LIPELES
LAW GROUP
APC

1060 Aviation Blvd. Suite 100 ♦ Hermosa Beach, California 90254 ♦ Voice (310) 322-2211 ♦ Fax (310) 322-2252

April 3, 2026

VIA WEBSITE UPLOAD

State of California
Labor and Workforce Development Agency

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

RSM Enterprises, Inc. dba Great Clips
5220 Oak Leaf Cir
Placerville, California 95667

Re: *Lopez v. RSM Enterprises, Inc. dba Great Clips*

Dear RSM Enterprises, Inc. dba Great Clips:

This office represents Chelsea T. Lopez. We are informing you of our representation and ask that all further communication regarding this matter be directed to our attention at the address located on this letterhead, and that no contact be made directly with our client. This letter is sent pursuant to the provisions of California Labor Code, §§2699, *et seq*.

I. FACTS & NATURE OF THE DISPUTE

This is a Class Action lawsuit Plaintiff is bringing, seeking relief for Defendant's violations of the California Business & Professions Code §§ 17200 *et seq*., including full restitution and disgorgement of all compensation retained by Defendant as a result of its unlawful and unfair business practices, as well as injunctive relief.

This action is on behalf of Plaintiff and others similarly situated to recover wages from Defendant due to Defendant's systematic failure to pay overtime, minimum wages, to afford proper meal/rest breaks (or pay the statutory compensation due), to issue accurate wage statements, to pay all wages due on termination, to reimburse business expenses, to provide paid sick leave, and to allow inspection of employment records and unfair competition.

Plaintiff seeks compensatory, statutory, declaratory, and injunctive relief for herself and all members of the Class, to compensate these workers for the unpaid wages and to protect current and future workers of Defendant from being subjected to similar wage theft and otherwise unlawful working conditions.

II. § 2699, ET SEQ., LABOR CODE VIOLATIONS

Our client has numerous legal claims against RSM Enterprises, Inc. dba Great Clips. Further investigation and formal discovery will likely uncover other claims and additional facts supporting liability herein.

The details of our client's Labor Code, §2699, claims include, but are not limited to:

A. OFF THE CLOCK WORK

(Labor Code § 203, 226, 510, 558, 1197, 1197.1, and 2699(f)(2); IWC Wage Order No. 2)

Defendant was required to pay their employees for all time worked, even if employees were not clocked in or after they were clocked out. Defendant failed to pay Plaintiff and the Class for any off the clock work they performed.

Defendant required Plaintiff and the Class to regularly perform compensable tasks pre-shift and post-shift off-the-clock for which they did not receive any compensation. Specifically, at all times relevant, Plaintiff and Class members consistently worked hours for which they were not paid because Plaintiff and the Class members were required to wait in line for the tablets with the time clock program to become available to clock in or out. Plaintiff typically had to wait between 1-2 minutes in line approximately 1 time per week to log the start of her shifts and the end of her meal breaks. Additionally, Plaintiff and Class members performed off-the-clock work pre-shift about 1-2 times per week, such as setting up for the day for approximately 10-15 minutes prior to clocking in. Defendant's management was aware of this off-the-clock work.

Further, Defendant required Plaintiff and Class members to continue working after clocking out. Specifically, Plaintiff and Class members were required to complete tasks such as taking out the trash for approximately 5-10 minutes after clocking out. This off-the-clock post-shift work was required by management and management was aware.

Additionally, Defendant required Plaintiff and Class members to perform off-the-clock work on weekends, such as trainings for approximately 5-6 hours before clocking in on approximately 5 occasions. This off-the-clock work was required by management and management was aware. Plaintiff and Class members did not have time or it was too stressful to complete the required trainings at work in between customers because they had to complete 2.4 haircuts per hour.

Plaintiff and Class members' meal breaks were interrupted and/or shortened and they would work off-the-clock during their meal breaks approximately 2 times per week. Nonetheless, Plaintiff's time records show meal breaks that are exactly 30-minutes long. Defendant's management would change time punches or enter Plaintiff's and Class members' meal breaks to reflect exactly 30-minute meal breaks even when employees worked during their meal breaks or their meal breaks were interrupted.

