BOYAMIAN LAW

October 10, 2025

SUBMITTED VIA ONLINE SUBMISSION

Labor and Workforce Development Agency
Attention: PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, California 94102

Re: *Sandal v. Eaze Inc., et al.*
Notice of PAGA Claims Pursuant to Labor Code § 2699.3

To Whom It May Concern:

My office represents Uhane Sandal (hereinafter "Claimant"), with respect to claims on behalf of herself and other similarly situated current and former non-exempt, hourly employees of Eaze Inc. and Eaze California LLC (hereinafter collectively referred to as "Eaze" or "Respondent") who worked in California from one year prior to the submission of this Notice and continuing through the present ("Relevant Time Period"). The purpose of this letter is to satisfy the notice requirements of Labor Code § 2699.3(a).

Below we set forth the facts and theories which we believe support our contention that Eaze has violated and continues to violate various provisions of the California Labor Code including, but not limited to, failures by Eaze to pay minimum wages and overtime wages, to provide meal and rest periods, and to reimburse for necessary business expenditures.

The purpose of this letter is to provide the required notice to the Labor Workforce and Development Agency and the Eaze of the specific facts and theories which we believe support our contention that Eaze has also violated and continues to violate the California Labor Code, as set forth herein.

Facts & Theories About the Case

Eaze Inc. and Eaze California LLC, own and operate several warehouse fulfillment centers throughout California focusing on the online sale and delivery of cannabis products to the general public.

Claimant is a non-exempt, hourly employee of Eaze. She commenced work for Eaze in or around January 13, 2025 at Eaze's warehouse fulfillment center located at 1365 N. 10th St., San Jose, CA 95112. Claimant's job duties focused on work within Eaze's warehouse fulfillment center namely procuring selected cannabis products, the packaging and labeling of such products, and coordinating or routing deliveries with Eaze's delivery team. Claimant's typical schedule was Wednesday through Sunday, from 2:00 p.m. to 10:30 p.m. Claimant and other non-exempt, hourly employees of Eaze

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during the Relevant Time Period ("Aggrieved Employees") would record their time electronically through a company computer located within Respondent's San Jose depot.

Aggrieved Employees, including Claimant, are denied meal and rest breaks, itemized wage statements, and other protections to which they are entitled under the California Labor Code. Ms. Sandal, like other Aggrieved Employees, did not have uninterrupted meal periods as statutorily mandated and compliant meal and rest periods were not made available due to the press of work, deficiencies in the scheduling of staff, and the lack of any formalized process or procedure in place. Claimant would often find herself working in isolation without any support or coverage effectively having Respondent deny her with a mandated meal and/or rest period. Moreover, our investigation has uncovered that the manager at the San Jose warehouse would direct staff to combine their meal and rest breaks, an illegal directive on its own, which would in turn impact Claimant's and other Aggrieved Employees' ability to take timely, statutorily compliant meal and rest periods. Furthermore, Claimant was not given a second meal period despite working over ten hours. Ms. Sandal rarely was able to take rest breaks due to the pressure by Eaze to fulfill work orders coupled with the staff shortage issues described herein.

In or around September 2025, Claimant participated in a staff meeting in which Respondent's Senior Manager, among other things, discussed and introduced Aggrieved Employees, including Claimant, to guidelines on Respondent's meal and rest break policies. From that meeting, Respondent acknowledged – both directly and indirectly – that Eaze did not maintain any policy on meal and rest periods, had no system or process in place for Aggrieved Employees to take statutorily compliant meal and rest periods, and furthermore instructed Aggrieved Employees to take meal periods before the 5th hour of work because Respondent had incurred a high number of meal period violations as observed through its timekeeping system.

Relatedly, our investigation has uncovered that Eaze utilized a timekeeping system, which failed to compensate Ms. Sandal and other Aggrieved Employees for all hours worked, whether by rounding, time-shaving, or otherwise. Specifically, our investigation leads us to believe that management at Eaze has either implemented a blanket directive that overtime work, even when it happens, is simply not tolerated or has grudgingly allowed overtime work. Even then, the authorized amount of overtime does not fully compensate non-exempt, hourly employees, including Claimant, for all hours worked. Our investigation has revealed that Respondent engaged in an unlawful act of "shaving time" by automatically deducting a 30-minute meal period from the hours worked by Aggrieved Employees, even though Eaze's time records show that Aggrieved Employees worked more than six hours but no time punched out to account for a mandated meal period. Indeed, in July and August of 2025, Claimant confronted Eaze's management and shared her suspicions of missing time from her paycheck. Respondent's manager confirmed to Claimant that Eaze had in place an "auto deduct" policy during some portion of the Relevant Time Period with respect to their

