

U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

If you used the Lyft smartphone application to give rides to passengers in California between May 25, 2012, and July 1, 2016, you could get a payment from a class action settlement.

A court authorized this notice. This is not a solicitation from a lawyer.

- A lawsuit claims that Lyft, Inc. violated various laws and regulations by classifying drivers in California as independent contractors rather than employees. Lyft denies these allegations but has agreed to settle the lawsuit by paying \$27,000,000.00, changing its Terms of Service, and changing how its product works.
- The Court in charge of this case still has to decide whether to approve the settlement. If it does, drivers who used the Lyft smartphone application to give rides to passengers in California between May 25, 2012, and July 1, 2016, will be eligible for payment from Lyft.
- Your legal rights are affected whether you act or don't act. Read this notice carefully.
- These rights and options—**and the deadlines to exercise them**—are explained in this notice.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS

SUBMIT A CLAIM	The only way to get a payment. Give up your right to be part of another case against Lyft about the claims being resolved by this settlement. In order to receive a payment, you must submit a claim, which you can do electronically or by mail, as explained below in <u>paragraph 9</u>. Submitting a claim will not affect your right to assert claims against Lyft arising after approval of this settlement.
EXCLUDE YOURSELF FROM THE SETTLEMENT	Get no payment. Keep your right to be part of another case against Lyft about the claims being resolved by this settlement.
OBJECT TO THE SETTLEMENT	Write to the Court about why you don't like the settlement. You cannot object in order to ask the Court for a higher payment for yourself personally, although you can object to the payment terms (or any other terms) that apply generally to the class.
GO TO A HEARING	Follow the procedures below to ask to speak in Court about the fairness of the settlement. The Court will hold a hearing for the settlement to decide whether to approve it.
DO NOTHING	Get no payment. Give up your right to assert the claims being resolved by this settlement.

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Basic Information

1. WHY AM I RECEIVING THIS NOTICE?

Lyft's records show that you used the Lyft smartphone application to give rides to passengers in California between May 25, 2012, and July 1, 2016.

The Court sent you this notice because you have a right to know about a proposed settlement of a class action lawsuit, and about your options, before the Court decides whether to approve the settlement. If the Court approves it and after any objections and appeals are resolved, an administrator appointed by the Court will make the payments that the settlement allows. Everyone who makes a claim will be informed of the progress of the settlement.

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Northern District of California, and the case is known as *Patrick Cotter, et al. v. Lyft, Inc.*, Case No. 3:13-cv-04065-VC.

2. WHAT IS THIS LAWSUIT ABOUT?

This lawsuit claims, generally, that Lyft improperly classified drivers who gave rides in California as independent contractors rather than employees and that as a result of this classification, Lyft violated various laws and regulations.

Lyft denies that drivers were or are employees and denies the claims in the lawsuit. Lyft argues that it complied with all applicable federal, state, and local laws and regulations at all times, and it has asserted various defenses to the claims.

3. WHAT IS A CLASS ACTION AND WHO IS INVOLVED?

In a class action lawsuit, one or more people, called "Class Representatives," sue on behalf of themselves and others who have similar claims. All these people together are a "Class" or "Class Members." One court resolves the issues for everyone in the Class—except for those people who choose to exclude themselves from the Class. People who do not exclude themselves and remain in the Class may not file their own lawsuit on the issues that were resolved in the class action.

Here, the Class Representatives are current and/or former drivers who used the Lyft smartphone application to give rides to passengers in California. Their names are Patrick Cotter, Alejandra Maciel, and Jeffrey Knudson. These Class Representatives sued the Defendant, Lyft, Inc., on behalf of themselves and other drivers who gave rides to passengers in California.

4. WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of the drivers or Lyft. Instead, both sides agreed to a settlement. That way, they avoid the cost of a trial, and the people affected will get compensation and the benefits of changes to Lyft's Terms of Service and product. The Class Representatives and their lawyers think the settlement is best for everyone who gave rides to passengers using the Lyft smartphone application because they believe that the amount Lyft has agreed to pay, along with the changes Lyft has agreed to make to its Terms of Service and product, is fair, adequate, and reasonable in light of the risks of continued litigation, and the time required to litigate the case.

Who Is in the Settlement?

5. WHO IS INCLUDED IN THE CLASS UNDER THE SETTLEMENT?

All current and former drivers who gave at least one ride to passengers in California between May 25, 2012, and July 1, 2016, are Class Members under this settlement.

