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1	SHANNON LISS-RIORDAN (SBN 310719)	San Francisco County Superior Court
2	(sliss@llrlaw.com) LICHTEN & LISS-RIORDAN, P.C.	MAY 08 2018
3	729 Boylston Street, Suite 2000	,
	Boston, MA 02116	CLERK OF THE COURT  BY: KALENE APOLONIO
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6	Attorney for Plaintiffs Matthew Talbot and Mon	
7	on behalf of themselves and all others similarly s	Sишиеи
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9	SUPERIOR COURT OF TH	E STATE OF CALIFORNIA
	EOD THE COUNTY	OF SAN FRANCISCO
10	FOR THE COUNTY	OF SAIN FRANCISCO
11		Case No.
12	MATTHEW TALBOT AND MONICA	Case IVO.
13	GARCIA, individually and on behalf of all	
14	others similarly situated,	CLASS ACTION COMPLAINT
15	Plaintiffs,	1. FAILURE TO REIMBURSE FOR
	v.	BUSINESS EXPENSES (CAL. LAB.
16		CODE § 2802) 2. MINIMUM WAGE (CAL. LABOR
17	LYFT, INC.,	CODE §§ 1194, 1197)
18	Defendant.	3. OVERTIME (CAL. LABOR CODE § 1194, 1198, 510, AND 554)
19		4. WILLFUL MISCLASSIFICATION
20		(CAL. LABOR CODE § 226.8) 5. UNLAWFUL AND/OR UNFAIR
21		BUSINESS PRACTICES (CAL. BUS
22		& PROF. CODE §§17200-17208)
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#### INTRODUCTION

- 1. This case is brought on behalf of individuals who have worked as Lyft drivers in California. Lyft, Inc. ("Lyft"), is a car service, which engages thousands of drivers across the state of California to transport riders. Lyft is based in San Francisco, California, and it does business across the United States and extensively throughout California.
- 2. As described further below, Lyft has willfully misclassified its drivers including Plaintiffs Matthew Talbot and Monica Garcia Dora, in violation of Cal. Labor Code § 226.8. Additionally, because of drivers' misclassification as independent contractors, Lyft has unlawfully required drivers to pay business expenses (including expenses to own or lease a vehicle and maintain and fuel it, as well as phone/data expenses) in violation of Cal. Lab. Code §2802 and has also failed to pay required minimum wage for all hours worked in violation of Cal. Lab. Code §§ 1197 and 1194. Lyft has also failed to pay overtime wages in violation of Cal. Lab. Code §§ 1194, 1198, 510, and 554.

#### II. <u>PARTIES</u>

- 3. Plaintiff Matthew Talbot is an adult resident of San Francisco, California, where he has worked as a Lyft driver.
- 4. Plaintiff Monica Garcia is an adult resident of West Covina, California, where she has worked as a Lyft driver.
- 5. Plaintiffs brings this action on their own behalf and on behalf of all others similarly situated, namely all other individuals who have worked as drivers for Lyft throughout California.
  - 6. Defendant Lyft, Inc. ("Lyft") is a headquartered in San Francisco, California.

#### III. <u>JURISDICTION</u>

- 7. This Court has jurisdiction over Plaintiffs' claims pursuant to California Code of Civil Procedure § 410.10.
  - 8. The monetary relief which Plaintiffs seek is in excess of the jurisdictional

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Venue is proper in this Court pursuant to Code of Civ. P. §§ 395 and 395.5 because Lyft is headquartered in San Francisco County. Furthermore, Defendant engages in business activities in and throughout the State of California, including San Francisco County.

minimum required by this Court and will be established according to proof at trial.

