

1 regarding, any issue of law or fact alleged in the Complaint; all parties having waived the right to
2 appeal with respect to this Final Judgment; and the Court having considered the pleadings and good
3 cause appearing:

4 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

5 **I. DEFINITIONS**

6 The following terms in this Final Judgment shall have these meanings:

- 7 1. ACTION refers to the civil action entitled *The People of the State of California et al. v.*
8 *GigSmart, Inc.*, filed in San Francisco Superior Court as captioned above.
- 9 2. PARTIES refers to the PLAINTIFF and DEFENDANT in the ACTION collectively.
- 10 3. PLAINTIFF and THE PEOPLE refer to the People of the State of California and by and
11 through David Chiu, City Attorney for the City and County of San Francisco.
- 12 4. DEFENDANT refers to Defendant GigSmart, Inc. For purposes of effectuating the
13 injunctive relief set forth in this Final Judgment, DEFENDANT and GIGSMART also refer to anyone
14 authorized by GIGSMART to act on GIGSMART's behalf, including but not limited to GIGSMART's
15 principals, parents, owners, subsidiaries, officers, assigns, representatives, agents, employees, and
16 accountants.
- 17 5. AFFECTED WORKERS refers to SHIFT WORKERS who shall be eligible to receive
18 RESTITUTION under this Final Judgment for work performed in California sourced through the
19 GIGSMART app during the RELEVANT PERIOD.
- 20 6. SHIFT WORKERS refers to all individuals who have performed work through the
21 "Shift Gig" opportunities posted on DEFENDANT's application in California during the RELEVANT
22 PERIOD.
- 23 7. EFFECTIVE DATE is January 1, 2025.
- 24 8. RELEVANT PERIOD is the period beginning September 9, 2020 through the
25 EFFECTIVE DATE of this FINAL JUDGMENT.
- 26 9. JUDGMENT AMOUNT refers to the monetary relief of \$803,000, which includes the
27 RESTITUTION AMOUNT and the CIVIL PENALTY AMOUNT.

1 10. RESTITUTION AMOUNT refers to \$703,000 in restitution for back pay owed to
2 AFFECTED WORKERS.

3 11. CIVIL PENALTY AMOUNT refers to the assessment of \$100,000 in civil penalties.

4 **II. OVERVIEW AND BACKGROUND**

5 12. As set forth in the complaint, PLAINTIFF alleges DEFENDANT engaged in unlawful
6 and/or unfair business acts and practices in violation of the Unfair Competition Law and the Labor
7 Code by misclassifying its SHIFT WORKERS as independent contractors and by failing to comply
8 with the Labor Code, Industrial Welfare Commission (“IWC”) Wage Order and other laws, including
9 but not limited to, failing to pay overtime premiums, making unlawful deductions from wages, failing
10 to provide business expense reimbursements, and failing to provide meal breaks, and failing to provide
11 paid sick leave.

12 13. PLAINTIFF further alleges that DEFENDANT maintains an unfair competitive
13 advantage over its competitors by misclassifying SHIFT WORKERS.

14 14. DEFENDANT waives service of the summons and the complaint in this matter.

15 15. The PARTIES enter this stipulated Final Judgment to fully and finally resolve the
16 claims in the ACTION for the time periods specified herein; and to avoid any further expense, delay,
17 and uncertainty of continuing the ACTION against DEFENDANT.

18 16. PLAINTIFF believes that the resolution of the violations alleged in the ACTION is fair
19 and reasonable and fulfills the PLAINTIFF’S enforcement objectives, that no further action is
20 warranted concerning the specific violations alleged in the ACTION except as provided pursuant to
21 this stipulated Final Judgment, and that the Final Judgment is in the best interests of the general public.

22 **III. PARTIES AND JURISDICTION**

23 17. This ACTION is brought by THE PEOPLE in the public interest under the laws of the
24 State of California.

25 18. The City Attorney of San Francisco has the authority, and has exercised that authority,
26 under the laws of the State of California to maintain this ACTION in the name of the People of
27 California concerning the conduct alleged in the ACTION.