The Settlement Benefits—What You Get

6. WHAT DOES THE SETTLEMENT PROVIDE?

Lyft has agreed to pay money to Class Members, change its Terms of Service, and change its product:

- Lyft has agreed to create a settlement fund of \$27,000,000.00 for payments by Lyft to Class Members. Under a Plan of Allocation in the settlement, this fund will first be used to pay for (1) the costs of providing notice to the Class (such as this document) and administering the settlement, and (2) the lawyers' fees, expenses, and enhancement

payments approved by the Court (see Question 16 for more details on these payments). The remaining amount in the settlement fund, called the “Net Settlement Fund,” will then be distributed to Class Members who make a valid claim, as described in Question 7.

- Lyft has agreed to change its Terms of Service to remove its ability to deactivate a driver’s account for any reason. Instead, Lyft will list the specific, limited categories of actions that may result in termination of a driver’s agreement with Lyft/deactivation of a driver’s account.
- Lyft has agreed to change its Terms of Service to provide that Lyft will pay for arbitration fees and costs (other than an initial filing fee) for any claims brought by Lyft against a driver, or for claims brought by a driver against Lyft, for certain disputes related to driver deactivation/termination, ride fees, and employment-related claims. Arbitration is a way of resolving disputes without going to Court.
- Lyft has agreed to implement an optional pre-arbitration negotiation process that can be used by drivers, including deactivated drivers, to resolve disputes with Lyft without having to invoke the arbitration process.
- Lyft has agreed to change its product to create a “favorite driver” option that will result in benefits to drivers who Lyft passengers choose as a “favorite.”
- Lyft has agreed to change its product to provide drivers with additional information about potential Lyft passengers before drivers accept ride requests from those passengers.

7. WHAT CAN I GET FROM THE SETTLEMENT?

Payments to Class Members who submit valid claims (see Question 9) will be made based on each such Class Member’s share of the “Net Settlement Fund.” A Class Member’s share will be determined by the number of “Points” awarded to the Class Member.

The settlement awards Points based on Lyft’s records as to the number of Rides a Class Member gave and/or the amount of time a Class Member spent in “Ride Mode.” These Points do not have a value fixed at any particular dollar amount; they vary depending on how many people make a claim for a share of the settlement. For the purposes of calculating points, the settlement defines a Ride as beginning when a driver uses the Lyft smartphone application to accept a transportation request from a passenger and ending when a driver selects the “drop off” option in the Lyft smartphone application. The settlement defines Ride Mode as the period between the beginning and end of a Ride.

Points will be awarded as follows:

- For each Ride given in the period from May 25, 2012, through September 30, 2012, a Class Member will receive two hundred twenty seven (227) Points.
- For each sixty-minute period in Ride Mode for the period from October 1, 2012, through July 1, 2016, a Class Member will receive six hundred (600) Points.
- For each sixty-minute period in Ride Mode for the period from January 14, 2013, through December 23, 2013, a Class Member will receive an additional one hundred twenty (120) Points.
- For each Class Member who spent thirty (30) or more hours per week in Ride Mode in fifty (50) percent or more of the weeks in the period from May 25, 2012, through July 1, 2016, in which he or she gave at least one Ride, the points calculated above will be multiplied by 2, so that the Class Member receives double the number of Points than would otherwise be awarded.

After Points are awarded to all Class Members submitting valid claims, the Net Settlement Fund will be divided among those Class Members in proportion to each Class Member’s Points. The exact amount each such Class Member will receive cannot be calculated until (1) the Court approves the settlement; (2) amounts are deducted from the settlement fund for the costs of providing notice to the Class, administering the settlement, paying lawyers’ fees and expenses, and making enhancement payments approved by the Court; and (3) the Settlement Administrator determines the number of Class Members who excluded themselves, submitted valid claims, and after payments are made, successfully received their payment.

8. WHAT IF I DISAGREE WITH MY PAYMENT?

There is a process in the settlement for you to challenge the determination of the amount of your settlement payment. The Settlement Administrator, with input from Class Counsel and Lyft, will determine the amount of each settlement payment and will resolve any objections to your settlement amount. You will get further details in the letter you receive about your payment.

How You Get a Payment—Submitting a Claim

9. HOW CAN I GET A PAYMENT?

To qualify for payment, you must submit a claim, either electronically or through a paper claim form.

To submit a claim electronically, go to www.lyftdriverlawsuit.com and enter your Claimant ID and Verification Number. If you cannot locate your Claimant ID and Verification Number, or if you did not receive a notice and believe you should have, please contact the Settlement Administrator at (855) 907-3215 or info@lyftdriverlawsuit.com.

To submit a claim by paper, please contact the Settlement Administrator at (855) 907-3215 or info@lyftdriverlawsuit.com for instructions.

