1	Wesley Hottot, WA Bar No. 47539*				
2	Keith Diggs, WA Bar No. 48492* INSTITUTE FOR JUSTICE				
3	10500 N.E. 8th Street, Suite 1760				
4	Bellevue, WA 98004-4309				
5	Telephone: (425) 646-9300 Facsimile: (425) 990-6500				
	whottot@ij.org				
6	kdiggs@ij.org				
7	Julie M. Hamilton, ESQ. SBN 199155				
8	Leslie Gaunt, ESQ. SBN 265689				
9	2835 Camino del Rio S., Suite 100 San Diego, CA 92108				
10	Telephone: (619) 278-0701				
11	Facsimile: (619) 278-0705				
12	julie@jmhamiltonlaw.com leslie@jmhamiltonlaw.com				
13					
14	Attorneys for Prospective Intervenors				
15	* Admitted <i>pro hac vice</i>				
16					
17	SUPERIOR COURT OF THE STATE OF CALIFORNIA				
18	COUNTY OF SAN DIEGO, HALL OF JUSTICE				
19					
20	SAN DIEGO TRANSPORTATION  A SSOCIATION La California comparation:  GENERAL CIVIL (CEQA)				
21	ASSOCIATION, a California corporation; JOE CIPRIAN, an individual;  CASE NO.: 37-2015-00008725-CU-TT-CTL				
22	JANAN INSURANCE AND FINANCIAL				
23	SERVICES, INC., a California Corporation d/b/a Jaden Express;  PROSPECTIVE INTERVENORS' NOTICE OF MOTION TO INTERVENE				
24	CURTIS BECKER, an individual d/b/a Curtis Cab;  AND MEMORANDUM IN SUPPORT;				
25	Cab; [PROPOSED] ORDER Code Civ. Proc. § 387				
26	USA CAB, LTD., a California Corporation,				
27	Petitioners,				
28	vs.				

1 2 3	SAN DIEGO METROPOLITAN TRANSIT SYSTEM, f/k/a San Diego Metropolitan Transit Development Board, a California public agency; and DOES 1-100 inclusive,	) ) )				
4	Respondent,	) )				
5		) ) Judge:	Hon. Ronald S. Prager			
6	ABDIKADIR ABDISALAN, an individual; and	) Dept:	C-71			
7	ABDULLAHI HASSAN, an individual,  Prospective Intervenors.	<ul><li>Petition Filed:</li><li>Hearing Date:</li><li>Hearing Time:</li></ul>	March 13, 2015 April 28, 2015 9:00 a.m.			
8						
9	NOTICE OF MOTION TO INTERVENE					
10	PLEASE TAKE NOTICE that on April 28, 2015 at 9:00 a.m. or as soon thereafter as the					
11	matter may be heard, in Department 71 of the Super					
12	Diego, Central Division, located at 330 W. Broadway, San Diego, CA 92101, Prospective Intervenors  Abdikadir Abdisalan and Abdullahi Hassan will move to intervene in this action under Code of Civil					
13						
14						
15	The hearing on the motion was set by Judge Ronald S. Prager at the April 14, 2015 hearing on					
16	Prospective Intervenors' ex parte application for leave to intervene. Petitioners and Respondents both					
17	appeared at that hearing and waived 16-day notice.					
18	Prospective Intervenors are entitled to intervene as of right under Code Civ. Proc. § 387(b)					
19	because, as taxicab operators in San Diego, they have a real, immediate, and concrete interest in the					
20	taxicab operator permits that are the subject of this litigation; because deciding this action without					
21	Prospective Intervenors' participation would impair	their ability to pro	otect their interest in acquiring			
22	taxi permits; because the existing parties will not adequately represent that interest; and, because the request to intervene is timely. Alternatively, Prospective Intervenors ask the Court to grant them					
23						
24	permissive intervention under Code Civ. Proc. § 38'	7(a), which is liber	rally construed in favor of			
25	intervention, because they have a direct and immediate interest in the action; because their intervention					
26	will not enlarge the legal issues; because their reasons for seeking intervention outweigh Petitioners'					

opposition; and because Prospective Intervenors have followed the proper procedures.

