the address listed in the Taxi Commission's records, identifying and describing the alleged violations and stating the amount of the administrative penalty to be imposed. The notice shall also inform the permit holder that he or she has the right to request a fact-finding hearing on the alleged violations and the proposed penalty by filing such a request within 15 business days of the date of the notice. The Director and the permit holder may modify the Director's proposed decision by mutual consent. If the permit holder does not request a fact-finding hearing within the 15 days, the decision of the Director shall be final.

(b) Scheduling of Fact-finding Hearing. Whenever a fact-finding hearing is requested under subsection (a) above, the Director within 10 business days of receiving the request shall notify the permit holder of the date, time, and place of the hearing by first-class mail or hand delivery. Such hearing shall be held no sooner than 20 business days and no later than 40 business days after the Director receives the request for a hearing, unless the time is extended by mutual agreement of the permit holder and the Director. Notice of hearings shall be posted on the Commission's web site at least 72 hours in advance of the hearings.

(c) Hearing Officers. The Director shall appoint a hearing officer for the fact-finding hearing from a list approved by the Commission. The hearing officer shall not be an employee of the Taxi Commission or the Police Department.

(d) Submittals for the Hearing. At least 5 business days prior to the hearing, the parties to the hearing shall submit written information to the hearing officer including, but not limited to, the following: a statement of the issues to be determined by the hearing officer, a statement of the evidence to be offered at the hearing and the identity of any witnesses to appear at the hearing. The written information shall not exceed 10 double-spaced pages, excluding exhibits.

(e) Conduct of the Hearing. The hearing shall be open to the public and tape recorded. Any party to the hearing may, at his or her own expense, cause the hearing to be recorded by a certified court reporter. During the hearing, evidence and testimony may be presented to the hearing officer. Parties may be represented by counsel and have the right to cross-examine witnesses. All testimony shall be given under oath.

The hearing need not be conducted according to formal rules of procedure and evidence, but no decision shall be based solely on hearsay evidence. The hearing officer may make reasonable rulings to ensure a fair and efficient hearing.

(f) Proposed Decision. The hearing officer shall, within ten business days after the conclusion of the hearing, present a proposed decision including written findings and recommendations regarding penalties to the Commission. The hearing officer shall at that time transmit his or her decision to the permit holder by certified mail directed to the most recent address on file with the Commission for the permit holder. The Commission shall post at its office a notice that a copy of the proposed decision is available for public inspection during normal business hours.

(g) Commission Action. The Executive Director shall place the hearing officer's proposed decision on the Commission's consent calendar for the next scheduled meeting occurring not less than ten calendar days after entry of the Director's decision. The Director shall also submit the recording of the hearing and any written materials submitted in connection with the hearing. The proposed decision shall be a recommendation to the Commission, and the Commission may adopt, modify, or deny such recommendation, or may remand the matter to the hearing officer for further proceedings. The Commission may act on the hearing officer's proposed decision and the record presented; it may not rehear the case. The Commission shall serve its final decision upon the parties to the hearing and post the decision in the same manner as provided for herein with respect to the hearing officer's proposed decision.

(h) Collection. If the Commission finds against the permit holder and imposes administrative penalties, the Commission's decision shall state the amount of the penalties and declare that they are due and payable to the City and County of San Francisco within 30 days of the date of the decision, provided that the Executive Director may agree to a reasonable payment schedule not to exceed the permit holder's income on a monthly basis. If the penalties are not paid to the Taxi Commission within 30 days of the notice, the Commission may move to suspend or revoke the permit.

(i) Other Penalties. The penalties and methods of enforcement set forth in this Section and in Sections 1186 and 1187 are in addition to those set forth in

Sections 1090 and 1185 of this Code and in addition to any other penalties or methods of enforcement authorized by law.

DECLARATION OF VICKY SIU

1. I am over the age of 18 and not a party to this action, and I am a citizen of the United States.

2. My name is Vicky Siu, and my business address is 25 Van Ness, Suite 420, San Francisco, CA 94102. I am employed at the Taxi Commission as the Office Coordinator. In that capacity, and as part of my regular duties, I receive and maintain records for the Commission. Attached to this Declaration are true and correct copies of various records which were received and maintained in the ordinary course of my duties at the Taxi Commission.

3. Attached as Exhibit 1 is a true and correct copy of a Police Department document issuing Mr. Driss "Kiki" Ellassali a P-44 Taxi Driver Permit on May 26, 2000.

4. Attached as Exhibit 2 is a true and correct copy of Mr. Ellassali's records from the Treasurer & Tax Collector's computer system. I access the Treasurer & Tax Collector's records on a daily basis in the course of my duties. The records demonstrate the history for a particular permit. In the case of Mr. Ellassali, the records demonstrate that he renewed his A-card on February 20, 2008 and claims to drive for United Cab. At the top it states that the account began May 26, 2000.

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1 5. I also collect and maintain annual filings required by permittees operating taxicabs. Both
2 color schemes and medallion permit holders are required to submit annual filings known as a Form
3 1095 as well as other declarations regarding worker's compensation and financial filings. Mr.
4 Ellassali has never submitted any of the annual filings as required.

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6 6. I declare under penalty of perjury under the laws of the State of California that the
7 foregoing is true and correct.

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9 Signed:

Date: 3/11/08

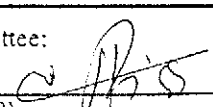
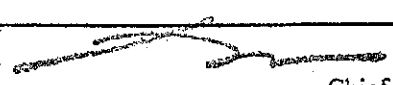
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11 Vicky Siu
12 Office Coordinator
13 San Francisco Taxi Commission

14 Executed in San Francisco, California
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POLICE DEPARTMENT PERMIT

City and County of San Francisco

State of California

Permit Number: AK551	Date Granted: MAY 28 2000
TYPE OF PERMIT: DRIVER PUBLIC VEHICLE	
Permission is hereby granted to: Name(s) Driss Ellassali	
Location: 650 Ellis St. #12, San Francisco 94109	
Business Name: "Yellow Cab Co."	
Unless revoked or suspended by the Chief of Police during a current year or unless the permit is valid for only a specified time, it shall be deemed that application for a tax license renewal has been made at the end of each year and the original application granted under the conditions, limitations and obligations is unchanged.	
Instructions To Permittee(s): You must display this permit on site in a conspicuous place. You are required to allow any police officer to inspect your premises. You shall not transfer this permit to another person or conduct a separate business at a different location other than that described on this permit. ANY CHANGE IN OWNERSHIP OR THE LOCATION OF THE BUSINESS REQUIRES THAT A NEW APPLICATION BE FILED WITHIN 10 DAYS OF THE DATE OF CHANGE. If a permit is granted, and an appeal is filed by any person within 15 days of issuance, the permit is not valid until the appeals process is concluded, and a final decision is rendered by the Board of Appeals.	
Pertinent information regarding this permit:	
Failure to conduct your business in conformity with these regulations may subject you to a criminal citation or arrest and the revocation of your permit. This permit is accepted and subject to all legal obligations, requirements, and to the conditions set forth above.	
Signature of Permittee: 	Issued by:  Chief of Police

TLA2 ACCT. NO: P44 052819 TAX ID	-	CENSUS	OLD#
DBA UNITED CAB	CERTIF NBR	DATE STARTED 05-26-00	
SITUS 0000 VARIOUS LOCATIONS	0000	DATE INACTIVATED	
OWNER ELASSALI, DRISS	CARE OF		
ADDRESS 4 BERN CT #11	MILLBRAE, CA	94030	
CONDOMINIUM DISTRICT CODE	NON-MATCHING ADDRESS	UNIT COUNT	
PERMIT NO. 094557 SUB-CLASS	DESC. DRIVER-PUB.PASS.VEH.	ACCOUNT TYPE A	
COMMENT: ADDR/DBA UD 02/22/05			
EXPIRE DTE - -	12-31-08	12-31-07	12-31-06
DATE PAID - -	02-20-08	01-16-07	04-19-06
BATCH NO	0067	0155	0874
ISSUE DT 00-00-00	02-22-08	01-19-07	04-21-06
DUE: FEE	53.00	52.00	51.00
SURCHRG	3.00	3.00	9.00
MISC.			
PENALTY	4.80		11.50
TOTAL	60.80	55.00	71.50
PAID: FEE	53.00	52.00	51.00
SURCHRG	3.00	3.00	9.00
MISC.			
PENALTY	4.80		11.50
TOTAL	60.80	55.00	71.50
BALANCE	0.00	0.00	0.00

P44 052819 RECORD RETRIEVED - ENTER CLASS-ACCOUNT FOR NEXT RECORD

DECLARATION OF SCOTT LEON

1. I am over the 18 years old and a citizen of the United States, and I am not a party to this action.

2. I am an Investigator with the San Francisco Taxi Commission. My duties involve investigating Color Schemes and permit holders of the taxicab industry to ensure they meet the regulatory compliance of the Taxicab/Ramped Taxi Rules and Regulations enacted by the Taxi Commission. I conduct audits and inspections, detect violations and fraud in the taxi industry, and I collect, maintain, and analyze evidence for disciplinary cases. I also interview witnesses, including drivers, medallion holders, color scheme company owners, and others.

3. My investigation with Mr. Driss "Kiki" Ellassali began in November 2007 under the direction of Deputy Director Jordanna Thigpen. I was instructed to assist with the investigation to review and evaluate Mr. Ellassali's role in the taxicab industry as a "broker" or "manager" of medallions.

4. I discovered that Mr. Ellassali's network of medallion holders was quite extensive. In conversations with sources and informants in the industry, I believe that Mr. Ellassali is brokering at least twenty-four medallions. Due to resources constraints in our office and my need to finish the annual Proposition K driving requirement audits and the annual color scheme audits, I have stopped investigating Mr. Ellassali, but I believe that we have only scratched the surface of his illegal activities in the San Francisco taxicab industry.

5. Over the course of February 2008, Sgt. Reynolds, Deputy Director Thigpen, and myself interviewed several medallion holders who are allowing Mr. Ellassali to broker or manage their medallions. Those medallion holders included the following individuals: Mostafa Syed, Scott van Leuven, Felix Goldberg, Jamal Tawasha, Anatoly Beliovsky, Yousef Oskoui, Hossein Kousrooze, Jamil Sweidan, Kemal Heishan, Ahmad Mozanffari, and Ronald Brother. Each one submitted voluntarily to an interview and voluntarily submitted declarations. Those declarations are attached to the Complaint.

1 6. After speaking to those medallion holders, the consensus was that Mr. Ellassali likes to assist
2 permit holders who want to do the least work as possible. Mr. Ellassali hires the drivers, sets the
3 driving schedules, pays for the color scheme fees, and handles all the maintenance and insurance for
4 the vehicle. In addition, Mr. Ellassali pays the medallion holders a monthly fee, in cash, ranging
5 anywhere from \$1,800 to \$3,500 per month depending on their driving frequency.

6 7. The one medallion holder that did not voluntarily submit his declaration was Ahmad
7 Mozzanfari. Despite indications that Mr. Ellassali is brokering Mr. Mozanffari's medallion, Mr.
8 Mozanffari stated that he has no affiliation with Mr. Ellassali. I did not find this to be a credible or
9 truthful statement based on Mr. Mozanffari's demeanor during the interview, including physical
10 sweating, nervous speech patterns and inconsistent statements that he indicated.

11 7. I declare under penalty and perjury of the State of California that the foregoing is true and
12 correct.

13
14 Executed in San Francisco, California.

15
16
17 Date: **March 10, 2008**



Scott Leon
San Francisco Taxi Commission Investigator

DECLARATION OF TOM STANGHELLINI

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2
3 1. I am over the age of 18 and not a party to this action, and I am a citizen of the United
4 States.

5
6 2. My name is Tom Stanghellini, and I am the Operations Manager for Luxor Cab
7 Company. I have been employed in that capacity for six years and prior to that time, I was an
8 officer with the Daly City Police Department for twelve years. My business address is 2230
9 Jerrrold Avenue, San Francisco, CA 94124. I oversee administration including scheduling of
10 taxicab drivers, leases with medallion holders. Part of my duties are processing transactions such
11 as new medallions, color scheme changes, insurance requests and medallion lease payments. I
12 also handle driver scheduling and I must approve every driver that comes through Luxoc Cab for
13 insurance purposes.

14
15 3. I first became aware of Mr. Driss "Kiki" Ellassali, an illegal medallion broker, on or about
16 May 1, 2005. At that time he came into Luxor to be a taxicab driver. My recollection is that he
17 came in with the medallion holder that he would be driving for, Mr. Ian Cartmill, the former
18 holder of medallion # 334. I placed him as a driver under # 334, since he represented that he
19 would be driving that vehicle. I spoke to the medallion holder, approximately two months later,
20 and Mr. Cartmill stated "for finances, speak to Kiki, because he handles all that." I assumed that
21 Mr. Ellassali was brokering Mr. Cartmill's medallion by hiring drivers, managing their schedules,
22 purchasing the vehicle, paying color scheme fees and paying insurance. In my experience as
23 Operations Manager these are typical activities of a color scheme, and individuals engaging in
24 this practice are acting as brokers or color schemes without a permit.

25
26 4. On or about December 2006, Mr. Ellassali started to pay the monthly color scheme fees
27 for # 675 and other medallion vehicles. At some point in early 2006, he also began paying the
28 color scheme fees for cab number # 968 and brokering # 968, but the owner took back

1 management because of Mr. Ellassali's business practices which include bouncing checks and
2 being delinquent in payments to Luxor Cab.

3
4 5. On November 9, 2006, Ian Cartmill, passed away. Luxor Cab was required to turn the
5 medallion back to the City. In November or December 2006, Mr. Ellassali began brokering
6 Medallion # 1079 and Medallion # 841. I understand from my conversations with others in the
7 industry that he is brokering over two dozen medallions at various companies.

8
9 6. In the past year and a half, I have had consistent problems with drivers that are driving for
10 Mr. Ellassali. Specifically, they turn in waybills from other companies such as DeSoto, to Luxor
11 Cab. From my understanding, resulting from my conversations with drivers and customers, some
12 of Mr. Ellassali's drivers are driving for DeSoto, which does not accept credit cards, and then
13 come into Luxor to process their credit card slips. This results in expense to Luxor Cab because
14 of the merchant services charges from the credit cards, and additionally, I am aware that some
15 customers have done chargebacks because they have realized they did not ride in a Luxor Cab
16 and were contesting a charge from Luxor Cab.

17
18 7. The most recent incident involving Mr. Ellassali occurred in November 2007. Luxor had a
19 driver for twenty-five years, Mr. Mikhail Liriseman. Mr. Liriseman came up on the waiting list.
20 He wanted to affiliate with Luxor, but could not decide if he wanted to be gas and gates or a
21 color scheme affiliate. I told him he needed to make that decision right away and that he needed
22 to speak to John Lazar. I talked to him in person twice more over a four-week period and
23 informed him of his responsibilities in that regard. He failed and refused to speak to John. On or
24 about November 15, 2007, Mr. Ellassali came in with four drivers and stated that those drivers
25 were going to be the drivers for Mr. Liriseman. Once more I informed Mikail to speak to John,
26 but he continued to fail and refuse, and ultimately, filed for a transfer to Yellow Cab.

27
28

1 8. One reason I believe that Mr. Ellassali is managing several dozen medallions is because
2 he has an enormous stable of drivers. I have tried to force Mr. Ellassali to bring new drivers in
3 when he hires them, because of our insurance requirements at Luxor. He will not commit drivers
4 to a specific shift. He will simply say "these two drivers are going to alternate back and forth on
5 night shifts," or "these drivers will be relief drivers" on a particular vehicle. I will then check for
6 that particular vehicle and discover some other drivers driving those shifts. Then I will find out
7 the original drivers are driving at other companies on other vehicles that Mr. Ellassali is
8 brokering. Over the years, Mr. Ellassali has repeatedly turned up at Luxor driving various taxicab
9 vehicles from other companies.

10
11 9. I have had ongoing problems with Mr. Ellassali since May 2005. For example, he has
12 bounced several checks to Luxor Cab for payments of color scheme fees that he has made on
13 behalf of the medallions he is brokering. Also, when I call medallion holders to discuss a
14 particular problem, the medallion holder will respond "it's not my problem, it's Kiki's problem."
15 However, our contract is with the medallion holder, not with Mr. Ellassali.

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10. When he brokers a medallion, Mr. Ellassali purchases the vehicles for the medallion holders and also purchases insurance. Meanwhile, the medallion holder's name remains on the title. Some of the problems I have noted include overcharging of gate fees (up to \$150), not shifting on property, refusal to communicate with Luxor management, charging excessive deposits to drivers (upwards of \$2,000). Mr. Ellassali also enters into questionable arrangements with medallion holders – for example, Cab Number # 675 was in an accident and Mr. Ellassali paid to replace the vehicle. This occurred approximately November 2007.

11. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signed:

Date:


Tom Stanghellini
Operations Manager
Luxor Cab

3-11-08

Executed in San Francisco, California

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2. My name is Ron Reynolds, and I am a Sergeant with the San Francisco Police Department Taxi Detail. My business address is 850 Bryant Street, Suite 458, San Francisco, CA 94103 I am employed at the Taxi Detail as Officer-in-Charge, a position I have held since November 2006. In that capacity, I have responsibility for motor vehicles for hire and all associated permits, such as medallion permits, in the City and County of San Francisco.

4. On January 31, 2008, I went to Royal Cab and interviewed drivers and office personnel at Royal's premises. Cab # 899 was sitting on the lot, out of service for a blown engine. However, Spare Cab # 2318 was out and had apparently been used as a substitute for weeks without notification to the taxi Commission or the Taxi Detail. No driver I interviewed at Royal's premises could recall seeing Cab # 2318 or a driver for that vehicle or Cab # 899 in weeks. Apparently, the drivers and the cab had not been shift-changing for Cab # 2318 on property. I asked for waybills for Cab # 899 or Cab # 2318 and no waybills were available since none had been turned into the business office since the end of November 2007.

