

More food delivery startups are sued for classifying drivers as contractors

by Kia Kokalitcheva @imkialikethecar SEPTEMBER 23, 2015, 9:13 PM EDT



Courtesy of DoorDash

Lawyer representing Uber and Lyft drivers files similar lawsuits against more delivery startups.

Add a few more Silicon Valley startups to a growing list of companies facing trouble for classifying drivers as contract workers.

On Wednesday, contractors for food delivery services Doordash and Grubhub sued the companies for allegedly misclassifying them. Shannon Liss-Riordan, a Massachussetts-based labor attorney, filed the lawsuits on Wednesday in California Superior Court, according to SF Weekly.

At the core of the lawsuits is whether these companies are legally classifying their drivers as contract employees, which lets them skip on paying payroll taxes, benefits, and expenses. Liss-Riordan also submitted a demand for arbitration against food delivery service Caviar on behalf of one employee over the same issue.

Doordash and Caviar both dispatch drivers to pick up meals ordered by customers and deliver them to their homes. In general, Grubhub only fields and process home delivery orders for restaurants, but it does provide delivery drivers in some of its markets. Liss-Riordan is also representing plaintiffs in similar lawsuits against ride-hailing companies Uber and Lyft, as well as on-demand startups including Instacart, Washio, and Homejoy. Earlier in the summer, several similar startups, including Luxe Valet and Shyp, chose to convert their contract workers to company employees amid intensifying pressure around the issue.

Earlier this month, <u>a San Francisco federal judge granted class action status to the lawsuit against Uber</u>, a move the company has said it will appeal.