

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

-----X
THE PEOPLE OF THE STATE OF NEW YORK,
by ERIC T. SCHNEIDERMAN, Attorney General of the
State of New York; BENJAMIN M. LAWSKY,
Superintendent of Financial Services of the State of
New York,

Plaintiffs,

- against -

LYFT, INC.,

Defendant.

SUMMONS

Index No. _____

Plaintiffs designate
New York County
as place of trial

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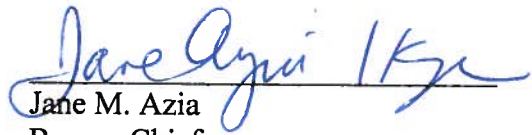
YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with the summons, to serve a notice of appearance, on the Plaintiffs' attorneys within twenty (20) days after the service of this summons, exclusive of the day of service. If this summons is not personally served upon you, or if this summons is served upon you outside of the State of New York, then your answer or notice of appearance must be served within thirty (30) days. In case of your failure to appear or answer, judgment will be taken against you by default, for the relief demanded in the complaint.

The basis of venue is where Plaintiffs have a business address which is 120
Broadway, New York, New York 10271.

DATED: New York, New York
July 11, 2014

ERIC T. SCHNEIDERMAN

Attorney General of the State of New York
Attorney for Plaintiff



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SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

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THE PEOPLE OF THE STATE OF NEW YORK,
by ERIC T. SCHNEIDERMAN, Attorney General of the
State of New York; BENJAMIN M. LAWSKY, Superintendent
of Financial Services of the State of New York,

COMPLAINT

Plaintiffs,

Index No. _____

- against -

IAS Part _____

LYFT, INC.,

Justice _____

Defendant.

-----X
The People of the State of New York, by their attorney, Eric T. Schneiderman, Attorney General of the State of New York, and Benjamin Lawskey, Superintendent of Financial Services of the State of New York, allege, upon information and belief:

PRELIMINARY STATEMENT

1. Lyft, Inc. ("Lyft") portrays itself as an innovative 21st Century community-based business, euphemistically branding its business model as a "peer to peer transportation platform." In fact, Lyft uses mobile technology to run a traditional 20th Century for-hire livery service and insurance business, arranging rides for passengers on non-fixed routes in exchange for compensation and providing insurance coverage to Lyft drivers. Lyft departs from the vast majority of such businesses in one crucial respect: the company operates in open defiance of state and local licensing and insurance laws designed to protect the lives and well-being of New Yorkers.

2. Lyft began operating in the Buffalo and Rochester areas without approval or authorization on or about April 24, 2014. Lyft is currently violating various state and local laws,

including most notably provisions of the Insurance and Vehicle and Traffic Laws and local regulations governing the operation of vehicles for hire. The Department of Financial Services, the New York City Taxi and Limousine Commission, and other government regulators notified Lyft that its operations violated the law and put the public at risk. Yet on July 8, 2014, the company publicly announced its intention to expand operations to Brooklyn and Queens at 7 pm on Friday, July 11. As recently as July 9, Plaintiffs met with Lyft executives and counsel to urge them to postpone its launch in New York City and discuss innovative solutions that would satisfy their business needs while complying with fundamental health and safety requirements. Lyft rejected these overtures, and Plaintiffs were forced to bring this action to enjoin Lyft from continuing to operate in violation of the law.

JURISDICTION AND PARTIES

3. Plaintiff People of the State of New York, by Attorney General Eric T. Schneiderman, brings this action pursuant to Executive Law § 63(12), General Business Law (“GBL”) Article 22-A and Business Corporation Law (“BCL”) § 1303.

4. Plaintiff Benjamin Lawsky, the Superintendent of Financial Services of the State of New York (“the Superintendent”), maintains his principal office in the City, County, and State of New York at One State Street, New York, New York 10004. The Superintendent brings this action pursuant to Financial Services Law 309.

5. Lyft is a Delaware corporation, with its principal place of business at 2300 Harrison Street, San Francisco, CA 94110.

6. This Court has jurisdiction pursuant to: (i) Executive Law § 63(12), under which the Attorney General is empowered to seek injunctive relief, restitution, disgorgement and

damages when a person or business entity engages in repeated fraudulent or illegal acts or persistent fraud or illegality in the carrying on, conducting, or transacting of business; (ii) General Business Law § 349(b), which authorizes the Attorney General to seek injunctive relief, restitution, disgorgement and civil penalties when a person or business engages in deceptive business acts and practices; (iii) BCL § 1303, which authorizes the Attorney General to bring an action to restrain a foreign corporation from doing in this state without authority any business for the doing of which it is required to be authorized in this state; and (iv) Financial Services Law § 309, which authorizes the Superintendent to maintain an action for injunctive relief for violations of the provisions of the Insurance Law or Banking Law.

FACTS

7. Lyft provides a transportation service that allows passengers to request and pay for rides from drivers who use their personal vehicles.

The Passengers

8. Passengers sign up for Lyft by downloading an application (“app”) on their smartphone, which requires the passenger to provide a mobile phone number and credit card number or a Paypal account.

9. Once entered into the Lyft system, passengers can “hail” a car using the Lyft app on their smartphone. The app notifies the passengers of cars driving in their area. The app also notifies nearby drivers of the request for a ride, and allows a driver to accept the request.

