February 25, 2026

Labor and Workforce Development Agency

PAGA Online Filing Portal / Attn: PAGA Unit

1515 Clay Street, Suite 401

Oakland, CA 94612

RE: NOTICE OF LABOR CODE VIOLATIONS AND INTENT TO FILE PAGA ACTION

Employer: XTL US INC.

Pursuant to California Labor Code § 2699.3(a)

From: Kyle Morrison, Aggrieved Employee
Address: [redacted]
Phone: [redacted]
Email: [redacted]

I. EMPLOYER INFORMATION

Employer Name: XTL US INC.
Principal Place of Business: 2019 Leghorn Street, Mountain View, CA 94043
Website: www.xtool.com
Approximate Number of California Employees: 15–19

II. AGGRIEVED EMPLOYEE INFORMATION

Name: Kyle Morrison
Job Title: Community Manager
Date of Hire: May 18, 2025
Employment Status: Currently employed
Work Location: Mountain View, California (primary office), with travel to trade shows and events throughout California and nationwide
Annual Compensation: $90,000 salary (paid biweekly)

III. FACTUAL BACKGROUND

Employer XTL US INC. operates U.S. business operations from Mountain View, California. The company launched U.S. operations in November 2024 and employs approximately 15–19 U.S.-based employees across marketing, community management, technical support, and brand management roles.

The undersigned aggrieved employee, Kyle Morrison, has been employed as a Community Manager since May 18, 2025. Employee's role is primarily execution-focused, involving the implementation of directions set by management rather than the exercise of independent discretion or judgment over matters of significance.

Employee's primary duties include: trade show booth setup and breakdown, live product demonstrations, shipping and logistics coordination, vendor and partner outreach, event staffing support, and general marketing coordination. In the office, Employee's work consists of placing orders on Amazon and with approved vendors after receiving budget approval from management, booking trade show spaces and sponsorship packages selected and approved by the U.S. General Manager, coordinating logistics and shipping for events, attending team meetings, managing vendor communications as directed, and executing plans established by management. Of approximately 1,440 total hours worked since May 18, 2025, approximately 200 hours — roughly 14% — have been spent on trade show and event execution. The remaining approximately 86% consists of office-based coordination and execution tasks directed by management.

In every material aspect of Employee's role, Employee presents options or research to management and implements whatever decision management makes. Representative examples include: Employee researched and presented truck vendor options for the mobile makerspace tour — management selected the vendor. Employee presented trade show booth options — management selected the booth and sponsorship package. Employee presented giveaway item options — management approved the budget and selections. Employee did not name the truck tour, select the truck, choose the trade show booths, set the budget, or make any final determination on any matter of significance. Employee is the messenger and implementer, not the decision-maker.

Employee does not meet the criteria for exempt classification under the administrative, executive, or professional exemptions for the following specific reasons:

First, Employee exercises no meaningful independent discretion or judgment over matters of significance. All meaningful decisions — including budgets, vendor selection, event scope, staffing levels, naming, scheduling, strategic direction, and any deviations from established plans — require review and final approval from the U.S. General Manager, Stein Shi. Employee may research options or present recommendations, but management routinely selects different options or reshapes direction entirely without Employee's input. Employee has no authority to move forward on any matter without explicit managerial approval.

Second, Employee does not supervise any employees within the meaning of the executive exemption. Employee has no authority to hire, fire, interview, evaluate, discipline, or independently direct the work of any employee. During a limited period, a part-time assistant was administratively assigned to Employee by management, but this individual was shared across the broader marketing team and Employee had no genuine supervisory authority over this person.

Third, Employee has no independent budget authority. Employee cannot approve expenditures, select vendors, or commit company funds without prior approval from management. All financial decisions flow through the U.S. General Manager.

Fourth, Employee does not create, establish, or modify company policy, strategy, or operational direction. Employee's role is to carry out plans after direction is given, not to formulate those plans.

Employee functions as a task executor rather than a decision-maker, and the work performed does not qualify for exempt status under California law or applicable IWC Wage Order No. 4.

Despite performing work that qualifies as non-exempt under California law and the applicable IWC Wage Order, Employer has classified Employee and similarly situated employees as exempt from California overtime and meal/rest period requirements. This classification is incorrect and unlawful.

