EXHIBIT 7

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

ILLINOIS TRANSPORTATION TRADE ASSOCIATION, et al.,	)	
	)	No. 14-CV-00827
Plaintiffs,	)	
	)	Judge Sharon Johnson Coleman
CITY OF CHICAGO,	)	
	)	Magistrate Judge Sidney Schenkier
Defendant,	)	
	)	

INTERVENOR-DEFENDANTS' MEMORANDUM IN SUPPORT OF THEIR MOTION TO DISMISS

INTRODUCTION

Plaintiffs' federal-law claims have been rejected by every court that has considered them, and their state-law claims rely on allegations of a non-existent promise that would, in any event, be unenforceable. The Amended Complaint should therefore be dismissed in its entirety. Intervenor-Defendants Dan Burgess, Ted Liu, and Dustin Morby ("Intervenors") respectfully ask this Court to dismiss the Amended Complaint in this action under Federal Rule of Civil Procedure 12(b)(6) because it fails to state a claim on which relief can be granted.

FACTS

This action was brought on behalf of a variety of plaintiffs, nearly all of whom either own City of Chicago taxicab medallions or are corporate entities composed of or affiliated with medallion owners. Am. Comp. ¶¶ 42-46, 48-51, 53, 55, 57. Other Plaintiffs loan money to medallion purchasers or facilitate the sale of medallions. *Id.* ¶¶ 47, 52, 54. One Plaintiff is an individual who needs to use a wheelchair and "from time to time" uses taxicabs that can accommodate individuals in wheelchairs. *Id.* ¶ 58. Lastly, one Plaintiff is a livery service

offering limousines and other vehicles not licensed as taxicabs to the public. *Id.* ¶ 56. Except as otherwise noted, they are referred to below collectively as "Plaintiffs."

The City's medallion owners have profited from the City's longstanding policy of keeping a cap on the number of taxicabs. *Id.* ¶ 27. Because taxis are artificially scarce, medallions cost an astonishing amount of money to begin what is otherwise an entry-level occupation: driving people from A to B. *See id.* ¶ 9. Plaintiffs allege that the introduction of new competition into the city's transportation market will cause the price of taxi medallions to fall from the current market value of $350,000. *Id.* ¶ 9.

The new competition Plaintiffs complain of is from drivers who use their own private vehicles to transport passengers around the city and the technology companies who connect passengers with those drivers, namely Uber, Lyft, and SideCar. *Id.* ¶¶ 61, 63-64. The rides are arranged and paid for through smartphone applications. *Id.* ¶¶ 61, 63-64. This method of connecting passengers and drivers is often called "ridesharing." *Id.* ¶¶ 63-64, 83. Intervenors are ridesharing drivers. Mem. in Supp. of Intervenor-Defendants' Mot. to Intervene, p. 1.

Plaintiffs allege that they have been harmed because the City has not been aggressive enough in preventing drivers like the Intervenors from offering what Plaintiffs argue are illegal taxi services. *Id.* ¶¶ 7-8. While Plaintiffs argue that ridesharing is currently illegal under Chicago law, they acknowledge that their claims do not hinge on this contention: If Chicago were to pass a law explicitly legalizing rideshares, Plaintiffs' arguments would remain the same. *Id.* ¶¶ 33-34. In other words, the injury of which Plaintiffs complain is simply that the City has not (sufficiently) fined, arrested, or otherwise punished ridesharing drivers, and that by failing to do this the City has violated Plaintiffs' rights.

The constitutional rights Plaintiffs allege the City has violated are their rights guaranteed under the Takings Clause of the Fifth Amendment (Count I), the Equal Protection Clause of the Fourteenth Amendment (Count II), and the Due Process Clause of the Fourteenth Amendment (Count III). Plaintiffs also bring three state-law claims, breach of contract (Count IV), promissory estoppel (Count V), and equitable estoppel (Count VI). The remedies Plaintiffs ask for are (1) money damages for the diminution in medallion values and loss of business caused by the City's actions and (2) an injunction ordering the City to cease allowing ridesharing drivers to operate and to enforce the City's taxicab licensing ordinance against them. *Id.* ¶¶ 114, 122, 131, 144, 151, 156.

