

BOARD OF APPEALS, CITY & COUNTY OF SAN FRANCISCO

Appeal of	Appeal No. 22-007
ROBERT SKRAK,	• •
Appellant(s)	
) vs.)	
)	
SF MUNICIPAL TRANSPORTATION AGENCY (SFMTA)	
Respondent	

NOTICE OF APPEAL

NOTICE IS HEREBY GIVEN THAT on February 15, 2022, the above named appellant(s) filed an appeal with the Board of Appeals of the City and County of San Francisco from the decision or order of the above named department(s), commission, or officer.

The substance or effect of the decision or order appealed from is the ISSUANCE on February 1, 2022, by the SFMTA Hearing Section, of the Statement of Decision: SFMTA v. Robert Skrak (Robert Skrak does not have a current California Driver's License or an A-Card; the Taxi & Accessible Services' Notice of Nonrenewal is upheld, and Medallion No. 878 is revoked by the explicit operation of the provisions of the San Francisco Transportation Code).

APPLICATION NO. Medallion No. 878

FOR HEARING ON April 13, 2022

Address of Appellant(s):	Address of Other Parties:
Robert Skrak, Appellant(s) c/o Heidi Machen, Attorney for Appellant(s) Machen Law Firm 345 Franklin Street, Suite 204 San Francisco, CA 94102	SFMTA Taxi Services Division c/o Philip Cranna, Enforcement and Legal Affairs Manager One South Van Ness Ave., 7 th Floor San Francisco, CA 94103



Date Filed: February 15, 2022

CITY & COUNTY OF SAN FRANCISCO BOARD OF APPEALS

PRELIMINARY STATEMENT FOR APPEAL NO. 22-007

I / We, Robert Skrak, hereby appeal the following departmental action: **Statement of Decision: SFMTA v. Robert Skrak (Taxi Medallion No. 878)** which was issued by the **SFMTA Hearing Section** on **February 1, 2022**.

BRIEFING SCHEDULE:

The Appellant may, but is not required to, submit a one page (double-spaced) supplementary statement with this Preliminary Statement of Appeal. No exhibits or other submissions are allowed at this time.

Appellant's Brief is due on or before: 4:30 p.m. on **Thursday, March 24, 2022**, **(no later than three Wednesdays prior to the hearing date)**. The brief may be up to 12 pages in length with unlimited exhibits. It shall be double-spaced with a minimum 12-point font. An electronic copy should be emailed to: boardofappeals@sfgov.org, julie.rosenberg@sfgov.org, and Philip.cranna@sfmta.com.

Respondent's and Other Parties' Briefs are due on or before: 4:30 p.m. on **Thursday, April 7, 2022**. The brief may be up to 12 pages in length with unlimited exhibits. It shall be doubled-spaced with a minimum 12-point font. An electronic copy should be emailed to: boardofappeals@sfgov.org, julie.rosenberg@sfgov.org,and beardofappeals@sfgov.org, julie.rosenberg@sfgov.org,and beardofappeals@sfgov.org, julie.rosenberg@sfgov.org,and beardofappeals@sfgov.org, julie.rosenberg@sfgov.org,and beardofappeals@sfgov.org, julie.rosenberg@sfgov.org

Hard copies of the briefs do NOT need to be submitted.

Hearing Date: Wednesday, April 13, 2022, 5:00 p.m., Room 416 SF City Hall, 1 Dr. Carlton B. Goodlett Place.

All parties to this appeal must adhere to the briefing schedule above, however if the hearing date is changed, the briefing schedule MAY also be changed. Written notice will be provided of any change to the briefing schedule.

In order to have their documents sent to the Board members prior to hearing, **members of the public** should email all documents of support/opposition no later than Thursday, April 7, 2022 by 4:30 p.m. to boardofappeals@sfgov.org. Please note that names and contact information included in submittals from members of the public will become part of the public record. Submittals from members of the public may be made anonymously.

Please note that in addition to the parties' briefs, any materials that the Board receives relevant to this appeal, including letters of support/opposition from members of the public, are distributed to Board members prior to hearing. All such materials are available for inspection on the Board's website at www.sfgov.org/boaYou may also request a copy of the packet of materials that are provided to Board members at a cost of 10 cents per page, per S.F. Admin. Code Ch. 67.28.

The reasons for this appeal are as follows:

See attachment to the preliminary statement of appeal.

Filed electronically by Heidi Machen, Attorney for Appellant(s)

Background: By decision dated February 1 and received via email from SFMTA on February 2, 2022, SFMTA revoked Medallion 878 from Mr. Skrak, who now seeks to appeal this decision for reasons that include but are not limited to the following:

1) The hearing officer found that "Mr. Skrak does not have a current CDL [California Drivers' License] which is necessary to obtain an A-Card and the possession of a CDL is required under TC 1103(c)(2)." See, SFMTA Hearing Section Statement of Decision ("Decision") p. 4. The hearing officer concluded, "[M]edallion #878 is hereby revoked by the explicit operation of the provisions of the San Francisco Transportation Code." See, Decision p. 5.

However, this decision is incorrectly based on an *a priori* assumption advanced by

SFMTA but not, in fact or in law, supported by the Transportation Code. If you take a moment to read the code, §1103(c) is clearly labeled thus: "Requirements Applicable to Driver Permit Applications." Mr. Skrak does not seek to renew his A-Card (Driver's Permit). Instead, he seeks to renew his Medallion that allows him to "operate" a taxi in the City of San Francisco. The Transportation Code contains NO requirement that a Medallion holder have an active A-Card (which, admittedly, would require holding a California Drivers' License). Should the City and County Transportation Code actually require that all medallion holder have an active A-Card and a drivers' license, it risks negating any policy allowing an ADA exemption to the driving requirement. (2) Mr. Skrak held a **Driver Permit** for decades, beginning in 1982; and, a **Medallion** Permit Holder since 1997. In 2012, he informed the SFMTA that he could not drive the requisite hours. On (detrimental) reliance of assurances by SFMTA staff that he could continue to keep his Medallion anyway, Mr. Skrak made life decisions, including retiring and permanently relocating to Nevada. To now revoke Mr. Skrak's Medallion for his failure to hold an A-Card and California Drivers' license (which is not required for a Medallion Holder) is simply unlawful. As well, by taking a taxi off the road, it deprives riders of options, taxi drivers of jobs and the City of permit revenues.

SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY SFMTA HEARING SECTION

San Francisco Municipai
TRANSPORTATION AGENCY.

VS.

STATEMENT OF DECISION

ROBERT SKRAK,

Respondent

I. Introduction

This case came on for administrative hearing pursuant to a Complaint by the San Francisco Municipal Transportation Agency (SFMTA) after the Complaint was sent to respondent Robert Skrak on or about October 25, 2020. The SFMTA Complaint alleges that Mr. Skrak had not taken the necessary measures to renew his status as a qualified taxi medallion holder, and on that basis the SFMTA's Taxi and Accessible Services Division had notified Mr. Skrak on or about September 28, 2020, that his right to remain a medallion holder was being contested by the SFMTA.

Following that notice and the subsequent Complaint, a video-conference hearing was scheduled for Mr. Skrak by this Hearing Section for August 24, 2021, under the provisions of Article 1100 of the San Francisco Transportation Code (TC). That Article governs the rights granted to taxi medallion holders in San Francisco, as well as how hearings related to those rights are administered.

On August 24, 2021, Mr. Skrak appeared via videoconference along with his attorney, Ms. Heidi Machen, for this hearing. For the SFMTA, Taxi and Accessible Services Manager Philip Cranna appeared via videoconference. Principal Administrative Analyst Danny Yeung, and former Enforcement and Legal Affairs Manager for the SFMTA Taxi and Accessible Services Division, Jarvis Murray, appeared via telephone. The undersigned administrative hearing officer appeared via video and at that time testimony from each of the parties was received into evidence.

II. THE COMPLAINT

In its Complaint the SFMTA's Taxi and Accessible Services Division alleges that based upon "Post-K" provisions adopted by the TC, taxi medallion holders are subject to a full-time driving requirement and must hold an active A-Card to retain their legal status as medallion holders. Additionally, the TC also requires that for an A-Card permit to be

STATEMENT OF DECISION: SFMTA V. Robert Skrak

granted, a full-time driver must also have a valid California driver's license (CDL).

In terms of Mr. Skrak, the Complaint stated that because his A-Card had not been renewed since 2016, medallion #878, held by Mr. Skrak was not eligible to be renewed on the based on relevant provisions of Article 1100 of the TC.

The Taxi and Accessible Services Complaint also noted that under the provisions of Article 1103(c)(2)(C) of the TC, a person applying for a permit must have a valid CDL as a condition for entitlement to have an A-Card.

III. APPLICABLE LAW

Under the provisions of Article 1100 of the TC, the following statutory authority forms the relevant basis for this decision, including the Transportation Code's definitions of "A-Card," "Medallion Holder," "Notice of Nonrenewal," and "Permit Holder."

Also relevant to this case are these Article 1100 provisions:

- TC §1103(c)(2)(C), regarding driver qualifications
- TC §1103(c)(3), regarding the lapse of active permit status;
- TC §1105(a)(1), regarding permits required;
- TC §1105(a)(3), regarding permits as privilege, not property of the driver;
- TC §1105(a)(5)(A), regarding the duration of permits;
- TC §1105(a)(6), involving compliance with laws and regulations;
- TC §1109(a)(1), re required affiliation with Color Scheme;
- TC §1109(c)(1), regarding the full-time driving requirement;
- TC §1109(e)(1)(A), involving various aspects of medallion operation;
- TC §1116, covering surrender of medallions for consideration.

IV. TESTIMONY

A. SFMTA TESTIMONY AND EVIDENCE PRESENTED:

DANNY YEUNG:

Mr. Yeung, principal administrative analyst with the SFMTA's Taxi and Accessible Services Division, testified that he oversees the Taxi Data Systems for the SFMTA. Mr. Yeung testified that Mr. Skrak's Ground Transportation Management System (GTMS) driver profile (Exhibit A) shows that Mr. Skrak does not have a current CDL. Mr. Yeung testified that the GTMS updates in real-time with the California Department of Motor Vehicles (DMV) and that as of the hearing date Mr. Skrak did not have a current CDL. Mr. Yeung stated that Mr. Skrak's A-Card had expired in approximately 2015 and had not been renewed since 2016.

JARVIS MURRAY:

Mr. Murray is currently the for-hire transportation administrator for the City of Los Angeles. Mr. Murray was the SFMTA Taxi and Accessible Services enforcement and legal affairs STATEMENT OF DECISION: SFMTA V. Robert Skrak

manager from approximately October 2009 to August 2016. Mr. Murray testified that he recalls Mr. Skrak was a medallion holder and elected not to be placed on the "sellers list" and that Mr. Skrak had completed a waiver of the full-time driving requirement based on Mr. Skrak's disability. Mr. Murray testified that a waiver is renewed annually and limited to three years, however, the SFMTA would approve additional waivers for multiple disabilities or unexpected injuries. Mr. Murray stated that he was contacted by Mr. Skrak regarding these proceedings, and they spoke sometime in early 2021. Mr. Murray testified that he would not have approved a lifetime waiver of the A-Card requirement for anyone.

B. HEIDI MACHEN ON BEHALF OF ROBERT SKRAK:

Heidi Machen testified that in 1982 Mr. Skrak received an A-Card and subsequently began driving a taxicab. Ms. Machen stated that in 1997 Mr. Skrak became a medallion holder. Ms. Machen stated that in 2012 Mr. Skrak was diagnosed with three different types of disabilities that prevented him from driving starting in 2012. Ms. Machen alleges that after Mr. Skrak first applied for a disability waiver in 2012, he and Michael Harris, a former manager with the SFMTA Taxi and Accessible Services Division bonded. Ms. Machen alleges that Mr. Harris told Mr. Skrak he could have sold his medallion but why not just hold the medallion for life. Ms. Machen stated that Mr. Skrak agreed, and Mr. Murray approved Mr. Harris' proposal for Mr. Skrak to keep the medallion for life and a contract was signed.