Additionally, Plaintiff and Class members were required to use their personal cell phones off-the-clock for work-related activities, such as texting/calling supervisors and coworkers on the GroupMe app, downloading and using work apps like Paychex and the Great Clips app, and checking their schedules for approximately 1 hour per day. Plaintiff was required to review and respond to GroupMe messages and know what other teams were doing for approximately 10-15 minutes approximately 5-6 times per week.

As a result, and because they improperly treated such off-the-clock work as not compensable, Defendant failed to compensate Plaintiff and the Class for such time. Plaintiff and Class members suffered damages in an amount, subject to proof, to the extent they were not paid for their off the clock work.

B. FAILURE TO PAY PREMIUM OVERTIME WAGES DUE
(Cal. Labor Code §§ 510, 511, 1194, 1198; IWC Wage Order No. 2)

Under California law, non-exempt employees as defined by Wage Order No. 2, are entitled to premium wages for overtime worked. Plaintiff and Class members engaged in off the clock work. Plaintiff and Class members were not paid overtime for their off the clock work.

As a result, during this period, it was the practice and policy of Defendant to not pay employees at appropriate overtime rates. Monies for unpaid overtime remain due and owing.

Throughout Plaintiff's employment, Defendant failed and refused to pay compensation to Plaintiff and Class Members as required by law. The foregoing overtime compensation is owed and unpaid. As a direct and proximate result of Defendant's failure and refusal to pay overtime, Plaintiff and Class Members suffered damages in an amount to be proven at trial.

C. FAILURE TO PAY MINIMUM WAGES
(Cal. Labor Code §§1194, 1194.2, 1997, 1197.1, 1198; IWC Wage Order No. 2)

Defendant failed to satisfy minimum wage requirements. As a result of not being afforded compliant meal breaks/rest breaks, Plaintiff and members of the Class were paid less than minimum wage. This resulted in Defendant's failure to compensate Plaintiff properly for "all hours worked" and consequently underpaid Plaintiff and Class members for the actual hours Plaintiff and Class members worked in violation of Labor Code §§ 1197, 1198 and Wage Order No. 2.

Further, Plaintiff and Class members engaged in off the clock work for which they were not compensated. This resulted in Defendant's failure to compensate Plaintiff properly for "all hours worked" and consequently underpaid Plaintiff and Class members for the actual hours Plaintiff and Class members worked in violation of Labor Code §§ 1197, 1198 and Wage Order No. 2.

D. FAILURE TO PROVIDE MEAL PERIODS
(Cal. Labor Code § 226.7, 512; IWC Wage Order No. 2)

Defendant intentionally and improperly denied compliant meal periods to Plaintiff and Class members in violation of Labor Code § 226.7, 512 and Wage Order No. 2. At times Plaintiff's and Class members' meal periods were interrupted and/or not afforded. Specifically, Plaintiff worked during her meal breaks approximately 2 times per week. Plaintiff's meal breaks were interrupted approximately 1-2 times per week. Plaintiff missed her meal breaks on at least one occasion. Defendant's management was aware of these violations.

Further, Defendant had an unlawful policy and procedure of adjusting and manipulating time records to falsely show that meal breaks were taken when they were not or were interrupted. Defendant's management would change time punches or enter Plaintiff's and Class members' meal breaks to reflect exactly 30-minute meal breaks even when employees worked during their meal breaks or their meal breaks were interrupted. This policy was unlawful and did not account for whether meal periods were actually timely provided, whether employees were able to take their meal periods at all, whether they took meal periods of less than 30 minutes and whether they were free from interruption for the full 30 minutes. As a result of this policy, Defendant failed to compensate these employees with at least minimum wage rate for all time worked when their daily hours were manipulated even though employees' meal periods were shortened and/or their meal periods were interrupted.

Additionally, the Employee Handbook provides that "Supervisors will schedule meal periods to accommodate operating requirements," which demonstrates Defendant's unlawful policy of prioritizing business needs over providing compliant meal periods.