1 19. Unless otherwise stated, all obligations imposed upon DEFENDANT by the terms of
2 this Final Judgment are ordered pursuant to Business and Professions Code sections 17200 *et seq.* and
3 Labor Code section 2786. This Final Judgment shall be enforceable as a civil judgment under
4 California Code of Civil Procedure section 680.010 *et seq.*

5 20. This Court has jurisdiction over the allegations and subject matter of the ACTION, and
6 the PARTIES to this ACTION; venue is proper in this County; and this Court has jurisdiction to enter
7 this Final Judgment.

8 **IV. INJUNCTIVE RELIEF**

9 21. DEFENDANT is subject to the following injunctive relief pursuant to Business and
10 Professions Code sections 17203 and Labor Code section 2786.

11 22. Commencing on the EFFECTIVE DATE, DEFENDANT is permanently enjoined and
12 restrained from treating SHIFT WORKERS as independent contractors for work performed in
13 California. By the EFFECTIVE DATE, all Shift Gig opportunities in California that are offered on the
14 GIGSMART app may only be staffed by individuals who are employees.

15 23. Commencing on the EFFECTIVE DATE, DEFENDANT and any affiliated entities are
16 further enjoined and restrained from violating any provisions of the Labor Code, the Unemployment
17 Insurance Code, the wage orders of the Industrial Welfare Commission, and applicable local worker
18 protection laws with regard to SHIFT WORKERS. For the avoidance of doubt, this means that SHIFT
19 WORKERS will be entitled to paid sick leave, overtime premiums, expense reimbursements, and meal
20 breaks as required by law. SHIFT WORKERS also will not pay any "Trust & Support Fee" or similar
21 such fees.

22 24. No later than 15 days after the EFFECTIVE DATE, GIGSMART will provide the San
23 Francisco City Attorney's Office a declaration of a competent officer, under penalty of perjury,
24 affirming that, as of the EFFECTIVE DATE, GIGSMART was in compliance with the injunctive
25 relief provided in this Section IV of the Final Judgment.

1 25. DEFENDANT will use a neutral and non-retaliatory process for providing SHIFT
2 WORKERS the opportunity to apply and become employees of DEFENDANT or another entity for
3 the purpose of accepting shifts through the GigSmart app.

4 26. DEFENDANT shall maintain records demonstrating compliance with these injunctive
5 provisions, including time and pay records sufficient to demonstrate compliance with applicable
6 employment laws. DEFENDANT shall provide such records to the PLAINTIFF within 30 days of a
7 written request for information.

8 **V. RESTITUTION**

9 27. No later than 30 days after the EFFECTIVE DATE, DEFENDANT will provide
10 updated shift data (including all fields previously produced by DEFENDANT to THE PEOPLE) and
11 worker contact information (including name, and last known address, telephone number(s) and email
12 address(es)) to THE PEOPLE for all the shifts performed by all SHIFT WORKERS in California as
13 independent contractors through the EFFECTIVE DATE.

14 28. Within 30 days of receiving the shift data and worker contact information from the
15 DEFENDANT, PLAINTIFF, in its sole discretion, will determine the allocation of the
16 RESTITUTION AMOUNT due to each AFFECTED WORKER and will provide DEFENDANT a list
17 with these allocations. In allocating restitution, PLAINTIFF is authorized to prioritize providing
18 AFFECTED WORKERS restitution for unpaid overtime premiums, amounts deducted by
19 GIGSMART for its "Trust & Support Fee," and business expense reimbursements.

20 29. To the extent a SHIFT WORKER is calculated to only recover an amount of \$20 or less
21 in restitution under the formula for allocation adopted by PLAINTIFF, PLAINTIFF may re-allocate
22 those amounts to AFFECTED WORKERS calculated to recover more than \$20.

23 30. Within 30 days of receiving the allocations from PLAINTIFF ("Initial Payment
24 Deadline"), DEFENDANT or a third-party administrator acting on DEFENDANT'S behalf, shall make
25 all reasonable efforts to provide notice and effectuate payments to the AFFECTED WORKERS based
26 on the allocations provided by PLAINTIFF. The PARTIES shall agree on the proper content of the
27 notice to be provided.

