

ENDORSED
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County of San Francisco

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO

UNLIMITED JURISDICTION

CGC-20-584789

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

vs.

DOORDASH, INC., and DOES 1 through 10,
inclusive,

Defendants.

CASE NO.:

**COMPLAINT FOR INJUNCTIVE
RELIEF, CIVIL PENALTIES,
RESTITUTION AND OTHER
EQUITABLE RELIEF**

Amount in Controversy Exceeds
\$25,000

Plaintiff, the People of the State of California ("People"), by and through Chesa Boudin, District Attorney for the City and County of San Francisco, acting to protect the general public within the State of California from unlawful and unfair business practices, hereby brings this action against DoorDash, Inc. and Does 1 through 10 (collectively "DoorDash"), and alleges as follows:

INTRODUCTION

1. DoorDash is a business that delivers food, beverages and other items from local restaurants and stores to nearby customers.

2. DoorDash employs and pays delivery persons to pick up orders from merchants and deliver them to customers. DoorDash refers to its delivery workers as "Dashers."

1 3. In direct contravention of California law, DoorDash has and continues to
2 misclassify its Dashers as independent contractors when, in fact, they are DoorDash's employees.
3 Dashers are employees because DoorDash cannot show that (1) Dashers are free from
4 DoorDash's direction and control, (2) Dashers perform work outside of the usual course of
5 DoorDash's delivery business, *and* (3) Dashers are engaged in an independently established trade
6 or occupation.

7 4. DoorDash's misclassification of its Dashers was no mistake, but instead a
8 calculated decision made to reduce the costs of doing business at the expense of the very workers
9 providing the company's core service of delivery: the delivery of merchandise from merchants to
10 customers.

11 5. Under California's protective labor laws, workers are presumed to be employees
12 and it is the employer's burden to justify classifying workers as independent contractors. Despite
13 this presumption, misclassification of employees remains a persistent economic problem in
14 California. Speaking to the scale of the problem, the California Supreme Court in *Dynamex*
15 *Operations West, Inc. v. Superior Court*, 4 Cal. 5th 903 (2018) cited to regulatory agencies of
16 both federal and state governments that found misclassification is a "very serious problem" that
17 was depriving "millions of workers of the labor law protections to which they are entitled."
18 (*Dynamex*, 4 Cal. 5th at 913.) Additionally, the California Legislature has stated that
19 misclassification contributes to the rise in income inequality and the shrinking of the middle
20 class. (Assembly Bill 5 § 1(c) & (e).)

21 6. The distinction between Dashers being classified as employees instead of
22 independent contractors is critical. California law affords employees a multitude of rights that
23 independent contractors do not enjoy. When employees are misclassified, they are unlawfully
24 denied their guaranteed rights to minimum labor standards, including minimum wage and
25 overtime pay, meal and rest breaks, workers' compensation coverage, paid sick leave, family
26 leave, reimbursement for business expenses, and access to wage replacement programs like
27 disability insurance and unemployment insurance. Additionally, misclassified workers are not
28

1 protected by most anti-discrimination laws and do not have nearly as robust legal rights to
2 unionize and to bargain collectively.

3 7. The public good also suffers from misclassification: (1) the substandard wages and
4 unhealthy working conditions that can result from misclassification often force the public to
5 assume the responsibility for the ill effects suffered by workers and their families; (2) the State of
6 California (“State”) is deprived of tax revenue used to fund social safety net programs such as
7 unemployment insurance; and (3) businesses who properly classify their workers and pay the
8 associated costs must compete with companies who misclassify, allowing unscrupulous
9 employers to gain an unfair advantage over their law-abiding competitors.

10 8. In addressing the widespread and systematic issue of employer misclassification of
11 workers as independent contractors, the *Dynamex* Court, in a unanimous decision, adopted the
12 straightforward “ABC” test for determining employment status under California’s Industrial
13 Welfare Commission (“IWC”) Wage Orders. (*Dynamex*, 4 Cal. 5th at 916.)

14 9. In 2019, the Legislature took action to curb misclassification by passing Assembly
15 Bill 5 (“AB 5”), which seeks to restore “protections to potentially several million workers who
16 have been denied . . . basic workplace rights that all employees are entitled to under the law.”
17 (AB 5 § 1(e).) AB 5 codified the ABC test set forth in *Dynamex* and also expanded the test’s
18 application to contexts beyond those at issue in *Dynamex*, to include workers’ compensation,
19 unemployment insurance, and disability insurance. (See Cal. Lab. Code §§ 2750.3(a)(1), 3351(i);
20 Unemployment Ins. Code § 621.)

