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13

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 COUNTY OF SAN FRANCISCO
16

17 YASSIN OLABI,

18 Plaintiff,

19 v.

20 NEUTRON HOLDINGS, INC. dba
21 LIMEBIKE aka LIME; and DOES 1 to 50,
inclusive,

22 Defendants.
23
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27
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Case No. CGC-18-569564

FIRST AMENDED COMPLAINT

1 Plaintiff YASSIN OLABI (“Plaintiff”), by and through his attorneys, Rosen Bien
2 Galvan & Grunfeld LLP and Waskowski Johnson Yohalem LLP, hereby complains and
3 alleges as follows against Defendant Neutron Holdings, Inc. dba LimeBike aka Lime and
4 Does 1-50 (LimeBike and Does 1-50 shall be referred to collectively as “Lime”):

5 INTRODUCTION

6 1. Lime is a rapidly growing company, which rents electric scooters and
7 bicycles throughout California and the world. Plaintiff and other “Juicers” work for Lime
8 finding, charging and returning Lime’s electric scooters to service. While Lime has grown
9 exponentially, its Juicers have not shared in its prosperity. Instead, Lime regularly pays its
10 Juicers far below California’s minimum wage for the hours they spend working to ensure
11 that Lime’s electric scooters can be ridden by Lime’s customers. Lime also unlawfully
12 foists upon its Juicers the cost of equipment, transportation, cellular telephone service, and
13 electricity. Lime justifies this treatment by willfully mislabeling its Juicers as
14 “independent contractors” and paying them only for the scooters they successfully locate,
15 charge to Lime’s exacting specifications, and return to service by 7:00 a.m. However,
16 other than the label arbitrarily assigned to them by Lime, there is nothing that makes
17 Juicers independent contractors under California law.

18 NATURE OF THE ACTION

19 2. This lawsuit seeks to put an end to Lime’s unlawful business practice of
20 deliberately misclassifying its Juicers as independent contractors and to recover the civil
21 penalties that arise from the numerous Labor Code violations that Lime has tried to avoid
22 through its misclassification.

23 3. Lime rents electric scooters in at least 17 California cities and dozens of
24 more cities around the world, as well as dozens of college and university campuses.

25 4. However, unlike more traditional bicycle or scooter shops, Lime does not
26 use brick and mortar stores to rent its equipment.

27 5. Instead, Lime disperses its scooters throughout a given city in which it
28 operates. When its customers see Lime scooter, they can use an application distributed by

1 Lime (the “Lime App”) from their mobile telephones to unlock and rent the scooters.

2 When Lime’s customers reach their destinations, they leave their scooters and end the
3 rental, allowing other customers to then rent the vehicles.

4 6. At the end of each day, Lime’s electric scooters need to be re-charged.

5 7. To accomplish this task, Lime hires workers, referred to as “Juicers” in its
6 parlance, to find the scooters, recharge them, and return them to service.

7 8. Lime pays Juicers on an *ad hoc* basis **only** for vehicles actually found and
8 charged to at least 95% of battery capacity, and returned to designated “hubs” by 7:00 a.m.
9 the next morning.

10 9. Lime pays Juicers nothing if they spend hours searching for scooters but
11 cannot find any. Moreover, even if Juicers find and recharge scooters, Lime does not
12 necessarily pay them minimum wage, because the minimum wage due for the time spent
13 looking for and charging scooters can easily exceed the amount of money Lime pays for a
14 successfully charged vehicle. In fact, Lime does not pay Juicers the full advertised price,
15 or at all, for scooters they successfully find and charge, unless the scooters are charged to
16 at least 95% of battery capacity and returned to a designated spot by 7:00 a.m. Because
17 Lime requires Juicers to “unlock” scooters to take them to charge, and the unlocking
18 process results in the scooters having their lights on, Juicers sometimes fully charge
19 scooters, but then do not receive full pay for them because the batteries have drained to
20 below 95% by the time they are returned to the designated hub spot.

21 10. Lime also foists the costs of equipment, cellular, telephone service, mileage
22 and electricity onto its Juicers, by requiring them to buy charging cables from Lime or pay
23 for their shipping, pay for cellular telephone service to use its Lime app, pay for the cost of
24 an automobile to find and retrieve Lime’s scooters, including gas and maintenance, and
25 pay for the cost of electricity used to charge them.

26 11. Lime attempts to justify these practices by labeling its Juicers as
27 “independent contractors.”

28 12. However, Juicers are nothing close to “independent contractors” under

1 California law.

2 13. Lime exerts considerable direction and control over how its Juicers charge
3 scooters, going so far as to monitor them and unlawfully reduce their compensation when
4 Lime declares them to have failed in their duties.

5 14. Juicers do not perform work that is outside the usual course of Lime's
6 business. Instead using the Lime App and custom Lime chargers, they ensure that Lime's
7 electric scooters can remain in service.

8 15. There also is no independently established trade, occupation, or business for
9 electric scooter chargers to which Juicers could conceivably belong.

10 16. Plaintiff brings this case to put an end to Lime's unlawful practices and
11 recover penalties owed by Lime for its rampant violations of California law.