1 5. On February 1, 2008, I interviewed Jamil Sweidan, a medallion holder with Royal. I
2 informed him that I had a complaint regarding his medallion, that it was being illegally brokered
3 or managed by Mr. Driss Ellassali. During that conversation, Mr. Sweidan admitted to me that he
4 was not driving his medallion and was in violation of the full-time driving requirement.

5
6 6. Mr. Sweidan also admitted to me that Mr. Ellassali was in fact brokering his medallion for
7 Him by hiring drivers. Mr. Sweidan stated that he did not have a written contract with Mr.
8 Ellassali, that he did not know Mr. Ellassali's last name, that he occasionally drove other cabs
9 since his was occupied by drivers that Mr. Ellassali obtained for him and placed in his vehicle to
10 drive it, and that he had no idea he was violating the rules. He also stated that he (Mr. Sweidan)
11 drove a spare cab for months at a time, when he did drive.

12
13 7. I have reviewed the declaration that Mr. Sweidan gave to the Taxi Commission, based on
14 a subsequent interview he gave to Investigator Scott Leon. Based on my review of that
15 declaration, it is my belief that Mr. Sweidan gave inconsistent statements to Investigator Leon
16 and myself, because Mr. Sweidan admitted to me that he had been contracting with Mr. Ellassali
17 for over a year and knew that Mr. Ellassali was managing the medallion, while he told
18 Investigator Leon that he was "confused" about who was managing his medallion.

19
20 8. On February 1, 2008, I also interviewed Mr. Ellassali himself, because he came with Mr.
21 Sweidan to the interview to represent Mr. Sweidan's interests. Like Mr. Sweidan, Mr. Ellassali
22 voluntarily came into Taxi Detail to answer questions; he was not requested to be at the interview
23 for Mr. Sweidan.

24
25 9. I asked Mr. Ellassali if he was brokering Medallion #899, held by Mr. Sweidan, to which
26 he responded "no" – despite the fact that Mr. Sweidan had already informed me moments before
27 that Mr. Ellassali was, in fact, brokering # 899. I also asked him if he was leasing #899, to which
28 he responded "whatever he [Mr. Sweidan] told you, it's fine." He made what I believe to be false

Mar. 10. 2008 11:50AM

TAXI COMMISSION

No. 3551

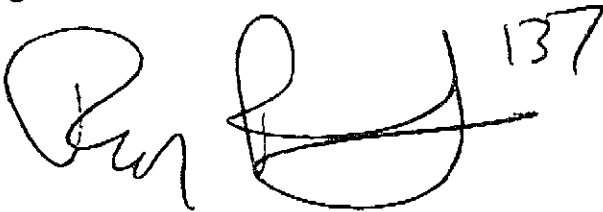
P. 4/4

1 statements regarding the submission of waybills, and what I believe to be false statements
2 involving the drivers operating # 899 and # 2318. He also made what I believe to be false
3 statements regarding the use of particular cabs and whether they were shift-changing on the
4 property.

5
6 10. In the course of the interview he finally conceded that he has his "friends" drive taxicab
7 vehicles. He claimed that he "helps a big community of people, no one helps them when they
8 come here but I do" and stated that he helps 2,000 people. He stated "I know Gavin Newsom, I
9 know Jordanna [Thigpen]," to imply that he would have these two public officials use their
10 official position to help him if he was in trouble, and to intimidate a Sergeant of the San
11 Francisco Police Department who was performing his official duties.

12
13 11. After being interrogated, Mr. Ellassali finally conceded that he was leasing/brokering
14 medallions, but he stated that he was only leasing/brokering three medallions. I believe this to be
15 an untrue statement based on my review of the other declarations in this matter from other
16 medallion holders that he is brokering.

17
18 12. I declare under penalty of perjury under the laws of the State of California that the
19 foregoing is true and correct.

20
21 Signed:137

Date: 3/11/08

22
23 Ron Reynolds
24 Sergeant, Officer-in-Charge, Taxi Detail
San Francisco Police Department

25 Executed in San Francisco, California
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DECLARATION OF MOSTAFA SYED

1. I am over the 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Mostafa Syed. I reside at 1068 Crestwood Drive, South San Francisco, CA 94080.

3. I have been a taxi driver in San Francisco since 1988. I hold medallion permit #179 and presently drive full time for Luxor Cab.

4. I first became acquainted with Driss Ellassali, aka Driss "Kiki" Ellassali, on or about 1998 in the taxi lot of the San Francisco International Airport (SFO). By word of mouth and recommendation from other medallion holders, I was told that Mr. Ellassali was someone who helps manages medallion and he offers to pay more money than the color schemes pay the medallion holders.

5. On or about the second week of October 2007 I was scheduled to leave the country to travel to Bangladesh to seek medical treatment for my heart condition. I needed someone to manage my medallion for the period I was gone, otherwise there would be financial hardship for my family.

6. Mr. Ellassali offered to manage my medallion until I returned back from Bangladesh on December 30 2007. On or about the first week of October 2007 I accepted Mr. Ellassali's offer to manage my medallion, including hiring drivers, paying the insurance and taking care of the maintenance for the vehicle.

7. On or about first week of October 2007 I informed Mr. Tom Stangellini that I would contract with Mr. Ellassali to manage my medallion. Mr. Stangellini gave me the approval without any comments or objections.

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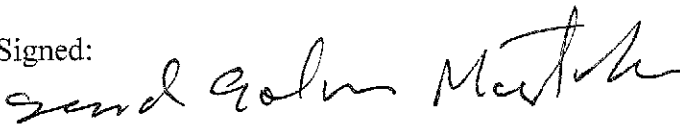
1 8. Based on our agreement Mr. Ellassali offered to pay me \$2,700 per month in cash while I
2 pay him the Luxor gate fees during the shifts I drive. Mr. Ellassali also agreed to handle the
3 maintenance for the vehicle, and pay for the color scheme and insurance fees to Luxor.

4 9. Mr. Ellassali continued to manage my medallion after I returned from Bangladesh on January
5 1, 2008. I receive my cash transactions at least once per month in various places, such as my
6 house, at SFO, or during shift changes at Luxor.

7 10. I chose Mr. Ellassali to manage my medallion because he was able to help me financially
8 while I was away from the country. I have no knowledge that I have violated any taxi rules or
9 regulations, and it is my intention to fully cooperate with the Taxi Commission at all times during
10 this investigation.

11 11. I declare under penalty of perjury under the laws of the State of California that the
12 foregoing is true and correct.

13
14 Signed:

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Date: 02-27-08

16 Executed in San Francisco, California
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DECLARATION OF SCOTT VAN LEUVEN

1. I am over 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Scott Van Leuven. I reside at 2378 Saint Francis Drake #6, Fairfax, CA 94930.

3. I have been a taxi driver in San Francisco since 1972. I hold medallion permit #675 and presently drive full time for Luxor Cab.

4. I first became acquainted with Driss Ellassali, aka Driss "Kiki" Ellassali, on or about January 2007 through Mr. John Lazar at Luxor. I informed Mr. Lazar that wanted a better deal for the management of my medallion, or otherwise I would go somewhere else. Rather than see me leave Luxor, Mr. Lazar just told me to contact Mr. Ellassali.

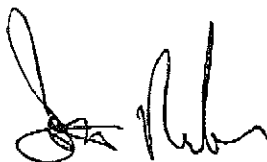
5. On or about January 2007 I telephoned Mr. Ellassali he made an offer to manage my medallion, which I accepted. Based on a verbal agreement without a written contract, Mr. Ellassali agreed to pay me \$2500 per month in cash while he covers the maintenance, permit and insurance fees to Luxor.

6. I have been receiving my cash payments from January 2007 until the present time. I receive my payment once a month and it is delivered to me during shift changes.

7. I chose Mr. Ellassali to manage my medallion by recommendation of Mr. Lazar at Luxor and simply because Mr. Ellassali offers to pay more than the color schemes. I have no knowledge that I have violated any taxi rules or regulation, and it is my intention to fully cooperate with the Taxi Commission at all times during this investigation.

8. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signed:



Date:

2-27-08

Executed in San Francisco, California

DECLARATION OF FELIX GOLDBERG

1. I am over 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Felix Goldberg. I reside at 2079 Morello Ave., Pleasant Hill, CA 94523.

3. I have been a taxi driver in San Francisco since 1980. I hold medallion permit #841 and presently drive full time for Luxor Cab.

4. I first became acquainted with Driss Ellassali, aka Driss "Kiki" Ellassali, on or about May 2007 at the taxi lot of the San Francisco International Airport (SFO). By word of mouth and recommendation from other medallion holders, I was told that Mr. Ellassali was someone who helps manage medallions with additional incentives.

5. On or about May 2007 my taxi vehicle was having a lot of maintenance issues and it eventually broke down beyond repair. I needed a new vehicle and I was informed by other permit holders that Mr. Ellassali own several vehicles with Yellow and Luxor.

6. Since I did not have a lot of cash to purchase a new vehicle, I approached Mr. Ellassali for help on or about May 2007. At first Mr. Ellassali offered me to lease one of his vehicles for \$80 per shift, a 2003 Ford Taurus, License #7Z60048, VIN # 1FAFP55S03G250739. As part of our agreement, Mr. Ellassali agreed to pay me \$1800 per month in cash for the monthly fees I collect from my medallion and I would pay him \$80 per shift for the leasing of his vehicle. As an additional incentive, Mr. Ellassali also agreed to handle all my maintenance costs, cover my permit and insurance fees to Luxor, and provide me with a flexible driving schedule.

7. On or about May 2007 I informed Tom Stangellini that I would be leaving Luxor and contract with Mr. Ellassali to manage my medallion. Mr. Stangellini provided the approval without any objections.

8. I have been receiving my cash payments from May 2007 until the present time. I receive my payment once a month and it is delivered to me during shift changes at Luxor.

1 9. On or about July 2007 Mr. Ellassali issued a non-sufficient check to Luxor in the
2 amount of \$1300 to pay for my permit and insurance fees. Because of Mr. Ellassali's bad check, I
3 temporarily lost access to my company's dispatch service for that month. This incident occurred
4 again in August 2007 when Mr. Ellassali issued another bad check to Luxor, resulting in further lost
5 of my taxi wages.

6 10. On or about December 2007, I told Mr. Ellassali that I was not satisfied with the
7 management of my medallion because he was not paying on time with the color scheme, insurance
8 and workers compensation fees. We made an agreement that I would purchase the vehicle from Mr.
9 Ellassali for \$4,000. I told Mr. Ellassali that once I finish paying off the vehicle I will continue to
10 manage my own medallion. I already paid Mr. Ellassali \$1,500, so I still owe him a remaining
11 balance of \$2,500 as of today.

12 11. I chose Mr. Ellassali to manage my medallion because I did not have a lot of cash and I needed
13 a vehicle to drive. Mr. Ellassali provided me with a flexible schedule when I can start driving at
14 3pm. I have no knowledge that I have violated any taxi rules or regulation, and it is my intention to
15 fully cooperate with the Taxi Commission at all times during this investigation.

16 11. I declare under penalty of perjury under the laws of the State of California that the
17 foregoing is true and correct.

18
19 Signed:

Felix Goldberg

Date:

02/26/08

20 Executed in San Francisco, California
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DECLARATION OF JAMAL TAWASHA

1. I am over 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Jamal Tawasha. I reside at 244 Dennis Drive, Daly City, CA 94015.

3. I have been a taxi driver in San Francisco since 1987. I am a new medallion permit holder #1315 and presently drive full time for Luxor Cab.

4. I first became acquainted with Driss Ellassali, aka Driss "Kiki" Ellassali, on or about 2001 when we waited together in the taxi lot of the San Francisco International Airport (SFO). Prior to receiving my new medallion, Mr. Ellassali had offered to sell me his hybrid vehicle to use as my taxi.

5. On December 1, 2007 I purchased Mr. Ellassali's 2005 Ford Escort, an alternate fuel only vehicle, in the amount eighteen thousand USD (\$18k). The Ford Escort's vehicle license plate number is #8JI7267, and the vehicle's identification (VIN) is #1FMCU95H1KB86725.

6. Since I owe money to Mr. Ellassali for the purchase of this vehicle, he offered to manage my medallion along with an opportunity to finance the vehicle. In other words, I reimburse Mr. Ellassali back through the monthly fees I collect from my medallion.

7. On or about December 12, 2007, I accepted Mr. Ellassali's offer to manage my medallion. Based on a verbal agreement without a written contract, Mr. Ellassali agreed to pay me \$1,800 per month in cash while he hires my drivers and takes care of my permit and insurance fees to Luxor.

8. When I began contracting with Mr. Ellassali to manage my medallion, the managers at Luxor Cab already knew of my situation and did not say anything to me.

9. I have been receiving my cash transactions from January 2008 until the present time. I receive my payment once a month and it is delivered to me during shift changes at Luxor.

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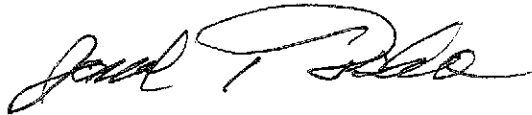
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1 10. I chose Mr. Ellassali to manage my medallion only by word of mouth and recommendation
2 of other people. As a new permit holder I do not want to take any chances or do anything that
3 could jeopardize losing my medallion. I have no knowledge that I have violated any taxi rules or
4 regulation, and it is my intention to fully cooperate with the Taxi Commission at all times during
5 this investigation.

6 11. I declare under penalty of perjury under the laws of the State of California that the
7 foregoing is true and correct.

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10 Signed:



Date: 2/22/08

11 Executed in San Francisco, California
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DECLARATION OF ANATOLY BELIOVSKY

1. I am over 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Anatoly Beliovksy. I reside at 179 20th Avenue Apt 2, San Francisco, CA 94121.

3. I have been a taxi driver in San Francisco since 1991. I hold medallion permit #1276 and presently drive full time at Luxor Cab.

4. I first became acquainted with Driss Ellassali, aka Driss "Kiki" Ellassali, on or about August 2007 when we waited together in the taxi lot of the San Francisco International Airport (SFO). By word of mouth and recommendation from other medallion holders, I was told that Mr. Ellassali was someone who helps manage other people's medallion with hassle free incentives.

5. On September 1, 2007, I approached Mr. Ellassali and accepted his offer to manage my medallion. Based on a verbal agreement without a written contract, Mr. Ellassali agreed to pay me \$1800 per month in cash while he takes care of my maintenance of my vehicle and also covers the permit and insurance fees to Luxor.

6. On September 1, 2007 when I began contracting with Ellassali, the managers at Luxor already knew that I was affiliated with Mr. Ellassali and they chose not to get involved.

7. I have been receiving my cash transactions from September 1, 2007 until the present time. I receive my payment once a month and it is delivered directly to me during shift changes.

8. Starting next month in March 2008, Mr. Ellassali will begin paying me \$1,800 per month minus the gate fees because I will be driving additional shifts of at least three (3) nights out of the week.

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1 9. I chose Mr. Ellassali to manage my medallion because it provides me the opportunity to do
2 less work and spend more time with my family. I don't have deal with the headaches of managing
3 my drivers or deal with unexpected maintenance issues. I have no knowledge that I have violated
4 any taxi rules or regulation, and it is my intention to fully cooperate with the Taxi Commission at all
5 times during this investigation.

6 10. I declare under penalty of perjury under the laws of the State of California that the
7 foregoing is true and correct.

8
9 Signed: *A. Belilovsky*

Date: *02/22/08*

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11 Executed in San Francisco, California
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DECLARATION OF YOUSEF OSKOU

1. I am over 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Yousef Oskoui. I reside at 4139 Snow Bank Court, San Jose, CA 95135.

3. I have been a taxi driver in San Francisco since 1986. I hold medallion permit #328 and presently drive full time for Yellow Cab Cooperative.

4. I first became acquainted with Driss Ellassali, aka Driss "Kiki" Ellassali, on or about August 2006 when I left Luxor and started driving for Yellow. By word of mouth and recommendation from other medallion holders, I was told that Mr. Ellassali was someone who helps manage other people's medallion and he offers to pay more money than the color schemes.

5. On or about August 2006, I approached Mr. Ellassali and accepted his offer to manage my medallion. Based on a verbal agreement without a written contract, Mr. Ellassali agreed to pay me \$2500 per month in cash while he covers the permit and insurance fees to Yellow.

6. On or about August 2006 when I began contracting with Mr. Essali, the managers at Yellow already knew that I was affiliated with Mr. Essali and they chose not to get involved.

7. I started receiving my cash transactions on or about August 2006 until September 30, 2007. I receive my payment once a month and it is delivered to me during shift changes.

8. I chose Mr. Ellassali to manage my medallion out of convenience with additional financial incentives. I have no knowledge that I have violated any taxi rules or regulation, and it is my intention to fully cooperate with the Taxi Commission at all times during this investigation.

9. Presently I am no longer affiliated with Mr. Ellassali and he is no longer managing my medallion anymore.

10. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signed:



Date: 2,21,08

Executed in San Francisco, California

DECLARATION OF HOSSEIN KHOUSROOZE

1. I am over 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Hossein Khousooze. I reside at 1288 East Hillsdale Blvd #B105, Foster City, CA 94404.

3. I have been a taxi driver in San Francisco since 1989. I hold medallion permit #981 and presently drive full time for Yellow Cab Cooperative.

4. I first became acquainted with Driss Ellassali, aka Driss "Kiki" Ellassali, on or about 2004 when I left Luxor and started driving for Yellow. By word of mouth and recommendation from other medallion holders, I was told that Mr. Ellassali was someone who helps manage other people's medallion and he offers to pay more money than the color schemes.

5. Because my family and I live in Foster City, it was a hassle for me to always come out to San Francisco when I am not driving. I would have to deal with maintenance issues of my vehicle and take care of unexpected accidents in the middle of the night.

6. On or about December 2005, I approached Mr. Ellassali and accepted his offer to manage my medallion. Based on a verbal agreement without a written contract, Mr. Ellassali agreed to pay me \$2500 per month in cash while he pays \$850 per month to Yellow to cover the permit in fees and insurance fees for \$700 per month.

