

Outgoing Twitter employees prepare for legal campaign against world's richest man

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Credit: Unsplash/CC0 Public Domain

For months, as the will-they, won't-they acquisition drama between Elon

Musk and Twitter dragged on, Helen-Sage Lee held firm in her belief that the social media company was a workplace worth fighting for.

"We all believed in the product so much that most of us decided to stay to see it through," Lee, who worked on the platform's account integrity team, said of the purchase and the job insecurity it introduced for employees. "And I felt assured in doing so because of the severance that HR and legal promised in May, and again in October."

Yet that assurance was misplaced, Lee now alleges. With the help of Calabasas-based attorney Lisa Bloom, Lee has filed an arbitration claim against Musk—the richest man in the world by some counts—for not following through on financial obligations she contends Twitter's newest chief executive now holds.

It's one of several such legal actions brewing in the wake of the billionaire's chaotic and layoff-intensive tech takeover, which, amid a sector wide downturn, has left many outgoing Twitter staffers scrambling for money, employment and a sense of closure.

On Nov. 3, only days after his purchase closed, Musk made good on rumors of mass layoffs with a companywide email saying that job cuts were coming. That night, Lee anxiously watched as co-workers flooded Twitter's online workplace with saluting emojis and blue hearts.

And then it was Lee's turn to go. Her laptop shut down at 9 p.m., she said, and her company access was revoked: "This was when I felt truly alone."

Yet perhaps the toughest blow of all came a day later when, on Nov. 4, the company sent out more details about what the layoffs would look like.

"We received information that the severance package we were expected to receive in the coming week would be far less than what was initially promised to us prior to the acquisition," Lee said during a Monday morning news conference hosted by Bloom, her attorney. "The severance package was a constant in a turbulent time that we relied on, and many of us are ready to take [legal action](#)."

"I'm here today because I want to keep Twitter accountable," she added.

Musk has claimed repeatedly that those he laid off will receive three months of severance pay. But the terms of his deal to purchase Twitter obligate him to provide a severance package "no less favorable" than the one promised by its prior leadership, which is the basis for the arbitration claim Lee and Bloom are now bringing forward.

The pre-acquisition package offered at least two months' worth of severance pay as well as prorated performance bonuses, extended visa support, money for healthcare continuation and the cash value of equity that would vest within three months, according to laid-off employees as well as company documents reviewed by The Times.

Internal emails indicate that those who got laid off are now stuck in a limbo of "non-active" work, wherein they remain nominally employed—and keep getting paid—for a few months, but don't actually work for the company. There's been confusion among these employees as to whether the pay they're currently getting is their severance or a normal wage. (It's not uncommon for companies to offer two months' worth of severance pay in order to get through the mandatory 60-day waiting period required amid large-scale layoffs under the federal WARN Act.)

"Twitter employees like [Lee] were told in writing by HR or legal that after the acquisition they would get the same severance benefits that

Twitter employees got before the acquisition," Bloom said. "That is an enforceable promise"—and, she added, one that Musk has since broken.

"They're being paid until January 4, [but] there's a complete lack of clarity as to whether if they get another job during this time period they will continue to get that pay," explained Bloom, who has set her sights on tech malfeasance in the past. "The severance that was promised previously also entitles them to their prorated bonuses and to their stock vesting up to three months after their last day. ... That's what they're being deprived of."

Outgoing employees say the company has been inordinately slow to provide information about how the payout process will work, and confusion reigns about the ultimate package the company will give people. Employees on work visas or those who were on [parental leave](#) when they got laid off have even more questions.

Two more laid-off employees, Amir Shevat and Adrian Trejo Nuñez, also spoke at Bloom's conference; both are pursuing their own arbitration claims against Musk. (Most Twitter employees waived their right to pursue a class-action suit when they were on-boarded by the company, Bloom said, thus requiring the pursuit of individual arbitration claims.)

"The way Elon Musk executed the layoffs was really inhumane," said Shevat, who was the head of product for Twitter's developer platform.

Nuñez, who was a senior software engineer, added: "I came forward to help myself and my former tweeps"—or Twitter employees—"receive our severance that was outlined in the agreement, which has since changed."

Bloom said she has other clients too, and is actively soliciting more laid-

off Twitter employees to join her.

"My law firm represents a large group of Twitter workers and contractors, and we will continue to file these cases, one by one, bombarding Twitter with claims," she said. "We are hitting Twitter and Elon with every applicable claim, from promissory estoppel, to breach of contract, to breach of their implied agreement, to violation of the WARN Act, to civil rights violations."

Bloom isn't the only one moving against Musk.

On Thursday, attorney Akiva Cohen sent a letter to the tech mogul threatening a legal campaign on behalf of his own cohort of laid-off Twitter employees.

"If you don't unequivocally confirm by Wednesday, December 7, that you intend to provide our clients with the full severance Twitter promised them, we will commence an arbitration campaign on their behalf," Cohen wrote.

As with Bloom's clients, Cohen said he'd pursue each complaint one by one, and added that Twitter would have to pay for the arbitration fees per California law.

"Not only will you lose on the merits, but even if you somehow won the victory would be pyrrhic," the attorney said. "Twitter will pay far more in attorneys' fees and arbitration costs than it could possibly 'save' in severance due."

In outlining his legal case, Cohen cited the same contract terms Bloom is drawing on, stating that Musk is obligated to match the pre-acquisition severance packages, including [employee](#) bonuses and vested stocks. He also said that some of his clients have reported that Twitter isn't

providing them their 401k deductions and company matches, among other corporate benefits.

"I'm sure I don't need to warn you that's a bad idea," Cohen said.

The attorney did not immediately respond to a request for comment as to how many clients he's working with or whether Musk has submitted any response to the letter.

Twitter, which no longer has a formal communications team, could not be reached for comment.

The mass layoffs at Twitter have been a long time coming.

Musk finalized his control of Twitter on Oct. 28 after months of trying to back out of a \$44-billion acquisition deal he initiated in April. But as early as June, he was implying that layoffs probably would prove necessary to bring down Twitter's costs and make the company profitable.

Even before the purchase was finalized, he told investors in one report that he planned to lay off 75% of the company (though he later denied that figure).

At the start of November, Musk laid off nearly 50% of the company, promising three months' worth of severance to those let go.

Following the layoffs, Musk was almost immediately sued by former employees who alleged that he'd violated federal and state labor laws.

As waves of managers and employees either resigned or were fired for speaking out against Musk's new regime, he issued an ultimatum: commit to a new, "hardcore" Twitter 2.0 at which employees were

expected to work long hours, or leave with three months' worth of severance. But after thousands of employees reportedly took the exit route, many were left wondering whether the [company](#) would keep its promises.

The rising tide of legal claims against Musk suggests that—at least as far as many of his outgoing [employees](#) are concerned—the answer to that question has been a resounding no.

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