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15	SUPERIOR COURT OF THE STATE OF CALIFORNIA			
16	FOR THE COUNTY	OF SAN FR	ANCISCO	
17	JACOB RIMLER and GIOVANNI JONES,) Case No. CGC-18-567868) MEMORANDUM OF POINTS AND		
18	on behalf of themselves and others similarly			
19	situated and in their capacities as Private Attorney General Representatives,	AUTHORITIES IN SUPPORT OF PROPOSED INTERVENORS		
20	Plaintiffs,) AND OBJECTORS) EX PARTE APPLICATION		
21	·) TO INTE	RVENE	
22	VS.) Date:	October 23, 2019	
23	POSTMATES INC.,) Time:) Dept.:	10:00 a.m. 304	
24	Defendant.) Judge:	Hon. Anne-Christine Massullo	
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The settlement agreement proposed by Plaintiffs and Postmates is unfair, inadequate, and unreasonable. It provides the putative class members with a small fraction of the relief to which they are entitled under well-established law. It impedes putative class members' ability to opt out of the class. It prevents putative class members from using their counsel of choice to pursue their claims against Postmates. And most significantly, through its use of the opt-out class action device, it materially breaches Postmates' employment contracts with the Proposed Intervenors and Objectors ("Objectors") and most putative class members.

Objectors Heather LeMaster, Juan Jimenez, Lewis Stokes, and Malarie Taylor are Postmates couriers. Before Objectors could work as couriers, Postmates required them to sign a Fleet Agreement. Each Fleet Agreement contains an arbitration clause that requires individual arbitration of any dispute, including any claim that Postmates misclassified a courier as an independent contractor instead of an employee. The arbitration clause further forbids either party from even participating in a class action, let alone adjudicating one to a conclusion.

Invoking the unambiguous terms of the Fleet Agreement, each Objector has filed an individual demand for arbitration to resolve his or her dispute with Postmates. Couriers subject to the most recent version of the Fleet Agreement each have to satisfy the American Arbitration Association ("AAA")'s non-refundable \$300 filing fee, which is necessary to commence arbitration. But Postmates ignored three AAA deadlines to pay its own share of the filing fees, thereby frustrating Objectors' contractual right to arbitrate. As is now made clear by Plaintiffs' motion, Postmates has been stalling—hoping it could resolve Objectors' claims through a class settlement for an average of \$20 per courier, or around one-tenth of the non-refundable fee two Objectors and several thousand other couriers incurred merely to commence arbitration.

Postmates has vigorously enforced its arbitration clause time and again, successfully compelling putative class-action plaintiffs to arbitrate their misclassification claims. In each instance, Postmates rightly noted that both the Federal Arbitration Act and California contract law require arbitration clauses to be enforced according to their terms. It is ironic—albeit predictable—that Postmates now seeks to violate its contract and use a class action to buy peace from hundreds

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of thousands of absent class members for a bargain-basement price. But contracts are not one-party documents, and Postmates cannot unilaterally rewrite or ignore contractual provisions whenever it deems it economically expedient.

It is undisputed that Objectors have a contractual right to individually arbitrate their disputes—a right they have already exercised. It is equally undisputed that Postmates's own contract forbids it even to participate in a class proceeding, no matter how lucrative such participation may be for Postmates's bottom line. A party to a contract cannot be required to affirmatively act to preserve the benefit of a bargain he or she already struck. Yet that is precisely what the class settlement proposes: if Objectors do not affirmatively opt out of the class, the settlement purports to extinguish their contractual right to individually arbitrate misclassification claims—along with all of Postmates's liability—and to excuse Postmates's contractually forbidden participation in a class action. Objectors seek to intervene in this action and oppose Postmates's effort to undo their contracts through silence rather than consent.

STATEMENT OF FACTS

A. Postmates Has Repeatedly and Successfully Compelled to Individual Arbitration the Same Claims It Attempts to Settle Here.

When couriers sign up to work for Postmates, Postmates requires them to sign a "Fleet Agreement" that contains a "Mutual Arbitration Provision." Objectors' Decls. ¶¶ 5; Keller Decl., Exs. A–B. The Mutual Arbitration Provision requires couriers and Postmates to arbitrate "any and all claims," including claims arising from their "classification as an independent contractor," and to waive the "right to have any dispute or claim brought, heard or arbitrated as a class and/or collective action." Keller Decl., Exs. A–B, §§ 11, 10. The provision further forbids couriers and Postmates to "participate in any class and/or collective action." *Id.* Finally, the Mutual Arbitration Provision contains a broad delegation clause that commits threshold questions to an arbitrator. The delegation clause provides that "[o]nly an arbitrator... shall have the exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability, or formation" of the Mutual Arbitration Provision. *Id.* The sole exception to this delegation clause is for disputes in which a party "claim[s] that all or part of this Class Action Waiver and/or Representative Action Waiver is

unenforceable unconscionable, void, or voidable." *Id.* But "all other disputes regarding interpretation, applicability, enforceability, or formation of th[e] Mutual Arbitration Provision shall be determined exclusively by an arbitrator." *Id.*

