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11 *[Plaintiff's Counsel Continued on Next Page]*

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 COUNTY OF SAN FRANCISCO

15 COORDINATION PROCEEDING
16 [SPECIAL TITLE RULE 3.550]

17 **UBER TECHNOLOGIES WAGE AND
18 HOUR CASES**

18 [Applicable to the following included action:]

19 **PEOPLE OF THE STATE OF CALIFORNIA,**
20 Plaintiff,

21 v.

22
23 **UBER TECHNOLOGIES, INC.; RASIER-CA,
24 LLC; RASIER, LLC; UBER USA, LLC; LYFT,
25 INC.; AND DOES 4-50, INCLUSIVE,**
26 Defendants.

Case No. CJC-21-005179
JUDICIAL COUNCIL COORDINATION
PROCEEDING NO. 5179

**FIRST AMENDED AND
SUPPLEMENTAL COMPLAINT FOR
INJUNCTIVE RELIEF, RESTITUTION,
AND PENALTIES**

**[VERIFIED ANSWER REQUIRED
PURSUANT TO CODE OF CIVIL
PROCEDURE SECTION 446]**

This document pertains to *People v. Uber
Technologies, Inc., et al.*, in San Francisco
Superior Court, Case No. CGC-20-584402

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Attorneys for the People of the State of California

1 Plaintiff, the People of the State of California (“People”), by and through Rob Bonta,
2 Attorney General of the State of California; Michael N. Feuer, Los Angeles City Attorney; Mara
3 W. Elliott, San Diego City Attorney; and David Chiu, San Francisco City Attorney, bring this
4 action against Uber Technologies, Inc.; Rasier-CA, LLC; Rasier, LLC; Uber USA, LLC
5 (individually, “Uber Defendant”, collectively, “Uber” or “Uber Defendants”), Lyft, Inc. (“Lyft”),
6 and Does four through fifty (collectively “Defendants”), and allege as follows:
7

8 INTRODUCTION

9 1. In their early stages, when Uber and Lyft started selling ride-hailing services in 2010
10 and 2012, respectively, they made the calculated business decision to misclassify their on-demand
11 drivers as independent contractors rather than employees. Both companies have misclassified
12 and—to the extent Proposition 22 is unconstitutional or otherwise invalid—continue to
13 misclassify their drivers, exploiting hundreds of thousands of California workers in direct
14 contravention of California law.

15 2. By misclassifying their drivers, Uber and Lyft evade the workplace standards and
16 requirements that implement California’s strong public policy in favor of protecting workers and
17 promoting fundamental fairness for all Californians. This longstanding policy framework
18 includes a comprehensive set of safeguards and benefits established by the State of California
19 (“State”), cities, and counties, such as minimum wages, overtime premium pay, reimbursement
20 for business expenses, workers’ compensation coverage for on-the-job injuries, paid sick leave,
21 and wage replacement programs like disability insurance and paid family leave. Uber and Lyft
22 owe their drivers these benefits and protections.

23 3. Recognizing the serious problem of employee misclassification and the harms it
24 inflicts on workers, law-abiding businesses, taxpayers, and society more broadly, the California
25 Legislature enacted Assembly Bill 5, which took effect on January 1, 2020. (Assem. Bill No. 5
26 (2019-2020 Reg. Sess.) (“A.B. 5”).) A.B. 5 codified and extended the California Supreme
27 Court’s landmark, unanimous decision in *Dynamex Operations W., Inc. v. Superior Court* (2018)
28 4 Cal.5th 903, reh. denied (June 20, 2018) (“*Dynamex*”). California law is clear: for the full

1 range of protections afforded by California’s Wage Orders, Labor Code, and Unemployment
2 Insurance Code, workers are generally presumed to be employees unless the hiring entity can
3 overcome this presumption by establishing each of the three factors embodied in the strict “ABC”
4 test.

5 4. Uber and Lyft cannot overcome this presumption with respect to their drivers. Uber
6 and Lyft are traditional employers of these misclassified employees. They hire and fire them.
7 They control which drivers have access to which possible assignments. They set driver quality
8 standards, monitor drivers for compliance with those standards, and discipline drivers for not
9 meeting them. They set the fares passengers can be charged and determine how much drivers are
10 paid.

11 5. Uber and Lyft are transportation companies in the business of selling rides to
12 customers, and their drivers are the employees who provide the rides they sell. The fact that Uber
13 and Lyft communicate with their drivers by using an app does not suddenly strip drivers of their
14 fundamental rights as employees.

15 6. But rather than own up to their legal responsibilities, Uber and Lyft have worked
16 relentlessly to find a work-around. They lobbied for an exemption to A.B. 5, but the Legislature
17 declined. They utilize driver contracts with mandatory arbitration and class action waiver
18 provisions to stymie private enforcement of drivers’ rights. And now, even amid a once-in-a-
19 century pandemic, they have gone to extraordinary lengths to convince the public that their
20 unlawful misclassification scheme is in the public interest. Both companies have launched an
21 aggressive public relations campaign in the hopes of enshrining their ability to mistreat their
22 workers, all while peddling the lie that driver flexibility and worker protections are somehow
23 legally incompatible.

24 7. Uber’s and Lyft’s motivation for breaking the law is simple: by misclassifying their
25 drivers, Uber and Lyft do not “bear any of [the] costs or responsibilities” of complying with the
26 law. (*Dynamex, supra*, 4 Cal.5th at p. 913.) When addressing investors, Uber pulls no punches:
27 “Our business would be adversely affected if Drivers were classified as employees instead of
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1 independent contractors.” (Uber Securities and Exchange Com. (“SEC”) S-1, p. 28 [Filing Date:
2 April 11, 2019].)

3 8. As one federal district judge recently observed: “[R]ather than comply with a clear
4 legal obligation, companies like Lyft are thumbing their noses at the California Legislature”
5 (*Rogers v. Lyft* (N.D. Cal. Apr. 7, 2020, No. 20-CV-01938-VC) ___ F.Supp.3d ___ [2020 WL
6 16484151, at *2].)

7 9. The State’s laws against employee misclassification protect all Californians. They
8 protect workers by ensuring they receive the compensation and benefits they have earned through
9 the dignity of their labor. (*Dynamex, supra*, 4 Cal.5th at p. 952.) They protect “law-abiding”
10 businesses from “unfair competition,” and prevent the “race to the bottom” that occurs when
11 businesses adopt “substandard wages” and “unhealthy [working] conditions,” threatening jobs
12 and worker protections across entire industries. (*Id.* at pp. 952, 960.) They protect the tax-paying
13 public, who is often called upon to “assume responsibility” for “the ill effects to workers and their
14 families” of exploitative working arrangements. (*Id.* at p. 952-53.) They are a lifeline and
15 bulwark for the People against the “erosion of the middle class and the rise in income inequality.”
16 (A.B. 5, § 1(c).)