28

This motion is based on the following memorandum of points and authorities in support of the motion, the supporting declarations, the proposed complaint in intervention, all papers and records filed in this case, and the arguments presented at the hearing.

Dated: April 17, 2015

Respectfully submitted,

Wesley Hottot

Attorney for Prospective Intervenors\*

\* Admitted *pro hac vice* 

## MEMORANDUM IN SUPPORT OF MOTION TO INTERVENE INTRODUCTION

Prospective Intervenors have a right to intervene in this case to protect their interests. If the Court disagrees, it should nevertheless exercise its discretion to grant them permissive intervention. Indeed, in the days since the hearing on Prospective Intervenors' ex parte application, another federal court has recognized the right of taxi drivers to intervene in litigation brought by current taxi permit owners seeking to halt the issuance of new taxi permits. (See *Joe Sanfelippo Cabs, Inc. v. City of Milwaukee* (E.D. Wis. ordered Apr. 15, 2015) No. 14-CV-1036, at p. 2.)<sup>1</sup> That is the situation in this case, and the Prospective Intervenors should be allowed to participate for the same basic reasons.

Prospective Intervenors have a pressing stake in the outcome of this case. They are qualified to own taxi permits under the City's new permitting policy, they have priority over other permit applicants by virtue of having submitted Permit Applicant Interest Forms, and they have taken numerous concrete steps toward starting their own cab businesses. If Petitioners are successful, however, the Metropolitan Transit System ("MTS") will be enjoined from carrying out the City's new permitting policy, and there will be no new permits. The Prospective Intervenors' hopes of owning permits will be dashed; they will instead continue leasing permits from the current owners at great expense and on unfavorable terms. The current parties will not be prejudiced in any way by Prospective Intervenors' participation. This motion is timely, and Prospective Intervenors will be the only voice in the case speaking for would-be permit owners. Petitioners represent the interests of current permit owners, who are seeking to prevent Prospective Intervenors (and many other taxi drivers) from acquiring permits of their own. MTS represents the interests of the agency and the public generally, not the interests of would-be permit owners specifically. MTS supports this motion to intervene, but Petitioners oppose it. Under the circumstances, Petitioners' opposition is outweighed by Prospective Intervenors' legal and real-world need to participate in this case. The Court should therefore grant the motion.

A true and correct copy of the opinion is attached as **Exhibit A**. The Institute for Justice also represents the intervenors in that case.

#### STATEMENT OF FACTS

Prospective Intervenors Abdikadir Abdisalan and Abdullahi Hassan ("Abdi" and "Abdullahi") both came to this country from Somalia in the 1990s. They are now United States citizens living and working in San Diego as full-time cab drivers. Abdi has been driving a cab since 2006. He works seven days a week to support his five children and wife, who is in nursing school. Abdullahi started driving a cab in 2008. He works six days a week to support himself, send money to his wife and kids overseas, and save for the day when he can afford to bring his family to San Diego. Both men have sterling driving records and have never been in trouble for violating the City's taxi rules. (Abdisalan Decl. ¶¶ 3–6, 10; Hassan Decl. ¶¶ 3–8, 20.)

But Abdi and Abdullahi have never owned the cab that they drive or the permit that they need to operate a cab on San Diego's streets. Like many drivers, they lease a permit, and the cab itself, from one of the approximately 500 private owners. The owners—not the drivers—are the ones who enjoy the government's permission to operate a taxi; drivers lease that right and have few rights of their own. Owners have total freedom to decide who will lease a cab and on what terms. For example, Abdi pays \$400 per week and Abdullahi pays \$300 per week for leasing rights. As independent contractors, they pay for all of their gas, cleaning, and credit-card fees, and they are responsible for their own taxes and administrative costs. (Abdisalan Decl. ¶¶ 7–9; Hassan Decl. ¶¶ 7–12.)

For years, Abdi and Abdullahi have dreamed of owning their own permits and starting their own businesses. Owning permits would allow them to better control their work schedules, their personal lives, and their futures. Abdi wants to spend more time with his family, but cannot afford to take off even one day a week because he has to make his \$400 weekly payments whether he is driving or not. (Abdisalan Decl. ¶¶ 17–19.) Every time Abdullahi has gone abroad to see his family, he has lost his lease. The owners from whom Abdullahi has leased permits have taken back his permit and leased it to someone else whenever he leaves for an extended visit. When he comes back to San Diego, he has to spend a month, sometimes two, searching for a new permit to lease, during which time he is out of work. (Hassan Decl. ¶¶ 9–19.)