When individuals have attempted to bring claims on behalf of a class of Postmates couriers, Postmates has chastised them for "[d]isregarding [their] obligations under the Mutual Arbitration Provisions" and has argued that all couriers subject to the Mutual Arbitration must arbitrate their claims rather than participate in any class action. See, e.g., Lee v. Postmates, Inc. (N.D. Cal. July 20, 2018) 3:18-cv-3421-JCS, Postmates's Pet. Compel Arb., at 4, 8, ECF No. 14 ("[T]he Court should find that, by accepting the Fleet Agreement and failing to opt out of the Mutual Arbitration Provision, Plaintiff . . . must arbitrate her claims on an individual basis."). Further, Postmates has asserted that any dispute about the obligation of couriers and Postmates to individually arbitrate their claims must itself be resolved in individual arbitration. See, e.g., id. at § III.A.2.a ("The Mutual Arbitration Provision indisputably delegates gateway arbitrability questions to the arbitrator."). Finally, Postmates has argued that the Federal Arbitration Act preempts any rule of California law that would impede the enforcement of individual arbitration. See Postmates's Pet. Compel Arb. (Aug. 17, 2018), § III.A.3 ("FAA preempts state rules—including [the California Supreme Court's holding in Iskanian—that disfavor arbitration agreements, and precludes Plaintiffs from relying on *Iskanian* to avoid arbitration."). Postmates has prevailed on those arguments—and as a result, has prevented couriers from obtaining certification of a class action. See, e.g., Lee, Order Re Mot. Compel Arb., ECF No. 31.

Postmates even attempted to compel arbitration in this action. *See generally* Postmates's Pet. Compel Arb. This Court denied Postmates's motion to compel because Mr. Rimler only brought claims under the Private Attorney Generals Act ("PAGA") as a putative representative of the state. *See* Order Denying Def. Pet. Compel Arb. (Jan. 2, 2019).

In short, Postmates has established the impropriety of this proposed class action. Apart from PAGA claims—which Objectors do not bring—couriers and Postmates <u>must</u> resolve all misclassification disputes exclusively through individual arbitration; the Fleet Agreement and the

Federal Arbitration Act bar both parties from participating in or pursuing a class action. *See supra* at 3.

B. Thousands of Postmates Couriers Have Pursued Individual Arbitration.

Objectors are current and former couriers who worked for Postmates during the proposed settlement class period. Objectors' Decls. ¶¶ 2, 4, 6, 8. Because Postmates classified Objectors as independent contractors, Postmates failed to ensure that Objectors were paid a minimum wage, failed to provide paid rest breaks or sick leave, and failed to reimburse vehicle expenses. Ex. 1., Objectors' Proposed Compl. in Intervention (Oct. 18, 2019) ¶¶ 62–63, 65. Postmates did not pay Objectors premium pay when they worked more than 40 hours in a week, eight hours in a day, or seven consecutive days in a workweek. *Id.* ¶ 64. Postmates failed to provide Objectors with accurate wage statements and has refused to allow Objectors access to their full pay records, in violation of California law. *Id.* ¶ 61; Keller Decl. ¶ 17. These violations give Objectors a right to back pay, liquidated damages, and civil penalties under federal and state law, and further trigger significant additional penalties under municipal minimum-wage ordinances. Ex. 1 ¶¶ 60–66.

Objectors' damages are significant. Based on the experience of Objectors' counsel litigating similar wage-and-hour claims, the average courier who prevails in an individual action against Postmates likely could recover thousands of dollars in damages under state law and tens of thousands of dollars in civil penalties under local municipal wage ordinances. Keller Decl. ¶ 19.

Objectors' claims are highly likely to succeed. *Id.* ¶ 20. Under *Dynamex Operations W. v. Superior Court*, Postmates can avoid liability only if it proves that Postmates couriers do not operate in the usual course of Postmates's business. (2018) 4 Cal. 5th 903, 961, *reh'g denied* (June 20, 2018). Postmates has long defined itself as a delivery company. *See* Keller Decl., Ex. C ("Postmates: Everyone's Favorite Delivery Service.") Objectors and other couriers perform

¹ Settlement Plaintiffs' counsel has suggested that the supposed uncertainty as to whether *Dynamex* applies retroactively weighs in favor of approving the proposed settlement. Mot. Prelim. Approval (Oct. 8, 2019), at 10. Since Plaintiffs' counsel filed its motion, a California appellate court, relying on the longstanding principle that judicial interpretations of statutes are always retroactive, has held that *Dynamex* applies retroactively. *Gonzales v. San Gabriel Transit., Inc.* (Cal. App. Oct. 8, 2019) No. B282377, 2019 WL 4942213. And even if the rule in *Dynamex* commenced on the date of that decision, any courier who drove for Postmates after April 30, 2018 would be entitled to far greater damages than the proposed settlement offers.

deliveries for Postmates. Objectors' Decls. ¶¶ 4. Without its couriers, Postmates would not exist, and therefore Postmates cannot make credible arguments that its couriers operate outside the usual course of Postmates's business. Keller Decl. ¶ 20.

