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VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency
ATTN: PAGA Administrator
(<https://dir.govfa.net/308>)

Subject: *Darius Mullen v. Neutron Holdings, Inc., et al.*

Dear PAGA Administrator:

This office represents Darius Mullen in connection with his claims under the California Labor Code. Mr. Mullen was an employee of NEUTRON HOLDINGS, INC. and/or LIME NEUTRON LLC. For the purpose of this letter, Mr. Mullen collectively refers to these entities as “NEUTRON.”

The employers may be contacted directly at the addresses below:

NEUTRON HOLDINGS, INC.
85 2ND STREET, SUITE 750, 7TH FLOOR
SAN FRANCISCO, CA 94105

LIME NEUTRON LLC
85 2ND STREET, SUITE 300
SAN FRANCISCO, CA 94105

Mr. Mullen intends to seek civil penalties, attorneys’ fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.*, the Labor Code Private Attorneys General Act of 2004 (“PAGA”). Mr. Mullen seeks relief on behalf of himself, the State of California, and other persons who are or were employed by NEUTRON as a non-exempt, hourly paid employee in California and who received at least one wage statement (“aggrieved employees”). This letter is sent in compliance with the notice and reporting requirements of California Labor Code section 2699.3.

NEUTRON employed Mr. Mullen as an hourly paid, non-exempt employee from approximately September 2023 to August 2024 as a Lead Operations Specialist. Mr. Mullen worked for NEUTRON at its location in San Francisco, California. During his employment, Mr. Mullen typically worked eight (8) hours or more per day and five (5) days or more per week. At the time his employment ended, Mr. Mullen was compensated approximately \$26.00 per hour. His job duties included, without limitation, conducting pre-trip inspection and organization of electric scooters, assigning areas for “driver” employees to retrieve scooters, assisting drivers with retrieving scooters, monitoring driver performance, and coordinating with management.

NEUTRON committed each of the following Labor Code violations against Mr. Mullen, the facts and theories of which follow, making him an “aggrieved employee” pursuant to California Labor Code section 2699(c)(1):¹

NEUTRON’s Company-Wide and Uniform Payroll and HR Practices

NEUTRON HOLDINGS, INC. is a Delaware corporation, while LIME NEUTRON LLC is a Delaware limited liability company. Together, they are an electric vehicle-sharing company, offering affordable, eco-friendly transportation solutions such as electric scooters and electric bicycles in over 280 cities worldwide. Upon information and belief, NEUTRON maintains a single, centralized Human Resources (HR) department at its corporate headquarters in San Francisco, California, for all non-exempt, hourly paid employees working for NEUTRON in California, including Mr. Mullen and other aggrieved employees. At all relevant times, NEUTRON issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Mr. Mullen and other aggrieved employees, regardless of their location or position.

Upon information and belief, NEUTRON maintains a centralized Payroll department at its corporate headquarters in San Francisco, California, which processes payroll for all non-exempt, hourly paid employees working for NEUTRON in California, including Mr. Mullen and other aggrieved employees. Further, NEUTRON issues the same formatted wage statements in the same manner for all non-exempt, hourly paid employees in California, including Mr. Mullen and other aggrieved employees, irrespective of their location, position, or manner in which each employee’s employment ended. In other words, NEUTRON utilized the same methods and formulas when calculating wages due to Mr. Mullen and other aggrieved employees in California.

Violation of California Labor Code §§ 510 and 1198 – Unpaid Overtime

California Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission (“IWC”) Wage Order require employers to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of time-and-one-half (1 ½) times the regular rate of pay for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. The applicable IWC Wage Order further provides that employers are required to pay employees working more than twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of pay. An employee’s regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay.

During the relevant time period, NEUTRON willfully failed to pay all overtime wages owed to Mr. Mullen and other aggrieved employees. During the relevant time period, Mr. Mullen and other aggrieved employees were not paid overtime premiums for all of the hours they worked in excess of

¹ These facts, theories, and claims are based on Mr. Mullen’s experience and counsel’s review of those records currently available relating to Mr. Mullen’s employment. Discovery conducted in litigation of wage and hour claims such as these often reveals additional claims that the aggrieved employee was not initially aware of (because the aggrieved employee was not aware of the law’s requirements, the employer misinformed its employee of the law’s requirements, or because the employer effectively hid the violations). Thus, Mr. Mullen reserves the right to supplement this letter with additional facts, theories, and claims if he becomes aware of them subsequent to the submission of this letter.

eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40) hours in a week, because all hours worked were not recorded.

