

BROKER-FACILITATED MEDALLION TRANSACTION

DISCLOSURES PACKET INSTRUCTIONS

OVERVIEW

This packet must be used for Broker-facilitated transactions. For each Broker-facilitated transaction, the Broker must complete and sign all applicable Forms of the BROKER-FACILITATED MEDALLION TRANSACTION DISCLOSURES PACKET (Forms 1-7), include the completed Checklist, and email the document in its entirety to TaxicabBrokers@tlc.nyc.gov within 10 business days of the closing (including financial closing).

In the subject line of the email, please include the medallion number(s) and medallion closing date.

Please remember to include all Broker or Broker designee signatures as well as client signatures prior to submitting the entire document to TLC.

Failure to comply with TLC Rules may result in up to \$10,000 fine as well as suspension and/or revocation of a license.

Information relating to Brokers is available on TLC's website at www.nyc.gov/tlc.

Questions can be directed to TaxicabBrokers@tlc.nyc.gov.

GENERAL INSTRUCTIONS

The Broker must attach the BROKER-FACILITATED MEDALLION TRANSACTION DISCLOSURES PACKET to the Signed Broker Agreement, including BROKER INTEREST DISCLOSURE AND CLIENT CONSENT, LOAN DISCLOSURE and BROKER CLIENT RIGHTS.

FORM 1: BROKER, MEDALLION AND CLIENT INFORMATION

The Broker must complete all information about the Brokerage, Medallion(s) and Client(s) related to the Broker-facilitated transaction.

FORM 2: BROKER INTEREST DISCLOSURE AND CLIENT CONSENT

The Broker must affirm the information as accurate and complete. Each client must review Form 2 and sign under Client Consent. Failure to comply with this requirement will result in penalties and other enforcement actions contained in TLC Rules Section 62-19(c).

The Broker must report any and all interests related to the Medallion(s) listed in Form 1. For each question in Form 2 marked "Yes", the Broker must completely fill out the "Appendix A_Form 2_Broker Interest Disclosure and Client Consent" Excel Spreadsheet using the following tabs:

- 2A_Medallion - Broker – For Form 2(A) Medallion Interests – Broker and Company Officers;
- 2B_Medallion - Related Party – For Form 2(B) Medallion Interests – Related Parties;
- 2C_Business - Broker – For Form 2(C) Business Interests – Broker and Company Officers;
- 2D_Business - Related Party – For Form 2(D) Business Interests – Related Parties; and
- 2E_Broker Fees tab – For Form 2(E) Broker Fees.

The Broker must disclose all information about their interests in any transaction on behalf of their client(s). Such interests in a transaction include:

- Interest in a TLC license or TLC-licensed business subject to the transaction;

- Interest in a lender, insurance broker, or automobile dealer providing services to the Broker's client(s) or any party to the transaction;
- Interest in any TLC- related business providing services to the Broker's client(s) or any party to the transaction; or
- Any fee or commission paid to the Broker by any individual or entity.

Relevant interests in a transaction include those interests held by the following:

- Interests held by the Broker;
- Interests held by any Company Officers, including Owners, Officers, Partners, Managers and Stockholders of the Brokerage; and
- Interests held by any Related Party of the Broker or any Related Party of any Company Officers.

FORM 3: LOAN DISCLOSURE (FOR BROKER-FACILITATED FINANCING AND REFINANCING)

The Broker must complete Form 3 for all Broker-facilitated loan and refinancing agreements to inform the clients of the material terms of their loan. The Broker must affirm the information as accurate and complete. Each client must review Form 3 and sign under Loan Disclosure Affirmations. Failure to comply with this requirement will result in penalties and other enforcement actions contained in TLC Rules Section 62-19(d)(6).

FORM 4: MEDALLION TRANSFER ESTIMATED CLOSING COSTS

For Form 4, the written estimated closing costs statement must be completed for all Broker-facilitated medallion transfers with the estimated items and amounts. Brokers who represent clients (buyers and/or sellers) in the transfer of an interest in a medallion must complete and submit copies of this estimated closing costs statement to the buyer and/or seller, and to TLC prior to the transfer date of an interest in a medallion. Failure to comply with this requirement will result in penalties and other enforcement actions contained in TLC Rules Section 62-19(d)(5)(iii).

FORM 5: MEDALLION TRANSFER CLOSING STATEMENT

For Form 5, the written closing statement must be completed for all Broker-facilitated medallion transfers. Brokers who represent clients (buyers and/or sellers) in the transfer of an interest in a medallion must complete and submit copies of this closing statement to the buyer and/or seller, and to TLC within 10 business days after the completion of a closing (including the financial closing). Failure to comply with this requirement will result in penalties and other enforcement actions contained in TLC Rules Section 62-19(b)(2)(i)-(viii).

FORM 6: BROKER CLIENT RIGHTS

Each client must review Form 6 and sign under the Broker Client Rights receipt acknowledgment. Failure to comply with this requirement will result in penalties and other enforcement actions contained in TLC Rules Section 62-19(c).

FORM 7: ADDITIONAL INFORMATION

The Broker must complete the information in the "Appendix B - Additional Information" Excel spreadsheet for any and all additional information relevant to Forms 2-6.

RETENTION OF RECORDS

The entire document must be retained by the Broker for a period of 10 years. Failure to comply with this requirement will result in penalties and other enforcement actions contained in TLC Rules Section 62-20(a).

EXPLANATION OF TERMS

<u>Term</u>	<u>Explanation</u>
Broker	<ul style="list-style-type: none"> The Broker, as this term is used in this form, refers to the individual or business entity that is licensed by TLC as a Broker or is completing this form as part of their application for a new Broker license. The Broker submits one form that includes information concerning all Company Officers and Related Parties.
Company Officer	<ul style="list-style-type: none"> Any Owners, Officers, Partners, Managers and Stockholders of the Brokerage reported to TLC in the "APPLICATION FOR A NEW BROKER/ AGENT LICENSE, RENEWAL LICENSE AND CHANGE OF INFORMATION" form.
Related Party	<p>Any person whose relationship to a Broker or to an owner, officer, partner, manager, or stockholder of a Brokerage is that of a:</p> <ul style="list-style-type: none"> spouse, domestic partner, child, grandchild, parent, sibling, or grandparent; a parent, child or sibling of a spouse or domestic partner; a spouse, or domestic partner of a parent, child or sibling. <p>When asked on this form to identify the relationship of the Related Party to the Broker or Company Officer, use the following terms:</p> <ul style="list-style-type: none"> Spouse Domestic Partner Child Grandchild Parent Sibling Grandparent Spouse/Domestic Partner's parent Spouse/Domestic Partner's child Spouse/Domestic Partner's sibling Parent's Spouse/Domestic Partner Child's Spouse/Domestic Partner Sibling's Spouse/Domestic Partner

Interests in Other Businesses

<u>Business Type</u>	
Lenders	<ul style="list-style-type: none"> Any financial lender, whether or not the services are provided to TLC licensees.
Insurance Brokers	<ul style="list-style-type: none"> Any insurance broker, whether or not the services are provided to TLC licenses.
Automobile Dealers	<ul style="list-style-type: none"> Any automobile dealer, whether or not the services are provided to TLC licensees.
TLC-associated Businesses	<ul style="list-style-type: none"> Any business primarily serving applicants or holders of TLC-issued taxicab licenses or offering products or services targeted to applicants or holders of TLC-issued taxicab licenses or which specifically advertises to applicants or holders of TLC-issued taxicab licenses.