

**PEOPLE OF THE STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL
LABOR BUREAU**

**IN THE MATTER OF THE
INVESTIGATION OF LETITIA
JAMES, ATTORNEY GENERAL OF
THE STATE OF NEW YORK**

**ASSURANCE OF
DISCONTINUANCE**

Assurance No. 25-007

OF

DOORDASH, INC.

The Office of the Attorney General of the State of New York (“OAG”) has investigated DoorDash, Inc. (hereinafter referred to as “DoorDash” or “Respondent”) pursuant to its authority under Executive Law §63(12).

The investigation examined Respondent’s alleged violations of New York Executive Law §63(12) and General Business Law §349 in connection with DoorDash’s practices that were in place from approximately May 2017 through September 2019. In particular, the investigation focused on concerns regarding whether DoorDash misled both consumers of DoorDash, who used its app to order the delivery of food, and the delivery workers who delivered the orders, concerning how DoorDash used tips that consumers designated for the delivery workers. Rather than the tip being provided to these delivery workers on top of the guaranteed pay offered to a delivery worker before accepting a delivery, the “tip” typically subsidized guaranteed pay offered and was not provided to the delivery workers on top of the guaranteed pay amount (hereinafter referred to as the “Matter”).

This Assurance of Discontinuance (“Assurance”) contains the OAG’s findings in connection with the Matter and the relief agreed to by the OAG and Respondent (collectively, the “Parties”).

FINDINGS

1. DoorDash, Inc. is a Delaware corporation with its headquarters and principal place of business at 901 Market Street, San Francisco, CA 94103.

2. DoorDash is a company that facilitates food ordering and food delivery through its online platform that connects consumers (who place delivery orders) to merchants (who fulfill the delivery orders) and “Dashers,” the individuals who deliver DoorDash-facilitated deliveries from merchants to consumers.

3. A prospective Dasher registers to work for DoorDash by providing their email, phone number, and zip code. After clearing a background check, Dashers are able to begin delivering orders for the company.

4. From approximately May 2017 through September 2019 (“the Relevant Period”) DoorDash facilitated deliveries to more than 1.6 million unique consumers by approximately 85,000 Dashers.

5. Throughout the Relevant Period, DoorDash employed a guaranteed pay model that subsidized a portion of the company’s payments to Dashers with consumer tips (“the Guaranteed Pay Model”).

6. Under the Guaranteed Pay Model, when a consumer placed a delivery order DoorDash presented the consumer with a subtotal for the order that included

the cost of food, as well as taxes and a service fee, and an option to “Continue.” After clicking “Continue,” DoorDash presented the consumer with a “Delivery Details” page that allowed the consumer to confirm the delivery address and estimated time of arrival, and also included an option to add a “Dasher Tip.”

7. DoorDash then matched the placed order with a Dasher by presenting a nearby Dasher with an offer to deliver the order. This offer was presented to the Dasher through the DoorDash app and included a map showing the delivery route and distance, an estimated time to complete the delivery, a summary of the items to be delivered, and guaranteed pay for completing the delivery (“the Guaranteed Amount”). The Dasher had a limited time in which to accept or decline the offer.

8. The “Guaranteed Amount” provided the Dasher with the minimum amount they would earn for making the delivery. DoorDash calculated the Guaranteed Amount using a variety of factors, including the size of the order, the projected delivery distance, and the projected wait time at the restaurant.

9. During the Relevant Period, consumers utilizing DoorDash would have expected that the “tip” added to the delivery charge through the DoorDash checkout screen would be provided to the Dasher on top of the Guaranteed Amount promised by DoorDash for the delivery. But during the Relevant Period, that was not the case.

10. Instead, DoorDash used consumer tips to subsidize the Guaranteed Amount payment it promised to Dashers. DoorDash did this by using a formula for every “Guaranteed Amount” that paid to the Dasher (a) \$1 and (b) any remainder

toward the Guaranteed Amount after deducting the consumer's tip. In this way, DoorDash's share of a Dasher's Guaranteed Amount was reduced as the size of the tip on that delivery increased.

11. For example, for a Dasher who accepted a job with a Guaranteed Amount of \$10:

- a. If a consumer tipped \$0, DoorDash would pay \$10 (\$1 + \$9 remainder). The Dasher was paid \$10.
- b. If a consumer tipped \$3, DoorDash would pay \$7 (\$1 + \$6 remainder). The Dasher was paid \$10.
- c. If a consumer tipped \$6, DoorDash would pay \$4 (\$1 + \$3 remainder). The Dasher was paid \$10.
- d. If a consumer tipped \$9, DoorDash would pay \$1 (\$1 + \$0 remainder). The Dasher was paid \$10.
- e. If the consumer tipped \$11, DoorDash would pay \$1 (\$1 + \$0 remainder). The Dasher was paid \$12.