17 10. The time has come to hold Uber and Lyft accountable for their massive, unlawful
18 employee misclassification schemes. The People bring this action to ensure that Uber and Lyft
19 ride-hailing drivers—the lifeblood of these companies—receive the full compensation,
20 protections, and benefits they are guaranteed under law, to restore a level playing field for
21 competing businesses, and to preserve jobs and hard-won worker protections for all Californians.

22 **JURISDICTION AND VENUE**

23 11. The Superior Court has original jurisdiction over this action pursuant to Article VI,
24 Section 10 of the California Constitution.

25 12. The Superior Court has jurisdiction over each Defendant named above because:
26 (i) each Defendant is headquartered in the State of California; (ii) each Defendant is authorized to
27 and conducts business in and across this State; and (iii) each Defendant otherwise has sufficient
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1 minimum contacts with and purposefully avails itself of the markets of this State, thus rendering
2 the Superior Court’s jurisdiction consistent with traditional notions of fair play and substantial
3 justice.

4 13. Venue is proper under Code of Civil Procedure section 393(a), because each
5 Defendant named above is headquartered in the City and County of San Francisco and thousands
6 of the illegal acts described below occurred in the City and County of San Francisco.

7 **PARTIES**

8 **I. PLAINTIFF**

9 14. Plaintiff is the People of the State of California, by and through: Rob Bonta, the
10 Attorney General of the State of California; Michael N. Feuer, the Los Angeles City Attorney;
11 Mara W. Elliott, the San Diego City Attorney; and David Chiu, the San Francisco City Attorney
12 (collectively referred to as “Plaintiff” or the “People”).

13 15. Rob Bonta is the Attorney General of the State of California and is the chief law
14 officer of the State. (Cal. Const., art. V, § 13.) The Attorney General is empowered by the
15 California Constitution to take whatever action is necessary to ensure that the laws of the State
16 are uniformly and adequately enforced. He has the statutory authority to bring actions in the
17 name of the People of the State of California to enforce California’s Unfair Competition Law
18 (“UCL”). (Bus. & Prof. Code, § 17200 et seq.) He also has the statutory authority to bring an
19 action for injunctive relief to prevent the continued misclassification of employees under the
20 Labor Code. (Lab. Code, § 2750.3, subd. (j) (A.B. 5), recodified at Lab. Code, § 2786.)

21 16. The Los Angeles City Attorney, Michael N. Feuer, has the statutory authority to bring
22 actions in the name of the People of the State of California to enforce California’s UCL. As the
23 City Attorney of a city with population in excess of 750,000, he also has the express statutory
24 authority under the Labor Code to bring an action for injunctive relief to prevent the continued
25 misclassification of employees. (Lab. Code, § 2750.3, subd. (j) (A.B. 5), recodified at Lab. Code,
26 § 2786.)

1 17. The San Diego City Attorney, Mara W. Elliott, has the statutory authority to bring
2 actions in the name of the People of the State of California to enforce California’s UCL. As the
3 City Attorney of a city with population in excess of 750,000, she also has the express statutory
4 authority under the Labor Code to bring an action for injunctive relief to prevent the continued
5 misclassification of employees. (Lab. Code, § 2750.3, subd. (j) (A.B. 5), recodified at Lab. Code
6 § 2786.)

7 18. The San Francisco City Attorney, David Chiu, has the statutory authority to bring
8 actions in the name of the People of the State of California to enforce California’s UCL. As the
9 City Attorney of a city and county, he also has the express statutory authority under the Labor
10 Code to bring an action for injunctive relief to prevent the continued misclassification of
11 employees. (Lab. Code, § 2750.3, subd. (j) (A.B. 5), recodified at Lab. Code, § 2786.)

12 **II. DEFENDANTS**

13 19. Defendant Uber Technologies, Inc. is a California corporation with its principal place
14 of business in San Francisco, California.

15 20. At all relevant times, the People are informed and believe Defendant Rasier-CA, LLC
16 (“Rasier-CA,” previously named as DOE 1) has been a wholly owned subsidiary of Defendant
17 Rasier, LLC (“Rasier,” previously named as DOE 2), which is a wholly owned subsidiary of
18 Defendant Uber Technologies, Inc. Both Rasier-CA and Rasier are limited liability companies
19 formed in Delaware, with their principal place of business in San Francisco, California.

20 21. At all relevant times, the People are informed and believe Defendant Uber USA, LLC
21 (“Uber USA,” previously named as DOE 3) has been a wholly owned subsidiary of Defendant
22 Uber Technologies, Inc. Defendant Uber USA, is a limited liability company formed in Delaware
23 with its principal place of business in San Francisco, California.

24 22. At all relevant times, all of the acts and omissions described in this First Amended
25 and Supplemental Complaint by any Uber Defendant were duly performed by, and attributable to
26 Uber Technologies, Inc., and some or all of the remaining Uber Defendants, each acting as
27 principals, or as co-conspirators, alter egos, aiders and abettors, joint venturers, representatives,
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1 and/or express or implied agents with the knowledge, control, direction, and/or actual or
2 ostensible authority of some or all of the other Uber Defendants. In doing the things alleged in
3 this First Amended and Supplemental Complaint, each Uber Defendant acted within the course
4 and scope of such agency, alter ego, joint venture, conspiracy, common enterprise, and/or
5 common course of conduct. To the extent that Uber Defendants' conduct or omissions were
6 performed by some Uber Defendants, some or all of the remaining Uber Defendants ratified the
7 conduct or omissions. Any reference in this First Amended and Supplemental Complaint to any
8 acts of Uber shall be deemed the acts of each Uber Defendant acting individually, jointly, or
9 severally.

10 23. At all relevant times, Uber Defendants acted as alter egos of Uber Technologies, Inc.
11 and some or all of the remaining Uber Defendants. There was and is a substantial unity of
12 interest and ownership between Uber Technologies, Inc., and Rasier, Rasier-CA and Uber USA.
13 Uber Defendants act and have acted as a single enterprise, and use the corporate form as a mere
14 shell, instrumentality or conduit for themselves or their businesses. The People are informed and
15 believe these actions include, but are not limited to, the following:

- 16 a. At all relevant times Rasier, Rasier-CA, and Uber USA have been undercapitalized
17 throughout the period of their operations and have maintained common financial
18 control and intermingled assets, funds, and accounts, with some or all Uber
19 Defendants.
- 20 b. At all relevant times, Uber Technologies, Inc. exercised extensive control over
21 virtually every facet of the business of Rasier, Rasier-CA, and Uber USA, from broad
22 policy decisions to routine matters of day-to-day operations. This includes, but is not
23 limited to, policy and day-to-day operations decisions relating to California Drivers
24 and their labor (such as the misclassification of such Drivers as independent
25 contractors), Uber's smartphone application for California Drivers and Passengers,
26 and Uber Defendants' ride-hailing transportation services. Uber Defendants have also
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1 disregarded their status as ostensibly separate corporations in the way they hold
2 themselves out to California Drivers.

