



FOR IMMEDIATE RELEASE
April 10, 2014

MEDIA CONTACT:
Dave Sutton
(dsutton@melwoodglobal.com)
(301) 873-2393

Texas Taxicab and Limousine Companies File RICO Lawsuit Against Uber and Lyft

ROCKVILLE, MD.— Taxicab and limousine companies in Houston and San Antonio have filed a civil Racketeer Influenced and Corrupt Organizations (RICO) lawsuit against Uber and Lyft in U.S. District Court in Houston, Texas. It also included false advertising under the Lanham Act and unfair competition.

The lawsuit asserts Uber and Lyft are operating for-hire vehicles in Houston and San Antonio, Texas without obtaining licenses, paying fees, possessing proper insurance and without charging regulated rates and surcharging as they choose. The suit also says these companies are not meeting the extensive obligations imposed by city ordinance on all for-hire vehicle operators: transporting seniors at a discounted fare, transporting people who use wheelchairs, undergoing disability sensitivity training, and operating 24/7/365 throughout the city and not just in profitable “hot spots.”

“Essentially, RICO involves an intentional and repeated pattern and practice of violating laws in furtherance of a criminal enterprise,” said Martyn B. Hill, the filing attorney with Pagel, Davis & Hill. “The suit is seeking an injunction to stop Uber and Lyft from operating illegally in the cities of Houston and San Antonio.”

Among the items included in the suit:

- Uber and Lyft have demonstrated a calculated and intentional effort to repeatedly ignore Houston and San Antonio laws applicable to their business.
- While Lyft’s actual insurance carrier, if any, is unknown; Uber’s insurer, James River Insurance Company, is not listed as an authorized auto liability insurer in the State of Texas as required by Houston to provide for-hire insurance.
- Uber and Lyft are committing fraud in misrepresenting themselves as “ridesharing” companies in an effort to be precluded from regulation and convince consumers they’re something they are not.
- Uber and Lyft are committing fraud in attempting to convince consumers that the companies operate legally, possess adequate insurance coverage, and make unsubstantiated claims regarding safety while failing to adhere to local safety regulations.

“There was a pressing need for this type of action,” Hill said, “given that Uber and Lyft have flagrantly disregarded warnings to discontinue operating in Texas—such as the ‘cease-and-desist’ letter served to Lyft by San Antonio.”

###