Because they have a high likelihood of winning substantial damages in individual actions, Objectors do not believe the current settlement consideration is adequate because it ranges on average between \$20 and \$40 per courier depending on class member participation rates and after deducting Plaintiffs' counsel's fees. Objectors' Decls. ¶¶ 12. Although Objectors do not oppose resolution of PAGA claims against Postmates in a representative action (which would require substantially more compensation than allocated to PAGA claims in the current settlement), Objectors want to proceed with their already-pending cases in individual arbitration. Id ¶¶ 12, 14.

C. After Compelling Arbitration, Postmates Refused to Arbitrate With Objectors and Thousands of Other Couriers.

On April 22, 2019, Objectors' counsel filed individual demands for arbitration against Postmates with AAA on behalf of Objectors and 4,921 other Postmates couriers who are also represented by Objectors' counsel. Keller Decl. ¶ 7. On May 13, 2019, Objectors' counsel filed demands for arbitration on behalf of an additional 349 couriers in California. *Id.* AAA reviewed the demands and concluded that each one complied with AAA's filing requirements. *Id.* ¶¶ 13 16.

After the couriers fully satisfied their filing-fee obligations (by either paying a \$300 filing fee or submitting a hardship-based fee waiver), AAA imposed a deadline of May 31, 2019 for Postmates to pay its share of filing fees.² *Id*. ¶ 9. After much back and forth between the parties and AAA, and after AAA extended Postmates's deadline multiple times, Postmates steadfastly refused to submit the payment necessary to proceed with Objectors' arbitrations. *Id*. ¶¶ 11–15. On June 21, 2019, AAA emailed the parties' counsel (1) confirming that the couriers' demands complied in all respects with AAA's rules and requirements, (2) rejecting Postmates's arguments

² Postmates's previous Fleet Agreement provided that Postmates would satisfy the full AAA filing fees. Keller Decl., Ex. A, 2018 Fleet Agreement § 11B.vi. Only those subject to the 2019 Fleet Agreement are required to pay the \$300 fee. *Id.*, Ex. B, 2019 Fleet Agreement § 10B.vi.

to the contrary, and (3) stating that AAA "is closing [couriers'] cases" due to Postmates's lack of payment. Id. ¶ 16.

Objectors and other California couriers with whom Postmates has refused to arbitrate filed a motion to compel arbitration against Postmates in federal court. *Jamal Adams, et al. v. Postmates Inc.* (N.D. Cal. June 3, 2019) 4:19-cv-03042-SBA, Pet. Compel Arb., ECF No. 1; *id.*, Mot. Compel Arb., ECF No. 4. Postmates opposed the motion to compel (and filed its own "cross-motion to compel"). *Id.* (June 17, 2019) Opp'n Mot. Compel Arb., ECF No. 112; *id.* (July 18, 2019) Reply Supp. Cross Mot. Compel Arb., ECF No. 238. Its opposition argued that, even though the couriers had filed individual demands for arbitration on AAA's standard individual demand form, the fact of so many individual arbitrations somehow produced a "class arbitration." *Id.* Throughout its briefing, Postmates repeatedly pointed to the Fleet Agreement's "unambiguous" prohibition of class actions. *See, e.g., id.* Opp'n Mot. Compel Arb at 2, 4, 10, 13, ECF No. 112. The motion to compel in *Adams* is fully briefed. Keller Decl. ¶ 14.

In addition to Objectors and the other 5,253 *Adams* Petitioners, approximately 11,500 other couriers who would be putative class members in this case have signed individual agreements retaining Objectors' counsel to represent them in individual arbitration against Postmates. $Id. \ \ 12.^3$ Keller Lenkner has alerted Postmates of its representation of almost all those couriers. $Id. \ \ 17.$

D. Postmates and the Settlement Plaintiffs Pursue Prohibited Class Proceedings.

Even though Postmates has spent years successfully compelling misclassification claims to individual arbitration—including the very claims Postmates is attempting to settle here, *see* Mot. Prelim. Approval at 1–2—Postmates now wants to reverse course and enter into a class-wide settlement on behalf of all California couriers. *See* Liss-Riordan Decl., Ex. 1, Class Action Settlement Agreement and Release ("Settlement Agreement") § 2.36 (defining "Settlement Class" as "any and all individuals classified by Postmates as independent contract couriers who entered into an agreement to use or used the Postmates platform as an independent contractor courier in

²⁷ On September 24, 2019, Keller Lenkner filed additional demands for arbitration against Postmates on behalf of 1,250 couriers. Keller Decl. ¶ 18. The extended deadline for Postmates to pay the filing fees for those demands is November 4, 2019. *Id*.

