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Uber settles California drivers' underpayment claims for \$350k

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(Reuters) - A federal judge in San Francisco has given preliminary approval to a \$350,000 settlement between Uber Technologies Inc and up to 4,600 of its drivers around the country who say the ride-hailing company underpaid them.

U.S. District Judge William Alsup on Tuesday said the deal amounted to about half of the maximum damages the drivers claimed they would recover if they won the case, and was fair and reasonable. The drivers said Uber breached its contract with them by not giving them their full share of fares charged to passengers.

Alsup last month put off approval of the deal, saying a proposed release that drivers would have to sign to participate in the settlement was too broad because it could prevent them from bringing claims against Uber that differed from those in the lawsuit. The judge on Tuesday said a tweaked version limited to the claims made in the case was satisfactory.

San Francisco-based Uber, which is represented by O'Melveny & Myers, did not immediately respond to a request for comment.

Paul Maslo of Napoli Shkolnik in New York, who represents the drivers, declined to comment. He said he was not aware of settlements in any similar cases against Uber.

Uber has faced several other breach of contract cases by drivers, and dozens of lawsuits claiming it misclassified drivers as independent contractors, but many of them have been sent to arbitration.

Tuesday's case is one of many against the company in which proposed or certified classes were limited to the small number of Uber drivers who had opted out of arbitration agreements the company asked drivers to sign. Several courts have rejected challenges to Uber's arbitration agreements, and the U.S. Supreme Court in a May ruling in Epic Systems Corp v. Lewis said class-action waivers like the ones signed by most Uber drivers are valid.

Maslo and his firm also represent Uber drivers in the only case alleging misclassification in which a class of drivers who opted out of arbitration has been certified. That case, in federal court in Greensboro, North Carolina, may go to trial next year.

The drivers in Tuesday's case said in a complaint filed last year that Uber in 2016 began calculating costs to passengers before a ride by estimating the time and distance. But drivers were compensated based on the actual cost of a ride, they said, and Uber pocketed the difference when there was one.

They said Uber breached its contracts with drivers by not giving them the share they were promised.

Uber in a motion to dismiss last year said the fare defined in the driver agreement, and which determined their pay, was not the total amount charged to passengers for ride, and the plaintiffs had improperly conflated the two in their complaint.

Alsup last year denied the motion, saying the agreements signed by drivers were unclear on how the fares that determined drivers' pay were calculated. The judge certified the class in January.

The case is *Dulberg v. Uber*, U.S. District Court for the Northern District of California, No. 3:17-cv-0850.

For Dulberg: Paul Maslo of Napoli & Shkolnik

For Uber: Randall Edwards of O'Melveny & Myers

---- **Index References** ----

Company: EPIC SYSTEMS CORP; O'MELVENY AND MYERS LLP; UBER TECHNOLOGIES INC

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