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Ms. Lowenstein,  
May 3, 2020

Ms. Lowenstein,

In the midst of this interminable pandemic that has affected all of us so terribly we must look toward the future of our great city. As NYC is in the midst of budget negotiations, I'm sure none of the parties involved would want to overlook any source of potential revenue.

Comptroller Scott Stringer, acknowledged one year ago, in a letter to Mayor De Blasio, NYC's role in creating a marketplace for taxi medallions and then severely undercutting that marketplace by allowing ride-sharing services to compete with medallion owners with little regard for the financial impact it would have. That financial impact was not just on medallion owners and all for hire drivers but also on NYC's finances. Billions of dollars have been lost in medallion sales and fees. I'm sure you know that the city still has over 1,600 medallions that they cannot sell because of a lack of confidence in NYC's willingness to protect the franchise that was sold to medallion owners.

I realize that while we are all dealing with the pandemic, we must think about our future in NYC. Out of the present chaos can come a renewed commitment to the people who built this city, namely immigrants, with their blood, sweat and tears.

My suggestion is that NYC negotiate with Marblegate, who owns or controls one third of NYC taxi medallions or taxi medallion loans, to buy the medallion loans back. Marblegate Asset Management specializes in distressed debt. The acquisition, approximately \$300 million, came about when the NCUA (National Credit Union Administration) who had acquired the loan portfolio of Melrose Credit Union and LOMTO, and then decided to dump the loans in a fire sale to Marblegate. After the recent volatility in the stock market Marblegate may be desperate for cash and be suffering from buyers remorse. As motivated sellers they might be willing to sell the loans to the city at a huge discount, say for \$100-200 million. Then the city could refinance the loans with the medallion owners. The city would get its money back with interest. There would be no risk to the city, as it would be in its own interest to protect the medallion franchise. They'd be off the hook as far as the rescission lawsuits (\$400 million) and the NYS lawsuit (\$800 million), wherein the NYS Attorney General has accused the TLC of fraud. These lawsuits seek the return of monies paid to NYC for taxi medallions.

The city was willing to put in seed money for part of the "bailout" weren't they? Isn't the city council in the midst of the budget process? Don't they negotiate adjustments to the budget with the mayor?

This is not an expense. It's an investment. The city would get the investment back from the individual borrowers plus interest. It would be in the city's interest to protect the value. It would improve the lives of the borrowers.

Plus, keep in mind, if Dan Ackman succeeds in the recession lawsuit, NYS Supreme Court 701402/2017 and 708692/2017, NYC is going to pay Marblegate for some of the loans because they own them.

Isn't it better for NYC to get control of the situation rather than a hedge fund?

It would be a step in the right direction. It would show that the city stands behind the medallion system and wants it to work for the benefit of New Yorkers.

It could be a win win for all sides. And could save NYC a lot of money.

If you think this idea has merit, or not, please don't hesitate to get in touch.

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