21 10. From the Court’s 2018 decision in *Dynamex* to the Legislature’s passing of AB 5 to
22 the Governor’s execution of the bill in 2019, all three branches of California government have
23 made clear that businesses need to follow the ABC test when it comes to the classification of
24 their workers.

25 11. Yet, despite this clear message, DoorDash has and continues to misclassify its
26 Dashers throughout California as independent contractors instead of employees.

27 12. DoorDash cannot meet its burden to establish that its Dashers have been and are
28 properly classified as independent contractors. Specifically, applying the ABC test, DoorDash

1 cannot show that: (A) its Dashers are free from the control and direction of DoorDash in
2 connection with the performance of the work, both under the contract for the performance of such
3 work and in fact; (B) its Dashers perform work that is outside the usual course of DoorDash's
4 business; and (C) its Dashers are customarily engaged in an independently established trade,
5 occupation, or business of the same nature as the work performed for the hiring entity.

6 13. By misclassifying its Dashers, DoorDash has denied them minimum labor
7 protections, violated California's workplace laws, failed to fulfill its tax obligations to the State,
8 and gained an unfair advantage over its law-abiding competitors. DoorDash's illegal
9 misclassification and accompanying failure to comply with numerous provisions of California
10 law constitute an unlawful and unfair business practice and, therefore, violate California's Unfair
11 Competition Law ("UCL") as set forth in California Business and Professions Code section
12 17200 *et seq.*

13 **JURISDICTION AND VENUE**

14 14. The Superior Court has original jurisdiction over this action pursuant to Article VI,
15 Section 10 of the California Constitution.

16 15. The Superior Court has jurisdiction over DoorDash because: (1) DoorDash is
17 headquartered in the State of California; (2) DoorDash is authorized to and conducts business in
18 and across this State; and (3) DoorDash otherwise has sufficient minimum contacts with and
19 purposefully avails itself of the markets of this State, thus rendering the Superior Court's
20 jurisdiction consistent with traditional notions of fair play and substantial justice.

21 16. Venue is proper under Code of Civil Procedure section 393(a) because DoorDash is
22 headquartered in the City and County of San Francisco and thousands of the illegal acts described
23 below occurred in the City and County of San Francisco.

24 **PARTIES**

25 17. The People of the State of California bring this civil enforcement action by and
26 through San Francisco District Attorney Chesa Boudin pursuant to California Business and
27 Professions Code sections 17204 and 17206(a).

1 18. Defendant DoorDash, Inc. is incorporated under Delaware law and is headquartered
2 in San Francisco, California.

3 19. The true names and capacities of the Defendants sued herein as DOES 1 through 10
4 are unknown to the People. The People will amend the Complaint to allege the true names and
5 capacities of such Defendants when ascertained. The People are informed and believe, and
6 thereon allege, that each of the fictitiously named Defendants is legally responsible in some
7 manner for the events referred to herein.

8 20. The People are informed and believe, and upon such information and belief allege,
9 that, at all times herein mentioned, Defendants DoorDash, Inc. and DOES 1 through 10 were all
10 involved in the decisions and actions complained of herein. Further, the People are informed and
11 believe, and upon such information and belief allege, that, at all times herein mentioned,
12 Defendants DoorDash, Inc. and DOES 1 through 10, and each of them, were the agents, co-
13 conspirators, parent corporation, joint employers, alter ego, and/or joint venturers of the other
14 Defendants, and each of them, and in doing the things alleged herein, were acting at least in part
15 within the course and scope of said agency, conspiracy, joint employer, alter ego status, and/or
16 joint venture and with the permission and consent of each of the other Defendants.

17 **FACTS COMMON TO ALL CAUSES OF ACTION**

18 **I. DoorDash Operates a Delivery Service**

19 21. DoorDash was first incorporated in 2013 under the name Palo Alto Delivery Inc.
20 In 2015, the company changed its name to DoorDash, Inc.

21 22. As its original name indicates, DoorDash is and has always been a delivery service.
22 DoorDash's founders have stated that their "vision is to build the local, on-demand Fedex."