Employer uses an internal "floating time" overtime portal that is structurally designed to suppress overtime reporting. The portal only accepts overtime submissions for weekend days and caps submissions at 8 hours per day. Employees have no ability to submit overtime worked during weekdays or to report more than 8 hours of overtime on any single weekend day, regardless of actual hours worked. All approved overtime is automatically converted to paid time off (PTO) rather than paid as overtime wages. There is no mechanism for employees to receive actual overtime pay for hours worked in excess of 8 per day or 40 per week, including extended trade show days, travel days, and late-night event work. PTO is treated solely as vacation and is not paid out as wages.

During the period from May 18, 2025 to the present (approximately 36 weeks / 180 workdays), Employee estimates approximately 200 hours of unpaid overtime based on preliminary review of personal records, including a personal overtime tracking spreadsheet maintained throughout employment, trade show attendance records and travel approval applications submitted through Employer's internal systems, event schedules and staffing assignments, and travel days to and from events. This estimate is conservative and does not account for late-night event work, early morning setup, or extended office days. The precise amount of unpaid overtime will be fully ascertainable through Employer's own portal records, travel approvals, and event scheduling documentation during discovery.

Additionally, U.S. employees working standard 8-hour office shifts routinely do not receive two 10-minute rest breaks per shift, as required under California law. This appears to be a company-wide practice affecting the entire U.S. team. At trade shows and events, off-duty meal periods are not scheduled and are frequently missed or taken while working. Because Employer has never authorized, affirmatively permitted, scheduled, or communicated rest break entitlements to employees, rest periods are routinely not taken throughout the course of employment.

Based on personal communications with coworkers, Employee believes that at least 12–15 current and former employees have experienced the same or similar violations, including: unpaid overtime hours converted to PTO, inability to report weekday overtime or overtime exceeding 8 hours per day through the employer's portal, missed meal periods at trade shows and events, and daily missed rest breaks.

IV. SPECIFIC LABOR CODE VIOLATIONS

The following Labor Code violations are alleged on behalf of the aggrieved employee and all similarly situated current and former employees of Employer during the applicable one-year period:

A. Failure to Pay Overtime Wages (Labor Code §§ 510, 1194; IWC Wage Order No. 4)

Employer has misclassified Employee and similarly situated employees as exempt from overtime requirements. As set forth in detail above, Employee's primary duties are execution-focused and do not satisfy the administrative, executive, or professional exemption tests under California law. Employer's internal overtime portal caps submissions to weekend days only and limits submissions to 8 hours per day, and converts all approved overtime to paid time off rather than paying overtime at 1.5x the regular rate of pay. This constitutes a systematic failure to pay overtime wages in violation of Labor Code § 510 and § 1194.

B. Failure to Provide Meal Periods (Labor Code § 512; IWC Wage Order No. 4)

California Labor Code § 512 requires employers to provide employees with an off-duty, uninterrupted 30-minute meal period before the end of the fifth hour of work. A second off-duty meal period is required before the end of the tenth hour of work for shifts exceeding ten hours. Employer has failed to comply with these requirements in the following respects:

During standard office workdays, meal periods are not formally scheduled, designated, or communicated to employees. Employees are not affirmatively relieved of all duties for an uninterrupted 30-minute period before the end of the fifth hour of work.

During trade shows, events, and extended workdays — which frequently exceed eight, ten, and sometimes twelve or more hours — off-duty meal periods are not scheduled and are routinely missed or taken while employees continue performing work duties, including eating quickly while staffing booths, performing demonstrations, or managing event logistics. At events such as CES 2026, employees skipped meal periods or ate briefly while continuing to work, including in supply closet areas and on the show floor. Second meal periods required for shifts exceeding ten hours were neither provided nor scheduled.

Employer has not paid the required one-hour premium wage for each missed first or second meal period as required by Labor Code § 226.7.

C. Failure to Provide Rest Periods (Labor Code § 226.7; IWC Wage Order No. 4)

Employer has failed to authorize and permit California employees to take 10-minute rest breaks for every four hours worked (or major fraction thereof). Employer has no formal HR infrastructure, written policies, or workplace culture that informs employees of their rest break rights under California law. Employer has never affirmatively communicated to employees that they are entitled to rest breaks, has never scheduled or designated rest break periods, and has never posted or distributed required wage order information informing employees of their statutory rights. As a result, employees across the U.S. team are unaware of their rest break entitlements and do not take them. The resulting work environment — characterized by continuous task demands, trade show schedules, and event-driven workloads — makes rest breaks practically impossible absent employer authorization and instruction. California law places the affirmative duty to authorize and permit rest breaks squarely on the employer. Employer's failure to meet this duty constitutes a violation of Labor Code § 226.7 and the applicable IWC Wage Order regardless of whether employees were explicitly told not to take breaks. Employer has not paid the required one-hour premium wage for each missed rest period.