7. On or about December 2005 when I began contracting with Mr. Ellassali, the managers at Yellow already knew of my situation and did not say anything to me.

8. I have been receiving my cash transactions from December 2005 until the present time. I receive my payment once a month and it is delivered directly to my house.

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1 10. I chose Mr. Essali to manage my medallion because it provides me the opportunity to do
2 less work and spend more time with my family. I don't have to worry about covering my night
3 shifts and I did not have to deal with unexpected maintenance issues during my time off. I have no
4 knowledge that I have violated any taxi rules or regulation, and it is my intention to fully cooperate
5 with the Taxi Commission at all times during this investigation.

6 11. I declare under penalty of perjury under the laws of the State of California that the
7 foregoing is true and correct.

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10 Signed:



Date:

2 - 20 - 08

11 Executed in San Francisco, California
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DECLARATION OF JAMIL SWEIDAN

1. I am over the 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Jamil Sweidan, currently residing at 2470 Erin Place, South San Francisco, CA 94080.

3. I have been a taxi driver in San Francisco since 1979. I hold medallion permit #899 and presently driving for Royal Taxi.

4. I first became acquainted with Driss Essali, aka Driss "Kiki" Essali, on or about May 2006 when I was driving for Royal Taxi. Since I see Mr. Essali during my shift changes, I thought Mr. Essali was just a driver for my medallion permit at Royal Taxi. I am aware that Mr. Essali is also managing other medallion permits, but I do not know any of the specifics.

5. Due to my confusion I initially thought Royal Taxi was managing my medallion, but in fact it is Mr. Essali who is managing it because he pays the medallion fees and arranges driver to operate the vehicle.

6. I have since realized Mr. Essali has been managing my medallion for the past year and a half. I receive \$1800 per month in cash, and Mr. Essali pays \$1420 per month to cover color scheme and insurance fees to Royal Taxi.

7. I have been receiving my cash payments on or about July 2006 until the present time and my payments are delivered to my house. Since I receive my payments every month, I did not suspect there was anything wrong with my medallion permit or how it was managed.

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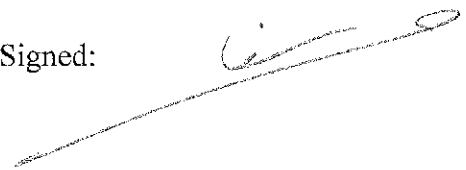
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1 8. I have no knowledge that I have violated any taxi rules or regulation, and it is my intention
2 to fully cooperate with the Taxi Commission at all times during this investigation.

3 9. I declare under penalty of perjury under the laws of the State of California that the
4 foregoing is true and correct.

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7 Signed: 

Date: 2.13.08

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9 Executed in San Francisco, California
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DECLARATION OF RONALD BROTHER

1. I am over the 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Ronald Brother, and I reside at 1390 Market St. Apt #1426, San Francisco, CA 94102.

3. I have been a taxi driver in San Francisco since 1978. I hold medallion permit holder #349 and presently drive for Yellow Cab Cooperative.

4. I first became acquainted with Driss Essai, aka Driss "Kiki" Essali, back in February 2007 when I was driving for Yellow. From recommendations of other medallion holders, I was informed that Mr. Essali pays more money managing my medallion than any color scheme would.

5. On 9/26/2007 I had a quadruple bypass surgery which affected my ability to fulfill my full time driving requirement. On 12/26/2007 I applied for an ADA Accommodation with the SF Taxi Commission because I am presently not driving at this time.

6. On or about April 2007 I informed Jim Gillespie that I would be leaving Yellow and contract with Mr. Essali to manage my medallion. Jim Gillespie made no comment about me leaving Yellow and provided me the approval without any objections.

7. On or about April 2007, I approached Mr. Essali and I accepted his offer. Mr. Essali promised to make my job easier and said he would handle everything from hiring all my drivers, collecting my gate fees, and purchasing my insurance.

8. Based on verbal agreement I collect \$3000 per month from Mr. Essali when I am not driving or \$2500 per month when I am driving. No written contract was ever created between me and Mr. Essali. I receive my payments in cash once a month and delivered by a night driver coming to my house.

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1 9. I have been receiving my payments from Mr. Essali on or about April 2007 until the present
2 time.

3 10. I have no knowledge that I have violated any taxi rules or regulation, and it is my intention
4 to fully cooperate with the Taxi Commission at all times during this investigation.

5 11. I declare under penalty of perjury under the laws of the State of California that the
6 foregoing is true and correct.

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9 Signed:



Date: 2-13-2008

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11 Executed in San Francisco, California
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DECLARATION OF RICHARD HYBELS

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3 1. I am over the age of 18, a citizen of the United States, and I am not a party to this action. If
4 called to testify to the facts below I could competently testify thereto.

5 2. My name is Richard Hybels and I am the President and Owner of Metro Cab, a permitted
6 color scheme in San Francisco. I first became acquainted with Driss "Kiki" Ellassali when I was
7 working at National Cab as the General Manager. In 2001, Mr. Ellassali came to National with
8 another driver. He stated that he and the other driver wanted to lease a medallion. I leased a
9 medallion to him. I do not remember who signed the contract at that time, but Mr. Ellassali was not a
10 National driver before that time. After the lease was signed, I never saw Mr. Ellassali again at
11 National but was too busy to look into the reasons.

12 3. The next time I saw him was in February 2006. One of my long term lease holders wanted to
13 give up his long term lease on medallion # 60. He brought a woman in with him to take over his
14 lease. Normally I don't allow the lessee to choose someone to take over a long term lease, to
15 prevent the "selling" of a lease by subterfuge. I have found that individuals misrepresent the status
16 of the future lessees in exchange for cash. For example, some individuals have represented that a
17 proposed lessee is a "partner" or "brother" when in reality it is a business deal, and the original
18 lessee eventually disappears. In the case of Medallion # 60, I made an exception this time because
19 the outgoing lessee had some personal problems and I was trying to help him out. I had never seen
20 the woman before, and she was not a driver with my company. I told her that she had to drive the
21 vehicle full time because the owner of the vehicle tends to have fewer accidents than substitute
22 drivers.

23 4. It quickly came to my attention that she was Mr. Ellassali's wife, which she confirmed. On
24 February 15, 2006 very first night the car was out on the streets, her driver had a \$60,000 accident
25 on my insurance. Shortly after the accident, she told me had bought a used Town Taxi to substitute
26 for the wrecked vehicle. I informed her that since the GTU stickers (airport decals) were already
27 off, and the vehicle had more than 60,000 miles on it, it could not be re-used as a taxicab vehicle.
28

1 5. A few days later I was shocked to see a fully outfitted Metro Cab parked in front of Luxor
2 Cab as I drove by Luxor's business premises. Mr. Ellassali was placing the numbers and name on
3 with decals. I went over to him and asked what he was doing and told him he could not use that
4 vehicle as a taxicab because it was a used vehicle that could not be issued new airport decals. Later,
5 the Ground Transportation Unit allowed Mr. Ellassali to use the vehicle and gave him airport decals
6 for the vehicle even though it had already been taken out of service.

7
8 6. Because the lessee had misrepresented her intentions, bounced checks and because I was
9 aware that her drivers were being mistreated in a number of ways canceled the lease on or about
10 May 1 , 2006.

11
12 7. On or about November 28, 2006, one of my drivers named David Reeder was involved in
13 two accidents in one day. I terminated Mr. Reeder and I told colleagues in the industry what had
14 happened and to be on the lookout for him. Approximately three days later, someone told me that
15 Mr. Reeder was driving a Yellow Cab for "Kiki." I contacted Yellow Cab and was informed that
16 he was not driving there, and that the medallion holder was driving the particular vehicle at issue. A
17 few days after that someone called me to tell me that Mr. Reeder was at Luxor Cab getting the
18 vehicle repaired. I went down to Luxor and Mr. Reeder was logged in using the medallion holder's
19 identification. Jim Gillespie of Yellow Cab came down to Luxor and seized the medallion so that
20 Mr. Reeder could not operate the vehicle.

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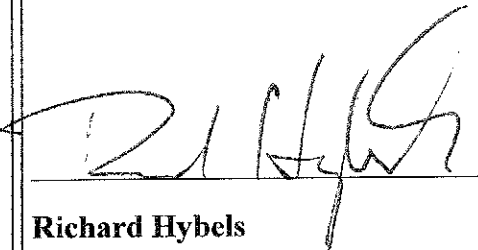
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1 8. On February 5, 2008, I spoke with a driver who informed me that he drove for Mr. Ellassali
2 for five days in a hybrid vehicle. Mr. Ellassali charged him gates as follows: Monday, \$125;
3 Tuesday, \$130; Wednesday, \$140; Friday, \$150. These gates are illegal because Mr. Ellassali does
4 not have a color scheme permit, and also because the gates are in violation of the current gate cap.
5

6 9. I declare under penalty of perjury under the laws of the State of California that the foregoing
7 is true and correct.
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12

13 **Richard Hybels**

14 **President/Owner, Metro Cab**

2.7.08

Date

15
16 **Executed in San Francisco, California**
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DECLARATION OF KAMAL HEISHAN

1. I am over the 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Kamal Heishan, currently residing at 3709 Palos Verdes Way, South San Francisco, CA 94080.

3. I have been a taxi driver in San Francisco since 1981. I am medallion permit holder #892 and presently driving full time at least 5 days per week for Yellow Cab Cooperative.

4. Prior to meeting Driss Essali, aka Driss "Kiki" Essali, I used to manage my own permit. Eventually it became burdensome for me to cover one of my driver's shifts due to attendance problems or have to deal with maintenance issues with my cab.

5. I first became acquainted with Mr. Essali, on or about June 2007 when I was driving for Yellow. By recommendations of other medallion holders, I was informed he would manage my medallion.

6. On or about June 2007 I had approached Mr. Essali and accepted his offer to manage my medallion as long as meet my full driving requirements of 800 hour shifts. Mr. Essali said he could provide additional incentives and would promised to take care all of my drivers' shifts, including paying for my color scheme permit fees and all of my insurance expenses.

8. Based on verbal agreement I collect \$1800 per month from Mr. Essali when I am driving. No written contract was ever created between me and Mr. Essali. I receive my payments in cash every month, and it is delivered during shift changes.

9. I have been receiving these cash transactions since approximately June 2007 until the present time.

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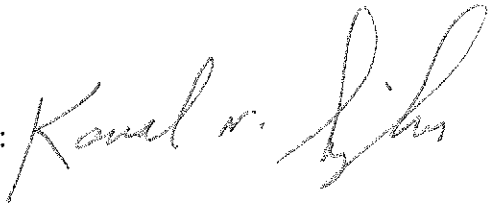
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1 10. I chose Mr. Essali to manage my medallion because it provided me the opportunity to spend
2 more time with my family and alleviated the stress and hassle of always coming out
3 the City all the time. I have no knowledge that I have violated any taxi rules or regulations, and it is
4 my intention to fully cooperate with the Taxi Commission at all times during this investigation.

5 11. I declare under penalty of perjury under the laws of the State of California that the
6 foregoing is true and correct.

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9 Signed:



Date: 2-12-08

10 Executed in San Francisco, California
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DECLARATION OF JOHN LAZAR

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3 1. I am over the age of 18, a citizen of the United States, and I am not a party to this action. If
4 called to testify to the facts below I could competently testify thereto.
5

6 2. My name is John Lazar and I am the President of Luxor Cab. I have been employed in that
7 capacity for 12 years. I have been working in the San Francisco taxicab industry off and on since
8 1960 and am knowledgeable about all aspects of operating a taxicab color scheme in the City and
9 County of San Francisco. I oversee all operations of Luxor Cab including employees, dispatch,
10 drivers, medallion holders, and general administration of the company. Each year, I pay the City
11 and County of San Francisco an annual permit fee to obtain my "color scheme permit." My permit
12 fee is based on the size of my company. This year, Luxor paid \$2,716 for the permit because Luxor
13 has more than 50 medallions. In fact, at this time Luxor has 204 medallions. Luxor also maintains
14 its own dispatch system and every medallion at the color scheme "Luxor Cab" affiliates with
15 "Luxor Dispatch."
16

17 3. **Attracting and Retaining Medallion Holders:** There are many duties involved in running
18 a successful San Francisco taxicab color scheme. The first duty is to attract and retain medallion
19 holders. There are two types of medallion holders – "pre-K" and "post-K." These designations
20 reference the date at which a medallion holder first received a medallion permit. "Pre-K" medallion
21 holders first received a permit prior to 1978 and have renewed it annually since that time. "Post-K"
22 medallion holders first received a permit after 1978. To attract medallion holders, like all color
23 schemes, Luxor offers a financial incentive for affiliating with our company, which is permitted
24 under the *Taxicab/Ramped Taxi Rules & Regulations*. It is increasingly difficult to retain medallion
25 holders because many companies have begun to offer financial incentives for medallion holders
26 who will abandon one color scheme for another.
27
28

1 **4. Types of Leasing Arrangements:** As a color scheme, Luxor may only enter into leases
2 with three layers, pursuant to the *Taxicab/Ramped Taxi Rules & Regulations*, Rule 5.K.1. A
3 medallion holder may enter into three types of leases with Luxor depending on whether he is pre-K
4 or post-K. For pre-K medallion holders, these individuals all receive a monthly fee from Luxor and
5 the drivers are on long term leases. For a post-K medallion holder, he may simply "affiliate" with
6 Luxor, in which case he pays Luxor a monthly fee and obtains use of our trade dress for his taxicab
7 vehicle, as well as a radio, dispatch service, and worker's compensation insurance. In those
8 instances the medallion holder is responsible for leasing to individual drivers and obtaining general
9 liability and their own vehicle. Another common arrangement for a post-K medallion holder is to
10 become a "gas and gates" driver for Luxor. He receives a monthly lease fee from Luxor and comes
11 in to drive his taxicab vehicle at specified shifts, paying for gas and paying the gate fees on a per-
12 shift or weekly basis. When he is not driving, Luxor may operate it as a "gas and gates" vehicle for
13 drivers working as "gas and gates" drivers. Because of my knowledge of the industry and the length
14 of time I have been working in it, I know that Luxor's practices as a color scheme with respect to
15 medallion holders are standard throughout the industry.

16
17 **5. Purchasing Vehicles:** For gas and gates vehicles, Luxor purchases vehicles for our drivers.
18 For medallion holders who have affiliated or who have long term leases, the medallion holders
19 purchase vehicles for themselves. Drivers are not allowed to purchase the vehicle or be on the title
20 or registration. Because of my knowledge of the industry and the length of time that I have been
21 working in it, I am aware that such arrangements are common at other color schemes besides Luxor.

22
23 **6. Insurance:** Luxor purchases general liability insurance for gas and gates vehicles, but not
24 for long term leases or for affiliates. Luxor purchases worker's compensation for everyone.

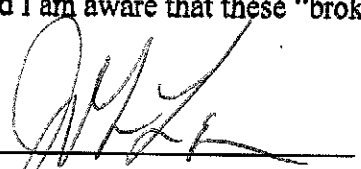
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26 **7. Drivers:** Luxor recruits and retains drivers to work at the company. We ensure that all
27 drivers have A-cards from the City and County of San Francisco and verify that they have a safe
28 driving record with the DMV. We strive to ensure a safe workforce with drivers who have not been

involved in accidents or who have problems with customers, and we take complaints very seriously. Having an established business with a permit assists us in our effort to control the drivers for the safety of the public.

8. **Safety of Vehicles:** Luxor takes public safety and safety of taxicab vehicles very seriously. We have union shops (Teamsters Local 1414) for our mechanics, and we ensure that all vehicles are repaired if there are problems. We are required to maintain certain standards for taxicab vehicles by the *Rules & Regulations* and to be inspected by the Ground Transportation Unit at San Francisco International Airport.

9. **Administration:** Luxor also maintains all business records associated with running a color scheme company. The *Rules & Regulations* require us to maintain certain records, such as waybills, and to provide receipts to drivers if requested. We have an office staff and regular employees who work full-time to perform these duties. We also have cashiers to handle the gate payments and perform other duties as necessary. We pay payroll taxes to the City and County of San Francisco as well as parking taxes.

10. I am aware that some individuals are operating illegally in the City and County of San Francisco as "brokers" or "managers" of medallions. I am aware of Mr. Driss "Kiki" Ellassali because he brokers several Luxor medallions. I believe that individuals operating as "brokers" or "managers" are illegally operating like a color scheme because they are performing similar duties, and I am aware that these "brokers" are not paying a color scheme permit fee to the City.


John Lazar, President, Luxor Cab

3-9-08
Date

Executed in San Francisco, California

DECLARATION OF DMITRY ERENKOV

1
2
3 1. I am over the age of 18 and not a party to this action, and I am a citizen of the United
4 States.

5 2. My name is Dmitry Erenkov, and my business address is 3450 Geary Blvd. Suite 100,
6 San Francisco, CA 94118. I am an insurance broker with my own firm, Dmitry Erenkov
7 Insurance Agency. In that capacity, and as part of my regular duties, I obtain liability, worker's
8 compensation, and physical damage insurance policies for taxicab companies in San Francisco.
9 At this time I have approximately 400 medallions participating in a group liability policy through
10 agency. Deputy Director Jordanna Thigpen enumerated several medallions to me and I
11 confirmed that some of them are covered in my current automobile liability policy, but not all of
12 them.

13
14 3. When there is an accident involving a taxicab vehicle, I require that all accidents are
15 reported in a timely manner. Even though claims can be reported directly to the insurance company,
16 I ask all the drivers to report claims to my office.

17
18 4. I am aware of an accident involving Mr. Driss "Kiki" Ellassali, a taxicab driver. This
19 accident occurred on or about late 2005. At that time Mr. Ellassali was driving for United Cab. He
20 struck a motorcycle police officer, who I understood was on duty at the time for the San Francisco
21 Police Department and assigned to the Airport. He struck the officer from behind, presumably
22 causing damage and injury. He never reported the accident to me and I only found out six months
23 later when the officer served a summons and complaint at United Cab. He then reported the
24 accident to me.