Ms. Machen stated that Mr. Skrak relocated to Nevada and in 2015 Mr. Skrak spoke to another former SFMTA Taxi and Accessible Services manager, Paige Standfield, regarding Mr. Skrak having a driver's license from two states. Ms. Machen stated that Ms. Standfield told Mr. Skrak that Mr. Skrak did not need to maintain his CDL. Ms. Machen drew parallels of this conversation between Ms. Standfield and Mr. Skrak to an email from Ms. Standfield to another medallion holder dated March 27, 2017 (Respondent Exhibit C). In the email Ms. Standfield told this medallion holder, in reference to maintaining their A-Card, that if the medallion holder was "not driving you don't have to renew." Ms. Machen stated the parallel was unmistakable and that Ms. Standfield would have probably said the same thing to Mr. Skrak regarding Mr. Skrak having to maintain a CDL.

In addition to the exhibits offered in this case by the SFMTA, the following documents offered by Ms. Machen were reviewed and admitted in the record:

- Skrak Declaration, 5/26/2021 (Exhibit A)
- Email from SFMTA Hearings Section, 5/27/2021 (Exhibit B)
- Rathbone Declaration, 7/10/2021 and email from Paige Standfield to Charles Rathbone, 3/27/2017 (Exhibit C)
- Skrak Hearing Brief, 8/13/2021
- SFMTA response to Sunshine Act request (Exhibits A1-A4)

V. FINDINGS

A. RESPONDENT SKRAK WITHOUT CALIFORNIA DRIVER'S LICENSE AND CURRENT A-CARD

Based upon the testimony adduced at the hearing and upon the evidence of record, I find that the STATEMENT OF DECISION: SFMTA V. Robert Skrak

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respondent, Robert Skrak has not lived in California since at least 2015 and accordingly, has not been able to renew his A-Card over that length of time. In addition, Mr. Skrak does not have a current CDL which is necessary to obtain an A-Card and the possession of a CDL is required under TC 1103(c)(2)(c).

Ms. Machen drew parallels between a 2015 telephone conversation Mr. Skrak had with Ms. Standfield and a 2017 email Ms. Standfield wrote to another medallion holder. I do not agree with this comparison. Ms. Standfield's email was regarding a different matter but if I were to draw the same parallel as Ms. Machen, that Ms. Standfield possibly told Mr. Skrak that he was not required to maintain a CDL, Ms. Standfield goes on to say in the email that she would send the medallion holder a form to complete. Ms. Machen did not provide any evidence that memorialized this alleged conversation with Ms. Standfield where Ms. Standfield waived the requirement to maintain a CDL.

Although I cannot compel witnesses to appear before me, I was disappointed with SFMTA staff when Mr. Cranna admitted that he was in possession of Ms. Standfield's personal cell phone number but did not make any efforts to contact Ms. Standfield regarding the hearing. With that said, Mr. Murray did appear before me and when asked if he recalled ever approving a lifetime waiver of the A-Card requirement for any medallion holders, Mr. Murray affirmatively stated that, "No, I wouldn't have approved that for anyone." Ms. Machen did not provide any evidence of the alleged contract that Mr. Skrak executed with Mr. Harris and Mr. Murray.

Pursuant to the provisions of TC §§1103 and 1105, as noted above, the nonrenewal of this medallion is appropriate here under the circumstances.

VI. EQUITABLE CIRCUMSTANCES RELATING TO DECISION

While current conditions nullify any monetary transfer value of any held medallions in San Francisco, that situation may change in 2022, and it remains possible for medallion transfers to someday resume, and for some medallion holders to enjoy a surrender value of their medallions.

Currently, and at least since 2016, there has been no market for medallions in San Francisco, largely due to the influx of TNC operations. In October 2021, the litigation between the San Francisco Federal Credit Union and SFMTA was resolved in favor of the SFMTA. The litigation had resulted in a moratorium in the sale and transfer of taxi medallions due to an established fixed price of medallion surrender as set forth in TC §1116(b)—which greatly exceeds the current market price of a local taxi medallion. Now that the trial is over my hope is that the SFMTA and San Francisco Federal Credit Union can work collaboratively on a plan to lower the medallion sales price.

As noted here, there is no indication that the surrender and transferring of medallions will dramatically change if there is no agreement between the SFMTA and San Francisco Federal Credit Union. In the meantime, the SFMTA Board of Directors may change the provisions of TC §1116(a)(5), but no such changes to Article 1100 of the TC will be considered until later this year at the earliest.

Until the medallion surrender program is ended by the Board of Directors, TC §1116(a)(1)(A) provides a certain ongoing "eligibility" for the surrender of their medallions to any drivers with disabilities that prevents the full-time driving requirement for both "Pre-K" and "Post-K" medallion holders, as mandated by TC §1116(c)(1).

Respondent Skrak may now be unable to drive a taxi on a full-time basis, and on that basis may someday be a potentially eligible candidate under the current provisions of TC §1116 to surrender his medallion for some monetary consideration. That there is no current market for medallion transfer in San Francisco was a condition artificially influenced by the aforementioned litigation, and under most scenarios the resulting transfer moratorium cannot continue indefinitely.

On the basis of this apparent uncertainty in expectations on the part of medallion holders for some eventual surrender value in their medallions, our Hearing Section officers would have preferred to defer the revocation of this and other medallions—if provisions within section 1120 of the Transportation Code would have permitted these hearings to be postponed until such time as the MTA Board of Directors has an opportunity to make a definitive decision on the issues of surrender, or until the San Francisco Federal Credit Union and the SFMTA resolved to allow the surrender or transfer of medallions.

But inasmuch as our Hearing Section does not have the inherent authority to ignore the explicit permit renewal provisions of Article 1100 the Transportation Code, and because there is no current transfer value in any taxi medallion in this jurisdiction, and none on the near horizon, our Hearing Section has determined that in nonrenewal cases of this nature, we have no other recourse than to follow the existing Transportation Code provisions, regardless of the equitable considerations that have been outlined here.

VII. ORDER

By reason of the Findings stated above, the Taxi and Accessible Services' Notice of Nonrenewal is upheld, and medallion #878 is hereby revoked by the explicit operation of the provisions of the San Francisco Transportation Code.

Dated this 1st day of February 2022

Hakam Ibrahim Neutral Hearing Officer SFMTA Hearing Section

RIGHT OF REVIEW

Under the provisions of the San Francisco Transportation Code, a decision of a hearing officer is a final administrative decision. Any party or entity adversely affected by this decision may seek review of the decision by filing an Appeal in accordance with the provisions and the 15-day timeline set forth in the rules provided by the San Francisco Board of Appeals.

STATEMENT OF DECISION: SFMTA V. Robert Skrak

BRIEF SUBMITTED BY THE APPELLANT(S)

Heidi Machen (SBN 184278) 1 MACHEN LAW 345 Franklin Street, Ste. 333 2 San Francisco, CA 94102 Phone: 415-626-1140 3 Attorney for Appellant, Robert Skrak 4 ROBERT SKRAK, 5 Appellant; CITY AND COUNTY OF SAN FRANCISCO 6 7 SAN FRANCISCO MUNICIPAL DATE: April 13, 2022 TRANSPORTATION AUTHORITY, TIME: 5:00 pm 8 PLACE: Room 416, SF City Hall Respondent. 9 Re: SFMTA's Decision to Revoke Taxi 10 Permit ("Medallion") No. 878 11 APPELLANT'S BRIEF 12 I. STATEMENT OF THE CASE 13 Respondent Bob Skrak has been working in the taxi industry since 1982, first as a driver 14 and later as Permit Holder No. 878 that was affiliated with Desoto Cab/Flywheel. (See, 15 Declaration of Robert Skrak ("Skrak Decl.") ¶1-2, a true and accurate copy of which is attached 16 herein as **Exhibit A**.) With Mr. Skrak's income from driving a San Francisco taxicab in the early 17 eighties, he financed his education and graduated from University of California, Berkeley, with a 18 Masters of Business Administration (MBA). Nonetheless, he continued driving taxicab in hopes 19 of someday becoming a medallion holder, which he did in 1997. (See, Skrak Decl. \(\P2. \)) 20 In September 2012, through no fault of his own Mr. Skrak's doctor diagnosed him with 21 three different physical disabilities that prevented him from continuing to drive a taxicab. 22 Pursuant to that diagnosis, Mr. Skrak immediately consulted with SFMTA investigator Michael 23 Harris by meeting with him in his SFMTA office for more than one hour. (See, Skrak Decl. ¶3-24 4.) During their meeting, they bonded over personal interests such as elk hunting. 25 As well, Mr. Skrak indicated his interest in selling his medallion through SFMTA's Medallion 26 Sales Program for which he was now qualified by reason of his disability. (See, Skrak Decl. ¶5; 27 See also, San Francisco Transportation Code §1116.) Mr. Harris dissuaded Mr. Skrak from 28 surrendering his medallion to the sales program. Instead, Mr. Harris asked Mr. Skrak if he would

San Francisco Board of Appeals – Appellant Robert Skrak's Brief – Appeal No. 22-007

driving requirement attached to it. (See, Skrak Decl. ¶5.)

Mr. Skrak agreed that holding the medallion until death with no driving requirement

agree to hold onto the medallion for the rest of his life, in other words, until death, with no

attached to it as a good compromise. Mr. Harris then consulted with SFMTA's Manager, Jarvis Murray. In fact, the three of them met in Mr. Harris' office where Mr. Murray agreed with Mr. Harris' assessment that allowing Mr. Skrak to continue holding the medallion with a lifetime waiver of his driving requirement was a solution that SFMTA could offer. Mr. Harris then drafted a contract stating their Agreement that Mr. Skrak, Mr. Harris and Mr. Murray then fully executed. (See, Skrak Decl. ¶6.)

Mr. Skrak stands ready to continue abiding by the Agreement that SFMTA made with him in 2012, as detailed above. As a result of his reliance on the Agreement, Mr. Skrak made life decisions that cannot now be undone, such as not participating in the medallion sales program when it could have brought him money, having another child, permanently relocating to Reno, NV, and retiring from his other career as a theater Technical Director. In 2015, in reliance upon additional advice from SFMTA staff, as will be further discussed below, Mr. Skrak discontinued his California Drivers' License and allowed his A-Card to expire. (See, Skrak Decl. ¶9.)

By decision signed Feb. 1, 2022, SFMTA's hearing division upheld SFMTA's revocation on the basis that "Mr. Skrak does not have a current CDL [Calif. Drivers' License] which is necessary to obtain an A-Card and the possession of a CDL is required under TC 1103(c) (2)(c)." The hearing officer concludes, "Pursuant to the provisions of TC §§1103 and 1105, as noted above, the nonrenewal of this medallion is appropriate here under the circumstances." (A true and accurate copy of the hearing officer's decision is attached as **Exh. B**.)

II. ARGUMENT

A. SFMTA is Equitably Estopped From Revoking Mr. Skrak Because Mr. Skrak Detrimentally Relied on Advice From SFMTA Staff.

In 2012, when Mr. Skrak expressed his interest in participating in the Medallion Transfer Program, he would have qualified under the Transportation Code, which reads:

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SEC. 1116. TAXI MEDALLION TRANSFER PROGRAM.

(a) Surrender for Consideration.

- (1) The following natural persons are eligible to surrender their Medallions to the SFMTA for consideration in accordance with this Section:
- (A) Any Medallion Holder, except a Ramp Taxi Medallion Holder or a Single Operator Part-time Taxi Medallion Holder, who has demonstrated to the satisfaction of the SFMTA that he or she has a bona fide disability that permanently prevents him or her from satisfying the Full-Time Driving requirement, whether or not he or she is subject to the Full-Time Driving Requirement,
- (b) Medallion Surrender Payment. As consideration for surrender of a Medallion in accordance with this Section, the SFMTA shall make a Medallion Surrender Payment in the amount of \$200,000 to the Medallion Holder, when a Transferee has been identified to which the surrendered Medallion will be initially transferred and a properly executed Transfer Agreement has been received from the identified Transferee. (SF Transportation Code §1116 subparts (a) and (b).)

Unfortunately, today, this section is now worthless to MH's. In 2022, Medallions are no longer sought-after commodities. However, because SFMTA staff advised Mr. Skrak to just hang onto his medallion without a driving requirement and not to participate in the §1116 surrender program for which he would have been compensated "in the amount of \$200,000" SFMTA is now equitably estopped from revoking Medallion No. 878.

