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**MLG AUTOMOTIVE LAW FILES CLASS ACTION  
AGAINST UBER FOR “FRAUDULENT BUSINESS PRACTICES”**

*Newport Beach, California (January 28, 2015)* – The sensational ride-share company Uber was hit with a federal class action lawsuit this week, alleging that the company engages in fraudulent business practices. The lawsuit, entitled *Jacob Sabatino v. Uber Technologies, Inc. et al.* (Case No. 3:15-cv-00363), was filed in U.S. District Court for the Northern District of California.

The lawsuit alleges that Uber makes numerous misrepresentations about the safety of its ride-share services, including falsely claiming that it conducts “industry-leading” background checks on its drivers. According to the lawsuit, Uber does not utilize the widely recognized Live Scan fingerprinting process, which links to the FBI and Department of Justice files, but instead uses an inferior online company who disclaims the accuracy of its results. The lawsuit alleges that no one actually ever meets the potential drivers; the applicants simply fill out an online application and promise to be truthful about the information they are submitting.

The class action complaint also takes exception with Uber’s statement that it has the “safest cars on the road.” Uber requires a 19-point vehicle inspection for all of its drivers, but the lawsuit alleges that Uber does not verify that the inspection forms are not simply filled out by the applicants. The lawsuit also claims that Uber provides no training for its drivers, other than a 13-minute instructional video on how to use the Uber app.

Uber advertises that it has “best-in-class insurance coverage,” yet the lawsuit says this is false too. According to the complaint, Uber’s insurance carrier in its home state of California is James River Insurance Company, alleged to be unlicensed by the California Department of Insurance. The lawsuit also claims that Uber falsely tells its drivers that their personal auto insurance policies will cover certain claims while they are driving, when most personal policies refuse to cover any ridesharing activities.

MLG Automotive Law also claims that Uber is violating a litany of regulations promulgated by the California Public Utilities Commission, such as failing to provide training for its drivers, failing to disclose to consumers that it is required to have a \$1 million commercial insurance policy, and failing to have specific trade-dress for its vehicles. In November 2012, Uber was fined \$20,000 by the Public Utilities Commission for functioning “without an operating authority.”

Uber has come under attack in recent months for assaults involving its drivers. Last month, an Uber driver in Boston was arrested for raping, kidnapping and assaulting a female passenger. In September, an Uber driver in San Francisco was arrested for hitting a passenger in the head with a clawed hammer, fracturing his skull.

The class action complaint is brought on behalf of all citizens in the United States who have used Uber's services. "We do not want to see the company shut down," said Jonathan Michaels, the founding member of MLG Automotive Law. "Its fault lies not in its concept, but in its execution. Uber is a wonderful service; it just needs to be made safe."

Michaels believes that consumers would be much less accepting of the service if they understood more about how the company operates. "I don't know that people would be as willing to get into the backseat of a stranger's car and drive off into the dark of the night, if they knew that Uber did not personally verify the identity of the drivers, personally verify the safety of the cars, or personally interview any of the applicants."

The class action complaint seeks restitution of all the funds paid to it by users, and an order enjoining Uber and its subsidiaries from making false statements to the public about the nature of its services.

#### **ABOUT MLG AUTOMOTIVE LAW**

Located in Newport Beach, California, MLG Automotive Law is a full service business law firm, focusing on the automotive industry. MLG Automotive Law has litigated cases against nearly every major manufacturer, and is counsel on the GM ignition switch class action. MLG Automotive Law also represents several terminated Chrysler dealers against the U.S. for the 2009 taking of their dealerships, in violation of the Fifth Amendment. Follow MLG Automotive Law on Facebook, LinkedIn and Twitter.

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