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Uber Competitor Offers Equity Ownership to Drivers

By Lindsay Szymanski, J.D. Candidate 2019 | October 14, 2016

In May 2015, Talmon Marco, the entrepreneur behind the popular phone messaging app, Viber, launched his latest venture Juno, a ride-sharing service dedicated to providing its drivers with a respectful, fair, and transparent work environment.

Over the last decade investors have forked out more than $28 billion into the evolving ride-sharing industry, spurring the development of Uber, Lyft, Gett, and others. While those companies classify their drivers as independent contractors, Juno plans to make a name for itself in the crowded market by offering its drivers employee status and equity in the company. In fact, the company allocates 50 percent of its equity to drivers. It distributes these shares as restricted stock units every quarter to drivers who work 120 hours a month for twenty-four of thirty months. This means that drivers who bring in the most fares for the company receive the largest distribution of stock.

Juno emerges in the wake of sharp criticism against Uber for its failure to extend employee status to drivers and allegations of violating the Fair Labor Standard Act. While Uber is taking steps repair its image, Juno is capitalizing on the ride-sharing giant's problems by actively recruiting its drivers. Juno only accepts former Uber and Lyft drivers with a rating of 4.6 or higher into its driver base.

In addition to extending equity ownership to employees, Juno only takes 10 percent of commission of ride fairs from employees (compared to Uber's 20 percent policy) and allows drivers to accept tips. Marco explains that Juno can survive on a smaller commission because its strategy of recruiting drivers from other ride-sharing companies allows it to spend less on recruitment.

Although Juno currently only operates in New York City, Marco has alluded to expanding beyond the city's borders, but says it is too early to discuss where.