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Mar. 18. 2008 4:34PM TAXI COMMISSION

S F I T A

No. 3741 P. 2

1 5. After the accident, the insurance company excluded Mr. Ellassali from the list of drivers on
2 the policy I obtain for San Francisco taxicab vehicles because he did not report the accident.
3 Consequently, Mr. Ellassali is not listed on our scheduled list of insured drivers.
4

5 6. Deputy Director Jordanna Thigpen telephoned me to inquire about the accident and Mr.
6 Ellassali generally and I have reviewed this declaration for accuracy of my statements to her.
7

8 7. I declare under penalty of perjury under the laws of the State of California that the
9 foregoing is true and correct.

Signed:

Date:

3/18/08

Dmitry Erenkov

Owner

Dmitry Erenkov Insurance Agency

Executed in San Francisco, California

1 L. M. PARMENTER – ATTORNEY
STATE BAR NO.: 176196
2 LAW OFFICES OF L.M. PARMENTER
CHANCERY BUILDING
3 41 SUTTER STREET, SUITE 1056
SAN FRANCISCO, CA 94127
4 T.: 415-520-6529
F.: 415-276-4186
5

6 Attorney for the DRISS ELASSALI

7 SAN FRANCISCO TAXI COMMISSION
8 CITY AND COUNTY OF SAN FRANCISCO

9 SAN FRANCISCO TAXI COMMISSION

10
11 vs.

DRISS ELASSALI'S RESPONSIVE BRIEF TO
THE COMPLAINT

12
13 DRISS ELASSALI
14

15 I.

16 INTRODUCTION

17 The Complaint, brought forth, has caused a crushing blow to Mr. Ellassali's life as his
18 livelihood and only manner of supporting his family is in serious jeopardy. While it is true that Mr.
19 Ellassali's presence in the Taxi arena for over 9 years has caused him to make many contacts for whom
20 he may have on occasion provided his opinions and viewpoints; any opinions or viewpoints that Mr.
21 Ellassali may have made to a medallion holders and or color-scheme company fall squarely under the
22 category of protected free speech within the free market. Mr. Ellassali has never acted as a color-
23 scheme holder, nor have any of his opinions and viewpoints created a fourth layer.
24
25

II.

THERE IS NO STATUTORY AUTHORITY TO REVOKE MR. ELASSALI'S
"A" CARD AS HE HAS IN NO MANNER VIOLATED RULE 6.A.11 OF THE
TAXICAB/RAMPED TAXI RULES & REGULATIONS

Under color of law, the Complaint has singled out Mr. Ellassali, and is arbitrarily attempting to enforce by way of revoking Mr. Ellassali's "A" card to drive, Rule 6.A.11 of the *Rules & Regulations* which provides in part as follows:

No Taxicab Driver may lease a permit or medallion, from anyone other than, the Medallion Permit Holder or the Color Scheme Company.

The Complaint has failed to yield a scintilla of admissible evidence which purports, that at any point in time, Mr. Ellassali, a Taxicab Driver, leased a permit or medallion from anyone other than a Medallion permit Holder or a Color Scheme Company.

The Taxi Commission, like all administrative agencies, has no inherent powers; it possesses only those powers that have been granted to it by the Constitution or by statute.¹ As the United States Supreme Court has found, "an agency literally has no power to act . . . unless and until [powers] are conferred upon it."² That an agency, has been granted some authority to act within a given area does not mean that it enjoys plenary authority to act in that area.³ As a consequence, it is a fundamental principal that if the Commission takes action that is inconsistent with, or that simply is not authorized by the *Rules & Regulations*, then its action are void as a matter of law.⁴

¹ See *Carmel Valley Fire Protection Dist. v. State of California* (2001) 25 Cal.4th 287, 299-300; *State Bd. of Education v. Honig* (1993) 13 Cal.App.4th 720, 750.

² *Louisiana Public Service Comm'n v. FCC* (1986) 476 U.S. 355, 374.

³ *Railway Labor Exec. Ass'n v. National Mediation Bd.* (D.C. Cir. 1994) 29 F.3d 655, 670 (en banc).

⁴ See *BMW of North America, Inc. v. New Motor Vehicle Bd.* (1984) 162 Cal.App.3d 980.

1 Here, the complaint is void of any statutory authority that would permit the Taxi Commission
2 to revoke Mr. Ellassali's "A" card. Mr. Ellassali has never violated Rule 6.A.11, and the Taxi
3 Commission has failed to set forth any evidence to support a violation on the part of Mr. Ellassali that
4 he has ever leased a Medallion or permit from anyone other than Medallion permit holder or color-
5 scheme operator.

6 III.

7 THE TAXI COMMISSION COMPLAINT IS RIDDLED WITH ALLEGATIONS
8 THAT MR. ELASSALI IS AN ILLEGAL "BROKER" OR A "MANAGER" OF
9 MEDALLIONS. THE TERMS "BROKER" AND "MANAGER" OF MEDALLION
10 ARE "LEGAL TERMS" THAT THE COMMISSION HAS CHOSEN TO INTERJECT INTO
11 THIS CONTROVERSY WITHOUT STATUTORY AUTHORITY

12 Although unclear, the Complaint seems to extrapolate a great deal from Rule 4.C.1. which
13 states, in part, as follows::

14 **"Every Medallion Holder and Color Scheme Holder shall limit the layers of**
15 **medallion or permit leases to three (3) layers"**

16 This Rule however, is applicable only to Medallion holders and color scheme companies, and again it
17 does not provide any statutory authority to the Commission to revoke an "A" card from a driver.
18 More importantly however, the facts as set forth by this matter demonstrate that there has never been
19 the creation of fourth layer as is prohibited by Rule 4.C.1, as each Medallion holder has made their
20 own independent decisions such as to perhaps change their color scheme association and each color
21 scheme company has made their own independent decisions to accept the Medallion permit owner into
22 their color-scheme.

23 The Complaint is also riddled with allegations from the Acting Director, Sergeant Reynolds,
24 and several declarants whose declarations have been carefully crafted, that Mr. Ellassali is acting as an
25 "illegal" "broker" or "manager" of medallions. These legal terms seem to have been somehow

1 extrapolated by the Complaint from Rule 4.C.1, which refers only to the creation of an additional
2 "layer".

3 The prejudicial terms used by the Complaint, of "illegal broker and manager", are not terms
4 commonly understood, but ones which have a technical meaning, thereby warranting definition, they
5 must be categorized in this case as *legal terms*. Section 3 of the *Rules and Regulations* is noticeably
6 void of any definition whatsoever related to "illegal brokers" and "illegal managers". As such, again,
7 the Complaint has taken plenary action, not allowed by statutory authority, to define these terms as
8 they see fit and apply these unknown definition to Mr. Ellassali in order to revoke his "A" card. These
9 actions are impermissible according to fundamental principles of law.

11 IV.

12 THE ALLEGATIONS THAT MR. ELASSALI CHARGES DRIVER'S OPPRESSIVE AND
13 OUTRAGEOUS GATE FEES IS FALSE AND COMPLETELY
14 UNSUPPORTED BY ANY EVIDENCE BROUGHT FORTH BY THE COMPLAINT

15 The Complain also alleges that Mr. Ellassali is charging drivers oppressive gate fees. The
16 Complaint fails to set forth any evidence whatsoever of these facts and not a single statement from any
17 driver is presented to support these false allegation. Instead, by way of carefully crafted declarations-
18 the Complaint relies on hearsay statements from persons that have allegedly "heard" from others that
19 this is what Mr. Ellassali is apparently doing. It is unknown exactly how many layers of hearsay the
20 Complaint is relying upon to improperly set forth that Mr. Ellassali is charging driver's excessive fees
21 of any nature.

22 It is a well established principle of law that hearsay evidence is inadmissible. *Evidence Code*
23 section 1200 strictly prohibits hearsay statements offered to prove the truth of the matter stated, except
24 as provided by law. The Taxi Commission cannot in any way rely on hunches, suspicions, and an
25

1 unknown layers of hearsay statements to revoke Mr. Ellassali's "A" card and accuse him of charging
2 excessive fees to anyone.

3 V

4 AT NO POINT HAS MR. ELASSALI REPRESENTED
5 TO ANYONE THAT HE IS A COLOR-SCHEME HOLDER.

6 The Complaint against Mr. Ellassali alleges that his actions are in violation of MPC § 1078 (a)
7 which holds in pertinent part:

8 "No person, business, firm, partnership, association or corporation shall drive or
9 operate any motor vehiclewithout a permit issued by the Taxi Commission."

10 Here, Mr. Ellassali holds a permit to drive taxis in San Francisco. He has never driven any taxi
11 without having in place the proper permit to do so. The Complaint, however then goes further to
12 somehow extrapolate that Mr. Ellassali is operating an illegal color-scheme company without a permit.
13 This contention is beyond logic. Each and everyone of the medallions alleged to be a part of Mr.
14 Ellassali's purported illegal color scheme operation, is lawfully associated with a color-scheme
15 company which has a color scheme permit to operate its business. Each and every time the alleged
16 medallions have changed color scheme, the decision to change the color-scheme has been made by the
17 medallion holder himself or herself, the medallion holder has then made a request to this Commission
18 to change the color scheme association which has been approved. If Mr. Ellassali has given his
19 viewpoint or opinion to the medallion holder with respect to any color-scheme, his statements
20 encompass protected free speech within the free market. Again, Mr. Ellassali is in no manner
21 whatsoever operating an illegal color-scheme without a permit.

22 Paragraph 7 of the Complaint falsely alleges that Mr. Ellassali "maintains a stable of drivers
23 whom he uses to drive the medallion taxicab vehicles". As stated, Mr. Ellassali does not have a color-
24 scheme, nor does he have a Medallion. Should Mr. Ellassali have made a suggestion as to which driver
25

1 might be considered, that is also protected free speech within the free market. Lawful Medallion
2 holders and color-scheme companies are free to make their own decisions about which drivers they can
3 use. Further, there is no statutory authority, which states that it is in any manner illegal for any
4 individual to provide their opinion or viewpoint to a lawful medallion holder or color-scheme company
5 with respect to any drivers they may consider.

6 VI.

7 MR. ELASSALI IS AND ALWAYS HAS BEEN FULLY INSURED

8 At all times, and in full compliance with any and all requirements, Mr. Ellassali has maintained
9 full insurance. Mr. Ellassali has brought proof of his insurance and a copy is being provided along with
10 this brief.

11 In convoluted manner, the Complaint in Paragraph 14 further falsely sets forth that at some
12 juncture, Mr. Ellassali "hit a police officer" and then failed to report it.

13 First it must be clearly stated here, that Mr. Ellassali is a law abiding individual with the utmost
14 respect for the police. At no point whatsoever has he ever "hit" any police officer, failed to report it
15 and failed to satisfy any judgment in violation of MPC § 1090(a)(vi). These are all completely false
16 allegations.

17 The facts are as follows, several years ago, Mr. Ellassali's taxi was stopped in a parking space
18 at SFO, he drove forward slowly with his taxi's and bumped into the rear of a motor cycle driven by a
19 police officer. The visual damage to the motor cycle was a broken tail light. Mr. Ellassali immediately
20 got out of his taxi and assisted the officer and asked to know if he was alright. Further officers arrived
21 on the scene and Mr. Ellassali cooperated in full with the officers who made a complete report of the
22 incident. On that same date, Mr. Ellassali fully reported the accident to United Taxi and United Taxi in
23 turn immediately reported this to their insurance carrier. In full compliance with all applicable laws,
24

1 Mr. Ellassali and United Taxi cooperated fully with their insurance and the matter was settled to the full
2 satisfaction of the police officer for an excess of \$135,000.00. (This is a sizable personal injury award
3 considering the minor damage caused) This is all a matter of public record and the Complaint again, is
4 attempting to extrapolate some sort of wrongdoing on the part of Mr. Ellassali when the facts clearly
5 show that Mr. Ellassali was fully insured, cooperated fully with the police, reported the incident and the
6 police officer received over \$135,000.00 for this minor incident.

7 At no point whatsoever has Mr. Ellassali hidden the facts of this incident from anyone. The
8 Complaints allegations are false and very injurious to Mr. Ellassali. He has never failed to satisfy any
9 judgment, nor has he ever "hit" a police officer.

10 In further convoluted manner the Compliant sets forth that Mr. Ellassali name does not appear
11 on a list held by an insurance broker who was required by the Acting Director to give his declaration,
12 and from this the Complaint draws the incorrect conclusion that Mr. Ellassali is uninsured. The fact is
13 that Mr. Ellassali has always been fully insured as required. The non-sensical allegations of the
14 Complaint falsely purport falsely that Mr. Ellassali is uninsured. It is unclear how the Complaint could
15 even set forth that an insurance adjuster could hold the ultimate list of who is and who is not insured in
16 the taxi business.

18 VII

19 MR. ELASSALI HAS NEVER MADE ANY FALSE 20 STATEMENTS TO THE SAN FRANCISCO POLICE DEPARTMENT

21 It appears from the statements of the Acting Director that no matter what Mr. Ellassali may do
22 or state he is constantly being accused of wrongdoing and of being a liar. Mr. Ellassali has cooperated
23 with this matter. Despite this on June 05, 2008 the Commission Acting Director responded to a
24 request for a continuance of the June 10, 2008 meeting with the following:
25

1 **"We were only able to obtain his presence by tracking him down at one of the companies**
2 **he is illegally brokering medallions atAt the hearing he falsely claimed to have**
3 **limited English skills and asked for a continuance to obtain an attorney."**

4 The truth however is, that Mr. Ellassali does have limited English skills which are noticeable to
5 anyone who speaks with him. Mr. Ellassali was in no manner lying about this. Further, at the April 18,
6 2008 meeting before the hearing officer, Mr. Ellassali did request to continue the meeting so that he
7 could retain legal counsel as is his right. At no point has Mr. Ellassali lied or made any form of false
8 statement as is improperly alleged by the Acting Director.

9 Likewise, Sergeant Reynolds's sets forth in his declaration that Mr. Ellassali denied being an
10 illegal broker or illegal manager; then at another instance admitted to this. Mr. Ellassali has never been
11 an illegal broker or illegal manager of anything. Further, as already set forth, the terms "illegal broker"
12 and "illegal manager" are complex legal terms for which the *Rules and Regulations* have not provided
13 any definition whatsoever. Absent a specific definition set forth by the *Rules and Regulations*, the
14 Acting Director and Sergeant Reynolds took it upon themselves to define these legal terms and attempt
15 to prosecute Mr. Ellassali in order to revoke his "A" card. Mr. Ellassali, a non-attorney, does not know
16 in any capacity what these complex, legal, and technical terms mean, nor does the law impose a duty
17 upon him to grapple with what the Acting Director may have chosen as their definition. Mr. Ellassali
18 informed Sergeant Reynolds that he was not doing anything wrong, if any form of an admission is
19 being extrapolated from Mr. Ellassali's statements they are a clear misunderstanding.

20 There appear to be further misunderstanding from the comments made by Mr. Ellassali to
21 Sergeant Reynolds when Sergeant Reynolds set forth in his declaration that he believed that Mr.
22 Ellassali attempted to intimidate him in the "performance of his official duties" when Mr. Ellassali
23 informed him that he knew Mayor Newsom and Ms. Thigpen. [Please see page 2, line 8 – 10 of
24 Sergeant Reynolds Decl.]. Because Mr. Ellassali speaks English with a foreign accent does not mean
25

1 that one is free to misinterpret an innocent statement of this nature. At no point whatsoever did Mr.
2 Ellassali have any intention to intimidate anyone and it is further completely unreasonable for anyone
3 to be intimidated in any manner by Mr. Newsom and or Ms. Thigpen.

4 VIII.

5 THE REMOVAL OF THIS MATTER BY THE TAXI COMMISSION
6 DIRECTOR, FROM THE TAXI COMMISSION HEARING OFFICER,
7 TO THE COMMISSION ON MAY 12, 2008 WAS A
8 VIOLATION OF MR. ELASSALI'S DUE PROCESS RIGHTS

9 On April 17, 2008 Mr. Ellassali appeared before the Taxi Commission Hearing Officer assigned
10 to this matter. On this date the matter was continued by the Hearing Officer, and Mr. Ellassali was
11 specifically instructed to return on June 07, 2008, with certain documentation. At an unknown
12 juncture, the Director of the Taxi Commission, on an ex parte basis, removed the matter from the
13 jurisdiction of the Hearing Officer to the Taxi Commission and instructed Mr. Ellassali by letter dated
14 May 12, 2008 that she was "confirming" that his hearing for revocation would be heard before the Taxi
15 Commission on Tuesday, June 10, 2008. It is clear that the Acting Director made this decision sua
16 sponte and did not inform the Commission or Mr. Ellassali of her decision to do so.

17 The *California Administrative Procedure Act*, Article 7, which governs administrative matters
18 such as the ones presented in this matter, broadly prohibits these types of sua sponte decisions: "While
19 the proceeding is pending there shall be no communication, direct or indirect, regarding any issue in
20 the proceeding, to the presiding officer from an employee or representative of an agency that is a party
21 . . . without notice and opportunity for all parties to participate in the communication." (§ 11430.10,
22 subd. (a), italics added.) The reasons for this important provision is that administrative hearings at the
23
24
25

1 local levels, such as before the Hearing Officer in this matter, have the same potential of impacting
2 significant rights and of being the first level of adjudicatory review.⁵

3 After the sua sponte decision of the Acting Director to move this matter before the
4 Commission, and prior to the June 10, 2008 meeting before the Commission, a request for a
5 continuance was requested of the Acting Director based on the fact that Mr. Ellassali had just attained
6 legal counsel and time was needed for the attorney to properly prepare for the meeting. The Acting
7 Director refused to extend a continuance to Mr. Ellassali. On June 10, 2008 Mr. Ellassali appeared
8 before the Commission to request a continuance which was graciously granted by the Commission to
9 July 08, 2008 over the objections of the Acting Director.