12 **PARTIES**

13 17. Plaintiff YASSIN OLABI is a resident of San Mateo County, California.

14 18. Defendant NEUTRON HOLDINGS, INC. is a Delaware corporation with its
15 principal place of business located in San Francisco, California.

16 19. At all relevant times, Defendant NEUTRON HOLDINGS, INC. has been an
17 employer within the meaning of the California Labor Code and all applicable IWC Orders.

18 20. Plaintiff does not know the true names and capacities of those Defendants
19 sued herein as DOES 1 through 50, inclusive, and therefore sue those Defendants by such
20 fictitious names.

21 21. Plaintiff will amend this Complaint to allege the true names and capacities of
22 the Defendants sued herein as DOES 1 through 50 whenever they are ascertained.

23 22. Plaintiff is informed and believes, and on that basis alleges, that each of the
24 Defendants sued herein as DOES 1 through 50, inclusive, is in some manner legally
25 responsible for the wrongful acts and/or omissions alleged herein.

26 23. Plaintiff is informed and believes, and on that basis alleges, that each of the
27 Defendants acted in concert with each and every other Defendant, intended to and did
28 participate in the events, acts, practices and courses of conduct alleged herein, and

proximately caused damage and injury thereby to Plaintiffs as alleged herein.

24. At all times herein mentioned, each of Defendants, including DOES 1-50 and Lime, were agents, employees, supervisors, employers, alter egos, and/or joint venturers of these Defendants, and were acting both individually and in the course and scope of such relationship, and/or as integrated enterprises and/or joint employers, with knowledge and/or consent of the remaining Defendants.

JURISDICTION AND VENUE

25. This Court has original subject matter jurisdiction over this action pursuant to Article VI, section 10 of the California Constitution.

26. This Court has personal jurisdiction over Defendants pursuant to California Code of Civil Procedure section 410.10.

27. Venue is proper pursuant to California Code of Civil Procedure section 395.5, because Defendant is headquartered in San Francisco.

FACTS

Lime's Disruptive Business Model

28. Lime is a company attempting to “disrupt” the transportation industry by renting consumers “Lime-S” electric scooters on an as needed basis for the “last mile” of their commutes.

29. What sets Lime apart from traditional bicycle and scooter rental companies is that, unlike a traditional bike shop, there is no centralized store where customers need to go to rent and return their vehicles.

30. Instead, Lime disperses its scooters at different public locations throughout a city proving far more convenience to its users.

31. Likewise, Lime allows its users to ride its vehicles wherever they want and then end the rental by leaving the scooters at or near their destination, rather than having to return the vehicles to the location from which they were rented.

32. Lime is able to rent scooters throughout a city by “locking” its scooters when they are not in use and allowing its users to find and unlock them and return them through

1 the Lime App.

2 33. When a user rents a vehicle through the Lime App, it unlocks the scooter and
3 allows it to be ridden.

4 34. When a Lime user completes his or journey and ends the rental through the
5 Lime App, the vehicle is again locked and cannot be ridden.

6 35. Because of the convenience of its use, Lime is one of the world's fastest
7 growing companies.

8 36. According to recent press, since it was founded in 2017, Lime has raised
9 over \$335 million in financing, with major investors such as Uber and Alphabet, and was
10 recently valued at \$1.1 billion.

11 37. Lime has operations in at least 17 California cities and dozens of more cities
12 and college campuses around the world.

13 38. Lime also has a wide presence in the cities in which it operates. For
14 example, according to one publication, Lime electric scooters netted 300,000 rides in San
15 Francisco alone between March and June of this year. Lime scooters and bicycles have
16 totaled over 1 million rides in San Diego.

17 **Lime Underpays and Exploits Its Juicers**

18 39. But while Lime has grown rapidly from its California headquarters
19 throughout the state, it has completely disregarded California labor laws.

20 40. Because Lime's electric scooters ultimately need electricity to run, but lose
21 their charge at different locations throughout a city, Lime needs a way to collect them,
22 recharge them, and return them to service.

23 41. To accomplish this task, Lime could simply hire regular employees to drive
24 around a city, find, and recharge its scooters. However, to do so would be expensive;
25 Lime would have to pay its workers minimum wage for all the time they spend looking
26 for, transporting, charging, and returning its scooters. Lime would also have to properly
27 equip them and pay all expenses they incur in order to do the charging work.

28 42. Lime has tried to avoid these traditional labor expenses by turning to the "gig

1 economy” and devising a system of exploitative *ad hoc* labor.

2 43. Instead of traditional hourly workers, Lime hires “Juicers” to find and
3 recharge its scooters, paying them only if they actually succeed in finding and recharging a
4 scooter.

5 44. Much like Limes’ customers, Juicers use the Lime App to find scooters using
6 its GPS function. Unlike Lime users, they search for scooters in need of charging rather
7 than scooters ready for use.

8 45. After finding a vehicle, Juicers claim and unlock the scooter, using the App,
9 indicating to other Juicers that it is being charged and no longer available to be found.