Until recently, Abdi and Abdullahi have had little hope of owning their own permits. As the Petitioners acknowledge, San Diego's taxi permits have long been privately bought and sold for huge prices—sometimes exceeding \$120,000. (Petition for Writ of Mandate ¶ 47.) Abdi and Abdullahi have little hope of raising that kind of money. With other drivers, they turned to the political process and, last year, won a hard-fought battle against Petitioners to secure a new permitting system, under which taxi drivers will be able to purchase permits from the City for around \$3,000. (Abdisalan Decl. ¶ 12; Hassan Decl. ¶ 16; Saez Decl. ¶¶ 6, 13, 16.) Under the new policy, taxi drivers with clean driving records, proper insurance, and safe, zero or low-emissions vehicles will be allowed to hold their own permits. Abdi and Abdullahi meet these qualifications. They have taken all of the steps currently available to them to apply for permits. And they are eager to go into business for themselves as soon as possible. (Abdisalan Decl. ¶¶ 10–24; Hassan Decl. ¶¶ 15–24.)

#### **ARGUMENT**

#### I. Abdi and Abdullahi Are Entitled to Intervene to Protect Their Interests.

People are entitled to intervene in litigation if they "claim[] an interest relating to the property or transaction which is the subject of the action and . . . [are] so situated that the disposition of the action may as a practical matter impair or impede [their] ability to protect that interest." (Code Civ. Proc. § 387(b); *Cal. Physicians' Service v. Superior Court of L.A. County* (1980) 102 Cal.App.3d 91, 96.)

Where prospective intervenors have a real interest in a case, Section 387 allows their intervention as of right, unless their interest is adequately represented by existing parties or their request is untimely. (Code Civ. Proc. § 387(b); *Lohnes v. Astron Computer Products* (2001) 94 Cal.App.4th 1150, 1153.)

Abdi and Abdullahi meet this standard and are, therefore, entitled to intervene as of right.

Both men have an interest in the outcome of this litigation. They have taken concrete steps to own the very property—taxi permits—that Petitioners ask the Court to prevent MTS from issuing. Petitioners indeed view San Diego's taxi permits as *their* property (See Petition for Writ of Mandate ¶¶ 45–50), while Prospective Intervenors assert a right to access public permits for themselves.<sup>2</sup> If the

Petitioners allege a property interest in the historic value of their taxi permits, which Prospective Intervenors will show is not a constitutionally protected interest. Prospective Intervenors' property interest is different: They have a property interest in accessing a taxi permit, not in depriving others of the opportunity to access one.

Petitioners win, the two men will have no hope of owning their own taxi permits. If the Petitioners lose (and they should lose), Abdi and Abdullahi will be able to purchase permits from the government and will begin operating their own taxi businesses, and be their own bosses, without paying large weekly leasing fees.

Abdi and Abdullahi were also involved in the "transaction" that gave rise to this case. They both participated in the hard-fought public debate over whether to open up San Diego's taxi market to more permit owners. And they won. After years of working for an opportunity to even apply for permits, both men have moved swiftly to obtain permits as soon as possible. They have both submitted Taxicab Permit Applicant Forms to MTS and paid the \$50 fee required to secure a place in line to own one of the new permits. Abdi has developed a written business plan and registered his business name—Adam Cab—with San Diego County. He has been visiting car dealerships shopping for a qualifying low-emissions vehicle that he could use as his cab. Abdullahi has also named his company—Kisima Cab—and he has made arrangements to borrow the money to buy a cab. Petitioners want the Court to halt the permitting process and so to nullify all of Prospective Intervenors' efforts in the political process. This lawsuit is the only thing standing in the way of full implementation of the City's new permitting policies, and participating in this case is therefore critical to protecting Prospective Intervenors' interest in obtaining permits.

