

X Corp. Must Arbitrate Ex-Twitter Workers' Claims, Cover Fees

By **Rachel Riley**

Law360 (August 1, 2025, 9:40 PM EDT) -- A Seattle federal judge is forcing X Corp. to fully pay the fees for arbitrating the claims of about 150 former Twitter employees in Washington who say they were shorted on bonus and severance pay amid layoffs after Elon Musk took over the social media giant in 2022.

Ruling in favor of employees in two parallel cases on Friday, U.S. District Judge Thomas S. Zilly ordered Twitter Inc. and X to participate in the arbitrations that have been filed by the workers. Judge Zilly also required the companies "to pay all arbitration fees consistent with determinations made and applicable rules set forth by Judicial Arbitration and Mediation Services ('JAMS') and the American Arbitration Association ('AAA')." He did not elaborate any further on his reasoning.

The roughly 150 individuals were among those who lost their jobs when Musk took over Twitter, renamed it X and laid off 80% of the company's workforce in 2022. Claiming they were stiffed on severance pay and bonuses they had been promised, they filed a **pair of petitions** in April seeking to compel X to engage in their arbitrations and pay the associated fees, alleging the company is required to cover those costs pursuant to arbitration service provider terms.

The workers initially asserted claims against the company as part of a separate putative class action, and X responded by successfully moving to compel arbitration. Some 2,000 former Twitter employees then initiated arbitration proceedings. But according to the petitioners, X Corp. has since refused to cover the arbitration fees for proceedings involving workers from outside the states of California, Oregon and Nevada.

X Corp. **opposed** the Evergreen State workers' petitions, arguing that the employees hadn't shown they signed dispute resolution agreements with valid arbitration clauses. The company further claimed it's not obligated to cover the fees under the dispute resolution terms.

Attorneys for the Washington workers previously filed a similar petition to compel arbitration in a proposed class action, *Ma et al. v. Twitter Inc.*, brought by ex-Twitter employees in California. In that case, U.S. District Judge Jon. S. Tigar **denied** class certification in November, ruling that some of the employees seeking class status were already pursuing arbitration outside California or trying to file claims in court.

Judge Tigar found that X was responsible for fully paying arbitration fees for cases outside California, Nevada and Oregon. But the judge further ruled that, under the terms of their arbitration agreement, the former X workers would have to get a court order forcing arbitration from the federal court in the state where they were employed.

Shannon Liss-Riordan of Lichten & Liss-Riordan PC, representing the petitioners and other workers arbitrating claims against the company, told Law360 on Friday that Judge Zilly's decisions mark the latest federal court to reject X Corp.'s stance on the arbitration fees. The rulings follow a California federal judge's decision in a similar case Thursday night, mandating the company cover the fees.

"After Twitter won its motion to compel arbitration, and we filed the 2,000 cases, Twitter tried arguing that the employees would have to pay half the arbitration fees (in states outside California, Nevada and Oregon), in order to block these claims from moving forward," Liss-Riordan said in an email. The workers are pleased that their arbitrations are proceeding, she said.

Counsel for X Corp. did not immediately respond to a request for comment on Friday afternoon.

The workers are represented by Shannon Liss-Riordan and Bradley Manewith of Lichten & Liss-Riordan PC, and Michael C. Subit of Frank Freed Subit & Thomas LLP.

Twitter and X Corp. are represented by Claire M. Lesikar, Michael E. Kenneally and James D. Nelson of Morgan Lewis & Bockius LLP.

The cases are Keshona Lawrence et al. v. Twitter Inc. et al., case number 2:25-cv-00658, and Nimit Acharya et al., case number 2:25-cv-00659, in the U.S. District Court for the Western District of Washington.

--Additional reporting by Beverly Banks and Emily Brill. Editing by Melissa Treolo.

Correction: An earlier version of this story misstated background information on a similar decision from another federal district court. The error has been corrected.