The doctrine of equitable estoppel is applicable where the conduct of one side, in this case the SFMTA, has induced the other, in this case Mr. Skrak, to take such a position that it would be injured if the first should be permitted to repudiate its acts. Four elements must ordinarily be proved to establish an equitable estoppel: (1) The party to be estopped must know the facts; (2) he must intend that his conduct shall be acted upon, or must so act that the party asserting the estoppel had the right to believe that it was so intended; (3) the party asserting the estoppel must be ignorant of the true state of facts; and, (4) he must rely upon the conduct to his

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27 28 (2002).In an action against a government defendant, Congregation Etz Chaim challenged the

injury. Calif. Evid. Code § 623. Leasequip, Inc. v. Dapeer, 103 Cal. App. 4th 394, 403-404

City of Los Angeles in its attempt to rescind or revoke a permit the city had issued because the city claimed that the permit was issued "in error or in violation of other provisions of the code and condition [sic] are such that the action should not have been allowed." Congregation Etz Chaim v. City of Los Angeles, 371 F.3d 1122, 1123-4 (2004). The Ninth Circuit Court of Appeals held that the city was effectively estopped from revoking the permit because all elements of estoppel were met: the City reviewed and approved the permit application and the permit-holder then invested in reliance upon the issuance of a valid permit. Chaim, 371 F.3d 1122 at 1127.

Here, we see substantially the same set of facts. Although the permit at issue is not a land-use permit, all elements of estoppel are present. Specifically, (1) SFMTA knew the facts (that Mr. Skrak was eligible to participate in the Medallion Transfer; that he would not qualified for any lifetime driving requirement waiver – and, also, that Uber had entered the vehicles for hire market in San Francisco); (2) SFMTA intended that its conduct (waiver of Mr. Skrak's driving requirement for life) be acted upon; (3) Mr. Skrak was ignorant of the true state of facts (in fact, SFMTA mislead him to believe that it had authority to waive his driving requirement for life); and, (4) he relied upon the conduct (the driving waiver in exchange for his not surrendering his medallion) to his injury by not timely participating in the Medallion Transfer Program that would have netted him \$200,000; and, made life choices such as having another child, and retiring from another well-compensated job.

In 2015, a Nevada highway patrol officer ticketed Mr. Skrak for possessing two U.S. drivers' licenses, which is not allowed by law. (See, Skrak Decl. ¶9) Soon thereafter, Mr. Skrak talked by phone with Paige Standfield, then working as an manager/agent of SFMTA's Taxicab Division. (Id.) He explained to Ms. Standfield that he could not legally renew his California drivers' license because he was now living full-time in Nevada. (Id.) Ms. Standfield, being fully apprised of his having a lifetime driving waiver now attached to his medallion, assured him that he need not renew his A-card (permit to drive a San Francisco taxicab) and could, therefore,

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allow his California drivers' license to lapse, which he did. (Id.) We offer written evidence of Ms. Standfield giving similar assurance to another similarly placed medallion holder, Charles Rathbone. (A true and accurate copy of an email exchange between Ms. Standfield and Mr. Rathbone along with a notarized declaration from Mr. Rathbone is herein attached as **Exhibit C**.) There again, Mr. Skrak relied to his detriment on advice from SFMTA that cannot now be undone. Mr. Skrak's agreement with SFMTA, for which Mr. Skrak had no reason to disbelieve, satisfies all elements of Detrimental Reliance:

(1) SFMTA (its agent, Ms. Standfield) knew the facts; (2) Ms. Standfield intended that her conduct (advising Mr. Skrak to allow the lapse of his A-Card/Driver's license) shall be acted upon, or must so act that the party asserting the estoppel had the right to believe that it was so intended; (3) the party asserting the estoppel must be ignorant of the true state of facts (that SFMTA did not have the authority to waive the driving requirement nor the authority to waive his holding an A-Card for the purposes of medallion renewal); and, (4) Mr. Skrak relied upon the conduct to his injury. Calif. Evid. Code § 623. Leasequip, Inc. v. Dapeer, 103 Cal. App. 4th 394, 403-404 (2002).

The fact that SFMTA honored its original Agreement with Mr. Skrak for nine years and then honored its second agreement with him for six years is also telling. In what way does SFMTA benefit the public it serves by now revoking Mr. Skrak's medallion?

B. SFMTA Erroneously Relied on an Inapposite Reading of the Law.

1. Transportation Code §1103(c) (2) Does Not Apply to Medallion Holders, but Rather to Cabbies Seeking to Hold an A-Card.

SFMTA argued and its hearing officer found that "Mr. Skrak does not have a current CDL [California Drivers' License] which is necessary to obtain an A-Card and the possession of a CDL is required under TC 1103(c)(2)." See, SFMTA Hearing Section Statement of Decision ("Decision") p. 4. The hearing officer [regretfully] concluded, "[M]edallion #878 is hereby

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revoked by the explicit operation of the provisions of the San Francisco Transportation Code." See, Decision p. 5.1

However, this decision is incorrectly based on an *a priori* assumption that Transportation Code §1103(c) requires MH's to have an A-Card and CDL. Trans. Code §1103(c) is labeled thus: "Requirements Applicable to Driver Permit Applications." (See, Exh. E, cited portions of the Transportation Code.) Mr. Skrak does not seek to renew his Driver Permit, but to renew his Medallion that allows him to "operate" a taxi in the City of San Francisco. As such, the portion of §1103 that similarly pertains to Mr. Skrak is subsection (d), labeled "Requirements Applicable to Medallion Applicants." Trans. Code §1109 further elucidates the duties of a Medallion Holder, e.g. that he affiliate his car with a color scheme and that he arrange for the continuous operation of the vehicle.

2. Should SFMTA require disabled MH's to have an A-Card and Drivers' License and/or to be a full-time driver at all times, it nullifies SFMTA's own disability policy.

SFMTA has consistently denied that it seeks to revoke Mr. Skrak for failure to meet the full-time driving requirement. Rather, SFMTA claims that it seeks to revoke on the narrow basis that Mr. Skrak's has failed to maintain an A-Card and SF driver's license. Should the City and County staunchly require that all Medallion Holders have an active A-Card and a drivers' license, it risks negating its own policy allowing an ADA exemption to the driving requirement. SFMTA Board Resolution No. 09-138 spells out SFMTA's rules to waive the driving requirement for its disabled Medallion Holders, which will be further discussed *infra*.²

3. San Francisco Transportation Code §1118 Does Not Require Revocation. SFMTA claims that Transportation Code §1118 requires revocation of Mr. Skrak's medallion, as a matter of law. However, this claim lacks merit.

¹ Indeed, if SFMTA's Hearing Section Officers would have preferred to defer the revocation of this and other medallions. Thus, if the hearing officer had been able to "continue to the call of the chair," either based on the disability policy or speculation that future regulations or the market for medallions could someday favor these disabled medallion holders, he would have done so. (See, Exh. B, Hearing Officer decision p. 4-5.)

When interpreting a statute, decision-makers look to the plain language of the statute itself. (See, *Hunt v. Super. Ct.* (1999) 21 Cal.4th 984, 1000.) "Generally, for purposes of statutory interpretation, 'shall' is mandatory and 'may' is permissive. (*Estate of Miramontes-Najera v. Presciado et al.* (2004) 118 Cal.App.4th 750, 758.)

Transportation Code §1118 provides SFMTA with *authority* to revoke, suspend or fine for good cause. In relevant part, it reads: "The SFMTA *may* suspend or revoke any permit issued under this Article 1100, and *may* impose an administrative fine against a Permit Holder, for *good cause*." (*emphasis* added.) The word "may" signals that the SFMTA *may* exercise discretion in its enforcement under this section, but is not so mandated. If the word instead was "shall," SFMTA staff would be mandated to revoke for "good cause." "Good cause" is therein defined in a *non-exhaustive list* of a dozen offenses that includes:

"A Medallion Holder who is subject to the Full-Time Driving Requirement does not have a valid A-Card because the Driver has failed to timely renew their A-Card or the SFMTA has revoked the A-Card." (Transportation Code §1118 (8) (emphasis added).)

First, is Mr. Skrak "subject to the Full-Time Driving Requirement?" Second, is the reason he does not have an A-Card because he "failed to timely renew [it]" or because "the SFMTA has revoked the A-card?" SFMTA has not revoked Mr. Skrak's A-Card and we argue that the reason he does not have an A-Card is not that he has failed to timely renew it but rather that he does not have his A-Card because the Transportation Code requires him to have a California Drivers' License in order to obtain an A-Card. We argue that it is in no one's best interest to exercise the discretion that SFMTA *may* have under Section 1118. We discuss further below why SFMTA should not use its *discretionary* ("may") power against this disabled medallion holder.

C. Requiring a Disabled Medallion Holder to Have an A-Card and CDL as a Prerequisite to Renewing a Medallion Makes a Mockery of SFMTA's Disability Policy.

Nearly every state has established policies requiring doctors to identify drivers with physical or mental impairments that may pose a threat to patient and public safety. The majority

² Of note, the Transportation Code explicitly allows a small number of MH's who are designated as "Key Personnel" to satisfy the driving requirement by performing at least 1,500 hours of work per year as a [manager or

of states provide only for voluntary physician reporting. A few states, such as California, have mandatory reporting laws. California is a highly litigious state and physicians fear liability if the patient as a driver is involved in an automobile accident. In California, it may also be grounds for disciplinary action by the State Medical Board. The Council on Ethical and Judicial Affairs (CEJA) of the AMA was assigned responsibility to develop policy around physician's duties to disclose a patient's disability to the DMV. Its report (I-1-98) advises that doctors "have an ethical duty to notify the DMV of the medical conditions which would impair safe driving. This duty exists even when reporting impaired drivers is not mandated by law."

SFMTA Board's Resolution No. 09-138 allows for suspension of the fulltime driving requirement for disabled medallion holders "subject to the fulltime driving requirement." (A true and accurate copy of this Resolution is attached as **Exhibit D**.) This resolution states that the need for such accommodation must be reviewed annually and that "no suspensions or reductions of the driving requirement pursuant to this temporary leave policy may cumulatively exceed three calendar years for the same condition." However, SFMTA staff will readily admit that this resolution has and would allow(ed) accommodations to be strung together for multiple three calendar year periods that are used for different medical conditions that prevent a Medallion Holder from personally driving his medallion.

SFMTA, in its annual review, requires MH's to be evaluated by a doctor. Such an evaluation by a doctor may then trigger that doctor's duty to report the patient/MH's disability to the DMV. The Dept. of Motor Vehicles may then immediately revoke or suspend the persons' license when, "in its opinion because of the mental or physical condition of the person such immediate action is required for the safety of the driver or other persons upon the highways." (Calif. Veh. Code 13953.) Thus, if SFMTA requires that disabled MH's have a CDL, SFMTA may be unable to administer its disability waiver to disabled MH's such as Mr. Skrak.

In 2012, Mr. Skrak was diagnosed with three different medical conditions that impaired his ability to drive. Had SFMTA given him an ADA waiver application around the time in which he bonded with SFMTA staff Michael Harris, Mr. Skrak's doctor could assumedly have

submitted *one* of Mr. Skrak's conditions to make him eligible for a driving waiver. (See, Skrak Decl. §§ 4,5.) Assuming that *one* condition was still at issue the second and the third years, Mr. Skrak could again submit it. When the three years expired, Mr. Skrak could submit his second condition, assuming one was still at issue. And so on. Instead, SFMTA staff led Mr. Skrak to believe that he could simply keep his medallion without any additional application.

Ironically, another "good cause" listed as a discretionary reason to revoke includes the following: "A Medallion Holder who is subject to the Full-Time Driving requirement does not satisfy the Full-Time Driving requirement in the preceding fiscal year." (SF Trans. Code §1118(11).) In the event that SFMTA granted a Medallion Holder a disability waiver to the FT driving requirement pursuant to its disability policy, surely SFMTA could not then assert its right to revoke based on this "good cause?" Yet, an SFMTA Hearing Officer cannot even *consider* the disability policy in reaching a decision because SFMTA board has restricted the hearing division to basing its decision ONLY on language contained within the Transportation Code. The disability policy is not in the Transportation Code because it was never codified. However, nor was the disability policy officially repealed by the Board. Thus, it remains SFMTA policy (and law, even though not codified); and, the Board of Appeals *may* and *should* consider it.