10 46. Juicers are required to recharge the electric scooters at their homes and return
11 the recharged electric scooters to service at designated areas within a certain number of
12 hours from when the scooters are claimed. Lime only allows Juicers to collect scooters
13 before 9:00 p.m. each night if they are below a battery threshold of 15% charged;
14 otherwise, Juicers must wait until 9:00 p.m. to collect scooters. Lime further requires that
15 the scooters be returned or “served” no later than 7:00 a.m.

16 47. If a Juicer is late in returning a scooter, Lime reduces the compensation it
17 pays for charging the scooter by one half. If the Juicer returns a scooter with a battery
18 charged to less than 95% capacity, Lime pays no compensation to the Juicer.

19 48. Though in theory the Lime App should make finding scooters in need of
20 recharging easy, the Lime App has many problems and often leads Juicers on fruitless trips
21 in which the Lime App indicates there is a vehicle in need of charging, but no such vehicle
22 is available to be claimed.

23 49. Lime aggressively recruits Juicers, proselytizing the virtues of “Juicing” in
24 various online fora.

25 50. For example, acknowledging that its Juicers are a regular part of its business,
26 Lime includes a Juicer application on the front page of its website under a tab labelled
27 “Join Us.” (Lime Website Screen Shots 1 and 2, **Exhibit A.**)

28 51. As of August 14, 2018, Lime’s website also stated, “We’re always looking to

1 grow our team. Juicers can earn up to \$30+ per hour and \$100+ per night collecting,
2 charging and redistributing Lime-S.” (Lime Website Screenshot 3, **Exhibit B.**) This
3 representation seems to have since been removed from the Lime website.

4 52. To become a Juicer, an individual provides some basic information on
5 Lime’s website, watches a short training video, and then agrees to a Juicer agreement.

6 53. Upon information and belief, other than requiring its Juicers to be of legal
7 age and to have a car, there are no significant limits on the number of Juicers Lime is
8 willing to hire within a given city.

9 54. Lime does not disclose to its applicants how many other Juicers it has
10 already hired.

11 55. Lime does not pay its Juicers anything unless they actually locate, charge to
12 at least 95% capacity, and return its scooters to a designated spot.

13 56. Lime also requires Juicers to pay any expenses associated with finding and
14 charging its vehicles, including transportation costs, such as mileage and gasoline, the cost
15 of cellular telephone service through which to use the Lime App, the cost of electricity to
16 charge Lime’s scooters, and other necessary equipment such as surge protectors and
17 extension cords.

18 57. Because it pays nothing but a success fee and requires Juicers to pay all their
19 own expenses, Lime is able to hire an essentially unlimited number of Juicers without
20 incurring additional costs by doing so.

21 58. In fact, hiring Juicers is profitable for Lime even if the Juicers it hires are
22 unable to find any scooters to recharge, because in order to charge one of Lime’s scooters,
23 a Juicer must purchase charging cables from Lime. Lime provides Juicers with a coupon
24 code to obtain the first four chargers for free, but the Juicer must pay for shipping and
25 handling costs. Juicers must pay for any additional chargers themselves or prove to Lime
26 that they are dedicated to Lime by consistently charging and returning scooters by
27 7:00 a.m.

28 59. Once hired and once they receive charging cables, Juicers compete with each

1 other to find and charge Lime’s scooters.

2 60. Lime typically pays Juicers a flat fee between \$5 and \$10 per scooter
3 charged to its specifications and returned to the correct location and by the right time,
4 regardless of the amount of time actually required to find, charge, and return a vehicle.

5 61. Because it pays nothing to do so, Lime has hired far more people than are
6 necessary to charge its scooters.

7 62. As a result of the glut of Juicers and the problems with the Lime App, Juicers
8 often cannot find scooters to recharge and, even when they do, often spend considerable
9 amounts of time doing so and often earn nothing close to the \$30 or \$100 per night Lime
10 suggests they will earn.

11 63. In fact, because of Lime’s labor practices, Juicers often end up receiving far
12 less in compensation than they would simply working for the minimum wage. For
13 example, a recent article in the *San Diego Reader* describes the reporter’s experience
14 trying to be a Juicer and netting approximately \$176 in profit for 30 hours of work, for a
15 pay rate of \$5.87 per hour.

16 64. Lime also does not take the steps required to keep its Juicers aware of their
17 legal rights.

18 65. Upon information and belief, Lime does not track or otherwise record the
19 number of hours its Juicers actually spend looking for, gathering, charging, and returning
20 its scooters to service.

21 66. Lime also does not provide a paystub to its Juicers, instead, paying them via
22 direct deposit the day after they find scooters. Thus, Lime does not provide *any* of the key
23 information required to be on a pay stub

24 67. Nor does Lime post or otherwise provide a copy of IWC Order No. 9-2001
25 to its Juicers.

26 **Lime Willfully Misclassifies Its Juicers as “Independent Contractors”**

27 68. To justify its exploitation of its Juicers, Lime calls them “independent
28 contractors” and requires them to nominally agree that they are “independent contractors”

1 as part of its application process. However, as Lime fully knows, Juicers are not actually
2 independent contractors under California law.

