

# Los Angeles Times

## Meet the attorney suing Uber, Lyft, GrubHub and a dozen California tech firms



*Attorney Shannon Liss-Riordan says too many Silicon Valley firms flout labor laws at the expense of low-wage workers (Aram Boghosian / For the Times)*



By [Tracey Lien • Contact Reporter](#)

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**S**hannon Liss-Riordan made a name for herself defending workers against FedEx, American Airlines and Starbucks in wage and hour lawsuits.

If you're a business executive and she's knocking at your door, it probably means your company has been accused of doing something few Americans have much tolerance for: ripping off the little guy.

So, if you're an executive in Silicon Valley — where businesses are lauded for disrupting the old way of doing things, tearing down the hierarchies of the past, making the world a better place — you'd think you'd get a pass, right?

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**It just doesn't make a lot of sense to me why we should throw all these worker protections out the window to help a \$50-billion company like Uber.**

- Shannon Liss-Riordan

Hardly. After slapping on-demand transportation company [Uber](#) with a class-action lawsuit over driver misclassification in 2013, the Boston lawyer has been busy, filing a dozen similar lawsuits against California tech firms.

Silicon Valley companies may think they're a breed apart, but to Liss-Riordan, too many of them are too similar to the big corporations she's fought in the past, companies she says flout labor laws for profit at the expense of low-wage workers.

Where some see Silicon Valley innovation, Liss-Riordan sees an old power struggle, wrapped in an app.

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Liss-Riordan hasn't kept track of how many miles she's logged between Boston and San Francisco since she started litigating against companies in the on-demand economy. But she's now treated as a regular at the federal courthouse in San Francisco, where she's often seen dragging a roller bag of legal documents in and out of the towering gray building.

An opposing attorney in one of her cases saw her around so much he challenged whether she should be allowed to file so many lawsuits in the state when she isn't a member of the State Bar of California.

If he'd hoped to deter her, it didn't work. Liss-Riordan responded by registering to take the California bar exam in February. Once admitted, she plans to open an office in San Francisco.

Liss-Riordan carries herself more like an activist than a lawyer. At first, she comes off as approachable, friendly even. But her partner at Boston law firm Lichten & Liss-Riordan, Harold Lichten, describes her as having the heart of a grass-roots organizer with the tenacity of "a pit bull with a Chihuahua in its mouth."

She knows her stuff and can get really academic, but without making people feel dumb.

Opponents have accused her of being opportunistic and taking advantage of young companies who don't know legal rules. She counters by saying that the cases she's filing aren't about semantics. They're about people getting ripped off.

The on-demand economy — driven by smartphone apps with which people can instantly hail a ride, order a meal or book a house cleaner — is booming in California. Ride-hailing companies such as Uber and Lyft have achieved multibillion-dollar valuations from a business model that uses independent contractors to fulfill a core function of their businesses. Although they compete directly against the taxi industry, they've labeled themselves "technology companies" — intermediaries that simply connect willing workers with paying customers.

Which would be fine, Liss-Riordan said, if they were also treating their workers as independent contractors.

In the lawsuits she filed against Uber, Lyft, food-delivery companies DoorDash and GrubHub, and on-demand laundry service Washio, she alleges that these firms exert the kind of control that employers would have over employees — without providing any of the benefits employees, by law, are entitled to.

In response to her efforts, these companies have hired legal big guns. Uber, for example, hired Gibson Dunn, a global law firm routinely recognized by industry groups as one of the top litigators in America.

There's a good reason they're fighting so hard. A Liss-Riordan victory could put companies such as Uber and GrubHub on the hook for costs that would eat deeply into their profit margins. Labor experts estimate that their cost of doing business would increase by 30% to cover payroll taxes, unemployment insurance and workers' compensation. Costs would rise even more with overtime payments and — particularly in the Lyft and Uber cases, in which drivers use their own vehicles and pay for their own gas — expense reimbursements.

Could big firms such as Uber and Lyft afford it? Liss-Riordan believes so. But in Silicon Valley, where sky-high profit margins lead to enormous company valuations that could translate into staggering returns on investment, any increase in the cost of doing business poses a threat. After all, Uber didn't become the world's most highly valued private company by paying for its drivers' gas.