In order to receive a monetary payment from this settlement, please submit your claim before December 1, 2016.

If you have current electronic payment account information on file with Lyft, the settlement payment will be deposited directly into your account. If you prefer, you can request your payment be made by check. It is your responsibility to keep current electronic payment information on file with the Settlement Administrator, or, if you want to receive payment by check, you must inform the Settlement Administrator of any change in your address. You may update your address with the Settlement Administrator by submitting your former and current addresses to:

Lyft Class Action Settlement
Settlement Administrator
c/o GCG
P.O. Box 35129
Seattle, WA 98124-5129

You can also submit your address information via email to info@lyftdriverlawsuit.com.

Please include your Claimant ID on any correspondence sent to the Settlement Administrator.

If you do not keep your electronic payment information or your address current, your settlement payment may be delayed and it is possible that you will not receive your settlement payment.

10. WHEN WOULD I GET MY PAYMENT?

The Court will hold a hearing on December 1, 2016, to decide whether to approve the settlement. If the Court approves the settlement after that, it is anticipated that you would receive your payment in 2016 or early 2017. However, if there are appeals, it may take time to resolve them, perhaps more than a year. Everyone who submits a claim will be informed of the progress of the settlement. Please be patient.

11. WHAT AM I GIVING UP BY STAYING IN THE CLASS AND GETTING A PAYMENT?

Unless you exclude yourself, you are staying in the Class, and that means that you can't sue, continue to sue, or be part of any other lawsuit against Lyft about the legal issues resolved by this settlement. It also means that all of the Court's orders will apply to you and legally bind you. If you submit a claim, you will agree to a "Release of Claims," available online as part of the claim submission process, which describes exactly the legal claims that you give up if you get settlement benefits. Submitting a claim will not affect your right to assert claims against Lyft arising after the approval of this settlement.

A separate lawsuit, *Zamora, et al. v. Lyft, Inc.*, Case No. 3:16-cv-02558-VC (N.D. Cal.), alleges that Lyft has not paid drivers all of the "Prime Time" premium payments to which they were entitled. Certain claims in *Zamora* allege that such payments should belong to drivers even if they were not employees. This settlement would not prevent you from pursuing these claims in *Zamora*. Other claims in *Zamora* allege that such payments were "gratuities" or "tips" (a claim that would require proving that Lyft drivers were employees rather than independent contractors). If you do not exclude yourself from this settlement, you will be unable to pursue these claims in *Zamora*.

Excluding Yourself from the Settlement

If you don't want a payment from this settlement, but you want keep the right to sue or continue to sue Lyft, on your own, about the legal issues resolved by this settlement, then you must take steps to get out. This is called excluding yourself—or is sometimes referred to as opting out of the settlement Class.

12. HOW DO I GET OUT OF THIS SETTLEMENT?

To exclude yourself from the settlement, you must send a letter by mail, **postmarked on or before October 29, 2016**, to the Settlement Administrator at the following address:

Lyft Class Action Settlement
Settlement Administrator
c/o GCG
P.O. Box 35129
Seattle, WA 98124-5129

Your letter must contain: (1) a clear statement that you wish to be excluded from this case, *Cotter v. Lyft*, (2) your name (and former names, if any), address, and telephone number; (3) your signature (or the signature of your legally authorized representative).

If, before the deadline, you request to be excluded from the settlement, you will not receive any payment under the settlement and you will not be bound by anything that happens in this case. However, if the settlement is finally approved, the settlement will prohibit you from making further claims under the California Labor Code Private Attorneys General Act of 2004 (also called "PAGA"), regardless of whether you ask to be excluded.

13. IF I DON'T EXCLUDE MYSELF, CAN I SUE LYFT FOR THE SAME THING LATER?

Unless you exclude yourself, you give up the right to sue Lyft for the claims that this settlement resolves. However, not excluding yourself will not affect your right to assert claims against Lyft arising after the approval of this settlement. If you have a pending lawsuit, speak to your lawyer in that lawsuit immediately. You must exclude yourself from this Class to continue your own lawsuit. **Remember, the exclusion deadline is October 29, 2016.**

14. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLEMENT?

No. If you exclude yourself, do not submit a claim to ask for any money. However, you may sue, continue to sue, or be part of a different lawsuit against Lyft.