1 31. DEFENDANT may use a third-party administrator to distribute the funds to
2 AFFECTED WORKERS or may self-administer, at its discretion. If DEFENDANT elects to use a
3 third-party administrator, DEFENDANT shall retain responsibility for overseeing the third-party
4 administrator to ensure full compliance with this Final Judgment. The costs of providing notice and
5 payment to AFFECTED WORKERS as set forth in this Section, including but not limited to the cost of
6 a third-party administrator if DEFENDANT elects to use one, shall be borne by DEFENDANT and
7 shall not come out of the JUDGMENT AMOUNT.

8 32. PLAINTIFF, the DEFENDANT, and, if applicable, the third-party settlement
9 administrator, are authorized to share and transmit any information to each other that will facilitate
10 effectuating the restitution payments or any other provision of this Final Judgment. In doing so, each
11 entity shall be responsible for protecting the confidentiality of any private or sensitive information it
12 receives in a manner consistent with applicable law.

13 33. DEFENDANT or a third party-settlement administrator acting on DEFENDANT'S
14 behalf, may make restitution payments electronically or by check.

15 34. If any electronic payments fail, DEFENDANT or its agent shall take any necessary steps
16 to fix the problem and effectuate payment including by sending a check for the amount due where the
17 attempt to pay through electronic means has failed.

18 35. Where restitution payments are sent by check (whether in the first instance or as a result
19 of an electronic payment failure), the AFFECTED WORKERS will have 120 days from the date of
20 initial mailing to cash or otherwise negotiate the checks. All checks must prominently state the date
21 upon which the check will become void.

22 36. If (a) any checks are returned by the postal service as undeliverable, or, (b) a check is
23 voided where the AFFECTED WORKER is due \$80 or more, DEFENDANT or its agent shall take
24 reasonable steps to determine the correct mailing address for the AFFECTED WORKER and re-send
25 the payment via U.S. mail. This includes, but is not limited to, using all known phone numbers or email
26 addresses to attempt to reach the AFFECTED WORKER to ascertain the correct mailing address.
27 Within 160 days of the Initial Payment Deadline, DEFENDANTS shall make a second attempt at
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1 payment ("Second Mailing") to AFFECTED WORKERS that are located through the DEFENDANT's
2 reasonable search. These checks will become void after 60 days.

3 37. Thirty (30) days after the final paper check from the Second Mailing has been voided,
4 DEFENDANT shall pay the San Francisco City Attorney's Office the total unclaimed restitution (i.e.,
5 \$703,000 minus the gross amounts successfully paid to AFFECTED WORKERS). The Payment shall
6 be made by check or other means agreed to by the PARTIES, and delivered to, the San Francisco City
7 Attorney's Office, attn: Ian Eliasoph. DEFENDANT shall simultaneously provide an accounting of the
8 gross and net amounts paid to AFFECTED WORKERS and a list of the amounts uncashed and/or
9 undeliverable under the installment to specific AFFECTED WORKERS. The San Francisco City
10 Attorney's Office may use the unclaimed funds to recover litigation costs and fees related to this
11 matter, and/or for the enforcement of consumer protection and worker protection laws.

12 **VI. CIVIL PENALTIES**

13 38. No later than 90 days from the EFFECTIVE DATE, DEFENDANT shall pay the San
14 Francisco City Attorney's Office the CIVIL PENALTY AMOUNT. The Payment shall be made by
15 check or other means agreed to by the PARTIES, and delivered to, the San Francisco City Attorney's
16 Office, attn: Ian Eliasoph.

17 39. These funds are to be used exclusively by the San Francisco City Attorney's Office for
18 the enforcement of consumer protection laws, including California's Unfair Competition Law and state
19 and local worker protection laws.

20 **VII. TAXES**

21 40. The PARTIES make no representation or warranty as to any tax consequences of the
22 amounts to be paid under this Final Judgment.

23 41. DEFENDANT is solely responsible for any tax implications related to DEFENDANT'S
24 payment of the RESTITUTION AMOUNT. To the extent DEFENDANT designates all or a portion of
25 the RESTITUTION AMOUNT as wages, any additional tax liability arising from this wage allocation
26 for the employer's side of those wages shall be borne by DEFENDANT and those funds will not come
27 from the JUDGMENT AMOUNT.