23 23. DoorDash tracks the number of deliveries completed as a metric for its growth and
24 has publicized its achievement of becoming "the first on-demand destination to offer food
25 delivery in all 50 states."

26 24. DoorDash's delivery business uses a website and smartphone application to receive
27 delivery requests from customers and then dispatches couriers (who it calls "Dashers") to pick up
28

1 goods from local merchants, typically restaurants, and deliver them to customers who are nearby.
2 These deliveries are, for the most part, completed within an hour.

3 25. DoorDash solicits and hires its Dashers, who must meet certain eligibility
4 requirements before being approved to work. These requirements include passing a background
5 check and undergoing training, either in-person or through a training kit that DoorDash mails to
6 the applicant.

7 26. DoorDash also requires its Dashers to agree to a standard-form contract as a pre-
8 condition of providing deliveries for the company. The contract contains non-negotiable terms
9 and conditions set by DoorDash concerning the Dasher's work, including boilerplate language
10 designating the Dasher as an independent contractor. DoorDash maintains the authority to
11 terminate Dashers for violating any terms of this take-it-or-leave-it contract or for any reason set
12 forth in DoorDash's "Deactivation Policy."

13 27. Once they are approved, Dashers decide when to log into the DoorDash application
14 ("App") and can sign up for scheduled delivery shifts. While Dashers decide when to log into the
15 App, DoorDash controls the assignment of deliveries by determining which Dasher receives
16 which delivery request and giving the Dasher a short time to accept the assignment. If the Dasher
17 fails to respond in time or declines, DoorDash reassigns the request and the Dasher must wait to
18 receive the next delivery assignment. Customers cannot request that the job be performed by a
19 particular Dasher.

20 28. DoorDash instructs Dashers where requested items are to be delivered. Through
21 the App, DoorDash provides the pick-up and delivery routes to the Dasher and the company
22 tracks Dashers' locations during deliveries in real time on the omnipresent App, providing
23 customers an estimated time of arrival for their deliveries.

24 29. DoorDash unilaterally sets the delivery fees, for which it bills the customers
25 directly. DoorDash then pays the Dashers an amount that DoorDash has determined in its sole
26 discretion.

27 ///

28 ///

1 **II. DoorDash Misclassifies Its Dashers as Independent Contractors**

2 30. DoorDash has and continues to misclassify its Dashers as independent contractors
3 instead of employees.

4 31. Under California law, workers performing labor or services for remuneration shall
5 be considered employees. (Cal. Lab. Code § 2750.3(a)(1).) The burden rests with employers like
6 DoorDash to establish that the workers they classify as independent contractors meet each
7 element of the three-pronged ABC test. Failure to meet any single prong of the test means an
8 employer cannot classify the worker as an independent contractor, but instead must fulfill the
9 legal obligations that come with hiring employees.

10 32. Under the ABC test, a worker can be classified as an independent contractor only if
11 the hiring entity establishes each of the following elements: (A) that the worker is free from the
12 control and direction of the hirer in connection with the performance of the work, both under the
13 contract for the performance of such work and in fact; (B) that the worker performs work that is
14 outside the usual course of the hiring entity's business; and (C) that the worker is customarily
15 engaged in an independently established trade, occupation, or business of the same nature as the
16 work performed for the hiring entity.

17 33. DoorDash cannot meet this strict standard with respect to its Dashers because it
18 cannot satisfy any prong of the ABC test.

19 **A. DoorDash Cannot Establish That Dashers Are Free From DoorDash's Control**
20 **and Direction (Prong A of the ABC Test)**

21 34. Under the ABC test, DoorDash bears the burden of proving that Dashers are free
22 from its direction and control in connection with the performance of their work.

23 35. Through DoorDash's omnipresent App and the policies imposed on Dashers by the
24 company, DoorDash directs and controls the delivery work of its Dashers.

25 36. DoorDash determines the eligibility requirements that Dashers must meet before
26 they are allowed to begin making deliveries for the company. DoorDash reserves complete
27 discretion to change those eligibility standards at any point in time.
28

1 37. Like other traditional employers, DoorDash requests its workers to sign up for
2 scheduled shifts, which allows DoorDash to ensure it has enough Dashers to fulfill orders during
3 busy times.