By virtue of Defendant's unlawful failure to provide legally compliant meal periods to Plaintiff and the Class, Plaintiff and the Class have suffered, and will continue to suffer, damages in amounts which are presently unknown to Plaintiff and the Class, but which exceed the jurisdictional limits of the Court and which will be ascertained according to proof at trial.

E. FAILURE TO PROVIDE REST PERIODS
(Cal. Labor Code § 226.7; IWC Wage Order No. 2)

Defendant failed to provide compliant rest periods as required by Labor Code § 226.7 and Wage Order No. 2. Plaintiff and Class members were at times not afforded rest breaks and/or their rest periods were routinely interrupted. Specifically, Plaintiff missed her 2nd rest break approximately 1-2 times per week, depending on her shift. Plaintiff's rest breaks were interrupted and Plaintiff worked during her rest breaks.

Further, Plaintiff and Class members recorded the start and end times of their rest breaks on the time clocks as "non-stylist" or "Admin" time, which was paid at a lower rate than their regular hourly rate. This "non-stylist" or "Admin" time was also used for other activities, such as time spent talking to management or running errands, not just for rest breaks. As a result, Defendant failed to properly compensate Plaintiff and Class members at their regular rate of pay for rest breaks.

By virtue of Defendant's unlawful failure to provide compliant rest periods to Plaintiff and the Class, Plaintiff and the Class have suffered, and will continue to suffer, damages in amounts which are presently unknown to Plaintiff and the Class, but which exceed the jurisdictional limits of the Court and which will be ascertained according to proof at trial.

F. FAILURE TO MAINTAIN RECORDS AND PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

(Cal. Labor Code §226; IWC Wage Order No. 2)

Defendant intentionally and knowingly provided Plaintiff and other members of the Class with itemized wage statements containing inaccurate information regarding the wages earned by Plaintiff and members of the Class. Specifically, the total hours worked listed on the wage statements were inaccurate because they included "Admin" hours, which were recorded at a different rate and used for various purposes. Additionally, the employer address listed on the wage statements was 5220 Oak Leaf Cir, Placerville, California 95667, which is the address of Defendant's agent and not the company's operational address. Further, the payments owed to Plaintiff and the members of the Class for overtime compensation, minimum wages, and premium pay for meal and rest periods were not included in gross wages earned by Plaintiff and members of the Class.

Plaintiff and members of the Class were damaged by these failures because, among other things, the failures led them to believe that they were not entitled to overtime compensation, minimum wages and premium pay for meal/rest periods not provided, even though they were so entitled and these failures hindered them from determining the amounts of wages owed to them.

G. FAILURE TO PAY WAGES ON TERMINATION

(Cal. Labor Code §§201-203; IWC Wage Order No. 2)

Plaintiff and the Class were discharged and/or resigned from Defendant's employ and Defendant willfully failed to pay Plaintiff and the Class wages due them. Plaintiff was terminated on July 19, 2025. Plaintiff's last paystub dated July 3, 2025 showed 80 hours of sick leave balance, but it is unclear whether this sick leave balance was paid upon termination.

Plaintiff and Class members were not paid for all the wages they were owed when their employment with Defendant ended. Plaintiff and Class members are still owed wages for overtime compensation, minimum wages, premium pay for failure to afford compliant meal/rest breaks, unreimbursed business expenses and other wages.

H. FAILURE TO REIMBURSE BUSINESS EXPENSES

(Cal. Labor Code §2802; IWC Wage Order No. 2)

Defendant was aware that Plaintiff and Class members were using their personal cell phones, personal vehicles and purchasing tools for work, but failed to indemnify Plaintiff and Class members for all their business-related expenses, in accordance with Labor Code §2802.

Specifically, Defendant required Plaintiff and Class members to use their personal cell phones for work-related activities, such as texting and calling supervisors and coworkers on the GroupMe app, downloading and using work apps like Paychex and the Great Clips app, and checking their schedules for approximately 1 hour per day. Plaintiff was required to review and respond to GroupMe messages for approximately 10-15 minutes approximately 5-6 times per week. Additionally, Defendant required Plaintiff and Class members to use their personal vehicles during work hours for work-related errands, such as driving to the bank or Dollar Store. Further, Defendant required Plaintiff and Class members to bring their own tools and equipment to perform their jobs as Hair Stylists, including clippers, scissors, trimmers, thinning shears, razors, foilers, oil to lubricate blades, and containers.