1 42. DEFENDANT acknowledges that applicable law requires DEFENDANT to furnish
2 DEFENDANT's federal taxpayer identification number to PLAINTIFF for inclusion on IRS Form
3 1098-F and that DEFENDANT may be subject to a penalty for failure to furnish its taxpayer
4 identification number. DEFENDANT agree to furnish such number by providing PLAINTIFF a
5 completed IRS Form W-9, Request for Taxpayer Identification Number and Certification.

6 43. DEFENDANT further agree to provide such other information as may be requested by
7 PLAINTIFF to enable PLAINTIFF to comply with any reporting requirements for payments made
8 pursuant to this Final Judgment that are imposed by applicable law. For purposes of any obligations or
9 rights of the PARTIES that arise from the making of payments under this Final Judgment including any
10 IRS reporting requirements of the City, the JUDGMENT AMOUNT is hereby identified as follows:
11 \$703,000 for the restitution of workers; and \$100,000 for civil money penalties.

12 **VIII. NO RETALIATION**

13 44. DEFENDANT shall not in any manner discriminate or retaliate against any SHIFT
14 WORKER, including but not limited to SHIFT WORKERS who cooperated or are perceived to have
15 cooperated with the investigation and prosecution of this ACTION. DEFENDANT agrees not to
16 discharge, refuse to hire, or take any adverse action against any SHIFT WORKER except for
17 legitimate, non-discriminatory reasons unrelated to the investigation or to any past, present, or future
18 participation in any activities involving the exercise of their legal rights under applicable employment
19 laws.

20 **IX. RELEASES**

21 45. By entry of this Final Judgment and following full payment of the JUDGMENT
22 AMOUNT, PLAINTIFF agrees to release and discharge DEFENDANT, their heirs and executors and
23 their past and present shareholders, former employees, officers, directors, attorneys, successors,
24 predecessors, affiliates, agents, and representatives, from the claims that were asserted or could have
25 been asserted in the Complaint, including all causes of action, counterclaims, restitution claims, claims
26 for penalties, attorney's fees, and costs. This release is limited to claims arising from or directly related
27 to the misclassification of employees as independent contractors during the RELEVANT PERIOD.

1 Nothing in this Final Judgment shall limit or affect PLAINTIFF's right to take or pursue any other legal
2 claim(s).

3 46. In consideration for the promises set forth in this Final Judgment, DEFENDANT agrees
4 to release PLAINTIFF, as well as its employers, officers, directors, attorneys, successors, predecessors,
5 affiliates, agents, and representatives, from any and all claims that were or could have been asserted
6 before an administrative body or court, including all actions, causes of action, counterclaims, claims for
7 attorney's fees and costs, related in whole or in part to the ACTION through the EFFECTIVE DATE.

8 **X. NOTICES**

9 47. All notices and mailings to be delivered among or between the PARTIES required by
10 this Final Judgment shall be served by email on the following persons, or any person subsequently
11 designated by the PARTIES to receive such notices:

12 Ian Eliasoph
13 San Francisco City Attorney's Office
14 City Hall Room 234
15 1 Dr. Carlton B. Goodlett Place
16 San Francisco CA 94102
17 Ian.Eliasoph@sfcityatty.org

18 Matthew Goldberg
19 San Francisco City Attorney's Office
20 City Hall Room 234
21 1 Dr. Carlton B. Goodlett Place
22 San Francisco CA 94102
23 Matthew.Goldberg@sfcityatty.org

24 Timothy J. Long
25 Greenberg Traurig, LLP
26 400 Capitol Mall, Suite 2400
27 Sacramento, CA 95814
28 longt@gtlaw.com

48. DEFENDANT shall consult with PLAINTIFF to arrange for the delivery of any
payments issued to the San Francisco City Attorney's Office in accordance with this Final Judgment.