12. Thus, for the typical order, the consumer's tip made no difference at all to the Dasher's pay.

13. During the Relevant Period, DoorDash made misleading and ambiguous representations to consumers and Dashers, and omitted material information to consumers and Dashers, regarding how the amount of tips paid by a consumer did not change the Guaranteed Amount DoorDash paid Dashers in the vast

majority of circumstances, in violation of Executive Law §63(12) and General Business Law §349.

14. DoorDash does not admit the findings made by the OAG or the alleged violations of law in Paragraphs 1-13.

15. The OAG finds the relief and agreements contained in this Assurance appropriate and in the public interest. THEREFORE, the OAG is willing to accept this Assurance pursuant to Executive Law §63(15), in lieu of commencing a statutory proceeding for violations of Executive Law §63(12) and GBL §349 based on the conduct described above.

IT IS HEREBY UNDERSTOOD AND AGREED, by and between the Parties:

16. Entities Bound by the Assurance. This Assurance binds DoorDash, Inc. as well as its principals, officers, successors, and assigns.

MONETARY PAYMENT

17. DoorDash agrees to pay \$16,750,000 (the “Settlement Amount”) in resolution of the Matter within 30 days of the Effective Date of this Assurance. OAG shall provide DoorDash with details for the payment within 3 days of the Effective Date (as defined in Paragraph 52, *infra*). The payment and all correspondence related to this Assurance must reference “Assurance No. 25-007.”

18. The Settlement Amount will be paid to the OAG and distributed by a third-party administrator (the “Settlement Administrator”), and the entirety of it will

be distributed as restitution to Dashers affected during the Relevant Period by the alleged violations of the laws described herein (“the Dasher Distributees”).

19. The OAG has the sole discretion to reasonably determine which Dashers shall be eligible for an individual Settlement Payment and to determine the amount of the Settlement Payments, including the amounts and Dasher recipients of any additional distributions of the Settlement Amount. At no time shall any monies from the Settlement Amount revert to DoorDash.

20. DoorDash will cooperate with the OAG and the Settlement Administrator by providing to the OAG and the Settlement Administrator, within a reasonable timeframe following written request from the OAG and/or the Settlement Administrator, information reasonably available to DoorDash from its records needed to facilitate the payments to the Dasher Distributees and as provided in a separate agreement with the Settlement Administrator. Such information shall be used by the OAG and the Settlement Administrator for the sole purpose of administering this Assurance and will be deleted by both promptly after the information is no longer needed to effectuate payments to Dasher Distributees.

21. Prior to DoorDash providing any of the Dasher information referenced in Paragraph 20, the OAG and the Settlement Administrator will execute a confidentiality agreement (to be negotiated between the Parties) that, among other things, prohibits the use of the Dasher information provided by DoorDash for any purpose other than facilitating payments to Dashers, exempts the information from

disclosure under the New York Freedom of Information Law and Freedom of Information Act, to the extent permitted by applicable law, and prohibits sharing that information with DoorDash's competitors or any other third parties (including any federal, state, or local government entities).

22. DoorDash has the right to obtain, either through the OAG or the Settlement Administrator, information about Settlement Payments made from the Settlement Amount to any particular Dasher or set of Dashers upon DoorDash's representation to the OAG that such information is relevant to actual or threatened legal proceedings involving that Dasher or set of Dashers (including as an absent class member(s) in a putative class action lawsuit), regulatory and tax obligations, or other purposes where such information is reasonably necessary.

23. DoorDash agrees to pay directly on a monthly basis all reasonable costs up to \$1 million for the Settlement Administrator to disburse the Settlement Amount ("Settlement Administrator Costs") to eligible Dasher Distributees. The Settlement Administrator will be chosen by the OAG by separate agreement. If the Settlement Administrator Costs are less than \$1 million, up to \$250,000 of the unused portion of the Settlement Administrator Costs will be paid to the OAG for further distribution to Dashers.

INJUNCTIVE AND PROSPECTIVE RELIEF

24. DoorDash is enjoined from hereinafter engaging in acts or practices which violate GBL §349 and Executive Law §63(12) with respect to the business practices described herein and/or the Guaranteed Pay Model.

