

BOARD REPORT
CITY OF LOS ANGELES
DEPARTMENT OF TRANSPORTATION

Date: September 14, 2023 P7X
To: Board of Transportation Commissioners
From: Connie Llanos, Interim General Manager *Jay Kim* For C.L.
Subject: **RECOMMEND APPROVAL OF APPLICATION OF CALSTATE MEDICAL, INC. DBA CALSTATE MEDICAL TRANSPORTATION FOR THREE UNRESTRICTED NON-AMBULATORY PASSENGER VEHICLE PERMITS**

RECOMMENDATIONS

That your Board:

- a. **Find** that Calstate Medical, Inc. dba Calstate Medical Transportation, based upon evidence of patients in need of transportation; public convenience and necessity, requires the operation of three unrestricted non-ambulatory passenger vehicles.
- b. **Grant** three unrestricted non-ambulatory passenger vehicle permits to Calstate Medical, Inc. dba Calstate Medical Transportation contingent upon:
 1. The applicant filing with the Department in such form as the Department requires and thereafter keeping in full force and effect a policy of automobile liability insurance acceptable to the City Attorney and the City Risk Manager;
 2. The drivers and attendants obtaining the required permits;
 3. The applicant obtaining commercial or exempt registration for the vehicles;
 4. The vehicles passing Department inspection;
 5. The applicant complying with all Board rules and regulations and City ordinances pertaining to the operation of non-ambulatory passenger vehicles;
 6. The applicant charging only those rates for non-ambulatory passenger vehicle services as set forth in Board Order No. 608 (Ordinance No. 187,587) and successor regulations; and
 7. The vehicles must be placed into service within 120 days after the Board of Transportation Commissioners (Board) approval or such authority shall become invalid. Upon written request and for good cause, the Department, in its discretion, may grant an extension of time beyond the initial 120-day period after Board approval. Any

request for an extension beyond the initial deadline date must be received prior to the 120-day deadline. Furthermore, if an extension is granted, only one extension may be allowed per application.

- c. **Impose** a one-year probationary period.

INITIATED BY

On July 1, 2023, the Department received an application from Galust Ghumashyan, CEO of Calstate Medical, Inc. dba Calstate Medical Transportation, 2019 North Lincoln Street, Burbank, California 91504, requesting three unrestricted non-ambulatory passenger vehicle permits for gurney service (Attachment 1). On August 17, 2023, the company submitted the final document needed to complete the application.

DISCUSSION

Calstate Medical, Inc. dba Calstate Medical Transportation is not currently authorized by the Board to operate any vehicles for hire in the City of Los Angeles. On October 13, 2023, Calstate Medical, Inc. dba Calstate Medical Transportation was previously approved by the Board to operate two unrestricted non-ambulatory passenger vehicles in the City of Los Angeles. On October 19, 2022, the company was cited for operating without having completed the requirements for obtaining insurance, driver permits and vehicle inspections. On November 1, 2022, the company paid a fine of \$1,500. The company was unable to place the vehicles into service within 120 days after the Board approval date based upon the Board decision. Therefore, the two previously granted non-ambulatory vehicle permits were invalidated by the Department.

The history of Calstate Medical, Inc. dba Calstate Medical Transportation's business is as follows: On July 27, 2021, Articles of Incorporation were filed with the California Secretary of State establishing Calstate Medical, Inc. (Attachment 2). On July 30, 2021, the Statement of Information (Entity Type: Corporation) was filed with the California Secretary of State naming Galust Ghumashyan as Chief Executive Officer, Secretary, Chief Financial Officer of the company (Attachment 3). On August 25, 2021, Calstate Medical, Inc. filed a Fictitious Business Name Statement with the Los Angeles County Clerk to do business as Calstate Medical Transportation (Attachment 4). Galust Ghumashyan is the sole shareholder of the company.

Public Convenience and Necessity

The application of Calstate Medical, Inc. dba Calstate Medical Transportation was evaluated against Section 2 of the Guidelines for Establishing Public Convenience and Necessity as established by the Board on August 11, 2005 for applicants with no unrestricted non-ambulatory passenger vehicle permits (Attachment 5).

- a. Experience – The applicant submitted the resume of Galust Ghumashyan as the manager of Delta Medical Transportation from March 2020 to January 2022. Mr. Ghumashyan's resume states that his responsibilities include developing a dispatch plan, recordkeeping, bookkeeping, customer relations and conflict resolution, document control, and supervision.

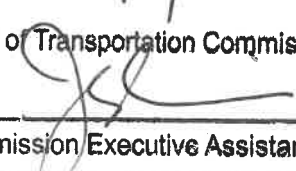
- b. Background Check – The background check was conducted on the owner and general manager of Calstate Medical, Inc. and no disqualifying criminal history was found as listed in Board Order No. 600.
- c. Financial Capability – The applicant submitted the financial documentation showing that the company demonstrates sufficient liquid assets to support the request for three unrestricted non-ambulatory vehicle permits.
- d. Hours of Operation – The regular hours of operation for transportation service are 24 hours a day, seven days a week.

RECOMMENDATION

Calstate Medical, Inc. dba Calstate Medical Transportation has been cited and counseled for the violations. The company owner Galust Ghumashyan confirmed that he is knowledgeable about the requirements to obtain the driver permits and complete the vehicle inspections within 120 days after the Board approval.

It is staff's recommendation that the Board approves its application since the company is making an effort to be in compliance, and a one-year probationary period be imposed on the company should vehicle authorities be granted. If the company is found in violation of any rule, regulation, law or statute of the City, County, or State within the probationary period, it shall result in the perment revocation of all authorities without any further action from the Board.

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Attachments

Approved: 9/14/2023
Board of Transportation Commissioners

Commission Executive Assistant