3 c. At all relevant times, Uber Defendants (1) used the same business location and
4 employed the same employees and/or attorneys; (2) used the corporate entities to
5 procure labor, services, or merchandise for another person or entity; and (3) used the
6 corporate entities to shield against liability, including the liabilities alleged in this First
7 Amended and Supplemental Complaint.

8 d. At all relevant times, Rasier, Rasier-CA, and Uber USA, were not only influenced and
9 governed by Uber Technologies, Inc., but there was such a unity of interest and
10 ownership that the individuality, or separateness of Rasier, Rasier-CA, and Uber USA,
11 has ceased, and the facts are such that an adherence to the fiction of the separate
12 existence of these entities would, under the particular circumstances, sanction a fraud
13 or promote injustice.

14 24. At all relevant times, Uber Defendants engaged in a conspiracy, common enterprise,
15 and common course of conduct, the purpose of which is and was to engage in the violations of
16 law alleged in this First Amended and Supplemental Complaint, including, but not limited to, the
17 misclassification of California Drivers as independent contractors rather than as employees. At
18 all relevant times, each Uber Defendant knew or realized, or should have known or realized, that
19 the other Uber Defendants were engaging or planned to engage in the violations of law alleged in
20 this First Amended and Supplemental Complaint. Knowing or realizing that the other Uber
21 Defendants were engaging in such conduct, each Uber Defendant nonetheless encouraged,
22 facilitated, or assisted in the commission of those unlawful acts, and thereby aided and abetted the
23 other Uber Defendants in the conduct.

24 25. Defendant Lyft, Inc. is a California corporation with its principal place of business in
25 San Francisco, California.

26 26. The true names or capacities of Defendants sued as Doe Defendants 4 through 50 are
27 unknown to the People. The People are informed and believe, and on this basis, allege that each
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1 of the Doe Defendants, their agents, employees, officers, and others acting on their behalf, as well
2 as subsidiaries, affiliates, and other entities controlled by Doe Defendants 4 through 50 (hereafter
3 collectively referred to as “DOES 4 through 50”), are legally responsible for the conduct alleged
4 herein. The names and identities of defendants DOES 4 through 50 are unknown to the People,
5 and when they are known the People will amend this First Amended and Supplemental Complaint
6 to state their names and identities.

7 **FACTUAL ALLEGATIONS**

8 **I. UNDER *DYNAMEX* AND THE LABOR CODE, CALIFORNIA USES THE ABC** 9 **TEST TO DETERMINE EMPLOYEE STATUS.**

10 27. The California Supreme Court’s 2018 decision in *Dynamex, supra*, 4 Cal.5th 903,
11 along with the passage of A.B. 5, which went into effect January 1 of 2020, and subsequent
12 amendments to the Labor Code, have established that the ABC test governs the determination of
13 whether a worker is properly classified as an employee or independent contractor for purposes of
14 the Labor Code, the Unemployment Insurance Code, and the Wage Orders of the Industrial
15 Welfare Commission (“I.W.C.”).

16 28. Under the ABC test, for a worker to be properly classified as an independent
17 contractor rather than an employee, a hiring party, such as Uber or Lyft, has the burden of
18 establishing that *all* of the following three conditions are satisfied: (A) the worker is free from
19 the control and direction of the hiring entity in connection with the performance of the work, both
20 under the contract for the performance of the work and in fact; (B) the worker performs work that
21 is outside the usual course of the hiring entity’s business; and (C) the worker is customarily
22 engaged in an independently established trade, occupation, or business of the same nature as the
23 work performed. (Lab. Code, § 2750.3, subd. (a)(1) (A.B. 5), recodified at Lab. Code § 2775,
24 subd. (b)); see generally *Dynamex, supra*, 4 Cal.5th at p. 957.) These three requirements are
25 referred to as Parts A, B, and C of the ABC test, respectively.

26 29. Because the hiring entity must establish all three parts of the ABC test in order to
27 lawfully classify a worker as an independent contractor, the hiring entity’s failure to satisfy any
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1 one part of the ABC test results in the worker in question being classified as an employee rather
2 than an independent contractor. (*Dynamex, supra*, 4 Cal.5th at p. 963.)

3 **II. EACH DEFENDANT OPERATES A TRANSPORTATION SERVICE THAT**
4 **SELLS ON-DEMAND RIDES PROVIDED BY DRIVERS WHOM EACH**
5 **DEFENDANT HAS MISCLASSIFIED AS INDEPENDENT CONTRACTORS.**

6 30. The limitations period for this First Amended and Supplemental Complaint extends
7 back to at least April 6, 2016, under Emergency Rule 9 of the California Rules of Court, as
8 revised on May 29, 2020 (“Limitations Period”).

9 31. For the purpose of this First Amended and Supplemental Complaint, “Drivers” refers
10 to individuals who fall into one or both of the following two categories. *First Category:* All
11 individuals who have driven for Uber as ride-hailing drivers in the State of California at any time
12 during the Limitations Period and who (1) signed up to drive as a ride-hailing driver directly with
13 Uber or an Uber subsidiary under their individual name or with a fictional/corporate name *and* (2)
14 are/were paid by Uber or an Uber subsidiary directly under their individual name or with a
15 fictional/corporate name for their services as ride-hailing drivers. *Second Category:* All
16 individuals who have driven for Lyft as ride-hailing drivers in the State of California at any time
17 during the Limitations Period and who (1) signed up to drive directly with Lyft or a Lyft
18 subsidiary as ride-hailing drivers under their individual name or with a fictional/corporate name
19 *and* (2) are/were paid by Lyft or a Lyft subsidiary directly under their individual name or with a
20 fictional/corporate name for their services as ride-hailing drivers. “Passengers” refer to
21 individuals who receive Uber and/or Lyft ride-hailing services through such Drivers.

22 32. Each Defendant operates a ride-hailing transportation service in which Passengers
23 may request and pay for on-demand rides from Uber or Lyft by using that Defendant’s
24 smartphone application (the “Uber App,” the “Lyft App,” “App” or “Defendant’s App”
25 respectively, and collectively, “Apps” or “Defendants’ Apps”).

26 33. Each Defendant has hired hundreds of thousands of ride-hailing Drivers across the
27 State of California to provide on-demand rides throughout the State to Passengers who book such
28 rides through either Uber or Lyft’s App.