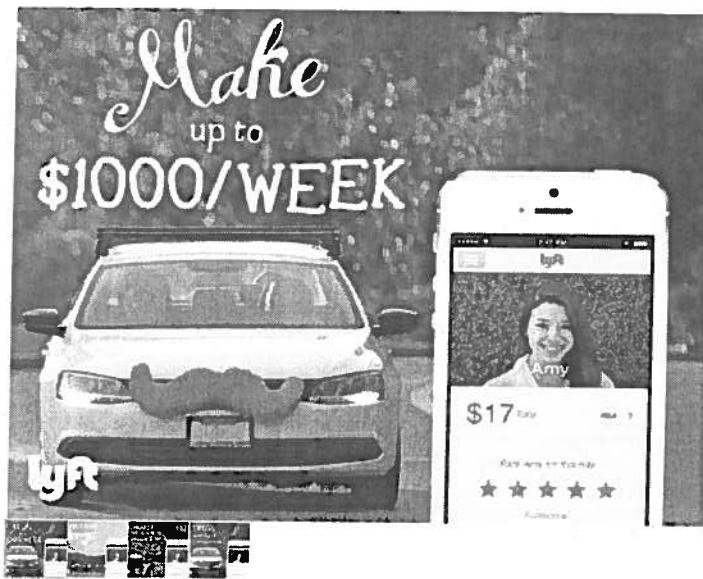
10. At pickup, the passenger informs the driver of his destination, and the app calculates a fare based on distance, time, and additional fees.

11. All payments must be made through the app, and Lyft generally receives 20% of the payments plus certain fees.

The Drivers

12. Individuals can sign up to serve as drivers, using their privately-owned cars, to pick up and drive passengers for a fee. Lyft requires its drivers to hold a standard driver's license, own a late model, four-door car with in-state plates, maintain in-state personal insurance, and have a clean driving record.
13. Lyft does not require its drivers to hold a commercial for-hire car license.
14. Lyft does not require drivers to carry commercial insurance or post a corporate surety bond.
15. Lyft advertises for drivers on its website and through online sites such as Craig's List. Lyft promises prospective drivers that: "Whether you're trying to offset costs of your car, cover this month's bills, or fund your dreams, Lyft will get you there."
16. Lyft represents that drivers can make up to \$35 an hour or up to \$1,000 per week driving for Lyft. For example, a recent advertisement on Craig's List represents:

►► Lyft Driver - Make \$1000/Week Driving In Brooklyn ►► (Downtown)



compensation: \$1000/Week

contract job part-time

Lyft is the fastest growing ride-share transportation network in America and we're looking for people with customer service, retail and hospitality backgrounds to join our Brooklyn driver community. Being a Lyft driver gives you the flexibility to work part time on the weekends and the opportunity to make extra money weekly. Community drivers also work part time in retail, marketing, customer service at restaurants and tech startups. If you've got those skills and want to earn extra cash part time, Lyft is perfect for you!

CLICK HERE TO APPLY

Benefits of being a Lyft Driver:

- Make up to \$1000/week driving your own car and keep 100% of what you earn!
- Set your own hours for when you want to drive, during the week, at night or on the weekends
- Expand your network and opportunities to meet new people with every ride you give.
- Earn extra referral bonuses every time you find new drivers to join our community
- Our support team is here for you 24/7. Let us know what you need help with and we will take care of you.

Apply if you:

- Are at least 21 years-old
- Have a 4-door, year 2000 or newer car
- Own an iPhone or Android
- Love chatting with new people and are outgoing and fun

17. Lyft also provides various types of insurance coverage to drivers, both for the period when the driver first turns on the app and the period with passengers in the car.

Lyft Is Operating a For-Hire Livery Service in New York State

18. Lyft asserts that it is not a taxi or dispatch service, but "a project to connect those who need a ride with people who have an extra seat in their car. It states its app is "designed to let drivers focus on interacting with the passenger, not a financial transaction."

19. Lyft's assertions that it does not provide transportation services are false. In reality, as described below, Lyft operates an unlicensed for-hire livery service in New York

State.

20. Lyft controls and manages every aspect of its transportation service. All rides with Lyft drivers must be arranged through the Lyft app. The company uses its app—rather than a human dispatcher—to match prospective passengers with available Lyft drivers in nearby vehicles.

21. In each of the markets where Lyft operates, Lyft dictates the pricing for all rides. The Lyft website provides the following pricing schedule for rides in Rochester:

PRICING	
Trust & Safety Fee	\$7.00
Cancel Penalty	\$5.00
Cost Minimum	\$5.00
Cost Per Mile	\$1.30
Cost Per Minute	\$0.35
Pickup Charge	\$1.00

22. Lyft recently posted a similar pricing chart for New York City:

PRICING	
Trust & Safety Fee	\$0.00
Cancel Penalty	\$10.00
Cost Minimum	\$5.00
Cost Per Mile	\$2.15
Cost Per Minute	\$0.40
Pickup Charge	\$3.00

23. At the end of each ride, the Lyft app uses the pricing scheme the company devised to calculate the payment associated with the ride. Although Lyft's terms of service characterize these payments as "suggested" or "voluntary" donations, Lyft does not disclose this clearly or conspicuously where it posts its fares, as the above charts depict.

24. Unless the passenger acts to override the payment calculation for the ride, Lyft

automatically deducts the total calculated amount from the customer's credit card. As stated in the terms of services, under those circumstances, Lyft "assume[s] that the Rider selects the suggested Donation amount for the ride and the Rider's credit card will automatically be charged that amount."

25. If a passenger submits a payment lower than the suggested amount, Lyft sends the passenger an email receipt warning that "Drivers rely on donations to cover costs, and your donation isn't a tip -- it's all they receive. Low donations may make it hard for you to get rides in the future." This receipt then provides the passenger with an email address where the passenger can "adjust your donation." There is also a hyperlinked button to "Add tip."

26. After making a payment below the prescribed amount, the app itself also warns the passenger that "drivers are more likely to accept requests from passengers who submit fair donations."