#### IV. STATEMENT OF FACTS

- 10. Lyft is a San Francisco-based transportation service, which engages drivers across the state of California to transport riders.
- Lyft offers customers the ability to order rides via a mobile phone application, 11. which its drivers then carry out.
- 12. Plaintiff Matthew Talbot has driven for Lyft at various times, including over the last year, and continues to drive for Lyft.
- 13. Plaintiff Monica Garcia has driven for Lyft at various times, including over the last year, and continues to drive for Lyft.
- 14. Lyft classifies its drivers like Mr. Talbot and Ms. Garcia as "independent contractors," but under California law they should be classified as employees.
- 15. Drivers provide a service in the usual course of Lyft's business because Lyft is a car service that provides transportation to its customers, and drivers such as Mr. Talbot and Ms. Garcia perform that transportation service. Lyft holds itself out as a transportation service, and it generates its revenue primarily from customers paying for the very rides that its drivers perform. Without drivers to perform rides, Lyft would not exist.
- 16. Lyft also requires its drivers to abide by a litary of policies and rules designed to control the drivers' work performance. Lyft both retains the right to, and does in fact exercise, control over the drivers' work.
- 17. Lyft drivers are not typically engaged in their own transportation business. When driving Lyft customers, they wear the "hat" of Lyft.

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- 18. Lyft communicates directly with customers and follows up with drivers if the customer complains that the ride failed to meet their expectations. Based on any customer feedback, Lyft may suspend or terminate drivers at its sole discretion.
- 19. Lyft does not reimburse drivers for any expenses they may occur while working for Lyft, including, but not limited to the cost of owning or leasing and maintaining their vehicles, gas, insurance, and phone and data expenses for running the Lyft Application. Drivers incur these costs as a necessary expenditure to work for Lyft, which California law requires employers to reimburse.
- 20. Lyft has violated Cal. Lab. Code §§ 1197 and 1194 by failing to ensure that its drivers receive the applicable state minimum wage for all hours worked.
- 21. Lyft has violated Cal. Lab. Code §§ 1194, 1198, 510 and 554 by failing to pay its drivers the appropriate overtime premium for all overtime hours worked.
- Operations W., Inc. v. Superior Court, No. S222732, 2018 WL 1999120 (Cal. Apr. 30, 2018), which makes clear that Lyft drivers should be classified as employees rather than as independent contractors under California law for purposes of wage-and-hour statutes like the ones at issue here. Under the "ABC" test adopted in <a href="Dynamex">Dynamex</a>, in order to justify classifying the drivers as independent contractors, Lyft would have to prove that its drivers perform services outside its usual course of business, which it cannot do. Notwithstanding this decision, Lyft has willfully continued to misclassify its couriers as independent contractors.

#### V. CLASS ALLEGATIONS

- 23. Plaintiffs Matthew Talbot and Monica Garcia brings this case as a class action pursuant to California Code of Civil Procedure § 382 on behalf of all Lyft drivers who have worked for Lyft in California.
  - 24. Plaintiffs and other class members have uniformly been deprived reimbursement

of their necessary business expenditures.

- 25. The members of the class are so numerous that joinder of all class members is impracticable.
- 26. Common questions of law and fact regarding Lyft's conduct in classifying drivers as independent contractors, failing to reimburse them for business expenditures, and failing to ensure they are paid at least minimum wage and overtime for all weeks, exist as to all members of the class and predominate over any questions affecting solely any individual members of the class. Among the questions of law and fact common to the class are:
  - a. Whether the work performed by class members—providing driving services to customers—is within Lyft's usual course of business;
  - b. Whether class members are typically engaged in their own businesses or whether they wear the "hat" of Lyft when performing transportation services;
  - c. Whether class members have been required to follow uniform procedures and policies regarding their work for Lyft;
  - d. Whether these class members have been required to bear the expenses of their employment, such as expenses for maintaining their vehicles and expenses for gas, insurance, phone and data plan.
- 27. Named Plaintiffs Matthew Talbot and Monica Garcia are class members who suffered damages as a result of Defendant's conduct and actions alleged herein.
- 28. The named plaintiffs' claims are typical of the claims of the class, and the named plaintiff has the same interests as the other members of the class.
- 29. The named plaintiffs will fairly and adequately represent and protect the interests of the class. The named plaintiffs have retained able counsel experienced in class action litigation. The interests of the named plaintiffs are coincident with, and not antagonistic to, the interests of the other class members.