The two remaining factors for intervention as of right—adequacy of representation and timeliness—are easily satisfied. The existing parties do not adequately represent Prospective Intervenors' interests as would-be permit owners. The Petitioners are *current* permit owners who want to stop anyone else from obtaining a permit—their interests are adverse to Prospective Intervenors' interests. Respondents are government actors; their interest lies in representing the public generally, not Abdi and Abdullahi's private interests, specifically. Abdi and Abdullahi have a very personal stake in this case—their incomes, their plans for the future, even when they may realistically take time off work, will all be affected—that is distinct from the Respondents' goals of opening up the taxi market generally to competition. (See, e.g., *Redevelopment Agency of the City of San Marcos v. Commission on State Mandates* (1996) 43 Cal.App.4th 1188, 1197–98 (reversing trial court's denial of intervention and

See Exhibit A.

allowing a state agency with an interest in the litigation to intervene even though another state agency was already a party and even though both agencies agreed on what the outcome should be).) Here, the existing parties cannot and will not adequately represent Prospective Intervenors' private interests.

Finally, the request to intervene is timely. This case was filed less than two months ago and remains in its earliest stages. The Respondents have not answered. The Petitioners have not obtained the needed administrative record. The only steps the Petitioners *have* taken are serving MTS, seeking an ex parte temporary restraining order, and setting their preliminary injunction request for a hearing. This motion to intervene will be heard at the same time. Intervention at this early stage will in no way prejudice the existing parties or slow the progress of the case. At the same time, if the Court does not permit them to intervene now, Prospective Intervenors will be too late to protect their interests in the critical TRO phase of this case.

For these reasons, the Court should grant Abdi and Abdullahi leave to intervene as of right. In fact, federal courts applying a standard "virtually identical" to California's standard (*Hodge v. Kirkpatrick Development, Inc.* (2005) 130 Cal.App.4th 540, 555) have twice recognized the right of taxi drivers to intervene under Federal Rule of Civil Procedure 24 in earlier lawsuits challenging the elimination of caps on taxi permits. Just two days ago, a federal court in Wisconsin granted intervention as of right to two taxicab drivers based on their interest in "removing the permit cap" that previously existed in Milwaukee (*Joe Sanfelippo Cabs, Inc. v. City of Milwaukee* (E.D. Wis. ordered Apr. 15, 2015) No. 14-CV-1036, at p. 2.)<sup>3</sup> In 2007, a federal court in Minnesota granted intervention as of right to the holder of a newly issued taxi permit in a substantially similar case challenging Minneapolis's decision to offer taxi permits to all qualified drivers (*Minneapolis Taxi Owners Coalition, Inc. v. City of Minneapolis* (D. Minn. ordered May 24, 2007) No. 07-1789). Under any standard, taxi drivers like Abdi and Abdullahi have a right to intervene to defend their city's efforts to increase access to taxi

A true and correct copy of the opinion is attached as **Exhibit B**. The Institute for Justice represented the intervenor in that case, which was later resolved based on his motion to dismiss—a ruling that was later affirmed by the Eighth Circuit. (*Minneapolis Taxi Owners Coalition, Inc. v. City of Minneapolis* (8th Cir. 2009) 572 F.3d 502.)

permits. This is especially true where, as here, those taxi drivers have taken concrete steps toward obtaining permits under the new system.

#### II. Alternatively, the Court Should Permit Abdi and Abdullahi to Intervene.

If the Court does not grant intervention as of right, it should grant permissive intervention pursuant to Code Civ. Proc. § 387(a). This provision is construed liberally in favor of intervention. (*Lindelli v. Town of San Anselmo* (2006) 139 Cal.App.4th 1499, 1505; *Lincoln Nat. Life Insurance Co. v. State Bd. of Equalization* (1994) 30 Cal.App.4th 1411, 1423; *Simpson Redwood Co. v. State of California* (1987) 196 Cal.App.3d 1192, 1200.) Trial courts have discretion to allow a party to intervene under Code Civ. Proc. § 387(a) where (1) the nonparty has a direct and immediate interest in the action; (2) the intervention will not enlarge the issues in the litigation; (3) the reasons for the intervention outweigh any opposition by the parties presently in the action; and (4) the proper procedures have been followed. (*Royal Indemnity Co. v. United Enterprises, Inc.* (2008) 162 Cal.App.4th 194, 203.)

Prospective Intervenors satisfy each element of that test.