3 69. The California Supreme Court recently reaffirmed the principle that merely
4 labeling workers an “independent contractors” does not actually make them so, and
5 explained that for a hiring entity to treat a worker as an independent contractor under
6 California law, the hiring entity was required to establish each of the three factors
7 embodied in the “ABC test,” namely:

8 (A) that the worker is free from the control and direction of the hiring entity
9 in connection with the performance of the work, both under the contract for
10 the performance of the work and in fact; and (B) that the worker performs
11 work that is outside the usual course of the hiring entity's business; and
12 (C) that the worker is customarily engaged in an independently established
13 trade, occupation, or business of the same nature as the work performed.

14 *Dynamex Operations West v. Superior Court*, 4 Cal. 5th 903, 956-57 (2018).

15 70. Lime, which is a sophisticated company based in California with prominent
16 California-based investors, is or should be fully aware of these requirements.

17 71. Lime likely cannot satisfy any elements of the *Dynamex* text.

18 72. Juicers must use Lime chargers and the Lime App to perform their work and
19 are monitored by Lime through the App. Juicers do not perform work that is outside the
20 usual course of Lime’s business. Instead they perform work that is so critical to Lime’s
21 business that it is highlighted on the front page of Lime’s website and is work that must be
22 performed daily, en masse, in order for Lime’s electric scooters to operate. Lime imposes
23 very specific requirements on Juicers, including instructing them on exactly where and
24 when to “deploy” or leave scooters in the morning, what direction the handlebars of the
25 scooters must face, and how the scooters should be aligned. After deploying the scooters,
26 Juicers are required to photograph their work and send it to the company.

27 73. Likewise, there is no independently established trade, occupation, or
28 business for electric scooter chargers to which Juicers could conceivably belong.

 74. Yet rather than comply with the law of the jurisdiction where it is head-
quartered and has the most operations, Lime continues to blatantly disobey California law.

1 75. In fact, Lime admits that Juicers “assist [Lime’s own] scooter operations,”
2 and that Juicers are subject to “strict guidelines for how, when and where they can deploy
3 [Lime’s] scooter fleet.” In a recent public filing with the City of Santa Monica to request
4 permission to operate in that City, Lime stated:

5 Juicers are community members who, on their own part-time
6 basis, assist our scooter operations by retrieving and charging
7 scooters using their own resources. Juicers have strict
8 guidelines for how, when and where they can deploy our
9 scooter fleet.

10 Juicers are equipped with proper in-app education on how to
11 properly park a scooter in the street, following Lime and City
12 guidelines. Each parking location selected by a juicer contains
13 further instructions on where scooters should be parked and
14 how many scooters are permitted to be parked at that location.
15 Real-time app refreshing occurs to eliminate any full parking
16 zone from the app. This prevents overflow in a specific
17 location. Juicers are also required to take a picture of each
18 deployment in order to maintain accountability.

19 Operations teams patrol deployment areas to monitor any
20 juicer deployments that do not abide by Lime or City
21 standards. Any juicer deployment that is haphazard can easily
22 be traced back to a specific juicer and is reported to our juicer
23 team. We have the ability to warn or penalize repeated poor
24 juicer performance. Any continuous rogue juicer activity will
25 result in a suspended or terminated account.

26 **Lime Exploited Plaintiff Just Like Its Other Juicers**

27 76. Plaintiff has been working as a Juicer for Lime since August 14, 2018. He
28 has attempted to “harvest,” or collect, Lime scooters in San Mateo, Oakland, San Jose, and
San Francisco, California. On average, when he works as a Juicer for Lime, he spends two
hours driving around collecting Lime scooters after 9:00 p.m. Because he only has four
chargers—for which he had to pay shipping and handling costs—he often cannot fully
charge all of the scooters he collects at the same time. Therefore, upon returning to his
home to charge the scooters, he is often up several times during the night swapping out the
scooters to be charged. Plaintiff generally spends approximately one hour in the morning
“deploying” or leaving scooters at the locations designated by Lime.

77. Plaintiff has frequently not been paid the full amount promised per scooter
by Lime, because it was impossible to charge all of the scooters to at least 95% of battery

1 capacity by 7:00 a.m. given the number of chargers he owns and the fact that the lights on
2 the scooters drain the batteries, or because when he has gone to the designated deployment
3 locations, there were already scooters there, and it was impossible to get to another
4 location by 7:00 a.m. The highest amount of money Plaintiff has received for one night of
5 “Juicing” was \$28.50. He usually earns \$10-20 per Lime shift (9 p.m. – 7 a.m.), for
6 approximately four to five hours of active work, for an approximate hourly rate of \$2.00 to
7 \$5.00. Plaintiff has never received a pay stub from Lime.

8 78. Plaintiff has also experienced frustrating and fruitless searches for scooters.
9 For example, the Lime App recently directed Plaintiff to a location in Oakland with a
10 number of scooters. When Plaintiff arrived, he discovered that the scooters were behind a
11 gated fence that Plaintiff could not enter. The Lime App also appears to restrict the
12 number of scooters that Plaintiff can harvest each night, further reducing his ability to be
13 paid for juicing.