27. If passengers pay less than the "suggested" amount, Lyft enables its drivers to filter out ride requests from those passengers. Effectively, if a passenger does not pay the fares, a driver will not pick him up.

28. Lyft recognizes its fares are not donations. It treats the payments to Lyft drivers as neither gifts nor charitable donations for tax purposes. Instead, Lyft reports the payments to drivers as income using the Internal Revenue Service's Form 1099-Misc.

29. On average, Lyft represented that passengers make the "suggested" payment approximately 100% of the time. Thus, the designation of the fare as "suggested" or "donation" is in name only. In fact, in other cities, the fare is called a charge.

30. Lyft also dictates the methods for payment of all Lyft rides. To use the service, passengers must associate a credit card with their accounts. By default, Lyft will charge the

passenger's payment to this designated credit card. Lyft prohibits passengers from paying in cash or drivers from accepting cash payments, even for tips.

31. Lyft receives 20% of every fare paid by Lyft passengers plus additional fees.

32. Lyft approves all drivers. Lyft sets minimum requirements for all Lyft drivers, requiring them to hold a driver's license, but not a commercial driver's license; own a vehicle with in-state plates, and carry standard non-commercial automobile insurance.

33. Lyft mandates the maximum working hours for its drivers – drivers are allowed to drive with the app engaged for no more than 12 consecutive hours. The company then requires a mandatory break of no less than eight hours.

34. Lyft claims to screen every prospective driver, conducting an initial interview by telephone. Lyft selects those who pass this "phone screen" for an in-person interview. Lyft claims to reject the vast majority of driver applications.

35. Lyft inspects all vehicles used for Lyft rides. Before approving a new Lyft driver, the company hires an existing Lyft driver to conduct a "19-point vehicle inspection." This "mentor driver" receives \$35 from Lyft to conduct an in-person interview of the applicant, inspect his vehicle, and review his driving habits.

36. Lyft is not the only for-hire livery service in New York State to employ a smartphone application to connect passengers with drivers. Unlike Lyft, these other for-hire livery services generally hire commercially licensed drivers who carry commercial insurance.

37. Despite the amount of activity taking place in New York, Lyft is not registered with the Department of State to do business in New York.

Lyft Begins Illegally Operating in New York State

38. On April 24, 2014, Lyft launched operations in Rochester and Buffalo. Within

two months, Lyft had approved approximately 250 New York residents to serve as Lyft drivers in those cities. Drivers in each city averaged between 1,000 to 1,500 pickups per week.

39. As in other jurisdictions, Lyft does not require New York drivers to hold commercial licenses. Lyft drivers do not generally hold commercial licenses.

40. Lyft also does not require New York drivers to own livery plates or medallions. Nor are they required to carry commercial insurance. Although some Lyft drivers may have commercial insurance, all do not.

41. Lyft and its drivers do not follow other laws. For example, Lyft drivers and the vehicles used by those drivers are not licensed by Buffalo and Rochester as required by their respective municipal laws. In addition, Lyft does not direct its drivers in Buffalo to conduct an annual safety inspection of their vehicles, as required under local ordinance. Lyft likewise does not direct its drivers in Rochester to conduct a semiannual safety inspection of their vehicles, as required under local ordinance. In Buffalo, vehicles are required to post their fares, something Lyft does not require.

Lyft Runs an Unlicensed Insurance Business in New York

42. Lyft solicits and sells three excess line group policies to its New York drivers, and negotiates the terms of the policies on behalf of its New York drivers. All three are written by James River Insurance Company (“James River”), an insurer domiciled in Ohio.

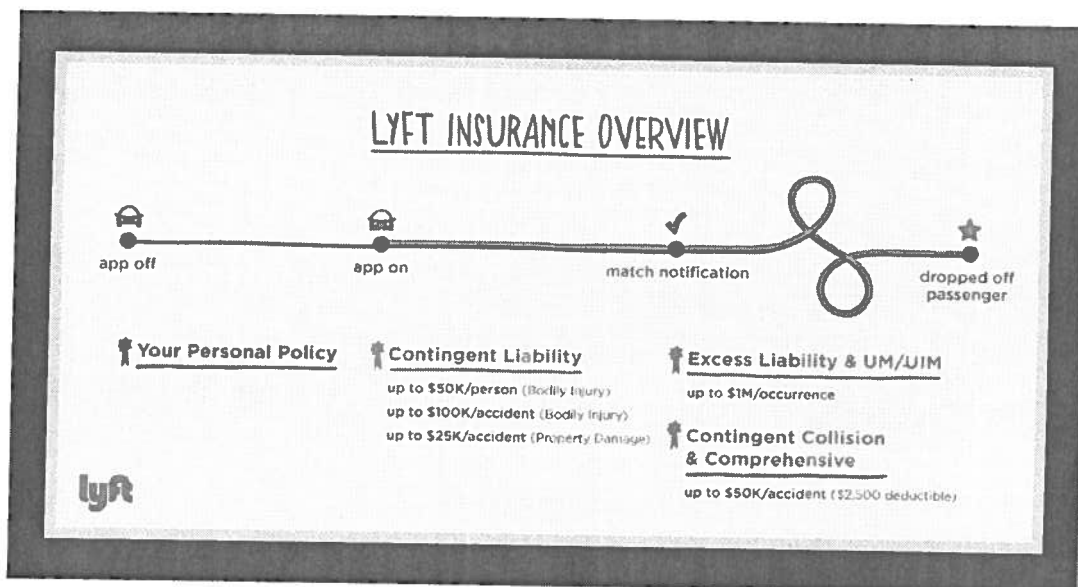
43. Neither Lyft nor James River is licensed or authorized to do an insurance business in New York.

