

UPS Overtime Suit Settles for \$12.8 Million

The Recorder

By Kate Moser

December 9, 2009

SAN FRANCISCO — A federal judge late last week advanced a mediated settlement for delivery drivers who claimed they were denied benefits and overtime by UPS Supply Chain Solutions because they were misclassified as independent contractors.

U.S. District Judge Phyllis Hamilton of the Northern District of California preliminarily approved the \$12.8 million settlement in the class action involving about 660 potential class members.

The plaintiffs and UPS Supply Chain Solutions jointly filed the motion to approve the settlement, of which at least 83 percent will go to members of two proposed classes representing workers in California and nationwide. The plaintiffs will ask for up to \$1.7 million in attorneys fees for Oakland firm Leonard Carder and up to \$325,000 in litigation costs, among other fees, the motion said.

The proposed settlement came together after multiple all-day mediations with JAMS mediator Ronald Sabraw, according to the motion filed in November by lead plaintiff counsel Lynn Faris of Leonard Carder and defense counsel Robert Kristoff, a partner in the San Francisco office of Paul, Hastings, Janofsky & Walker.

Faris, who is lead counsel in a similar case against FedEx Ground in the Northern District of Indiana, said companies considering whether to classify people as independent contractors "are likely to take this settlement as further indication that that's a risky business choice."

UPS has changed the way it uses independent contractors based on some of the allegations raised in this case, corporate spokeswoman Susan Rosenberg said Tuesday.

Hamilton set a fairness hearing for March 15.

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