California during the Settlement Period"). According to the Plaintiffs in this action (the "Settlement Plaintiffs"), Postmates and Settlement Plaintiffs' counsel reached a settlement agreement in principle on July 19, 2019, Liss-Riordan Decl. ¶ 7, several months after Objectors had already commenced individual arbitrations, *see supra* at 5.

The proposed settlement class is defined to include Objectors. Settlement Agreement § 2.36. The motion for preliminary approval asks this court to certify a settlement class that would allow Lichten & Liss-Riordan, PC ("LLR") to communicate settlement offers to the entire class, Mot. Prelim. Approval at 15, which includes 13,974 individuals Postmates knows are already represented by counsel, Keller Decl. ¶ 17.

The settlement attempts to restrict class members' ability to opt out of the settlement in two ways. First, the settlement purports to prohibit Objectors' counsel from signing an opt-out form on Objectors' behalf. Settlement Agreement § 7.1 (valid opt outs must, among other things, include "the signature of the Settlement Class Member or the Legally Authorized Representative (who is not the Settlement Class Member's counsel) of the Settlement Class Member" (emphasis added)). Second, even if Objectors personally sign an opt out form, the settlement purports to prohibit their counsel from assisting them even in submitting it. Id. ("All requests for exclusion must be submitted by the requesting Settlement Class Member (or their Legally Representative who is not the Settlement Class Member's counsel), even if the Settlement Class Member is represented by counsel." (emphasis added)). Postmates and Settlement Plaintiffs' counsel did not include either of these restrictions in the last settlement to which they agreed. See Singer v. Postmates, Inc. (N.D. Cal. July 12, 2017) 4:15-cv-01284-JSW, Revised Class Action Settlement Agreement And Release ("Singer Settlement Agreement") § 7.1, ECF No. 80-1 (valid opt outs must, among other things, include "the signature of the Settlement Class Member or Legally Authorized Representative of the Settlement Class Member" and "may be submitted by a Settlement Class Member's Legally Authorized Representative.").4

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⁴ The *Singer* settlement defines "Legally Authorized Representative" as "an administrator/administratrix, personal representative, or executor/executrix of a deceased Settlement Class Member's or Putative Settlement Collective Member's estate; a guardian,

Further, while the settlement imposes significant obstacles to effectuating a valid opt out, it releases claims for anyone who cannot overcome those obstacles, Settlement Agreement § 7.4 (Any class member who fails to opt out will have their claims "released as provided for herein, even if they never received actual notice of the Action or this proposed Settlement."). And although the proposed settlement complaint does not allege claims under local ordinances, Liss-Riordan Decl., Ex. C, 2nd Am. Compl., at 1–2, and the motion for preliminary approval does not analyze the value of those claims, *id.* ¶¶ 22–44, the settlement would nonetheless release those claims, Settlement Agreement § 2.16. Finally, the proposed settlement class contains a "blow up" provision, stating that Postmates can back out if more than 250 individuals exercise their right to opt out. *Id.* § 7.2. The economic interests of the Settlement Plaintiffs, LLR, and those who affirmatively opt into the class will be threatened if Objectors and the thousands of individuals represented by Objectors' counsel opt out of the settlement. *Id.*

ARGUMENT

Objectors and Postmates entered into valid agreements to individually arbitrate all the individual claims that the proposed settlement would release. Objectors are actively seeking to enforce their arbitration agreements with Postmates through their counsel of choice. But Postmates and LLR seek to disregard those agreements and force Objectors to be represented by the firm Postmates would prefer: LLR. If granted, the pending motion would appoint as class counsel a law firm with an inherent conflict of interest. It would impose a fundamentally unfair settlement on Objectors and thousands of other couriers in Objectors' position. And it would allow Postmates to blatantly disregard its contractual obligations. Objectors seek to intervene to protect their right to be represented by their chosen and unconflicted counsel, to pursue individual arbitration as promised by Postmates's contract, and to pursue fair value for their legal claims.

Motions to intervene under California Code of Civil Procedure 387 are construed liberally. See Simpson Redwood Co. v. State of Calif. (1987) 196 Cal. App. 3d 1192, 1201. Intervention may

conservator, or next friend of an incapacitated Settlement Class Member or Putative Settlement Collective Member; or any other legally appointed Person responsible for handling the business affairs of a Settlement Class Member or Putative Settlement Collective Member." *Id.*, § 2.16.

be granted either as a matter of right or permissively. *See* Code Civ. Pro. § 387(d). Under either standard, this Court should allow Objectors to intervene in this action to protect their contractual rights to expeditiously and individually arbitrate their misclassification claims, using their counsel of choice, before those rights are extinguished by the proposed class settlement.