10 After extensive preparations took place over the 4th of July weekend to prepare the case for the
11 hearing before the Commission which had been set to July 08, 2008, the matter was continued
12 unbeknownst to Mr. Ellassali or his attorney. The Acting Director did not have the courtesy to call or
13 send a fax when becoming aware that the matter would not be able to be heard on July 08, and prior to
14 the 4th of July weekend. As a result, Mr. Ellassali and his counsel appeared on the evening of July 08,
15 2008 in City Hall fully prepared to present their matter to the Commission, only to be bluntly informed
16 the matter had been continued. The Assistant City Attorney was approached who suggested that Mr.
17 Ellassali's counsel write a letter to the Commission President, Mr. Paul Gillespie. Mr. Gillespie was
18 also approached outside of the hearing room and informed that Mr. Ellassali would be leaving for
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22 ⁵ (See, e.g., Salkin, Judging Ethics for Administrative Law Judges: Adoption of a Uniform Code of Judicial
23 Conduct for the Administrative Judiciary, supra, 11 Widener J. Pub. L. at p. 10 and fn. 10, noting that during the
24 2001 Annual Meeting of the American Bar Association (ABA), the ABA's House of Delegates passed
25 Resolution 101B. That resolution urged state and local governments to require that administrative judiciary
members be accountable under provisions similar to the ABA Model Code of Judicial Conduct.)

1 Morocco to visit his mother who was ill. Mr. Gillespie informed Mr. Ellasali that it was alright if he
2 were to go to Morocco.


3 When a letter was written to the President, Mr. Gillespie, the Acting Director placed a call to
4 Mr. Ellessali counsel in which she became upset because the letter had not been addressed to her. She
5 stated that there was no way she would grant any "continuance" to Mr. Ellessali to enable him to go
6 visit his ill mother in Morocco. In order to finally have the matter set to a date that Mr. Ellessali could
7 actually appear, over 15 hours of attorney time were consumed by having to respond to the Acting
8 Directors letters and allegations. At one point Mr. Ellessali attorney was even falsely accused by the
9 Acting Director of misrepresenting the conversation she had with the Assistant City Attorney in the
10 public hall before the Commission Hearing on July 08, 2008. (A copy of this correspondence can be
11 immediately provided upon request).

12 CONCLUSION

13 On the totality of the circumstances described herein, the Taxi Commission is unable to take
14 revoke Mr. Ellassali's "A" card.

15 Dated: September 18, 2008

16 LAW OFFICES OF L.M. PARMENTER

17
18 
19 Lige M. Parmenter
20 Attorney for Mr. Driss Ellassali

PARMENTER LAW GROUP

CHANCERY BUILDING
41 SUTTER STREET, SUITE 1056
SAN FRANCISCO, CA 94104
T: 415-520-6LAW
F: 415-276-4186

June 11, 2008

Paul Gillespie - President San Francisco Taxi Commission
San Francisco Taxicab Commission
25 Van Ness Avenue - Suite 420
San Francisco CA 94102
Tel: (415) 503-2180
Fax: (415) 503-2186

Re: MATTER OF MR. DRISS ELASSALI

Dear Mr. Gillespie:

This letter is to respectfully inform you that I am very concerned with respect to a telephone call I received early today from Ms. Jordanna Thigpen. Ms. Thigpen telephoned me with respect to the letter which I sent to you yesterday by facsimile, which was specifically addressed to you. She informed me that the letter should have been addressed to her and that I needed to communicate with her with regards to this matter. She appeared concerned that I was somehow attempting to bypass her authority in the Taxi Commission.

I explained to Ms. Thigpen that I spoke to the Assistance City Attorney present at the Taxi Commissions meeting of July 08, 2008 and he had specifically informed me that I should contact you as the President of the Taxi Commission with respect to the lack of notice of the continuance of the July 08, 2008 meeting, and the fact that Mr. Ellassali would be leaving the country for Morocco. Before the meeting you also graciously spoke to me and I informed you that I would be sending you a letter with respect to this matter.

Ms. Thigpen then informed me that it was unacceptable that the matter should be continued to the month of September and that she was telling me this ahead of time. I then explained to her that should this matter be heard before September that neither my client nor I would be present and that matter would have to proceed in our absence, which to my knowledge is completely illegal.

I also explained to Ms. Thigpen that on July 08, 2008 I was prepared to defend my client and was present at the July 08, 2008 meeting as specifically instructed on June 10, 2008 by the Commission. My client, Mr. Ellassali was also present and ready to defend this serious matter of the revocation of his "A" card. I did not receive notice that the matter would not be heard on July 08, 2008 as the entire day of July 07, 2008 (when a purported "telephone call" was made) I was involved in a serious mediation process involving another matter. Thereafter the day of July 08, 2008 I was scrambling back and forth attempting to prepare for the hearing of Mr. Ellassali's matter. I do not believe that leaving a voicemail message a few hours before a matter is to be heard encompasses proper notice to an attorney who is told to appear at a hearing on a certain date. There was not even the courtesy of sending a letter via facsimile a few days prior or at least before the 4th of July weekend. Ms. Thigpen responded to this with her cavalier attitude that I should have been checking some form of announcement which is my

understanding comes out a few hours prior to the actual hearing, and that this was proper notice. In all the years I have practiced law I have never been aware of this encompassing proper notice.

I would also like to respectfully call to your attention that with respect to the June 10, 2008 meeting I sent a letter to Ms. Thigpen several days earlier requesting a continuance of the matter so that I could prepare my client's matter. Ms. Thigpen responded with a letter dated June 05, 2008 with the following comments:

"We were only able to obtain his presence by tracking him down at one of the companies he is illegally brokering medallions atAt the hearing he falsely claimed to have limited English skills and asked for a continuance to obtain an attorney."

Ms. Thigpen refused to permit Mr. Ellassali to have a continuance. Further, it is the comments of Ms. Thigpen in her letter of June 05, 2008 which are in fact false. Mr. Ellassali has never attempted to evade any form of communication from the Taxi Commission as Ms. Thigpen is alleging. Further, it is clear that Mr. Ellassali does in fact have limited English skills, as can be plainly ascertained by anyone who speaks with him. Further, Mr. Ellassali did request a continuance from the hearing officer to return with his attorney as is his right. At no point whatsoever did Mr. Ellassali make any false statement to the hearing officer or to Ms. Thigpen as she is alleging.

Thereafter at the hearing before you on June 10, 2008 Ms. Thigpen appeared to allege to the Commission that I had failed within the 2 business days between June 05, 2008 and June 10, 2008 to show up at her office to read the file and prepare a defense to the serious allegations brought forth by her Complaint in order to be prepared to fully defend Mr. Ellassali on June 10, 2008. She vigorously asserted to you that no continuance should be granted. Further, knowing that I was going to request a continuance she placed Mr. Ellassali's matter at the very end of the calendar. Before the meeting commenced, I attempted to approach the commissioners to inform them that I was the attorney that represented Mr. Ellassali and that I was there to request a continuance. Ms. Thigpen told me that she would provide the Commissioners with my card and that I would have to wait until my client's matter was called. This of course added significant costs to Mr. Ellassali's legal bills as I had to wait more than 4 hours for Mr. Ellassali's matter to be called, and quite frankly waiting this long was a draining experience for me as I have to get up very early in the morning because I have a young child.

Further, on April 17, 2008 Mr. Ellassali appeared before the Taxi Commission Hearing Officer assigned to this matter. On this date the matter was continued by the Hearing Officer, and Mr. Ellassali was specifically instructed to return on June 07, 2008, with certain documentation. At an unknown juncture, the Director of the Taxi Commission, on an ex parte basis, removed the matter from the jurisdiction of the Hearing Officer to the Taxi Commission and instructed Mr. Ellassali by letter dated May 12, 2008 that she was "confirming" that his hearing for revocation would be heard before the Taxi Commission on Tuesday, June 10, 2008.

The *California Administrative Procedure Act*, Article 7, which governs administrative matters such as the ones presented in this matter, broadly prohibits ex parte contacts between parties, including agency parties, and decision makers during administrative adjudicative proceedings. As set forth in the Act: "While the proceeding is pending there shall be no communication, direct or indirect, regarding any issue in the proceeding, to the presiding officer from an employee or representative of an agency that is a party . . . without notice and opportunity for all parties to participate in the communication." (§ 11430.10, subd. (a), italics added.) The reasons for this important provision is that administrative

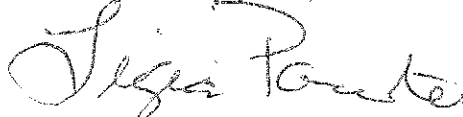
hearings at the local levels, such as before the Hearing Officer in this matter, have the same potential of impacting significant rights and of being the first level of adjudicatory review.¹

Here, Ms. Thigpen deprived Mr. Ellassali of his hearing before the Hearing Officer for unknown and completely unclear reasons, unsupported by any statutory authority. Further, the decision to remove the proceeding from that of the Hearing Officer to the Taxi Commission was done on an ex parte basis by Ms. Thigpen alone. Mr. Ellassali had no input whatsoever into this decision to remove the matter to the Commission as such Mr. Ellassali's due process rights were violated. Mr. Ellassali was prepared to return to the hearing officer with the specific information she requested of him and it is out belief that this matter would have been concluded in Mr. Ellassali's favor.

As requested previously we very respectfully request that Mr. Ellassali's matter to be continued to September. At that juncture both Mr. Ellassali and I will present meritorious defenses to the Complaint.

Please excuse the length of this letter, but given the fact that Ms. Thigpen has already informed me that a continuance to the month of September is not considered appropriate, I need to protect Mr. Ellassali's right to a fair hearing in which he will be able to present his meritorious defenses.

Respectfully yours,

A handwritten signature in cursive script, appearing to read "L.M. Parmenter".

L.M. Parmenter
Attorney at Law

LMP/gs

Cc: Jordanna Thigpen, Acting Executive Director

¹ (See, e.g., Salkin, Judging Ethics for Administrative Law Judges: Adoption of a Uniform Code of Judicial Conduct for the Administrative Judiciary, *supra*, 11 Widener J. Pub. L. at p. 10 and fn. 10, noting that during the 2001 Annual Meeting of the American Bar Association (ABA), the ABA's House of Delegates passed Resolution 101B. That resolution urged state and local governments to require that administrative judiciary members be accountable under provisions similar to the ABA Model Code of Judicial Conduct.)

1 TAXI COMMISSION

2 CITY AND COUNTY OF SAN FRANCISCO

3 ADMINISTRATIVE HEARING DECISION

4 Hearing Officer: Julie Rosenberg, Esq.

5 Hearing Date: September 19, 2008

6 #1 Dr. Carlton B. Goodlett Place, SF, CA 94121, Room 408

7 Case: Driss Ellassali

8 Type of Permit: A-Card Permit #94557 (Tax Collector #52819)
9 issued on May 26, 2000.

10 I. Legal Authority to Revoke Taxi Permits

11 MPC § 1090 governs the Revocation of taxicab permits. Section
12 1090(a) provides, in part:

13 Revocation for Cause. Any permit issued under this
14 Article may be suspended or revoked by the Police
15 Commission for good cause after a noticed hearing.
16 "Good cause" hereunder shall include, but shall not be
17 limited to, the following:

18 (iii) The permittee or the lessee of the permittee's
19 permit operated without the insurance required by this
20 Article.

21 (iv) The permittee or an agent of the permittee
22 knowingly made false statements to or concealed
23 information from the Police Commission, the Chief of
24 Police or the Police Department.

25 (vi) The permittee has failed to satisfy any judgment
26 for damages arising from unlawful or negligent
27 operation under any permit issued under this Article.

28 (viii) The permittee violated the Traffic Code of the
City and County of San Francisco or the Vehicle Code
or related laws of the State of California.

(ix) The permittee violated any applicable statute,
ordinance, rule or regulation pertaining to the
operation or licensing of the vehicles and services
regulated by this Article, including any rules and
regulations enacted by the Chief of Police pursuant to
this Article.

Upon a showing of good cause, the Police Commission
shall have discretion to suspend or revoke a permit
as set forth above, except that a suspension and/or
revocation shall be mandatory in the circumstances
described in Subparts(i) through (vi) above.

1 **II. Charges**

2 The Taxi Commission ("Commission") alleges that A-Card Holder
3 Driss Ellassali: (1) illegally brokers medallions for medallion
4 holders in violation of Rule 6.A.11 of the Taxicab/Ramped Taxi
5 Rules & Regulations ("Taxi Rules"); (2) operates without the
6 necessary permits required by Municipal Police Code ("MPC") §
7 1078(a); (3) charges drivers oppressive gate fees; (4) moves
8 drivers from company to company without causing them to notify
9 the Taxi Detail as required by Rule 6.A.8; (5) operates without
10 insurance as required by MPC § 1092 and 1094; (6) failed to file
11 annual 1095 Statements; (7) made false statements to the SFPD in
12 violation of MPC § 1110 and Rule 6.A.4, and (8) failed to
13 satisfy a judgment arising from unlawful or negligent operation
14 of his permit.

15 **a. Brokering**

16 **1. Background**

17 There are three main permit holders in the San Francisco
18 Taxi Industry: (1) Drivers¹, (2) Medallion Holders, and
19 (3) Taxicab Companies, which are also known as Color Schemes².
20 Only a taxicab with an authorized medallion can be driven in
21 San Francisco. Consequently, medallions are leased by either
22 drivers or color scheme holders from the medallion holders.

23 Drivers, medallion holders and color scheme permit
24 holders are required, under the law, to limit the layer of
25

26
27 ¹ Although medallion holders are also "drivers," references to "drivers" in
28 this Decision refer to drivers that are not medallion holders.

² "Color Scheme Holder," "Taxicab Company," and "Taxi Company" may be used
interchangeably. See Section 3.C. of the Taxicab/Ramped Taxi Rules and
Regulations ("the Taxi Rules").

1 leases to three layers i.e. medallion holder to color scheme
2 holder to driver.

3 Taxi Rule 4.C.1 (directed at medallion holders) and Rule
4 5.K.1 (directed at color scheme holders) contain identical
5 language on this issue: "Leases. Every Medallion Holder and
6 Color Scheme Holder shall limit the layers of medallion or
7 permit leases to three (3) layers (i.e. Medallion Holder to
8 Color Scheme Holder to driver). No Taxicab Driver may lease a
9 permit or medallion, either on a per shift basis or for any
10 term of time from anyone other than the Medallion Permit
11 Holder or the Color Scheme Company under which the permit or
12 medallion is operating."

13 Rule 6.A.11 (directed at drivers) states: "No Taxicab
14 Driver may lease a permit or medallion, either on a per shift
15 basis or for any term of time from anyone other than the
16 Medallion Holder or the Color Scheme Holder under which the
17 permit or medallion is operating." (emphasis added).

18 **2. Brokering by Mr. Ellassali**

19 The Commission alleges that Mr. Ellassali illegally
20 "brokers" or "manages" medallions for medallion holders in
21 violation of Taxi Rule 6.A.11. According to the Commission,
22 Mr. Ellassali pays each medallion holder a monthly fee, in
23 cash, ranging anywhere from \$1,800 to in excess of \$3,000 per
24 month. He requires the medallion holders to affiliate with a
25 color scheme of his choosing and then he pays a monthly fee to
26 the color scheme holder ranging from \$250-\$850 for use of the
27 color scheme's trade dress. According to the Commission, Mr.
28 Ellassali then hires drivers, maintains vehicles, and makes
payments to the color scheme holders for insurance and

1 affiliate fees. The drivers pay Mr. Ellassali to drive under a
2 medallion which is managed by Mr. Ellassali.

3 In support of its allegations that Mr. Ellassali brokers
4 medallions, the Commission submitted 15 declarations. See
5 Exhibit A. Ten of the 15 declarations are from medallion
6 holders that allegedly gave their medallions to Mr. Ellassali
7 to be brokered.³ The declarations were prepared and typed by
8 the Commission and signed by the medallion holders. They
9 contain the following identical language: "I have no knowledge
10 that I have violated any taxi rules or regulations, and it is
11 my intention to cooperate with the Taxi Commission at all
12 times during this investigation." The five other declarations
13 are from Scott Leon, Commission Investigator, Sergeant Ron
14 Reynolds of the SFPD Taxi Detail ("the Detail"), Tom
15 Stanghellini, the Operations Manager for Luxor Cab, Richard
16 Hybels, the President and Owner of Metro Cab and John Lazar,
17 the President of Luxor Cab.

18 According to at least two declarations, Mr. Ellassali
19 offers to pay medallion holders more money for use of the
20 medallion than the color scheme holders are willing to pay
21 them. See Declarations of Mostafa Syed and Ronald Brother.
22 Some of the declarations indicate that several color scheme
23 holders were aware of and participated in Mr. Ellassali's
24 alleged brokering activities i.e. Luxor Cab (see Van Leuven,
25

26 ³ Mostafa Syed (medallion holder # 179), Scott Van Leuven (medallion holder
27 #675), Felix Goldberg (medallion holder #841), Jamal Tawasha (medallion
28 holder #1315), Anatoly Beliovsky (medallion holder #1276), Yousef Oskoui
(medallion holder #328), Hossein Khousrooze (medallion holder #981), Jamil
Sweidan (medallion holder #899), Ronald Brother (medallion holder #349),
Kamal Heishan (medallion holder #892).

1 Stanghellini and Tawash Declarations) and Yellow Cab (see
2 Oskoui, Khousrooze and Brother Declarations).

3 The behavior Mr. Ellassali is allegedly engaged in,
4 leasing medallions to drivers, is not prohibited under the
5 Municipal Police Code or Taxicab Rules. Rule 6.A.11 is
6 directed at drivers, in this case, drivers who allegedly
7 leased medallions from Mr. Ellassali.

8 As of the date of the hearing, the Commission has not
9 brought disciplinary actions against any of the drivers, color
10 scheme or medallion holders who: (1) have a legal obligation
11 to limit the layer of leases to three layers and, (2) who
12 appear to be violating Rules 4.C.1, 5.K.1 and 6.A.11.

13
14 **Finding: Mr. Ellassali did not violate Taxicab Rule 6.A.11.**

15
16 **b. Operating Without a Permit**

17 The Commission alleges that Mr. Ellassali operates without
18 the requisite permit required under §1078(a)⁴. In support of
19 this allegation, the Commission advances alternative theories:
20 (1) He acts as a color scheme and does not hold a permit, and
21 (2) He is operating medallions and therefore is brokering
22 without a permit.