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timekeeping system and further explained that management at the fulfillment centers have the ability to adjust, manipulate or edit the time records of Aggrieved Employees, including that of Claimant's time records, and insert a 30-minute unpaid meal period when in fact Aggrieved Employees were never provided with a timely, thirty-minute or more, uninterrupted meal break in the first place. Said differently, managers and supervisors would routinely access the timekeeping software to manipulate and adjust the times recorded by Aggrieved Employees to falsely insert meal breaks in order to avoid and minimize the practice of compensating Ms. Sandal and other similarly-situated Aggrieved Employees with one additional hour of pay to account for a meal and/or rest period violation. The same is equally true for purposes of eliminating or reducing the instances of paying for all hours worked, including overtime. During the meetings Claimant had with Eaze's upper management, she explained to them that she never authorized an adjustment of her reported work hours. Respondent's managers would gaslight Claimant, claiming she authorized the adjustment when in fact she never did.

Furthermore, Aggrieved Employees, including Claimant, are required to use their own personal cell phones to scan cannabis product for packaging and routing purposes, and also use their own personal cell phones for texting, slacking, and calling delivery drivers about scheduling deliveries. Aggrieved Employees, including Claimant, necessarily use their personal cell phones on a daily basis in performing their work functions at the warehouse. While Eaze may reimburse Aggrieved Employees, including Claimant, approximately $5 for use of their personal cell phones, such a paltry figure is not a reasonable business expense.

Accordingly, based on our investigation, we have found that Eaze has:

(1) required and/or knowingly permitted Aggrieved Employees to work hours considerably in excess of eight hours per day, 12 hours per day, and/or 40 hours per week. Claimant is informed and believes, and on that basis alleges, that it has been Eaze's policy and practice to require and/or knowingly and willfully permit Aggrieved Employees to work such overtime hours without paying them overtime compensation required by the California Labor Code and even when paying the overtime rates, Eaze unlawfully calculates the total amount of overtime hours worked for purposes of compensation;

(2) failed to provide a 30 minute off-duty meal period to Aggrieved Employees who worked more than five hours in a day. Moreover, Eaze has failed to provide a second 30 minute off-duty meal period to Aggrieved Employees who worked more than 10 hours in a day;

(3) failed to authorize and permit a rest period of ten minutes per every four hours, or major fraction thereof, worked. Eaze has failed to pay minimum wage compensation to Aggrieved Employees for all hours worked;

(4) failed to reimburse necessary business expenses incurred by Aggrieved Employees in violation of Cal. Labor Code § 2802;

(5) failed to pay to the Aggrieved Employees all wages due and owing twice per month at the times prescribed by Cal. Labor Code § 204;

(6) failed to itemize the total hours worked on wage statements furnished to the Aggrieved Employees as required by Cal. Labor Code §§ 226, 226.3, and Wage Order 4;

(7) not properly maintained payroll records showing the actual hours Aggrieved Employees worked each day as required by Cal. Labor Code § 1174 and IWC wage order No. 4, § 7(A); and

(8) willfully and knowingly failed to pay Aggrieved Employees upon termination of employment, all accrued compensation, including reimbursement of all unlawful deductions from wages, payment of missed meal and rest period compensation, and payment of minimum wage and overtime compensation.

Claimant seeks to recover the unpaid compensation for all hours worked as defined by the Labor Code and the applicable Industrial Welfare Commission wage order. California law requires that all hours worked over 8 in a day or 40 in a week or worked on the 7th consecutive day of a work week be paid 1.5 times an employee's regular rate of pay. *See*, *e.g*., Lab. Code §§ 510, 1194; Cal. Code Regs., tit. 8, § 11040, *et seq*. In addition, hours worked over 12 in a day or hours over 8 worked on the 7th consecutive day in a week are paid at 2 times an employee's regular rate of pay.

California law also requires that an employer provide an employee who works more than five hours a meal break that is no less than 30 minutes in duration. 8 CCR 11040(11)(A). Unless an employee is relieved of all duty during the 30-minute meal period, the meal period is considered an on-duty meal period and counted as time worked. However, an on-duty meal period is permitted only when the nature of the work prevents an employee from being relieved of all duty and the parties agree in writing to an on-the-job paid meal period. *Id*. If an employer fails to provide an employee a lawful meal period, the employer must pay the employee one hour of pay for each violation. 8 CCR 11040(11)(D).