44. Lyft advertises the insurance policies on several pages of its website, claiming the “policy is available in all 50 states in the U.S.”

45. In particular, Lyft specifies that drivers will receive the following coverage:

- a. Excess Liability: \$1,000,000 limit covering driver liability for bodily injury and/or property damage of passengers and/or third parties (applies from the time a driver accepts a ride request until the time the ride is ended in the app)
- b. Contingent Comprehensive & Collision: \$2,500 deductible and \$50,000 maximum applicable to drivers who purchase collision & comprehensive coverage on their personal policy (applies from the time a driver accepts a ride request until the time the ride is ended in the app)
- c. Excess Uninsured/Underinsured Motorist: \$1,000,000 limit covering bodily injury of drivers and/or passengers and/or third parties for damages caused by an uninsured or underinsured motorist who is at fault (applies from the time a driver accepts a ride request until the time the ride is ended in the app).
- d. Contingent Liability: up to \$50,000 per person /\$100,000 per accident /\$25,000 physical damage, covering driver liability for bodily injury and/or property damage of passengers and/or third parties (applies from the time when a driver flips into driver mode until the driver accepts a ride request).

46. The company presents the following chart to explain to drivers how the three Lyft insurance policies interact with the drivers' non-commercial policies:



47. Lyft does not inform drivers that Lyft drivers are required by New York law to maintain commercial automobile insurance or file a corporate surety bond. Failure to maintain

required commercial insurance constitutes a misdemeanor.

48. Although Lyft concedes that personal insurers have canceled the private automobiles insurance policies of three dozen Lyft drivers across the country, Lyft does not inform its drivers that driving for Lyft could result in the cancelation of their personal automobile insurance policies.

49. Although Lyft solicits and sells three James River insurance policies, Lyft does not share copies of the policies with Lyft drivers. Lyft directs drivers who request additional information about the insurance policies that Lyft supplies to a certificate of insurance for the excess liability policy posted online.

50. Lyft requires its drivers to purchase the James River insurance policies as a condition of driving for the company.

51. In addition to receiving 20% of all payments to Lyft drivers, Lyft collects a separate "Trust & Safety fee" for transactions in Rochester and Buffalo. Lyft indicated that the company applies a portion of the Trust & Safety fee towards the insurance it offers to drivers.

52. The Lyft website directs Lyft drivers seeking more information on insurance to "view or download a copy of the certificate of insurance," which identifies James River as the insurer. A link to the link to the certificate of insurance is posted on Lyft's website.

53. Lyft collects information concerning accidents from its drivers and provides that information to James River to aid in its claims processing.

Lyft Is Expanding to New York City

54. On July 7, 2014, Lyft announced that on Friday, July 11, it intends to expand its operations to Brooklyn and Queens.

55. To operate legally in New York City, for-hire vehicles, for-hire drivers,

communication systems, and base stations must be licensed by the New York City Taxi and Limousine Commission ("TLC").

56. The TLC requires licensed for-hire vehicle drivers, for-hire vehicles, and for-hire base owners to satisfy various requirements intended to protect the health, safety, and financial well-being of the riding public and New York City residents overall. Among other things, drivers must maintain commercial insurance that exceeds state minimums; complete defensive driving courses; pass periodic drug, vision, and safety testing; and carry out six professional vehicle inspections every two years.

57. Lyft has not obtained the applicable licenses from TLC to provide for-hire vehicle service in New York City or to operate as a base station.

58. Not all Lyft drivers are licensed by the TLC and thus do not have the requisite commercial insurance.

59. Lyft does not require the same defensive driving courses. While representing that it maintains a "zero tolerance policy" on drugs and alcohol, Lyft conducts no drug tests on its drivers. After approving a driver and vehicle to drive for Lyft with a limited inspection, the company performs no further driving tests, training, or vehicle inspections.

60. Lyft has not disclosed to its drivers that failure to follow these rules could lead to seizure of their vehicles.

Enforcement Actions in Other States

61. The Lyft website touts operations in 30 states. In many of them, Lyft is currently subject to enforcement actions for violating insurance, licensing, and other public safety requirements that apply to the for-hire car industry. These include recent efforts to halt illegal

operations by the company in Michigan, Nebraska, New Mexico, Ohio, Pennsylvania, Virginia, Wisconsin, and Missouri.

62. In a number of jurisdictions, Lyft operates in open defiance of letters and orders demanding that the company cease and desist illegal and unauthorized operations. For example, on July 2, 2014, a two-judge administrative panel of the Pennsylvania Public Utilities Commission (which regulates for-hire transportation in the state) issued an emergency cease-and-desist order to halt Lyft's operations in Pittsburgh. The order articulated concerns about the sufficiency of driver background checks, insurance, and vehicle inspections, concluding that:

the rules and regulations of the Commission are in place to ensure that harm to individuals is prevented and empowers the Commission with recourse on behalf of the public should a public utility fail to comply with public safety requirements. Because Lyft has chosen to attempt to avoid Commission jurisdiction and has failed to comply with the law, the Commission and the public it serves have been deprived of the ability to protect the travelling public.

Yet notwithstanding this order, Lyft continues to arrange for-hire transportation in Pittsburgh.

New York State Enforcement and Regulatory Agencies Unsuccessfully Seek to Engage with Lyft

63. On May 7, 2014, just two weeks after Lyft launched in Buffalo and Rochester without notice, DFS sent Lyft a letter requesting copies of any insurance policies covering Lyft drivers in New York and asking Lyft to schedule a meeting with DFS to discuss Lyft's business operations in New York.