23
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25
26 ⁴ §1078(a) states: "Permit Required. No person, business, firm, partnership,
27 association or corporation shall drive or operate any motor vehicle for hire
28 on the public streets of the City and County of San Francisco, nor shall any
person, business, firm, partnership, association or corporation operate any
taxicab radio-dispatch service or taxicab color scheme in the City and County
of San Francisco, without a permit issued by the Taxi Commission authorizing
such driving or operation in accordance with the provisions of this Article.

1 **1. Acting as a Color Scheme Without a Permit**

2 The Commission alleges that Mr. Ellassali acts as a color
3 scheme because he hires and fires drivers, maintains
4 schedules, pays for insurance and trade dress fees, and
5 handles the purchase, maintenance and accidents of vehicles.
6 *The individuals that allegedly drive for Mr. Ellassali,*
7 *however, already operate under legitimate permitted color*
8 *schemes such as Luxor⁵, DeSoto⁶, Royal Cab⁷, and Yellow Cab⁸.*

9 "Taxi Cab Color Scheme" is "defined to be any color
10 scheme, design or dress for taxicabs that is distinguishable
11 from the color scheme, design or dress customarily used for
12 private automobiles." MPC §1076(e). Mr. Ellassali has not
13 adopted a distinguishable trade dress and therefore does not
14 fall within the statutory definition of color scheme.

15
16 **Finding: Mr. Ellassali is not acting as a color scheme.**

17
18 **2. Brokering Medallions Without a Permit**

19 The Commission asserts that Mr. Ellassali operates taxicabs
20 as if he were the individual medallion holder for each of the
21 estimated two dozen medallions he is brokering. According to
22 the Commission, each medallion that Mr. Ellassali operates is
23 held by another individual and therefore he is operating each

24
25
26 ⁵ See Declarations of Tom Stanghellini, Mostafa Syed, Scott Van Leuven, Felix
Goldberg, Jamal Tawasha, and Anatoly Beliovsky.

27 ⁶ See Declaration of Tom Stanghellini.

28 ⁷ See Declarations of Sergeant Ron Reynolds, and Jamil Sweidan.

⁸ See Declarations of Yousef Oskoui and Hossein Khousrooze.

1 medallion (brokering) without a permit. Section 1078(a) states
2 that a person shall not drive or operate any motor vehicle for
3 hire on the streets of San Francisco without a permit
4 authorizing such driving or operation.

5 "Operator" is defined to mean "any person . . . licensed
6 by the City and County of San Francisco pursuant to the
7 provisions of this Article and any agent of such permittee
8 including, but not limited to, any manager or lessee of said
9 permittee. See MPC section 1076(m) (emphasis added). The
10 medallions which Mr. Ellassali is allegedly brokering provide
11 the legal authority for the vehicles to be driven (or
12 operated) on the street. The medallion holders have not
13 relinquished their ultimate control of the medallions. Mr.
14 Ellassali does not need an additional permit because arguably,
15 he is an agent, manager or lessee under the existing permit
16 held by the medallion holder. Section 1078(a) seeks to
17 prohibit situations where taxicabs are on the street without
18 any legal authority.

19
20 **Finding: The Commission has not established, by a**
21 **preponderance of the evidence that Mr. Ellassali violated MPC**
22 **§1078(a) .**

23
24 **c. Charging Excessive Gate Fees**

25 The Commission alleges that Mr. Ellassali charged drivers
26 oppressive and outrageous gate fees⁹. MPC §1135.1(a) imposes a
27

28

⁹ MPC §1135.1(b) defines "Gate Fee": "'gate fee' shall mean any monetary fee or other charge or consideration, or any combination thereof, required of a

1 \$96.50 cap on gate fees charged by taxicab companies.¹⁰

2 According to the Commission, "Mr. Ellassali may charge a gate
3 fee to individual drivers of at least \$150 per shift." This
4 allegation is supported by the Stanghellini and Hybels
5 Declarations. According to Mr. Hybels' declaration, an unnamed
6 driver told Mr. Hybels that Mr. Ellassali charged him excessive
7 gate fees. Mr. Ellassali is not a taxicab company and
8 therefore does not charge gate fees. He apparently does pay
9 the gate fees to the permitted taxicab companies for his
10 drivers.

11
12 **Finding:** Given that Mr. Ellassali is not acting as a color
13 scheme, he cannot be held liable for charging excessive gate
14 fees.

15
16 **d. Moves Drivers from Company to Company**

17 The Commission alleges that Mr. Ellassali moves drivers
18 from company to company without causing them to notify the
19 Detail as required by Rule 6.A.8.¹¹ Rule 6.A.8 imposes the
20 obligation to notify the Detail on drivers not on Mr.
21 Ellassali.

22
23
24
25 driver other than a permit-holder for the privilege of driving a taxicab
26 during a particular shift..."

27 ¹⁰ MPC §1135(a) states in part: "Cap on Gate Fees. The mean gate fee charged
28 drivers by a taxicab company may not exceed \$96.50 for a shift of 10 hours or
29 longer. . ."

30 ¹¹ Rule 6.A.8 states that "Taxicab Drivers shall notify, in writing, the
31 Taxicab Detail within two (2) business days of a change of taxicab driver
32 employment."

1 Finding: Mr. Ellassali did not violate Rule 6.A.8.

2
3
4
5 e. Operating without Insurance

6 The Commission alleges that Mr. Ellassali has not
7 furnished evidence of his insurance policy as required by MPC
8 §§1092 or 1094. The Commission asserts that insurance is
9 required under either of its two case theories:

10 1. Mr. Ellassali is either an "agent" or "lessee" of
11 medallion and color scheme holders and therefore must have
12 insurance. Section §1092 requires each person or firm "holding
13 a permit to operate a motor vehicle for hire . . ." to file
14 proof of insurance with the Commission. The Commission states
15 that Ellassali is an "Operator" as defined by MPC §1076(m)¹² and
16 therefore he must comply with §1092. However, even if he is
17 an "operator" under §1076(m), §1092 imposes the insurance
18 obligation to those individuals or entities "holding a
19 permit," (which in this case are the medallion and color
20 scheme holders, not their agents or lessees.) Presumably
21 the medallion and color scheme holders carry the requisite
22 insurance.

23 2. Mr. Ellassali was acting as a color scheme without the
24 necessary permit. The hearing officer has already found that
25 Mr. Ellassali is not acting as a color scheme. Consequently, he
26 is not required to carry color scheme insurance. The drivers
27

28 ¹² See definition of "Operator" on page 7, line 5 *supra*.

1 who allegedly lease from Mr. Ellassali are driving under
2 permitted color schemes which presumably have insurance.

3
4 **Finding:** The Commission did not establish, by a preponderance
5 of the evidence that Mr. Ellassali violated MPC §§1092 or 1094.

6
7 **f. Failure to file 1095 Forms**

8 Under MPC §1095, only medallion and color scheme holders
9 are required to file annual 1095 Forms. The hearing officer
10 found that Mr. Ellassali was not acting as a color scheme.
11 Consequently, he is not required to file annual 1095 Forms
12 with the Commission.

13
14 **Finding:** Mr. Ellassali did not violate MPC §1095.

15
16 **h. False Statements**

17 The Commission alleges that Mr. Ellassali made the
18 following false statements in violation of MPC §1110¹³ and Rule
19 6.A.4¹⁴: (1) he arranged for the medallion holders to copy the
20 drivers' waybills and then provided these waybills to the
21 Commission with an intent to deceive, (2) he told the Detail
22 in an interview on 2/1/08 that he was not "brokering"
23 medallion #899 held by Mr. Jamil Sweidan, and (3) he told the
24

25
26 ¹³ MPC §1110 states: "It shall be unlawful knowingly to make any false or
27 misleading representation, or knowingly to conceal information where this
Article requires that information be disclosed, in connection with the
application for, renewal or, or possible revocation of a permit issued under
this Article."

28 ¹⁴ Rule 6.A.4 states: "A Taxicab Driver shall not hinder, delay or knowingly
make false or misleading statements to the Taxicab Commission or their
designee on any matter relating to regulatory compliance."

1 Detail he was only brokering three medallions.¹⁵ See
2 Declaration of Sergeant Ron Reynolds, Exhibit A.

3 With respect to the waybills, the Commission did not
4 provide any evidence that Mr. Ellassali assisted medallion
5 holders in copying waybills. None of the declarations
6 submitted, mention this waybill allegation.¹⁶ The submittal of
7 such waybills by the medallion holders would be a false
8 statements by the medallion holders. If the Commission
9 presented evidence that Mr. Ellassali assisted medallion
10 holders in falsifying waybills, he would be in violation of
11 Rule 6.A.4 which prohibits a Driver from hindering the
12 Commission on matters related to regulatory compliance.

13 With respect to his interview with the Detail, Mr.
14 Ellassali stated that he did not broker medallion #899, held by
15 Mr. Sweidan. Mr. Sweidan submitted a declaration indicating
16 that Mr. Ellassali brokered his medallion. See Exhibit A.
17 According to Sergeant Reynolds, Mr. Ellassali admitted to
18 brokering three medallions. Based on the large number of
19 declarations submitted by the Commission, the hearing officer
20 believes that Mr. Ellassali brokered more than three medallions
21 including Mr. Sweidan's medallion. Mr. Ellassali initially
22 misled Sergeant Reynolds about his brokering activities and

23
24 ¹⁵ In paragraph 13 of the Complaint, the Commission suggests that Mr. Ellassali
25 may have falsely informed Sergeant Reynolds that he was employed at Yellow
26 Cab. The Commission does not provide evidence to support this allegation.
27 Rather, the Commission states that if it was true that he moved to Yellow Cab
28 then he failed to notify the Taxi Commission of the change in his employment
which would be a violation of Rule 6.A.8 and 6.A.9. The Commission then
states that if it was false that Mr. Ellassali moved to Yellow Cab, then he
knowingly committed a false statement in violation of MPC §1110.

¹⁶ The only mention of waybills is found in Sergeant Reynolds Declaration
which states: "He [Ellassali] made what I believe to be false statements
regarding the submission of waybills." See page 2, line 28 and page 3, line 1
of Reynolds Declaration, Exhibit A.

1 then admitted to brokering three medallions. Although Mr.
2 Ellassali's alleged brokering may not be prohibited under the
3 rules, he is obligated to cooperate with the Detail in matters
4 of regulatory compliance. Information obtained about Mr.
5 Ellassali's brokering can be used in related investigations of
6 drivers, medallion and color scheme holders.

7 **Finding:** The Commission has established, by a preponderance of
8 the evidence that Mr. Ellassali violated MPC §1110 and Rule
9 6.A.4 in two instances.

10
11 **i. Failure to Satisfy a Judgment**

12 MPC §1090(vi) mandates the revocation of a permit if the
13 permittee has "failed to satisfy any judgment for damages
14 arising from unlawful or negligent operation under any permit
15 issued under this Article."

16 The Commission alleges that in 2005, Mr. Ellassali hit a
17 police officer with his vehicle and never reported the
18 accident. According to the Commission, a lawsuit was filed in
19 2006 but Mr. Ellassali failed to satisfy a judgment for
20 damages. The only evidence submitted in support of this
21 allegation is a declaration from an insurance broker, Dmitry
22 Erenkov, who claims he had knowledge of the accident. See
23 Exhibit B.

24 There is no evidence of a court judgment.

25
26 **Finding:** The Commission has not established, by a
27 preponderance of the evidence, that Mr. Ellassali failed to
28 satisfy a judgment for damages.

1 **III. Conclusion**

2 The Rules establish that the Commission did not intend parties
3 other than drivers, medallion and color scheme holders from
4 profiting off the system. Unfortunately, there is no specific
5 rule prohibiting Mr. Ellassali's alleged brokering. Even if Mr.
6 Ellassali's A-Card was revoked, it would not prevent him from
7 brokering. The most effective way to eliminate brokering by
8 outside parties is to enact a law specifically prohibiting
9 brokering of this nature. Absent new legislation, the
10 Commission needs to enforce the laws, which prohibit more than
11 three layers of leases, against the medallion and color scheme
12 holders.

13
14 **IV. Recommendation**

15 Mr. Ellassali made two separate statements which constitute
16 two separate violations of Rule 6.A.4 and §1110. Pursuant to
17 the Schedule of Administrative Fines, dated 12/10/02, (Ordinance
18 #106-99) these violations constitute Major infractions.
19 Consequently, the hearing officer recommends that he be fined
20 \$250 for the first violation and \$400 for the second violation
21 for a total of \$650. The hearing officer recommends that Mr.
22 Ellassali's A-Card not be revoked.

23
24
25 *Julie Rosenberg*
26 Julie Rosenberg, Esq.

27 10/22/08
28 Date

Hearing Officer

DECLARATION OF TOM STANGHELLINI

1. I am over the age of 18 and not a party to this action, and I am a citizen of the United States.

2. My name is Tom Stanghellini, and I am the Operations Manager for Luxor Cab Company. I have been employed in that capacity for six years and prior to that time, I was an officer with the Daly City Police Department for twelve years. My business address is 2230 Jerrrold Avenue, San Francisco, CA 94124. I oversee administration including scheduling of taxicab drivers, leases with medallion holders. Part of my duties are processing transactions such as new medallions, color scheme changes, insurance requests and medallion lease payments. I also handle driver scheduling and I must approve every driver that comes through Luxor Cab for insurance purposes.

3. I first became aware of Mr. Driss "Kiki" Ellassali, an illegal medallion broker, on or about May 1, 2005. At that time he came into Luxor to be a taxicab driver. My recollection is that he came in with the medallion holder that he would be driving for, Mr. Ian Cartmill, the former holder of medallion # 334. I placed him as a driver under # 334, since he represented that he would be driving that vehicle. I spoke to the medallion holder, approximately two months later, and Mr. Cartmill stated "for finances, speak to Kiki, because he handles all that." I assumed that Mr. Ellassali was brokering Mr. Cartmill's medallion by hiring drivers, managing their schedules, purchasing the vehicle, paying color scheme fees and paying insurance. In my experience as Operations Manager these are typical activities of a color scheme, and individuals engaging in this practice are acting as brokers or color schemes without a permit.

4. On or about December 2006, Mr. Ellassali started to pay the monthly color scheme fees for # 675 and other medallion vehicles. At some point in early 2006, he also began paying the color scheme fees for cab number # 968 and brokering # 968, but the owner took back

1 management because of Mr. Ellassali's business practices which include bouncing checks and
2 being delinquent in payments to Luxor Cab.

3
4 5. On November 9, 2006, Ian Cartmill, passed away. Luxor Cab was required to turn the
5 medallion back to the City. In November or December 2006, Mr. Ellassali began brokering
6 Medallion # 1079 and Medallion # 841. I understand from my conversations with others in the
7 industry that he is brokering over two dozen medallions at various companies.

8
9 6. In the past year and a half, I have had consistent problems with drivers that are driving for
10 Mr. Ellassali. Specifically, they turn in waybills from other companies such as DeSoto, to Luxor
11 Cab. From my understanding, resulting from my conversations with drivers and customers, some
12 of Mr. Ellassali's drivers are driving for DeSoto, which does not accept credit cards, and then
13 come into Luxor to process their credit card slips. This results in expense to Luxor Cab because
14 of the merchant services charges from the credit cards, and additionally, I am aware that some
15 customers have done chargebacks because they have realized they did not ride in a Luxor Cab
16 and were contesting a charge from Luxor Cab.

17
18 7. The most recent incident involving Mr. Ellassali occurred in November 2007. Luxor had a
19 driver for twenty-five years, Mr. Mikhail Liriseman. Mr. Liriseman came up on the waiting list.
20 He wanted to affiliate with Luxor, but could not decide if he wanted to be gas and gates or a
21 color scheme affiliate. I told him he needed to make that decision right away and that he needed
22 to speak to John Lazar. I talked to him in person twice more over a four-week period and
23 informed him of his responsibilities in that regard. He failed and refused to speak to John. On or
24 about November 15, 2007, Mr. Ellassali came in with four drivers and stated that those drivers
25 were going to be the drivers for Mr. Liriseman. Once more I informed Mikail to speak to John,
26 but he continued to fail and refuse, and ultimately, filed for a transfer to Yellow Cab.

27
28

1 8. One reason I believe that Mr. Ellassali is managing several dozen medallions is because
2 he has an enormous stable of drivers. I have tried to force Mr. Ellassali to bring new drivers in
3 when he hires them, because of our insurance requirements at Luxor. He will not commit drivers
4 to a specific shift. He will simply say "these two drivers are going to alternate back and forth on
5 night shifts," or "these drivers will be relief drivers" on a particular vehicle. I will then check for
6 that particular vehicle and discover some other drivers driving those shifts. Then I will find out
7 the original drivers are driving at other companies on other vehicles that Mr. Ellassali is
8 brokering. Over the years, Mr. Ellassali has repeatedly turned up at Luxor driving various taxicab
9 vehicles from other companies.

10
11 9. I have had ongoing problems with Mr. Ellassali since May 2005. For example, he has
12 bounced several checks to Luxor Cab for payments of color scheme fees that he has made on
13 behalf of the medallions he is brokering. Also, when I call medallion holders to discuss a
14 particular problem, the medallion holder will respond "it's not my problem, it's Kiki's problem."
15 However, our contract is with the medallion holder, not with Mr. Ellassali.

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1 10. When he brokers a medallion, Mr. Ellassali purchases the vehicles for the medallion
2 holders and also purchases insurance. Meanwhile, the medallion holder's name remains on the
3 title. Some of the problems I have noted include overcharging of gate fees (up to \$150), not shift-
4 changing on property, refusal to communicate with Luxor management, charging excessive
5 deposits to drivers (upwards of \$2,000). Mr. Ellassali also enters into questionable arrangements
6 with medallion holders - for example, Cab Number # 675 was in an accident and Mr. Ellassali
7 paid to replace the vehicle. This occurred approximately November 2007.