14 79. In addition to paying shipping and handling costs of approximately \$4.00 for
15 the chargers Lime requires him to use, Plaintiff has also spent his own money on cell
16 phone service to operate the Lime Juicer App, gas and other maintenance costs for his
17 vehicle, which he uses to collect the scooters, as well as gloves, a surge protector, and
18 extension cords. Lime has not compensated him for any of those costs.

19 80. On September 10, 2018, Plaintiff sent a letter (attached hereto as **Exhibit C**
20 and incorporated herein by reference) to the California Labor Workforce Development
21 Agency (“LWDA”) and Defendant informing it that Defendant had violated provisions of
22 the California Labor Code, making them liable for penalties under the California Labor
23 Code Private Attorneys General Act of 2004, Labor Code sections 2698-2699.5
24 (“PAGA”). 65 days have passed since the date of the letter, so Plaintiff has fully
25 exhausted his administrative remedies.

26 **FIRST CAUSE OF ACTION**
27 **Unfair Business Practices – Public Injunctive Relief**
 (California Business and Professions Code § 17200 et seq.)

28 81. Plaintiff incorporates by reference the allegations contained in paragraphs 1-

1 80, and each and every part thereof, as if fully stated herein.

2 82. Unfair practices prohibited by California's Unfair Competition Law or
3 "UCL" include "any unlawful, unfair or fraudulent business act or practice." Cal. Bus. &
4 Prof. Code § 17200.

5 83. Lime has engaged in and continues to engage in the following unlawful and
6 unfair business practices:

7 (a) Lime violates California Labor Code Sections 1182.12, 1194, 1194.2,
8 1197, and 1197.1 by failing and/or intentionally failing to pay Juicers minimum wage for
9 all hours worked;

10 (b) Lime violates California Labor Code Section 226.8 (a)(1) by willfully
11 misclassifying Juicers as "independent contractors;"

12 (c) Lime violates California Labor Code Section 226.8 (a)(2) by charging
13 Juicers fees in connection with the purchase of Chargers and by making deductions from
14 their compensation if they fail to return the vehicle (fully charged) to service by a set time;

15 (d) Lime violates California Labor Code Sections 226(a) by failing to
16 provide Juicers with an accurate itemized statement in writing showing, among other
17 things: (1) total hours worked by the Juicer; (2) the name of the Juicer with only the last
18 four digits of his or her social security number or an employee identification number other
19 than a social security number, (3) the name and address of Lime; and (4) all applicable
20 hourly rates in effect during the pay period and the corresponding number of hours worked
21 at each hourly rate by the Juicer, and by failing to keep records of such statements;

22 (e) Lime violates California Labor Code Section 226.3 by violating
23 Section 226(a) and failing to provide any wage statement to Juicers;

24 (f) Lime violates California Labor Code Section 226.3 by violating
25 Section 226(a) and failing to keep the records of wage statements required under it;

26 (g) Lime violates California Labor Code Section 450(a) by requiring
27 Juicers to purchase and/or pay shipping for charging cables from Lime;

28 (h) Lime violates California Labor Code Section 2802 by failing to

1 indemnify Juicers for the necessary expenditures incurred by them in direct consequence
2 of the discharge of their duties, including expenditures for charging cables, gasoline,
3 mileage, cellular telephone service, gloves, surge protectors, extension cords and
4 electricity;

5 (i) Lime violates California Labor Code Sections 558 and 1198 by
6 violating IWC Order 9-2001 in at least the following ways: (1) failing to pay its Juicers
7 the minimum wages set forth in the wage order; (2) failing to keep accurate time records
8 for its Juicers; (3) failing to provide itemized wage statements to its Juicers; (4) requiring
9 its Juicers to provide their own equipment; and (5) failing to post or otherwise provide a
10 copy of the wage order to its Juicers.

11 84. Lime's conduct alleged herein occurred during the four years preceding the
12 filing of this Complaint and continues to the present.

13 85. Plaintiff has been damaged as a result of Lime's unfair business practices.

14 86. Lime's unlawful practices continue to affect the public negatively. Every
15 day, as Lime continues its rapid expansion, new individuals sign up to become Juicers. If
16 Lime is permitted to continue its unlawful practices as it grows, hundreds if not thousands
17 of future Juicers will be underpaid by Lime, and wages within the gig economy will be
18 depressed.

19 87. Plaintiff, on behalf of the public, seeks (1) an injunction prohibiting Lime
20 from continuing to engage in the unfair and unlawful business practices described herein;
21 and (2) recovery of attorneys' fees and costs of this action to be paid by Lime, as provided
22 by the UCL and California Labor Code sections 218, 218.5, and 1194.

23 WHEREFORE Plaintiff requests relief as described below.

24 **SECOND CAUSE OF ACTION**
25 **PAGA Claim For Civil Penalties**
(California Labor Code § 2698 et. seq.)

26 88. Plaintiff incorporates by reference the allegations contained in paragraphs 1-
27 87, and each and every part thereof, as if fully stated herein.