4 38. When Dashers first log into the App for their shifts, DoorDash restricts their ability
5 to begin working by first requiring them to answer certain questions, including: (1) "Do you
6 have your Red card?;" (2) "Is your phone fully charged?;" (3) "Do you have a hot bag and space
7 blankets?;" and (4) "Do you have enough gas?"

8 39. After Dashers confirm they meet DoorDash's requirements to start delivering,
9 Dashers must wait until DoorDash sends them a new delivery request. Dashers cannot
10 communicate with prospective customers to initiate any deliveries, but instead DoorDash entirely
11 controls when, whether, and how many deliveries DoorDash will route to its Dashers. Because
12 DoorDash dictates whether and when any individual Dasher is assigned to pick up and deliver a
13 customer order, DoorDash determines whether Dashers actually work.

14 40. When DoorDash assigns a delivery order to a Dasher, the Dasher has a limited
15 amount of time to decide whether to accept the delivery request, usually just 120 seconds. If the
16 Dasher declines the request or takes too long to decide, then DoorDash withdraws the request and
17 sends it to another Dasher.

18 41. If the Dasher accepts the assignment, DoorDash provides the Dasher with
19 directions to the merchant. Once at the business, the Dasher is required to use the App to inform
20 DoorDash of his/her arrival. At that point, DoorDash informs the Dasher, for the first time,
21 which customer placed the order and the details of the order itself. The Dasher must "tap" each
22 item listed on the App as the Dasher picks it up.

23 42. DoorDash provides Dashers with a "Red Card," which is a prepaid company
24 sponsored credit card that Dashers use to pay for certain orders. During pick up, if the App
25 prompts Dashers to "Pay with Red Card" or "Place Order," then Dashers must use the Red Card
26 to pay for orders.

27 43. After an order has been picked up, DoorDash does not allow the Dasher to proceed
28 with the delivery until the Dasher confirms through the App that he/she has double checked that

1 he/she has all items requested. Once confirmed, DoorDash provides the route to the customer
2 and the time by which the order needs to be delivered. Dashers' failure to meet the delivery
3 times set by DoorDash can lead to lower customer ratings, deactivation or termination.

4 44. DoorDash solicits customer feedback about its Dashers through the App. Once a
5 delivery is complete, the App prompts the customer to rate the Dasher on a scale of one to five
6 stars. Dashers must maintain a certain customer rating or risk suspension or termination. The
7 threshold rating level is unilaterally determined by DoorDash and can be altered anytime at the
8 complete discretion of DoorDash.

9 45. Along with closely managing all aspects of the delivery, DoorDash also collects
10 significant amounts of data on Dashers' deliveries. For example, DoorDash is able to track: (1)
11 the date and time that Dashers sign-up for and log-in to their shifts; (2) the number of Dashers'
12 delivery request acceptances and declinations; (3) the number of deliveries Dashers make; (4) the
13 date and time of delivery acceptances, declinations, cancellations, pick-ups and completions; (5)
14 the amount of time to complete a delivery; (6) payment amounts associated with each delivery;
15 (7) the number of deliveries per a Dasher's shift; (8) tip amounts; (9) customer ratings and other
16 feedback; and (10) Dashers' physical locations.

17 46. DoorDash sets forth specific rules and guidelines regarding how Dashers conduct
18 themselves throughout the delivery process. These include, but are not limited to, instructing
19 Dashers in the following areas:

20 a. How to handle food pick-ups:

21 i. "When you are at the restaurant, slow down just a bit. Read (not glance!)
22 at the order on your phone and pay attention to what it is listing. Look for
23 sides, special instructions, for combos that say '1 item' but could actually
24 be 2, 3, 4, or more actual items. It is all in the app, just make sure it is all
25 in the bag!";

26 ii. "When the restaurant hands you a bag of food and as you start to look
27 inside, they say, 'Don't worry, it's all there,' remain polite and friendly.

28 We can say, 'Oh I know it is. I love picking up from here because you

1 guys are always accurate! But, I have to check anyway.' Then, step out of
2 the way of the counter and proceed with your count. When it is perfect, let
3 them know! Nobody can get mad at you for that right?";

4 iii. "Do not open food containers to inspect items;"

5 iv. "Wrap the food in your space blanket and keep in your hot bag;" and

6 v. "What do you do if something is missing? Remain friendly and patient. 'I
7 just want to double check - I think there are supposed to be 2 chili cheese
8 dogs and I only see one. Can you help me make sure this is right?'"