64. Without reviewing the policies, neither OAG nor DFS could gauge the accuracy of Lyft's claims about its insurance coverage or adequately assess the degree to which Lyft's insurance coverage would safeguard the safety and financial well-being of New York residents. Nor could OAG or DFS adequately assess whether the policies might lead to unjustified increases in automobile insurance rates for other drivers.

65. In a reply dated May 19, 2014, Lyft refused to share its insurance policies with DFS, offering the state insurance regulator a summary. When no Lyft official endeavored to schedule the requested meeting, DFS again contacted the company and Lyft agreed to a June 5, 2014 meeting.

66. While answering certain questions DFS posed at the June 5, 2014 meeting and in a follow-up letter, dated June 12, 2014, Lyft continued to withhold its insurance policies.

67. On June 30, 2014, OAG separately met with Lyft officials, in which it raised its concerns that Lyft was operating an illegal for-hire livery service in Buffalo and Rochester. Lyft again refused to produce its policies. In that meeting, in response to specific inquiries, Lyft officials maintained that the company had no immediate plans to expand its operations into New York City.

68. Just over a week later, on July 7, 2014, OAG and DFS learned that Lyft actually intended to expand its operations to Brooklyn and Queens on July 11, 2014. DFS informed Lyft's outside counsel that the company's programs violated New York Insurance and Financial Services Laws, outlined the legal and public safety concerns, and instructed the company to cease and desist its New York operations. DFS followed up with a letter, dated July 8, 2014, that ordered Lyft to cease and desist its operations in New York. The letter also invited Lyft to meet with the Department to explore ways Lyft could operate responsibly and legally in New York. OAG delivered a similar message that same day via teleconference.

69. Given the timing of the launch, OAG was also forced to issue a subpoena to attain documents not previously produced with a very tight time frame. OAG offered to limit the requests for immediate production, but Lyft refused.

70. Meanwhile, in response to Lyft's impending launch in New York City and its

refusal to comply with applicable New York City laws and regulations, the TLC issued an industry advisory notifying consumers and drivers, among other things, that “Lyft is unauthorized in New York City,” that consumers “should not get into a vehicle without a TLC license” and that “drivers who sign-up with Lyft are at risk of losing their vehicles to TLC enforcement action, as well as being subject to fines of up to \$2,000 upon conviction for unlicensed activity.”

71. On July 9, 2014, Lyft agreed to confer with OAG and DFS in person and finally produce copies of its insurance policies, with the premium amount redacted. At that meeting, OAG and DFS expressed their willingness to explore innovative solutions to bring Lyft’s operations into compliance with the law, including through modifications to Lyft’s business model. They made clear, however, that neither OAG nor DFS could allow Lyft to expand its illegal activities in the New York City market.

72. Given the profound implications for the health, safety, and financial well-being of New York residents, and the complex, overlapping insurance issues involved, OAG and DFS together requested that Lyft delay its launch in New York City by two weeks to allow sufficient time for OAG and DFS to review the policies and explore whether Lyft could adjust its business model to satisfy New York law.

73. That night, at a “launch party” attended by potential Lyft drivers in New York City, Lyft representatives assured the drivers that “they had their back,” that they would pay for any lawyers needed to return cars seized by TLC, and that they would pay for any fines. Lyft reiterated to the drivers that although the rides would be “free” to the passengers, Lyft would pay the drivers for the fares.

74. On July 10, 2014 Lyft sent a letter to DFS disagreeing with the Department's legal and policy concerns. Lyft, however, failed to respond to the Department and OAG's proposal and still has not responded.

75. The next morning, July 10, in a letter written in response to the cease and desist letter, Lyft refused OAG and DFS's offer to work out solution while delaying the launch.

76. Lyft is continuing to widely promote its operations in New York City and is falsely representing to the public that it has a "green light to conduct business legally."

77. Given the extensive discussions and communications with Lyft regarding its non-compliance with state and local laws and its refusal to delay its New York City launch, the Attorney General has determined that it is neither necessary nor in the public interest to provide Lyft with a pre-litigation notice of intent to sue pursuant to General Business Law §§ 349(c) and 350-c.

**FIRST CAUSE OF ACTION PURSUANT TO
EXECUTIVE LAW § 63(12):
VIOLATION OF VEHICLE AND TRAFFIC LAW § 370.1**

78. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein.

79. Executive Law § 63(12) authorizes the Attorney General to bring an action to enjoin repeated illegal acts or persistent illegality in the carrying on, conducting, or transaction of business.

80. VTL § 370.1 prohibits any person, firm or entity from carrying or transporting passengers for hire in a motor vehicle on the streets or highways of New York state unless that person, firm or entity has filed with the DMV a corporate surety bond or a policy of insurance, approved as to form by the superintendent of financial services in a company authorized to do an

insurance business in the state, approved by the superintendent as to solvency and responsibility.

81. As set forth above, defendant repeatedly and persistently utilizes drivers who do not have the insurance coverage required by VTL § 370.1.

82. By its actions defendant also is aiding and abetting violations of VTL § 370.1, further engaging in repeated and persistent illegal conduct in violation of Executive Law § 63(12).

**SECOND CAUSE OF ACTION PURSUANT TO
EXECUTIVE LAW § 63(12):
VIOLATION OF VEHICLE AND TRAFFIC LAW § 501.2(v)**

83. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein.

84. Executive Law § 63(12) authorizes the Attorney General to bring an action to enjoin repeated illegal acts or persistent illegality in the carrying on, conducting, or transaction of business.

85. VTL § 501.2.(v) prohibits any person from carrying or transporting passengers for hire in a motor vehicle on the streets or highways of New York state unless that person has a Class E driver's license issued by the DMV.