Plaintiff is informed and believes and thereon alleges that at all relevant times, Defendant maintained a practice of not reimbursing Plaintiff and Class members for their work-related expenses that they incurred in using their personal cell phones, personal vehicles and purchasing tools for work-related purposes.

Plaintiff and Class members suffered damages in an amount, subject to proof, to the extent they were not reimbursed for all of their business-related expenses incurred in the discharge of their duties. An employer may never impose a financial burden on employees, with respect to business-related expenses, which would reduce the employees' wage rate below the minimum wage.

I. FAILURE TO PROVIDE PAID SICK LEAVE
(Cal. Labor Code §§245-249; IWC Wage Order No. 2)

Defendant failed to provide paid sick leave to Plaintiff and Class members as required by Labor Code sections 245-249. Plaintiff's manager sent her home when she was sick on multiple occasions. Plaintiff requested sick pay for those hours when she was sent home sick. Plaintiff's last paystub dated July 3, 2025 shows 80 hours of sick pay balance available. Defendant did not pay sick pay for those hours despite Plaintiff having an available sick leave balance and making a proper request for sick pay.

Plaintiff and Class members suffered damages in an amount, subject to proof, to the extent they were not provided paid sick leave as required by law.

J. FAILURE TO ALLOW INSPECTION OF EMPLOYMENT RECORDS
(Cal. Labor Code §1198.5; IWC Wage Order No. 2)

On or about April 2, 2026, Plaintiff's counsel issued a written request to you for copies of her personnel records. You have failed and refused to permit Plaintiff to have access to copies of her records.

As a result of your failure and refusal to permit Plaintiff to have full access to her records, Plaintiff will seek injunctive relief and recovery of statutory penalties.

K. UNFAIR COMPETITION
(Cal. Bus. & Prof. Code §§17200 et seq.)

Defendant, through the unfair and unlawful business practices as described herein, has obtained valuable property, money and services from the Plaintiff and the Class and has deprived them of valuable rights and benefits guaranteed by law all to the detriment of Plaintiff and the Class. All the acts described are violations of, among other things, the Labor Code and applicable Industrial Commission Wage Orders, are unlawful and in violation of public policy; and in addition are immoral, unethical, oppressive, and unscrupulous, and thereby constitute unfair and unlawful business practices in violation of Business & Professions Code §§17200 *et seq.*

Plaintiff and the Class are entitled to, and are, seeking such relief as may be necessary to restore to them the money and property which Defendant has acquired, or of which Plaintiff and the Class have been deprived by means of the above-described unfair and unlawful business practices.

Moreover, Plaintiff, and all other similarly aggrieved California employees, intend to seek all penalties for the violations described above. Moreover, Plaintiff also intends to recover the actual wages owed to employees under the Labor Code sections that authorize such recovery, including but not limited to Labor Code §558.

III. **CONCLUSION**

Please take notice this letter is intended to exhaust the pre-litigation requirements set forth under California Labor Code, §§2699, *et seq*. By law, an employee alleging a violation of one of the above-referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of §2699, *et seq.*, by seeking redress in court. (Labor Code § 2699.3(a)(1).) The LWDA must then notify the employer and the employee within 33 calendar days regarding whether it intends to investigate the alleged violation. (Labor Code, §2699.3(a)(2)(B).) If the LWDA advises that it will not investigate, or if no notice is provided within 33 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code, §2699. (Labor Code, §2699.3(a)(2)(A).) It is the intention of this office to file a civil complaint and to bring the appropriate claims under Labor Code, §2699, should your office not address these matters within the proscribed time.

We write this letter subject to and without waiver of our client's rights and remedies, all of which we expressly reserve. This letter is not an express statement of all facts and circumstances concerning this matter.

Sincerely,

LIPELES LAW GROUP, APC

Kevin A. Lipeles, Esq.