A. Objectors May Intervene as a Matter of Right.

To intervene as a matter of right, Objectors must demonstrate that: (1) they have "an interest relating to the property or transaction that is the subject of the action"; (2) they are "so situated that the disposition of the action may impair or impede [their] ability to protect that interest"; and (3) their interest is not "adequately represented by one or more of the existing parties." *Id.* Objectors satisfy each of those elements.

1. Objectors Have a Particularly Compelling Interest in This Action.

It is well-established that putative class members "have an interest in preserving their claims encompassed by" a proposed class action settlement. *Edwards v. Heartland Payment Sys., Inc.* (2018) 29 Cal. App. 5th 725, 733. And where an existing party does not adequately represent certain class members' interests, it necessarily follows that the action could impair or impede those interests. Accordingly, parties who are members of a putative class need only show that they are "class members whose interests are not adequately represented by the existing parties." *Hernandez v. Restoration Hardware, Inc.* (2018) 4 Cal. 5th 260, 267.

As Postmates couriers who have made deliveries in California, Objectors fall within the proposed class definition and settlement release; they are putative class members. Settlement Agreement § 2.36. They accordingly have "have an interest in preserving their claims encompassed by" the proposed class settlement. *Edwards*, 29 Cal. App. 5th at 733. Although class membership alone is sufficient to establish an interest in a class settlement, Objectors have a particularly strong interest here, because the class settlement not only threatens to extinguish their underlying claims, but also threatens to (a) impair their contractual right to pursue individual arbitration; (b) excuse Postmates's breach of contract for participating in a class proceeding; and (c) interfere with their right to be represented by counsel of their choosing.

The proposed settlement purports to release the claims of putative class members based on their inaction. That is, the proposed settlement requires a putative class member affirmatively to request exclusion from the class to avoid releasing his or her misclassification claims. Settlement Agreement § 7.1; see also Liss-Riordan Decl., Ex. A, Proposed Notice ("All Class Members who do not timely and formally opt out of the settlement by requesting exclusion . . . shall be bound by this release for all claims."). But Objectors, like thousands of other putative class members, have signed Fleet Agreements that expressly prohibit Postmates from attempting to force couriers to participate in a class proceeding. See supra at 2–4. Those contractual rights cannot be undermined through inaction or passivity.

Although parties of course can agree to modify a contract, such changes must meet the same requirements to enter a binding agreement in the first place, including mutual, affirmative consent. Wold v. League of Cross of Archdioceses of San Francisco (1931) 114 Cal. App. 474, 481 (holding that the "silence or inaction" of a party to a contract cannot "bind him to a modification of the terms of a written" agreement). And the Fleet Agreement expressly states that it "shall not be modified, altered, changed, or amended in any respect, unless in writing and executed by both parties." Keller Decl., Exs. A–B §§ 13A, 12A. Postmates cannot unilaterally modify the mandatory arbitration clause and class action waiver in its agreements with absent class members by reaching a side deal with Settlement Plaintiffs. Martinez v. Master Prot. Corp. (2004) 118 Cal. App. 4th 107, 116 (holding an attempted modification to an arbitration agreement was "ineffective" because the "arbitration agreement is a fully integrated contract"). Postmates may not participate in a class action without Objectors' affirmative consent to modify the Fleet Agreement; and Postmates similarly cannot extinguish couriers' contractual right to individual arbitration through their silence, especially where the settlement contemplates that some couriers will not receive actual notice of this proceeding.

In addition to impeding Objectors' right to arbitrate, the settlement also attempts to limit Objectors' ability to rely on their counsel to protect that right. The proposed settlement does this by (a) refusing to recognize opt-out forms that are signed by counsel on behalf of putative class members, and (b) refusing to recognize opt-out forms that are merely submitted by their counsel.

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Settlement Agreement § 7.1. Postmates and LLR have obviously colluded to include these onerous terms with full knowledge that thousands of couriers have sought individual arbitration pursuant to the Fleet Agreement. *Cf. Singer* Settlement Agreement § 7.1. Neither requirement is sensible or permissible—particularly here, where Postmates is aware that putative class members have signed individual engagement agreements that authorize counsel of their choosing to represent their interests for the very claims that are the subject of the proposed settlement. Objectors' Decls. ¶ 12–14.

2. Plaintiffs and Their Counsel Are Inadequate To Protect the Interests of Objectors and Other Similarly Situated Couriers.

