

SETAREH LAW GROUP

Wage-and-Hour and Consumer Class Actions and Complex Litigation

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May 2, 2025

BY ONLINE SUBMISSION

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Greeley, CO 80631

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Hensel Phelps Parent 2 Inc.
c/o Legal Department
420 Sixth Ave
Greeley, CO 80631

Re: Michael Delapp v. Hensel Phelps Constructions Co et al.

To Whom It May Concern:

Pursuant to the Labor Code Private Attorneys General Act of 2004 (Lab. Code §§ 2698, *et seq.*), MICHAEL DELAPP (“DELAPP”) hereby provides notice on behalf of himself and on behalf of all other current and former non-exempt employees in California (the “aggrieved employees”)

who were employed by HENSEL PHELPS CONSTRUCTIONS CO., HENSEL PHELPS DEVELOPMENT, L.L.C., HENSEL PHELPS PARENT 1 INC., and/or HENSEL PHELPS PARENT 2 INC., directly or indirectly whether through any staffing agencies and/or any other third parties (collectively referred to as “Defendants”) who worked in hourly, non-exempt positions for alleged violations of Labor Code sections 201, 202, 203, 204, 223, 226, 226.7, 227.3, 510, 512, 1194, 1197, 1197.1, 1198, 1199 and 2802.

DELAPP is an individual who was employed by Defendants in an hourly, non-exempt position as a Carpenter from approximately April 8, 2024, through June 11, 2024. At all relevant times, Defendants employed persons, conducted business in, and engaged in illegal labor and payroll practices and policies in California.

DELAPP and aggrieved employees are “employees” within the meaning of Section 2 of the applicable Industrial Welfare Commission Wage Order (the “Wage Order”) and “aggrieved employees” within the meaning of Labor Code section 2699(c). At all relevant times, DELAPP and aggrieved employees have been non-exempt employees entitled to the full protections of both the Labor Code and the Wage Order. DELAPP’S representation of “aggrieved employees” is brought with the information and belief that the labor code violations discussed in this notice are systematic, ongoing, repeated, and will continue.

As set forth below, Defendants failed to comply with the Labor Code sections as described herein below. Accordingly, DELAPP now seeks civil penalties for Defendants’ alleged violations of the Labor Code.

FAILURE TO PROVIDE REST PERIODS
(Lab. Code §§ 204, 223, 226.7 and 1198)

Labor Code section 204 provides that all wages (except as provided for under Labor Code sections 201 and 202) earned by any person in any employment become due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays, except that wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period.

Labor Code section 223 states:

Where any statute or contract requires an employer to maintain the designated wage scale, it shall be unlawful to secretly pay a lower wage while purporting to pay the wage designated by statute or by contract.

Section 2 of the applicable Wage Order states:

“‘Hours worked’ means the time during which an employee is subject to the control of the employer, and includes all the time the employee is suffered or permitted to work,

whether or not required to do so.

Labor Code section 1198 states:

The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.

Section 12 of the applicable Wage Order states:

- (A) Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 ½) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages.
- (B) If an employer fails to provide an employee a rest period in accordance with the applicable provision of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided."

In addition, Labor Code section 226.7 states:

- (b) An employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.
- (c) If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.

Defendants' written policies failed to advise DELAPP and the aggrieved employees of their legal right to take rest period in accordance with California law. Specifically, Defendants have a policy of requiring DELAPP and the aggrieved employees to clock in and out for rest periods.

Accordingly, DELAPP and the aggrieved employees were not provided with legally mandated

rest periods of at least ten minutes for every four hours worked or major fraction thereof.

As a result of these policies and practices, Defendants failed to provide DELAPP and the aggrieved employees with net rest periods of at least ten minutes for each four hour work period, or major fraction thereof, and have failed to pay them premium wages at their regular rates of pay on workdays they failed to provide them with required rest periods. Defendants' policies and practices lack adequate safeguards to ensure that employees are relieved of their duties for all required rest periods and are paid additional wages when rest periods are not provided.

Accordingly, DELAPP now seeks civil penalties for these Labor Code violations that Defendants have committed against **Error! Reference source not found.** and aggrieved employees as follows:

- (1) For all initial violation of Labor Code section 204, \$100 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 210);
- (2) For all subsequent violation of Labor Code section 204, \$200 for each aggrieved employee, plus 25% of the amount unlawfully withheld from each aggrieved employee, per pay period for each violation (penalties set by Labor Code section 210);
- (3) For all initial violations of Labor Code section 223, that are deemed to be neither willful nor intentional, \$100 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 225.5);
- (4) For all initial violation of Labor Code section 223 that are deemed to be either willful or intentional, \$200 for each aggrieved employee, plus 25% of the amount unlawfully withheld from each aggrieved employee, per pay period for each violation (penalties set by Labor Code section 225.5);
- (5) For all subsequent violations of Labor Code section 223, regardless of whether he initial violation of Labor Code section 223 is deemed to be either willful or intentional, \$200 for each aggrieved employee, plus 25% of the amount unlawfully withheld from each aggrieved employee, per pay period for each violation (penalties set by Labor Code section 225.5);
- (6) For all initial violations of Labor Code sections 226.7 and 1198, \$100 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 2699(f)(2));
- (7) For all subsequent violations of Labor Code sections 226.7 and 1198, \$200 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 2699(f)(2)).