ARGUMENT

This Court should dismiss the Amended Complaint in its entirety. Other courts have rejected Plaintiffs' federal claims, and Plaintiffs' state claims fail because they are based on allegations of a non-existent, unenforceable promise.

I. STANDARD OF REVIEW

To avoid dismissal, Plaintiffs' Amended Complaint must contain allegations that "'state a claim to relief that is plausible on its face.'" *McCauley v. City of Chicago*, 671 F.3d 611, 615 (7th Cir. 2011) (quoting *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009)). Plaintiffs must "plead[] factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." *McCauley*, 671 F.3d at 615. Plaintiffs make no such showing.

II. THE AMENDED COMPLAINT FAILS TO ARTICULATE A FEDERAL CLAIM ON WHICH RELIEF CAN BE GRANTED.

The federal counts of the Amended Complaint (Counts I-III) should each be dismissed. The Takings Claim (Count I) should be dismissed because the City has not taken any of

Plaintiffs' property. The Equal Protection and Due Process Claims (Counts II and III) should be dismissed as there is no Fourteenth Amendment right to have one's business rivals punished.

A. There Is No Taking Here Because Plaintiffs Have No Property Right in Being Free from Competition.

Plaintiff's Takings Clause claim should be dismissed because the Amended Complaint fails to allege the most essential element of a takings claim: a property interest that has been taken. *See, e.g., Pro-Eco, Inc. v. Bd. of Comm'rs*, 57 F.3d 505, 510 (7th Cir. 1995). The Amended Complaint does not allege that the City has taken away Plaintiffs' medallions, or that it has prevented them from operating taxi businesses in Chicago (either of which could support a plausible takings claim). Instead, the Amended Complaint alleges that Chicago has allowed third parties to engage in business activities that reduce the value of Plaintiffs' own businesses. This is not the stuff of which a takings claim is made.

For Plaintiffs' takings claim to succeed, this Court would have to conclude that Plaintiffs have a property right in the patronage of Chicago consumers who want to move around the city. They do not. Consumers can choose (and the City may allow them to choose) from any number of transportation options without depriving Plaintiffs of anything they own. While it is surely true that the City has used its power to protect medallion taxis from competition in the past, the City has no obligation (constitutional or otherwise) to freeze its regulations or its enforcement policies in amber to protect Plaintiffs' economic advantages.

Plaintiffs are not the first to advance the theory that the Takings Clause requires the government to either engage in permanent protectionism or pay for the diminution in the market value of a tradable license or benefit. And every federal court to consider this claim has squarely rejected it.

The single most helpful precedent here is the Eighth Circuit's decision in *Minneapolis Taxi Owners Coalition, Inc. v. City of Minneapolis*, 572 F.3d 502 (8th Cir. 2009). There, Minneapolis, just like Chicago, had for years capped the number of taxi licenses and allowed owners to sell them on the secondary market. *Id.* at 504. Minneapolis then decided to deregulate the industry by removing the cap on licenses. *Id.* at 505-06. The owners of existing taxis did not lose their licenses; they simply lost the city-imposed monopoly on them and therefore their value as an artificially scarce resource. *Id.* at 506. And there, as here, the owners of the established taxi companies sued on the grounds that this diminution in value was an unconstitutional taking. *Id.* The Eighth Circuit rejected this argument and held that the Minneapolis taxi owners had no property interest in the market value of the licenses. *Id.* at 509 ("[A]ny property interest that the taxicab-license holders may possess does not extend to the market value of the taxicab licenses derived through the closed nature of the City's taxicab market.").

Under *Minneapolis Taxi Owners*, Plaintiffs' takings claim necessarily fails. As in that case, Plaintiffs here are not faced with the loss of their licenses—and, indeed, they are not even faced with the open-market reform the Minneapolis taxi owners challenged. They are faced only with the fact that Chicago has decided to allow *some* competition in the transportation market. That is not a taking.