86. As set forth above, defendant repeatedly and persistently utilizes drivers who do not have a Class E driver's license as required by VTL § 501.2(v).

87. By its actions defendant is also aiding and abetting violation of VTL § 501.2(v), further engaging in repeated and persistent illegal conduct in violation of Executive Law § 63(12).

**THIRD CAUSE OF ACTION PURSUANT TO
VIOLATION OF BCL § 1301**

88. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth

herein

89. BCL § 1303 authorizes the Attorney General to bring an action to restrain a foreign corporation from doing in this state without authority any business for the doing of which it is required to be authorized in this state.

90. BCL § 1301 prohibits foreign corporations from doing business in the State of New York until they have received authorization to do so from the New York Department of State.

91. As set forth above, by operating in the State of New York without authorization from the New York Department of State, defendant has repeatedly and persistently violated BCL § 1301.

**FOURTH CAUSE OF ACTION PURSUANT TO
EXECUTIVE LAW § 63(12):
VIOLATION OF INSURANCE LAW § 2102**

92. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein

93. Executive Law § 63(12) authorizes the Attorney General to bring an action to enjoin repeated illegal acts or persistent illegality in the carrying on, conducting, or transaction of business.

94. Insurance Law § 2102 prohibits any person from acting as an insurance producer without a license by soliciting, negotiating, or selling an insurance policy to New York drivers.

95. As set forth above, defendant is acting as an unlicensed insurance producer by soliciting, negotiating, and selling insurance policies in violation of Insurance Law § 2102.

96. By its actions in violation Insurance Law § 2012, defendant has engaged in repeated and persistent illegal conduct in violation of Executive Law § 63(12).

**FIFTH CAUSE OF ACTION PURSUANT TO
EXECUTIVE LAW § 63(12):
VIOLATION OF INSURANCE LAW § 2117**

97. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein

98. Executive Law § 63(12) authorizes the Attorney General to bring an action to enjoin repeated illegal acts or persistent illegality in the carrying on, conducting, or transaction of business.

99. Insurance Law § 2117 prohibits any person, firm or entity from acting as an insurance producer for an insurer that is not licensed or authorized to do an insurance business in New York, procuring or selling an insurance policy written by an unlicensed or unauthorized insurer or otherwise aiding such insurer in doing an insurance business in New York.

100. As set forth above, defendant violates Insurance Law § 2117 by procuring and selling an insurance policy written by an unlicensed and unauthorized insurer and otherwise aiding such insurer in doing insurance business in this state.

101. By its actions in violation Insurance Law § 2117, defendant has engaged in repeated and persistent illegal conduct in violation of Executive Law § 63(12).

**SIXTH CAUSE OF ACTION PURSUANT TO
EXECUTIVE LAW § 63(12):
VIOLATION OF INSURANCE LAW § 2122**

102. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein

103. Executive Law § 63(12) authorizes the Attorney General to bring an action to enjoin repeated illegal acts or persistent illegality in the carrying on, conducting, or transaction of business.

104. Insurance Law § 2122 prohibits anyone, through an advertisement or public announcement in the State of New York, from calling attention to an unauthorized insurer.

105. As set forth above, defendant violates Insurance Law § 2122 by calling attention by advertisement or otherwise to an unauthorized insurer.

106. By its actions in violation of Insurance Law § 2122, defendant has engaged in repeated and persistent illegal conduct in violation of Executive Law § 63(12).

**SEVENTH CAUSE OF ACTION PURSUANT TO
EXECUTIVE LAW § 63(12):
VIOLATION OF 11 N.Y.C.R.R. § 153(8)**

107. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein

108. Executive Law § 63(12) authorizes the Attorney General to bring an action to enjoin repeated illegal acts or persistent illegality in the carrying on, conducting, or transaction of business.

109. 11 N.Y.C.R.R. § 153(8) prohibits any insurer from providing coverage in regard to a group or quasi-group program that requires the purchase of insurance as a condition of group membership or quasi-group participation or imposes any penalty upon a group member or quasi-group participant if insurance is not purchased.

110. As set forth above, defendant violates 11 N.Y.C.R.R. § 153.8 by requiring that New York drivers obtain insurance from a specific insurer as a condition of membership.

111. By its actions in violation of Insurance Law § 2324 and 11 N.Y.C.R.R. § 153, defendant has engaged in repeated and persistent illegal conduct in violation of Executive Law § 63(12).

**EIGHTH CAUSE OF ACTION PURSUANT TO
EXECUTIVE LAW § 63(12):
VIOLATION OF CHAPTER 437 OF THE BUFFALO CITY CODE**

112. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein.

113. Executive Law § 63(12) authorizes the Attorney General to bring an action to enjoin repeated illegal acts or persistent illegality in the carrying on, conducting, or transaction of business.

114. Chapter 437 of the City of Buffalo Code requires all livery vehicles, which are defined as passenger vehicles which are used to transport passengers for hire, and livery vehicle drivers to be licensed by the City of Buffalo and limits the number of authorized livery vehicles to no more than 300. Chapter 437 also requires the annual inspection of such vehicles and the posting of fares in compliance with the Buffalo City ordinance.

115. As set forth above, defendant has repeatedly and persistently violated Chapter 437 of the City of Buffalo Code by using drivers and vehicles that are not licensed in accordance with Buffalo City law and by failing to comply with the other requirements imposed on Buffalo livery vehicles. By its actions in violation of Chapter 437 of the City of Buffalo Code, defendant has engaged in repeated and persistent illegal conduct in violation of Executive Law § 63(12).