9 b. How long to wait at a customer's location ("If a customer is unavailable at the
10 time of drop off, wait 10 minutes after the expected delivery time. If you are not
11 able to contact them after 10 minutes, you can end the delivery");

12 c. How to communicate with customers ("Keep customers informed – Texting or
13 calling customers can help you get 5-star customer ratings, even if you're
14 running late. Remember, not all customers use a mobile phone, so don't be
15 afraid to give them a call and leave a voicemail");

16 d. How to handle multiple orders along the same route ("Keep post-it notes and a
17 pen in your car to mark batched orders with individual customer names. This
18 will help ensure the orders don't get mixed up";

19 e. How to deliver alcohol ("Upon delivery, request the customer ID, and scan it
20 into your app. Confirm the customer is 21+ and not visibly intoxicated. If the
21 customer is underage or visibly intoxicated, or if you are unsure about either, do
22 not deliver the alcohol and contact support immediately"; and

23 f. What to do if any issues arise during delivery:

24 i. "If the customer asks you to do something beyond info about the status of
25 the order, direct them to DoorDash support team;"

26 ii. If a customer wants to cancel an order, Dashers must "redirect the
27 customer to reach out to DoorDash Support team;" and
28

1 iii. “When in doubt: Contact support. Remember the ‘HELP’ or ‘?’ icon to
2 get support while you dash.”

3 47. DoorDash unilaterally sets and modifies the delivery fees charged to its customers
4 and Dashers cannot adjust those fees. In doing so, DoorDash controls Dashers’ earning potential.

5 48. DoorDash has complete discretion to set the pay scheme and rate of pay for its
6 Dashers’ services.

7 49. DoorDash maintains all billing information for its customers, processes all
8 payments from customers, and then remits amounts to Dashers. If Dashers have any problems
9 with payments or tips, for example, Dashers must direct their inquiries to DoorDash, not the
10 customers.

11 50. DoorDash handles customer complaints, creating further barriers between Dashers
12 and customers. DoorDash disciplines drivers based on these complaints, including suspending or
13 terminating Dashers.

14 51. DoorDash also alters the features on its App whenever it wants and thereby exerts
15 further control of its Dashers through the App itself.

16 **B. DoorDash Cannot Establish That Dashers Perform Work That Is Outside the**
17 **Usual Course of DoorDash’s Business (Prong B of the ABC Test)**

18 52. Under the ABC test, DoorDash must prove that Dashers perform work that is
19 outside the usual course of DoorDash’s business.

20 53. DoorDash fails to meet prong B of the test because Dashers perform services in the
21 usual course of DoorDash’s business, which is providing deliveries.

22 54. Because DoorDash is a delivery service, the delivery of items is not outside the
23 usual course of DoorDash’s business, but is instead *the* central part of the business.

24 55. Dashers do not perform work that is merely incidental to the company’s business.
25 Quite the opposite, Dashers’ deliveries are integral to DoorDash’s business and their work is a
26 regular and continuing part of the business.

1 56. DoorDash generates its revenue primarily from customers paying for the very
2 deliveries that its Dashers provide. Without Dashers to provide deliveries, DoorDash would not
3 exist. Dashers' work lies at the very heart of DoorDash's operations.

4 57. Consistent with its core service, DoorDash holds itself out as a delivery company,
5 including, as described more below, in its filing with the California Secretary of State, in its
6 advertisements, on its websites, and in various public statements. These public self-descriptions
7 are designed to and do result in the public's perception of DoorDash's business being one of
8 delivery.

9 58. In DoorDash's most recent Statement of Information form filed with California's
10 Secretary of State, which asks corporations to "[d]escribe the type of business of the
11 corporation," DoorDash responded "Delivery."

12 59. The advertising slogans DoorDash has used to market itself indicate that the
13 company is in the delivery business and is not merely a technology company. DoorDash has
14 trademarked the phrases "Delivering Good" and "Delightful Delivery." Other marketing taglines
15 that have appeared on the front page of DoorDash's website include "Delivering good spirits,"
16 "Delivering good moments," "Delivering good feelings," and "Delivering good vibes."

17 60. DoorDash has placed advertisements on Facebook touting its delivery service, such
18 as "DoorDash Delivers the Snacks You Crave & Everyday Essentials You Need Right to Your
19 Door," "We're taking active measures to ensure your food gets delivered to you safe and secure,"
20 and "Picnic in the park, anyone? You bring the blanket, we'll take care of the food."

