

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
SEATTLE DIVISION

FLI-LO FALCON, LLC, on behalf of itself  
and all others similarly situated,

Plaintiff,

v.

AMAZON.COM, INC. and AMAZON  
LOGISTICS, INC.,

Defendants.

No.

CLASS ACTION COMPLAINT  
JURY DEMAND

1 Plaintiff, Fli-Lo Falcon, LLC (“Plaintiff” or “Fli-Lo”), brings this action individually  
2 and on behalf of all business entities in the United States that executed a 2.0 Delivery  
3 Service Partners Agreement with Amazon Logistics, Inc. (“ALI”), acting on behalf of  
4 Amazon.com, Inc. (“Amazon”) (collectively referred to as “Amazon” or “Defendants”),  
5 from 2019 to present, for damages.

6 Plaintiff’s allegations pertaining to it are made on personal knowledge. All other  
7 allegations are based on information and belief pursuant to the investigation conducted  
8 by Plaintiff’s counsel, which includes, but is not limited to, a review of the contracts,  
9 policies, and marketing materials discussed below, as well as publicly available  
10 information, including Defendants’ filings with the Securities and Exchange Commission.

### 11 NATURE OF THE ACTION

12 1. This class action case is brought on behalf of small package delivery  
13 companies, known as “Delivery Service Partners” or “DSPs,” with whom Amazon,  
14 through its wholly-owned subsidiary, ALI, contracts to deliver Amazon’s products to  
15 consumers (the “DSP Program”). Amazon is among the world’s largest companies and  
16 dominates e-commerce in the United States. With over 300 million active users,  
17 Amazon, as of 2021, controlled more than 40% of the U.S. e-commerce market share  
18 and measures quarterly profits in billions of dollars. The typical DSP has a fleet of  
19 approximately 20 – 40 Amazon-branded vans. As of December 2021, approximately  
20 2,500 DSPs were part of Amazon’s DSP Program. The purpose of the DSP Program is  
21 to shield Amazon from its responsibilities to delivery drivers and the public. Amazon, by  
22 and through ALI, exercises near complete control over the DSPs but fails to provide the  
23 required safeguards under Washington’s Franchise Investment Protection Act.

24 2. Amazon fraudulently induced Plaintiff and other DSP owners to enter into  
25 DSP contracts (“DSP Agreements”) with ALI with misrepresentations that they will own  
26 and operate independent businesses earning profits between \$75,000 and \$300,000  
27 annually. In reality, DSPs do not earn profits in that range. ALI uses its technology and

1 control to limit DSPs' capacity to earn the represented profits.

2 3. Despite promising DSPs a significant level of autonomy, the DSPs are not  
3 independent businesses and their activities are dictated and run by Amazon through ALI.  
4 Amazon requires its DSPs to make a substantial investment and to use certain vendors  
5 under Defendants' terms. DSPs do not control their own operations and are restricted  
6 from making material adjustments to increase their profits. ALI uses a subjective and  
7 opaque formula with impossible benchmarks to determine how much money DSPs will  
8 receive. DSPs are liable for acts of the drivers, who are pressed to meet the delivery  
9 schedules mandated by ALI. Finally, DSPs are assessed costs by ALI if they try to exit  
10 the DSP Program.

11 4. By entering into the DSP Agreements, the parties consent to the  
12 application of Washington law. Defendants violated Washington's Franchise Investment  
13 Protection Act by, among other things, portraying the DSP Program as an opportunity  
14 for DSP owners to operate their own business without reasonable interference by  
15 Defendants when, in reality, the DSP owners are unable to control critical aspects of  
16 their business. Violations of Washington's Franchise Investment Protection Act  
17 constitute unfair or deceptive acts, which in turn are a per se violation of Washington's  
18 Consumer Protection Act.

19 5. This complaint seeks damages for Defendants' fraud, fraudulent  
20 inducement, breach of the implied covenant of good faith and fair dealing, and violation  
21 of the state of Washington's Consumer Protection Act based on violations of  
22 Washington's Franchise Investment Protection Act.

23 **JURISDICTION AND VENUE**

24 6. This Court has subject matter jurisdiction over the state law claims under  
25 28 U.S.C. § 1332(d), as amended by the Class Action Fairness Act of 2005, Pub. L. No.  
26 109-2, 119 Stat. 4, because the amount in controversy for the Class exceeds \$5,000,000  
27

1 and because there are members of the Class who are citizens of a different state than  
2 Defendants.

3 7. The Court has personal jurisdiction over Defendants because their principal  
4 places of business are in Seattle, Washington.

5 8. Venue is proper in this judicial district because a substantial part of the  
6 events, acts, omissions, and injuries giving rise to the claims – e.g., the formation of the  
7 DSP Agreements and Defendants’ issuance of bad faith edicts dictating the DSPs’  
8 business operations – occurred in this judicial district, and because Defendants have  
9 their principal places of business in this judicial district and are subject to personal  
10 jurisdiction in this judicial district at the time this action has commenced.

### 11 **THE PARTIES**

12 9. Max Whitfield (“Whitfield”) is a resident of California. Whitfield owns and  
13 operates Fli-Lo, a single-member limited liability company, which was originally  
14 incorporated in North Carolina and is currently operating in Wyoming as its home state  
15 with its principal offices in Casper, Wyoming. Fli-Lo is a transportation and logistics  
16 company, which entered into a contract to deliver packages for ALI in the Sacramento,  
17 California area from October 2019 to May 15, 2021. Fli-Lo first delivered packages for  
18 Amazon in January 2020.

19 10. Defendant Amazon Logistics, Inc. is a Delaware corporation with its  
20 principal place of business at 410 Terry Avenue North, Seattle, Washington 98109. ALI  
21 is a transportation and logistics company. ALI is a wholly-owned subsidiary of Amazon.  
22 ALI provides transportation and logistics services primarily to Defendant Amazon.

23 11. Defendant Amazon.com, Inc. is a Delaware corporation with its principal  
24 place of business at 410 Terry Avenue North, Seattle, Washington 98109. Amazon’s  
25 deliveries are effectuated through ALI, an Amazon subsidiary founded in 2016. Upon  
26 information and belief, Amazon has complete control over ALI’s business. In its few  
27 short years, ALI has gained control over 20% of the total package shipping market in the

1 United States.<sup>1</sup> ALI's tremendous growth has vaulted it ahead of Federal Express, one  
2 of the industry leaders with decades more experience than ALI. Upon information and  
3 belief, Amazon is ALI's primary or only customer.

4 12. Upon information and belief, Defendants are and were at all relevant times  
5 the agents, affiliates, alter egos, partners, assignees, joint venturers, successors-in-  
6 interest, or principals of each other, or were otherwise responsible for or participated in  
7 the performance of the wrongful acts alleged herein, and thereby are jointly and severely  
8 responsible for such acts and incurred liability.

### 9 **FACTUAL ALLEGATIONS**

10 13. Amazon is the world's largest online retailer, reporting almost \$370 billion  
11 in estimated sales for 2021.<sup>2</sup> As of October 2021, Amazon accounted for 41% of the  
12 U.S. e-commerce market, making it by far the leading online retailer in the country.<sup>3</sup>

13 14. Amazon describes itself as a company that is customer obsessed. To  
14 ensure customer satisfaction, Amazon obtained greater control over its deliveries by  
15 establishing its own delivery and logistics network, ALI. Notably, Amazon's creation of  
16 the network, which, as discussed below, relies on individual businesses to make  
17 deliveries, was also animated by its desire to avoid the unionization of its delivery  
18 personnel.<sup>4</sup>

21 <sup>1</sup> John Corrigan, *Report: Amazon Surpasses FedEx in U.S. Shipping Share*, ADVERTISING SPECIALTY  
22 INSTITUTE (Oct. 21, 2021), [https://www.asicentral.com/news/newsletters/promogram/october-2021/report-  
amazon-surpasses-fedex-in-us-shipping-share/](https://www.asicentral.com/news/newsletters/promogram/october-2021/report-amazon-surpasses-fedex-in-us-shipping-share/).

23 <sup>2</sup> Chris Walton, *5 Things the Top 10 Online U.S. Retailer List Says About the Future*, FORBES (May 18,  
2021), [https://www.forbes.com/sites/christopherwalton/2021/05/18/5-things-the-top-10-online-us-retailer-  
list-says-about-the-future/?sh=6ee9a2eb6ef4](https://www.forbes.com/sites/christopherwalton/2021/05/18/5-things-the-top-10-online-us-retailer-list-says-about-the-future/?sh=6ee9a2eb6ef4).

24 <sup>3</sup> Stephanie Chevalier, *Market Share of Leading Retail E-Commerce Companies in the United States as  
25 of October 2021*, STATISTA (Oct. 29, 2021), [https://www.statista.com/statistics/274255/market-share-of-  
the-leading-retailers-in-us-e-commerce/](https://www.statista.com/statistics/274255/market-share-of-the-leading-retailers-in-us-e-commerce/).

26 <sup>4</sup> Matt McFarland, *Amazon Thrived During the Pandemic – These Drivers Say They Paid the Price*, WTOP  
27 NEWS (June 3, 2021), [https://wtop.com/business-finance/2021/06/amazon-thrived-during-the-pandemic-  
these-drivers-say-they-paid-the-price/](https://wtop.com/business-finance/2021/06/amazon-thrived-during-the-pandemic-these-drivers-say-they-paid-the-price/).

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.