

**SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY**  
**SFMTA HEARING SECTION**

**SAN FRANCISCO MUNICIPAL  
TRANSPORTATION AGENCY,**

vs.

**STATEMENT OF DECISION (REVISED)**

**SAM DADU,**  
Respondent

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**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 Sam Dadu on or about September 28, 2020. The SFMTA Complaint alleges that Mr. Dadu had not taken the necessary measures to renew his status as a qualified taxi medallion holder. On that basis, the SFMTA’s Taxi Services had notified Mr. Dadu on or about September 28, 2020, that his Post-K medallion (#728) should be revoked.

Following that notice and the subsequent Complaint, a video-conference hearing was scheduled for Mr. Dadu by this Hearing Section for May 11, 2021, under the provisions of Article 1100 of the SFMTA’s Transportation Code. 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 May 11, 2021, Mr. Dadu appeared via telephone at the time of this hearing. SFMTA Taxi and Accessibility manager Philip Cranna and analyst Danny Yeung, appeared by video, along with the undersigned administrative hearing officer, and at that time testimony from each of the parties was received into evidence.

**II. APPLICABLE LAW**

Under the provisions of Article 1100 of the Transportation Code, 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)(2H)(2I), regarding the drug testing requirement;
- 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)(6), involving compliance with laws and regulations;
- TC §1105(a)(3B), regarding the duration of permits;
- 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.

### **III. TESTIMONY**

#### **A. SFMTA Testimony and Evidence Presented: Philip Cranna and Danny Yeung:**

Philip Cranna, an Enforcement and Legal Affairs Manager in the SFMTA’s Taxi Services, argued as to the origin and reliability of the compliant statement dated September 28, 2020. In representing Taxi Services, Mr. Cranna confirmed that according to the applicable laws stated above, SFMTA is correct to revoke medallion #728 for an expired A Card and unpaid renewal fee.

Danny Yeung, an administrative analyst in the SFMTA’s Taxi Services, testified to the origin and reliability of the exhibits offered by Taxi Services at the hearing. The exhibits included a driver profile of Mr. Dadu (Exh. A), the Division’s Notice of Nonrenewal (Exh. B), and the written statement of Sam Dadu dated May 04,2021 (Exh. C). Mr. Yeung confirmed that the evidence of record established that Mr. Dadu’s A-Card had expired on 02/01/2019, and had never been renewed since that time.

#### **B. Sam Dadu, Respondent:**

Mr. Dadu did not dispute that his A-Card has not been renewed since 2019. However, Mr. Dadu testified that he is currently a resident in Hollister, CA, and that he has not been physically capable of driving for a living due to his failing health. He failed a drug test in 2019, and the retesting fee is enormously expensive at \$600.00. He recently had a heart attack, was found to have an inoperable blockage in the heart, and he has had a history of double bypass surgery. He is taking daily long-acting nitrites and nitroglycerine for chest pain.

Mr. Dadu testified that he understands that his medallion (#728) had been used by Yellow Cab Company, as a basis for other taxi drivers to drive legally within the city, pursuant to the provisions of the Transportation Code. However, with the transportation network companies (TNC) such as Uber and Lyft flooding the transportation industry, the medallion no longer holds any monetary value, and no driver or business is interested in the medallion. Mr. Dadu stated that he satisfied the requirement of an intention to drive until his health conditions would not allow him to drive anymore. He maintains that there should be a residual monetary value to medallion #728, which he intends to retain this medallion as source of retirement income.

## **IV. FINDINGS**

### **1. Respondent Dadu Lacks Current A-Card**

Based upon the testimony adduced at the hearing and upon the evidence of record, I find that respondent Dadu, whose A-Card expired in February, 2019, has been physically unable to renew his A-Card due to serious physical injuries and conditions which have rendered him unable to drive a taxi on any sustained basis. In addition, respondent Dadu testified that he failed a mandatory drug test in 2019 at the request of Taxi Services, and has not been able to afford the cost of retesting.

Because respondent Dadu, by his own admission, is no longer physically capable of driving a taxi on a sustained basis, his A-Card cannot be renewed pursuant to the provisions of TC §§ 1103 and 1105, as noted above. Under the prevailing provisions of the Transportation Code, without an A-Card a taxi driver cannot retain their medallion here in San Francisco. On that basis the nonrenewal of this medallion is appropriate here under the circumstances.

### **2. Equitable Circumstances Relating to Decision**

While respondent Dadu hopes to recover some intrinsic financial value to his medallion upon surrender to the SFMTA, there has been no market for medallions in San Francisco, largely due to the influx of TNC operations. And at the present time, there is no indication that the surrender and transferring of medallions will dramatically change in the near future. At some point, however, the SFMTA will determine a market-rate for the transfer of medallions, and those drivers who have medallions to surrender will, in all probability, enjoy some financial recovery—as long as the medallion system is preserved.

While the SFMTA or its Board of Directors may determine the surrender price of medallions, the SFMTA or the MTAB could decide to end the surrender program under the provisions of TC § 1116(a)(5), but neither has happened.

As against the future expectation interest in the surrender of a driver's medallion, the SFMTA has an interest in reclaiming medallions that are no longer being actively used. There seems, however, little urgency in reclaiming this particular medallion from respondent Dadu at this particular time.

On the basis of the existing uncertainty in a future surrender value for medallion holders, and the likelihood that eventually a monetary surrender value will develop for those who hold medallions, the undersigned would have preferred to defer the revocation of this and other medallions—if there were provisions in section 1120 of the Transportation Code that authorized that kind of delay in the interests of justice.

But inasmuch as the authority that covers our hearings under the Transportation Code does not provide the undersigned with any variance in the application of the law in this particular regard, the undersigned has no other recourse than to follow the express provisions of the Transportation

Code, as noted above, despite any equitable considerations and circumstances as have been outlined herein.

## **V. ORDER**

By reason of the Findings stated above, the Taxi Service's Notice of Nonrenewal in this matter is upheld, and medallion #728 may now be revoked by the explicit operation of the relevant provisions of the Transportation Code.

Dated this 16<sup>th</sup> day of November, 2021



Elaine Hou  
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.