CONCLUSION

SFMTA had full knowledge of the Transportation Code procedures and adopted policies intended to aid disabled drivers. Yet, in 2012, it did not offer those options to Mr. Skrak, instead offering him a solution that was agreeable to all parties - at the time. Now, it seeks to reneg on the 2012 agreement and on 2015 advice from Ms. Standfield upon which Mr. Skrak acted in good faith to his detriment. For the foregoing reasons, and, *as required (or favored) by law*, we ask that SFMTA's proposed revocation be denied.

Respectfully	submitted.
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DATE: March 24, 2022 /s/ Heidi Machen

Attorney for Robert ("Bob") Skrak, Appellant

Machen Law 1 345 Franklin Street San Francisco, CA 94102 2 HeidiMachen@machenlaw.com Phone: 415-626-1140 3 4 Heidi Machen (SBN 184278) Attorney for Robert ("Bob") Skrak 5 6 IN RETHE MATTER OF SFTA'S COMPLAINT AGAINST ROBERT SKRAK 8 FOR RESCISSION AND **RETURN OF** 9 **MEDALLION #878 Declaration of Robert Skrak** 10 11 12 13 14 15 16 DECLARATION OF ROBERT SKRAK 17 I, Robert ("Bob") Skrak, declare as follows: 18 Starting in 1982, I first became an A-Card holder and worked as a San Francisco taxi 1. 19 driver. For every year thereafter, until 2015, I renewed my A-Card. 20 For more than four decades, I have been affiliated with Desoto/Flywheel Taxi Co., first as 2. a driver, later as a taxi permit holder of Permit No. 878, which I held since 1997. From the 21 income I earned as a taxicab driver, I financed my education through University of California 22 Berkeley and obtained an MBA. 23 In September 2012, through no fault of my own, my doctor diagnosed me as disabled and 3. 24 deemed me unable to continue driving a taxicab. Immediately, I contacted the SFMTA and 25 arranged to meet with SFMTA Investigator Michael Harris to explain my situation and determine 26 what options I had to continue being a medallion holder. Mr. Harris and I met in his office for more than one hour. We bonded over personal 27 4. 28 **Declaration**

interests such as elk hunting and I learned that Mr. Harris hailed from Colorado.

- 5. Also during my meeting with Mr. Harris, I indicated my interest in selling my Medallion through the Medallion Transfer Program for which I was qualified by reason of being disabled. Mr. Harris discouraged me from participating in this program and said that SFMTA would not be able to sell the permit. Instead, he proposed that I continue to hold my Medallion "for life;" and, in exchange for doing so, said that SFMTA would permanently waive my driving requirement. I agreed that this solution would work for me. Mr. Harris then called in the Legal Affairs Manager Jarvis Murray and explained the proposal to him in my presence. Mr. Murray agreed to the solution.
- 6. Before I left Mr. Harris' office, Mr. Harris drafted a short Agreement stating the basic facts of our understanding: that I had become disabled, that SFMTA agreed to allow me to keep the permit for life with no driving requirement.
- 7. I can no longer locate a copy of that document we all signed; and, SFMTA did not produce it on a Records Request for my entire file that I made prior to this hearing. There were several other documents missing from my file that I would have expected SFMTA to have produced as a result of my request, such as all of my Sworn Statements over many years plus at least one commendation letter that I received during my service as a taxicab driver.
- 8. Also in 2012, in reliance on SFMTA's promises that I would continue to hold a Medallion (and thus have a continuing source of income), I retired from my other profession as a Technical Director with a major audio-visual company. In additional reliance on my continued source of income from my Medallion, I elected to have another child who is now eight years old. My eight year old daughter is dependent on my financial contributions to her wellbeing, contributions that are tightly split between her and one other child who is now twelve years old.
- 9. In 2015, I received a traffic ticket for the offense of holding two U.S. drivers' licenses, one in NV and one in CA. When I pled my case before the traffic court judge, explaining that I needed to have the California license in order to keep my California taxi permits, he advised me that SFMTA was requiring me to break the law and counseled me that I could not keep both licenses. I immediately contacted SFMTA and spoke with Paige Standfield, then in middle management and holding a similar position to Mr. Harris. I explained to Ms. Standfield my exact position and the waiver SFMTA had awarded me. In response, Ms. Standfield agreed that I could allow my A-card to expire along with my California drivers' license without it affecting my ability to continue holding my Medallion for life. I proceeded to allow my A-card and license

I declare under penalty of true and correct. Executed	perjury under the l			regoing
	' Roly	obert ("Bob") Skrak	2	
s s				
		2		

SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY SFMTA HEARING SECTION

SAN FRANCISCO MUNICIPAL
TRANSPORTATION AGENCY,

VS.

STATEMENT OF DECISION

ROBERT SKRAK,

Respondent

I. Introduction

This case came on for administrative hearing pursuant to a Complaint by the San Francisco Municipal Transportation Agency (SFMTA) after the Complaint was sent to respondent Robert Skrak on or about October 25, 2020. The SFMTA Complaint alleges that Mr. Skrak had not taken the necessary measures to renew his status as a qualified taxi medallion holder, and on that basis the SFMTA's Taxi and Accessible Services Division had notified Mr. Skrak on or about September 28, 2020, that his right to remain a medallion holder was being contested by the SFMTA.

Following that notice and the subsequent Complaint, a video-conference hearing was scheduled for Mr. Skrak by this Hearing Section for August 24, 2021, under the provisions of Article 1100 of the San Francisco Transportation Code (TC). That Article governs the rights granted to taxi medallion holders in San Francisco, as well as how hearings related to those rights are administered.

On August 24, 2021, Mr. Skrak appeared via videoconference along with his attorney, Ms. Heidi Machen, for this hearing. For the SFMTA, Taxi and Accessible Services Manager Philip Cranna appeared via videoconference. Principal Administrative Analyst Danny Yeung, and former Enforcement and Legal Affairs Manager for the SFMTA Taxi and Accessible Services Division, Jarvis Murray, appeared via telephone. The undersigned administrative hearing officer appeared via video and at that time testimony from each of the parties was received into evidence.

II. THE COMPLAINT

In its Complaint the SFMTA's Taxi and Accessible Services Division alleges that based upon "Post-K" provisions adopted by the TC, taxi medallion holders are subject to a full-time driving requirement and must hold an active A-Card to retain their legal status as medallion holders. Additionally, the TC also requires that for an A-Card permit to be

STATEMENT OF DECISION: SFMTA V. Robert Skrak

granted, a full-time driver must also have a valid California driver's license (CDL).

In terms of Mr. Skrak, the Complaint stated that because his A-Card had not been renewed since 2016, medallion #878, held by Mr. Skrak was not eligible to be renewed on the based on relevant provisions of Article 1100 of the TC.

The Taxi and Accessible Services Complaint also noted that under the provisions of Article 1103(c)(2)(C) of the TC, a person applying for a permit must have a valid CDL as a condition for entitlement to have an A-Card.

III. APPLICABLE LAW

Under the provisions of Article 1100 of the TC, the following statutory authority forms the relevant basis for this decision, including the Transportation Code's definitions of "A-Card," "Medallion Holder," "Notice of Nonrenewal," and "Permit Holder."

Also relevant to this case are these Article 1100 provisions:

- TC §1103(c)(2)(C), regarding driver qualifications
- TC §1103(c)(3), regarding the lapse of active permit status;
- TC §1105(a)(1), regarding permits required;
- TC §1105(a)(3), regarding permits as privilege, not property of the driver;
- TC §1105(a)(5)(A), regarding the duration of permits;
- TC §1105(a)(6), involving compliance with laws and regulations;
- TC §1109(a)(1), re required affiliation with Color Scheme;
- TC §1109(c)(1), regarding the full-time driving requirement;
- TC §1109(e)(1)(A), involving various aspects of medallion operation;
- TC §1116, covering surrender of medallions for consideration.

IV. TESTIMONY

A. SFMTA TESTIMONY AND EVIDENCE PRESENTED:

DANNY YEUNG:

Mr. Yeung, principal administrative analyst with the SFMTA's Taxi and Accessible Services Division, testified that he oversees the Taxi Data Systems for the SFMTA. Mr. Yeung testified that Mr. Skrak's Ground Transportation Management System (GTMS) driver profile (Exhibit A) shows that Mr. Skrak does not have a current CDL. Mr. Yeung testified that the GTMS updates in real-time with the California Department of Motor Vehicles (DMV) and that as of the hearing date Mr. Skrak did not have a current CDL. Mr. Yeung stated that Mr. Skrak's A-Card had expired in approximately 2015 and had not been renewed since 2016.

JARVIS MURRAY:

Mr. Murray is currently the for-hire transportation administrator for the City of Los Angeles. Mr. Murray was the SFMTA Taxi and Accessible Services enforcement and legal affairs STATEMENT OF DECISION: SFMTA V. Robert Skrak

manager from approximately October 2009 to August 2016. Mr. Murray testified that he recalls Mr. Skrak was a medallion holder and elected not to be placed on the "sellers list" and that Mr. Skrak had completed a waiver of the full-time driving requirement based on Mr. Skrak's disability. Mr. Murray testified that a waiver is renewed annually and limited to three years, however, the SFMTA would approve additional waivers for multiple disabilities or unexpected injuries. Mr. Murray stated that he was contacted by Mr. Skrak regarding these proceedings, and they spoke sometime in early 2021. Mr. Murray testified that he would not have approved a lifetime waiver of the A-Card requirement for anyone.

B. HEIDI MACHEN ON BEHALF OF ROBERT SKRAK:

Heidi Machen testified that in 1982 Mr. Skrak received an A-Card and subsequently began driving a taxicab. Ms. Machen stated that in 1997 Mr. Skrak became a medallion holder. Ms. Machen stated that in 2012 Mr. Skrak was diagnosed with three different types of disabilities that prevented him from driving starting in 2012. Ms. Machen alleges that after Mr. Skrak first applied for a disability waiver in 2012, he and Michael Harris, a former manager with the SFMTA Taxi and Accessible Services Division bonded. Ms. Machen alleges that Mr. Harris told Mr. Skrak he could have sold his medallion but why not just hold the medallion for life. Ms. Machen stated that Mr. Skrak agreed, and Mr. Murray approved Mr. Harris' proposal for Mr. Skrak to keep the medallion for life and a contract was signed.

Ms. Machen stated that Mr. Skrak relocated to Nevada and in 2015 Mr. Skrak spoke to another former SFMTA Taxi and Accessible Services manager, Paige Standfield, regarding Mr. Skrak having a driver's license from two states. Ms. Machen stated that Ms. Standfield told Mr. Skrak that Mr. Skrak did not need to maintain his CDL. Ms. Machen drew parallels of this conversation between Ms. Standfield and Mr. Skrak to an email from Ms. Standfield to another medallion holder dated March 27, 2017 (Respondent Exhibit C). In the email Ms. Standfield told this medallion holder, in reference to maintaining their A-Card, that if the medallion holder was "not driving you don't have to renew." Ms. Machen stated the parallel was unmistakable and that Ms. Standfield would have probably said the same thing to Mr. Skrak regarding Mr. Skrak having to maintain a CDL.

In addition to the exhibits offered in this case by the SFMTA, the following documents offered by Ms. Machen were reviewed and admitted in the record:

- Skrak Declaration, 5/26/2021 (Exhibit A)
- Email from SFMTA Hearings Section, 5/27/2021 (Exhibit B)
- Rathbone Declaration, 7/10/2021 and email from Paige Standfield to Charles Rathbone, 3/27/2017 (Exhibit C)
- Skrak Hearing Brief, 8/13/2021
- SFMTA response to Sunshine Act request (Exhibits A1-A4)

V. FINDINGS

A. RESPONDENT SKRAK WITHOUT CALIFORNIA DRIVER'S LICENSE AND CURRENT A-CARD

Based upon the testimony adduced at the hearing and upon the evidence of record, I find that the STATEMENT OF DECISION: SFMTA V. Robert Skrak

3

respondent, Robert Skrak has not lived in California since at least 2015 and accordingly, has not been able to renew his A-Card over that length of time. In addition, Mr. Skrak does not have a current CDL which is necessary to obtain an A-Card and the possession of a CDL is required under TC 1103(c)(2)(c).

Ms. Machen drew parallels between a 2015 telephone conversation Mr. Skrak had with Ms. Standfield and a 2017 email Ms. Standfield wrote to another medallion holder. I do not agree with this comparison. Ms. Standfield's email was regarding a different matter but if I were to draw the same parallel as Ms. Machen, that Ms. Standfield possibly told Mr. Skrak that he was not required to maintain a CDL, Ms. Standfield goes on to say in the email that she would send the medallion holder a form to complete. Ms. Machen did not provide any evidence that memorialized this alleged conversation with Ms. Standfield where Ms. Standfield waived the requirement to maintain a CDL.

