



1700 W Burbank Blvd.  
Burbank, California 91506

t | 213.493.6300

neil@abramsonlabor.com  
www.abramsonlaborgroup.com

September 27, 2024

**VIA LWDA WEBSITE**

Labor and Workforce Development Agency  
Attn: PAGA Administrator  
1515 Clay Street, Suite 801  
Oakland, CA 94612

Re: *Faionne Stephenson v. RGIM&S, Inc. dba Great Clips*

To Whom It May Concern:

Please be advised that this law firm represents Faionne Stephenson (“Ms. Stephenson”) in claims arising from her employment with RGIM&S, Inc. dba Great Clips and Does 1 through 100 (collectively, “Great Clips”). Ms. Stephenson is an “aggrieved employee” as defined by Labor Code section 2698, *et seq.* due to Great Clips’ violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the provisions of the Labor Code allegedly violated.

For purposes of this letter, “aggrieved employees” are all current and former non-exempt employees of Great Clips who have worked for Great Clips in California at any time from one year immediately preceding the date of this letter through the date that judgment is entered in Ms. Stephenson’s contemplated PAGA action or any alternative date agreed upon by the parties and/or approved by the court.

Ms. Stephenson worked for Great Clips as a hair stylist non-exempt employee from approximately April 2023 until approximately December 2023.

During Ms. Stephenson’s employment with Great Clips, Ms. Stephenson and other non-exempt employees often worked over 8.0 hours in a workday and/or over 40.0 hours in a workweek in California, but Great Clips failed to pay them overtime compensation at one-and-a-half times (or two times in the case of double-time) their “regular rate” of pay as required under Labor Code § 510 and Wage Order 2. Specifically, Ms. Stephenson and other non-exempt employees earned non-discretionary “product incentive” payments and/or other forms of compensation not excludable from the “regular rate” of pay (these forms of pay are hereinafter referred to collectively as “Incentive Pay”). For example, in the pay period of August 25, 2023, Ms. Stephenson’s wage statement reflects that she earned a “product incentive” payment of \$2.77 and was paid for 3.62 hours of overtime at a rate of \$30.00 per hour, which is 1.5 times her *base* rate of pay of \$20.00, instead of 1.5 times Ms. Stephenson’s “regular rate” of pay. Indeed, Great Clips failed to true up those overtime payments in light of the Incentive Pay earned by Ms. Stephenson. As another

example in the pay period of October 20, 2023, Ms. Stephenson's wage statement reflects she earned a "product incentive" payment of \$2.05 and was paid for 4.85 hours of overtime at a rate of \$30.00 per hour, which is 1.5 times her *base* rate of pay instead of 1.5 times her "regular rate" of pay. As a further example, in the pay period of November 17, 2023, Ms. Stephenson earned a "product incentive" payment of \$4.50 and was paid for 1.66 hours of overtime at a rate of \$27.00 per hour which is 1.5 times her *base* rate of pay of \$18.00 per hour instead of being paid at 1.5 times her "regular rate of pay. Great Clips failed to incorporate Incentive Pay in regular rate of pay has resulted in Ms. Stephenson being underpaid for overtime and/or double-time hours worked. On information and belief, during the relevant time period Great Clips likewise failed to properly calculate the "regular rate" of pay with respect to other aggrieved employees, resulting in those employees not being paid all overtime wages due to them.

Great Clips has also failed to provide Ms. Stephenson and other aggrieved employees with all statutorily mandated meal periods due to Great Clips' meal period policies/practices. Specifically, the workload imposed on Ms. Stephenson and other aggrieved employees often made it impracticable for Ms. Stephenson and other aggrieved employees to take an uninterrupted 30-minute off-duty meal period prior to the end of the fifth hour of work, and/or a second 30-minute meal period on shifts over 10.0 hours. Ms. Stephenson and other aggrieved employees frequently had their meal periods interrupted, delayed, missed, and/or cut short due to the workload placed on Ms. Stephenson and other aggrieved employees. For example, on November 26, 2023, Ms. Stephenson's time records reflect that she clocked in at 9:01 a.m. and clocked out for her meal period at 3:57 p.m. more than 6 hours after the start of her shift. As another example, on December 9, 2023, Ms. Stephenson clocked in at 8:46 a.m. and clocked out for her meal period at 2:28 p.m. which was past her fifth hour of work. Despite these violations, Great Clips failed to pay meal period premium wages pursuant to Labor Code § 226.7. On information and belief, for at least a portion of the relevant time period, Great Clips maintained no payroll code or mechanism to pay meal period premiums to Ms. Stephenson or other aggrieved employees on those occasions when legally compliant meal periods were not provided.

Great Clips has also failed to authorize and permit rest periods to Ms. Stephenson and other aggrieved employees. Specifically, Great Clips has failed to authorize and permit a 10-minute net rest period for every 4 hours worked or major fraction thereof, as Ms. Stephenson and other aggrieved employees were frequently unable to take the rest periods to which they were entitled as a result of the workload imposed by Great Clips. In those instances that Great Clips failed to authorize and permit Ms. Stephenson and other aggrieved employees to take a legally compliant rest period, Great Clips failed to pay the rest period premiums required by Labor Code § 226.7. Upon information and belief, during at least a portion of the relevant time period, Great Clips maintained no payroll code or other mechanism for paying rest period premiums when Great Clips failed to authorize and permit a legally compliant rest period.