1 34. Lyft was founded in 2012 as a ride-hailing service of Zimride. Zimride later changed
2 its name to Lyft, and subsequently sold the “Zimride” component of its business (a long-distance
3 carpooling service) to focus on offering on-demand rides. As of January 2, 2020, Lyft had a
4 market capitalization of approximately \$13 billion.

5 35. Uber was founded in 2009 as a ride-hailing service. As of January 2, 2020, Uber had
6 a market capitalization of approximately \$53 billion.

7 36. Among the various ride-hailing options offered by Defendants, by far the largest is an
8 option in which individuals with non-commercial drivers’ licenses provide on-demand rides to
9 Passengers via each Defendant’s App using ordinary passenger vehicles. Lyft refers to this on-
10 demand option as a “Lyft.” Uber refers to this option as “UberX.”

11 **III. UNDER THE ABC TEST, EACH DEFENDANT MISCLASSIFIES ITS**
12 **DRIVERS.**

13 37. Since first launching their ride-hailing services, and at all relevant times, each
14 Defendant has misclassified and—to the extent Proposition 22 is unconstitutional or otherwise
15 invalid—continues to misclassify its Drivers as independent contractors instead of employees.

16 38. Each Defendant requires its Drivers, as a pre-condition of providing rides through
17 Defendant’s App, to agree to standard-form contracts and addenda. Each Defendant’s contracts
18 and addenda contain standardized terms and conditions that each Defendant sets regarding its
19 Drivers’ work. Each Defendant’s contracts and addenda also contain boilerplate language
20 unilaterally designating each Defendant’s Drivers as independent contractors.

21 **A. Part A of the ABC Test (“control and direction”)**

22 39. Each Defendant retains all necessary control over its Drivers’ work, which is to
23 transport Passengers from point A to point B in a car.

24 40. Each Defendant’s App, in combination with each Defendant’s policies, functions like
25 an algorithmic manager that effectively supervises its Drivers like a human manager.

26 41. Each Defendant determines what Drivers are eligible to provide ride-hailing services
27 on its App and can change its Driver standards in its discretion.
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1 42. Each Defendant dictates the types of cars its Drivers may use on its App, as well as
2 the standards its Drivers' vehicles must meet. Each Defendant can change its vehicle standards in
3 its discretion.

4 43. Drivers' tenure with each Defendant is for an indefinite time, but each Defendant
5 retains the right to terminate or pause a Driver's tenure at any time in accordance with terms,
6 conditions, and policies that each Defendant sets in its discretion.

7 44. Each Defendant sets the fares that Passengers pay for rides received through its App.

8 45. Each Defendant, not its Drivers, collects fare payments directly from Passengers.

9 46. Each Defendant sets the amount of compensation that it pays its Drivers for providing
10 ride-hailing services to Passengers on its App.

11 47. Each Defendant handles invoicing, claim and fare reconciliation, and resolution of
12 complaints that arise from its Drivers and Passengers.

13 48. Each Defendant mediates and resolves conflicts involving its Drivers in its discretion,
14 ranging from Driver-Passenger disputes, to allegations of Driver or Passenger misconduct, to lost
15 items, damaged vehicles, cleaning fees, and Driver complaints of not receiving the full amount of
16 compensation for ride-hailing services provided through the App.

17 49. Each Defendant monitors its Drivers' work hours and logs a Driver off its App for six
18 hours if the Driver reaches a twelve-hour driving limit.

19 50. Each Defendant does not freely permit its Drivers to choose their routes. For
20 example, if a Passenger complains to a Defendant about the route used by a Driver, each
21 Defendant reserves the right to adjust the fare if it decides that the Driver took an inefficient
22 route.

23 51. Each Defendant provides its Drivers with their work and pay by controlling the
24 dispatch of individual Passengers to individual Drivers through each Defendant's App. Each
25 Defendant's App controls which Drivers receive which ride requests and when.
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1 52. Each Defendant controls and limits the information available to its Drivers and
2 Passengers through each Defendant’s App, which each Defendant may change at any time
3 without notice.

4 53. When a Passenger requests an on-demand ride through Defendant’s App, the App
5 shows and matches that Passenger with only one Driver at a time, regardless of the number of
6 nearby Drivers. Similarly, when a Driver is available to provide an on-demand ride, the App
7 shows and matches that Driver with only one Passenger at a time, regardless of the number of
8 nearby Passengers. Drivers and Passengers do not freely negotiate over the terms of an on-
9 demand ride. Instead, they are selectively steered to one another through the centralized direction
10 of the App.

11 54. Each Defendant’s App hides from its Passengers key information about its Drivers’
12 experience and vehicles, limiting Drivers’ ability to differentiate themselves and increase their
13 earnings in the way a true independent contractor or entrepreneur typically would.

14 55. Each Defendant’s App allows its Drivers only approximately fifteen seconds to
15 accept or reject a trip request.

16 56. Drivers for each Defendant who consistently do not accept or reject trip requests
17 within the fifteen-second time limit may be temporarily logged out from each Defendant’s App.
18 The length of this bar is within each Defendant’s discretion.

19 57. Each Defendant’s App tracks its Drivers. Drivers for each Defendant must notify the
20 respective Defendant through its App of the Driver’s trip status at every key step of the on-
21 demand ride: (1) acceptance of the Passenger’s ride request, (2) arrival to the pick-up location of
22 the Passenger, (3) start of the trip, and (4) end of the trip. Each Defendant uses its App to
23 constantly monitor and control its Drivers’ behavior while its Drivers are logged into the App.

24 58. Each Defendant specifies detailed rules for Drivers to follow to create a uniform ride
25 experience from which each Defendant derives its brand recognition, reputation, and value.
26 These rules, which each Defendant bills as “suggestions” or “tips,” cover matters such as music,
27 how to pick-up Passengers, and what its Drivers can and cannot say to the Passengers.
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1 59. Each Defendant retains the right to suspend or terminate its Drivers, or to cease
2 dispatching ride requests to its Drivers through its App at any time if its Drivers behave in a way
3 that Defendant deems inappropriate or in violation of a Defendant-mandated rule or standard.
4 These Driver behaviors can include, among other infractions, canceling too many rides, not
5 maintaining sufficiently high Passenger satisfaction ratings, or taking trip routes each Defendant
6 deems inefficient.

7 60. Each Defendant monitors, and ultimately controls, its Drivers through feedback it
8 solicits from its Passengers on every ride via a rating system that each Defendant uses to assess its
9 Drivers' performance. Each Defendant's App solicits feedback and prompts its Drivers and
10 Passengers to rate one another from one to five stars for each Defendant's benefit, as each
11 Defendant uses the ratings for its own discipline of Drivers.