21 61. In a television ad produced during the shelter-in-place era of the COVID-19
22 pandemic, DoorDash used the tagline "#OpenForDelivery" to market its services.

23 62. In both the Apple and Google Play App Stores, DoorDash has titled its mobile app
24 "DoorDash – Food Delivery." Its self-description then states: "Delivery anywhere you are."

25 63. DoorDash's own website has stated various descriptions of its delivery services:

26 a. "DoorDash is an on-demand delivery service that connects customers with local
27 businesses;"

28 b. "Your favorite local restaurants delivered to you;"

- 1 c. "We deliver from the best restaurants;" and
2 d. "We're only as good as our next delivery."

3 64. DoorDash's founders have publicly expressed they modeled their business after the
4 delivery company Fedex, stating that their "vision is to build the local, on-demand Fedex."

5 65. The level of micro-management DoorDash exercises over its Dashers further
6 demonstrates that Dashers work delivering items is absolutely essential to DoorDash's business.

7 66. Because Dashers provide a core function of DoorDash's business, DoorDash
8 cannot establish that Dashers meet part B of the test.

9 **C. DoorDash Cannot Establish That Dashers Are Engaged in an Independently**
10 **Established Trade or Business (Prong C of the ABC Test)**

11 67. Under the ABC test, DoorDash must prove that its Dashers are engaged in an
12 independently established trade or business.

13 68. Dashers are not customarily engaged in an independently established trade,
14 occupation, or business of the same nature as the work performed for DoorDash.

15 69. Dashers do not typically operate their own independent delivery companies while
16 working for DoorDash.

17 70. Dashers do not market themselves as professional delivery persons, and they do not
18 take other steps to establish themselves as independent businesses such as incorporation or
19 licensure. Instead, Dashers wear the hat of DoorDash when they deliver goods to customers.

20 71. Delivering-for-hire is not considered skilled work. In soliciting Dashers,
21 DoorDash's website stresses that no prior work experience is necessary to start delivering. At no
22 time during the course of Dashers' deliveries do they make important business decisions that
23 would serve their entrepreneurial interests. Dashers simply make the requested delivery, generate
24 income for DoorDash and then get paid by DoorDash. There is no value in an independent
25 relationship with any one customer since it will not lead to economically beneficial future
26 business.

27 72. In fact, DoorDash uses an atomized business model that effectively prevents
28 Dashers from providing delivery services as independent business owners. For instance,

1 DoorDash tightly controls and limits the relationship Dashers and customers have with each
2 other. Dashers and customers only receive a small amount of obfuscated information on the
3 other. The Dasher and customer can only contact each other during the delivery, and even then,
4 the phone numbers of each are masked on both sides. In this way, Dashers and customers are
5 prevented from future contact and deliveries. The App also has no way to allow customers to
6 have particular Dashers make their deliveries (and vice versa, Dashers cannot favorite or request
7 to deliver to certain customers).

8 **III. By Misclassifying Dashers, DoorDash Has and Continues to Engage in Unlawful and**
9 **Unfair Business Practices**

10 73. As described above, DoorDash cannot overcome the presumption under California
11 law that its Dashers are employees because it cannot carry its burden on even a single prong of
12 the ABC test, let alone meet the high burden of establishing all three prongs.

13 74. Yet, DoorDash has and continues to unlawfully misclassify its Dashers as
14 independent contractors.

15 75. DoorDash's incorrect and illegal designation of its Dashers as independent
16 contractors is more than a technical mistake with little consequences. Quite the opposite,
17 DoorDash's misclassification strips Dashers of essential workplace protections, lowers their
18 income, deprives them of social safety net benefits, causes lost tax revenues to the State, and
19 harms other businesses who classify their workers properly.