#### A. Abdi and Abdullahi have a direct and immediate interest in this case.

For the purposes of permissive intervention, a "direct and immediate interest" exists when "the moving party will either gain or lose by the direct legal operation and effect of the judgment." (*Lindelli*, *supra* 139 Cal.App.4th at p. 1505 (internal quotation marks omitted).) Case law confirms the intuitive notion that Abdi and Abdullahi have a sufficiently direct and immediate interest to intervene.

In *US Ecology, Inc. v. State of California* (2001) 92 Cal.App.4th 113, 119–20, 139–40, the Fourth District Court of Appeal upheld a grant of permissive intervention to environmental organizations who wanted to join the State in defending against a nuclear waste handler's legal action, which sought to force the State to acquire land from the federal government so that the land could be used as a nuclear waste site. In *US Ecology*, the court held that environmentalists had a direct and immediate interest in defending against the waste handler's request for relief, as development of a nuclear storage facility would "directly affect" the intervenors' environmental and safety concerns. (*Ibid.* at 139–40.) In this action, Abdi and Abdullahi's interests will also be "directly affected" if the outcome is that they are denied access to affordable taxi permits—an interest at least as direct and

immediate to a taxi driver as the interest an environmentalist has in the planet. Like in *US Ecology*, this Court should use its discretion to allow Abdi and Abdullahi "to unite with the defendant [governmental entity] in resisting [Petitioners'] claims." (*Ibid.* at 139.)

And in *Lindelli*, *supra* 139 Cal.App.4th at 1511–12, the First District Court of Appeal held that a law firm's interest in seeking attorneys' fees was "sufficiently direct and immediate" to allow intervention in a separate lawsuit that one of the firm's clients brought after he refused to authorize the firm to seek attorneys' fees to pay his bills. In *Lindelli*, the court noted that the firm's interest in a fee award arose directly from Code Civ. Proc. § 1021.5, which entitles attorneys in successful publicinterest litigation to fees. (*Ibid.*) Similar to an attorney's right to pursue a claim to fees under § 1021.5, Abdi and Abdullahi have a right to pursue their claim to permits under the new City and MTS policies. Like in *Lindelli*, Abdi and Abdullahi have a legal right at stake that they could lose if intervention is not granted.

In sum, Abdi and Abdullahi's legal interests turn on the very issue at the heart of this case: whether MTS can or cannot issue new taxi permits. Because their ability to access taxi permits is jeopardized by this lawsuit, Abdi and Abdullahi's interests qualify for permissive intervention.

#### B. Abdi and Abdullahi will not enlarge the issues in this case.

Prospective Intervenors will add no new legal issues. Abdi and Abdullahi only wish to contest the Petitioners' factual allegations and legal claims. They seek no affirmative relief of their own from either party. They seek only the swift defeat of Petitioners' claims and the ability to get on with starting their new businesses. Their intervention will not, therefore, enlarge the issues.

# C. MTS supports Abdi and Abdullahi's intervention, and their reasons for intervention outweigh Petitioners' opposition.

MTS *supports* intervention and Petitioners' opposition is substantially outweighed by Abdi and Abdullahi's pressing interest in intervening. When deciding permissive intervention, courts weigh the parties' opposition in order to give litigants "freedom to control the scope of litigation they initiate." (See *Royal Indemnity Co.*, *supra* 162 Cal.App.4th at 212.) For better or worse, Petitioners currently control the scope of this litigation. Control over the issues does not, however, give Petitioners power to

23

24

25

26

27

28

prevent interested parties from contesting their claims. That is all Abdi and Abdullahi want to ensure in this case: The demise of Petitioners' lawsuit.