12 61. Each Defendant determines the type of data and feedback its Drivers and Passengers
13 may submit via its App. Each Defendant also defines on what basis its Passengers and Drivers
14 may provide feedback through its App.

15 62. Each Defendant uses information from its Passenger ratings to make decisions about
16 disciplining or terminating its Drivers. If the average rating of a Defendant's Driver falls below a
17 certain threshold set by Defendant, Defendant may suspend or terminate that Driver from
18 providing ride-hailing services on Defendant's App.

19 63. Each Defendant frequently experiments with software features that directly impact its
20 Drivers, creating an environment in which Drivers are subject to ever-shifting working
21 conditions, all determined in each Defendant's discretion. According to Lyft, "We frequently test
22 driver incentives on subsets of existing drivers and potential drivers, and these incentives . . .
23 could have other unintended adverse consequences." (See Lyft SEC 10-K, p. 20 [Filing Date:
24 February 28, 2020].) According to Uber, "[t]here are over 1,000 experiments running on our
25 platform at any given time." (Deb et al., Under the Hood of Uber's Experimentation Platform
26 (Aug. 28, 2018), <<https://eng.uber.com/xp/>> (as of May 1, 2020).)
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1 64. Each Defendant introduces and then takes away features from its App in accordance
2 with its own business decisions. Each Defendant exerts control over its App, and thereby over its
3 Drivers.

4 **B. Part B of the ABC Test (“usual course of business”)**

5 65. Each Defendant’s Drivers are engaged in work that is within the usual course of each
6 Defendant’s business: the provision of on-demand rides. Each Defendant is a transportation
7 company that sells on-demand rides to its customers, i.e., its Passengers, who book and pay for
8 such rides through the Defendant’s App.

9 66. Drivers provide the on-demand ride. They are an integrated and essential part of each
10 Defendant’s transportation business. The immediate availability and temporal convenience of an
11 on-demand ride is the service that each Defendant sells to its Passengers.

12 67. Each Defendant publicly holds itself out to the public as a transportation company in
13 the business of selling on-demand rides.

14 68. Lyft has trademarked the slogan, “Your Friend with a Car.” Lyft advertises: “Get a
15 Ride Whenever You Need One”; “A ride in minutes”; and “Our drivers are always nearby so you
16 can get picked up, on demand, in minutes.”

17 69. Uber has trademarked the slogan, “Everyone’s Private Driver.” Uber advertises: “We
18 built Uber to deliver rides at the touch of a button”; “Always the ride you want”; “Request a ride,
19 hop in, and go”; “Sign up to ride. Rides on demand”; and “Get a reliable ride in minutes, at any
20 time and on any day of the year.”

21 70. Each Defendant represents to Passengers that it prescribes the qualifications of
22 Drivers on its App, as well as standards for Drivers’ quality of services. Each Defendant bills its
23 Passengers directly for the entire amount of the on-demand ride, and each Defendant’s Passengers
24 pay the fare for the service to each Defendant, not to the Driver. If a Passenger has an issue with
25 the quality of the on-demand ride provided through Defendant’s App, they report that problem to
26 Defendant, and Defendant may refund or cancel the Passenger’s fare.
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1 71. Each Defendant is financially integrated with and dependent on its Drivers. Each
2 Defendant only generates income for its ride-hailing business if its Drivers transport and provide
3 rides to its Passengers. Each Defendant sets the fare its Passengers pay, collects the entire
4 amount of the fare from its Passengers, and then disburses a percentage of those fares to its
5 Drivers as compensation for providing the on-demand ride its Passenger ordered while keeping
6 the remainder of the fare for itself. Without its Drivers' labor to provide Defendant's service, the
7 on-demand ride, each Defendant's ride-hailing business would not exist.

8 72. Defendants do not facilitate a marketplace or matchmaking service between
9 independent Drivers and Passengers. Instead, they utilize their substantial resources and
10 technology to shape every facet of the service they sell to Passengers—a branded, on-demand
11 ride. To offer an on-demand ride, Defendants use their technology to choreograph the
12 deployment of countless Drivers in a localized geographic area, and integrate themselves into
13 every aspect of how those Drivers provide the service of getting Passengers to their destinations.

14 73. Far from being a mere technology company, each Defendant is deeply enmeshed in
15 the provision of transportation services. Each Defendant controls its Passengers' access to its on-
16 demand ride service and its Drivers' access to providing such services. Each Defendant
17 prescribes qualifications for its Drivers, determines its Driver supply, and designs and monitors
18 the level and quality of service that its Drivers must provide to Defendant's Passengers. Each
19 Defendant sets the fees, pricing, and incentives on its rides, and each Defendant uses its App to
20 distribute its Drivers across a geographic area to provide an on-demand ride at a price and
21 quantity that each Defendant, in its business discretion, deems the most beneficial to its business
22 model and delivery of services.

23 74. Each Defendant also engages in extensive data collection and surveillance of its
24 Drivers, tracking its Drivers' hours, movements, quality of services, and other metrics from when
25 the Drivers log on to Defendant's App until they log off. Each Defendant uses this data to
26 monitor and make disciplinary decisions regarding its Drivers, as well as for other business
27 purposes.
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1 75. Lyft’s prospectus for its 2019 initial public offering (“IPO”) describes how its overall
2 business strategy depends on its Drivers. Lyft describes its growth strategy as “continu[ing] to
3 add density to our ridesharing marketplace *by attracting and retaining drivers* to our platform to
4 further improve the rider experience.” (See Lyft SEC S-1, p. 1 [Filing Date: March 1, 2019],
5 emphasis added.) The prospectus identifies a “key factor” affecting Lyft’s performance as
6 “*maintaining an ample number of drivers* to meet rider demand in our ridesharing marketplace.”
7 (Id., at p. 88, emphasis added.) In response to the fundamental question underlying Lyft’s
8 business model, “Why Lyft Wins,” Lyft’s IPO prospectus definitively answers: because Lyft is
9 “Driver-Centric.” (Id., at p. 3.)

10 76. Uber’s prospectus for its 2019 IPO also describes how Drivers, and the labor they
11 furnish providing on-demand rides, are the lifeblood of its business strategy. Uber does not
12 mince words: “If we are unable to attract or maintain a critical mass of Drivers . . . our platform
13 will become less appealing to platform users, *and our financial results would be adversely*
14 *impacted Any decline in the number of Drivers . . . using our platform would reduce the*
15 *value of our network and would harm our future operating results.”* (See Uber SEC S-1, *supra*,
16 at pp. 29-30, emphasis added.) Uber’s business model begins and ends with its Drivers.

17 **C. Part C of the ABC Test (“independently established trade, occupation, or**
18 **business”)**

19 77. Each Defendant’s Drivers are not engaged in an independently established trade,
20 occupation, or business of the same nature as the work they perform for each Defendant. Driving
21 itself is not a distinct trade, occupation, or business.