As a result of Great Clips' failure to pay meal and rest period premium wages, as well as its failure to pay overtime and/or double-time compensation at one-and-one-half (or two times) the regular rate of pay, Great Clips has failed to pay all wages to Ms.

Stephenson and other formerly employed aggrieved employees at the separation of their employment.

As a further result of Great Clips' failure to pay meal and rest period premium wages, as well as its failure to pay overtime and/or double-time compensation at one-and-one-half (or two times) the regular rate of pay, Great Clips has maintained inaccurate payroll records, and issued inaccurate wage statements, to Ms. Stephenson and other aggrieved employees. These failures have resulted in employees' wage statements including inaccurate information regarding, *inter alia*, gross wages earned, net wages earned, and the rates of pay in effect in each pay period.

As described above, Great Clips committed, and continues to commit, the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 2 ("Wage Order 2"):

#### Failure to Pay Overtime Wages

Great Clips was, and is, required to properly compensate non-exempt employees, including Ms. Stephenson and other aggrieved employees, for all overtime hours worked pursuant to Labor Code §§ 510 and 1194 and Wage Order 2. Wage Order 2, § 3 requires an employer to pay an employee "one and one-half (1½) times [the] employee's regular rate of pay" for work in excess of 8 hours per workday or over 40 hours in a workweek and for the first eight (8) hours on the seventh (7th) day of work. Wage Order 4, § 3 also requires an employer to pay an employee double the employee's regular rate of pay for work in excess of 12 hours in a workday or in excess of eight hours on the seventh consecutive day of work in the workweek. As alleged herein, Great Clips has failed to pay overtime and/or double-time wages to Ms. Stephenson and other aggrieved employees, by, *inter alia*, failing to include Incentive Pay in the "regular rate of pay" when calculating overtime and/or double-time compensation, in violation of California law.

#### Meal Period Violations

As alleged herein, Great Clips has failed in its affirmative obligation to provide its employees in California, including Ms. Stephenson and other aggrieved employees, with all legally-compliant meal periods in accordance with the mandates of the California Labor Code and Wage Order 4. Despite Great Clips' violations, Great Clips has not paid an additional hour of pay to Ms. Stephenson and other aggrieved employees at their respective regular rates of compensation, in accordance with California Labor Code §§ 204, 210, 226.7, 512, and 1198, for all such meal period violations.

#### Rest Period Violations

As alleged herein, Great Clips has failed in its affirmative obligation to authorize and permit all its employees in California, including Ms. Stephenson and other aggrieved employees, all legally-compliant rest periods in accordance with the mandates of the California Labor Code and Wage Order 2. Despite Great Clips' violations, Great Clips has not paid an additional hour of pay to Ms. Stephenson and other aggrieved employees

at their respective regular rates of compensation, in accordance with California Labor Code §§ 204, 210, 226.7, 516, and 1198.

#### Failure to Pay All Wages Owed at Termination

As alleged herein, Great Clips has failed to pay Ms. Stephenson and other aggrieved former employees all wages owed to them at the time of termination of employment, including but not limited to all meal and rest period premium wages, overtime wages and sick time wages owed. This violates Labor Code §§ 201-202, which require prompt payment of all wages due at the end of employment when an employee is terminated or quits.

#### Wage Statement Violations

As alleged above, Great Clips has, as a matter of uniform policy and practice, failed to furnish Ms. Stephenson and other aggrieved employees with complete and accurate wage statements with respect to, *inter alia*, gross wages earned, net wages earned, and all hourly rates in effect during the pay period, in violation of Labor Code § 226(a).

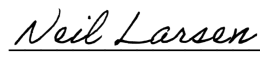
Ms. Stephenson is informed and believes, and based thereon alleges, that the violations alleged herein are continuing to the present and are ongoing. As an “aggrieved employee,” Ms. Stephenson will initiate a civil action on behalf of herself, the State of California, and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. As described herein, Ms. Stephenson alleges that Great Clips has committed the following Labor Code violations:

- a. Great Clips has violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to compensate Ms. Stephenson and other aggrieved employees their overtime and/or double-time wages at one-and-one-half (or two times) their regular rates of pay;
- b. Great Clips has violated Labor Code §§ 226.7, 512, 516, 558, and 1198 by failing to provide all legally required meal periods and by failing to pay meal period premiums to Ms. Stephenson and other aggrieved employees at the employees’ respective regular rates of compensation for meal period violations;
- c. Great Clips has violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to provide all legally required rest periods and by failing to pay rest period premiums to Ms. Stephenson and other aggrieved employees at the employees’ respective regular rates of compensation for rest period violations;
- d. Great Clips has violated Labor Code §§ 201-203 by failing to pay all wages owed to Ms. Stephenson and other aggrieved former employees at their separation of employment; and

- e. Great Clips has violated Labor Code §§ 226 and 1198 by failing to furnish Ms. Stephenson and other aggrieved employees with accurate and complete itemized wage statements.

Pursuant to Labor Code section 2699.3, please notify our office and Great Clips if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,  
ABRAMSON LABOR GROUP

  
\_\_\_\_\_  
Neil M. Larsen

cc: RGIM&S, Inc. dba Great Clips, c/o Gloria Herrera. (agent for service of process),  
2871 Saklam Indian Drive Walnut Creek, California 94595 (via certified mail)