

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE ATTORNEY GENERAL**



In the Matter of:

**Lyft, Inc.**

**ASSURANCE OF VOLUNTARY  
COMPLIANCE**

**ASSURANCE OF VOLUNTARY COMPLIANCE**

This Assurance of Voluntary Compliance (“Assurance”) is entered into by the Attorney General for the District of Columbia (“Attorney General” or “OAG”) and Respondent Lyft, Inc. and its subsidiary, Lyft Bikes and Scooters, LLC (together, “Lyft” or “Respondent”) (collectively with the Attorney General, the “Parties”). The Parties agree as follows:

**I. THE PARTIES**

1. OAG is authorized to bring legal actions seeking injunctive relief, consumer restitution, civil penalties, costs, and attorneys’ fees for alleged violations of the District of Columbia’s consumer protection laws, including the Consumer Protection Procedures Act (“CPPA”), D.C. Code §§ 28-3901, *et seq.* Pursuant to D.C. Code § 28-3909(c), the Attorney General is authorized to negotiate and enter into agreements for compliance by merchants with the provisions of the CPPA.

2. Lyft is a company headquartered in California that, among other services, owns and makes available electric scooters for consumers to rent in the District of Columbia.

3. The District promulgated parking rules governing electric scooters, which became effective October 1, 2021. The District required Lyft and other vendors of electric scooters to enforce those rules by imposing penalties on users who violated the parking rules.

## **II. DEFINITIONS**

4. “Consumer” shall include the definition contained in D.C. Code § 28-3901(a)(2) and, for purposes of this Assurance, shall refer to any individual who has rented a Lyft electric scooter in the District of Columbia.

5. “Parking Fine(s)” shall refer to fines charged to Consumers by Respondent after Respondent makes a determination of scooter parking in violation of the District’s scooter parking rules.

6. “Relevant Time Period” shall refer to January 1, 2022, through September 7, 2022.

7. “Affected Consumer(s)” shall include any Consumer charged with a Parking Fine during the Relevant Time Period who did not receive the initial warning email that Lyft intended to be sent to all first-time violators of the District’s scooter parking rules, did not receive the email that Lyft intended to be sent to all users who were charged a parking fee, or did not receive either such email from Respondent. Affected Consumers are primarily comprised of those consumers who did not receive either or both such emails because the user had “unsubscribed” from receiving Lyft’s promotional emails. Affected Consumers includes such users regardless of whether the users viewed the “banner” notification that Lyft ran prior to the implementation of the new scooter parking rules, which included information about the new parking rules that would be going into effect in October 2021, and about potential fines for the violation of those

rules, and regardless of whether the users viewed Lyft’s Terms and Conditions, which also included information about the possibility of fines.

8. “Effective Date” shall mean the last date upon which any party executes this Assurance.

### **III. DISTRICT’S ALLEGATIONS**

9. Respondent has owned and provided scooters in the District of Columbia for Consumers to rent through Respondent’s mobile application since October 2018.

10. On or around January 1, 2022, Respondent began charging \$25.00 parking fines, with an additional \$1.50 tax charge, to Consumers, and remitted the taxes to the District of Columbia.

11. Respondent instituted these fines in response to new requirements in the District. On October 1, 2021, the District of Columbia began requiring users to lock electric scooters to city infrastructure after use. *See* 24 DCMR § 3310 and § 3314. The District Department of Transportation (“DDOT”) began requiring scooter permit holders (such as Respondent) to “communicate to riders if they have failed to use the lock-to mechanism successfully, and ... make failure to do so subject to a penalty.”<sup>1</sup>

12. Prior to implementation of the District’s parking rules, Lyft broadcast a “banner” notification in its mobile application that was viewable to all users, including information regarding the upcoming implementation of the new parking rules, and the potential for fines for violation of the rules. Lyft also identified the potential for fines for parking violations in the

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<sup>1</sup> District Department of Transportation, Dockless Scooter Terms and Conditions (Dec. 14, 2021) [https://ddot.dc.gov/sites/default/files/dc/sites/ddot/page\\_content/attachments/2021.12.14%20Final%20Dockless%20Scooter%20Terms%20and%20Conditions.pdf](https://ddot.dc.gov/sites/default/files/dc/sites/ddot/page_content/attachments/2021.12.14%20Final%20Dockless%20Scooter%20Terms%20and%20Conditions.pdf)

Terms and Conditions to which each user must agree before renting a Lyft scooter. However, neither disclosure notified users of the amount of the fines Lyft would charge, nor did they notify users about whether and how violations and fines would be communicated to them. The District also disputes that these notifications were sufficiently prominent to qualify as adequate disclosures. Lyft contends that, pursuant to the District's scooter parking rules at D.C. Code Ann. §50-2201.03c and 18 DCMR § 1209, a violation of the scooter parking rules is subject to a \$25.00 fine, and those rules put all users on notice of the amount of any potential fine. The District contends that neither provision dictates the fine amount that scooter companies must charge their users.