First, during the relevant time period, NEUTRON had, and continues to have, a company-wide policy and/or practice of discouraging and impeding Mr. Mullen and other aggrieved employees from recording hours worked that were outside of their scheduled shifts in order to limit the amount of overtime employees could accrue. On information and belief, this policy of limiting overtime led Mr. Mullen and other aggrieved employees to work off-the-clock outside of their scheduled shift times in order to complete their assigned tasks, and employees were pressured to record only their scheduled shift start- and end-times instead of their actual hours worked. For example, on approximately 10 occasions, Mr. Mullen was required to complete tasks after clocking out from his shifts, such as assisting drivers in unloading electric scooters. As a further example, at least once per week, Mr. Mullen was required to communicate with NEUTRON's management outside of his scheduled shifts regarding work-related issues, such as addressing other employees' performance, time for which he was not paid. This off-the-clock work could have been recorded by NEUTRON, but it refused to do so to avoid payment of additional wages to Mr. Mullen and other aggrieved employees. Moreover, on information and belief, NEUTRON's management altered Mr. Mullen's and other aggrieved employees' records and/or would pressure employees to alter their time records to shave off time, in order to limit overtime hours accrued. Thus, NEUTRON failed to track all of the time that employees spent performing work-related tasks outside of their shifts, and Mr. Mullen and other aggrieved employees received no compensation for this time.

Second, NEUTRON had, and continues to have, a company-wide policy and/or practice of understaffing and/or single-staffing certain positions, while assigning heavy workloads, including pressuring employees to meet productivity quotas. In particular, NEUTRON pressured driver employees to scan and collect 75 scooters per shift, a quota which Mr. Mullen was expected to help his team meet. NEUTRON's policy and/or practice resulted in a failure to provide Mr. Mullen and other aggrieved employees with adequate meal period coverage, and thus, Mr. Mullen and other aggrieved employees were not always afforded uninterrupted 30-minute meal periods during shifts when they were entitled to receive a meal period. NEUTRON also had a practice of failing to schedule meal periods, which further caused Mr. Mullen and other aggrieved employees to not be relieved of their duties for compliant meal periods. Consequently, Mr. Mullen and other aggrieved employees were required to regularly work through their meal periods and/or had their unpaid meal periods interrupted in order to complete their assigned duties and handle the workload, time for which they were not paid.

Third, on information and belief, because NEUTRON frowned upon employees accruing meal period premiums, NEUTRON's management pressured employees to clock out for meal periods to reflect compliant meal periods and/or adjusted Mr. Mullen's and other aggrieved employees' time records to reflect compliant meal periods, regardless of whether they had received a compliant meal period or not. Additionally, NEUTRON's company-wide timekeeping system prevented Mr. Mullen and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked Mr. Mullen and other aggrieved employees out once they clocked out for a meal period, and would not permit them to clock back in from a meal period before 30 minutes had elapsed. Thus, NEUTRON did not record all hours worked during meal periods, and Mr. Mullen and other aggrieved employees performed work during meal periods for which they were not paid.

NEUTRON knew or should have known that as a result of these company-wide practices and/or policies, Mr. Mullen and other aggrieved employees were performing their assigned duties off-the-clock before their shifts and during meal periods, and were suffered or permitted to perform work for which they were not paid. Because Mr. Mullen and other aggrieved employees worked shifts of eight (8) hours or more a day, or forty (40) hours a week or more, some of this off-the-clock work qualified for overtime premium pay. Therefore, Mr. Mullen and other aggrieved employees were not paid overtime wages for all of the overtime hours they actually worked.

NEUTRON's failure to pay Mr. Mullen and other aggrieved employees the balance of overtime compensation, as required by California law, violates the provisions of California Labor Code sections 510 and 1198. Mr. Mullen and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NEUTRON into compliance with the applicable IWC Wage Order and Labor Code sections 510 and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198 – Unpaid Minimum Wages

California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in Wage Order No. 9-2001 as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so." Cal. Code Regs. Tit. 8, § 11090(2)(G) (defining "Hours Worked").