Plaintiffs and their counsel are inadequate to protect the interests of Objectors and the thousands of other couriers pursuing individual arbitrations. Settlement Plaintiffs and their counsel have been unable to pursue class actions against Postmates due to Postmates's arbitration clause, but they have shown no willingness to bring individual arbitrations against Postmates. See generally Mot. Prelim. Approval; Liss-Riordan Decl. Instead, they have attempted to settle their claims—and the claims of an entire class of hundreds of thousands of couriers—based on the assumption that couriers will be unable to obtain direct representation and pursue individual actions in substantial numbers. Mot. Prelim. Approval at 15 (noting that the standard for determining whether a class action is a superior means of resolving Plaintiffs' claims entails an inquiry of "whether workers are unlikely to come forward to pursue their own individual claims in absence of a class action" but then stating with no support that "[h]ere, there are approximately 380,000 class members, and granting class certification is superior to litigating the individual cases that would remain without certification.") That premise is false, as illustrated by the conduct of Objectors and the over ten thousand other couriers who have separately retained counsel to pursue individual arbitrations against Postmates. See supra at 6. And that false premise has caused Settlement Plaintiffs and LLR to propose a settlement that conflicts with the interests of Objectors in three improper ways.

First, Settlement Plaintiffs and their counsel have shown that they will support a settlement that releases the claims of absent class members for a paltry sum. As described above, depending

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on class member participation rates, the settlement consideration would average \$40 per courier with 50% participation.⁵ See Mot. Prelim. Approval at 11, 13 (noting that the total class size is approximately 380,000 couriers and the total consideration is \$11.5 million); Settlement Agreement § 2.38 (counsel's requested fee amount is \$3,833,33.33). Although the total settlement consideration of \$11.5 million is too low even for a class settlement of 380,000 couriers, it is far too low to compensate couriers with pending individual actions for their claims. Indeed, many couriers with individual actions have satisfied the filing fee obligation to AAA of \$300. Keller Decl. ¶ 8, 18. The proposed settlement offers of those couriers is an order of magnitude less than even their initial, non-refundable filing fee.

Second, Settlement Plaintiffs and their counsel have proposed a settlement that, by its very design, attempts to destroy Objectors' contractual right to avoid class proceedings and pursue individual arbitration. That alone is a basis for intervention. Tech. & Intellectual Prop. Strategies Grp. PC v. Insperity, Inc. is instructive. That case involved contract- and fraud-related claims by (N.D. Cal. one corporation against its purported counterparty to a staffing agreement. Nov. 29, 2012) No. 12-CV-03163-LHK, 2012 WL 6001098, at *1. A third corporation sought to intervene and compel arbitration, claiming intervention was appropriate because it was the proper counterparty to the agreement giving rise to the dispute, and that the dispute was covered by an arbitration agreement. Id. at *4. The court agreed. It held that the intervenor's interest in "assert[ing] its right to enforcement of [its] arbitration provision" was an interest supporting intervention. Id. at *7. Further, that right would be impaired if the case was decided without the intervenor having had the ability to seek to enforce the arbitration provision. See id. at *8. Finally, the defendant could not adequately protect the intervenor's interest in arbitration because the defendant arguably was not a party to the arbitration agreement, so could not seek to enforce it.

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See id. The court thus held that the intervenor could intervene as of right to protect its right to arbitrate the underlying claims. See id.⁶

That same reasoning holds true here. Objectors seek to individually arbitrate their misclassification claims against Postmates. The parties seek approval of the very settlement agreement that purports to extinguish Objectors' arbitration rights. That there is an opt out provision does not save the proposed settlement because it purports to make mere silence an effective waiver of Objectors' and other couriers' contractual rights. For example, if the class settlement notice went to a "spam folder" or a courier changed his or her email or mailing address and never received actual notice, under the proposed settlement's terms that courier's claims would be released and he or she would lose the contractually guaranteed right to pursue individual arbitration. *See* Settlement Agreement § 7.4 (Any class member who fails to opt out will have their claims "released as provided for herein, even if they never received actual notice of the Action or this proposed Settlement."). That is impermissible under California contract law. *See supra* at 10.

Third, Settlement Plaintiffs and their counsel have attempted to interfere with Objectors' right to be represented by their counsel of choice. Along with thousands of other putative class members, Objectors retained Keller Lenkner to pursue their misclassification claims via individual arbitrations rather than as part of any class proceeding. Keller Decl. ¶ 1. But Settlement Plaintiffs and their counsel have made a calculated attempt to interfere with Objectors' counsel of choice and their desired litigation strategy by seeking to prevent Keller Lenkner from assisting Objectors in executing or submitting an opt-out form. See Settlement Agreement § 7.1. In fact, the agreement allows many types of legal representatives to help Objectors opt out of the settlement except the one type of legal representative Objectors engaged for the specific purpose of helping them pursue their employment misclassification claims against Postmates on an individual basis. Id.