Additionally, California law mandates that an employer must "authorize and permit" an employee to take a duty-free rest period not less than 10 minutes in duration for every four hours of work. 8 CCR 11040(12)(A). Violation of the rest break provisions requires the employer pay the employee one hour of pay for each workday a rest period was not provided. 8 CCR 11040(12)(B). Lastly, in California, the employer is required to keep records of all hours worked. Labor Code § 1174(d).

The California Supreme Court in *Brinker Restaurant Corp. v. Superior Ct.*, Cal. 4th 1004 (2012) mandated that "absent truly unusual circumstances" placing both rest breaks before the meal break, and none after, would not comport with the wage order requirement that rest breaks "insofar as practicable, shall be in the middle of each work period." *Id.* at 1032, citing DLSE Opn. Letter No. 2001.09.17 at p.4. In other words, "[a]s a general matter," one rest break should fall on either side of the meal break. *Id.* An employer violates the law by maintaining a policy that "fails to give full effect" to the timing, duration, and relief from duty requirements of the Wage Order. *Id.* at 1032-1033. Such a defective policy or practice, by itself, establishes a substantive violation of the law. At a minimum, "an employer must inform employees in a meaningful or consistent way that they could take rest breaks, [and] the definition of any such rest breaks." *Godfrey v. Oakland Port Services Corp.*, 230 Cal.App.4th 1267, 1286 (2014). Thus, Eaze does not provide meal and/or rest breaks in accordance with California law.

Furthermore, Labor Code section 2802(a) provides that an employer must reimburse employees for all necessary expenditures that the employee incurs in discharging his or her duties. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014) is instructive and held that mandatory personal cell phone use must be reimbursed at a "reasonable percentage" of the cell phone bill). In *Cochran*, *supra*, 228 Cal. App. 4th at 1140, the Court of Appeal held that employers must reimburse employees when they use their personal cell phones for work-related calls. The court discussed that "reimbursement is always required," whether the phone bill is paid for by a third person, whether the employee changed phone plans, when the employee incurs a reasonable expense of the mandatory use of his or her personal cell phone, or when the employee incurs an extra expense that he or she would not have otherwise incurred absent the job. *Id.* at 1144. Thus, *Cochran* stands for the position that when an employee uses a tool for business purposes (even if the tool is one that can be used for personal reasons), the employer must reimburse the employee a reasonable business expense. The various applications used by Aggrieved Employees, including Claimant, on their personal cell phones are necessary for Claimant and other Aggrieved Employees to fulfill their job duties. But to allocate just $5 during the Relevant Time Period is plainly not a "reasonable percentage" of the cell phone bill.

The other alleged violations, including inaccurate wage statements and waiting time penalties, are largely derivative of the claims for failure to pay for all hours worked and failure to provide meal and rest periods. With respect to waiting time penalties, Eaze failed to fully compensate former Aggrieved Employees in a timely manner when their employment ended, in violation of Labor Code Section 201 et. seq.

Accordingly, we believe that Eaze has violated, and continues to violate, numerous provisions of California law, including, without limitation Labor Code Sections §§ 201, 202, 203, 204, 210, 216, 221, 225.5, 226, 226.3, 226.7, 226.8, 246, 450, 510, 511, 512, 551, 552, 558, 1194-1197.1, 1198, 2802, and 2698, *et seq.*, as well as the relevant IWC orders and regulations, and that Claimant and other similarly situated

Aggrieved Employees are entitled to all statutory penalties allowed by law. Our investigation is continuing, and there may be more violations uncovered.

We respectfully request that the Labor Workforce Development Agency notify this office within thirty (60) days if it wishes to investigate this matter further. If Eaze wishes to resolve these claims without resorting to protracted litigation, please contact the undersigned forthwith to discuss this matter further. Should you have any questions or concerns or require additional information, please do not hesitate to contact the undersigned.

Thank you for your immediate attention to this matter.

Very truly yours,

Michael H. Boyamian

Cc: Eaze Inc. (*Sent via Certified U.S. Mail*)
Attn: Cory John Azzalino (*Agent of Service of Process*)
2800 3rd St.
San Francisco, California 94107

Cc: Eaze California LLC (*Sent via Certified U.S. Mail*)
Attn: Cory John Azzalino (*Agent of Service of Process*)
2800 3rd St.
San Francisco, California 94107