Courts do not recognize one party's opposition as a freestanding basis for denying permissive intervention. For example, in *Reliance Insurance Co. v. Superior Court of Santa Clara County* (2000) 84 Cal. App. 4th 383, 387–88, the Sixth District Court of Appeal reversed a trial court's denial of permissive intervention due to the opposition of one party. In that case, the plaintiffs sued a moving company for losing about \$2 million worth of their possessions, and the court held that it was reversible error to deny permissive intervention to the moving company's insurer in light of the plaintiffs' objections. The court reasoned that the insurer had a real stake in the controversy because the moving company had its corporate status suspended, lacked the legal capacity to defend the action itself, and was thereby vulnerable to a default judgment, which the insurer might have to pay. And in Gray v. Begley (2010) 182 Cal. App. 4th 1509, 1521–25, permissive intervention in favor of an insurer was upheld over the opposition of both parties because the insured defendant attempted to settle with the plaintiff "to the potential detriment of the insurer." These cases reflect the commonsense principle that a direct and immediate interest outweighs the opposition of one party (as is the case here) or even both parties (as was the case in Gray v. Begley) when fairness to the intervenor requires it. Here, basic fairness requires that Abdi and Abdullahi be allowed to participate. Their interest in the outcome of Petitioners' claims substantially outweighs Petitioners' request to exclude them from contesting those claims.

#### D. Abdi and Abdullahi have followed the proper procedures.

Code Civ. Proc. § 387 establishes the procedures for intervention. An intervenor must (1) seek leave of court; (2) submit a proposed complaint in intervention; which (3) states the grounds upon which the intervention rests; and (4) serve the intervention papers on all of the parties who have appeared. (Code Civ. Proc. § 387(a).) Because Prospective Intervenors have followed each of those procedures, the Court can and should grant them permissive intervention.

#### **CONCLUSION**

For the reasons stated above, the Court should grant Prospective Intervenors leave to intervene and grant them leave to file their proposed complaint in intervention.

Dated: April 17, 2015

Respectfully submitted,

By:

Wesley Hottot

Attorney for Prospective Intervenors\*

\* Admitted pro hac vice

## SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF SAN DIEGO, HALL OF JUSTICE

2	COUNTY OF SAN DIEGO, HALL OF JUSTICE				
3					
4 5	SAN DIEGO TRANSPORTATION ASSOCIATION, a California corporation; JOE CIPRIAN, an individual;	GENERAL CIV CASE NO.: 37	/IL (CEQA) -2015-00008725-CU-TT-CTL		
6	JANAN INSURANCE AND FINANCIAL	, 			
	SERVICES, INC., a California Corporation d/b/a   Jaden Express;	-	ORDER GRANTING		
7	CURTIS BECKER, an individual d/b/a Curtis Cab;)		TERVENE AND FILE IN INTERVENTION		
8	RONALD HAWKINS, an individual d/b/a Andy's Cab;				
9	SAVATAR SAHOU, an individual;	, )			
10	USA CAB, LTD., a California Corporation,	)			
11	Petitioners,				
12	vs.				
13	SAN DIEGO METROPOLITAN TRANSIT	)			
	SYSTEM, f/k/a San Diego Metropolitan Transit				
14	Development Board, a California public agency; and DOES 1-100 inclusive				
15	)	)			
16	Respondent,	1			
17		Judge:	Hon. Ronald S. Prager		
18	ABDIKADIR ABDISALAN, an individual; and	Dept:	C-71		
19	ABDULLAHI HASSAN, an individual,	Petition Filed: Hearing Date:	March 13, 2015 April 28, 2015		
	Intervenors.	Hearing Time:	9:00 a.m.		
20	)	)			
21	Prospective Intervenors' Motion to Intervene having been filed and heard, this Court, based on				
22	the motion, memorandum and declarations in support, all papers and records filed in this case, and the				
23					
24	arguments at the hearing, hereby GRANTS Abdikadir Abdisalan and Abdullahi Hassan leave to				
25	intervene in this case and GRANTS them leave to file their proposed complaint in intervention.				
	IT IS SO ORDERED:				
26	DATED:				
27	DATED:	110.5	1 01 0		
28	Hon. R	onald S. Prager, J	udge of the Superior Court		

# Exhibit A

## UNITED STATES DISTRICT COURT EASTERN DISTRICT OF WISCONSIN

JOE SANFELIPPO CABS INC., GCC INC., ROY WMS INC., FRENCHY CAB CO INC., and 2 SWEETS INC.,

Plaintiffs,

v. Case No. 14-CV-1036

CITY OF MILWAUKEE.

Defendant.