28 89. Under the California Private Attorneys General Act of 2004, California

1 Labor Code § 2698-2699.5 (“PAGA”) an aggrieved employee, on behalf of himself or
2 herself and other current or former employees, may bring a representative action as a
3 private attorney general to recover penalties for an employer’s violations of the California
4 Labor Code and IWC Orders. These civil penalties are in addition to any other relief
5 available under the California Labor Code, and must be allocated 75% to the California
6 Labor and Workforce Development Agency (“LWDA”) and 25% to the aggrieved
7 employee, pursuant to California Labor Code § 2699.

8 90. Lime has committed the following violations of the California Labor Code
9 and IWC Order No. 9-2001, each of which is actionable under PAGA, for which Plaintiff,
10 as an aggrieved employee and private attorney general, is entitled to recover applicable
11 statutory civil penalties on his own behalf, on behalf of current and former employees, and
12 on behalf of the LWDA:

13 (a) Lime violates California Labor Code Sections 1182.12, 1194, 1194.2,
14 1197, and 1197.1 by failing and/or intentionally failing to pay Juicers minimum wage for
15 all hours worked;

16 (b) Lime violates California Labor Code Section 226.8 (a)(1) by willfully
17 misclassifying Juicers as “independent contractors;”

18 (c) Lime violates California Labor Code Section 226.8 (a)(2) by charging
19 Juicers a fee to purchase Chargers and/or pay shipping and handling chargers, and by
20 making deductions from their compensation if they fail to return a scooter to service by
21 7:00 a.m. charged to at least 95% of battery capacity;

22 (d) Lime violates California Labor Code Section 226(a) by failing to
23 provide Juicers with an accurate itemized statement in writing showing, among other
24 things: (1) total hours worked by the Juicer; (2) the name of the Juicer and only the last
25 four digits of his or her social security number or an employee identification number other
26 than a social security number, (3) the name and address of Lime; and (4) all applicable
27 hourly rates in effect during the pay period and the corresponding number of hours worked
28 at each hourly rate by the Juicer, and by failing to keep records of such statements;

- 1 (e) Lime violates California Labor Code Section 226.3 by violating
2 Section 226(a) and failing to provide any wage statement to Juicers;
- 3 (f) Lime violates California Labor Code Section 226.3 by violating
4 Section 226(a) and failing to keep the records of wage statements required under it;
- 5 (g) Lime violates California Labor Code Section 450(a) by requiring
6 Juicers to purchase charging cables from Lime;
- 7 (h) Lime violates California Labor Code Section 2802 by failing to
8 indemnify Juicers for the necessary expenditures incurred by them in direct consequence
9 of the discharge of their duties, including expenditures for charging cables, gasoline,
10 mileage, cellular telephone service, gloves, surge protectors, extension cords and
11 electricity;
- 12 (i) Lime violates California Labor Code Sections 558 and 1198 by
13 violating IWC Order 9-2001 in at least the following ways: (1) failing to pay its Juicers
14 the minimum wages set forth in the wage order; (2) failing to keep accurate time records
15 for its Juicers; (3) failing to provide itemized wage statements to its Juicers; (4) requiring
16 its Juicers to provide their own equipment; and (5) failing to post or otherwise provide a
17 copy of the wage order to its Juicers.

18 91. California Labor Code § 2699(a), which is part of PAGA, provides in
19 pertinent part:

20 Notwithstanding any other provision of law, any provision of this code that
21 provides for a civil penalty to be assessed and collected by the Labor and
22 Workforce Development Agency or any of its departments, divisions,
23 commissions, boards, agencies, or employees, for a violation of this code,
may, as an alternative, be recovered through a civil action brought by an
aggrieved employee on behalf of himself or herself and other current or
former employees pursuant to the procedures specified in Section 2699.3.

24 92. California Labor Code § 2699(f), which is part of PAGA, provides in
25 pertinent part:

26 For all provisions of this code except those for which a civil penalty is
27 specifically provided, there is established a civil penalty for a violation of
these provisions as follows: ... (2) If, at the time of the alleged violation, the
28 person employs one or more employees, the civil penalty is one hundred
dollars (\$100) for each aggrieved employee per pay period for the initial

1 violation and two hundred dollars (\$200) for each aggrieved employee per
2 pay period for each subsequent violation.

3 93. Plaintiff is entitled to civil penalties, to be paid by Lime and allocated as
4 PAGA requires, pursuant to California Labor Code § 2699(a) for Lime's violations of the
5 California Labor Code and IWC Orders for which violations a civil penalty is already
6 specifically provided by law. Further, Plaintiff is entitled to civil penalties, to be paid by
7 Defendant and allocated as PAGA requires, pursuant to California Labor Code § 2699(f)
8 for which violations a civil penalty is not already specifically provided by law.

9 94. Under PAGA, if the state of California does not elect to pursue this action on
10 its own, Plaintiff and the State of California will be entitled to recover the maximum civil
11 penalties permitted by law for violation of the California Labor Code and violations of the
12 IWC Order No.9-2201 that are alleged in this Complaint.

