

NOTICE OF LABOR CODE VIOLATIONS
Pursuant to California Labor Code Section 2699.3
Private Attorneys General Act (PAGA)

Date: March 4, 2026

TO THE CALIFORNIA LABOR AND WORKFORCE DEVELOPMENT AGENCY (LWDA) AND TO EMPLOYER:

Tesla, Inc.
45500 Fremont Blvd
Fremont, California 94538

FROM AGGRIEVED EMPLOYEE:

Matthew Hill
Employee Number: 720981
Former Body Fit Technician, Tesla Fremont Factory
Period of Employment: August 2020 through December 19, 2023

I. INTRODUCTION

Pursuant to California Labor Code Section 2699.3, Matthew Hill (Aggrieved Employee) hereby provides written notice to the California Labor and Workforce Development Agency and to Tesla, Inc. (Tesla or Employer) of violations of the California Labor Code committed by Tesla against Aggrieved Employee and other similarly situated current and former employees at Tesla's Fremont Factory, located at 45500 Fremont Blvd, Fremont, California 94538.

This notice satisfies the administrative exhaustion requirement of Labor Code Section 2699.3(a) prior to filing a civil action seeking civil penalties under the Private Attorneys General Act (PAGA), Labor Code Sections 2698-2699.6. Aggrieved Employee personally experienced each violation described herein.

NOTE: Aggrieved Employee is the plaintiff in Hill v. Tesla, Inc., Alameda County Superior Court Case No. 25CV158554 (Hon. Peter Borkon). This PAGA notice supports Count 15 of the proposed Second Amended Complaint.

II. VIOLATIONS

VIOLATION 1: Labor Code Section 1102.5 - Whistleblower Retaliation

Statute Violated:

California Labor Code Section 1102.5, as amended by SB 497 (effective January 1, 2024).

Facts and Legal Theory:

On October 10, 2023, Aggrieved Employee filed a written race discrimination complaint with Tesla Human Resources addressed to Adam Chow-Saballos, Tesla HR Business Partner at the Fremont Factory. The complaint documented racially discriminatory treatment including denial of promotions despite exceptional performance (rated 40 percent above standard production rate), vehicle searches

not applied to comparable non-African American employees, and a racially hostile work environment.

Following this protected complaint activity, Tesla took the following adverse employment actions within the period that establishes a rebuttable presumption of retaliation under Labor Code Section 1102.5 (and, to the extent SB 497's amended presumption applies to conduct predating its January 1, 2024 effective date, within that 90-day presumption period; in the alternative, Aggrieved Employee asserts that the temporal proximity independently establishes retaliation under pre-existing Section 1102.5 and *Yanowitz v. L'Oreal USA, Inc.* (2005) 36 Cal.4th 1028): (a) November 4, 2023 (25 days after complaint): denied Aggrieved Employee's promotion application to Lead Body Fitter; (b) December 12, 2023 (63 days after complaint): suspended Aggrieved Employee without pay; (c) December 19, 2023 (70 days after complaint): terminated Aggrieved Employee's employment.

The termination occurred thirteen days before AB 2188 (Health and Safety Code Section 12954, prohibiting adverse action based on cannabis metabolites absent workplace impairment evidence) took effect on January 1, 2024. Tesla had been aware of AB 2188 since its signing on September 18, 2022 -- fifteen months before termination.

The same individual who received Aggrieved Employee's October 10, 2023 discrimination complaint -- [REDACTED] -- also signed the December 19, 2023 termination letter. This same-actor sequence is direct evidence of retaliatory motive under California law.

Additional evidence of retaliation includes: testimony from Tesla's former Head of Security in the related action *Peloquin v. Tesla, Inc.* (N.D. Cal. No. 3:25-cv-06690-AMO) describing vehicle searches used as pretextual tools against African American employees; the documented pattern of discrimination at the Fremont Factory established in *Diaz v. Tesla* (two jury verdicts), *Vaughn v. Tesla* (class certification for pattern or practice of race harassment, approximately 6,000 workers), and *Pierce v. Tesla* (settled 2025); and Tesla's post-termination contest of Aggrieved Employee's unemployment benefits.

VIOLATION 2: Labor Code Section 96(k) - Termination for Lawful Off-Duty Conduct

Statute Violated:

California Labor Code Section 96(k).

Facts and Legal Theory:

During Aggrieved Employee's employment, Tesla security personnel conducted at least four searches of Aggrieved Employee's personal vehicle, which also served as Aggrieved Employee's primary residence and dwelling. Of four searches, three resulted in discovery of cannabis and one resulted in discovery of an empty liquor bottle. Following each of the first three searches, Tesla imposed no discipline.