Other cases addressing this issue accord with the Eighth Circuit's holding. *See, e.g.*, *Dennis Melancon, Inc. v. City of New Orleans*, 703 F.3d 262, 274 (5th Cir. 2012) (taxi owners' takings challenge to new rules frustrating secondary market in taxicab licenses failed because "[s]uch an interest does not fall within the ambit of a constitutionally protected property right, for it amounts to no more than a unilateral expectation that the City's regulation would not disrupt the secondary market value of [taxi licenses]"); *Members of the Peanut Quota Holders Ass'n,*

Inc. v. United States, 421 F.3d 1323, 1335 (Fed. Cir. 2005) (ending federal peanut quota program not a taking because "the government does not forfeit its right to withdraw those benefits or qualify them as it chooses"); *accord Rogers Truck Line, Inc. v. United States*, 14 Cl. Ct. 108, 115 (1987) (deregulation of trucking industry, destroying secondary market in licenses for shipping, does not constitute a taking, stating "[i]t may be that subsequent to passage of the Act there are more carriers competing with plaintiff. However, plaintiff does not have a constitutionally protected freedom from competition."); *Bowen v. Gilliard*, 483 U.S. 587, 604 (1987) ("Congress is not, by virtue of having instituted a social welfare program, bound to continue it at all, much less at the same benefit level.")

Nothing in the jurisprudence of either the Seventh Circuit or the State of Illinois justifies departing from these precedents. To be sure, state law confers a property right in the medallions *themselves*, albeit only a limited one: "[Taxi] [l]icenses expire at the end of each year unless renewed. The city may refuse to renew them for a number of reasons. The city may suspend or revoke licenses for various reasons. . . . Thus, while a taxicab license is a property right, it is a relatively fragile one." *Standard Acceptance Co. v. Lewis Cab Co.*, No. 92-7072, 1995 U.S. Dist. LEXIS 2273, at *18 (N.D. Ill. Feb. 24, 1995, Grady, J.) (attached as Ex. 8). But there is no support for the idea that there is a protectable property interest in the market value of a medallion, or in a medallion holder's right to be free from unwanted business competition.

An Illinois appellate court case Plaintiffs mention in their Amended Complaint, Am. Comp. ¶ 5, does not say anything different. *Boonstra v. City of Chicago*, 214 Ill. App. 3d 379, 574 N.E.2d 689 (1st Dist. 1991). *Boonstra* simply stated that a City of Chicago medallion and its transferability are "property" that the City cannot take away, as it did to the owner's estate in that case. *Id.* at 386-87. That much is uncontroversial. *See also Jesso v. Podgorski*, No. 08-

3047, 2010 U.S. Dist. LEXIS 131953, at *11 (N.D. Ill. Dec. 14, 2010, Coleman, J.) (Attached as Ex. 9) (analyzing property rights in liquor license, citing *Minneapolis Taxi Owners*, 572 F.3d at 507, and *Peanut Quota Holders*, 421 F.3d at 1330). But *Boonstra* did not say that a medallion owner has a right to the market value of a medallion, nor does it say that a medallion owner has an enforceable right to demand the arrest of anyone whose business activities are reducing the medallion's value.

Any other reading of *Boonstra* would create a split with the extensive precedent cited above, but it would also have sweeping effects on the ability of Chicago (or any other city) to reform its transportation regulations. It would effectively prohibit Chicago from adopting *any* regulatory changes that expose medallion taxis to greater competition, whether by allowing ridesharing drivers to operate, or by allowing more livery vehicles on the street, or even by simply making it easier for new livery vehicles to start operating (by, for example, reducing fees[1] for livery operators). This Court should decline the invitation to make such a sweeping and novel holding: Count I of the Amended Complaint should therefore be dismissed.