Although I cannot compel witnesses to appear before me, I was disappointed with SFMTA staff when Mr. Cranna admitted that he was in possession of Ms. Standfield's personal cell phone number but did not make any efforts to contact Ms. Standfield regarding the hearing. With that said, Mr. Murray did appear before me and when asked if he recalled ever approving a lifetime waiver of the A-Card requirement for any medallion holders, Mr. Murray affirmatively stated that, "No, I wouldn't have approved that for anyone." Ms. Machen did not provide any evidence of the alleged contract that Mr. Skrak executed with Mr. Harris and Mr. Murray.

Pursuant to the provisions of TC §§1103 and 1105, as noted above, the nonrenewal of this medallion is appropriate here under the circumstances.

VI. EQUITABLE CIRCUMSTANCES RELATING TO DECISION

While current conditions nullify any monetary transfer value of any held medallions in San Francisco, that situation may change in 2022, and it remains possible for medallion transfers to someday resume, and for some medallion holders to enjoy a surrender value of their medallions.

Currently, and at least since 2016, there has been no market for medallions in San Francisco, largely due to the influx of TNC operations. In October 2021, the litigation between the San Francisco Federal Credit Union and SFMTA was resolved in favor of the SFMTA. The litigation had resulted in a moratorium in the sale and transfer of taxi medallions due to an established fixed price of medallion surrender as set forth in TC §1116(b)—which greatly exceeds the current market price of a local taxi medallion. Now that the trial is over my hope is that the SFMTA and San Francisco Federal Credit Union can work collaboratively on a plan to lower the medallion sales price.

As noted here, there is no indication that the surrender and transferring of medallions will dramatically change if there is no agreement between the SFMTA and San Francisco Federal Credit Union. In the meantime, the SFMTA Board of Directors may change the provisions of TC §1116(a)(5), but no such changes to Article 1100 of the TC will be considered until later this year at the earliest.

Until the medallion surrender program is ended by the Board of Directors, TC §1116(a)(1)(A) provides a certain ongoing "eligibility" for the surrender of their medallions to any drivers with disabilities that prevents the full-time driving requirement for both "Pre-K" and "Post-K" medallion holders, as mandated by TC §1116(c)(1).

Respondent Skrak may now be unable to drive a taxi on a full-time basis, and on that basis may someday be a potentially eligible candidate under the current provisions of TC §1116 to surrender his medallion for some monetary consideration. That there is no current market for medallion transfer in San Francisco was a condition artificially influenced by the aforementioned litigation, and under most scenarios the resulting transfer moratorium cannot continue indefinitely.

On the basis of this apparent uncertainty in expectations on the part of medallion holders for some eventual surrender value in their medallions, our Hearing Section officers would have preferred to defer the revocation of this and other medallions—if provisions within section 1120 of the Transportation Code would have permitted these hearings to be postponed until such time as the MTA Board of Directors has an opportunity to make a definitive decision on the issues of surrender, or until the San Francisco Federal Credit Union and the SFMTA resolved to allow the surrender or transfer of medallions.

But inasmuch as our Hearing Section does not have the inherent authority to ignore the explicit permit renewal provisions of Article 1100 the Transportation Code, and because there is no current transfer value in any taxi medallion in this jurisdiction, and none on the near horizon, our Hearing Section has determined that in nonrenewal cases of this nature, we have no other recourse than to follow the existing Transportation Code provisions, regardless of the equitable considerations that have been outlined here.

VII. ORDER

By reason of the Findings stated above, the Taxi and Accessible Services' Notice of Nonrenewal is upheld, and medallion #878 is hereby revoked by the explicit operation of the provisions of the San Francisco Transportation Code.

Dated this 1st day of February 2022

Hakam Ibrahim Neutral Hearing Officer SFMTA Hearing Section

RIGHT OF REVIEW

Under the provisions of the San Francisco Transportation Code, a decision of a hearing officer is a final administrative decision. Any party or entity adversely affected by this decision may seek review of the decision by filing an Appeal in accordance with the provisions and the 15-day timeline set forth in the rules provided by the San Francisco Board of Appeals.

STATEMENT OF DECISION: SFMTA V. Robert Skrak

1 2	Machen Law 345 Franklin Street San Francisco, CA 94102			
3	HeidiMachen@machenlaw.com Phone: 415-626-1140			
4	Heidi Machen (SBN 184278)			
5				
6	IN SUPPORT OF ADA EXEMPTION TO THE			
7	DRIVING REQUIREMENT FOR QUALIFIED			
8	MEDALLION HOLDERS			
9	Declaration of Charles Rathbone			
10				
11				
12				
13				
14				
15	DECLARATION OF CHARLES RATHBONE			
16				
17	I, Charles Rathbone, declare as follows: 1. I hold a permit allowing me to operate a taxicab in the City and County of San Francisco.			
18	 I hold a permit allowing me to operate a taxicab in the City and County of San Francisco. In 2016, being physically unable to drive, I applied to SFMTA for a full exemption to the 			
19	driving requirement under the Americans with Disabilities Act. SFMTA granted me that			
20	exemption. ("ADA exemption").			
21	3. On March 27, 2017, I contacted Paige Standfield, a manager with SFMTA, via email,			
22	alerting her to the fact that, "I anticipate[d] my doctor w[ould] again recommend that I not drive			
24	when my current medical modification expire[d] this summer." (A true and accurate copy of that email exchange is herein attached as Exhibit A.)			
25	4. In that same email, I then specifically asked Ms. Standfield whether I would need to			
26	"maintain an active A-card as a condition of holding a taxicab permit."			
27	5. Approximately 1.5 hours later, Ms. Standfield replied via the same email thread. In			
28	relevant part, she said, "No, if			
	Declaration			

relevant part, she said, "No, if you're not driving, you don't have to renew." In reliance on Ms. Standfield's advice, I did not renew my A-card between 2017 and 6. 2020, though I continued to renew my taxicab permit each year without problem. I also continued to apply for and was granted full exemptions from the driving requirement for 2017, 2018 and 2019. In 2020, SFMTA released all medallion holders from the driving requirement in light of the Covid-19; and, so even though I applied for a waiver, I did not hear back from SFMTA and assumed that I was covered under the global exception. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on July 10, 2021 at Saw Manageo, California. Charles Rathbone See Attached California Jurat Declaration

CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT CODE \$.8202

	GOVERNIVIER I CODE 3.8202
See Attached Document (Notary to cross out lir See Statement Below (Lines 1–6 to be complete	nes 1–6 below) ed only by document signer[s], not Notary)
1	
2	
3	
4	
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6	
Signature of Document Signer No. 1	Signature of Document Signer No. 2 (if any)
A notary public or other officer completing this certificate to which this certificate is attached, and not the truthfuln	verifies only the identity of the individual who signed the document less, accuracy, or validity of that document.
State of California County of San Francisco	Subscribed and sworn to (or affirmed) before me on this
G. CABEBE Notary Public - California San Francisco County Commission # 2327674 My Comm. Expires May 8, 2024	Name(s) of Signer(s) proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me. Signature
Place Notary Seal and/or Stamp Above	Signature of Notary Public
OP	TIONAL
Completing this information can fraudulent reattachment of this	n deter alteration of the document or s form to an unintended document.
Description of Attached Document	
Title or Type of Document:	
Document Date:	
Signer(s) Other Than Named Above:	

©2017 National Notary Association -

EXHIBIT A

Subject: RE: requested info re: historical medallion issuance **From:** "Standfield, Paige" <Paige.Standfield@sfmta.com>

Date: 03/27/2017 11:36 AM

To: Charles Rathbone <charles.rathbone@sonic.net>

X-Account-Key: account19

X-UIDL: 1490640127.2650_0.a.spam,S=11698

X-Mozilla-Status: 0013

X-Mozilla-Status2: 00000000 X-Mozilla-Keys: sfmta medallions

Return-Path: <Paige.Standfield@sfmta.com>

Received: from I.mx.sonic.net (a.spam-proxy.sonic.net [69.12.221.245]) by (8.14.4/8.14.4) with ESMTP id v2RIg6UR002644 (version=TLSv1/SSLv3 cip GCM-SHA256 bits=128 verify=NOT) for <charles.rathbone@lds.sonic.net>; -0700

Received: from 5pmail.ess.barracuda.com (5pmail.ess.barracuda.com [64. l.mx.sonic.net (8.14.9/8.14.9) with ESMTP id v2RlftdB012009 (version=TLS RSA-AES128-GCM-SHA256 bits=128 verify=NOT) for <charles.rathbone@ 11:42:04 -0700

Received: from mail.sfmta.com (mail.sfmta.com [75.10.230.1]) by mx1403. (version=TLSv1 cipher=AES128-SHA bits=128 verify=NO); Mon, 27 Mar 20 Received: from SV6EX10MBX1.muni.sfgov.org ([fe80::79a1:35c7:bc:df7]) I SV6EX10CASHUB1.muni.sfgov.org ([::1]) with mapi id 14.03.0195.001; Mol Thread-Topic: requested info re: historical medallion issuance

Thread-Index: AQHSo0a8J5yxbJULJEOi3tis16IfvaGjAqmwgAHtdYD//5PZ//pFsg

Message-ID: <D7D44E971C6E12468BF084AC6488B620E3C85E10@SV6 **References**: <E3AA1FD17871461B98EA4D1453D2E5AF@DESKTOP0PC <D7D44E971C6E12468BF084AC6488B620E3C8590F@SV6EX10MBX1.n <e1d41532-4754-5120-40c4-cbd901418562@sonic.net>

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Hi Charles,

No, if you're not driving you don't have to renew. Would you like me to put a new form in the mail to you?

From: Charles Rathbone [mailto:charles.rathbone@sonic.net]

Sent: Monday, March 27, 2017 10:04 AM

To: Standfield, Paige < Paige. Standfield@sfmta.com >

Subject: Re: requested info re: historical medallion issuance

Yes, the info is very helpful.

An unrelated question: I anticipate that my doctor will again recommend that I not drive when my current medical modification expires this summer. In the meantime, do I need to maintain an active A-card as a condition of holding a taxicab permit?

Best wishes,

Charles Rathbone charles.rathbone@sonic.net

On 03/27/2017 08:51 AM, Standfield, Paige wrote:

No problem. Hope it helps!

----Original Message----

From: Charles Rathbone [mailto:charles.rathbone@sonic.net]

Sent: Friday, March 24, 2017 4:51 PM

To: Standfield, Paige <Paige.Standfield@sfmta.com>

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Subject: Re: requested info re: historical medallion issuance
Hi again Paige,
Many thanks for the thorough response in such short order.
Best wishes,

Charles Rathbone charles.rathbone@sonic.net

3 of 3

Case: 08-16726 09/09/2009 Page: 7 of 8 DktEntry: 7056242

SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY BOARD OF DIRECTORS

RESOLUTION No.	09-138	

WHEREAS, Administrative Code Appendix 6, Sections 2 and 3, and Transportation Code, Division II, Section 1109(c) require all taxi and ramp taxi medallion holders to be Full-Time Drivers; and

WHEREAS, The terms "Full-Time Driving" and "Full-Time Driver" are defined in Transportation Code, Division II, Section 1102(l) as any driver actually engaged in, or the activity comprised of (respectively) the mechanical operation and physical charge and custody of a taxi or ramp taxi which is available for hire or actually hired for at least 156 four-hour shifts or 800 hours, whichever shall come first; and,

WHEREAS, Pursuant to Transportation Code Division II, Section 1120(a)(1), failure to meet the Full-Time Driving requirement is grounds for revocation of a taxi or ramp taxi medallion; and

WHEREAS, A medallion holder should be relieved of the Full-Time Driving requirement for limited periods of time during which the medallion holder is temporarily rendered physically incapable of driving; and,

WHEREAS, By contrast, a medallion holder who is permanently physically incapable of meeting the Full-Time Driving requirement and will not be able to return to Full-Time Driving should not be entitled to such relief, and may properly be required to relinquish his or her medallion to the SFMTA; and,

WHEREAS, The SFMTA Board wishes to adopt a policy to be uniformly applied to medallion holders who request a temporary suspension or temporary reduction of the Full-Time Driving requirement for reasons of temporary physical incapacity; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors establishes the following policy for medallion holders who request temporary suspension or temporary reduction of the Full-Time Driving requirement for reasons of temporary physical incapacity:

- 1. That applications for temporary suspension or temporary reduction of the Full-Time Driving requirement be submitted to the SFMTA Division of Taxis and Accessible Services on a form approved by and containing all information required by the SFMTA; and
- 2. That all requests for temporary suspension or temporary reduction of the Full-Time Driving requirement be substantiated by written documentation of a physician who has actually examined the applicant for the condition that is claimed as the basis for the request; and
- 3. That documentation of the physical condition that prevents Full-Time Driving that is prepared by the physician shall include a recommended modification, such as a limitation of

Case: 08-16726 09/09/2009 Page: 8 of 8 DktEntry: 7056242

number of hours of driving per day, week or month and/or an assessment of the amount of time that it would take the medallion holder to recover from the condition and resume Full-Time Driving; and

4. That any request is subject to investigation by SFMTA staff for verification purposes, which may include but are not limited to a physical assessment of the medallion holder or seeking additional medical opinions of the medallion holder's condition; and

5. That any temporary suspension or reduction of the Full-Time Driving requirement for physical incapacity must be requested and approved on an annual basis; and

6. That no suspensions or reductions of the Full-Time Driving requirement pursuant to this temporary leave policy may cumulatively exceed three calendar years for the same condition.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of _____ AUG 0 4 2009 _____.