8
9 11. I declare under penalty of perjury under the laws of the State of California that the
10 foregoing is true and correct.

11
12 Signed:

Date:

13 
14 Tom Stanghellini
15 Operations Manager
Luxor Cab

3-11-08

16 Executed in San Francisco, California
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2. I am an Investigator with the San Francisco Taxi Commission. My duties involve investigating Color Schemes and permit holders of the taxicab industry to ensure they meet the regulatory compliance of the Taxicab/Ramped Taxi Rules and Regulations enacted by the Taxi Commission. I conduct audits and inspections, detect violations and fraud in the taxi industry, and I collect, maintain, and analyze evidence for disciplinary cases. I also interview witnesses, including drivers, medallion holders, color scheme company owners, and others.

4. I discovered that Mr. Ellassali's network of medallion holders was quite extensive. In conversations with sources and informants in the industry, I believe that Mr. Ellassali is brokering at least twenty-four medallions. Due to resources constraints in our office and my need to finish the annual Proposition K driving requirement audits and the annual color scheme audits, I have stopped investigating Mr. Ellassali, but I believe that we have only scratched the surface of his illegal activities in the San Francisco taxicab industry.

5. Over the course of February 2008, Sgt. Reynolds, Deputy Director Thigpen, and myself interviewed several medallion holders who are allowing Mr. Ellassali to broker or manage their medallions. Those medallion holders included the following individuals: Mostafa Syed, Scott van Leuven, Felix Goldberg, Jamal Tawasha, Anatoly Beliovsky, Yousef Oskoui, Hossein Kousrooze, Jamil Sweidan, Kemal Heishan, Ahmad Mozanffari, and Ronald Brother. Each one submitted voluntarily to an interview and voluntarily submitted declarations. Those declarations are attached to the Complaint.

1 6. After speaking to those medallion holders, the consensus was that Mr. Ellassali likes to assist
2 permit holders who want to do the least work as possible. Mr. Ellassali hires the drivers, sets the
3 driving schedules, pays for the color scheme fees, and handles all the maintenance and insurance for
4 the vehicle. In addition, Mr. Ellassali pays the medallion holders a monthly fee, in cash, ranging
5 anywhere from \$1,800 to \$3,500 per month depending on their driving frequency.

6 7. The one medallion holder that did not voluntarily submit his declaration was Ahmad
7 Mozzanfari. Despite indications that Mr. Ellassali is brokering Mr. Mozanffari's medallion, Mr.
8 Mozanffari stated that he has no affiliation with Mr. Ellassali. I did not find this to be a credible or
9 truthful statement based on Mr. Mozanffari's demeanor during the interview, including physical
10 sweating, nervous speech patterns and inconsistent statements that he indicated.

11 7. I declare under penalty and perjury of the State of California that the foregoing is true and
12 correct.

13
14 Executed in San Francisco, California.

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16
17 Date: March 10, 2008



18 Scott Leon
19 San Francisco Taxi Commission Investigator
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4. On January 31, 2008, I went to Royal Cab and interviewed drivers and office personnel at Royal's premises. Cab # 899 was sitting on the lot, out of service for a blown engine. However, Spare Cab # 2318 was out and had apparently been used as a substitute for weeks without notification to the taxi Commission or the Taxi Detail. No driver I interviewed at Royal's premises could recall seeing Cab # 2318 or a driver for that vehicle or Cab # 899 in weeks. Apparently, the drivers and the cab had not been shift-changing for Cab # 2318 on property. I asked for waybills for Cab # 899 or Cab # 2318 and no waybills were available since none had been turned into the business office since the end of November 2007.

1 5. On February 1, 2008, I interviewed Jamil Sweidan, a medallion holder with Royal. I
2 informed him that I had a complaint regarding his medallion, that it was being illegally brokered
3 or managed by Mr. Driss Ellassali. During that conversation, Mr. Sweidan admitted to me that he
4 was not driving his medallion and was in violation of the full-time driving requirement.
5

6 6. Mr. Sweidan also admitted to me that Mr. Ellassali was in fact brokering his medallion for
7 Him by hiring drivers. Mr. Sweidan stated that he did not have a written contract with Mr.
8 Ellassali, that he did not know Mr. Ellassali's last name, that he occasionally drove other cabs
9 since his was occupied by drivers that Mr. Ellassali obtained for him and placed in his vehicle to
10 drive it, and that he had no idea he was violating the rules. He also stated that he (Mr. Sweidan)
11 drove a spare cab for months at a time, when he did drive.
12

13 7. I have reviewed the declaration that Mr. Sweidan gave to the Taxi Commission, based on
14 a subsequent interview he gave to Investigator Scott Leon. Based on my review of that
15 declaration, it is my belief that Mr. Sweidan gave inconsistent statements to Investigator Leon
16 and myself; because Mr. Sweidan admitted to me that he had been contracting with Mr. Ellassali
17 for over a year and knew that Mr. Ellassali was managing the medallion, while he told
18 Investigator Leon that he was "confused" about who was managing his medallion.
19

20 8. On February 1, 2008, I also interviewed Mr. Ellassali himself, because he came with Mr.
21 Sweidan to the interview to represent Mr. Sweidan's interests. Like Mr. Sweidan, Mr. Ellassali
22 voluntarily came into Taxi Detail to answer questions; he was not requested to be at the interview
23 for Mr. Sweidan.
24

25 9. I asked Mr. Ellassali if he was brokering Medallion #899, held by Mr. Sweidan, to which
26 he responded "no" – despite the fact that Mr. Sweidan had already informed me moments before
27 that Mr. Ellassali was, in fact, brokering # 899. I also asked him if he was leasing #899, to which
28 he responded "whatever he [Mr. Sweidan] told you, it's fine." He made what I believe to be false

May 10, 2008 11:50AM

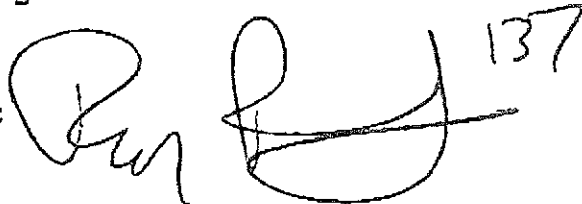
TAXI COMMISSION

1 statements regarding the submission of waybills, and what I believe to be false statements
2 involving the drivers operating # 899 and # 2318. He also made what I believe to be false
3 statements regarding the use of particular cabs and whether they were shift-changing on the
4 property.

5
6 10. In the course of the interview he finally conceded that he has his "friends" drive taxicab
7 vehicles. He claimed that he "helps a big community of people, no one helps them when they
8 come here but I do" and stated that he helps 2,000 people. He stated "I know Gavin Newsom, I
9 know Jordanna [Thigpen]," to imply that he would have these two public officials use their
10 official position to help him if he was in trouble, and to intimidate a Sergeant of the San
11 Francisco Police Department who was performing his official duties.

12
13 11. After being interrogated, Mr. Ellassali finally conceded that he was leasing/brokering
14 medallions, but he stated that he was only leasing/brokering three medallions. I believe this to be
15 an untrue statement based on my review of the other declarations in this matter from other
16 medallion holders that he is brokering.

17
18 12. I declare under penalty of perjury under the laws of the State of California that the
19 foregoing is true and correct.

20
21 Signed:137

Date: 3/11/08

22
23 Ron Reynolds
24 Sergeant, Officer-in-Charge, Taxi Detail
25 San Francisco Police Department

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27 Executed in San Francisco, California
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1 8. Based on our agreement Mr. Ellassali offered to pay me \$2,700 per month in cash while I
2 pay him the Luxor gate fees during the shifts I drive. Mr. Ellassali also agreed to handle the
3 maintenance for the vehicle, and pay for the color scheme and insurance fees to Luxor.

4 9. Mr. Ellassali continued to manage my medallion after I returned from Bangladesh on January
5 1, 2008. I receive my cash transactions at least once per month in various places, such as my
6 house, at SFO, or during shift changes at Luxor.

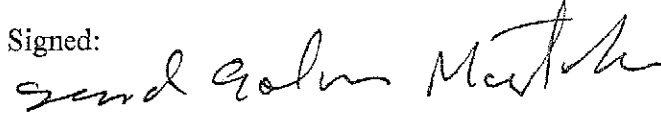
7 10. I chose Mr. Ellassali to manage my medallion because he was able to help me financially
8 while I was away from the country. I have no knowledge that I have violated any taxi rules or
9 regulations, and it is my intention to fully cooperate with the Taxi Commission at all times during
10 this investigation.

11 11. I declare under penalty of perjury under the laws of the State of California that the
12 foregoing is true and correct.

13
14 Signed:

Date:

02-27-08

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16 Executed in San Francisco, California
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DECLARATION OF SCOTT VAN LEUVEN

1. I am over 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Scott Van Leuven. I reside at 2378 Saint Francis Drake #6, Fairfax, CA 94930.

3. I have been a taxi driver in San Francisco since 1972. I hold medallion permit #675 and presently drive full time for Luxor Cab.

4. I first became acquainted with Driss Ellassali, aka Driss "Kiki" Ellassali, on or about January 2007 through Mr. John Lazar at Luxor. I informed Mr. Lazar that wanted a better deal for the management of my medallion, or otherwise I would go somewhere else. Rather than see me leave Luxor, Mr. Lazar just told me to contact Mr. Ellassali.

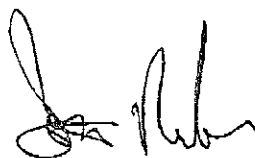
5. On or about January 2007 I telephoned Mr. Ellassali he made an offer to manage my medallion, which I accepted. Based on a verbal agreement without a written contract, Mr. Ellassali agreed to pay me \$2500 per month in cash while he covers the maintenance, permit and insurance fees to Luxor.

6. I have been receiving my cash payments from January 2007 until the present time. I receive my payment once a month and it is delivered to me during shift changes.

7. I chose Mr. Ellassali to manage my medallion by recommendation of Mr. Lazar at Luxor and simply because Mr. Ellassali offers to pay more than the color schemes. I have no knowledge that I have violated any taxi rules or regulation, and it is my intention to fully cooperate with the Taxi Commission at all times during this investigation.

8. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signed:



Date:

2-27-08

Executed in San Francisco, California

DECLARATION OF FELIX GOLDBERG

1. I am over 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Felix Goldberg. I reside at 2079 Morello Ave., Pleasant Hill, CA 94523.

3. I have been a taxi driver in San Francisco since 1980. I hold medallion permit #841 and presently drive full time for Luxor Cab.

4. I first became acquainted with Driss Ellassali, aka Driss "Kiki" Ellassali, on or about May 2007 at the taxi lot of the San Francisco International Airport (SFO). By word of mouth and recommendation from other medallion holders, I was told that Mr. Ellassali was someone who helps manage medallions with additional incentives.

5. On or about May 2007 my taxi vehicle was having a lot of maintenance issues and it eventually broke down beyond repair. I needed a new vehicle and I was informed by other permit holders that Mr. Ellassali own several vehicles with Yellow and Luxor.

6. Since I did not have a lot of cash to purchase a new vehicle, I approached Mr. Ellassali for help on or about May 2007. At first Mr. Ellassali offered me to lease one of his vehicles for \$80 per shift, a 2003 Ford Taurus, License #7Z60048, VIN # 1FAFP55S03G250739. As part of our agreement, Mr. Ellassali agreed to pay me \$1800 per month in cash for the monthly fees I collect from my medallion and I would pay him \$80 per shift for the leasing of his vehicle. As an additional incentive, Mr. Ellassali also agreed to handle all my maintenance costs, cover my permit and insurance fees to Luxor, and provide me with a flexible driving schedule.

7. On or about May 2007 I informed Tom Stangellini that I would be leaving Luxor and contract with Mr. Ellassali to manage my medallion. Mr. Stangellini provided the approval without any objections.

8. I have been receiving my cash payments from May 2007 until the present time. I receive my payment once a month and it is delivered to me during shift changes at Luxor.

1 9. On or about July 2007 Mr. Ellassali issued a non-sufficient check to Luxor in the
2 amount of \$1300 to pay for my permit and insurance fees. Because of Mr. Ellassali's bad check, I
3 temporarily lost access to my company's dispatch service for that month. This incident occurred
4 again in August 2007 when Mr. Ellassali issued another bad check to Luxor, resulting in further lost
5 of my taxi wages.

6 10. On or about December 2007, I told Mr. Ellassali that I was not satisfied with the
7 management of my medallion because he was not paying on time with the color scheme, insurance
8 and workers compensation fees. We made an agreement that I would purchase the vehicle from Mr.
9 Ellassali for \$4,000. I told Mr. Ellassali that once I finish paying off the vehicle I will continue to
10 manage my own medallion. I already paid Mr. Ellassali \$1,500, so I still owe him a remaining
11 balance of \$2,500 as of today.

12 11. I chose Mr. Ellassali to manage my medallion because I did not have a lot of cash and I needed
13 a vehicle to drive. Mr. Ellassali provided me with a flexible schedule when I can start driving at
14 3pm. I have no knowledge that I have violated any taxi rules or regulation, and it is my intention to
15 fully cooperate with the Taxi Commission at all times during this investigation.

16 11. I declare under penalty of perjury under the laws of the State of California that the
17 foregoing is true and correct.

18
19 Signed:

Felina Golberg

Date:

02/26/08

20 Executed in San Francisco, California
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DECLARATION OF JAMAL TAWASHA

1. I am over 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Jamal Tawasha. I reside at 244 Dennis Drive, Daly City, CA 94015.

3. I have been a taxi driver in San Francisco since 1987. I am a new medallion permit holder #1315 and presently drive full time for Luxor Cab.

4. I first became acquainted with Driss Ellassali, aka Driss "Kiki" Ellassali, on or about 2001 when we waited together in the taxi lot of the San Francisco International Airport (SFO). Prior to receiving my new medallion, Mr. Ellassali had offered to sell me his hybrid vehicle to use as my taxi.

5. On December 1, 2007 I purchased Mr. Ellassali's 2005 Ford Escort, an alternate fuel only vehicle, in the amount eighteen thousand USD (\$18k). The Ford Escort's vehicle license plate number is #8JF7267, and the vehicle's identification (VIN) is #1FMCU95H1KB86725.

6. Since I owe money to Mr. Ellassali for the purchase of this vehicle, he offered to manage my medallion along with an opportunity to finance the vehicle. In other words, I reimburse Mr. Ellassali back through the monthly fees I collect from my medallion.

7. On or about December 12, 2007, I accepted Mr. Ellassali's offer to manage my medallion. Based on a verbal agreement without a written contract, Mr. Ellassali agreed to pay me \$1,800 per month in cash while he hires my drivers and takes care of my permit and insurance fees to Luxor.

8. When I began contracting with Mr. Ellassali to manage my medallion, the managers at Luxor Cab already knew of my situation and did not say anything to me.

9. I have been receiving my cash transactions from January 2008 until the present time. I receive my payment once a month and it is delivered to me during shift changes at Luxor.

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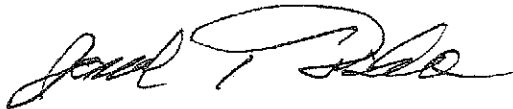
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1 10. I chose Mr. Ellassali to manage my medallion only by word of mouth and recommendation
2 of other people. As a new permit holder I do not want to take any chances or do anything that
3 could jeopardize losing my medallion. I have no knowledge that I have violated any taxi rules or
4 regulation, and it is my intention to fully cooperate with the Taxi Commission at all times during
5 this investigation.

6 11. I declare under penalty of perjury under the laws of the State of California that the
7 foregoing is true and correct.

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10 Signed:



Date: 2/22/08

11 Executed in San Francisco, California
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1. I am over 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Anatoly Beliovksy. I reside at 179 20th Avenue Apt 2, San Francisco, CA 94121.

3. I have been a taxi driver in San Francisco since 1991. I hold medallion permit #1276 and presently drive full time at Luxor Cab.

4. I first became acquainted with Driss Ellassali, aka Driss "Kiki" Ellassali, on or about August 2007 when we waited together in the taxi lot of the San Francisco International Airport (SFO). By word of mouth and recommendation from other medallion holders, I was told that Mr. Ellassali was someone who helps manage other people's medallion with hassle free incentives.

5. On September 1, 2007, I approached Mr. Ellassali and accepted his offer to manage my medallion. Based on a verbal agreement without a written contract, Mr. Ellassali agreed to pay me \$1800 per month in cash while he takes care of my maintenance of my vehicle and also covers the permit and insurance fees to Luxor.

6. On September 1, 2007 when I began contracting with Ellassali, the managers at Luxor already knew that I was affiliated with Mr. Ellassali and they chose not to get involved.

7. I have been receiving my cash transactions from September 1, 2007 until the present time. I receive my payment once a month and it is delivered directly to me during shift changes.

8. Starting next month in March 2008, Mr. Ellassali will begin paying me \$1,800 per month minus the gate fees because I will be driving additional shifts of at least three (3) nights out of the week.

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1 9. I chose Mr. Ellassali to manage my medallion because it provides me the opportunity to do
2 less work and spend more time with my family. I don't have deal with the headaches of managing
3 my drivers or deal with unexpected maintenance issues. I have no knowledge that I have violated
4 any taxi rules or regulation, and it is my intention to fully cooperate with the Taxi Commission at all
5 times during this investigation.

6 10. I declare under penalty of perjury under the laws of the State of California that the
7 foregoing is true and correct.

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10 Signed:

A. Belilovsky

Date:

02/22/08

11 Executed in San Francisco, California
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Executed in San Francisco, California

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1. I am over 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Hossein Khousrooee. I reside at 1288 East Hillsdale Blvd #B105, Foster City, CA 94404.

3. I have been a taxi driver in San Francisco since 1989. I hold medallion permit #981 and presently drive full time for Yellow Cab Cooperative.

4. I first became acquainted with Driss Ellassali, aka Driss "Kiki" Ellassali, on or about 2004 when I left Luxor and started driving for Yellow. By word of mouth and recommendation from other medallion holders, I was told that Mr. Ellassali was someone who helps manage other people's medallion and he offers to pay more money than the color schemes.