25. DoorDash shall maintain a pay model that, with regards to food delivery orders placed by consumers in New York, ensures (i) consumer tips are distributed to Dashers in their entirety; and (ii) a consumer tip on an order does not have any effect on DoorDash's contribution to the amount paid to the Dasher on that order provided that DoorDash shall maintain the ability to alter the obligations set forth in subsections (i) and (ii) of this paragraph in order to comply with or respond to changes under applicable law so long as DoorDash gives the OAG advance notice of any such alteration before implementing it.

26. DoorDash shall disclose the information set forth in Paragraph 25 concerning its Pay Model in a form accessible to both consumers and Dashers on its website and within the DoorDash mobile application for Dashers. Specifically, there will be a hyperlink (or the equivalent, *e.g.*, a tool-tip) to the disclosure in the user experience in-app, and the disclosure will be located in a logical and noticeable place and font size on the DoorDash website and app.

27. DoorDash shall provide Dashers with, at a minimum, the following disclosures in their mobile application before the Dasher chooses to accept a delivery order:

- a. The estimated distance for the Dasher to complete the order; and
- b. The minimum pay the Dasher will receive if the Dasher accepts the order.

28. DoorDash shall provide Dashers, at a minimum, with an accessible disclosure that explains the disclosures in Paragraph 27 that a Dasher will see in their mobile application before the Dasher chooses to accept a delivery order.

29. For Dashers not subject to the New York City Minimum Pay Rate requirements, DoorDash shall disclose to Dashers, at a minimum for each delivery made, an itemized summary of the following information after completion of a delivery Session (for purposes of this Assurance, a “Session” shall mean the time from when a Dasher makes themselves available to receive orders through the Dasher App to the time when the Dasher is no longer able to receive orders through the Dasher App):

- a. Base pay;
- b. The amount of compensation paid by DoorDash, including a breakdown of promotional pay, bonuses, or any other component of DoorDash’s compensation other than base pay and tips; and
- c. The amount of the consumer tip on that order.

30. DoorDash shall maintain a disclosure to Dashers not subject to the New York City Minimum Pay Rate requirements regarding how to access the information contained in Paragraph 29.

31. To the extent it does not already do so, DoorDash shall provide Dashers with the ability to view their Dash History (defined as the breakdown between the total compensation paid by DoorDash and the total tips paid by Consumers through their mobile application) for at least 5 months (but no more than 200 Sessions), provided, however, that DoorDash will preserve Dash History and relevant delivery information (defined as date, time, approximate distance (where available), and merchant name), and make such information available to Dashers upon request for a period of four years. Within 60 days of the Effective Date, DoorDash shall disclose to Dashers their right to access the records described in this paragraph.

32. Every six (6) months, starting six (6) months from the Effective Date, DoorDash shall submit to the OAG a certification of its compliance with all provisions of this Assurance, for a period of three (3) years from the Effective Date.

33. DoorDash will implement the relief described in Paragraphs 25 to 32 above within 60 days upon the full execution of this AOD and continue to implement the relief for three (3) years from the Effective Date (“the Effective Period”).

MISCELLANEOUS

Representations and Warranties

34. The OAG has agreed to the terms of this Assurance based on, among other things, the representations made to OAG by Respondent during the OAG’s investigation and the OAG’s own factual investigation as set forth in its findings set forth in Paragraphs 1 to 13 above. Respondent represents and warrants that it has

not made any material representations to the OAG that are inaccurate or misleading. If any material representations by Respondent are later found to be inaccurate or misleading, this Assurance is voidable by the OAG in its sole discretion.

35. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by Respondent in agreeing to this Assurance.

36. Respondent represents and warrants, through the signature below, that the terms and conditions of this Assurance are duly approved, and execution of this Assurance is duly authorized by it.

Effects of Assurance

37. All terms and conditions of this Assurance shall continue in full force and effect on any successor, assignee, or transferee of Respondent. Respondent shall include in any such successor, assignment or transfer agreement a provision that binds the successor, assignee or transferee to the terms of the Assurance. No party may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written consent of the OAG.

38. Respondent expressly agrees and acknowledges that a default in the performance of any obligation hereunder is a violation of the Assurance, and that, subject to the requirements in Paragraph 39, the OAG thereafter may commence the civil action or proceeding contemplated in Paragraph 15, in addition to any other appropriate investigation, action, or proceeding, concerning the Matter.