- 30. The questions of law and fact common to the members of the class predominate over any questions affecting only individual members, including legal and factual issues relating to liability and damages.
- 31. A class action is superior to other available methods for the fair and efficient adjudication of this controversy because joinder of all class members is impractical. Moreover, since the damages suffered by individual members of the class may be relatively small, the expense and burden of individual litigation makes it practically impossible for the members of the class individually to redress the wrongs done to them. The class is readily definable and prosecution of this action as a class action will eliminate the possibility of repetitive litigation. There will be no difficulty in the management of this action as a class action.

# COUNT I Expense Reimbursement Violation of Cal. Lab. Code § 2802

30. Defendant's conduct, as set forth above, in misclassifying Lyft drivers as independent contractors, and failing to reimburse them for expenses they paid that should have been borne by their employer, constitutes a violation of California Labor Code Section 2802. This claim is brought on behalf of a class of similarly situated individuals who have worked for Lyft in California.

# COUNT II Willful Misclassification Violation of Cal. Lab. Code § 226.8

31. Defendant's conduct, as set forth above, in continuing to classify drivers as independent contractors notwithstanding the California Supreme Court's decision in <a href="Dynamex">Dynamex</a>
<a href="Dynamex">Operations W., Inc. v. Superior Court</a>, No. S222732, 2018 WL 1999120 (Cal. Apr. 30, 2018), which makes clear that drivers are employees under California law, violates Cal. Lab. Code

§226.8 and constitutes willful misclassification. This claim is brought on behalf of a class of similarly situated individuals who have worked for Lyft in California.

# COUNT III Minimum Wage Violation of Cal. Lab. Code §§ 1197 and 1194

32. Defendant's conduct, as set forth above, in failing to pay its employees minimum wage for all hours worked as required by California law, violates Cal. Lab. Code §§ 1197 and 1194. This claim is brought on behalf of a class of similarly situated individuals who worked for Lyft in California.

### COUNT IV Overtime Violation of Cal. Lab. Code §§ 1194, 1198, 510 and 554

33. Defendant's conduct, as set forth above, in failing to pay its employees the appropriate overtime premium for overtime hours worked as required by California Law, violates Cal. Lab. Code §§ 1194, 1198, 510 and 554. This claim is brought on behalf of a class of similarly situated individuals who worked for Lyft in California.

# COUNT V <u>Unfair Business Practices</u> Violation of Cal. Bus. & Prof. Code §17200, et seq.

34. Defendant's conduct, as set forth above, violates the California Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 et seq. ("UCL"). Defendant's conduct constitutes unlawful business acts or practices, in that Defendant has violated California Labor Code §§ 2802, 1194, 1197, and 226.8. As a result of Defendant's unlawful conduct, Plaintiffs and class members suffered injury in fact and lost money and property, including, but not limited to business expenses that drivers were required to pay and wages that drivers were due. Pursuant to California Business and Professions Code § 17203, Plaintiffs and class members seek

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declaratory and injunctive relief for Defendant's unlawful conduct and to recover restitution.

Pursuant to California Code of Civil Procedure § 1021.5, Plaintiffs and class members who worked for Lyft are entitled to recover reasonable attorneys' fees, costs, and expenses incurred in bringing this action.

WHEREFORE, Plaintiffs request that this Court enter the following relief:

- a. Declare and find that the Defendant violated the UCL and Cal. Lab. Code §§ 2802, 1194, 1197, and 226.8;
- b. Certify a class action under Count I through V and appoint Plaintiffs Matthew Talbot and Monica Garcia and their counsel to represent a class of Lyft drivers who have worked in California;
- c. Award compensatory damages, including all expenses and wages owed, in an amount according to proof;
- d. Award pre- and post-judgment interest;
- e. Award reasonable attorneys' fees, costs, and expenses;
- f. Injunctive relief in the form of an order requiring Defendant to comply with the California Labor Code; and
- g. Any other relief to which the Plaintiffs may be entitled.

Respectfully submitted,

MATTHEW TALBOT and MONICA GARCIA, individually and on behalf of all others similarly situated,

By their attorney,

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