B. The Fourteenth Amendment Does Not Create a Right to Have One's Business Competitors Arrested.

Counts II and III of the Amended Complaint each make essentially the same claim: Chicago is violating the Constitution by enforcing its taxi regulations unequally and applying them to medallion-taxi drivers but not arresting or punishing ridesharing drivers as if they were illegal taxis. *See* Am. Comp. ¶ 116 (alleging equal protection violation because the City is "enforcing [its taxi regulations] against the Plaintiffs but not against" ridesharing drivers); *id.* at ¶ 124 (alleging substantive-due-process violation because the City is "applying [its taxi regulations] to Transportation Plaintiffs . . . while choosing not to apply them to" ridesharing

[1] Liveries are not required to have medallions. *See* Chicago Mun. Code §§ 9-114-010,-300.

drivers). Both claims are essentially claims of unequal treatment,[2] and both claims should be dismissed for the same reason: The Constitution's guarantee of equal treatment does not create a right to have one's business rivals arrested.

Equal protection claims are either demands by individuals to be treated as well as someone to whom they are similarly situated, or else not to be treated as if they are a member of a group to which they do not belong. *See City of Cleburne v. Cleburne Living Ctr., Inc.*, 473 U.S. 432, 439 (1985) (equal protection demands that individuals be treated as well as someone to whom they are similarly situated); *Clayton v. Steinagel*, 885 F. Supp. 2d 1212, 1215 (D. Utah 2012) (equal protection demands individuals not be treated as members of a group to which they do not belong); *Cornwell v. Hamilton*, 80 F. Supp. 2d 1101, 1119 (S.D. Cal. 1999) (same).

Plaintiffs' Amended Complaint fails to allege either of those claims. Plaintiffs do not indicate that they want to be treated like anyone else; instead, they demand that *other people* be treated worse—specifically, that ridesharing drivers like the Intervenors be treated as unlicensed taxicab operators and arrested or otherwise punished. The Amended Complaint is devoid of allegations that Plaintiffs want to do anything that current law forbids them from doing but allows others to do. They do not allege, for example, that they want to run businesses like those of the ridesharing apps and have been prohibited from doing so by law.[3] Insofar as the Amended

[2] To the extent Count III does not rest on the existence of unequal treatment but is instead simply an assertion of a substantive-due-process right to have a particular law enforced against a third party, the Supreme Court has repeatedly denied the existence of such a right. *E.g., Linda R.S. v. Richard D.*, 410 U.S. 614, 619 (1973) ("[A] private citizen lacks a judicially cognizable interest in the prosecution or nonprosecution of another."); *accord Deshaney v. Winnebago Cnty. Dep't of Soc. Servs.*, 489 U.S. 189, 196-97 (1989) (holding that the Due Process Clause protects only against government interference with liberty and does not create a right to be protected from private violence) (quoting *Harris v. McRase*, 448 U.S. 297 317-18 (1980)).

[3] This is the standard form of an equal protection challenge to economic regulations. *Cf. St. Joseph Abbey v. Castille*, 712 F.3d 215, 219-20 (5th Cir. 2013) (reviewing equal protection challenge to prohibition on plaintiffs' selling caskets where licensed funeral directors could sell caskets); *Merrifield v. Lockyer*, 547 F.3d 978, 990-92 (9th Cir. 2008) (reviewing equal protection challenge to prohibition on plaintiff

Complaint reveals, there is nothing that Plaintiffs want to do that they cannot do. Instead, they allege the opposite: that there are things that *other people* (namely, ridesharing drivers like the Intervenors) are doing that Plaintiffs want to stop.

In other words, Plaintiffs assert that they have been subjected to certain burdensome regulations, and they argue that this gives them an affirmative right to demand that the City of Chicago arrest or fine their (allegedly) similarly situated business competitors under these same regulations or else pay damages for the failure to arrest or fine those competitors.

