



Lyft: The Jury's Still Out

News

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The article, “Lyft: The Jury’s Still Out,” featured in *Lawyers and Settlements*, discussed why everyone working in the “shared economy” is likely awaiting the outcome of the Lyft litigation with baited breath.

Todd Scherwin explained that, if drivers have been misclassified, employers will be on the hook for California overtime and benefits - and it will cost the consumer.

Because US District Judge Vince Chhabra hasn’t yet reached a decision in the Lyft settlement, it’s back to the drawing board. Todd thinks that Lyft might be looking at data again in terms of damages and exposure to avoid more risks of litigation. “The judge says that damages such as overtime are a lot more than Lyft’s proposed \$12.2 million, and the company may not win so they will likely come back with a more realistic damage model,” he said.

Todd thinks that Lyft may have inflated its damage analysis. If the company can come up with more money and strengthen its argument to the judge, it may be successful. Of course if it litigates, there is a chance it gets nothing - it’s a gamble for both sides.

“Obviously it’s hard to predict that outcome, but in my opinion, Lyft drivers are independent contractors,” he added. “I think a good example of someone who meets the definition of an independent contractor - within the law - is someone who has the type of control over their work hours and has the ability to earn more or less money. Before this lawsuit was filed, employment attorneys, myself included, would use Lyft and Uber as a model to define an independent contractor.”

“In three or four months, there will probably be another motion in front of the court to approve a settlement but this is far from over,” said Todd. “Regardless of the next motion, I am sure the judge will have lots of questions. All of us are very interested in any ruling or settlements. Almost any business wants to know who it can have as individual contractor or employee, even if they don’t realize it now.”

To read the full article, please visit [*Lawyers and Settlements*](#).

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