13 WHEREFORE Plaintiff requests relief as described below.

14 **PRAYER FOR RELIEF**

15 WHEREFORE, Plaintiff individually and on behalf of the State of California and
16 the Public, seeks the following relief:

17 1. A declaratory judgment that Lime's labor practices described herein are
18 unlawful under California Law;

19 2. An injunction prohibiting Lime from engaging in the unlawful labor
20 practices described herein in the State of California;

21 3. Appropriate statutory penalties;

22 4. A reasonable incentive award to accommodate Plaintiff for the time spent
23 attempting to enjoin Lime's unlawful conduct and to recover statutory penalties on behalf
24 of the State of California and other current and former Juicers;

25 5. Attorneys' fees and costs of suit, including expert fees and costs; and

26 6. Such other relief as the Court deems just.
27
28

1 **DEMAND FOR JURY TRIAL**

2 Plaintiff hereby demands a jury trial on all causes of action and claims with respect
3 to which he has a right to jury trial
4

5 DATED: November 14, 2018

Respectfully submitted,

6 ROSEN BIEN GALVAN & GRUNFELD LLP

7 By: 

8 Jenny S. Yelin

9
10 DATED: November 14, 2018

WASKOWSKI JOHNSON YOHALEM LLP

11 By: 

12 Seth Yohalem

13 (pro hac vice application to be filed)

14 Attorneys for Plaintiff
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EXHIBIT A

English ▼

About Us

Locations

Programs



Safety

LimeAccess

Blog

Join Us ▼

Your Ride Anytime

Download on the
App Store

GET IT ON
Google Play

Reimagining Smart Mobility





Collect and juice Lime-S scooters

Make money by building your own charging network. Simply use your own personal vehicle and electrical outlets, and get paid each time you charge a scooter

Juice Lime-S scooters and
get paid today!

By clicking Apply Now, I agree that Lime or its representatives may contact me by email, phone, or SMS (including by automatic telephone dialing system) at the email address or number I provide, including for marketing purposes. Consent is not a condition of any purchase.

APPLY NOW

EXHIBIT B



Electric Scooter Sharing

Ready to try our new Lime-S electric scooters?

Unlike other scooters, Lime-S is custom designed in-house by our team of engineers to give riders a safe, effortless experience. Scroll down to review our instructional video, along with educational resources on proper parking, etiquette and FAQs to help keep your ride smooth and our streets unobstructed. Be safe. Be smart. Lime Responsibly!

[Specs](#)[FAQs](#)

**Do I need a special license to ride Lime-S?**

No special license is required, but in some states a driver's license is necessary to ride an electric assist bike. Please consult your local DOT for specific information.

Is the battery waterproof?

The battery is splash proof, meaning it can withstand both rain and snow.

Are there speed regulations I should know about before riding Lime-S?

Most cities have a maximum speed limit of 15 mph. Lime-S's is just below that, at about 14.8 mph.

What about helmet laws?

All cities are different regarding helmet laws and electric assist vehicles. Please consult your local DOT for specific information on helmet laws where you're riding.

How does Lime-S get charged?

Our Lime-S electric scooters are monitored remotely by both local staff and an independent team of Lime Juicers. When a scooter is running low on power, our Juicers will pick it up, charge the battery and then redeploy the Lime-S out in the community.

Can I become a Lime Juicer?

Absolutely! We're always looking to grow our team. Juicers can earn up to \$30+ per hour and \$100+ per night collecting, charging and redistributing Lime-S. [Click here](#) to learn more and apply.

How do I know how much battery is left?

Checking battery levels is simple. Just tap the Lime-S icon within the app to view available battery life.

How far can a Lime-S go on a single charge?

Lime-S has a maximum range of 20+ miles, depending on usage.

Can Lime-S teach me how to moonwalk?

Maybe, but it will cost you.

Lime-S Etiquette



You must be 18+ to ride



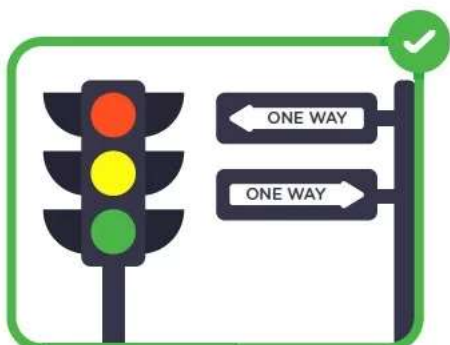
Driver's license
required to ride



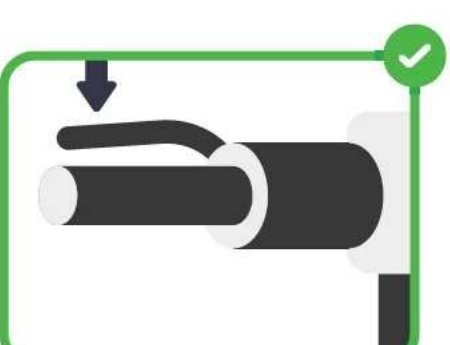
Please wear a helmet
when riding



Please park properly
by curbside



Always follow local
traffic laws



Press handbrake to stop



No stunt riding



Do not block
pedestrian walkway



Join Us



**Be mindful of road obstructions
such as potholes and rocks**

BECOME A LIME-S JUICER!