This is not a cognizable claim. There is no equal protection right to demand that the government arrest someone serving customers whose money a plaintiff would rather see in his own pocket. *See, e.g., Marcelle v. Brown Cnty. Corp.,* 680 F.3d 887, 901 (7th Cir. 2012) (en banc) (Easterbrook, J., concurring in judgment) (noting that the logic of refusing to acknowledge due process rights to have others arrested applies with equal force to equal protection claims); *McCauley v. City of Chicago,* 671 F.3d 611, 618 (7th Cir. 2011) ("Because the Equal Protection Clause is 'concerned . . . with equal treatment rather than with establishing entitlements to some minimum of government services, [it] does not entitle a person to adequate, or indeed to any, police protection.'" (quoting *Hilton v. City of Wheeling*, 209 F.3d 1005, 1007 (7th Cir.2000))).

To the extent there is any Fourteenth Amendment right to demand the enforcement of laws, it is only a right to demand that the government not discriminatorily *withdraw* its protection from an individual, "as when the Southern states during the Reconstruction era refused to give police protection to their black citizens." *Hilton*, 209 F.3d at 1007 (referring to this as "the prototypical denial of equal protection"). But the Amended Complaint fails entirely to allege this kind of claim. It only alleges that Chicago police do not arrest ridesharing drivers

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engaging in certain kinds of pest control without a license where equally dangerous pest control was allowed to proceed unlicensed).

(or at least, do not arrest them as frequently as Plaintiffs would like), and that Plaintiffs would be better off if the police arrested ridesharing drivers more often. This is not a demand for the equal *protection* of the laws. It is simply an allegation that Chicago has declined to use its power to arrest third parties in a way that would benefit Plaintiffs' economic interests.[4]

Indeed, it is worth noting that where federal courts have ruled in favor of equal protection challenges in recent years, they have generally done so after finding that the challenged distinction served no purpose *beyond* "economic protectionism." *See, e.g., St. Joseph Abbey*, 712 F.3d at 222-23; *Merrifield*, 547 F.3d at 991 n.15; *Craigmiles v. Giles*, 312 F.3d 220, 224 (6th Cir. 2002). Plaintiffs' invention of a countervailing equal protection right—one that would allow them to *affirmatively demand* economic protectionism—has no foundation in the caselaw and should be rejected.[5]

To dismiss Counts II and III of the Amended Complaint, this Court need not even decide whether the City's current enforcement of its taxi regulations has a rational basis; instead, it need only hold that, to the extent there is any irrationality, that irrationality can at most be invoked to *defend against* prosecutions, not to demand more of them. *See Beales v. City of Plymouth*, 392 Fed. Appx. 497, 499 (7th Cir. 2010) (unpublished per curiam order) ("The most [a plaintiff] could do would be to defend any prosecutions against him on the theory that the selective

[4] For the same reasons, the conclusory allegation that the City's actions make it harder for Plaintiff Saul to find taxicabs that are wheelchair accessible does not create a violation of the Equal Protection Clause. *See* Am. Comp. ¶ 22. Even if the City's refusal to arrest ridesharing drivers did somehow prevent Saul from finding a wheelchair-accessible taxi (which is a causal chain that is not explained in the Amended Complaint), there is no allegation of a person similarly situated to Saul who enjoys greater police protection than he does, nor is there an allegation of a person similarly situated to Saul who *is* provided with accessible taxis while Saul is not.

[5] To be sure, where Congress specifically legislates in an effort to restrict competition, competitors may be able to seek an injunction to enforce that statutory restriction. *See, e.g., Clarke v. Secs. Indus. Ass'n*, 479 U.S. 388, 403 (1987) (finding that trade associations had standing to enforce limitations imposed on banks by the National Bank Act). There is no authority, however, to support Plaintiffs' contention here, which is a claim to a freestanding constitutional right to force government officials to restrict the activities of Plaintiffs' business rivals.

prosecution violates his rights. . . . The current suit is not an attempt to fend off prosecution, however, but proposes to hold police and prosecutors personally liable for not prosecuting plaintiff's business rival."). Simply put, there is no Fourteenth Amendment right to demand the arrest of business competitors. This Court should decline Plaintiffs' invitation to invent one.

III. THE AMENDED COMPLAINT FAILS TO ARTICULATE A STATE-LAW CLAIM ON WHICH RELIEF CAN BE GRANTED.

Because the Amended Complaint fails to state a claim under any of its federal-law theories, this Court need not retain jurisdiction over Plaintiffs' pendent state claims. 28 U.S.C. § 1367(c)(3) ("The district courts may decline to exercise supplemental jurisdiction over a claim . . . if . . . the district court has dismissed all claims over which it has original jurisdiction. . . ."); *see also Harvey v. Town of Merrillville*, 649 F.3d 526, 533 (7th Cir. 2011) (quoting *Groce v. Eli Lilly & Co.*, 193 F.3d 496, 501 (7th Cir. 1999)) ("[T]he usual practice is to dismiss without prejudice state supplemental claims whenever all federal claims . . . dismissed prior to trial.")).

If this Court retains jurisdiction, however, it should dismiss Plaintiffs' state claims as well. To the extent that the City has any kind of contractual obligations toward Plaintiffs, these obligations do not create a duty to subject Plaintiffs' competitors to criminal punishment. Moreover, any agreement to that effect would be unenforceable. Additionally, Plaintiffs' estoppel claims fail for the same reasons: Chicago never promised to protect Plaintiffs from competition, nor could it be held to such a promise had it done so.

A. There Is No Unwritten Contract Committing the City to Arrest Plaintiffs' Business Competitors.

The Amended Complaint suggests the existence of a "contract" between Plaintiffs and the City that requires Chicago to crack down on anyone who, like the Intervenors, is competing

too closely with Plaintiffs. It does not, however, point to any explicit agreement that Chicago will do so. This is for a good reason: There is no such agreement.

Plaintiffs claim that "[t]he City Taxi Regulations, coupled with the [Plaintiffs'] reliance on such Regulations and their expenditure of very large sums of money to purchase medallions and operate the [Plaintiffs'] taxi-related businesses . . . give rise to contractual rights on the part of Plaintiffs." Am. Comp. ¶¶ 133-35 (relying on *Yellow Cab Co. v. City of Chicago*, 396 Ill. 388, 402, 71 N.E.2d 652, 659 (1947) for the proposition that "the ordinances granting licenses to [taxicab operators] in the city of Chicago constitute a valid contract between [taxicab operators] and the city of Chicago.") Plaintiffs are surely correct that the ordinance regulating taxicabs can be considered a contract, but it is a contract for the *ability to operate a medallion taxi*. It is not a contract for the market value of those medallions, nor does it reflect some unspoken understanding that nobody else will be allowed to compete with medallion taxis. Whether ridesharing services operate in Chicago or not, Plaintiffs are still entitled to own and operate their medallion taxis. The City has done nothing to keep Plaintiffs from doing so.

That is all Plaintiffs' "contract" with the City requires. While the ordinance is full of obligations on the part of the taxicab owners as a condition of holding the medallions, it imposes no obligations on the City beyond simple administrative duties. The sole definitive obligation of the City is to "grant exclusive permission and authority to the licensees hereunder to operate the taxicab vehicles *licensed hereunder*." MCC § 9-112-020(b) (emphasis added). In other words, the City cannot stop a properly licensed party from operating their properly licensed taxicab, nor can it force them to turn their taxicabs over to someone else. The Amended Complaint does not suggest the City has failed in this obligation.

Plaintiffs further attempt to create a contractual obligation by asserting that MCC 9-112-480,[6] which outlines the City's role in the secondary medallion market, constitutes a "promise by the City to support and not materially impair the value of medallions." Am. Comp. ¶ 27. This is an exceptional reading of an unexceptional law. MCC 9-112-480 requires the Commissioner to balance two competing objectives—maximizing revenue from medallion sales and protecting the public interest while ensuring that only qualified applicants hold medallions. This is not a promise that the City will arrest people who compete with medallion taxis. It is not a promise that medallions will retain *future* value. It is an expression of the City's wholly unremarkable desire to (1) raise money and (2) protect the public. This Court should reject Plaintiffs' request to read extravagant future promises into a code section that neither talks about the future nor makes any promises.

Moreover, even if Chicago *had* actually entered into a contractual agreement to arrest people like the Intervenors at Plaintiffs' behest, that contract would be unenforceable. Fundamental powers of sovereignty—like the discretion to enforce or refrain from enforcing laws—may not be delegated to self-interested private parties. *See, e.g., Drovers Trust & Sav. Bank v. Cty. of Chicago*, 18 Ill. 2d 476, 479, 165 N.E.2d 314, 315 (1960) (holding that the decision on whether to allow the construction of a gas station cannot be delegated to a group of neighbors as it would "leave the ultimate determination of whether the erection of the station would be detrimental to the public welfare in the discretion of individuals rather than the city"); *People ex rel. Chicago Dryer Co. v. City of Chicago*, 413 Ill. 315, 323, 109 N.E.2d 201, 206

[6] "The commissioner shall promulgate regulations to set forth procedures by which all available taxicab licenses shall be distributed periodically (by sale, lease, or otherwise) pursuant to open and competitive bidding procedures. The procedures shall be designed to produce the maximum amount of revenues to the city consistent with serving the public interest, and to ensure that only applicants that are qualified under this chapter are awarded licenses."

(1952) ("[A] delegation of any sovereign power of government to private citizens cannot be sustained nor their assumption of it justified."); *People v. Pollution Control Bd.*, 83 Ill. App. 3d 802, 809, 404 N.E.2d 352, 357 (1st Dist. 1980) (holding that allowing private jockey group to determine which sporting events would be exempt from noise pollution laws constituted unconstitutional delegation "to private organizations whose interests may be adverse to the interests of others similarly situated or directly affected by the exercise of the power delegated"). Because there is no contract to arrest ridesharing drivers like the Intervenors and because that contract would be unenforceable even if it existed, Count IV of the Amended Complaint should be dismissed.

B. Plaintiffs' Estoppel Claims Fail for the Same Reasons.

Plaintiffs' estoppel claims (Counts V and VI), *see* Am. Comp. ¶¶ 145-156, fail for the same reasons: There is no contract committing the City to prosecute Plaintiffs' business competitors because the City never promised to freeze its transportation regulations in amber, nor could it be held to such a promise had it done so.

To establish a promissory estoppel claim in Illinois, Plaintiffs must allege and prove that (1) the City made an unambiguous promise to Plaintiffs; (2) Plaintiffs relied on that promise; (3) Plaintiffs' reliance was expected and foreseeable by the City; and (4) Plaintiffs relied on the promise to their detriment. *Quake Constr., Inc. v. Am. Airlines, Inc.*, 141 Ill. 2d 281, 309-10, 565 N.E.2d 990, 1004 (1990). While the Amended Complaint alleges detrimental reliance, Am. Comp. ¶ 150, it fails to establish any of the remaining three requirements.

As discussed above in Section III.A, the City never promised to "maintain the exclusive rights of medallion owners to operate taxis and to maintain the market value of the medallions," Am. Comp. ¶ 147, nor did it promise to keep anyone from competing with Plaintiffs. Plaintiffs

may have assumed that Chicago's transportation market and transportation regulations would remain unchanged for all eternity, but they have failed to show any promise by Chicago officials that this would be so. If the City had made such a promise, such an unrealistic promise could not possibly create a foreseeable reliance interest—particularly where, as discussed above in Section III.A, an agreement with the City as imagined by Plaintiffs would be unenforceable. Simply put, the City *did not* promise to protect medallion owners from all competitors for all time, and it *could not* have made an enforceable promise to that effect if it had wanted to. Plaintiffs' estoppel claims should therefore be dismissed as well.

CONCLUSION

For the foregoing reasons, the Amended Complaint should be dismissed in its entirety.

Dated: March 25, 2014

Respectfully submitted,

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