20 **A. DoorDash's Misclassification of Dashers Leaves Them Without Legally-**
21 **Entitled Workplace Protections**

22 76. By wrongly characterizing Dashers as non-employees, DoorDash has violated
23 various California laws meant to protect workers from exploitative business and labor practices.
24 DoorDash's violations of California law with respect to its Dashers include, but are not limited
25 to:

- 26 a. Failing to guarantee and pay Dashers minimum wage under State and local
- 27 laws;
- 28 b. Failing to pay Dashers overtime pay as required by State and local laws;

- c. Failing to provide Dashers with meal and rest periods as required by State and local laws;
- d. Failing to furnish Dashers with itemized wage statements as required by law;
- e. Failing to accrue paid sick leave benefits and make health care expenditures for its Dashers;
- f. Failing to pay or reimburse Dashers for their necessary business expenses in performing their work; and
- g. Failing to remit contributions or take other mandatory actions under the State's social insurance programs, including, but not limited to, unemployment insurance, disability insurance, paid family leave, workers' compensation, and San Francisco's Paid Parental Leave Ordinance.

77. Dashers' misclassification also means (1) they are not protected by most State and local anti-harassment and discrimination laws, (2) they do not receive any employer-provided retirement benefits, and (3) most laws around the right to form a union and collectively bargain do not apply to them.

78. Not only does DoorDash's legal violations leave Dashers without essential workplace protections but it also burdens them with significant costs usually borne by the employer. For instance, along with bearing the cost of their own business expenses, Dashers are saddled with paying the entire annual self-employment tax, half of which would have been paid by DoorDash if it properly classified Dashers as employees. Dashers are also forced to either pay for workers' compensation insurance themselves or pay the costs that arise from workplace injuries if they go without that insurance.

B. DoorDash's Illegal Misclassification of Dashers Harms the Public Good and Law-abiding Businesses

79. By wrongly classifying Dashers as independent contractors, DoorDash degrades the quality of jobs, contributing to income inequality and causing more workers (and their families) to rely upon the social safety net. Yet, with respect to its Dashers, DoorDash is not

1 paying into that social safety net. DoorDash does not contribute to the unemployment trust fund,
2 the workers' compensation fund, or make any payroll taxes whatsoever for its Dashers.

3 80. DoorDash's payroll fraud robs the State of tax revenues and puts more strain on
4 state and local budgets. Businesses like DoorDash should not get a free pass on making their
5 legally-obligated contributions to existing social insurance programs. The fiscal integrity of these
6 systems depends on proper classification of workers as employees, which in turn ensures an
7 employer does not avoid its share of contributions.

8 81. Law-abiding employers also suffer from inflated unemployment insurance and
9 workers' compensation costs because "free-riding" employers that misclassify employees as
10 independent contractors, like DoorDash, shift costs to employers that play by the rules.

11 82. The illegal employment practices of DoorDash further harm responsible businesses
12 that comply with State and local laws because misclassification skews the market and allows
13 companies like DoorDash to reap the benefits of, *inter alia*, artificially low labor costs, which can
14 drive competitors out of business or prevent new businesses from ever entering the market.

15 **CAUSE OF ACTION**

16 **Violation of Unfair Competition Law
(Cal. Bus. & Prof. Code § 17200, *et seq.*)**

17 83. The People reallege and incorporate by reference each allegation set forth in the
18 above paragraphs as if fully set forth herein.

19 84. As set forth in Business and Professions Code section 17206(a), "[a]ny person who
20 engages, has engaged, or proposes to engage in unfair competition shall be liable for a civil
21 penalty not to exceed two thousand five hundred dollars (\$2,500) for each violation, which shall
22 be assessed and recovered in a civil action brought in the name of the people of the State of
23 California by . . . any district attorney . . . in any court of competent jurisdiction."

24 85. DoorDash is a "person" as defined by the Business and Professions Code section
25 17201, which includes "natural persons, corporations, firms, partnerships, joint stock companies,
26 associations and other organizations of persons."

27 86. DoorDash has failed, and continues to fail, to classify its Dashers as employees,
28 thereby violating California law, including but not limited to Labor Code section 2750.3. By

1 illegally classifying Dashers as independent contractors, DoorDash has engaged, and continues to
2 engage, in an act or practice that is unlawful, unfair, or fraudulent and which constitutes unfair
3 competition within the meaning of California's UCL as set forth in Business and Professions
4 Code section 17200 *et seq.*

5 87. The unlawful consequences that stem from DoorDash's illegal misclassification of
6 its Dashers include, but are not limited to, the following:

