



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

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DIVISION OF SOCIAL JUSTICE
LABOR BUREAU

February 16, 2024

By Email

Marc J. Held, Esq.
Phillip M. Hines, Esq.
Held & Hines LLP
622 Third Avenue
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New York, NY 10017
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Re: New York Attorney General Settlement
with Uber Technologies, Inc. and Lyft, Inc.

Dear Mr. Held and Mr. Hines:

I am the Bureau Chief for the Labor Bureau in the Office of the Attorney General for the State of New York (“OAG”). I am writing in connection with the settlements that the OAG entered into with Uber Technologies, Inc. and Lyft, Inc. on November 1, 2023 (“the Settlements”), to demand that you immediately cease solicitation activities of Uber and Lyft drivers in connection with receiving payments from the Settlement which is causing undue and harmful confusion in the Uber and Lyft driver community. These solicitations appear to be deceptive and misleading in violation of General Business Law §§ 349 and 350 and Executive Law §63(12). They also appear to violate the Rules of Professional Conduct.

We understand that your firm is actively soliciting Uber and Lyft drivers in connection with the Settlements, representing to drivers that your firm will file on their behalf claims for restitution from the settlement funds in exchange for a 15% fee from the recovery due to that driver. In that connection, you are actively promoting on driver chat sites that **“to get paid, complete the form here,”** linking drivers to a website that you have created – www.UberLyft-Settlement.com – where drivers then must provide information to you, including when they drove, what company they drove for, and whether the driver completed a trip during the settlement period, driver contact information, ultimately leading to a link to a retainer agreement.

In this “retainer agreement” you state that with respect to receiving payment from the OAG’s settlement:

we will help you determine your eligibility, draft and file these claims on your behalf, advise you as to the evidence and information needed to support these claims, negotiate the claims, and assist you in getting paid for these claims (“AOD Claims”). Should we obtain a favorable result for you with respect to the AOD Claims, you agree that we shall be entitled to a legal fee equal to fifteen (15%) percent of the amount recovered on your behalf on each AOD Claim. You agree that you will not dispute the Attorneys’ fees and expenses. You agree that should you choose to retain different counsel in the future, that the Attorneys are entitled to a legal fee based on quantum meruit of the Attorneys’ work on your behalf.

You also acknowledge that you are not required to hire counsel to file an AOD Claim in order to receive compensation; however, you have determined it to be in your best interests at this time to do so based upon any number of factors you have considered, **including but not limited to the complicated and time-consuming claim filing process, difficulty interpreting and understanding legal documents**, lack of legal experience, and the experience of the Attorneys in handling these matters, which has compelled you to voluntarily retain us as your Attorneys. (emphasis added)

Your statement that the claims process is “complicated and time-consuming” misrepresents the true nature of the settlement process. The actual language of the AODs that we have entered into with Uber and Lyft -- which are publicly available -- makes plain that the settlement process is simple and straightforward, with the Settlement Administrator, Rust Consulting, authorized by the parties to handle settlement distributions from the settlement funds and answer any questions that drivers will have. As the AODs indicate, the amount of restitution to be paid drivers is determined by the OAG, in its sole discretion, based on information from the companies. The process is not a complicated claims process, and it does not require drivers to supply proof of any kind other than their uniquely-assigned claim ID number and other identifying information, nor does it require the assistance of third parties to prosecute their claim for a fee.

Your misrepresentations about the nature of the settlement process and your active solicitation of drivers has caused and will continue to cause considerable confusion among the driver community.

We are further concerned that your solicitation runs afoul of Rule 1.5 of the New York Rules of Professional Conduct. Rule 1.5(a) provides that a lawyer “shall not make an agreement for, charge, or collect an excessive or illegal fee or expense. A fee is excessive when, after a review of the facts, a reasonable lawyer would be left with a definite and firm conviction that the fee is excessive.” Rule 1.5(a) then sets forth a number of factors to be considered in determining whether a fee is excessive, and those that appear applicable here include, but may not be limited to, the time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly; the fee customarily charged in the locality for similar legal services; the amount involved and the results obtained; and the nature and length of the professional relationship with the client.

In light of the straightforward nature of the restitution process, the services you purport to offer in connection with collecting a driver's restitution award neither justifies your involvement nor the fee you are requiring. There is no specific novel or difficult questions here requiring skilled professional time and labor. Nor is it usual or customary for parties qualifying for restitution payments in OAG settlements to require the assistance of third parties charging a fee to receive their payments. These Uber and Lyft drivers have had to wait for many years to receive the benefit to which they were unjustly denied and it makes little sense that they should be encouraged to pay a significant portion of proceeds due to them in order to finally receive their fair portion of the settlement funds.

We therefore request that you:

(1) immediately cease and desist from further solicitation of Uber and Lyft drivers in connection with the Settlements;

(2) that you disable the website you have created in connection with that solicitation effort;

(3) that you provide us the contact information of all drivers who have signed the firm's retainer agreement concerning AOD Claims;

(4) that you inform all drivers that you are voiding all retainer agreements concerning AOD Claims; and

(5) that you inform us by the close of business on February 20, 2024 of your agreement to comply with our request.

Should you fail to take the steps that we have requested, the OAG reserves all its rights to take any and all actions deemed warranted under the circumstances.

Very truly yours,

A handwritten signature in cursive script that reads "Karen Cacace".

Karen Cacace
Bureau Chief
Labor Bureau