116. By its actions defendant is also aiding and abetting violations of Chapter 437, further engaging in repeated and persistent illegal conduct in violation of Executive Law § 63(12).

**NINTH CAUSE OF ACTION PURSUANT TO
EXECUTIVE LAW § 63(12):
VIOLATION OF CHAPTER 108 OF THE ROCHESTER CITY MUNICIPAL CODE**

117. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein.

118. Executive Law § 63(12) authorizes the Attorney General to bring an action to enjoin repeated illegal acts or persistent illegality in the carrying on, conducting, or transaction of business.

119. Chapter 108 of the Rochester Municipal Code requires all taxicabs, which are defined as motor vehicles which are used to transport passengers for hire, to be licensed by the City of Rochester and requires all taxicab drivers, i.e. an individual who drives a taxicab, to be licensed by the City of Rochester.

120. As set forth above, defendant has repeatedly and persistently violated Chapter 108 of the City of Rochester Municipal Code by failing to have the vehicles driven by its drivers licensed as taxicabs and by failing to have its drivers licensed as taxicab drivers.

121. By its actions in violation of Chapter 108 of the City of Rochester Municipal Code, defendant has have engaged in repeated and persistent illegal conduct in violation of Executive Law § 63(12).

122. By its actions defendant is also aiding and abetting violations of Chapter 108, further engaging in repeated and persistent illegal conduct in violation of Executive Law § 63(12).

**TENTH CAUSE OF ACTION PURSUANT TO
EXECUTIVE LAW § 63(12):
VIOLATION OF ARTICLE 19 OF THE NEW YORK CITY ADMINISTRATIVE
CODE**

123. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein.

124. Executive Law § 63(12) authorizes the Attorney General to bring an action to enjoin repeated illegal acts or persistent illegality in the carrying on, conducting, or transaction of business.

125. As set forth in section 19-501 of the New York City Administrative Code, New York City has determined that business of transporting passengers for hire by motor “is a vital and integral part of the transportation system of the city, and must therefore be supervised, regulated and controlled by the city.”

126. Accordingly, Article 19 of the City of New York Administrative Code requires all for-hire vehicles, for-hire drivers, communication systems, and base stations to be licensed by the New York City Taxi and Limousine Commission (“TLC”) and to comply with a comprehensive regulatory scheme designed to protect the health, safety and financial well-being of the riding public and New York City residents.

127. As set forth above, defendant has repeatedly and persistently violated Article 19 of the City of New York Administrative Code by failing to have a licensed base station, vehicles driven by its drivers licensed as vehicles for hire and its drivers licensed as drivers of for hire vehicles. Defendant has also failed to comply with the other requirements imposed by the City.

128. By their actions in violation of Article 19 of the City of New York Administrative Code, defendant has engaged in repeated and persistent illegal conduct in violation of Executive Law § 63(12).

129. By its actions defendant is also aiding and abetting violations of Article 19, further engaging in repeated and persistent illegal conduct in violation of Executive Law § 63(12).

**ELEVENTH CAUSE OF ACTION PURSUANT TO
REPEATED AND PERSISTENT FRAUDULENT CONDUCT PURSUANT TO
EXECUTIVE LAW § 63(12)**

130. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein

131. Executive Law § 63(12) authorizes the Attorney General to bring an action to

enjoin repeated or persistent fraudulent conduct.

132. As set forth above, defendant has engaged in repeated and persistent fraudulent acts by conduct, including but not limited to:

- a. misrepresenting that it is legally authorized to operate in Buffalo, Rochester and New York City;
- b. misrepresenting that riders can “donate” whatever they choose for rides, when in fact Lyft drivers can choose not to give rides to consumers who pay less than the “suggested” fares;
- c. misrepresenting to drivers that they need not obtain licenses for their vehicles and for themselves from the cities of New York, Buffalo and Rochester in order to drive for hire vehicles and/or failing to disclose this information to its drivers;
- d. misrepresenting that drivers do not need a Class E New York State driver’s license and/or failing to disclose this information to its drivers;
- e. misrepresenting that drivers do not need commercial automobile insurance and/or failing to disclose this information; and
- f. failing to disclose that drivers may lose their personal automobile insurance if their carrier learns they are driving their vehicle for hire and that in jurisdictions such as New York City their vehicles are subject to seizure.

133. By these actions, defendant has engaged in repeated and persistent fraudulent conduct in violation of Executive Law § 63(12).

**TWELTH CAUSE OF ACTION PURSUANT TO
VIOLATION OF GBL § 349**

134. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein

135. GBL § 349 prohibits deceptive acts and practices in the conduct of any business, trade, or commerce in the state of New York.

136. As set forth above, defendant has engaged in deceptive acts and practices in violation of GBL § 349 by conduct, including, but not limited to:

- a. misrepresenting that it is legally authorized to operate in Buffalo, Rochester and New York City;
- b. misrepresenting that riders can “donate” whatever they choose for rides, when in fact Lyft drivers can choose not to give rides to consumers who pay less than the “suggested” fares;
- c. misrepresenting to drivers that they need not obtain licenses for their vehicles and for themselves from the cities of New York, Buffalo and Rochester in order to drive for hire vehicles and/or failing to disclose this information to its drivers;
- d. misrepresenting that drivers do not need a Class E New York State driver’s license and/or failing to disclose this information to its drivers;
- e. misrepresenting that drivers do not need commercial automobile insurance and/or failing to disclose this information; and
- f. failing to disclose that drivers may lose their personal automobile insurance if their carrier learns they are driving their vehicle for hire and that in jurisdictions such as New York City their vehicles are subject to seizure.

137. By its actions in violation of GBL § 349, defendant has engaged in repeated and persistent illegal conduct in violation of Executive Law § 63(12).