As set forth above, as a result of NEUTRON's policy of limiting the amount of overtime employees could accrue, NEUTRON altered Mr. Mullen's and other aggrieved employees' records and/or pressured employees to only record their scheduled shift times in the timekeeping system, and thus required Mr. Mullen and other aggrieved employees to perform work off-the-clock outside of their scheduled shifts, such as assisting other employees and discussing work-related issues with NEUTRON's management. NEUTRON failed to track and/or record this time that Mr. Mullen and other aggrieved employees spent working off-the-clock and outside of their scheduled shifts, and Mr. Mullen and other aggrieved employees received no compensation for this time.

Further, as also stated, due to NEUTRON's policies and/or practices of understaffing and/or single-staffing its locations while assigning heavy workloads (including enforcing productivity quotas), and failing to schedule meal periods, Mr. Mullen and other aggrieved employees were impeded from taking all uninterrupted meal periods to which they were entitled and were required to work off-the-clock during meal periods, have their meal periods interrupted, and/or were otherwise not relieved of all duties during unpaid meal periods.

Furthermore, as stated, in order to prevent employees from accruing meal period premiums, upon information and belief, NEUTRON's management pressured Mr. Mullen and other aggrieved employees to adjust time records and/or adjusted Mr. Mullen's and other aggrieved employees' time records to reflect compliant meal periods, even when meal periods were missed, short, and/or interrupted. Additionally, as stated, NEUTRON's company-wide timekeeping system prevented Mr. Mullen and other aggrieved employees from entering time worked during meal periods because the system locked out Mr. Mullen and other aggrieved employees for a full 30 minutes. Thus,

NEUTRON systematically failed to pay Mr. Mullen and other aggrieved employees for actual hours worked during unpaid meal periods because these hours were not always correctly recorded.

NEUTRON did not pay at least minimum wages for all hours worked by Mr. Mullen and other aggrieved employees. Also, to the extent that these off-the-clock hours did not qualify for overtime premium payment, NEUTRON did not pay at least minimum wages for those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198.

Accordingly, NEUTRON regularly failed to pay at least minimum wages to Mr. Mullen and other aggrieved employees for all of the hours they worked in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198. Mr. Mullen and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NEUTRON into compliance with the applicable IWC Wage Order and Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 226.7, 512(a), 516, and 1198 – Failure to Provide Meal Periods

California Labor Code sections 226.7, 512(a), 516, and 1198 and the applicable IWC Wage Order require employers to provide meal periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. Pursuant to Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order, an employer may not require, cause or permit an employee to work for a period of more than five (5) hours per day without providing the employee with an uninterrupted meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012). Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

First, during the relevant period, as stated, NEUTRON had, and continues to have, company-wide policies and/or practices of understaffing and/or single-staffing, assigning heavy workloads (including pressuring employees to meet productivity quotas), and failing to schedule meal periods, which resulted in a lack of meal period coverage and prevented Mr. Mullen and other aggrieved employees from taking all timely meal periods to which they were entitled. As a result, Mr. Mullen and other aggrieved employees were forced to work in excess of five (5) hours before taking a meal period, had their meal periods interrupted, and/or had to forgo their meal periods altogether. For example, Mr. Mullen frequently missed his meal periods or had his meal periods interrupted due to the demanding workload and lack of coverage. Further, Mr. Mullen often took his meal periods late, after having worked in excess of five (5) hours into his shift, in order to complete his assigned duties and to meet management's expectations.

Second, as set forth above, on information and belief, because NEUTRON frowned upon employees accruing meal period premiums, NEUTRON's management pressured employees to clock out for meal periods to reflect compliant meal periods and/or would adjust Mr. Mullen's and other aggrieved

employees' time records to reflect compliant meal periods regardless of whether they had received a compliant meal period or not, in order to strictly limit the meal premiums that would need to be paid by NEUTRON. Also, as stated, NEUTRON's company-wide timekeeping system prevented Mr. Mullen and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked Mr. Mullen and other aggrieved employees out once they clocked out for a meal period, and would not permit them to clock back in from a meal period before 30 minutes had elapsed. For example, Mr. Mullen was unable to record when his meal periods were interrupted or shortened by other employees requesting assistance because NEUTRON's timekeeping system would not let him clock back in before 30 minutes had elapsed. Mr. Mullen and other aggrieved employees did not sign valid meal period waivers on days that they were entitled to meal periods and were not relieved of all duties.

