

BLOGS › THE INSIDER

June 16, 2015 Updated 06/16/2015

Taxi industry outmaneuvers city's bid to shift lawsuit to Manhattan

Undermining city lawyers' argument that a change of venue would simplify matters by combining two cases into one, medallion lenders persuaded another group of plaintiffs to join them in Queens.



By Erik Engquist



Photo: Katrina Samuelsen

Some medallion lenders are now fighting to keep a lawsuit in Queens court.

Taxi-medallion lenders have countered [the de Blasio administration's attempt](#) to move their lawsuit to Manhattan from Queens by securing an agreement to combine their legal challenge with a separate one filed earlier in Manhattan. That compelled the administration to abandon its argument that "judicial economy" would be served by changing the venue to Manhattan so the two cases could be joined.

The city's Law Department is nonetheless pressing forward, claiming that Manhattan remains the appropriate borough for the case to be heard because the lawsuit was filed against the Manhattan-based Taxi and Limousine Commission. The downstate office of another defendant, state Attorney General Eric Schneiderman, is also in Manhattan.

But the lenders say the city's attempt to change the venue is "judge shopping." They assert that Queens is an appropriate venue because many Taxi and Limousine Commission functions are handled there and that 43% of taxi drivers live in Queens, more than in any other borough. Also, the six vehicle bases of Uber's New York City operation, whose rapid erosion of yellow cabs' market share triggered the lawsuit, share a single address in Queens.

"The 'nerve center' for the Taxi and Limousine Commission, and by extension, the entire for-hire transportation industry, is located in Queens, making it not just a proper venue for these proceedings, but also the most appropriate one," said Todd Higgins, the lead attorney for the plaintiffs. "That is not just the view of the petitioners; it is also the view of Matthew Daus, who served as chairman of the TLC for eight and one half years."

He was referring to a statement answering Mr. Higgins' questions that Mr. Daus supplied to the court system Monday to avoid being subpoenaed for them by Mr. Higgins. Mr. Daus pointed out that he had not taken sides in the legal dispute, which centers on four credit unions' complaint that the value of taxi medallions has fallen because the city and state are not enforcing yellow cabs' exclusive right to pick up street hails. (The other lawsuit was filed by a group of medallion owners.)

To further bolster their case for Queens to remain the venue, the medallion lenders' lawyers have dug up a number of other lawsuits against city

agencies filed in Queens, Brooklyn and the Bronx in which the city did not object to the venue. The lawyers said they could not find one in which the city asked to move the proceedings to Manhattan.

The de Blasio administration and Uber maintain that summoning a vehicle with a smartphone app is pre-arranged travel and not the equivalent of a street hail. Uber, whose business model in the city relies on that interpretation, is not a defendant in the suit.

[TRANSPORTATION](#) [POLITICS](#) [NEW YORK](#) [ERIC SCHNEIDERMAN](#) [OPINION](#) [THE INSIDER BLOG](#) [UBER](#)

CRAIN'S RECOMMENDS



[Goldman Sachs tells all its summer interns to go home](#)


[Who's not on the 2015 Most Powerful Women list—and why](#)


[After 84 years at the Empire State Building, shoe cobbler gets kicked out](#)


[Everyone wants to be a real estate broker](#)


[Why thieves stole copper wire from the A subway line](#)


[Thomas Heatherwick unlocks design's soulful side](#)  

[This App is Quickly Replacing Human Financial Advisors](#) 

[1 Dirty Little Secret To Eliminate 15 Years Of Mortgage Payments](#) 

[Two 11-Year-Olds Competed Against Ivy Leaguers in an Investing Contest \(And Won\)](#) 

[Young Millionaires Flock to Wealthfront](#) 

Recommended by 

BUSINESS LISTS

[CEOs- Fortunate 100](#)

[Architecture Firms](#)

[Engineering Firms](#)

[Hospitals](#)

[Publicly Held Companies](#)

RESOURCES

[White Papers](#)

[Executive Moves](#)

[Real Estate Deals](#)

[Job Board](#)

[Business Lists](#)

[Book of Lists](#)

GET CRAIN'S MORNING INSIDER

Sign up for the Morning Insider email and receive political news and musings every morning at 6 a.m.

[MORE NEWSLETTERS >](#)

[SUBSCRIBE](#)

CRAIN'S AUTHORS



Erik Engquist



@erik_engquist

LATEST



Key councilman wants to eliminate commercial-...



Long-awaited fix for midtown zoning heads to ...

Street vendors use animated video in fight...



First Caitlyn Jenner, now de Blasio:...



Wall Street is this medical-marijuana...

MOST POPULAR



Long-awaited fix for midtown zoning heads to ...



Developers mulling legal challenge to...



Wall Street is this medical-marijuana...



First Caitlyn Jenner, now de Blasio:...



Mayor proposes composting mandate for hotels,...

RELATED NEWS



City yields to Uber on app rules



Lyft to pay \$300K in agreement with state



In its defense, city tells Queens judge that mayor is now a Manhattanite



City, courts think they'll run Uber better than Uber

Judge to city: Tell me why you shouldn't stop Uber



Taxi interests sue city, predicting collapse of their industry

FROM AROUND THE WEB


Must Have Appliances Being Sold for Next to Nothing [↗](#)

You Might Be Surprised to Learn What Your Last Name Can Tell You About Your Ancestors [↗](#)

This Tiny House Lets You Live the Simple Life in the Blue Ridge Mountains [↗](#)

4 in 5 Americans Are Ignoring Buffett's Warning [↗](#)

Who Actually Earns \$400,000 Per Year? [↗](#)

Recommended by  outbrain

COMMENTS



