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June 18, 2025

VIA ONLINE ELECTRONIC SUBMISSION

California Labor & Workforce
Development Agency
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102
SUBMITTED ONLINE

Re: Notice Pursuant to California Labor Code § 2699.3 re Enagic Global Headquarters Corp.; Enagic USA, Inc.; Enagic Service USA, Inc.; Enagic Marketing, Inc; Enagic Financing Corp.; Enagic Corp.; Enagic Global Sale Headquarters; Hinonari Oshiro; Akira Miyazato; Hiroki Oshiro; Yaeko Oshiro; Kaori Tagawa; Julius Kim; Toshio Maehara; Rika Tomori

Pursuant to the Private Attorneys General Act of 2004 (“PAGA”), Cal. Labor Code § 2698, *et seq.*, Ms. Rebecca Buza provides this notice on behalf of herself and other aggrieved employees in the State of California to the Labor and Workforce Development Agency (“LWDA”) and Enagic Global Headquarters Corp.; Enagic USA, Inc.; Enagic Service USA, Inc.; Enagic Marketing, Inc; Enagic Financing Corp.; Enagic Corp.; Enagic Global Sale Headquarters; and including any and all affiliates, subsidiaries, parents, directors, officers, and employees, including but not limited to, Hinonari Oshiro; Akira Miyazato; Hiroki Oshiro; Yaeko Oshiro; Kaori Tagawa; Julius Kim; Toshio Maehara; Rika Tomori (collectively, “**Enagic**”) of Labor Code and Industrial Welfare Commission (“IWC”) Wage Order violations committed by Enagic and personally experienced by Ms. Buza. Please allow this letter to serve as a notice and a request pursuant to § 2699.3 of the California Labor Code that your agency investigate the claims described below. If the agency does not intend to investigate the alleged violations, we ask that you please notify us of that fact. If your agency decides not to investigate the below-described claims, Ms. Buza intends to pursue civil penalties and injunctive relief through a court action and/or in arbitration, on behalf of herself and the other aggrieved employees against whom Labor Code and Wage Order violations were committed by Enagic.

Introduction

Enagic is headquartered in Torrance, California. Enagic develops and sells online a wide range of water ionizers, machines that transform tap water into alkaline water, water filters, and turmeric supplements. Pursuant to Enagic’s business model, it establishes explicit relationships with various individuals known as “Distributors” who market and sell Enagic products for Enagic. Enagic implements and manages a broad range of employment policies and procedures for these Distributors. Despite designating these salespeople as independent contractors, these Distributors

are in fact employees under California law. Enagic has violated numerous provisions of the California Labor Code and applicable IWC Wage Order by denying its Distributors the compensation, other benefits, and statutory entitlements that they are owed.

One of the many individuals whom Enagic employs as a Distributor is Ms. Buza. Ms. Buza worked for Enagic as a Distributor from approximately June 2021 to present, in California. During that entire time, Ms. Buza was under Enagic's control, selling and marketing Enagic products online in accordance with strict guidelines.

Unless the agency decides to investigate and issue citations for Enagic's numerous Labor Code and Wage Order violations, Ms. Buza intends to bring a representative action in court and/or in arbitration seeking civil penalties for violations of the Labor Code that are recoverable under PAGA on behalf of the State of California and all other aggrieved employees. The aggrieved employees on whose behalf Ms. Buza will file a PAGA civil action include all current and former Enagic Distributors who sold Enagic products and services in the State of California during the relevant statutory period, and any other individuals who are similarly misclassified by Enagic under California law.

As set forth below, Enagic has violated and/or continues to violate, among other provisions of the California Labor Code sections 204, 226(a), 226.7, 226.8, 512(a), 1174(d), 1194, 1197, 1197.1, 2802, and IWC Wage Orders, including inter alia, Wage Order No. 4, and Ms. Buza has personally experienced each of these violations.

1. Willful Misclassification of an Individual as an Independent Contractor

California law prohibits the willful misclassification of an individual as an independent contractor when they are in fact an employee under California law. Cal. Lab. Code § 226.8(a). "Willful misclassification" means avoiding employee status for an individual by voluntarily and knowingly misclassifying that individual as an independent contractor. Cal. Lab. Code § 226.8(i)(4). When an employer willfully misclassifies an individual as an independent contractor, the employer is subject to civil penalties. Cal. Lab. Code § 226.8(b)–(c). Enagic willfully misclassified Ms. Buza and other aggrieved employees as independent contractors, because it has been clear for several years now under California law that its Distributors are in fact employees under Cal. Lab. Code § 2775, insofar as such Distributors are under Enagic control in performing their selling duties, the selling duties that Distributors do is within the usual course of Enagic's business, and they are not engaged in an independently established trade, occupation or business. Even under a looser definition of "employee," Distributors would also be considered employees because Enagic controls the manner and means through which Ms. Buza and other aggrieved employees carry out their duties, including but not limited to restricting advertising, restricting what channels products may be sold through, and providing proprietary lists and direct customer leads.