If the companies are to be believed, any significant changes to their business model would fall on the drivers. The Ubers and Lyfts of the world argue that recognizing workers as employees would come at the cost of flexible working hours, which is the reason many people sign up to drive for an on-demand service.

Liss-Riordan huffs at the notion. Smaller companies such as Shyp (on-demand shipping), Munchery (on-demand meal delivery) and Luxe Valet (on-demand valet parking) have been able to do it while retaining some flexibility, although their workers now have scheduled shifts.

"These companies just don't want to do it because it's going to cost more," she said. "And there's nothing stopping them from giving their workers flexible schedules."

She almost has to fight back an eye roll when she hears the on-demand economy's defense.

"It just doesn't make a lot of sense to me why we should throw all these worker protections out the window to help a \$50-billion company like Uber when the workers who are actually doing the work are struggling and need those protections," she said.

She speaks with an urgency. As she delivers each statement, one can imagine a concurrent thought bubble floating above her head in which she grabs people by the shoulders and shakes them: “Can’t you see? Can’t you see why this matters?”

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Liss-Riordan has brought this kind of fight to big and small players alike. She’s taken on Starbucks and American Airlines (both were accused of skimming tips from workers) and sued a Massachusetts strip club and a pizza chain (the former classified its dancers as independent contractors but expected them to share their tips with managers and bouncers. The latter was a case in which kitchen staff members were forced to give back their overtime wages or lose their jobs).

Her track record is strong: In Massachusetts, she’s won worker-misclassification and tip cases against Starbucks and FedEx. Her lawsuit against the strip club triggered a wave of similar lawsuits across the state. After her lawsuit drove the pizza chain out of business, she bought one of the restaurants herself and turned it into a profit-share pizza joint.

“Overall she really cares about workers and advancing the law for workers,” said Lichten, who has known her for 20 years. “She’s very good about rolling up her sleeves and meeting with clients to explain to them what’s going on.”

There’s big money to be made in this area, of course. Class-action lawsuits can lead to hefty payouts, with lawyers walking away with up to a third of what their clients are awarded. In a recent class action over worker misclassification involving FedEx Ground (Liss-Riordan was not the plaintiff’s attorney), the company announced a \$228-million settlement with 2,300 California-based drivers.

Liss-Riordan doesn’t charge an upfront fee — so if she doesn’t win, she gets nothing.

Her critics have been blunt, accusing her of taking advantage of confusing and arcane laws to reap a windfall for her clients and her firm.

“I have a lot of respect for Shannon, but I do see this cottage industry she's created around the tip statute as becoming abusive toward employers,” attorney Ariel D. Cudkowicz, who defended several Liss-Riordan-led lawsuits, told the Boston Globe in 2008.

Others have pointed out that sometimes companies have good intentions but simply misinterpret the law.

Before they get the chance to figure it out, lawsuits like Liss-Riordan's can “knock them out of business,” said attorney Robert Berluti, who went up against Liss-Riordan in the Massachusetts stripper case.

Some of her cases have taken more than a decade to resolve. In 2011, she took on a case representing a skycap who was fired in retaliation for participating in a class-action lawsuit; that was a five-year process.

“She kept fighting without getting paid,” said her former client in the skycap case, Joe Travers, 50. According to Travers, Liss-Riordan continued to represent him even when the court reversed his victory. She recently won an appeal on his behalf.

“It's amazing someone would continue to fight for you even when there might not be anything for them in the end,” he said. “She just doesn't like people taking advantage of other people.”

Liss-Riordan doesn't seem fazed by her critics or the size of the industry she's taking on. In her eyes, no company — innovator, disruptor, whatever else they want to call themselves — deserves a free pass.

When asked whether she's been known to be intimidated by anyone — a company, an industry, another law firm — Liss-Riordan's former colleague, attorney Nicole Horberg Decter, had this to say: “Ha-ha-ha!”

Then, after a moment: “I don’t think of Shannon as someone who is intimidated by anything. When she takes on an issue, she’s not taking on a company, she’s taking on an industry. I think that’s very powerful. So, no, she is not intimidated at all.”

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