

|                              |                                     |
|------------------------------|-------------------------------------|
| JPMorgan Chase & Co.         | USD 3,750,000.00   US Dollar        |
| USD 3,750,000.00   US Dollar | EUR 3,406,162.50   Euro             |
| BL0301 - Retail Banking      | EL0301 - Employee Relations         |
| US - United States           | North America                       |
| Loss Event                   | Published in media 14 November 2019 |

## JPMorgan agrees to pay USD 3.8 million class action settlement over unpaid overtime

On 14 November 2019, Law360 reported that JPMorgan Chase had preliminarily agreed to pay USD 3.8 million (EUR 3.4 million) to settle claims that it had failed to remunerate call centre staff for compensable services performed off the clock.

On 14 December 2017, Shannon Riverbank filed a collective action complaint against JPMorgan under the Fair Labor Standards Act (FLSA). She alleged that from 14 December 2014, certain hourly call centre employees did not receive full overtime pay for all of the hours they had worked, including for time spent starting up and logging into JPMorgan's computer system. Additionally, the proposed Rule 23 class alleged that JPMorgan had violated Ohio and Texas state law. This entailed allegations of:

- unpaid straight time and overtime wages;
- failure to pay the minimum wage;
- failure to provide accurate wage statements;
- wage theft;
- improper wage payments;
- failure to provide meal and rest breaks;
- improper wage deductions; and
- failure to maintain accurate records.

According to court documents, the proposed Rule 23 class comprised 6,880 current and former hourly, non-exempt call centre employees who worked for JPMorgan from 14 December 2014 onwards and had not released their claims, had not arbitrated their claims, and had not timely submitted a valid opt-out request.

The current and former JPMorgan call centre workers stated that they were owed an average of USD 10.00 per week in unpaid overtime compensation in their FLSA claims. According to court documents, JPMorgan's policy required that all call centre employees were ready to take a phone call the moment their official shift started. This required them turning on their computers, starting eight to 10 separate programs, and logging in, which took up to an hour. This meant that every week, employees worked between two and a half to five hours without compensation.

During mediation, the parties reached an agreement fully resolving the claims between them and thus sought preliminary approval of the agreement.

Law360 reports that under the settlement, the opt-in FLSA plaintiffs could receive about USD 2.17 per week, while the average payment for each of the 6,880 Rule 23 class members would be USD 300. Attorneys' fees were included in the settlement at 38 per cent of the total settlement fund, as well as USD 5,000 each for the class representatives and USD 2,000 each for opt-in plaintiffs who provided testimony before mediation.

On 13 November 2019, the parties filed the USD 3,750,000 settlement proposal for preliminary approval.

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**Published Date:** 15 November 2019

**Last Update:** 19 November 2019

| Published In Media | Occurrence - From | Occurrence - To | Discovery Date | Recognition / Settlement |
|--------------------|-------------------|-----------------|----------------|--------------------------|
| 14 November 2019   | 14 December 2014  |                 |                | 13 November 2019         |

|  |   |  |
|--|---|--|
| <b>Boundary Risk</b><br>Other Risk                       | <b>Industry Event</b>   | <b>Scenario</b><br>SC0035 - Unfair Treatment of Staff                    |
| <b>Product</b><br>PD9900 - Not Product-Related           | <b>Process</b><br>PC0902 - Remuneration, Expenses and Payroll | <b>Event Closed</b><br>No  |
| <b>ORX Member</b><br>Yes                                 | <b>Role of Firm</b><br>LS0303 - Employer                      | <b>Jurisdiction / Choice of Law</b><br>LS0101 - United States of America |
| <b>Cause 1</b><br>CS0403 - Inadequate Policy / Procedure | <b>Cause 2</b>  | <b>Cause 3</b>   |
| <b>Counterparty</b><br>LS0202 - Class Action             | <b>Environmental Volatility</b><br>LS0406 - Not Identifiable  | <b>Provision</b><br>No   |

### Source(s)

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