2. Failure to Pay Minimum Wages

Enagic violated California Labor Code sections 1194, 1197, and 1197.1 and Wage Order No. 4 by failing to pay Ms. Buza and other aggrieved employees at least minimum wages for all hours worked. Primarily, this was due to Enagic having misclassified its Distributors as independent contractors rather than as employees. Ms. Buza and other aggrieved employees were required or knowingly permitted to perform all their work duties off-the-clock, including but not limited to training, communicating with Enagic, and selling and marketing Enagic products and services. By failing to pay Ms. Buza and other aggrieved employees any wages for their time spent performing work duties for Enagic, Enagic violated Labor Code sections 1194, 1197, and 1197.1

and Wage Order No. 4, which require employers to pay at least the legal minimum wage to their employees.

3. Failure to Provide Meal Periods and Rest Periods

California law requires employers to provide their employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7, 512(a); Wage Order No. 4. A second meal period of no less than thirty (30) minutes must be provided before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. Cal. Lab. Code §§ 226.7, 512(a); Wage Order No. 4. Further, an employer must provide an uninterrupted rest period of no less than ten (10) minutes for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7; Wage Order No. 4. When an employer fails to provide a meal or rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

Enagic failed to provide Ms. Buza or the other aggrieved employees with an opportunity to take timely, uninterrupted meal and rest periods of the requisite length, free from employer control. Enagic also failed to compensate Ms. Buza and the other aggrieved employees properly for the non-compliant meal and rest periods including, inter alia, missed, short, late, and/or interrupted meal and rest periods. Enagic also failed to pay premium wages for the many meals and rest breaks that Ms. Buza and the aggrieved employees were deprived of. Indeed, Enagic did not provide any meal or rest breaks or premium compensation for missed breaks to Ms. Buza or other aggrieved employees, since Enagic improperly classified its Distributors as independent contractors who were not entitled to meal or rest breaks.

4. Failure to Timely Pay Wages During Employment

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor more than the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant period, Enagic failed to pay Ms. Buza and other aggrieved employees all wages due to them, including minimum wages, overtime wages, and meal and rest period premium wages, within any time period specified by California Labor Code section 204. Moreover, Enagic failed to pay Ms. Buza or other aggrieved employees earned commissions in a timely and complete fashion.

5. Failure to Keep Accurate Payroll Records

California Labor Code section 1174(d) requires an employer to keep at a central location in the state or at the establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant period, Enagic failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages paid to Ms. Buza and other aggrieved employees.

6. *Failure to Furnish Accurate Itemized Wage Statements*

Labor Code section 226(a) and Wage Order No. 4 require an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, inter alia, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of their social security number or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer. Enagic failed to provide *any* wage statements to Ms. Buza and other aggrieved employees, despite being required to do so. Accordingly, Enagic is subject to civil penalties under Labor Code section 226.3.

7. *Failure to Reimburse Necessary Business Expenses*

Labor Code section 2802 and Wage Order No. 4 require employers to indemnify their employees for all necessary business expenses that they incur in direct consequence of the discharge of their job duties or in direct consequence of their obedience to the directions of the employer. During the relevant period, Ms. Buza and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Enagic. These costs include, but are not limited to, the use of personal cell phones and computers, Wi-Fi and internet connections, premium memberships for access to sites like zoom that Distributors were required to use to market and sell Enagic services and products, home office equipment, ring lights other equipment for making content videos, company products they are required to purchase, among other expenses. Indeed, Ms. Buza and the other aggrieved employees absorbed all the costs associated with marketing and selling Enagic's products and services at their own expense and without reimbursement by Enagic. Ms. Buza and the aggrieved employees are entitled to reimbursement for all such expenses.

* * *

Enagic has violated, caused to be violated, or is currently violating, numerous provisions of the California Labor Code, as described above. Ms. Buza respectfully requests that the agency investigate the above allegations, and, in any event, provide notice regarding its intent to investigate pursuant to Labor Code § 2699.3. If the agency does not intend to investigate the alleged violations, Ms. Buza respectfully requests a letter confirming the same so that we may bring a civil action seeking civil penalties and injunctive relief under PAGA against Enagic for the violations described in this letter. Please know that we intend to file a civil complaint and to bring the appropriate claims under Labor Code § 2699 should your office decline to investigate, or investigate but decline to issue citations, within the time frames set out in Labor Code § 2699.3. Should you require anything further or have questions, please do not hesitate to contact me. Thank you for your consideration.

Respectfully Submitted,
CLARKSON LAW FIRM, P.C.



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June 18, 2025

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