39. For purposes of resolving disputes with respect to DoorDash's compliance with this Assurance, the OAG shall give DoorDash written notice of such default via first class mail and e-mail as indicated in Paragraph 53, which shall be effective three (3) days from the mailing of first class mail, after which DoorDash shall have 60 days ("cure period") to cure such default. Upon request from DoorDash, the OAG may extend the cure period, and such extension shall not be unreasonably withheld.

40. Any failure by the OAG to insist upon the strict performance by Respondent of any of the provisions of this Assurance shall not be deemed a waiver of any of the provisions hereof, and the OAG, notwithstanding that failure, shall have the right thereafter to insist upon the strict performance of any and all provisions of this Assurance to be performed by Respondent.

Subsequent Proceedings

41. Respondent expressly agrees and acknowledges that in the event the OAG initiates a subsequent investigation, civil action, or proceeding to enforce this Assurance, for a default of the Assurance as provided in Paragraph 38, or if the Assurance is voided as provided in Paragraph 34:

- a. any statute of limitations or other time-related defenses are tolled from and after the Effective Date of this Assurance and until the date on which the Assurance is voided;

- b. the OAG may use statements, documents, or other materials produced or provided by Respondent prior to or after the Effective Date except for settlement communications;
- c. any civil action or proceeding will be adjudicated by the courts of the State of New York, and that Respondent irrevocably and unconditionally waives any objection based upon personal jurisdiction, inconvenient forum, or venue; and
- d. evidence of a violation of this Assurance shall constitute prima facie proof of a violation of the applicable law pursuant to Executive Law §63(15).

42. If a court of competent jurisdiction determines that Respondent has violated the Assurance, Respondent shall pay to the OAG the reasonable cost, if any, of obtaining such determination and of enforcing this Assurance, including without limitation legal fees, expenses, and court costs.

Tolling Agreement

43. The Parties agree that the Parties' agreement tolling the statute of limitations dated February 24, 2023, as subsequently extended by the Parties was extended until the Effective Date.

General Principles

44. Unless a term limit for compliance is otherwise specified within this Assurance, Respondent's obligations under this Assurance are enduring. Nothing in

this Assurance shall relieve Respondent of any obligations imposed by any applicable city, state, or federal law or regulation or other applicable law. To the extent that any applicable law exceeds the requirements in this agreement, the more stringent law controls.

45. Nothing contained herein shall be construed to limit the remedies available to the OAG in the event that Respondent violates the Assurance or if this Assurance is voided after its Effective Date.

46. Nothing in this Assurance shall be construed to waive or limit any private rights, causes of action, or remedies.

47. This Assurance may not be amended except by an instrument in writing signed on behalf of the parties to this Assurance.

48. In the event that any one or more of the provisions contained in this Assurance shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, in the sole discretion of the OAG, such invalidity, illegality, or unenforceability shall not affect any other provision of this Assurance.

49. Respondent acknowledges that it has entered this Assurance freely and voluntarily and upon due deliberation with the advice of counsel.

50. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

51. This Assurance shall not be interpreted in favor or against either Party on account of such Party's counsel having drafted this Assurance.

52. The effective date of this Assurance shall be February 24, 2025 (referred to herein as the "Effective Date").

53. All notices, reports, requests, and other communications to any party pursuant to this Assurance shall be in writing and shall be directed as follows:

The OAG:

Lawrence J. Reina
New York State Office of the Attorney General
Assistant Attorney General, Labor Bureau
28 Liberty Street, 15th Floor
New York, NY 10005
(212) 416-6383
or Lawrence.Reina@ag.ny.gov

DoorDash, Inc.:

Kate Ides
DoorDash, Inc.
901 Market Street 6th Floor
San Francisco, CA 94103

With a copy to:

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310 University Avenue
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(650) 849-5327
ABeringer@gibsondunn.com

Suzanne Jaffe Bloom

Winston & Strawn LLP
200 Park Avenue
New York, NY 10166
(212) 294-4604
SBloom@winston.com

54. Any changes in the person to whom communications should be specifically directed shall be made in writing in advance of the change.

55. This Assurance may be electronically signed, and any electronic signatures are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

56. This Assurance may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

IN WITNESS WHEREOF, this Assurance is executed by the parties hereto as of
February 24, 2025.

**LETITIA JAMES
ATTORNEY GENERAL
STATE OF NEW YORK**



Lawrence J. Reina
Assistant Attorney General
Office of the New York Attorney General
Labor Bureau

DOORDASH, INC.

DocuSigned by:



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Lia Sherringham
General Counsel of DoorDash, Inc.

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