#### **DECISION AND ORDER**

In July 2014, the City of Milwaukee adopted ordinances which changed the way it regulated taxicabs. The City established a regulatory scheme for "network companies," commonly known as rideshare companies, and it removed the cap on the number of taxicab vehicle permits it would issue. Plaintiffs, taxicab companies, objected to the changes and sued the City. Their amended complaint alleges that the new ordinances violate their rights under the Fifth Amendment, asserts various state law claims, and seeks money damages. Before me now is a motion by several cab drivers, Jatinder Cheema and Saad Malik, to intervene as defendants. Movants previously sued the City in state court, and in April 2013, persuaded a circuit court judge that the permit cap violated their rights under the state Constitution. This decision was one of the reasons that the City removed the cap. Plaintiffs oppose the motion to intervene.

Intervention may be as of right or permissive. *Compare* Fed. R. Civ. P. 24(a), *with* Fed. R. Civ. P. 24(b). Under Rule 24(a), movants may intervene if: (1) their motion is timely; (2) they possess an interest related to the subject matter of the action; (3) the

disposition of the action threatens to impair or impede their interest; and (4) an existing party, i.e. the City, inadequately represents their interest. *Wis. Educ. Ass'n Council v. Walker*, 705 F.3d 640, 657–58 (7th Cir. 2013).

Movants' motion is timely. As to their interest in the matter, movants must show a "direct, significant, and legally protectable interest in the question at issue in the lawsuit." *Id.* at 658 (quotations and citation omitted). This "is a highly fact-specific determination, making comparison to other cases of limited value." *Id.* Here, movants show a sufficient interest in the question at issue, the constitutionality of removing the permit cap. Movants' state court judgment declaring the cap unconstitutional gives them a significant legal right, and they have an interest in the enforceability of that judgment. That plaintiffs seek only monetary and not injunctive relief slightly weakens movants' interest in this action but does not eliminate it.

One way for movants to show that their interest may be impaired or impeded by the disposition of this case is to establish that a legal determination would foreclose their rights in a subsequent proceeding. *Shea v. Angulo*, 19 F.3d 343, 347 (7th Cir. 1994). Movants make this showing. If plaintiffs prevail on their claim that lifting the cap violated their Fifth Amendment rights, the decision would conflict with movants' state court judgment that the cap itself was unconstitutional. Moreover, a potential settlement might well affect movants' rights if the City agreed to reinstate a cap as part of the agreement. *See City of Chi. v. Fed. Emergency Mgmt. Agency*, 660 F.3d 980, 986 (7th Cir. 2011) (finding a party has a right to intervene where a party may have a "conflict of interest with the [movants] when it comes to settlement possibilities").

Finally, movants show that the City may not adequately represent their interest. Walker, 705 F.3d at 659 ("[I]intervention requires only a 'minimal' showing of inadequate representation."); Conservation Law Found. of New England v. Mosbacher, 966 F.2d 39, 44 (1st Cir. 1992) ("An intervenor need only show that representation may be inadequate, not that it is inadequate."). Contrary to plaintiffs' argument, the City's goal is not identical to movants'. The City's goal is to avoid paying damages while movants want to ensure that the City does not reinstate a permit cap. Moreover, the City, a governmental entity, must consider an array of political and budgetary pressures in formulating its legal strategy, which may lead it to place other interests above movants' interests. Kleissler v. U.S. Forest Serv., 157 F.3d 964, 973-74 (3d Cir. 1998) ("[T]he government represents numerous complex and conflicting interests. . . . [The] interests asserted by intervenors here may become lost in the thicket of sometimes inconsistent governmental policies."). Finally, movants litigated the permit cap for several years in state court, and their adversarial relationship with the City might make the City less likely to pay careful attention to their interest.

Thus, I conclude that movants have a right to intervene in this litigation under Rule 24(a). Even if I reached a contrary conclusion, I would permit movants to intervene under Fed. R. Civ. P. 24(b). Movants' motion is timely, their claim or defense shares a common question of law or fact with the main action, and intervention would not unduly delay or prejudice plaintiffs. See Fed. R. Civ. P. 24(b). The inquiry into whether a common claim or defense exists is a broad one. *Bond v. Utreras*, 585 F.3d 1061, 1070 (7th Cir. 2009). Movants contend that removing the cap was constitutional, and plaintiffs claim it was not.