XI. MATERIAL INACCURACIES OR MISREPRESENTATIONS

49. DEFENDANT acknowledges that PLAINTIFF'S agreement to the resolution of this
matter as set forth in this Final Judgment is made in reliance on the accuracy of time and pay data that
DEFENDANT has provided to THE PEOPLE. Later discovery that this data is materially inaccurate or

1 intentionally false shall be grounds for this Court, upon a motion supported by adequate proof, to void
2 or modify this Final Judgment.

3 **XII. ADDITIONAL PROVISIONS**

4 50. This Court retains jurisdiction of this matter for purposes of construction, modification,
5 and enforcement of this Final Judgment.

6 51. DEFENDANT is ordered to ensure all officers and persons responsible for
7 implementing this Final Judgment on DEFENDANT's behalf are provided a copy of this Final
8 Judgment within 15 days of the EFFECTIVE DATE. Upon request, DEFENDANT shall also provide a
9 copy of this Final Judgment to any former or current SHIFT WORKERS.

10 52. Each party shall bear its own costs, fees, and expenses incurred in connection with this
11 ACTION. This does not bear on the PARTIES rights to recover costs or fees in conjunction with
12 enforcing this Final Judgment.

13 53. The PARTIES specifically warrant and represent that they each have full authority to
14 enter into this Final Judgment and make the full scope of promises, releases, and covenants set forth
15 herein for and on behalf of the entity they each represent.

16 54. This Final Judgment has been reviewed by the PARTIES and their respective attorneys
17 and each have had a full opportunity to negotiate the contents of this Final Judgment. The PARTIES
18 agree that the language in all parts of this Final Judgment shall be construed as a whole, according to
19 fair meaning.

20 55. This Final Judgment may be modified only by the Court, upon noticed motion, or upon
21 written consent by the PARTIES and approval of the Court.

22 56. This Final Judgment shall be construed and enforced in accordance with the laws of the
23 State of California.

24 57. This Final Judgment shall be deemed to have been drafted equally by all PARTIES.
25 Accordingly, any and all rules of construction holding that ambiguity is construed against the drafting
26 party shall not apply to the interpretation of this Final Judgment.

1 58. This Final Judgment is intended by the PARTIES as a final expression of their
2 agreement and understanding concerning the subject matter addressed in the Final Judgment and is
3 intended as a complete statement of the terms and conditions of their settlement, and any and all prior
4 oral or written agreements or understandings between the PARTIES related to the Final Judgment are
5 superseded. No representations, oral or otherwise, express or implied, other than those specifically
6 referred to in the Final Judgment, have been made by any Party to the Final Judgment.
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10 **SO STIPULATED:**

11 FOR THE PEOPLE:

12 Dated: 12/12/2024

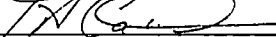
13 DAVID CHIU
14 City Attorney
15 YVONNE R. MERÉ
16 Chief Deputy City Attorney
17 MATTHEW D. GOLDBERG
18 Chief Worker Protection Attorney
19 IAN H. ELIASOPH
20 Deputy City Attorney

21 By: 
22 IAN H. ELIASOPH

23 Attorneys for Plaintiff
24 PEOPLE OF THE STATE OF CALIFORNIA, acting by
25 and through San Francisco City Attorney DAVID CHIU

26 FOR DEFENDANT:

27 Dated: 12/11/2024

28 By: 
Name: Ted Catino
Title: Chief Executive Officer, GigSmart, Inc.

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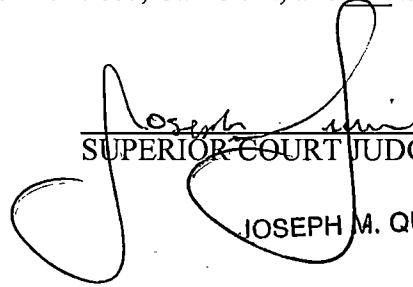
Approved as to FORM:

Dated: December 11, 2024

By: 
TIMOTHY J. LONG
Greenberg Traurig, LLP

ORDERED AND ADJUDGED at San Francisco, California, this _____ day of _____, 2024.

DATED: *Jan 16, 2025*


SUPERIOR COURT JUDGE
JOSEPH M. QUINN