22 78. When driving for each Defendant, Drivers are not engaged in their own transportation
23 business, but are instead driving Passengers and generating income for the respective Defendant.

24 79. There are no specialized skills or training necessary to drive passengers on a ride-
25 hailing service. Consequently, each Defendant permits Drivers without any such skills or training
26 to provide on-demand rides on its App. For example, both of Defendant’s largest ride-hailing
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1 options, “Lyft” and “UberX,” permit Drivers to offer ride-hailing services with an ordinary
2 driver’s license and a personal vehicle.

3 80. Each Defendant provides its Drivers with a necessary tool and instrumentality to
4 perform their on-demand, ride-hailing services—its App.

5 81. Each Defendant’s App is the exclusive means by which Passengers and Drivers can
6 connect to, request, and provide each Defendant’s on-demand rides.

7 82. Each Defendant’s Drivers generally invest little to no capital to drive for each
8 Defendant. To offer ride-hailing services on each Defendant’s App, Drivers only need a
9 smartphone and a car.

10 83. Each Defendant directly shapes its Drivers’ earnings, and thereby effectively prevents
11 its Drivers from attaining the profits and losses that would ordinarily be the hallmarks of running
12 their own independent businesses.

13 84. Each Defendant, not its Drivers, prescribes the key factors that determine its Drivers’
14 earnings. Each Defendant sets the prices charged to its Passengers, and controls its Drivers’ rate
15 of pay, its Drivers’ territory, the supply of its Drivers on the overall App, and the marketing and
16 advertising of each Defendant’s brand.

17 85. The limited economic levers that each Defendant leaves to its Drivers, such as
18 whether to drive at busier times or for more hours, are not consistent with the level of decision-
19 making normally exercised by entrepreneurs or those operating their own independent businesses.

20 86. Each Defendant limits its Drivers’ ability to freely decline and cancel rides that
21 Drivers think will be unprofitable.

22 87. Each Defendant limits its Drivers’ ability to see all ride requests in an area, and thus
23 to gauge their potential earnings based on demand for their services.

24 88. Each Defendant limits its Drivers’ ability to share their accounts with other Drivers,
25 thereby curtailing its Drivers’ ability to individually expand their business offerings.
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1 89. Each Defendant prohibits its Drivers from soliciting Passenger information, limiting
2 the ability of its Drivers to market themselves independently for repeat rides outside of
3 Defendant’s App.

4 90. Each Defendant limits its Drivers’ ability to take advantage of its App’s financial
5 incentives in an entrepreneurial fashion. Each Defendant specifically targets individual Drivers it
6 invites to participate in various, time-limited financial incentives that, for example, reward
7 Drivers for driving longer, or for driving at certain times and places. These financial incentives
8 are targeted to individual Drivers based on each Defendant’s own opaque criteria as implemented
9 by the algorithmic decision-making engines in its App. By selecting which Drivers will be
10 invited to participate in which financial incentives and on what individualized terms, each
11 Defendant, in effect, chooses which Drivers are financial “winners” and “losers.” Each
12 Defendant as the employer, not the Driver as an “entrepreneur,” determines the Driver’s earnings.

13 91. Each Defendant controls its Drivers’ ability to earn compensation via its App, making
14 trade-offs between its Drivers’ earnings and the price each Defendant charges to Passengers to the
15 benefit of each Defendant’s profit.

16 92. Lyft describes these trade-offs in its 2019 annual SEC report reporting that “changes”
17 made by Lyft “may be viewed positively from one group’s perspective (such as riders)” and
18 “negatively from another’s perspective such as (drivers).” (See Lyft SEC 10-K, *supra*, at p. 24.)

19 93. Uber’s SEC filings describe how the “greatest impact” on Uber’s Take Rate (the
20 company’s “take” on the difference between the Passenger’s fare on a ride and what the ride-
21 hailing company pays out to the Driver) has “historically” come through Uber’s unilateral
22 “adjustments to Driver incentives.” (See Uber SEC S-1, *supra*, at p. 100.) In its 2019 IPO
23 prospectus, Uber freely admits the control it exerts over its Drivers’ earnings—and the fact that
24 Uber’s own profit comes at its Drivers’ expense: “[A]s we aim to reduce Driver incentives to
25 improve our financial performance, we expect Driver dissatisfaction will generally increase.”
26 (*Id.*, at p. 30.)
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1 **IV. DEFENDANTS’ UNLAWFUL MISCLASSIFICATION OF DRIVERS**
2 **RESULTS IN UNLAWFUL AND UNFAIR BUSINESS PRACTICES.**

3 94. It is evident that Defendants cannot meet their burden of showing that their Drivers
4 are independent contractors under California’s ABC test for misclassification as adopted in
5 *Dynamex, supra*, 4 Cal.5th 903, and as codified in A.B. 5 and in subsequent amendments to the
6 Labor Code. Under Part A of the ABC test, Defendants exercise control over their Drivers
7 through their Apps, which, in combination with their policies, function like algorithmic managers
8 that effectively supervise Defendants’ Drivers like human managers. Under Part B of the ABC
9 test, Drivers perform services within Defendants’ usual course of business—providing on-
10 demand rides. Under Part C of the ABC test, Defendants cannot show that Drivers have
11 established independent businesses.

12 95. Uber claims that “Drivers are at the heart of our service” and Lyft claims that Drivers
13 are “what makes Lyft ... Lyft.” But by misclassifying their Drivers, Defendants have devised an
14 unlawful business model that denies these very same Drivers the protections and benefits they
15 have rightfully earned as employees, and thereby gained an unlawful and unfair competitive
16 advantage in the marketplace. Defendants’ misclassification scheme hurts vulnerable Drivers,
17 undermines law-abiding competitors, evades Defendants’ responsibility to contribute their share
18 as employers into the State’s social insurance programs, and harms taxpayers who are often called
19 upon to address the negative consequences to Drivers and their families of Defendants’
20 exploitative employment practices.

21 **A. Defendants’ unlawful misclassification deprives Drivers of their rights as**
22 **employees.**

23 96. Defendants’ misclassification of their Driver workforce has allowed Defendants to
24 gain an unlawful competitive advantage over their competitors by circumventing the protections
25 and benefits that the law requires employers to provide to their employees. The laws violated by
26 Defendants include, but are not limited to, requirements relating to minimum wages, overtime
27 wages, business expenses, meal and rest periods, wage statements, paid sick leave and health
28 benefits, and social insurance programs.

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1. Minimum Wages

97. The law requires Drivers, as employees, to be paid the applicable state or local minimum wage for each hour worked, regardless of the compensation formula or method.