13. In addition to the notifications described in the previous paragraph, Respondent planned to notify Consumers of each parking violation with a series of emails, which included warning emails for each of the first two determinations of a violation (the "Warning Emails") and a fee charge email for the third determination of a violation when a user was actually charged a Parking Fine (the "Fee Charge Email").

14. However, due to the way in which they had been coded, the Warning Emails and Fee Charge Emails were subject to being blocked from delivery to any users who had "unsubscribed" from receiving promotional emails from Lyft. As a result, certain Consumers did not receive all of Respondent's intended emails until the error was uncovered some months later. According to Lyft's calculations of the number of Affected Consumers, based on the best data available, during the Relevant Time Period, 1,497 Affected Consumers either did not receive the Warning Emails, did not receive a Fee Charge Email, or did not receive either email.

15. On September 7, 2022, Respondent fixed the technical issue that prevented Affected Consumers who had unsubscribed from Lyft communications from receiving the aforementioned emails.

16. The CPPA prohibits any person from engaging in an unfair or deceptive trade practice. The District alleges that Respondent engaged in unlawful trade practices under the CPPA by 1) failing to adequately notify a significant number of Consumers of the possibility of being charged a \$26.50 parking fine including tax; 2) failing to adequately notify a significant number of Consumers of parking fines actually imposed; and 3) failing to provide Consumers with sufficient information about the specific ride or park that gave rise to the parking violation when it did send notification emails imposing a fine.

17. Respondent denies all of OAG's allegations and claims, including that it has violated any consumer protection laws, including the CPPA. Nothing contained in this Assurance is or may be construed to be an admission by Respondent of any violation of law or regulation, of any other matter of fact or law, or of any liability or wrongdoing.

#### **IV. APPLICATION**

18. The Parties have agreed to the terms of this Assurance to fully resolve OAG's allegations against Respondent.

19. The duties, responsibilities, burdens, and obligations undertaken in connection with this Assurance shall apply to Respondent, its subsidiaries, successors and assigns, and its officers and employees.

20. The terms of this Assurance shall apply only to Respondent's conduct in connection with providing notice of scooter parking in violation of District law to Consumers in the District of Columbia.

21. By entering into this Assurance, the Parties are neither extinguishing any rights otherwise available to Consumers, nor creating any rights not otherwise available under the laws of the District of Columbia, except to the extent that they are resolving all issues or claims that OAG could have brought under the CPPA related to the matters described herein.

#### **V. RESPONDENT'S UNDERTAKINGS**

22. Respondent has voluntarily made changes to the Parking Fine process in the District of Columbia, and it agrees to maintain those changes or their reasonable substantive equivalent, so that each time Respondent issues a Parking Fine, Respondent does and shall do the following (or its reasonable substantive equivalent):

- a. Send an email to the Consumer that the Parking Fine was assessed, which email will contain the amount of the fine and details of the ride which led to the Parking Fine;
- b. Include the Parking Fine in the ride details of the "Ride History" tab of Lyft's mobile application;
- c. Make the parked scooter photo submitted at the end of a ride by a Consumer easily available to Consumers; and
- d. Include a link to contact Lyft Support in any Warning Email or Fee Charge Email sent to a Consumer.

## **VI. COSTS AND PAYMENT TO THE DISTRICT**

23. Respondent shall pay and refund a total of up to \$109,952 to resolve the District's claims in this matter, as detailed below.

24. Respondent shall pay a total of \$20,000 as a payment to the District. Respondent shall make that payment within 60 days of the Effective Date. Payment under this paragraph shall be made either by wire transfer or ACH transfer or certified check made out to the D.C. Treasurer and delivered to OAG consistent with instructions from OAG. The District may use any portion of the funds that it receives for any lawful purposes, including, but not limited to, restitution, attorneys' fees, and other costs of investigation and litigation; placement of this payment in the District's restitution fund or litigation support fund; or for other uses permitted by District law, at the sole discretion of the OAG. Respondent agrees to cooperate with reasonable requests from the District necessary to obtain any modification to the language of this paragraph needed to facilitate the administration of the District's payment under this paragraph.