On or about December 12, 2023, Tesla conducted a fourth vehicle search, discovered cannabis, and used this as the stated basis for Aggrieved Employee's suspension and termination. The cannabis was present in Aggrieved Employee's personal vehicle/dwelling -- constituting lawful off-duty conduct in his own home.

Labor Code Section 96(k) protects employees from adverse employment action based on lawful conduct occurring during nonworking hours away from the employer's premises. Personal possession of cannabis in one's own dwelling is lawful off-duty conduct. Tesla's termination of Aggrieved Employee based on cannabis found in his personal vehicle/residence -- absent any evidence of workplace

impairment -- violates Section 96(k).

VIOLATION 3: Labor Code Section 5401 - Failure to Provide Workers' Compensation Claim Form

Statute Violated:

California Labor Code Section 5401.

Facts and Legal Theory:

During Aggrieved Employee's employment at the Fremont Factory, Aggrieved Employee sustained a workplace injury resulting in a permanent physical impairment, as documented in medical records and confirmed by medical evaluation conducted by Dr. Ahr on September 30, 2025. Tesla's medical staff treated the injury at the worksite. Despite this, Tesla failed to provide Aggrieved Employee with a DWC-1 workers' compensation claim form within one working day as required by Labor Code Section 5401. Tesla's failure deprived Aggrieved Employee of the ability to timely file a workers' compensation claim and obtain benefits to which he was entitled.

VIOLATION 4: Labor Code Section 432.5 - Requiring Execution of Unlawful Agreement as Condition of Employment

Statute Violated:

California Labor Code Section 432.5.

Facts and Legal Theory:

As a condition of employment, Tesla required Aggrieved Employee to execute a mandatory arbitration agreement containing provisions Tesla knew or should have known were unlawful under California law, including one-sided judicial carve-outs reserving Tesla's right to seek judicial relief for intellectual property claims while requiring employees to arbitrate all employment claims, in violation of *Armendariz v. Foundation Health Psychcare Services, Inc.* (2000) 24 Cal.4th 83, and additional *Armendariz*-prohibited provisions.

Tesla presented this agreement to Aggrieved Employee for approximately 18.5 hours -- not 48 hours as Tesla represented to the Alameda County Superior Court -- as established by Tesla's own Adobe Sign audit trail (Exhibit B to the Flesch Declaration, filed January 27, 2026 in Case No. 25CV158554). The email verification step was expressly waived. Tesla required execution of this agreement as a non-negotiable condition of employment in violation of Labor Code Section 432.5. This violation extends to all hourly production employees at the Fremont Factory required to sign the same or materially similar agreements.

III. AGGRIEVED EMPLOYEES

Aggrieved Employee brings this notice on behalf of himself and all current and former Tesla employees at the Fremont Factory who personally experienced one or more of the violations described herein, including: (a) all employees who engaged in protected complaint or whistleblower activity and suffered adverse action within 90 days (Section 1102.5); (b) all employees subjected to adverse action based on off-duty cannabis use or possession absent evidence of workplace impairment (Section 96(k)); (c) all employees who sustained workplace injuries and were not provided a DWC-1 claim form within one working day (Section 5401); and (d) all hourly production employees required to execute the mandatory arbitration agreement as a non-negotiable condition of employment (Section 432.5).

IV. CIVIL PENALTIES SOUGHT

Aggrieved Employee intends to seek all civil penalties available under Labor Code Section 2699, including: (a) \$100 per aggrieved employee per pay period for initial violations and \$200 per aggrieved employee per pay period for subsequent violations under Section 2699(f); and (b) for Section 1102.5 violations, civil penalties of up to \$10,000 per violation payable directly to Aggrieved Employee under Labor Code Section 1102.5 as amended by SB 497 (effective January 1, 2024); to the extent SB 497's civil penalty provision does not apply retroactively to pre-January 2024 conduct, Aggrieved Employee asserts pre-existing Section 1102.5(j) bad-faith fee-shifting and PAGA civil penalties independently covering the underlying whistleblower retaliation violations.

V. REQUEST FOR INVESTIGATION

Aggrieved Employee respectfully requests that the LWDA investigate the violations described herein. If the LWDA does not provide notice of its intent to investigate within 65 days of this notice pursuant to Labor Code Section 2699.3(a)(2)(A), Aggrieved Employee will proceed to file a civil action asserting PAGA civil penalties for all violations described herein.

This notice is submitted simultaneously to the LWDA via the DIR PAGA Filing Portal and to Tesla, Inc. by certified mail to 45500 Fremont Blvd, Fremont, California 94538.

Respectfully submitted,

Matthew Hill

Aggrieved Employee, Pro Se

March 4, 2026