⁶ This Court may look to federal caselaw when evaluating a motion to intervene. *Edwards*, 29 Cal. App. 5th at 821 ("In assessing [intervention] requirements, we may take guidance from federal law."); *Hodge v. Kirkpatrick Dev., Inc.* (2005) 130 Cal. App. 4th 540, 555 (noting that intervention as of right under section 387 is "virtually identical" to intervention as of right under Federal Rule of Civil Procedure 24(a)).

Settlement Plaintiffs have not been appointed class representatives by any court. *See* Dkts. for *Lee* and *Rimler*. They have no legitimate interest in dictating how other couriers rely on or obtain assistance from attorneys whom those couriers have specifically engaged. Likewise, LLR has not been appointed by any court to represent any pending class of Postmates couriers. *Id.* And worse, nowhere in Settlement Plaintiffs' motion does LLR even ask this court to appoint it as counsel of the settlement class. *See* Mot. Prelim. Approval. LLR has no legitimate interest in restricting or interfering with the ability of Objectors to obtain assistance from their counsel.

Nevertheless, Settlement Plaintiffs and LLR have attempted to do just that. This reflects the inherent conflict between Settlement Plaintiffs and their counsel on the one hand, and couriers who wish to pursue individual arbitrations on the other. Postmates has committed to settling with the Settlement Plaintiffs only if fewer than 250 plaintiffs opt out of the settlement. Settlement Agreement § 7.2. The economic interest of Settlement Plaintiffs and their counsel would be directly undermined if Objectors and other couriers' counsel could facilitate their desire to opt out of the class. Settlement Plaintiffs and their counsel thus have interests that run directly counter to Objectors' interests, leading to a proposed set of opt-out terms that is transparently designed to interfere with thousands of couriers' attorney-client relationships. Objectors must be permitted to intervene to protect that deeply important constitutional right. Hernandez, 4 Cal. 5th at 267.

It is a longstanding principle that clients have the right to be represented by counsel of their own choosing. *Howard v. Babcock* (1993) 6 Cal. 4th 409, 425 (pointing out the Court's "legitimate concerns of assuring client choice of counsel"); *Smith, Smith & Kring v. Superior Court (Oliver)* (1997) 60 Cal. App. 4th 573, 580 (same). Objectors and thousands of other couriers chose to be

⁷ Plaintiffs' counsel also did not provide proper notice, as it did not file its Motion for Preliminary Approval or the underlying documents until October 8, 2019; yet, LLR noticed its motion to be heard a mere six court days later, on October 17, 2019. See Code Civ. Pro. § 1005(b) (requiring all motions be noticed at least sixteen court days after filing the underlying papers). The hearing was subsequently moved to October 23, 2019, but that date still provides inadequate notice for the motion, which cannot be heard under Cal. Code Civ. Pro. § 1005 until October 31, 2019. The failure of Plaintiffs' counsel to properly notice its motion for preliminary class approval is a further red flag because it demonstrates that the interests of Settlement Plaintiffs and their counsel are to rush through a deficient settlement.

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represented by Keller Lenkner, not LLR. Postmates is aware of that representation, see supra p. 6, and neither LLR nor Postmates has any legitimate basis to override that choice.

В. **Objectors Also Satisfy the Standard for Permissive Intervention.**

Even were the Court to conclude that Objectors cannot intervene as of right, it should exercise its discretion to permit intervention. Such intervention is appropriate when the proposed intervenor demonstrates that: "(1) the proper procedures have been followed; (2) the nonparty has a direct and immediate interest in the action; (3) the intervention will not enlarge the issues in the litigation; and (4) the reasons for the intervention outweigh any opposition by the parties presently in the action." Edwards, 29 Cal. App. 5th at 736 (internal quotation marks omitted). These elements are all satisfied here.

First, Objectors have followed all the procedures imposed under the intervention rules by timely⁸ filing an ex parte application for intervention along with their proposed complaint in intervention. Second, as outlined above, Objectors have a direct and immediate interest in the litigation: they are putative class members, and the settlement attempts to extinguish their misclassification claims and associated right to arbitrate those claims. Third, Objectors' intervention does not enlarge the issues in the litigation, as it revolves around the same factual allegations, claims, and agreements already at issue. People ex rel. Rominger v. Cty. of Trinity (1983) 147 Cal. App. 3d 655, 664-65 (finding that complaint in intervention did not "enlarge the issues" where it did not raise any "new legal or factual issues"). Fourth, the need for intervention far outweighs any potential opposition by the parties. Id. at 665 (finding Objectors' interest outweighed "parties' interest in litigating this case on their own"). Objectors must intervene to ensure that the proposed settlement does not impede (or eventually eliminate) their right to timely arbitrate their misclassification claims.

CONCLUSION

For all the foregoing reasons, this Court should grant Objectors' application to intervene.