Secretary to the Board of Directors San Francisco Municipal Transportation Agency ARTICLE 1100:

REGULATION OF MOTOR VEHICLES FOR HIRE

Sec. Scope and Purpose of Regulations.

1101.

Sec. Definitions.

1102.

Sec. Permit Applications and Renewal.

1103.

(c) Requirements Applicable to Driver Permit Applications.

- (1) Application Requirements. In addition to complying with all applicable requirements of this Section, each applicant for a Driver Permit shall:
 - (A) Provide their fingerprints; and
 - (B) Take and pass a written examination; and
- (C) Demonstrate that they have successfully completed an SFMTA-approved course for new Drivers; and
 - (D) Be available to have a photo taken at SFMTA; and
- (E) Submit to a drug test as required by the Taxi Driver Drug and Alcohol Testing Policy.
- (F) As required by the Taxi Driver Drug and Alcohol Testing Policy, sign a written consent to allow the SFMTA to obtain information regarding the applicant's drug and alcohol testing history for the previous two years; and .
- (G) As required by the Taxi Driver Drug and Alcohol Testing Policy, disclose whether applicant has, within the prior two years, ever failed a pre-employment drug or alcohol test that resulted in the applicant not getting hired.

(2) Driver Qualifications. Each applicant for a Driver's Permit must:

- (A) Be clean in dress and person;
- (B) Be free of any disease, condition, infirmity, or addiction that might render the applicant unable to safely operate a motor vehicle or that otherwise poses a risk to public health and safety;

(C) Have a current California driver's license;

(D) Have the physical capacity to operate a motor vehicle

for at least four hours per day;

- (E) Have no prior convictions of a crime that would, in the judgment of the SFMTA, present a risk to public safety if the permit is granted, including but not limited to convictions involving sexual assault, the use of a vehicle in the commission of a felony, fraud, violence against a person, reckless disregard for public safety, two or more recent convictions of drugrelated offenses, or two or more recent convictions of driving under the influence, whether or not such convictions occurred while driving a Motor Vehicle for Hire. The SFMTA may, in its discretion, issue a permit notwithstanding prior convictions if, following review of an individual case, it determines that the applicant or Permit Holder does not pose a current risk to public safety;
 - (F) Have attained the age of 21;
 - (G) Speak; read and write the English language;
- (H) Receive a negative test result on the pre-issuance drug test under the Taxi Driver Drug and Alcohol Testing Policy.
- (I) Have not, within the past two years, failed a preemployment drug or alcohol test that resulted in the applicant not getting hired.
- (J) Have not, within the preceding twelve months, been denied a Driver permit for failure to comply with the requirements of subsection (H) or (I), above.
 - (3) Renewal of Driver's Permits.
- (A) Drivers have an affirmative duty to report any criminal convictions that would be a basis for denying a permit pursuant to Section 1103(c)(2)(E). The SFMTA may refuse to renew a permit if the Permit Holder would not be eligible to receive a new permit pursuant to Section 1103(c)(2)(E).
- (B) The SFMTA may require Drivers to successfully complete a Driver Training Course for current Drivers as a condition of renewal of their Driver Permits.
- (C) Lapse of Active Permit Status; New Application. A Driver Permit Holder who fails to renew their Driver Permit within the deadline for renewal set by the SFMTA may renew their Driver Permit upon submission of a new Driver Permit

application and completion of all requirements established by SFMTA for such late renewals.

(D) Every Driver must submit to a drug test as a condition of renewal of their A-Card as provided by the Taxi Driver Drug and Alcohol Testing Policy, and must receive a negative test result as a condition for renewal of the A-Card.

(d) Requirements Applicable to Medallion Applications.

- (1) Waiting List. In the absence of any other preference specified in this Article, applicants for a Medallion shall be processed and considered by the SFMTA in chronological order by the date that each complete Medallion application was received from a qualified applicant. The SFMTA may periodically require applicants to execute written statements to reaffirm their desire to keep their applications active.
- (2) Applications by Business Entity. In addition to complying with all applicable requirements of this Section, each Business Entity applicant for a Medallion shall:
- (A) Provide a Certificate of Good Standing from the California Secretary of State;
- (B) Authorize, in writing, at least one of its officers, partners or owners to act on its behalf and to bind the Business Entity in dealings with third parties. The owner(s) or designated officers(s) or partner(s) shall complete and sign all application forms required of an individual applicant under this Section. The Business Entity's representative shall, at all times, meet all of the requirements set by this Section; and
- (C) If the Business Entity is a corporation, its application shall include a certified copy of its certificate of incorporation, a list of officers and shareholders holding at least 5% of the voting stock of the corporation, and certified copy of the minutes of the meeting(s) at which the current officers were elected.
- (3) Applications by Joint Tenants. In addition to complying with all applicable requirements of this Section, two or more individuals applying jointly for a Medallion shall indicate on the application that they are applying "as joint tenants".
 - (e) Reserved.

Sec. Conditions Applicable to Medallions. 1109.

SEC. 1109. CONDITIONS APPLICABLE TO **MEDALLIONS**.

- (a) Affiliation With Color Scheme Required; Color Scheme Change.
- (1) A Medallion Holder must affiliate with a single Color Scheme Permit holder and shall be deemed affiliated with a particular Color Scheme when the SFMTA approves its application pursuant to this Article 1100, and shall entitle the Medallion Holder to the right to the use of that Color Scheme's trade dress and place of business.
- (A) Transferable Medallion. A Transferable Medallion Holder must affiliate with a single Color Scheme Permit holder that complies with Section 1116(n).
- (B) Non-Transferable Medallion. A Non-Transferable Medallion Holder shall affiliate with a single Color Scheme Permit Holder.
- (2) Affiliation with a Color Scheme and/or the failure of a Color Scheme to comply with this Article does not relieve the Medallion Holder of their responsibility to comply with all requirements of this Article applicable to the Medallion Holder.
- (3) A Medallion Holder may apply to the SFMTA for a change in affiliation. The applicant's choice of Color Scheme shall be subject to the prior approval of the SFMTA. A Medallion Holder's request for affiliation with a Color Scheme shall be approved unless the Color Scheme is on Administrative Probation pursuant to Section 1120(d). The SFMTA may delay or deny a change in Color Scheme affiliation by a Medallion Holder if a court of competent jurisdiction issues a temporary or permanent order to prohibit or delay the transfer. The Director of Transportation may waive the color scheme change fee payable under Section 320 if the Medallion Holder's current Color Scheme has ceased operation, or soon will cease operation, or if the SFMTA has revoked or suspended the Color Scheme's permit.
 - (b) Use of Dispatch Service. All Medallion Holders

affiliated with a Color Scheme must utilize the same Dispatch Service.

- (c) Full-Time Driving Requirement.
- (1) Every Medallion Holder who is a natural person and who acquired their Medallion between June 6, 1978 and March 27, 2010 shall be a Full-Time Driver.
- (2) Exception for Certain Permits. Notwithstanding any contrary provision in this Article, the requirements set forth in this Subsection 1109(c) shall not apply to any person, Business Entity, or joint tenants holding a Transferable Medallion.
- (3) Declaration Required. No Post-K Medallion shall be renewed unless the Medallion Holder to whom such permit was issued shall declare under penalty of perjury that they will actively and personally continue to engage in Full-Time Driving.
- (4) Medallion Holders Responsible for Documenting Compliance. A Medallion Holder subject to this Subsection 1109(c) has the responsibility to maintain their own business records, including, until April 30, 2013, or earlier pursuant to notice from the SFMTA that the Color Scheme for which he or she drives is affiliated with a Dispatch Service that has implemented a system for generating Electronic Trip Data, paper waybills. Paper waybills, Electronic Trip Data, or other corroborating documentary evidence completed in compliance with all requirements may be used to demonstrate compliance with the Full-Time Driving requirement. Failure of a Color Scheme to maintain business records, including paper waybills or Electronic Trip Data, as required by this Article shall not excuse a Medallion Holder subject to this Subsection 1109(c) from proving that they have satisfied this Subsection 1109(c) or any other requirement.
- (5) Partial Years. During the year in which operation of a Medallion was temporarily suspended with the approval of the SFMTA in accordance with Section 1105(a)(9), the number of driving hours required to meet the Full-Time Driving Requirement shall be reduced by the same proportion as the

ratio of the Permit Holder's excused driving hours to the hours remaining in the calendar year.

- (6) Exception for Color Scheme Key Personnel.
- (A) Alternative Driving Requirement. Medallion Holders who are designated as "Key Personnel" by a Color Scheme may satisfy the Full-Time Driving requirement by driving 120 hours per year and performing 1,500 hours of work per year as Key Personnel for the Color Scheme.
- (B) Written Designation of Key Personnel. Each Color Scheme seeking to designate one or more of its employees for a calendar year pursuant to this Subsection 1109(c)(7) must file a written designation by December 1st of the preceding year. A Permit Holder may not be designated as Key Personnel by more than one Color Scheme during a calendar year. The SFMTA will only recognize as Key Personnel only those Medallion Holders named in a completed designation form filed by the Color Scheme as of December 1st.
- (C) Number of Key Personnel Designated at a Color Scheme. Each Color Scheme will be entitled to designate Key Personnel in accordance with the number of Medallions affiliated with that Color Scheme. The number of Medallions affiliated with a particular Color Scheme for a calendar year shall be determined as of December 1st of the previous year, based on the records of the SFMTA. Only individuals already holding a Medallion by December 1 of that year may be considered for Key Personnel designation. The number of designated Key Personnel at a Color Scheme may not be increased or decreased during the subsequent calendar year even if the number of Medallions affiliated with that Color Scheme changes during the year.

A Color Scheme with 1 to 10 Medallions may not designate anyone as Key Personnel.

A Color Scheme with 11 to 20 Medallions may designate one person.

A Color Scheme with 21 to 40 Medallions may designate two people.

A Color Scheme with 41 to 60 Medallions may designate three people.

A Color Scheme with 61 to 80 Medallions may designate four people.

A Color Scheme with 81 to 100 Medallions may designate five people.

A Color Scheme with 101 to 150 Medallions may designate six people.

A Color Scheme with 151 to 200 Medallions may designate seven people.

A Color Scheme with 201 to 300 Medallions may designate eight people.

A Color Scheme with 301 to 400 Medallions may designate nine people.

A Color Scheme with over 400 Medallions may designate nine people, plus one additional person for every 100 Medallions over 400.

