

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

MARTIN DULBERG, individually, and on  
behalf of all others similarly situated,

No. C 17-00850-WHA

Plaintiff,

v.

UBER TECHNOLOGIES, INC., and RASIER,  
LLC,

Defendants.

**ORDER REJECTING  
PROPOSED CLASS  
SETTLEMENT**

The Court refuses to approve a class settlement under which some class members will release their claims for one cent. The Court further refuses to approve a settlement where approximately 1,300 checks will be for less than the combined cost of postage and administrative mailing costs.

The potential benefit of this settlement to the class as a whole cannot be justified by the cost of processing and mailing these minuscule claims. More than 25% of the class subject to the proposed settlement will recover less than the administrative costs of mailing the check. This high percentage of very low recovery is not reasonable.

It is no answer that these class members did not object to the currently proposed settlement. *First*, one class member did *informally* object. *Second*, the Court has an

1 independent responsibility to make sure the class members are fairly treated and that the amount  
2 offered in settlement is reasonable. *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1025 (9th Cir.  
3 1998) (citation omitted).

4 Whether or not this settlement can be salvaged is up to the parties in the first instance.  
5 Should the settlement be reworked, the Court would recommend the correction of excluding  
6 from the class all persons whose checks would be for less than the cost of postage and  
7 administration. For any excluded individuals, proper notice of the exclusion would need to be  
8 provided so that these drivers could bring their own independent lawsuits.

9 Defendants caution that such notice might cost defendants a similar amount as mailing  
10 the checks to these class members. Whether or not this is accurate, it glosses over a critical  
11 fact. That is, individuals receiving the notice would not bear the burden of released claims.

12 A further possible solution specifically for those individuals who still drive for Uber  
13 may be to credit the short-fall amounts directly to those drivers' Uber accounts. This would  
14 save postage and other administrative mailing costs.

15 Whatever the solution, if there is one, further reducing the settlement should be agreed  
16 upon by the parties, not imposed upon by the Court. The parties should please proceed,  
17 however, with the awareness that the Court already sees the currently proposed low-end  
18 settlement as dangerously inadequate.


19 For the foregoing reasons, the motion for final approval of class settlement is **DENIED**.  
20 The parties have until **MAY 23** to revise and agree on new terms. A jury trial in this matter shall  
21 begin on **AUGUST 19, 2019 at 7:30 A.M.** The final pre-trial conference is hereby set for **AUGUST**  
22 **7, 2019 at 2:00 P.M.**

23 Finally, the Court provides the following information as a further aid to the parties for  
24 purposes of calculating the individual amounts each driver may ultimately receive from any  
25 settlement after the full scope of costs have been accounted for. The benchmark percentage of  
26 attorney's fees likely to be approved by this Court is 25% of the *net* settlement fund. That is,  
27  
28

25% of the remaining settlement amount after all expenses and awards have been taken out from the settlement.

**IT IS SO ORDERED.**

Dated: May 7, 2019.

  
WILLIAM ALSOP  
UNITED STATES DISTRICT JUDGE