**THIRTEENTH CAUSE OF ACTION PURSUANT TO
VIOLATION OF GBL § 350**

138. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein

139. GBL § 350 prohibits false advertising in the conduct of any business, trade, or commerce in the state of New York.

140. As set forth above, defendant has engaged in false advertising in violation of GBL § 350 by conduct, including, but not limited to:

- a. advertising that it is legally authorized to operate in Buffalo, Rochester and New York City;
- b. advertising that consumers can “donate” whatever they choose for rides, when in fact drivers can choose not to give rides to consumers who pay less than the suggested fares;
- c. advertising that drivers need not obtain licenses for their vehicles or for themselves from the cities of New York, Buffalo and Rochester in order to drive for hire vehicles;
- d. advertising that drivers do not need a Class E New York State driver’s license and/or failing to disclose this information in its advertisements;
- e. advertising that drivers do not need commercial automobile insurance and/or failing to disclose this information in its advertisements; and
- f. advertising for drivers without disclosing that drivers may lose their personal

automobile insurance if their carrier learns they are driving their vehicle for hire and that in jurisdictions such as New York City their vehicles are subject to seizure.

**FOURTEENTH CAUSE OF ACTION PURSUANT TO
FINANCIAL SERVICES LAW § 309:
VIOLATION OF INSURANCE LAW § 2102**

141. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein.

142. Financial Services Law § 309 authorizes the Superintendent to bring an action for injunctive relief whenever any person engages in a violation of the Financial Services or Insurance Law.

143. Insurance Law § 2102 prohibits any person from acting as an insurance producer without a license by soliciting, negotiating, or selling an insurance policy to New York drivers in violation of Insurance Law § 2102.

144. As set forth above, defendant is acting as an unlicensed insurance producer by soliciting, negotiating, and selling insurance policies to New York drivers in violation of Insurance Law § 2102.

**FIFTEENTH CAUSE OF ACTION PURSUANT TO
FINANCIAL SERVICES LAW § 309:
VIOLATION OF INSURANCE LAW § 2117**

145. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein.

146. Financial Services Law § 309 authorizes the Superintendent to bring an action for injunctive relief whenever any person engages in violation of the Financial Services or Insurance Law.

147. Insurance Law § 2117 prohibits any person, firm or entity from acting as an insurance producer for an insurer that is not licensed or authorized to do an insurance business in New York or otherwise aiding such insurer in doing an insurance business in this state.

148. As set forth above, defendant violates Insurance Law § 2117 by soliciting, negotiating and selling insurance policies written by an unlicensed and unauthorized insurer and otherwise aiding such insurer in doing an insurance business in New York.

**SIXTEENTH CAUSE OF ACTION PURSUANT TO
FINANCIAL SERVICES LAW § 309:
VIOLATION OF INSURANCE LAW § 2122**

149. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein.

150. Financial Services Law § 309 authorizes the Superintendent to bring an action for injunctive relief whenever any person engages in a violation of the Insurance Law.

151. Insurance Law § 2122 prohibits anyone, through an advertisement or public announcement in the State of New York, from calling attention to an unauthorized insurer.

152. As set forth above, defendant violates Insurance Law § 2122 by calling attention by advertisement or otherwise to an unauthorized insurer.

**SEVENTEENTH CAUSE OF ACTION PURSUANT TO
FINANCIAL SERVICES LAW § 309:
VIOLATION OF INSURANCE LAW § 2324 AND 11 N.Y.C.R.R. § 153.8**

153. The plaintiffs repeat and reallege paragraphs 1 through 77 as if fully set forth herein.

154. Financial Services Law § 309 authorizes the Superintendent to bring an action for injunctive relief whenever any person engages in a violation of the Financial Services or Insurance Law.

155. Insurance Law § 2324 prohibits requiring that New York drivers obtain insurance from a specific insurer as a condition of membership.

156. 11 N.Y.C.R.R. § 153.8 prohibits any insurer from providing coverage in regard to a group or quasi-group program that requires the purchase of insurance as a condition of group membership or quasi-group participation or imposes any penalty upon a group member or quasi-group participant if insurance is not purchased.

157. As set forth above, defendant violates Insurance Law § 2324 and 11 N.Y.C.R.R. § 153 by requiring that New York drivers obtain insurance from a specific insurer as a condition of membership.

PRAYER FOR RELIEF

WHEREFORE, plaintiffs request an order and judgment:

1. Permanently, and pending the determination of this action, enjoining defendant from violating Executive Law § 63(12), GBL §§ 349, 350, and 350-d, VTL §§ 370 and 501(v), BCL § 1301, Insurance Law §§ 2102, 2117, 2122, and 2324, 11 N.Y.C.R.R. § 153.8, Chapter 437 of the Buffalo City Code, Chapter 108 of the Rochester Municipal Code and Article 19 of the New York City Administrative Code;
2. Directing defendant to produce an accounting of profits and to disgorge all profits resulting from the fraudulent and illegal practices alleged herein;
3. Directing defendant to pay a civil penalty to the State of New York of up to \$5,000.00 for each violation of GBL Article 22-A, pursuant to GBL § 350-d;
4. Awarding plaintiff People of the State of New York costs of \$2,000.00 pursuant to CPLR § 8303(a)(6); and

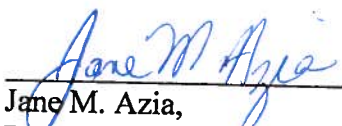
5. Granting such other and further relief as the Court deems just and proper.

Dated: New York, New York
July 11, 2014

Respectfully submitted,

ERIC T. SCHNEIDERMAN
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