- (D) Statement of Work by Key Personnel. No later than February 1 of each year, each Color Scheme that has designated one or more employees as Key Personnel must submit a written Statement of Work on a form provided by SFMTA, demonstrating the number of hours during the previous calendar year that each of its designated Key Personnel worked on tasks related to the business of the Color Scheme, including but not limited to, office duties, dispatching, cashiering, or performing management duties. The Statement of Work shall be signed under penalty of perjury by both the Color Scheme and the Medallion Holder designated as Key Personnel. The Color Scheme shall be responsible for submitting proof of employment with the Statement of Work, which shall consist of state or federal tax forms filed with the appropriate regulatory agency. A Medallion Holder and/or Color Scheme that submits a falsely sworn Statement of Work shall be subject to automatic revocation of their Permit.
- (E) Partial Completion of Requirements. If a Medallion Holder performs at least 750 hours of work as designated Key Personnel for the a Color Scheme during the year but less than 1,500 hours, the Permit Holder shall be entitled to partial credit against the Full-Time Driving requirement on a pro rata basis. The credit shall correspond to the percentage of 1,500 hours

that the designated Permit Holder worked for the company in such capacity. If a Permit Holder does not perform at least 750 hours of work as designated personnel for the Color Scheme during the year, the Permit Holder shall not be entitled to any credit against the Full-Time Driving requirement.

- (d) Pre-K Corporate Medallion Holders.
- (1) Permits Void in Event of Transfer or Sale of Permit Holder. Any Pre-K Corporate Medallion shall be deemed null and void and revoked if any of the following circumstances has occurred since the issuance of the Medallion:
- (A) If the Medallion is or was sold or transferred at any time after June 6, 1978. For the purposes of this Section, a sale or transfer occurs upon a cumulative sale or transfer of either 10% or more of the stock or other ownership of the Medallion Holder, or 10% of the Permit Holder's assets since June 6, 1978, unless such sale or transfer has the prior written approval of the SFMTA.
- (B) If the management or control of the Permit Holder is or has been transferred for consideration since the issuance of the permit;
- (C) If the Medallion Holder's rights to receive income derived from a Lease or an agreement authorized by Section 1109(e)(2) is assigned, transferred or sold.
 - (e) Medallion Operation.
- (1) A Medallion Holder may arrange for the continuous operation of the Medallion in compliance with Section 1105(a)(9) only as follows:
- (A) By entering into a Lease with a Color Scheme under which the Color Scheme will operate the Medallion as a Gas and Gates Medallion.
- (B) By operating the Medallion as an Affiliated Medallion Operator. A Medallion Holder who elects to operate the Medallion pursuant to this Section 1109(e)(1)(B) must comply with the following:
- (i) The Medallion Holder is prohibited from charging any Gate Fee other than the Gate Fee posted for that shift by the Color Scheme with which the Medallion is affiliated, and is prohibited from charging Drivers any

amounts other than a Gate Fee.

- (ii) The Medallion Holder is responsible for compliance with all requirements imposed upon Color Scheme permit holders by Section 1106, subsections (i), (j), (k), (n), (o)(1), (o)(3), (p)(1), (p)(2), (p)(4), (q)(2), and (q)(3).
- (iii) For Medallion Holders subject to Section 1109(c), at least 50% of the hours relied upon by a Medallion Holder for the purpose of establishing compliance with the Full-Time Driving requirements must be driven in the vehicle in which the Medallion is being operated, except to the extent that the operation in a different vehicle has been authorized in advance, in writing, by the SFMTA.
- (2) Access to San Francisco International Airport. The Director of Transportation may impose restrictions on the types of Medallions authorized to operate a taxicab trip originating at the San Francisco International Airport for the purpose of alleviating congestion. The Director shall notify the Board of Directors immediately upon imposing such restrictions.
 - (f) Required Notifications.
- (1) Termination or Dissolution of Business Entity. Business Entity Medallion Holders shall provide written notice to SFMTA at least 14 calendar days prior to any termination or dissolution of the Business Entity.
 - (2) Death of a Joint Tenant.
- (A) Within 14 calendar days of the death of a joint tenant, the surviving joint tenant(s) shall provide SFMTA with written notice of the death.
- (B) Within 14 days of providing SFMTA with notice of the death of a joint tenant, the surviving joint tenant(s) shall return the Medallion to SFMTA and SFMTA shall re-issue the Medallion in the name of the surviving joint tenant(s).

Sec.

1118 Revocation, Suspension, and Administrative Fines.

SEC. 1118. REVOCATION, SUSPENSION, AND ADMINISTRATIVE FINES.

- (a) Revocation, Suspension or Administrative Fine for Cause. The SFMTA may suspend or revoke any permit issued under this Article 1100, and may impose an administrative fine against a Permit Holder, for good cause. "Good cause" hereunder shall include, but shall not be limited to, the following:
- (1) A Permit Holder failed to pay a fine imposed by the SFMTA under Section 310 of this Code within 30 days of imposition or within such other time period as determined by the agreement of the Permit Holder and the SFMTA.
- (2) A Permit Holder failed to pay a permit fee within 90 days following notice of nonpayment.
- (3) A Permit Holder has been convicted of any crime that would disqualify the Permit Holder from holding a permit pursuant to Section 1103(c)(2)(E), or is otherwise ineligible for a permit under Section 1104(c) of this Article.
- (4) The Permit Holder has violated any statute or ordinance, including any provision of Division I or II of this Transportation Code, governing the operation or licensing of the vehicles and services regulated by this Code.
- (5) A Taxi Driver fails to comply with the requirements for return to duty under the Taxi Driver Drug and Alcohol Testing Policy within 12 months of a positive drug or alcohol test.
- (6) A Taxi Driver complies with the requirements for return to duty within the 12-month period, but fails to comply with a follow-up requirement imposed by the substance abuse professional under the terms of the Taxi Driver Drug and Alcohol Testing Policy.
- (7) A Taxi Driver receives a positive test result within the meaning of the Taxi Driver Drug and Alcohol Policy for any drug or alcohol test required by the Policy twice within any two-year period.
- (8) A Medallion Holder who is subject to the Full-Time Driving Requirement does not have a valid A-Card because the Driver has failed to timely renew their A-Card or the SFMTA has revoked the A-Card.
- (9) A Taxi Driver fails to comply with the A-Card permit conditions.

- (10) A Medallion is not operated full-time or is not available for full-time operation. For the purpose of this Subsection, "full-time" shall mean 800 hours during a preceding fiscal year.
- (11) A Medallion Holder who is subject to the Full-Time Driving requirement does not satisfy the Full-Time Driving requirement in the preceding fiscal year.
- (12) A Taxi Driver fails to comply with Section 1103(c)(3)(A).
- (b) Suspension or Revocation of More Than One Permit. Where a person violating this Article holds more than one permit to operate a Motor Vehicle for Hire in the City, the SFMTA may revoke, suspend, or decline to renew all such permits.
- (c) Operation During Suspension. In the event that a Taxi or Ramp Taxi Medallion is suspended for disciplinary reasons, the Color Scheme with which it is affiliated may continue to operate the Medallion during any such period of suspension by paying a monthly fee of \$750 to the SFMTA or to a Qualified Lender that has a loan that is still outstanding to finance the suspended Medallion. The total of the monthly fees for the entire suspension period is due as of the 15th day following the commencement of the suspension period. If the suspended Medallion is affiliated with a Color Scheme that is on Administrative Probation upon the date that the suspension commences, the Medallion may be operated by a Color Scheme designated by the Medallion Holder from among those Color Schemes that are not on Administrative Probation and have notified the SFMTA of their willingness to operate the Medallion during the suspension period.
- (d) Administrative Fines. Administrative fines imposed under this Section 1118 for violations of Article 1100 of Division II of the Transportation Code shall be consistent with Section 310 of Division II of the Transportation Code, and are not subject to adjustment by the Hearing Officer in the context of an administrative hearing conducted under Section 1120.
- (e) If the Driver's A-Card permit is revoked under subsection (a)(5), (a)(6), or (a)(7), above, the SFMTA shall not accept a

new application for an A-Card from the Driver for three years from the date upon which the revocation was final.

BRIEF(S) SUBMITTED BY THE RESPONDENT DEPARTMENT(S)

SAN FRANCISCO BOARD OF APPEALS

1 2 Appeal No. 22-007 ROBERT SKRAK, 3 Medallion Permit No. 878 Appellant, 4 SFMTA TAXI DIVISION'S BRIEF VS. 5 Hearing Date: Wednesday, April 13, 2022 SAN FRANCISCO MUNICIPAL 6 Time: 5:00 p.m. TRANSPORTATION AGENCY, Place: City Hall, Room 416 7 Respondent 8 [Exemption from File Fees per Cal. Gov. 9 Code §§ 6103(a)-(b] 10 11 INTRODUCTION 12 Mr. Robert Skrak (hereinafter Mr. Skrak), holder of Medallion #878, a Post-K 13 Medallion, challenges the decision of the Hearing Officer upholding the San Francisco 14 Municipal Transportation Agency (SFMTA) Taxi Division's decision not to renew Mr. 15 Skrak's Medallion.1 SFMTA issued the notice of nonrenewal based upon the fact that 16 Mr. Skrak did not have a valid A-Card, as required by the Transportation Code.2 The 17 Hearing Officer's decision upheld the nonrenewal based upon the requirement that Mr. 18 Skrak hold a valid A-Card and California driver's license. 19 **BACKGROUND** 20 Mr. Skrak received Medallion #878 in 1997 after the effective date of Proposition K 21 (1978) (hereinafter Prop K) and prior to the Taxi Medallion Sales Pilot Program. 22 Medallions are a permit issued by the SFMTA to an individual, joint tenants, or a Business Entity to operate a particular Taxi or Ramp Taxi vehicle in the City. Prop K 23 was a voter passed initiative that changed the way Medallions were issued and held. 24 Prior to the enactment of Prop K, Medallion Holders could hold more than one Medallion 25

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¹ Any capitalized terms that are not otherwise defined herein shall have the meaning ascribed in Article 1100 of the San Francisco Transportation Code.

² "A-Card" or "Driver Permit" is a permit issued by the SFMTA to operate a Taxi or Ramp Taxi in the City.

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and they need not be an active taxi driver. The Prop K driving requirement was designed to ensure that only working taxicab drivers hold permits. 3 As a condition of renewing their Medallion, Post-K Medallion Holders are subject to a Full-Time Driving requirement4 and they must hold an active A-Card.

Mr. Skrak's A-Card expired approximately six years ago. [EXHIBIT A]. After reviewing the renewal documents submitted for Medallion #878, SFMTA issued a Notice of Nonrenewal to Mr. Skrak. Mr. Skrak appealed the Notice of Nonrenewal, and the Notice of Nonrenewal was upheld by the Hearing Officer. He has appealed the Hearing Officer's decision to uphold SFMTA's Notice of Nonrenewal.

SFMTA ENFORCEMENT EFFORT

This appeal is the result of a Notice of Nonrenewal that was sent to Mr. Skrak because he did not have a valid A-Card. This enforcement effort began in 2019 when enforcement staff was made aware of Medallions that were not in compliance with the Transportation Code. In total, notices were sent to 257 Medallion Holders involving 316 Medallions. The 316 Medallions included 57 Corporate Pre-K Medallions, 86 Pre-K Medallions and 173 Post-K Medallions. Of the 316 Medallions impacted, 146 Medallion Holders cured any outstanding issues, and their Medallions were renewed. 121 Medallion Holders did not respond, and the decision not to renew their Medallions became final. A total of 49 appeals, including this pending appeal, were filed.

Medallions that were determined to be out of compliance with the Transportation Code were deemed ineligible for renewal and thus were issued a Notice of Nonrenewal. As noted above, roughly half of Medallion Holders resolved their issues and successfully renewed their Medallions. Those that were unable to resolve their compliance issues were either not renewed or filed an appeal. In this case, Mr. Skrak does not have an A-Card or a California driver's license. His Post-K Medallion was originally issued without

³ See page 5 of the Overview of the San Francisco Taxi Industry and Proposition K.

⁴ Full-Time Driving is defined as "any Driver actually engaged in, or the activity comprised of (respectively) the mechanical operation and physical charge and custody of a Taxi or Ramp Taxi which is available for hire or actually hired for at least 156 four-hour shifts or 800 hours during a calendar year." The Full-Time Driving requirement was suspended at the time that this appeal was filed. In a notice sent out October 28, 2021, SFMTA announced that enforcement would resume on December 1, 2021. https://www.sfmta.com/notices/enforcement-full-time-driving-requirement-resuming-12121 However, the suspension of the Full-Time Driving requirement does not relieve Post-K Medallion Holders of the requirement to maintain an active A-Card.

⁵ Holders of Pre-K and Corporate Pre-K Medallions may hold multiple Medallions.

cost based upon seniority.6 Because they were issued free of charge, Post-K Medallions were only issued to active drivers. In exchange, Post-K Medallion Holders are required to drive.