The Lawyers Representing You

15. DO I HAVE A LAWYER IN THIS CASE?

You do not need to hire your own lawyer. The Court has decided that the interests of the Class, including you if you do not exclude yourself, are represented by these lawyers:

Shannon Liss-Riordan LICHTEN & LISS-RIORDAN, P.C. 729 Boylston Street, Suite 2000 Boston, MA 02116 Phone: 415-630-2655 lyftlawsuit@llrlaw.com	Matthew D. Carlson LICHTEN & LISS-RIORDAN, P.C. 466 Geary Street, Suite 201 San Francisco, CA 94102 Phone: 415-630-2655 lyftlawsuit@llrlaw.com
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You and other Class Members will not be separately charged for these lawyers, who are referred to as "Class Counsel." If you want to be represented by your own lawyer, you may hire one at your own expense.

16. HOW WILL THE LAWYERS BE PAID? ARE THE CLASS REPRESENTATIVES BEING PAID?

Class Counsel will ask the Court for fees and costs up to \$3,675,000. Class Counsel also will ask for an enhancement payment of up to \$5,000 each for Patrick Cotter and Alejandra Maciel, and up to \$2,500 for Jeffrey Knudson, for their services as the Class Representatives and for their efforts in bringing this case. The actual amounts awarded to Class Counsel and the Class Representatives will be determined by the Court.

Objecting to the Settlement

You can tell the Court that you don't agree with the settlement or some part of it.

17. HOW DO I TELL THE COURT THAT I DON'T LIKE THE SETTLEMENT?

If you're a Class Member, you can object to the settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. If the Court rejects your objection, you will still be bound by the terms of the settlement, but you will also receive a monetary award.

To object, you must send your written objection by mail, **postmarked on or before October 29, 2016**, to the following two addresses:

Clerk of the Court
U.S. District Court, N.D. Cal.
450 Golden Gate Avenue, 17th Floor
San Francisco, CA 94102

Lyft Class Action Settlement
Settlement Administrator
c/o GCG
P.O. Box 35129
Seattle, WA 98124-5129

Your written objection must contain: (1) your full name, address, telephone number, and signature; (2) a heading that clearly refers to this case, *Cotter v. Lyft*; (3) a statement of the specific legal or factual reasons for your objection; and (4) a statement of whether you intend to appear at the Fairness Hearing, either in person or by having a lawyer represent you, and, if you will have a lawyer represent you, a statement identifying that lawyer by name, bar number, address, and telephone number. Your objection must be signed by you (or your legally authorized representative), even if you are represented by a lawyer.

18. WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING?

Objecting is simply telling the Court that you don't like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you cannot object to the settlement because the case no longer affects you.

The Court's Fairness Hearing

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don't have to.

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court has preliminarily approved the settlement and will hold a hearing, called a Fairness Hearing, to decide whether to give final approval to the settlement. At the hearing, the Court also will consider the award of lawyers' fees and expenses to Class Counsel and the request for enhancement payments to the Class Representatives.

The Court has scheduled the Fairness Hearing for 10:00 a.m. on December 1, 2016, in Courtroom 4 of the United States District Court, Northern District of California located at 450 Golden Gate Avenue, 17th Floor, San Francisco, California 94102.

20. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer any questions the Court may have. However, you have the right to attend the Fairness Hearing and be represented by your own lawyer at your own expense. If you plan to attend the Fairness Hearing, you may contact Class Counsel to confirm the date and time, as the hearing may be rescheduled without further notice.

21. MAY I SPEAK AT THE FAIRNESS HEARING?

You may ask the Court for permission to speak at the Fairness Hearing by following the steps listed under Question 17 above. If you have requested exclusion from the Settlement, however, you may not speak at the Fairness Hearing.

If You Do Nothing

22. WHAT HAPPENS IF I DO NOTHING AT ALL?

If you do nothing, you'll get no money from this settlement. But, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Lyft about the legal issues resolved by this settlement. Doing nothing will not affect your right to assert claims against Lyft arising after the approval of this settlement.

Getting More Information

23. ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

This notice summarizes the proposed settlement. More details are in a settlement agreement. You can get a copy of the settlement agreement by writing to Lichten & Liss-Riordan, P.C. at 729 Boylston Street, Suite 2000, Boston, MA 02116, or lyftlawsuit@llrlaw.com.

24. HOW DO I GET MORE INFORMATION?

You can visit www.lyftdriverlawsuit.com, call (855) 907-3215, or write to Lyft Class Action Settlement, c/o GCG, P.O. Box 35129, Seattle, WA 98124-5129. The website provides answers to common questions about the settlement, a claim-submission option, and key documents related to this case and this Settlement.

**PLEASE DO NOT CALL OR WRITE THE COURT
OR THE OFFICE OF THE CLERK OF COURT REGARDING THIS NOTICE**