D. Failure to Pay All Wages Upon Separation / Timely Payment (Labor Code §§ 201, 202, 203, 204)

To the extent any employees have separated from Employer without receiving all earned wages, including unpaid overtime and meal/rest period premiums, Employer has violated Labor Code §§ 201–204. Upon information and belief, multiple former employees have separated from Employer without receiving all wages owed, including unpaid overtime and meal and rest period premiums.

E. Failure to Furnish Accurate Itemized Wage Statements (Labor Code § 226)

Employer's wage statements do not accurately reflect actual hours worked or applicable overtime rates, because overtime hours are systematically converted to PTO rather than recorded and compensated as overtime wages. This constitutes a failure to provide accurate itemized wage statements in violation of Labor Code § 226.

V. OTHER AGGRIEVED EMPLOYEES

In addition to the undersigned, Employee believes that approximately 12–15 current and former California-based employees in similar non-exempt roles have experienced the same or similar violations during the applicable period. These similarly situated employees have performed comparable duties including event support, trade show operations, marketing coordination, technical support, and brand management, and have been subject to the same overtime portal restrictions, meal period practices, and rest break policies described herein.

The identities of aggrieved employees are known to Employer and will be ascertainable through Employer's own payroll, scheduling, and HR records. Employee has not identified them by name herein in order to protect them from potential retaliation prior to the commencement of formal proceedings.

Total estimated unpaid wages across similarly situated California employees are significant and will be fully ascertainable through Employer's own records, including but not limited to: payroll records, the internal overtime submission portal (which itself documents submitted overtime hours and their conversion to PTO), travel and trip approval applications reflecting employee attendance at trade shows and events, event scheduling and staffing records, and any other time and attendance documentation maintained by Employer.

VI. RELIEF SOUGHT

Pursuant to Labor Code § 2699, the aggrieved employee intends to seek the following civil penalties on behalf of the State of California and all aggrieved employees:

- Civil penalties of $100 per employee per pay period for initial violations, and $200 per employee per pay period for subsequent violations, pursuant to Labor Code § 2699(f);
- Unpaid overtime wages at 1.5x the regular rate for all hours worked in excess of 8 per day or 40 per week, pursuant to Labor Code §§ 510 and 1194;
- One hour of pay per workday for each missed meal period, pursuant to Labor Code § 226.7;
- One hour of pay per workday for each missed rest period, pursuant to Labor Code § 226.7;
- Waiting time penalties of up to 30 days of wages for former employees whose earned wages were not timely paid upon separation, pursuant to Labor Code § 203;
- Statutory penalties for inaccurate wage statements of $50 for the first violation and $100 for each subsequent violation, capped at $4,000 per employee, pursuant to Labor Code § 226(e);
- Prejudgment interest at the statutory rate of 10% per annum on all unpaid wages;
- Attorneys' fees and costs as permitted by Labor Code § 2699(g) and applicable law;
- Any other relief the Court deems just and proper.

Employer's violations were willful within the meaning of applicable law. The structure of Employer's internal overtime portal — which accepts submissions only for weekend days and caps submissions at 8 hours per day — effectively prevents employees from reporting or recovering overtime worked on weekdays or in excess of 8 hours on weekends. This structural design systematically suppresses Employer's wage obligations and ensures that legally required overtime compensation is never paid. The portal's limitations are not the result of a technical oversight or administrative error — they reflect deliberate operational choices that directly and predictably reduce labor costs at the expense of employees' statutory rights. Employer's conduct was not the result of a good faith mistake or reasonable reliance on applicable law.

VII. NOTICE TO EMPLOYER

Pursuant to Labor Code § 2699.3(a)(1), a copy of this notice will be served on the Employer via certified mail to:

XTL US INC.

Attn: Legal Department / U.S. General Manager

2019 Leghorn Street

Mountain View, CA 94043

The aggrieved employee will wait the required 65-calendar-day period following submission of this notice before filing a civil action under PAGA, unless the LWDA provides notice of its intent to investigate, in which case the employee will comply with applicable statutory requirements.

Respectfully submitted,

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Kyle Morrison, Aggrieved Employee

[redacted]

Date: February 25, 2026