At all times herein mentioned, NEUTRON knew or should have known that, as a result of these policies, Mr. Mullen and other aggrieved employees were prevented from being relieved of all duties and required to perform some of their assigned duties during meal periods. NEUTRON further knew or should have known that NEUTRON did not pay Mr. Mullen and other aggrieved employees meal period premiums when meal periods were missed, shortened, interrupted, and/or late.

Moreover, NEUTRON engaged in a company-wide practice and/or policy of not paying meal period premiums owed when compliant meal periods are not provided. Because of this practice and/or policy, Mr. Mullen and other aggrieved employees have not received premium pay for all missed, late, and interrupted meal periods.

Accordingly, NEUTRON failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198. Mr. Mullen and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NEUTRON into compliance with the applicable IWC Wage Order and Labor Code sections 226.7, 512(a), 516, and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 226.7, 516, and 1198 – Failure to Authorize and Permit Rest Periods

California Labor Code sections 226.7, 516, and 1198, and the applicable IWC Wage Order require employers to provide rest periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. California Labor Code section 226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC. The applicable IWC Wage Order provides that "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period" and that the "rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof" unless the total daily work time is less than three and one-half (3 ½) hours.

To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must "relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest." *Augustus, et al. v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 273 (2016).

During the relevant time period, NEUTRON regularly failed to authorize and permit Mr. Mullen and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. As with meal periods, NEUTRON's policies and/or practices of understaffing and assigning heavy workloads prevented Mr. Mullen and other aggrieved employees from being relieved of all duty in order to take their rest periods. NEUTRON also failed to schedule rest periods, which, coupled with NEUTRON's failure to provide adequate rest period coverage, further led to Mr. Mullen and other aggrieved employees not being authorized and permitted to take compliant rest periods.

Furthermore, on information and belief, NEUTRON maintained a company-wide on-premises rest period policy, which effectively required that Mr. Mullen and/or other aggrieved employees remain on the jobsite premises during their rest periods. Because Mr. Mullen and/or other aggrieved employees were restricted from leaving the premises during rest periods, they were denied the ability to use their rest periods freely for their own purposes, such as completing personal errands. Thus, NEUTRON effectively maintained control over Mr. Mullen and/or other aggrieved employees during rest periods.

As a result of NEUTRON's practices and policies, Mr. Mullen and other aggrieved employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted rest periods to which they were entitled. For example, Mr. Mullen had to forgo his rest periods almost entirely due to the lack of rest period coverage and to handle the heavy workload. When Mr. Mullen was able to take his rest periods, the rest periods were interrupted by other employees calling Mr. Mullen for assistance.

NEUTRON has also engaged in a systematic, company-wide practice and/or policy of not paying rest period premiums owed when rest periods are not authorized and permitted. Because of this practice and/or policy, Mr. Mullen and other aggrieved employees have not received premium pay for all missed rest periods.

Accordingly, NEUTRON failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198. Mr. Mullen and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NEUTRON into compliance with the applicable IWC Wage Order and Labor Code sections 226.7, 516, and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 226(a), 1174(d), and 1198 – Non-Compliant Wage Statements and Failure to Maintain Accurate Payroll Records

California Labor Code section 226(a) requires employers to make, keep and provide true, accurate, and complete employment records. NEUTRON has not provided Mr. Mullen and other aggrieved employees with properly itemized wage statements. Labor Code section 226(e) provides that if an employer fails to comply with providing an employee with properly itemized wage statements as set forth in 226(a), then the employee is entitled to recover the greater of all actual damages or \$50 for the initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period, not to exceed \$4,000. Further, Labor Code section 226.3 provides that any employer who violates section 226(a) shall be subject to a civil penalty in the amount of \$250 per employee per violation in an initial citation and \$1,000 per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage statement or fails to keep the required records pursuant to Section 226(a).

