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PRESS RELEASE

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CITY ATTORNEY FERBERT, ATTORNEY GENERAL BONTA, AND PARTNERS SECURE \$272.5 MILLION SETTLEMENT FOR MISCLASSIFIED LYFT DRIVERS

SAN FRANCISCO — San Diego City Attorney Heather Ferbert today joined California Attorney General Rob Bonta, San Francisco City Attorney David Chiu, and the Los Angeles City Attorney's Office in announcing a \$272.5 million settlement with rideshare company Lyft. The settlement, which is subject to court approval, resolves allegations that between 2016 and 2020, Lyft committed wage theft by misclassifying its drivers as independent contractors instead of employees.

At least \$237 million of the settlement will be reserved for California drivers who worked for Lyft, with millions of dollars expected to go to drivers in San Diego.

"This is what's possible when state and local prosecutors stand together for workers," said **City Attorney Heather Ferbert**. "I'm grateful to Attorney General Bonta and our partners for years of persistence through every step of this complex lawsuit. For San Diego, that persistence means millions of dollars going back to drivers, many of whom were working to support their families. Lyft coming to the table is an important step, but it doesn't close the book on misclassification in the gig economy. There is still a lot at stake for drivers, and my Office will keep fighting until every worker gets what they've earned."

"We are proud to announce this landmark win for workers, the largest misclassification settlement in California's history," said **Attorney General Rob Bonta**. "Rideshare companies like Lyft have enjoyed massive growth and profits on the backs of drivers over the past decade, many who are from immigrant communities and communities of color. Lyft's success would not be possible without the drivers who Lyft sought to unfairly short-change. Hard-working employees deserve full compensation for their labor. We have not and will not stand by when companies attempt to shirk their legal responsibilities and deprive employees of their wages and benefits as required under California law. Subject to court approval, today's settlement will put money back in the pockets of thousands of drivers who have waited for their long-deserved pay. We will continue to fight to empower workers, combat unfair and deceptive practices, and ensure all Californians can thrive from the fruits of their labor."

"Every worker deserves to be paid fully and fairly," said **San Francisco City Attorney David Chiu**. "For years, Lyft drivers provided essential services keeping our communities moving while being denied the wages and benefits they earned. Misclassification exploits workers, fuels inequality, and creates an unfair economy. This is the largest wage and hour settlement in California history, reflecting both the seriousness of the harm and our unwavering commitment to stand up for workers across California."

The Lyft case is part of the San Diego City Attorney's Office's years-long effort to protect gig workers. In 2019, the Office filed the first lawsuit of its kind in the nation against a gig-economy company, Instacart, for misclassifying its grocery shoppers as independent contractors instead of employees. The Office secured a preliminary injunction, and the case led to a \$46.5 million settlement for workers. It also helped establish that private arbitration agreements cannot stop public prosecutors from standing up for workers. This work, and now the Lyft settlement, send a clear message to corporations – if you commit wage theft, law enforcement will come to collect.

Drivers who worked for Lyft in California between April 5, 2016, and December 15, 2020, may be eligible for restitution. Eligibility and compensation will be based on the number of hours and miles driven during that period. A third-party settlement administrator will contact eligible drivers directly using the contact information associated with their Lyft driver account. The administrator will also set up a website, email address, and call center to answer drivers' questions. More details will be shared soon.

The settlement comes one day after City Attorney Ferbert announced that the City's Office of Labor Standards and Enforcement (OLSE) is now part of the San Diego City Attorney's Office, putting investigators and prosecutors side by side to combat wage theft. As incoming Chair of the Civil Prosecutors Coalition, Ferbert also helped lead the successful statewide effort, alongside the California Federation of Labor Unions and prosecutors across California, to renew the Workers' Rights Enforcement Grant Program. The program now provides \$9 million in ongoing annual funding for local prosecutors to investigate wage theft and recover stolen wages.

Workers in San Diego who believe they have been underpaid, misclassified, or denied sick leave can file a complaint at sandiego.gov/olse. Filing is free, and it is illegal for an employer to retaliate against a worker for filing.

The San Diego City Attorney's Office worked alongside the Attorney General's Office, San Francisco City Attorney's Office, Los Angeles City Attorney's Office, California Labor Commissioner's Office and private plaintiffs represented by Outten & Golden LLP, Olivier & Schreiber PC, and Lichten & Liss-Riordan P.C. to reach the settlement.

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