Follow Us



LimeBike Customer Service

Email: support@li.me

Call: 1 (888)-LIME-345

Text: 1 (888)-546-3345

Contact

[Press](#)

[Careers](#)

[Help](#)

Product





[Join Us](#)

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[Privacy](#)



EXHIBIT C

September 10, 2018

California Labor & Workforce
Development Agency
Attention: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

Neutron Holdings, Inc.
One Sansome Street
San Francisco, CA 94104

Re: RE: PAGA NOTICE PURSUANT TO CALIFORNIA
LABOR CODE § 2699.3
Our File No. 1559

Dear Sir or Madam:

Please take notice that, pursuant to the procedures specified in California Labor Code section 2699.3, **Yassin Olabi**, (hereinafter “Employee”) claims that Neutron Holdings, Inc. dba LimeBike aka Lime (“Lime”) has violated and continues to violate California Labor Code Sections 226(a), 226.8 (a)(1), 226.8 (a)(2), 450(a), 558, 558(a), 1182.12, 1194, 1194.2, 1197, 1197.1, 1198 and 2802 and California Industrial Welfare Commission (“IWC”) Wage Order 9-2001 in its conduct directed towards current and former “Juicers,” individuals hired by Lime to find and recharge its electric vehicles and return them to service.

Although Lime labels its Juicers as “independent contractors,” as the California Supreme Court recently reaffirmed, merely affixing this label to an employment relationship does not create an independent contractor relationship; instead, the hiring entity must establish each of the following:

- (A) that the worker is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact;
- (B) that the worker performs work that is outside the usual course of the hiring entity's business; and

PRIVILEGED AND CONFIDENTIAL

California Labor & Workforce Development Agency

Neutron Holdings, Inc.

September 10, 2018

Page 2

- (C) that the worker is customarily engaged in an independently established trade, occupation, or business of the same nature as the work performed.

Dynamex Operations West v. Superior Court, 4 Cal. 5th 903, 956-57 (2018)

Here, Lime cannot satisfy the *Dynamex* factors. Juicers must use Lime chargers and a smartphone application (the “Lime App”) to perform their work and are monitored by Lime through the Lime App. Juicers do not perform work that is outside the usual course of Lime’s business of renting electric scooters and bicycles. Instead the work they perform must be accomplished daily, en masse, in order for Lime’s electric vehicles to operate. This work is sufficiently critical to Lime’s business that it is highlighted on the front page of Lime’s website, which invites potential Juicers to “Join Us.” Likewise, there is no independently established trade, occupation, or business for electric scooter chargers to which Juicers could belong.

Lime thus has violated and continues to violate California law as follows:

- (a) Lime has violated and continues to violate California Labor Code Sections 1182.12, 1194, 1194.2, 1197, and 1197.1 by failing and/or intentionally failing to pay Juicers minimum wage for all hours they work finding and recharging its electric vehicles and returning them to service;
- (b) Lime has violated and continues to violate California Labor Code Section 226.8 (a)(1) by willfully misclassifying Juicers as “independent contractors;”
- (c) Lime has violated and continues to violate California Labor Code Section 226.8 (a)(2) by charging Juicers a fee to purchase chargers and by making deductions from their compensation if they fail to return a charged vehicle to service by a set time or fail to return a vehicle charged to Lime’s specifications;
- (d) Lime has violated and continues to violate California Labor Code Section 226(a) by failing to provide Juicers with an accurate itemized statement in writing showing, among other things: (1) total hours worked by the Juicer; (2) the name of the Juicer and only the last four digits of his or her social security number or an employee identification number other than a social security number, (3) the name and address of Lime; and (4) all applicable

PRIVILEGED AND CONFIDENTIAL

California Labor & Workforce Development Agency

Neutron Holdings, Inc.

September 10, 2018

Page 3

hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the Juicer; Lime has violated and continues to violate California Labor Code Section 226.3 by violating Section 226(a) and failing to provide any wage statement to Juicers;

- (e) Lime violates California Labor Code Section 226.3 by violating Section 226(a) and failing to keep the records of wage statements required under it;
- (f) Lime has violated and continues to violate California Labor Code Section 450(a) by requiring Juicers to purchase charging cables from Lime and/or pay the costs of shipping them;
- (g) Lime has violated and continues to violate California Labor Code Section 2802 by failing to indemnify Juicers for the necessary expenditures incurred by them in direct consequence of the discharge of their duties, including expenditures for charging cables, gloves, extension cords, surge protectors, gasoline, mileage, automobile insurance, cellular telephone service, and electricity; and
- (h) Lime has violated and continues to violate California Labor Code Sections 558 and 1198 by violating IWC Order 9-2001 in at least the following ways: (1) failing to pay its Juicers the minimum wages set forth in the wage order; (2) failing to keep accurate time records for its Juicers; (3) failing to provide itemized wage statements to its Juicers; (4) requiring its Juicers to provide their own equipment; and (5) failing to post or otherwise provide a copy of the wage order to its Juicers.

Please do not hesitate to contact the undersigned if you require any further information.
Thank you for your attention to this matter.

Very truly yours,

ROSEN BIEN
GALVAN & GRUNFELD LLP

/s/ Gay Crosthwait Grunfeld

By: Gay Crosthwait Grunfeld

GCG:sm