

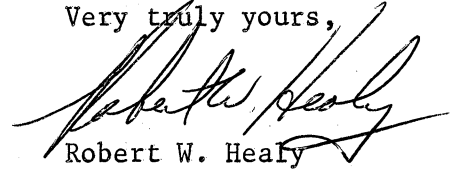
To the Honorable, the City Council (cont.)

March 12, 1984

Thus what is presented for my review is a legal business transaction.

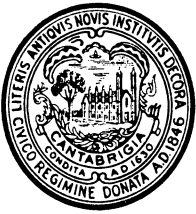
The determination as to whether approval of such a business transaction is in the best interests of the citizens of, and the City of Cambridge, must statutorily be left to the License Commission.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Robert W. Healy", written in a cursive style.

Robert W. Healy
City Manager

RWH/b



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

March 12, 1984

To the Honorable, the City Council:

This is a response to the City Council Order of February 13, 1984, requesting the City Manager to obtain information as to whether or not any city/state/federal statutes may in fact be violated through this sale and/or transfer.

After a review of the pertinent laws of the Commonwealth of Massachusetts and relative Federal Law, and discussing the matter in detail with the City Solicitor, it is my opinion that the proposed transfer of fifty-two hackney license permits would not be in violation of any statute.

Massachusetts General Laws, Chapter 271, Section 49 addresses the usury issue. This statute requires that any entity involved in financial transactions with an interest rate exceeding 20% comply with this section. The requirement of the statute is that, if such transactions are taking place, a notice of same must be filed every two years with the Attorney General's Office. It has been verified with the Attorney General's Office that Evergreen Funding Corp., the proposed purchaser, has filed such a notice.

With regard to the monopoly/anti-trust issue, since Evergreen Funding will be willing to sell off the above Hackney Carriage Permits to individuals, notwithstanding the interest rates (willing buyer-willing seller theory), this does not constitute a monopoly.

The issue of control of the radio system is one of concern. However, since the area of radio licenses is controlled by the Federal Communications Commission, the establishment of a competing radio network to service the independent operators is not technically precluded, although for practical and financial reasons would be extremely difficult.

Agenda Item Number Four

11 S-1156
Re: response to Awaiting Report Item No. 6
whether any city/state or federal statutes
may be violated by the sale or transfer of
hackney carriage licenses from Cambridge Taxi
Inc. to Evergreen Funding Corp. owned by
Ambassador/Brattle Taxi.

In City Council,

March 12, 1984

3/14/84

Placed on File-

see Order Adopted
by C. Velloci

RE INSPECTION
Procedure for LARS