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Uber drivers propose \$1.3 mln deal in nationwide misclassification case

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(Reuters) - A nationwide class of more than 5,000 Uber Technologies Inc drivers on Tuesday proposed a \$1.3 million settlement of their claims that Uber misclassified them as independent contractors and owed them minimum wage and overtime pay.

In a motion filed in federal court in Greensboro, North Carolina, the drivers said the deal would stave off years of litigation and "enormous expenses related to discovery." They said Uber did not oppose the motion to settle the case.

San Francisco-based Uber has faced dozens of similar lawsuits in virtually every state where it operates. Most have been sent to arbitration, but Tuesday's case was brought on behalf of drivers who opted out of arbitration agreements Uber asked them to sign. It was also the first misclassification case in which a nationwide class of Uber drivers had been certified.

Uber, which is represented by Littler Mendelson, did not immediately respond to a request for comment.

Paul Maslo of Napoli Shkolnik, who represents the drivers, declined to comment.

The drivers sued Uber in 2016, claiming they were the company's employees under the federal Fair Labor Standards Act and that Uber had violated the law by not paying them minimum wage and overtime. Uber in response said it did not exert enough control over drivers to be considered an employer, and that they were not central to its business of designing smartphone apps.

In Tuesday's filing, the plaintiffs said the ceiling on damages in the case was \$3.4 million, and that was assuming that the time drivers spent running personal errands or eating while logged into Uber's app was found to be compensable. Under the settlement, drivers would receive up to \$740,000 and the remainder would go toward attorney fees and expenses.

Proposed classes in many lawsuits against Uber, including Tuesday's case, were greatly reduced in size by a series of court decisions rejecting challenges to Uber's arbitration agreements. 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.

Last month, the 9th U.S. Circuit Court of Appeals said Uber drivers who signed arbitration agreements were bound by class-action waivers in light of the Epic Systems ruling.

A federal judge in San Francisco last week gave preliminary approval to a \$350,000 settlement between Uber and up to 4,600 of its drivers around the country who say the ride-hailing company underpaid them. The drivers in that case, who also are represented by Napoli Shkolnik, did not claim they had been misclassified.

The case is Hood v. Uber Technologies Inc, U.S. District Court for the Middle District of North Carolina, No. 1:16-cv-00998.

For the plaintiffs: Paul Maslo of Napoli Shkolnik

For Uber: Jerry Walters of Littler Mendelson

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

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