⁸ The timeliness of Objectors' application cannot be questioned, as it comes less than two weeks after the proposed settlement that attempts to interfere with Objectors' arbitration rights was noticed. Cf. Hernandez, 4 Cal. 5th at 267 (noting that an application for intervention can be deemed timely even if sought after "judgment").

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15	SUPERIOR COURT OF THE STATE OF CALIFORNIA			
16	FOR THE COUNTY	OF SAN FRA	ANCISCO	
17	JACOB RIMLER and GIOVANNI JONES,) Case No. CGC-18-567868) DECLARATION OF ASHLEY KELLER IN		
18	on behalf of themselves and others similarly			
19	situated and in their capacities as Private Attorney General Representatives	SUPPORT OF PROPOSED INTERVENORS AND OBJECTORS'		
20	Plaintiffs,) EX PARTE APPLICATION FOR LEAVE TO INTERVENE		
21	T tuttiys,)	O II (I DIL)	
22	VS.) Date:) Time:	October 23, 2019 10:00 a.m.	
23	POSTMATES INC.,) Dept.:	304 Hon. Anne-Christine Massullo	
24	Defendant.) Judge:	Hon. Anne-Christine Massullo	
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⁹ Of the May 13, 2019 demands, 419 were made by drivers who did not work in California and would not be class members in this case.

At the time of filing, those couriers who Keller Lenkner understood to be subject to

the 2019 Fleet Agreement satisfied their \$300 filing-fee requirement. That included Objectors

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California Labor Code § 226(c) for its clients. To date, Keller Lenkner has requested work records on behalf of 13,974 California couriers. Postmates has not provided a single record.

- 18. On September 24, 2019, Keller Lenkner filed an additional 1,250 individual arbitration demands. 10 At the time of filing, those couriers Keller Lenkner understood to be subject to the 2019 Fleet Agreement satisfied their \$300 filing-fee requirement. AAA invoiced Postmates for its share of the filing fees, which are due November 4, 2019.
- 19. Keller Lenkner has significant experience litigating wage-and-hour claims like Objectors' claims. Based on that experience, the average courier who prevails in an individual action against Postmates likely could recover thousands of dollars in damages under state law and tens of thousands of dollars in civil penalties under local municipal-wage ordinances.
- 20. Objectors' claims and the claims of Keller Lenkner's other clients who were Postmates couriers in California are likely to succeed. Under *Dynamex Operations W. v. Superior Court*, Postmates can avoid liability only if it proves that Postmates couriers do not operate in the usual course of Postmates's business. (2018) 4 Cal. 5th 903, 961, *reh'g denied* (June 20, 2018). Postmates has long defined itself as a delivery company. Attached as Exhibit C are true and correct copies of archived homepages of the Postmates website on June 3, 2013 and January 28, 2015, *available at* https://web.archive.org/web/20130603212751/https://www.postmates.com/ and https://web.archive.org/web/20150128011443/https://postmates.com/ (last accessed on May 30, 2019). Because Postmates is a delivery company and couriers make Postmates's deliveries, Postmates couriers have strong arguments that Postmates would not exist without its couriers, and therefore couriers operate within the usual course of Postmates's business.
- 21. As of today, approximately 16,750 California couriers, including Objectors, have signed written engagement agreements to have Keller Lenkner represent them in their misclassification claims against Postmates in individual arbitration.
- 22. On October 18, 2019 at approximately 3:30 p.m. CST, I gave notice by email to counsel of record that on October 23, 2019, at 10:00 a.m., Objectors would apply to this Department

¹⁰ Of the September 24, 2019 demands, 500 were made by drivers who did not work in California and would not be class members in this case.

for an ex parte application for leave to intervene in this case. I asked if counsel would appear to oppose the application and to let us know by 5:30 p.m. CST. Counsel never responded. I affirm that the foregoing is true under penalty of perjury under the laws of California. Signed on October 18, 2019 in Chicago, Illinois. Ashley Keller

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15	SUPERIOR COURT OF THE FOR THE COUNTY			
16	FOR THE COUNTY	OF SAIVERA	iveleco	
17	JACOB RIMLER and GIOVANNI JONES,) Case No. C	CGC-18-567868	
18	on behalf of themselves and others similarly situated and in their capacities as Private	DECLARATION OF MALARIE TAYLOR IN SUPPORT OF PROPOSED		
19	Attorney General Representatives	 TAYLOR IN SUPPORT OF PROPOSED INTERVENORS AND OBJECTORS' EX PARTE APPLICATION FOR 		
20	Plaintiffs,		O INTERVENE	
21	VS.))	0 . 1 . 22 2010	
22	POSTMATES INC.,	Date:	October 23, 2019 10:00 a.m.	
23		Dept.: Judge:	304 Hon. Anne-Christine Massullo	
24	Defendant.)		
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26 27 28) _)	

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