

# Arias Sanguinetti Wang & Torrijos, LLP: Class Action Filed Against DoorDash Accusing Food Delivery App of Using Tips to Subsidize Employee Wages



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SAN FRANCISCO, Sept. 26, 2019 /PRNewswire/ -- A class action was filed on behalf of consumers who paid tips through the DoorDash app or website alleging the "tips" were actually used by DoorDash to fund its operations by subsidizing the guaranteed payment the company promised drivers rather than going directly to the drivers.

The class action was filed in San Francisco Federal Court and claims that in the latest bout of Silicon Valley libertarian business practice DoorDash's use of these tips to assist in funding the guaranteed minimum payments it owes drivers violates the consumer protection statute of California and various other states.

The complaint lays out examples of DoorDash's scheme alleging that if a guaranteed minimum payment to a Dasher (someone who does deliveries for DoorDash) for a delivery is \$7.00 and the consumer leaves no tip, DoorDash pays the Dasher this \$7.00. But if the consumer leaves a \$3.00 tip, DoorDash uses this \$3.00 toward the guaranteed \$7.00 minimum payment and only pays \$4.00 of its own money. The result is that the Dasher receives no additional compensation

by the consumer leaving a tip through DoorDash's website or app, and the consumer is deceived into leaving a tip that merely reduces the amount that DoorDash has to pay the Dasher to meet the guaranteed minimum payment.

"When a consumer uses an app to order food and chooses to use the 'tip' function, that consumer has a basic expectation that the delivery person is receiving that tip in addition to what the company promised to pay," said attorney Alfredo Torrijos. "DoorDash is using the generosity of consumers to fund their own business ventures, depriving people who work for them of their due wages."

The class action lawsuit was filed on behalf of any consumer who used DoorDash to place a food-delivery order and who paid a tip.

To read the complaint:

[https://drive.google.com/file/d/1IJjhxD6\\_Df9kiyxq3VAzGSeZr9sMOCBo/view?usp=sharing](https://drive.google.com/file/d/1IJjhxD6_Df9kiyxq3VAzGSeZr9sMOCBo/view?usp=sharing)

The lawsuit is *Jennifer Peter and Karson Theiss et al. v. DoorDash, Inc.*, United States District Court Northern District of California, Case No. 3:19-cv-06098.

### **About Arias Sanguinetti Wang & Torrijos, LLP**

With offices in Oakland, Los Angeles, Las Vegas and Montreal, Arias Sanguinetti Wang & Torrijos represents clients in complex litigation in state and federal courts throughout the United States. Some of our practice areas include: Class Actions, Mass Torts, Major Personal Injury, Employment Law, and Intellectual Property Rights. To learn more about us, go to: <https://aswtlawyers.com/>.

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