5. Because my family and I live in Foster City, it was a hassle for me to always come out to San Francisco when I am not driving. I would have to deal with maintenance issues of my vehicle and take care of unexpected accidents in the middle of the night.

6. On or about December 2005, I approached Mr. Ellassali and accepted his offer to manage my medallion. Based on a verbal agreement without a written contract, Mr. Ellassali agreed to pay me \$2500 per month in cash while he pays \$850 per month to Yellow to cover the permit in fees and insurance fees for \$700 per month.

7. On or about December 2005 when I began contracting with Mr. Ellassali, the managers at Yellow already knew of my situation and did not say anything to me.

8. I have been receiving my cash transactions from December 2005 until the present time. I receive my payment once a month and it is delivered directly to my house.

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1 10. I chose Mr. Essali to manage my medallion because it provides me the opportunity to do
2 less work and spend more time with my family. I don't have to worry about covering my night
3 shifts and I did not have to deal with unexpected maintenance issues during my time off. I have no
4 knowledge that I have violated any taxi rules or regulation, and it is my intention to fully cooperate
5 with the Taxi Commission at all times during this investigation.

6 11. I declare under penalty of perjury under the laws of the State of California that the
7 foregoing is true and correct.

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10 Signed:



Date:

2-20-08

11 Executed in San Francisco, California
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DECLARATION OF JAMIL SWEIDAN

1. I am over the 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Jamil Sweidan, currently residing at 2470 Erin Place, South San Francisco, CA 94080.

3. I have been a taxi driver in San Francisco since 1979. I hold medallion permit #899 and presently driving for Royal Taxi.

4. I first became acquainted with Driss Essali, aka Driss "Kiki" Essali, on or about May 2006 when I was driving for Royal Taxi. Since I see Mr. Essali during my shift changes, I thought Mr. Essali was just a driver for my medallion permit at Royal Taxi. I am aware that Mr. Essali is also managing other medallion permits, but I do not know any of the specifics.

5. Due to my confusion I initially thought Royal Taxi was managing my medallion, but in fact it is Mr. Essali who is managing it because he pays the medallion fees and arranges driver to operate the vehicle.

6. I have since realized Mr. Essali has been managing my medallion for the past year and a half. I receive \$1800 per month in cash, and Mr. Essali pays \$1420 per month to cover color scheme and insurance fees to Royal Taxi.

7. I have been receiving my cash payments on or about July 2006 until the present time and my payments are delivered to my house. Since I receive my payments every month, I did not suspect there was anything wrong with my medallion permit or how it was managed.

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1 8. I have no knowledge that I have violated any taxi rules or regulation, and it is my intention
2 to fully cooperate with the Taxi Commission at all times during this investigation.

3 9. I declare under penalty of perjury under the laws of the State of California that the
4 foregoing is true and correct.

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7 Signed: 

Date: 2.13-08

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9 Executed in San Francisco, California
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DECLARATION OF RONALD BROTHER

1. I am over the 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Ronald Brother, and I reside at 1390 Market St. Apt #1426, San Francisco, CA 94102.

3. I have been a taxi driver in San Francisco since 1978. I hold medallion permit holder #349 and presently drive for Yellow Cab Cooperative.

4. I first became acquainted with Driss Essai, aka Driss "Kiki" Essali, back in February 2007 when I was driving for Yellow. From recommendations of other medallion holders, I was informed that Mr. Essali pays more money managing my medallion than any color scheme would.

5. On 9/26/2007 I had a quadruple bypass surgery which affected my ability to fulfill my full time driving requirement. On 12/26/2007 I applied for an ADA Accommodation with the SF Taxi Commission because I am presently not driving at this time.

6. On or about April 2007 I informed Jim Gillespie that I would be leaving Yellow and contract with Mr. Essali to manage my medallion. Jim Gillespie made no comment about me leaving Yellow and provided me the approval without any objections.

7. On or about April 2007, I approached Mr. Essali and I accepted his offer. Mr. Essali promised to make my job easier and said he would handle everything from hiring all my drivers, collecting my gate fees, and purchasing my insurance.

8. Based on verbal agreement I collect \$3000 per month from Mr. Essali when I am not driving or \$2500 per month when I am driving. No written contract was ever created between me and Mr. Essali. I receive my payments in cash once a month and delivered by a night driver coming to my house.

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1 9. I have been receiving my payments from Mr. Essali on or about April 2007 until the present
2 time.

3 10. I have no knowledge that I have violated any taxi rules or regulation, and it is my intention
4 to fully cooperate with the Taxi Commission at all times during this investigation.

5 11. I declare under penalty of perjury under the laws of the State of California that the
6 foregoing is true and correct.

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9 Signed:



Date:

2-13-2008

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11 Executed in San Francisco, California
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DECLARATION OF RICHARD HYBELS

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3 1. I am over the age of 18, a citizen of the United States, and I am not a party to this action. If
4 called to testify to the facts below I could competently testify thereto.

5 2. My name is Richard Hybels and I am the President and Owner of Metro Cab, a permitted
6 color scheme in San Francisco. I first became acquainted with Driss "Kiki" Ellassali when I was
7 working at National Cab as the General Manager. In 2001, Mr. Ellassali came to National with
8 another driver. He stated that he and the other driver wanted to lease a medallion. I leased a
9 medallion to him. I do not remember who signed the contract at that time, but Mr. Ellassali was not a
10 National driver before that time. After the lease was signed, I never saw Mr. Ellassali again at
11 National but was too busy to look into the reasons.

12 3. The next time I saw him was in February 2006. One of my long term lease holders wanted to
13 give up his long term lease on medallion # 60. He brought a woman in with him to take over his
14 lease. Normally I don't allow the lessee to choose someone to take over a long term lease, to
15 prevent the "selling" of a lease by subterfuge. I have found that individuals misrepresent the status
16 of the future lessees in exchange for cash. For example, some individuals have represented that a
17 proposed lessee is a "partner" or "brother" when in reality it is a business deal, and the original
18 lessee eventually disappears. In the case of Medallion # 60, I made an exception this time because
19 the outgoing lessee had some personal problems and I was trying to help him out. I had never seen
20 the woman before, and she was not a driver with my company. I told her that she had to drive the
21 vehicle full time because the owner of the vehicle tends to have fewer accidents than substitute
22 drivers.

23 4. It quickly came to my attention that she was Mr. Ellassali's wife, which she confirmed. On
24 February 15, 2006 very first night the car was out on the streets, her driver had a \$60,000 accident
25 on my insurance. Shortly after the accident, she told me had bought a used Town Taxi to substitute
26 for the wrecked vehicle. I informed her that since the GTU stickers (airport decals) were already
27 off, and the vehicle had more than 60,000 miles on it, it could not be re-used as a taxicab vehicle.
28

1 5. A few days later I was shocked to see a fully outfitted Metro Cab parked in front of Luxor
2 Cab as I drove by Luxor's business premises. Mr. Ellassali was placing the numbers and name on
3 with decals. I went over to him and asked what he was doing and told him he could not use that
4 vehicle as a taxicab because it was a used vehicle that could not be issued new airport decals. Later,
5 the Ground Transportation Unit allowed Mr. Ellassali to use the vehicle and gave him airport decals
6 for the vehicle even though it had already been taken out of service.

7
8 6. Because the lessee had misrepresented her intentions, bounced checks and because I was
9 aware that her drivers were being mistreated in a number of ways canceled the lease on or about
10 May 1, 2006.

11
12 7. On or about November 28, 2006, one of my drivers named David Reeder was involved in
13 two accidents in one day. I terminated Mr. Reeder and I told colleagues in the industry what had
14 happened and to be on the lookout for him. Approximately three days later, someone told me that
15 Mr. Reeder was driving a Yellow Cab for "Kiki." I contacted Yellow Cab and was informed that
16 he was not driving there, and that the medallion holder was driving the particular vehicle at issue. A
17 few days after that someone called me to tell me that Mr. Reeder was at Luxor Cab getting the
18 vehicle repaired. I went down to Luxor and Mr. Reeder was logged in using the medallion holder's
19 identification. Jim Gillespie of Yellow Cab came down to Luxor and seized the medallion so that
20 Mr. Reeder could not operate the vehicle.

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1 8. On February 5, 2008, I spoke with a driver who informed me that he drove for Mr. Ellassali
2 for five days in a hybrid vehicle. Mr. Ellassali charged him gates as follows: Monday, \$125;
3 Tuesday, \$130; Wednesday, \$140; Friday, \$150. These gates are illegal because Mr. Ellassali does
4 not have a color scheme permit, and also because the gates are in violation of the current gate cap.
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6 9. I declare under penalty of perjury under the laws of the State of California that the foregoing
7 is true and correct.
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12
13 **Richard Hybels**

14 **President/Owner, Metro Cab**

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16 **Executed in San Francisco, California**
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2.7.08
Date

DECLARATION OF KAMAL HEISHAN

1. I am over the 18 years old and a citizen of the United States, and I am not a party to this action.

2. My name is Kamal Heishan, currently residing at 3709 Palos Verdes Way, South San Francisco, CA 94080.

3. I have been a taxi driver in San Francisco since 1981. I am medallion permit holder #892 and presently driving full time at least 5 days per week for Yellow Cab Cooperative.

4. Prior to meeting Driss Essali, aka Driss "Kiki" Essali, I used to manage my own permit. Eventually it became burdensome for me to cover one of my driver's shifts due to attendance problems or have to deal with maintenance issues with my cab.

5. I first became acquainted with Mr. Essali, on or about June 2007 when I was driving for Yellow. By recommendations of other medallion holders, I was informed he would manage my medallion.

6. On or about June 2007 I had approached Mr. Essali and accepted his offer to manage my medallion as long as meet my full driving requirements of 800 hour shifts. Mr. Essali said he could provide additional incentives and would promised to take care all of my drivers' shifts, including paying for my color scheme permit fees and all of my insurance expenses.

8. Based on verbal agreement I collect \$1800 per month from Mr. Essali when I am driving. No written contract was ever created between me and Mr. Essali. I receive my payments in cash every month, and it is delivered during shift changes.

9. I have been receiving these cash transactions since approximately June 2007 until the present time.

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1 10. I chose Mr. Essali to manage my medallion because it provided me the opportunity to spend
2 more time with my family and alleviated the stress and hassle of always coming out
3 the City all the time. I have no knowledge that I have violated any taxi rules or regulations, and it is
4 my intention to fully cooperate with the Taxi Commission at all times during this investigation.

5 11. I declare under penalty of perjury under the laws of the State of California that the
6 foregoing is true and correct.

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9 Signed:

Kamal N. Singh

Date: 2-12-08

10 Executed in San Francisco, California
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DECLARATION OF JOHN LAZAR

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2
3 1. I am over the age of 18, a citizen of the United States, and I am not a party to this action. If
4 called to testify to the facts below I could competently testify thereto.

5
6 2. My name is John Lazar and I am the President of Luxor Cab. I have been employed in that
7 capacity for 12 years. I have been working in the San Francisco taxicab industry off and on since
8 1960 and am knowledgeable about all aspects of operating a taxicab color scheme in the City and
9 County of San Francisco. I oversee all operations of Luxor Cab including employees, dispatch,
10 drivers, medallion holders, and general administration of the company. Each year, I pay the City
11 and County of San Francisco an annual permit fee to obtain my "color scheme permit." My permit
12 fee is based on the size of my company. This year, Luxor paid \$2,716 for the permit because Luxor
13 has more than 50 medallions. In fact, at this time Luxor has 204 medallions. Luxor also maintains
14 its own dispatch system and every medallion at the color scheme "Luxor Cab" affiliates with
15 "Luxor Dispatch."

16
17 3. **Attracting and Retaining Medallion Holders:** There are many duties involved in running
18 a successful San Francisco taxicab color scheme. The first duty is to attract and retain medallion
19 holders. There are two types of medallion holders – "pre-K" and "post-K." These designations
20 reference the date at which a medallion holder first received a medallion permit. "Pre-K" medallion
21 holders first received a permit prior to 1978 and have renewed it annually since that time. "Post-K"
22 medallion holders first received a permit after 1978. To attract medallion holders, like all color
23 schemes, Luxor offers a financial incentive for affiliating with our company, which is permitted
24 under the *Taxicab/Ramped Taxi Rules & Regulations*. It is increasingly difficult to retain medallion
25 holders because many companies have begun to offer financial incentives for medallion holders
26 who will abandon one color scheme for another.

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1 4. **Types of Leasing Arrangements:** As a color scheme, Luxor may only enter into leases
2 with three layers, pursuant to the *Taxicab/Ramped Taxi Rules & Regulations*, Rule 5.K.1. A
3 medallion holder may enter into three types of leases with Luxor depending on whether he is pre-K
4 or post-K. For pre-K medallion holders, these individuals all receive a monthly fee from Luxor and
5 the drivers are on long term leases. For a post-K medallion holder, he may simply "affiliate" with
6 Luxor, in which case he pays Luxor a monthly fee and obtains use of our trade dress for his taxicab
7 vehicle, as well as a radio, dispatch service, and worker's compensation insurance. In those
8 instances the medallion holder is responsible for leasing to individual drivers and obtaining general
9 liability and their own vehicle. Another common arrangement for a post-K medallion holder is to
10 become a "gas and gates" driver for Luxor. He receives a monthly lease fee from Luxor and comes
11 in to drive his taxicab vehicle at specified shifts, paying for gas and paying the gate fees on a per-
12 shift or weekly basis. When he is not driving, Luxor may operate it as a "gas and gates" vehicle for
13 drivers working as "gas and gates" drivers. Because of my knowledge of the industry and the length
14 of time I have been working in it, I know that Luxor's practices as a color scheme with respect to
15 medallion holders are standard throughout the industry.

16
17 5. **Purchasing Vehicles:** For gas and gates vehicles, Luxor purchases vehicles for our drivers.
18 For medallion holders who have affiliated or who have long term leases, the medallion holders
19 purchase vehicles for themselves. Drivers are not allowed to purchase the vehicle or be on the title
20 or registration. Because of my knowledge of the industry and the length of time that I have been
21 working in it, I am aware that such arrangements are common at other color schemes besides Luxor.

22
23 6. **Insurance:** Luxor purchases general liability insurance for gas and gates vehicles, but not
24 for long term leases or for affiliates. Luxor purchases worker's compensation for everyone.

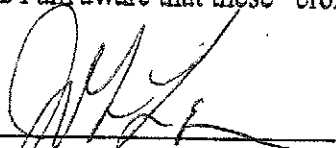
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26 7. **Drivers:** Luxor recruits and retains drivers to work at the company. We ensure that all
27 drivers have A-cards from the City and County of San Francisco and verify that they have a safe
28 driving record with the DMV. We strive to ensure a safe workforce with drivers who have not been

1 involved in accidents or who have problems with customers, and we take complaints very seriously.
2 Having an established business with a permit assists us in our effort to control the drivers for the
3 safety of the public.
4

5 8. **Safety of Vehicles:** Luxor takes public safety and safety of taxicab vehicles very seriously.
6 We have union shops (Teamsters Local 1414) for our mechanics, and we ensure that all vehicles are
7 repaired if there are problems. We are required to maintain certain standards for taxicab vehicles by
8 the *Rules & Regulations* and to be inspected by the Ground Transportation Unit at San Francisco
9 International Airport.
10

11 9. **Administration:** Luxor also maintains all business records associated with running a color
12 scheme company. The *Rules & Regulations* require us to maintain certain records, such as waybills,
13 and to provide receipts to drivers if requested. We have an office staff and regular employees who
14 work full-time to perform these duties. We also have cashiers to handle the gate payments and
15 perform other duties as necessary. We pay payroll taxes to the City and County of San Francisco as
16 well as parking taxes.
17

18 10. I am aware that some individuals are operating illegally in the City and County of San
19 Francisco as "brokers" or "managers" of medallions. I am aware of Mr. Driss "Kiki" Ellassali
20 because he brokers several Luxor medallions. I believe that individuals operating as "brokers" or
21 "managers" are illegally operating like a color scheme because they are performing similar duties,
22 and I am aware that these "brokers" are not paying a color scheme permit fee to the City.
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24 
25 John Lazar, President, Luxor Cab

26 Executed in San Francisco, California
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3-9-08
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2. My name is Dmitry Erenkov, and my business address is 3450 Geary Blvd. Suite 100, San Francisco, CA 94118. I am an insurance broker with my own firm, Dmitry Erenkov Insurance Agency. In that capacity, and as part of my regular duties, I obtain liability, worker's compensation, and physical damage insurance policies for taxicab companies in San Francisco. At this time I have approximately 400 medallions participating in a group liability policy through agency. Deputy Director Jordanna Thigpen enumerated several medallions to me and I confirmed that some of them are covered in my current automobile liability policy, but not all of them.

3. When there is an accident involving a taxicab vehicle, I require that all accidents are reported in a timely manner. Even though claims can be reported directly to the insurance company, I ask all the drivers to report claims to my office.

4. I am aware of an accident involving Mr. Driss "Kiki" Ellassali, a taxicab driver. This accident occurred on or about late 2005. At that time Mr. Ellassali was driving for United Cab. He struck a motorcycle police officer, who I understood was on duty at the time for the San Francisco Police Department and assigned to the Airport. He struck the officer from behind, presumably causing damage and injury. He never reported the accident to me and I only found out six months later when the officer served a summons and complaint at United Cab. He then reported the accident to me.

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1 5. After the accident, the insurance company excluded Mr. Ellassali from the list of drivers on
2 the policy I obtain for San Francisco taxicab vehicles because he did not report the accident.
3 Consequently, Mr. Ellassali is not listed on our scheduled list of insured drivers.
4

5 6. Deputy Director Jordanna Thigpen telephoned me to inquire about the accident and Mr.
6 Ellassali generally and I have reviewed this declaration for accuracy of my statements to her.
7

8 7. I declare under penalty of perjury under the laws of the State of California that the
9 foregoing is true and correct.

Signed:

Date:

3/18/08

Dmitry Erenkov

Owner

Dmitry Erenkov Insurance Agency

Executed in San Francisco, California