- 7 a. Failing to pay Dashers at least the California minimum wage for all time
8 worked as required by Labor Code sections 1182.12, 1182.13, 1194, 1197, IWC
9 Wage Order 9-2001, section 4 (currently \$13.00 per hour for employers with 26
10 or more employees), and the California Minimum Wage Order (MW-2019);
- 11 b. Failing to pay Dashers who worked in San Francisco at least the San Francisco
12 minimum wage for all time worked as required by the San Francisco Minimum
13 Wage Ordinance, San Francisco Administrative Code, Chapter 12R (currently
14 \$15.59 per hour);
- 15 c. Failing to pay Dashers the appropriate premium for overtime hours worked as
16 required by Labor Code sections 510, 1194, 1198, and IWC Wage Order 9-
17 2001, section 3(A);
- 18 d. Failing to reimburse Dashers for business expenses and losses as required by
19 Labor Code section 2802;
- 20 e. Failing to provide meal periods and pay meal period premiums as required by
21 Labor Code sections 226.7, 512, and IWC Order 9-2001, section 11;
- 22 f. Failing to authorize, permit, and pay for rest periods and rest period premiums
23 as required by Labor Code section 226.7 and IWC Wage Order 9-2001, section
24 12;
- 25 g. Failing to provide Dashers with itemized written statements as required by
26 Labor Code section 226, and failing to maintain and provide Dashers with
27 records as required by IWC Wage Order 9-2001, section 7;
- 28

- h. Failing to provide paid sick leave to Dashers as required by Labor Code section 246;
- i. Failing to provide paid sick leave to Dashers who worked in San Francisco, as required by the San Francisco Paid Sick Leave Ordinance, San Francisco Administrative Code, Chapter 12W;
- j. Failing to make health care expenditures on behalf of Dashers who worked in San Francisco as required by the San Francisco Health Care Security Ordinance, San Francisco Administrative Code, Chapter 14;
- k. Failing to pay Dashers who worked in San Francisco as required by the San Francisco Paid Parental Leave Ordinance, San Francisco Police Code, Article 33H;
- l. Failing to pay unemployment insurance taxes for Dashers as required by Unemployment Insurance Code section 976;
- m. Failing to pay Employment Training Fund taxes for Dashers as required by Unemployment Insurance Code section 976.6;
- n. Failing to withhold and remit State Disability Insurance taxes for Dashers as required by Unemployment Insurance Code section 986;
- o. Failing to withhold and remit state income taxes for Dashers as required by Unemployment Insurance Code sections 13020 and 13021;
- p. Failing to provide workers' compensation for Dashers as required by Labor Code section 3700; and
- q. Failing to provide other rights and benefits to Dashers under the Labor Code, IWC Wage Order 9-2001, and other local employee protection laws.

88. Each misclassification by DoorDash of its Dashers constitutes an unlawful and unfair business practice and, therefore, violates California's UCL.

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1 WHEREFORE, the People pray for relief as follows:

2 **PRAYER FOR RELIEF**

3 WHEREFORE, the People pray for the following relief:

- 4 1. Pursuant to Business and Professions Code section 17203, that Defendant, its
5 successors, agents, representatives, employees, and all persons who act in concert with
6 Defendant, be permanently enjoined from engaging in unfair competition as defined in Business
7 and Professions Code section 17200 *et seq.*, including, but not limited to, the acts and practices
8 alleged in this Complaint;
- 9 2. Pursuant to Business and Professions Code section 17203, that the Court enter all
10 judgments as may be necessary to restore to any person in interest any money or property that
11 may have been acquired by violations of Business and Professions Code section 17200 *et seq.*, as
12 may be proved at trial;
- 13 3. Pursuant to Business and Professions Code section 17206, that Defendant be
14 assessed a civil penalty in an amount up to \$2,500 for each violation of Business and Professions
15 Code section 17200 *et seq.*, as may be proven at trial;
- 16 4. Pursuant to Business and Professions Code section 17206.1, that Defendant be
17 assessed an additional civil penalty in an amount up to \$2,500 for each violation of the UCL
18 perpetrated against a senior citizen or disabled person, as may be proven at trial;
- 19 5. That the People recover their costs of suit; and
- 20 6. Such other and further relief that the Court deems appropriate and just.

21 Dated: June 16, 2020

22 CHESA BOUDIN
District Attorney, City and County of San Francisco
23 EVAN H. ACKIRON
Assistant Chief District Attorney
SCOTT M. STILLMAN
Assistant District Attorney

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26 By: EVAN H. ACKIRON
27 Assistant Chief District Attorney
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