During the relevant time period, NEUTRON has knowingly and intentionally provided Mr. Mullen and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, NEUTRON issued uniform wage statements to Mr. Mullen and other aggrieved employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages, and the corresponding number of hours worked at each hourly rate. Specifically, NEUTRON violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

Because NEUTRON did not record the time Mr. Mullen and other aggrieved employees spent working off-the-clock and deducted time from their records for meal periods that were interrupted and/or missed (and therefore time for which they should have been paid), NEUTRON did not list the correct amount of gross wages and net wages earned by Mr. Mullen and other aggrieved employees in compliance with section 226(a)(1) and section 226(a)(5), respectively. For the same reason, NEUTRON failed to accurately list the total number of hours worked by Mr. Mullen and other aggrieved employees, in violation of section 226(a)(2), and failed to list the applicable hourly rates of pay in effect during the pay period and the corresponding accurate number of hours worked at each hourly rate, in violation of section 226(a)(9).

The wage statement deficiencies also include, among other things, failing to list the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period for which aggrieved employees were paid; failing to list the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; failing to list the name and address of the legal entity that is the employer; and/or failing to state all hours worked as a result of not recording or stating hours worked off-the-clock.

California Labor Code section 1174(d) provides that “[e]very person employing labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors” and “[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments” Labor Code section 1174.5 provides that employers are subject to a \$500 civil penalty if they fail to maintain accurate and complete records as required by section 1174(d). During the relevant time period, and in violation of Labor Code section 1174(d), NEUTRON willfully failed to maintain accurate payroll records for Mr. Mullen and other aggrieved employees showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, NEUTRON engaged in company-wide practices and/or policies of failing to record actual hours worked (including falsifying time records by recording that compliant meal periods were taken regardless of if or when meal periods were actually taken), and thereby failed to keep accurate records of work period and meal period start and end times for Mr. Mullen and other aggrieved employees, in violation of section 1198.

Because NEUTRON failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Mr. Mullen and other aggrieved employees have been prevented from verifying, solely from information on the wage statements themselves, that they were paid correctly and in full. Instead, Mr. Mullen and other aggrieved employees have had to look to sources outside of the wage statements themselves and reconstruct time records to determine whether in fact they were paid correctly and the extent of underpayment, thereby causing them injury.

Mr. Mullen and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NEUTRON into compliance with the applicable IWC Wage Order and Labor Code sections 226(a), 1174(d), and 1198, pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f), and (k).

Violation of California Labor Code § 204 – Failure to Timely Pay Wages During Employment

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. Alternatively, California Labor Code section 204 provides that the requirements of this section are deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

During the relevant time period, NEUTRON willfully failed to pay Mr. Mullen and other aggrieved employees all wages due including, but not limited to, overtime wages, minimum wages, and/or meal and rest period premiums, within the time periods specified by California Labor Code section 204.

Mr. Mullen and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NEUTRON into compliance with Labor Code section 204, pursuant to Labor Code sections 210 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 201 and 202 – Failure to Timely Pay Final Wages Upon Termination

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

NEUTRON willfully failed to pay Mr. Mullen and other aggrieved employees who are no longer employed by NEUTRON the earned and unpaid wages set forth above, including but not limited to,

overtime wages, minimum wages, and/or meal and rest period premiums, either at the time of discharge, or within seventy-two (72) hours of their leaving NEUTRON's employ.

Mr. Mullen and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NEUTRON into compliance with Labor Code sections 201 and 202, pursuant to Labor Code sections 256 and/or 2699(a), (f), and (k).

Violation of California Labor Code § 2802 – Unreimbursed Business Expenses

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order No. 9-2001, provides that: "[w]hen tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft."

During the relevant time period, NEUTRON, on a company-wide basis, required that Mr. Mullen and other aggrieved employees use their own personal mobile devices, including, but not limited to, cellular phones, and/or mobile data to carry out their job duties but failed to reimburse them for the costs of their work-related mobile device expenses. For example, Mr. Mullen was required to use his personal cellular phone to communicate with his managers and coworkers regarding work-related issues. As a further example, Mr. Mullen used his personal cellular phone to scan in collected electric scooters. Although NEUTRON required Mr. Mullen and other aggrieved employees to utilize their personal mobile devices and/or mobile data to carry out their work-related responsibilities, NEUTRON failed to fully reimburse them for these costs.

