

Washington Business Journal - January 31, 2007

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WASHINGTON BUSINESS JOURNAL

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Taxi company files Ch. 11

Washington Business Journal - 11:35 AM EST Wednesday by [Joe Coombs](#) Senior Staff Reporter

A Montgomery County taxi company is reorganizing its business as a co-op in order to give drivers a stronger stake in the business.

Kensington-based Barwood, which has 400 drivers and handles about 4,000 trips daily, has voluntarily filed for Chapter 11 federal bankruptcy protection while it changes the structure of its operations. Recent high insurance claims and other pressures on Barwood's bottom line have forced some changes that should allow the company to bring in more revenues while creating better opportunities for its drivers, says Lee Barnes, Barwood's president and CEO.

To this point, Barwood's drivers have worked as independent contractors for the company. Drivers pay a daily fee to rent a vehicle and to use Barwood's dispatch service and maintenance facilities. Under the co-op, drivers will be able to buy one or more vehicles from Barwood as well as their vehicle licenses, which can increase in value over time.

Barwood is modeling the co-op arrangement against similar systems used by taxi companies in Chicago, Los Angeles and San Francisco. Barwood is working on securing financing for drivers interested in joining the co-op, and the company did not say how much cash it's seeking.

No jobs will be lost as a result of the Chapter 11 proceedings, and operations will continue without any changes for customers, according to Barwood officials.

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