Thus, both plaintiffs and movants raise the same question. My finding that the City may not

adequately represent movants' interest as well as movants' state court judgment also

support permissive intervention. Perry v. Proposition 8 Official Proponents, 587 F.3d 947,

955 (9th Cir. 2009) (stating that a court may consider other factors, such as the nature and

extent of the intervenors' interest and whether the intervenors' interests are adequately

represented by the other parties, when considering permissive intervention). Further,

intervention will not unduly delay or prejudice plaintiffs.

THEREFORE, IT IS ORDERED that movants' amended motion to intervene (ECF

No. 24) is GRANTED. The Clerk shall file movants' proposed motion to dismiss and

memorandum in support (ECF Nos. 25-11, 25-12).

Dated at Milwaukee, Wisconsin, this 15th day of April, 2015.

s/ Lynn Adelman

LYNN ADELMAN

District Judge

4

# Exhibit B

## UNITED STATES DISTRICT COURT DISTRICT OF MINNESOTA

Minneapolis Taxi Owners Coalition, Inc., Plaintiff.

Civil No. 07-1789 (JMR/FLN)

V.

**ORDER** 

City of Minneapolis,

Defendant,

A New Star Limousine and Taxi Service, Inc., and Blanca Prescott,

Movants.

Lawrence H. Crosby and Jay D. Olson for Plaintiff Stephen H. Norton and Timothy S. Skarda Defendant

Lee U. McGrath and Nicholas C. Dranias for Movants

THIS MATTER came before the undersigned United States Magistrate Judge on May 21, 2007, on Motion to Invervene by A New Star Limousine and Taxi Service, Inc., and Blanca Prescott [#5]. Movants seek to intervene in a lawsuit brought by the Minneapolis Taxi Owners Coalition, Inc., Plaintiff, versus the City of Minneapolis, Defendant.

Defendant recently adopted amendments to its taxicab licensing regime. Prior to the amendments, taxicab licenses were limited in number and transferrable, thus creating a secondary market and substantial value for the taxicab licenses. The recently adopted amendments increased the taxicab license cap and will eventually remove the cap completely, which would make the secondary market no longer necessary. In its suit, Plaintiff seeks injunctive relief preventing the City of Minneapolis from issuing any new taxi cab licenses and reinstating the taxicab licensing regime to its status prior to the recently enacted amendments.

A New Star Limousine and Taxi Service, Inc., ("A New Star") is a recipient of twelve

Case 0:07-cv-01789-JMR-FLN Document 24 Filed 05/24/2007 Page 2 of 2

taxicab licenses under the recently enacted amendments. Blanca Prescott is a blind-woman who

claims to have suffered under the previous taxicab licensing regime due to poor service and

anticipates better service, through competition, as the number of taxicab licenses increases. Both

A New Star and Prescott seek leave to intervene in this action.

A New Star holds twelve taxicab licenses that Plaintiff seeks to have revoked. In those

licenses, A New Star holds a property interest which is the subject of this action. If Plaintiff is

successful in this action, A New Star's ability to protect this interest will be impaired or impeded.

The City of Minneapolis does not adequately represent A New Star's interest because A New Star's

interests may likely be distinct from the general citizenry.

Prescott claims that Plaintiff's suit threatens to impinge on her interest in better taxicab

service. Prescott claims that her interest in better taxicab service will be impeded or impaired if the

Plaintiff is successful. Prescott's claim is much too attenuated to permit her to intervene, this

lawsuit is not related to taxicab service, but rather to the licensing of taxicabs. Furthermore, there

is no evidence that the City of Minneapolis will not adequately represent the interest of Prescott, a

member of the general citizenry.

Based on all the files, records and proceedings herein, IT IS HEREBY ORDERED that

the Motion to Invervene by A New Star Limousine and Taxi Service, Inc., and Blanca Prescott [#5]

is **GRANTED** as it pertains to A New Star Limousine and Taxi Service, Inc., and **DENIED** as it

pertains to Blanca Prescott. A New Star is granted leave to file and schedule for hearing its Motion

to Dismiss and accompanying memorandum.

DATED: May 24, 2007

s/Franklin L. Noel

FRANKLIN L. NOEL

United States Magistrate Judge

-2-

**EXHIBIT B**