NEUTRON could have provided Mr. Mullen and other aggrieved employees with the actual equipment for use on the job, such as company mobile devices, or NEUTRON could have reimbursed employees for the costs of their mobile device usage. Instead, NEUTRON passed these operating costs onto Mr. Mullen and other aggrieved employees. At all relevant times, Mr. Mullen did not earn at least two (2) times the minimum wage.

Thus, NEUTRON had, and continues to have, a company-wide policy and/or practice of not reimbursing employees for expenses necessarily incurred in violation of California Labor Code section 2802. Mr. Mullen and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NEUTRON into compliance with the applicable IWC Wage Order and Labor Code section 2802, pursuant to Labor Code sections 2699(a), (f), and (k).

Violation of California Labor Code § 2810.5(a)(1)(A)-(C) – Failure to Provide Notice of Material Terms of Employment

California's Wage Theft Prevention Act was enacted to ensure that employers provide employees with basic information material to their employment relationship at the time of hiring, and to ensure that employees are given written and timely notice of any changes to basic information material to their employment. Codified at California Labor Code section 2810.5, the Wage Theft Prevention Act

provides that at the time of hiring, an employer must provide written notice to employees of the rate(s) of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, the regular payday designated by the employer, and any allowances claims as part of the minimum wage, including meal or lodging allowances. Effective January 1, 2015, an employer's written notice pursuant to section 2810.5 must also include a statement that the employee may accrue and use sick leave; has a right to request and use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates.

NEUTRON failed to provide Mr. Mullen and other aggrieved employees written notice that lists the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C). NEUTRON's failure to provide Mr. Mullen and other aggrieved employees with written notice of basic information regarding their employment with NEUTRON is in violation of Labor Code section 2810.5.

Mr. Mullen and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NEUTRON into compliance with Labor Code section 2810.5, pursuant to Labor Code sections 2699(a), (f), and (k).

California Labor Code § 558(a)

California Labor Code section 558(a) provides "[a]ny employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid . . . (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid . . ." Labor Code section 558(c) provides that "[t]he civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law." NEUTRON, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated Mr. Mullen's and other aggrieved employees' rights by violating various sections of the California Labor Code.

Accordingly, Mr. Mullen seeks the remedies set forth in Labor Code section 558 for himself, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 1194.5, 2699(a), 2699(k), 2699.3(a) and 2699.3(c), 2699.5, and 558, Mr. Mullen acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties and injunctive relief for himself, all other aggrieved employees, and the State of California against NEUTRON for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 2802, and 2810.5.

Therefore, on behalf of all aggrieved employees, Mr. Mullen seeks all applicable civil penalties related to these violations of the California Labor Code pursuant to PAGA.

Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Ninel Kocharyan
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, CA 90067
(310) 556-4811

Best Regards,

A handwritten signature in cursive script, appearing to read "Ninel", with a light blue circular stamp or watermark behind it.

Ninel Kocharyan

Copy: NEUTRON HOLDINGS, INC. (via U.S. Certified Mail); LIME NEUTRON LLC (via U.S. Certified Mail)

Capstone Law, APC
1875 Century Park, East, 1000
Los Angeles, CA. 90067



7022 2410 0000 2265 1561

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PS Form 3800, April 2013 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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- Print your name and address on the reverse so that we can return the card to you.

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7TH FLOOR
SAN FRANCISCO, CA 94105



9590 9402 7706 2122 1525 62

2. Article Number (transfer from service label)

7022 2410 0000 2265 1561

PS Form 3800, July 2010 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
☒ Address

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Signature Confirmation™
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85 2ND STREET, SUITE 300
SAN FRANCISCO, CA 94105

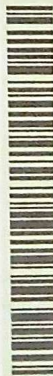
LIME NEUTRON LLC
85 2ND STREET, SUITE 300
SAN FRANCISCO, CA 94105

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.

LIME NEUTRON LLC
85 2ND STREET, SUITE 300
SAN FRANCISCO, CA 94105



9590 9402 7706 2122 1525 79

2. Article Number (transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail[®]

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Insured Mail

☐ Priority Mail Express[®]

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☐ Signature Confirmation[™]

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PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt