Subject: WorkWhile Reaches Partial Settlement Agreement with City and County of San Francisco City Attorney

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From: Sam Singer

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## **FOR IMMEDIATE RELEASE:**

**December 17, 2024** 

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## WorkWhile Reaches Partial Settlement Agreement with City and County of San Francisco

**San Francisco, Calif.** — WorkWhile, a San Francisco-based company that connects workers with businesses has <u>partially resolved a lawsuit</u> brought by the San Francisco City Attorney, who alleged that the company incorrectly classifies workers in California as independent contractors instead of employees.

To avoid costly and protracted litigation in this matter, the company has agreed to make a payment to be distributed as determined by the City Attorney, and to adjust its business practices by no longer offering future non-driving work in California on an independent contractor basis. The company admits no wrongdoing and agreed to the resolution to put the issue to rest.

The company, however, will continue to defend itself against the portion of the case regarding workers who perform delivery services sourced through the WorkWhile app. These delivery drivers are independent contractors under California's Proposition 22 ("Prop 22"). Prop 22, adopted by voters in 2022 with nearly 59 percent approval, classifies app-based drivers like WorkWhile users as independent contractors.

Drivers and other workers served by WorkWhile express a high degree of satisfaction with the flexible work model. Proponents of Prop 22 argued that "eliminating drivers' ability to work as independent contractors will end the flexibility the vast majority of drivers need... The result will be much longer wait times, significantly higher consumer prices, and the permanent shutdown of services in many areas—eliminating hundreds of thousands of jobs."

Prop 22 was challenged in the California Supreme Court, but it unanimously upheld the law in July of this year.

"The voters have already spoken," said Paloma Ahmadi, General Counsel of WorkWhile. "We look forward to making our arguments in front of a judge and are confident that we will prevail."

According to survey results highlighted in the company's annual report, 77 percent of workers

place flexible schedules at the top of their list of priorities. Only 12 percent of workers prefer traditional nine-to-five jobs over flex work. 78 percent of workers prefer next-day pay, and 56 percent prefer same-day pay, highlighting the need for immediate income access that WorkWhile provides.

"This is about expanding opportunities for workers and providing them with maximum flexibility to chart the course of their own careers," said WorkWhile Co-founder and CEO Jarah Euston. "Through our challenge, we're defending delivery drivers' right to be classified in the manner that they have told us best suits their goals, lifestyles and economic wellbeing."

The changes to non-driving shift opportunities in California will take effect in March 2025.

## **About WorkWhile**

WorkWhile is a marketplace for flexible work that matches workers to shifts that fit their skills, schedule, and location. It identifies the most reliable front-line workers and supports them with resources not available at traditional hourly wage jobs. Businesses leverage WorkWhile for a high-quality, reliable workforce that they can scale up or down, as needed. WorkWhile serves businesses in the light industrial and hospitality industries across the United States.

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