

## **Ride-Share Won't Affect Taxi Medallion Lenders, Investment Report from PDL Capital Concludes**

*Nationally Recognized Specialty Lending Analyst Provides Clarity for Medallion-Related Investors. The Long-Term Outlook for Taxi Medallion Value Remains Bullish, and Medallion Stocks Will Recover.*

Los Angeles, California ([PRWEB](#)) January 08, 2015 -- An analysis by PDL Capital, a nationally recognized expert in specialty lending, concludes that ride-sharing apps like Uber present no material threat to the value of taxi medallions.

Consequently, there is no long-term threat to the publicly-traded stocks involved with taxi medallion financing, and the current selloff in medallion stocks are overdone, the report says, and offer compelling values at current prices.

Although new supply in taxi markets may impact taxi medallion revenue, it will not materially reduce the oversupply of drivers for limited medallion access, the report says.

According to Lawrence Meyers, CEO of PDL Capital and the report's author, substantial disincentive exists for taxi medallion drivers to move to ride-share. UberX fares generate less revenue than taxis, and the costs to buy, maintain, and insure a vehicle are so great, that ride-share drivers routinely generate 25% less take-home pay than taxi medallions.

That's why taxi medallion drivers sampled Uber and returned to leasing, according to fleet sources that Meyers interviewed. Consequently, he says, fleet owners will continue to perform on taxi medallion loans, thus maintaining taxi medallion values over the long-term.

"Nor will individual taxi medallion owners walk away from their equity investment, no matter how good or bad business is", says Meyers. "The cabs are their livelihood. They won't hand over the very asset they need to support their families, just for the 'privilege' to ride-share for less than they presently earn."

With neither fleet operators nor individual owners likely to default, any claim that taxi medallion values will go to zero, "smacks of hysteria, injected into the markets by short-sellers," according to Meyers, who holds long positions in the sector.

As for the secondary market, Meyers says it is correcting because Uber's entry into the market has created what all markets hate: uncertainty.

"It's a new product that the market continues to evaluate. This process shakes out the weak hands in the taxi medallion market, which is illiquid and prone to volatility. The NYC Taxi and License Commission's misreporting of average taxi medallion prices spooked the market simultaneously, contributing to the decline," he says.

Regardless, the secondary market is irrelevant to taxi medallion financial companies, according to Meyers. These companies are only concerned with their own taxi medallion loans, which are so conservatively underwritten and not even threatened by ride-share, that these companies are highly unlikely to experience any

material losses. One such taxi medallion financial company has never had losses on its medallion portfolio, and there's no reason to expect it will now.

This gestalt of misperceptions has “driven short-sellers to issue glib and factually inaccurate reports,” and for investors to sell taxi medallion financial stocks, according to Meyers.

“Taxi medallion financial stocks now trade below book value, creating as much as 50% upside for value investors who understand the true narrative. They are compelling buys at these levels.”

The complete report is available at: <http://seekingalpha.com/article/2798855-medallion-financial-corporation-grossly-undervalued-uber-threat-to-medallions-vastly-overstated>

#### About PDL Capital

PDL Capital is a specialty lender and broker. CEO Lawrence Meyers is a nationally recognized expert in specialty lending. He frequently consults for hedge funds and private equity funds on matters of consumer and commercial finance. His work has appeared on numerous websites including Breitbart.com, SeekingAlpha, InvestorPlace, WyattResearch, and The Motley Fool.



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