Hyperloop startup Arrivo is shutting down as workers are laid off



Futuristic transportation startup Arrivo shut down its operations this week, *The Verge* has learned. All of the company's 30 or so employees were furloughed in late November, with about half being completely laid off at the end of that month, according to two employees who were granted anonymity because they signed non-disclosure agreements. Now, the Los Angeles startup is shutting down because it hasn't been able to secure new funding, these people say. Remaining employees were informed Friday via text messages seen by *The Verge,* or by phone.

The hyperloop-style company was started in 2017 by former SpaceX engineer Brogan BamBrogan, who was a co-founder of Hyperloop One. Two of BamBrogan's fellow co-founders had resigned in the months before the furloughs and the announcement that Arrivo was ceasing operations. The furloughs, layoffs, and departures all came as the startup ran

low on funding, according to the two employees.

One of the co-founders, Andrew Liu, left in October, according to his LinkedIn and the two employees. Liu came to Arrivo from construction firm AECOM's venture wing. Jadon Smith, a fellow SpaceX veteran who has also worked for Lockheed Martin and the CIA, left shortly after, according to the two employees. Liu and Smith did not respond to multiple requests for comment. BamBrogan did not respond to requests for comment.

Arrivo was born from of the ashes of BamBrogan's relationship with Hyperloop One. The co-founder was ousted from Hyperloop One in the summer of 2016 after a clash with fellow co-founder Shervin Pishevar, his brother Afshin Pishevar (who was chief legal officer), CEO Rob Lloyd, and the startup's board of directors. On his way out the door, BamBrogan sued Hyperloop One, Afshin Pishevar, and others, alleging wrongful termination, defamation, financial misdeeds, and assault. (BamBrogan accused Afshin Pshevar of leaving a noose at his desk, and said the legal officer threatened to harm him physically.)

Hyperloop One accused BamBrogan of staging a coup in a countersuit, claiming he stole laptops and planned to abscond with a number of key employees. (The lawsuits were eventually settled.) Hyperloop One transformed into "Virgin Hyperloop One" after a major investment from Richard Branson in late 2017. Another hyperloop startup, Hyperloop TT, is also still in operation and is planning a test track in China.

Two co-founders left in October, and a planned test track in Colorado never got built

Arrivo was founded in early 2017, and it differs from most other hyperloop projects. Instead of transporting people or goods through a vacuum-sealed tunnel, Arrivo was developing something that more closely resembles high-speed magnetic levitation technology. Arrivo's vehicle would someday use magnets to zoom down a track at about 200 miles per hour, and

the system could also be used to move cargo or even personal vehicles, similar to an idea Elon Musk has promoted with the Boring Company.

“The ethos of the company is trying to switch the paradigm,” BamBrogan told *The Verge* in 2017. “Mobility and transportation are both words that talk about the ‘getting there.’ And we want to make it so seamless. I don’t want to get to dinner with my friend, I want to be at dinner with my friend.”

The company announced a plan to build a test track in Colorado in 2018, though construction hasn’t begun according to an October report from local news outlet 9News.com. Amy Ford, the chief of advanced mobility for Colorado’s Department of Transportation, told *The Verge* that a feasibility study funded by Arrivo was still ongoing, but that the startup hadn’t communicated with the state agency in about a month. BamBrogan had said Arrivo would spend up to $15 million to build the test track as well as a research center outside Denver.

This summer, Arrivo announced a $1 billion deal with a subsidiary of a state-owned Chinese infrastructure giant called Genertec. But the deal wasn’t a straight investment; rather, Genertec pledged to open a $1 billion line of credit that could be used by Arrivo’s partners to build out a full transportation system.

Arrivo’s fate may was sealed by the inability to line up more immediate series A funding, the two employees say. But there were also some growing concerns about the workplace.

BamBrogan had an axe in the office that he used to punch holes in a wall

On December 2nd, an anonymous employee posted a review to the company rating website Glassdoor that claimed Arrivo employees had been placed on unpaid leave. In the “Cons” section, the person described an “unstable work environment with lack of proper direction.” They went on to claim that a member of the

company’s leadership brought an axe into the office, displayed it, and also used it to punch holes into a wall.

That person was BamBrogan, according to two of the employees. The chopping was apparently a sort of stress reliever, one said. The CEO had built the axe at Jeff Bezos’ MARS conference this past spring. BamBrogan tweeted a picture of himself standing in front of the axe in March. “Amazing people & amazing topics at #MARS2018 !!,” BamBrogan wrote. “Plus we had some fun too – I built an axe! #summercamp4nerds.”

https://www.theverge.com/2018/12/14/18128848/hyperloop-arrivo-furloughs-layoffs-money-trouble