

Workers in tech case likely to get average of \$4K

May 23 2014, by Michael Liedtke

Nearly 60,000 high-tech workers are likely to receive an average of \$4,000 apiece in a settlement of a class-action lawsuit alleging Apple and Google conspired in an illegal cartel of Silicon Valley employers that secretly refused to recruit each other's engineers.

The estimate is based upon an analysis of court documents in the case, including the terms of a \$324.5 million settlement outlined for the first time in a filing made late Thursday. The final amounts paid to each of the eligible workers will vary depending on their salaries during the four-year period covered by the [lawsuit](#).

A federal judge still must approve the settlement, which is already facing resistance from one of the workers representing the entire class. A hearing on the settlement is scheduled for June 19 in a San Jose, California, federal court.

The \$324.5 million settlement will be paid by Apple Inc., Google Inc. and two other Silicon Valley companies, Intel Corp. and Adobe Systems Inc., accused of colluding to corral their top technology workers.

The 3-year-old lawsuit, triggered by an earlier U.S. Department of Justice investigation, uncovered evidence that former Apple CEO Steve Jobs, former Google CEO Eric Schmidt and top executives from the other companies in the case had reached "no-poaching" pacts prohibiting each other from trying to lure away each other's top workers with offers of higher-paying jobs.

Three other companies, Intuit Inc., Pixar Animation and Lucasfilm, named in the lawsuit reached a separate \$20 million settlement that already has been approved by U.S. District Judge Lucy Koh. Intuit paid \$11 million of that settlement, with Pixar and Lucasfilm—both now owned by Walt Disney Co.—covering the remainder.

No breakdown has been provided yet how Apple, Google, Intel and Adobe will divvy up the \$324.5 million bill for their settlement. The lawsuit depicted Apple and Google as the ringleaders of the alleged misconduct. The settlement represents a pittance for Apple and Google, which held a combined \$210 billion in their bank accounts through March.

It is also a fraction of the \$3 billion that the class-action attorneys had been seeking in the case. Because the complaint raised antitrust violations, the damages could have been tripled to \$9 billion had the companies been found liable in a trial.

A \$3 billion to \$9 billion award would have translated into average payments of \$50,000 to \$150,000 for the affected workers.

Programmers, software developers and computer scientists make an average of \$80,000 to \$110,000 annually, depending on their specific duties, according to the latest wage data from the U.S. Department of Labor.

The gulf between the potential damages and the current settlement has sparked a protest from Michael Devine, a lead worker in the case who called the terms "unfair and unjust" in a May 11 letter to Koh.

"I respectfully ask that you reject this settlement so that we may have our day in court and have a real shot at justice," wrote Devine, a former computer scientist at Adobe.

In court papers, the class-action lawyers argued the settlement falls into the "range of reasonableness" and avoids the uncertainty of a trial. The attorneys cited other antitrust cases that resulted in verdicts awarding small fractions of the amounts originally targeted in the case.

The class action represents 64,600 technology workers employed at some point from 2005 through 2009 at the companies targeted in the lawsuit.

About 5,000 of the workers, or 8 percent of the class, were covered by the \$20 settlement paid by Intuit, Pixar and Lucasfilm, according to [court documents](#).

That means about 59,400 employees will be eligible for a piece of the \$324.5 million settlement from Apple, Google, Intel and Adobe.

The workers' lawyers though intend to seek up to one-fourth, or about \$81 million, of the settlement amount plus \$1.2 million to reimburse their expenses, according to Thursday's filing. The attorneys took \$5 million, or one-fourth, of the \$20 million settlement with Intuit, Pixar and Lucasfilm.

If the lawyers receive their requested reimbursement in addition to one-fourth of the [settlement](#) with Apple, Google, Intel and Adobe, that will leave the [workers](#) represented in the lawsuit with \$242 million, or about \$4,000 per person.

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