98. Defendants do not guarantee their Drivers a minimum wage under state and local laws. Instead, each Defendant pays its Drivers for completed rides based on the time and distance of the ride and other factors dictated by each Defendant, including, but not limited to, dynamic pricing pay surges, base rates, and minimum fares.

99. Defendants do not pay their Drivers for all their hours worked. Examples where each Defendant fails to pay its Drivers include, but are not limited to, time spent refueling, time spent cleaning and maintaining their vehicles, time spent for off-duty rest periods, time spent driving to and returning from rides, and time spent logged on and monitoring each Defendant’s App for ride requests. Defendants cannot provide on-demand rides without the performance of these tasks.

100. At all relevant times, Defendants have failed and—to the extent Proposition 22 is unconstitutional or otherwise invalid—continue to fail to meet their minimum wage obligations with respect to their Drivers, including hours that are entirely unpaid and hours that are paid at less than the applicable minimum wage.

2. Overtime Wages

101. The law requires Drivers, as employees, to be paid the applicable overtime rate of pay (one-and-one-half times or two times the Drivers’ regular rate of pay) for all hours worked in excess of forty per week, all hours worked in excess of eight per day, and all hours worked on the seventh consecutive day of work in a workweek.

102. Defendants do not pay their Drivers overtime as required by law, despite the fact that Drivers working overtime help Defendants to ensure the steady and constant supply of rides on which Defendants’ businesses depend.

103. At all relevant times, Defendants have failed and—to the extent Proposition 22 is unconstitutional or otherwise invalid—continue to fail to meet these overtime pay obligations with respect to their Drivers.

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3. Business Expenses

104. The law requires Drivers, as employees, to be paid or reimbursed for the necessary expenses in performing their work.

105. Drivers pay for business expenses they incur in the course and scope of performing their work for Defendants, including, but not limited to, vehicle expenses (wear-and-tear, registration, insurance, gas, maintenance, repairs, etc.) and phone and data expenses associated with using Defendants’ Apps.

106. These expenses are substantial. For example, the Internal Revenue Service publishes a “standard mileage rate,” which currently estimates the cost of operating a vehicle for business purposes at 57.5 cents per mile. Drivers provide ride-hailing services for Defendants using their vehicles, without any reimbursement for this significant, work-related expense.

107. Defendants impose all the costs of operating the vehicles necessary to perform their ride-hailing business on Drivers, though Defendants could not operate their ride-hailing business without them.

108. At all relevant times, Defendants have failed and—to the extent Proposition 22 is unconstitutional or otherwise invalid—continue to fail to meet these expense reimbursement obligations with respect to their Drivers.

4. Meal and Rest Periods

109. The law requires Drivers, as employees, to be provided with one 30-minute duty-free meal period for a work period of more than five hours, and a second 30-minute duty-free meal period for a work period more than ten hours. The law further requires Drivers, as employees, to be provided a ten-minute, paid, off-duty rest period for every four hours worked, or major fraction thereof. Authorized or required rest period time shall be counted as paid time worked.

110. Defendants do not provide for off-duty meal periods and do not authorize or permit paid, off-duty rest periods. Defendants do not provide a premium of one hour of pay at the employee’s regular rate of compensation for each failure, as required by law.

1 111. At all relevant times, Defendants have failed and—to the extent Proposition 22 is
2 unconstitutional or otherwise invalid—continue to fail to meet these meal and rest period
3 obligations with respect to their Drivers.

4 **5. Wage Statements**

5 112. The law requires Drivers to receive regular and complete itemized wage statements
6 from Defendants, which include, as applicable, gross and net wages earned, hours worked, hourly
7 wages, piece rate wages, rest period pay, and nonproductive time pay.

8 113. Defendants do not provide Drivers with itemized wage statements in conformance
9 with California law.

10 114. At all relevant times, Defendants have failed and—to the extent Proposition 22 is
11 unconstitutional or otherwise invalid—continue to fail to meet these wage statement obligations
12 with respect to their Drivers.

13 **6. Paid Sick Leave and Health Benefits**

14 115. The law requires Drivers to be provided paid sick leave benefits as specified under
15 California law and various local laws, including, but not limited to, the Los Angeles, San Diego,
16 and San Francisco sick leave ordinances.

17 116. The law currently requires Drivers in San Francisco to receive health care
18 expenditures of \$3.08 per hour. In recent years the rate has ranged between \$2.53 and \$3.08 per
19 hour.

20 117. Drivers do not accrue the paid sick leave benefits or receive the health care
21 expenditures from Defendants that employers are required to provide under state and local law.

22 118. At all relevant times, Defendants have failed and—to the extent Proposition 22 is
23 unconstitutional or otherwise invalid—continue to fail to meet these sick leave and health care
24 expenditure obligations with respect to their Drivers.

25 **7. Social Insurance Programs**

26 119. The law requires Defendants to remit contributions or take other mandatory actions
27 under the State’s social insurance programs, including, but not limited to, unemployment
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1 insurance, disability insurance, paid family leave, workers' compensation, and San Francisco's
2 Paid Parental Leave Ordinance.

3 120. These programs are intended to provide wage replacement and other benefits in the
4 event an employee loses a job, becomes disabled or injured (whether on the job or off), needs to
5 care for a family member, or is otherwise unable to work.

6 121. At all relevant times, Defendants have failed—to the extent Proposition 22 is
7 unconstitutional or otherwise invalid—continue to fail to meet these social insurance program
8 obligations with respect to their Drivers as employees.

9 **B. Defendants' unlawful misclassification harms law-abiding competitors and**
10 **would-be competitors.**

11 122. Defendants' unfair and unlawful treatment of their Drivers also confers an unfair
12 advantage on Defendants over their law-abiding competitors and would-be competitors.
13 Defendants utilize the illegitimate savings they gain from depriving their Drivers of the full
14 compensation and benefits they earn as employees to offer their ride-hailing services at an
15 artificially low cost, decimating competitors and generating billions of dollars in private investor
16 wealth off the backs of vulnerable Drivers.

17 123. Defendants' misclassification of their Drivers allows both companies to unlawfully
18 reduce a substantial portion of the labor and vehicle fleet costs they would otherwise incur if they
19 lawfully classified and compensated their Drivers as employees, including reimbursing Drivers
20 for their vehicle maintenance and fuel expenses.

21 124. Because driver compensation, along with vehicle maintenance and fuel expenses,
22 generally constitutes the lion's share of operating costs for a car service, Defendants' illicit
23 savings allow them to gain an out-sized competitive advantage over other transportation
24 providers. Defendants' misclassification scheme unlawfully shifts the substantial labor and
25 vehicle costs of running a transportation service from well-resourced Defendants onto their
26 under-resourced Drivers, placing law-abiding competitors who bear those costs themselves at a
27 substantial competitive disadvantage.
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- c. Failing to pay Drivers who worked in San Francisco at least the San Francisco minimum wage for all time worked as required by the San Francisco Minimum Wage Ordinance, San Francisco Administrative Code, Chapter 12R;
- d. Failing to pay Drivers who worked in Los Angeles at least the Los Angeles minimum wage for all time worked as required by the Los Angeles Minimum Wage Ordinance, Los Angeles Municipal Code, Chapter 18, Article 7, section 187.00 et seq.;
- e. Failing to pay Drivers who worked in San Diego at least the San Diego minimum wage for all time worked as required by the City of San Diego Earned Sick Leave and Minimum Wage Ordinance, San Diego Municipal Code, Chapter 3, Article 9, Division 1;
- f. Failing to pay Drivers the appropriate premium for overtime hours worked as required by Labor Code sections 510, 1194, 1198, and I.W.C. Wage Order 9-2001, section 3(A);
- g. Failing to reimburse Drivers for business expenses and losses as required by Labor Code section 2802;
- h. Failing to provide meal periods and pay meal period premiums as required by Labor Code sections 226.7, 512, and I.W.C. Order 9-2001, section 11;
- i. Failing to authorize, permit, and pay for rest periods and rest period premiums as required by Labor Code section 226.7 and I.W.C. Wage Order 9-2001, section 12;
- j. Failing to provide Drivers with itemized written statements as required by Labor Code section 226, and failing to maintain and provide Drivers with records as required by I.W.C. Wage Order 9-2001, section 7;
- k. Failing to provide paid sick leave to Drivers as required by Labor Code section 246;
- l. Failing to provide paid sick leave to Drivers who worked in San Francisco, as required by the San Francisco Paid Sick Leave Ordinance, San Francisco Administrative Code, Chapter 12W;

- 1 m. Failing to provide paid sick leave to Drivers who worked in Los Angeles, as required by
2 the City of Los Angeles Paid Sick Leave Ordinance, Los Angeles Municipal Code
3 section 187.00 et seq.;
- 4 n. Failing to provide paid sick leave to Drivers who worked in San Diego, as required by
5 the City of San Diego Earned Sick Leave and Minimum Wage Ordinance, San Diego
6 Municipal Code Chapter 3, Article 9, Division 1;
- 7 o. Failing to make health care expenditures on behalf of Drivers who worked in San
8 Francisco as required by the San Francisco Health Care Security Ordinance, San
9 Francisco Administrative Code, Chapter 14;
- 10 p. Failing to pay Drivers who worked in San Francisco as required by the San Francisco
11 Paid Parental Leave Ordinance, San Francisco Police Code, Article 33H;
- 12 q. Failing to pay unemployment insurance taxes for Drivers as required by Unemployment
13 Insurance Code section 976;
- 14 r. Failing to pay Employment Training Fund taxes for Drivers as required by
15 Unemployment Insurance Code section 976.6;
- 16 s. Failing to withhold and remit State Disability Insurance taxes for Drivers as required by
17 Unemployment Insurance Code section 986;
- 18 t. Failing to withhold and remit state income taxes for Drivers as required by
19 Unemployment Insurance Code sections 13020 and 13021;
- 20 u. Failing to provide workers' compensation for Drivers as required by Labor Code
21 section 3700; and
- 22 v. Failing to provide other rights and benefits to Drivers under the Labor Code, I.W.C.
23 Wage Order 9-2001, and other local employee protection laws.

24 129. Each Defendant's misclassification of its Drivers as independent contractors and
25 accompanying failure to comply with numerous provisions of the California Labor Code,
26 including the employee classification provisions of Labor Code section 2750.3 (A.B. 5),
27 recodified at Labor Code section 2775 et seq., and applicable local ordinances, constitutes an
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1 unlawful and unfair business practice and, therefore, violates California’s Unfair Competition
2 Law. (Bus. & Prof. Code, §17200 et seq.)

3
4 **SECOND CAUSE OF ACTION**

5 **INJUNCTIVE RELIEF FOR VIOLATIONS UNDER THE LABOR CODE**
6 **(Labor Code § 2786)**
7 **(Against all Defendants)**

8 130. The People reallege and incorporate by reference each allegation contained in the
9 above paragraphs as if fully set forth herein.

10 131. The Labor Code permits an action for injunctive relief to prevent the continued
11 misclassification of employees as independent contractors. (Lab. Code, § 2750.3, subd. (j) (A.B.
12 5), recodified at Lab. Code, § 2786.) This action may be prosecuted by the Attorney General, or
13 by a City Attorney of a city having a population in excess of 750,000, or by a City Attorney in a
14 city and county.

15 132. At all relevant times, Defendants have misclassified, and—to the extent Proposition
16 22 is unconstitutional or otherwise invalid—continue to misclassify Drivers as independent
17 contractors.

18 133. The People seek an order of this Court, pursuant to Labor Code section 2786 and to
19 the extent Proposition 22 is unconstitutional or otherwise invalid, to prevent the continued
20 misclassification of each Defendant’s Drivers as independent contractors.

21 **PRAYER FOR RELIEF**

22 WHEREFORE, the People pray for the following relief:

23 1. Pursuant to Business and Professions Code section 17203, and to the extent that
24 Proposition 22 is unconstitutional or otherwise invalid, that each Defendant, their successors,
25 agents, representatives, employees, and all persons who act in concert with each Defendant, be
26 permanently enjoined from engaging in unfair competition as defined in Business and Professions
27 Code section 17200 et seq., including, but not limited to, the acts and practices alleged in this
28 First Amended and Supplemental Complaint;

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2 2. Pursuant to Business and Professions Code section 17203, that the Court enter all
3 judgments as may be necessary to restore to any person in interest any money or property that
4 may have been acquired by violations of Business and Professions Code section 17200 as may be
5 proved at trial;

6 3. Pursuant to Business and Professions Code section 17206, that each Defendant be
7 assessed a civil penalty in an amount up to \$2,500 for each violation of Business and Professions
8 Code section 17200 et seq., as proven at trial;

9 4. Pursuant to Business and Professions Code section 17206.1, that each Defendant be
10 assessed an additional civil penalty in an amount up to \$2,500 for each violation of the UCL
11 perpetrated against a senior citizen or disabled person, as proven at trial;

12 5. Pursuant to Labor Code section 2786 and to the extent that Proposition 22 is
13 unconstitutional or otherwise invalid, an order to prevent each Defendant from continuing to
14 misclassify its Drivers as independent contractors;

15 6. That the People recover their costs of suit; and

16 7. Such other and further relief that the Court deems appropriate and just.

17 Dated: June 17, 2022

Respectfully Submitted,

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I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed June 21, 2022, at Los Angeles, California.

Julia Briggs
Declarant


Signature