25. Within 30 days of the Effective Date, Respondent will attempt to refund each Affected Consumer (as defined herein) for any and all Parking Fines charged to the Affected Consumer during the Relevant Period. Respondent estimates that the total amount of Parking Fines charged to Affected Consumers during the Relevant Period is approximately \$89,952. Respondent shall attempt to provide the refunds via the original form of payment charged on the account of each Affected Consumer. Concurrently with any refunds, Respondent shall send each Affected Consumer, via e-mail to the e-mail address listed on their Lyft account, a message in the form attached hereto as Exhibit A, informing the Affected Consumer about the refund issued. The communication to the Affected Consumer shall appear in the body of the email and not as an

attachment. Lyft shall make reasonable attempts to troubleshoot any concerns from Affected Consumers who contact Lyft in response to the email notification.

26. After attempting the refunds by taking the actions outlined in Paragraph 25, for any refunds that are unsuccessful, Lyft shall, within 30 days of attempting such refunds, remit to the District the difference, if any, between \$89,952, and the total amount successfully refunded to Affected Consumers pursuant to Paragraph 25. Such payment shall be made consistent with the instructions provided in Paragraph 24. The District may use such funds for any lawful purpose as defined in Paragraph 24, except that refunds from these funds shall only be provided to any Affected Consumer who initiates contact with OAG or any Affected Consumer who initiates contact with Lyft regarding their right to a refund and who OAG determines did not already receive a refund from Lyft pursuant to Paragraph 25. Promptly following taking the actions outlined in Paragraph 25, Lyft shall determine which Affected Consumers, if any, did not receive the attempted refund, and shall send an email communication to each such Affected Consumer referring them to an email address at OAG to obtain the appropriate refund. Lyft shall cooperate with OAG in determining whether any Affected Consumer who contacts the District regarding a refund has in fact already received any appropriate refund.

27. Any failure by Respondent to follow these steps, aside from any unintentional oversight, shall constitute a violation of the Assurance. If OAG believes that Lyft has violated the Assurance, the Parties will meet and confer and make a good faith attempt to reach a resolution before any action is taken.



## **VII. REPORTING**

28. Within 180 days of the Effective Date of this Assurance or such later time as agreed to by the District, Respondent shall provide the District with a report, signed under penalty of perjury, containing the following information:

- a. a certification that Lyft sent the emails required by Paragraphs 25 and 26;
- b. the name of each Affected Consumer who received a refund under this Assurance; and
- c. the amount and date of any refund sent to each Affected Consumer.

## **VIII. RELEASE**

29. By execution of this Assurance, and following payment of the \$20,000 required under paragraph 24, and the payment of, or attempt at payment of, all refunds required under paragraphs 25- 26, the Attorney General shall terminate its investigation into Respondent's conduct arising out of, resulting from, and/or relating to the factual allegations set forth in Part III, *supra*, and shall release and discharge, to the fullest extent permitted by law, Respondent from any and all civil causes of action, claims, damages, costs, attorneys' fees, or penalties the Attorney General has asserted or could have asserted under the CPPA relating to the factual allegations set forth in Part III as of the date this Assurance is executed by all Parties.

## **IX. ADDITIONAL TERMS**

30. Respondent shall not cause or encourage any third-parties, or knowingly permit third-parties acting on its behalf, to engage in any practices from which Respondent is prohibited by this Assurance.

31. Respondent shall not participate, directly or indirectly, in any activity, or form any corporate entity or corporation for the purpose of circumventing any part of this Assurance or the spirit or purpose of this Assurance.

32. Nothing contained herein shall be construed as relieving Respondent of the obligation to comply with all District laws, regulations, or rules, nor shall any of the provisions herein be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

33. The Parties understand and agree that this Assurance will not be construed as an approval or sanction by the Attorney General of Respondent's business practices, nor will Respondent represent that this Assurance constitutes an approval or sanction of its business practices.

34. This Assurance shall be considered effective and fully executed on the last date on which any party executes the Assurance. This Assurance may be executed in counterparts, and copies of signature pages transmitted electronically shall have the same effect as originals of those signature pages.

35. All notices and reports under this Assurance shall be provided to the following address via first class and electronic mail, unless a different address is specified in writing by the party changing such address:

For the District:

Margaret Ulle  
Assistant Attorney General, Office of Consumer Protection  
Office of the Attorney General for the District of Columbia  
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For the Respondent:

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**FOR THE DISTRICT OF COLUMBIA:**

BRIAN L. SCHWALB  
Attorney General for the District of Columbia

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Deputy Attorney General  
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ADAM TEITELBAUM  
Director, Office of Consumer Protection

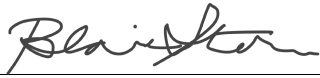


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Date: December 5, 2023

**FOR RESPONDENT:**



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Date: December 7, 2023