If a Post-K Medallion Holder never drives, they are in clear violation of the Transportation Code and the rules under which they earned their Medallion.

As regulator, SFMTA made the decision to ensure compliance with the Transportation Code through this enforcement effort. As mentioned above, a good portion of Medallion Holders cured any deficiencies and thus their Medallions were renewed. Only those that were still out of compliance, such as the Medallion at issue here, are still subject to nonrenewal.

ARGUMENT

Pursuant to Transportation Code §1105(a)(5), "Unless earlier revoked or suspended, all permits shall expire one year following their issuance or renewal, or on another date as specified by the SFMTA." Medallions are issued on an annual basis based upon the commencement of the fiscal year on July 1, and they expire on June 30 of each calendar year. Due to Order C19-07 issued by the San Francisco Health Officer in response to the Covid-19 pandemic, the Medallion expiration date for the 2019-2020 fiscal year was extended beyond June 30, 2020, and Medallions were allowed to continue operating.

As a condition of renewal, "a Permit Holder must pay the applicable Renewal Fee, meet the eligibility requirements required for new applicants listed in Section 1104, and may be required to sign a statement under penalty of perjury affirming eligibility for the permit."

Under Article 1100 of the Transportation Code, permits are a privilege and are not the property of the Permit Holder [§1105(a)(3)]. Additionally, Transportation Code §1105(a)(6) requires that: "Every Permit Holder shall comply with... the provisions of this Article."

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⁶ Post-K Medallions were issued based upon years of service using a waiting list.

⁷ The "statement [signed] under penalty of perjury affirming eligibility for the permit" is known colloquially as "annual sworn statement" in the San Francisco Taxi industry.

A. To renew his Medallion, Mr. Skrak must have an active A-Card

As noted above, Prop K was a voter approved initiative that reformed the way that Taxi Medallions were issued. Pursuant to the initiative, to qualify for a Medallion, "[t]he applicant will be a full-time driver." [Proposition K (1978)]. Pursuant to Transportation Code §1105(a)(1), no person shall operate a Taxi "without a permit issued by the SFMTA authorizing such driving or operation." The permit to drive a Taxi is known as an A-Card. Prop K also required that "[n]o permit shall be issued unless the person applying for the permit shall declare under penalty of perjury *his or her intention actively and personally to engage as permittee-driver* under any permit issued to him or her." [Emphasis added]. This provision is codified in §1109(c)(3).

Here, Mr. Skrak's A-Card is expired. [EXHIBIT A]. When SFMTA reviewed Mr. Skrak's renewal documents, staff determined that his A-Card had expired. Without an A-Card, Mr. Skrak cannot operate a Taxi and it establishes good cause for a nonrenewal. As a result, SFMTA issued a Notice of Nonrenewal. Mr. Skrak had the opportunity to cure this deficiency by renewing his A-Card.

B. <u>In order to renew his A-Card, Mr. Skrak must have a valid California</u> driver's license

As noted above, pursuant to Transportation Code §1105(a)(5)(B), as a condition of renewal, "a Permit Holder must...meet the eligibility requirements required for new applicants listed in Section 1104." Pursuant to Transportation Code §1104, "SFMTA, in determining whether the permit should be granted, may consider such facts as it deems pertinent," but shall at a minimum consider factors including (1) applicant's compliance with applicable statutes, regulations and ordinances, (2) the applicant's record involving motor vehicles for hire within the last five years and (3) any prior criminal convictions that may impact public safety.

Pursuant to §1103(c)(3)(C), an A-Card Holder who fails to renew their Driver Permit within the deadline for renewal set by the SFMTA may renew their Driver Permit upon submission of a new Driver Permit application. New drivers must "have a current

⁸ Exhibit A is a screen capture of Appellant's ground transportation management system (GTMS) driver profile page. GTMS is the database in which SFMTA maintains driver records electronically. For privacy purposes, a redacted version is being produced.

California driver's license." (§1103(c)(2)(C).). To be eligible for renewal of his A-Card, Mr. Skrak must have a current California driver's license. By his own admission, he lives in Nevada and relinquished his California driver's license years ago. (Appellant Exhibit A at p. 2).

Appellant argues that Transportation Code §1103(c)(2) does not apply to him because he is seeking only to renew his Medallion. However, as noted above, Post-K Medallion such as #878 are subject to the Full-Time Driving requirement and the holders of Post-K Medallions must have an active A-Card. Failure to maintain an active A-Card is good cause for SFMTA to suspend, revoke or fine a permit holder. And it is this good cause that is the basis of the Notice of Nonrenewal at issue here.

Appellant also argues that requiring disabled Medallion Holders to hold an active A-Card nullifies the SFMTA's own disability policy. SFMTA Board Resolution 09-138 (Appellant Ex. D) clearly states that Medallion Holders "should be relieved of the Full-Time Driving requirement for limited periods of time during which the [M]edallion [H]older is temporarily rendered physically incapable of driving" and that Medallion Holders who are permanently incapable of meeting the Full-Time Driving requirement "may properly be required to relinquish his or her [M]edallion to the SFMTA." The policy approved by the SFMTA Board of Directors (Board) does not alleviate the separate requirement that Post-K Medallion Holders maintain an active A-Card, it simply grants drivers a temporary exemption or reduction of time actually *driving* a Taxi. For the drivers who receive a reduction in driving, they must still maintain their A-Card, so Appellant's interpretation of the policy is not consistent with the SFMTA's disability policy.

C. SFMTA is not Equitably Estopped from issuing a Notice of Nonrenewal

Mr. Skrak asserts that he allegedly relied on the advice of SFMTA staff that he was exempt from the Full-Time Driving requirement. He also alleges on at least one occasion, a former SFMTA staff member, Ms. Paige Standfield, told him that he did not need to renew his A-Card. (Skrak Appeal Br. at p 4.). Staff does not have the authority to grant permanent waivers of the Transportation Code, which would have the effect of overruling the SFMTA Board of Directors.

The elements of equitable estoppel are: "(1) the party to be estopped must be apprised of the facts; (2) he must intend that his conduct shall be acted upon, or must so act that the party asserting the estoppel has a right to believe it was so intended; (3) the other party must be ignorant of the true state of facts; and (4) he must rely upon the conduct to his injury." (Alameda County Deputy Sheriff's Assn v. Alameda County Employees' Retirement Assn (2020) 9 Cal.5th 1032, 1072.)

Staff also did not have the authority to grant a lifetime waiver of the Full-Time Driving requirement, which would contravene the Transportation Code, which is contrary to the authority of the MTA Board of Directors. Appellant argues that SFMTA should be estopped based upon alleged representations made by SFMTA staff that greatly exceeded their authority. He claims that he relied upon representations in his decision not to participate in the Medallion Sales Program. Appellant does not have any vested right or other legal entitlement, to surrender a Medallion for consideration. Appellant also claims that he relied upon the representation of Ms. Standfield in his decision to let his California driver license lapse, when the actual reason was his change of residence.

Equitable estoppel is applied only sparingly against a government entity. (*Id.*) "Equitable estoppel will not apply against a governmental body except in unusual instances when necessary to avoid grave injustice and when the result will not defeat a strong public policy." (*City of Goleta v. Superior Court* (2006) 40 Cal.4th 270, 279 (internal quotation and citation omitted).) Here, there is a strong public policy to *require* that Medallion Holders who are subject to the Full-Time Driving requirement maintain an active A-Card. Allowing Post-K Medallion Holders to let their A-Card lapse violates one of the core requirements of Prop-K: that holders are Full-Time Drivers. Although the underlying Notice of Nonrenewal was not issued based upon the Full-Time Driving requirement itself, having an active A-Card is absolutely necessary for a driver to be able to operate a San Francisco Taxi. Without an active A-Card, it is impossible for a Medallion Holder to drive and thus impossible to be a Full-Time Driver.

CONCLUSION

As part of an enforcement initiative, SFMTA made the regulatory decision to enforce compliance with the Transportation Code during the 2020 permit renewal process. As

⁹ See Transportation Code §1116(a)(4).

mentioned above, many Medallions Holders that were subject to nonrenewal cured their deficiencies and successfully renewed their Medallions. Mr. Skrak had the opportunity to cure any deficiencies, but he cannot because he cannot get a California driver license. Holding a California driver license is a requirement to hold an A-Card, and Post-K Medallion Holders are required to have an active A-Card. Because he does not hold an active A-Card, Mr. Skrak's Medallion is not eligible for renewal. If the Board of Appeals votes to overturn the Hearing Officer's decision, it will have the effect of renewing a permit that is not eligible for renewal. The impact of such a decision will undermine and potentially impede SFMTA's ability to exercise its authority under the Charter to regulate the operation of taxis in San Francisco and enforce the requirements of the Transportation Code.

For the foregoing reasons, the Board of Appeals should affirm the Hearing Officer's decision approving the Taxi Division's nonrenewal of Medallion #878.

Date: 4.7.2022

Respectfully Submitted,

Philip Cranna

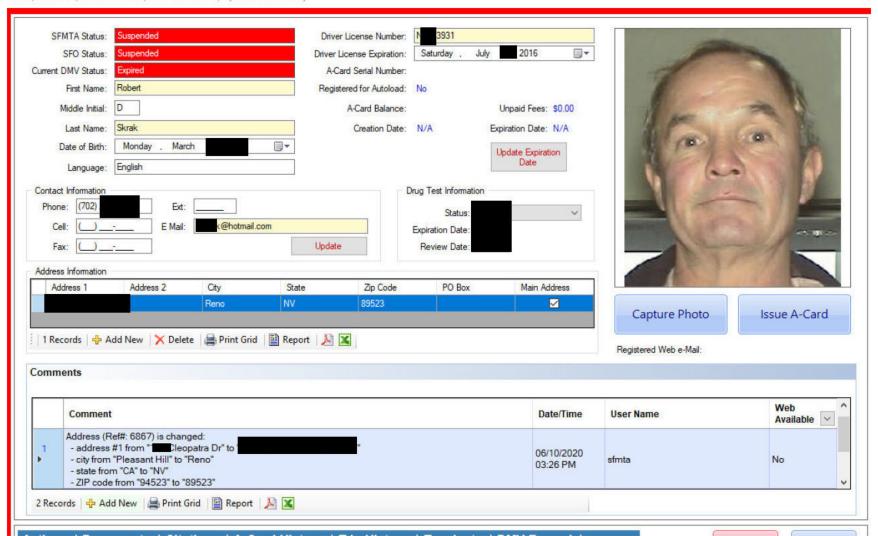
Enforcement & Legal Affairs Manager

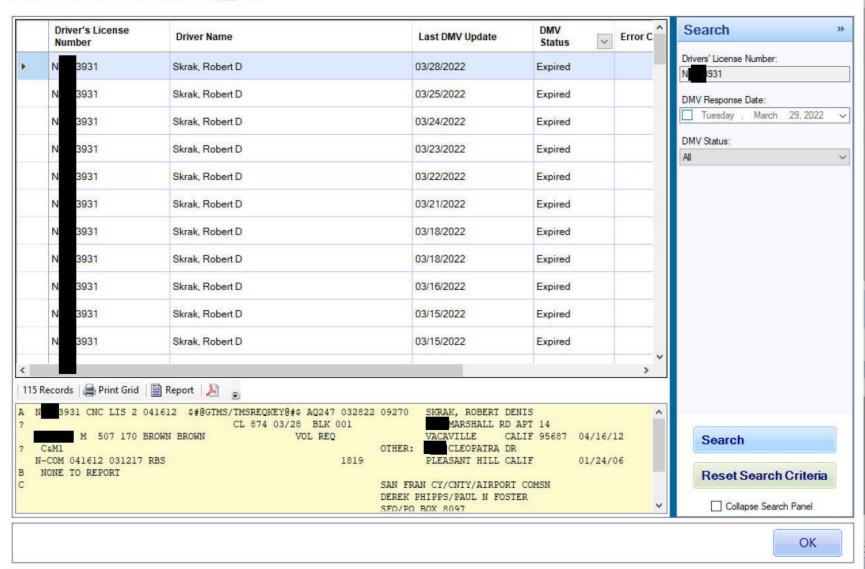
SFMTA Taxi Services

EXHIBIT LIST

EXHIBIT A GTMS Driver Profile 3/29/22







Print Screen