FAILURE TO PAY HOURLY AND OVERTIME WAGES
(Lab. Code §§ 204, 223, 510, 1194, 1197 and 1198)

Labor Code section 204 provides that all wages (except as provided for under Labor Code sections 201 and 202) earned by any person in any employment become due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays, except that wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period.

Labor Code section 223 states:

Where any statute or contract requires an employer to maintain the designated wage scale, it shall be unlawful to secretly pay a lower wage while purporting to pay the wage designated by statute or by contract.

Section 2 of the applicable Wage Order states:

“Hours worked” means the time during which an employee is subject to the control of the employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

Section 4 of the applicable Wage Order states:

(A) Every employer shall pay to each employee wages not less than the following:

(1) Any employer who employs 26 or more employees shall pay to each employee wages not less than the following:

(a) Twelve dollars (\$12.00) per hour for all hours worked, effective January 1, 2019; and

(b) Thirteen dollars (\$13.00) per hour for all hours worked, effective January 1, 2020;

(2) Any employer who employs 25 or fewer employees shall pay to each employee wages not less than the following:

(a) Eleven dollars (\$11.00) per hour for all hours worked, effective January 1, 2019.

(b) Twelve dollars (\$12.00) per hour for all hours worked, effective January 1, 2020.

- (B) Every employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period, whether the remuneration is measured by time, place, commission, or otherwise.

Labor Code section 1194 states, in relevant part:

- (a) Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit.

Labor Code section 1197 states, in relevant part:

The minimum wage for employees fixed by the commission or by any applicable state or local law, is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful. This section does not change the applicability of local minimum wage laws to any entity.

Labor Code section 1198 states, in relevant part:

The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.

Section 3 of the applicable Wage Order states, in relevant part:

(A) Daily Overtime – General Provisions

- (1) The following overtime provisions are applicable to employees 18 years of age or over and to employees 16 or 17 years of age who are not required by law to attend school and are not otherwise prohibited by law from engaging in the subject work. Such employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 ½) times such employee's regular rate of pay for all hours worked over 40 in the workweek. Eight (8) hours of labor constitutes a day's work. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:

- (a) One and one-half (1 ½) times the employee's regular rate of

pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek; and

- (b) Double the employee's regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7th) consecutive day of work in a workweek.
- (c) The overtime rate of compensation required to be paid to a nonexempt full-time salaried employee shall be computed by using the employee's regular hourly salary as one-fortieth (1/40) of the employee's weekly salary."

In conjunction, these provisions of the Labor Code require employers to pay non-exempt employees no less than their agreed-upon or statutorily mandated wage rates for all hours worked, including hours spent working "off-the-clock" (before punching in or after punching out on a time clock) when the employer knows or reasonably should know that employees are working during those hours. *Morillion v. Royal Packing Co.*, 22 Cal. 4th 575, 585 (2000).

Uniform Maintenance

Section 9 of the applicable Wage Order states:

- (A) When uniforms are required by the employer to be worn by the employee as a condition of employment, such uniforms shall be provided and maintained by the employer. The term "uniform" includes wearing apparel and accessories of distinctive design or color.

If the employer does not choose to maintain employees' uniforms itself where it is required to do so, the Division of Labor Standards Enforcement takes the position that the employer may pay each affected employee a weekly maintenance allowance of an hour's pay at the state minimum wage in lieu of maintaining the uniforms, assuming that an hour is a realistic estimate of the time involved in maintaining the uniforms.

Employee was issued construction gloves, high visible vest, safety glasses, hard hat/visor, and steel toed boots. Employee was directed to wear the uniforms to work. Defendants did not maintain the uniforms and expected Plaintiff to maintain them. Plaintiff washed his work uniforms with his regular laundry. Plaintiff was also required to press his work uniforms. Defendants did not reimburse Plaintiff for any of the costs of maintenance.

At all relevant times during the applicable limitations period, Defendants failed to maintain

employee uniforms and failed to pay DELAPP and the aggrieved employees a weekly maintenance allowance for time spent maintaining their uniforms. As a result, Defendants failed to compensate DELAPP and the aggrieved employees with the minimum wage.

Donning and Doffing

At all relevant times during the applicable limitations period, DELAPP and the aggrieved employees were required to don and doff their work uniforms before clocking in for each shift and/or after clocking out at the end of each shift. The uniform consisted of construction gloves, high visible vest, safety glasses, hard hat/visor, and steel-toed boots would require the assistance of a co-worker to help **Error! Reference source not found.** put on at times. Usually this is not a problem as employees would start their shifts at the same time and would be donning or doffing their work uniforms at that time. It generally took DELAPP approximately 10 minutes to completely put on or take off his work uniform. The time spent donning or doffing their work uniforms was considered to be on the employee's personal time for which DELAPP and the aggrieved employees were not paid. As a result, Defendants failed to pay DELAPP and the aggrieved employees for the time spent donning and doffing their work uniforms.

Accordingly, DELAPP now seeks civil penalties for these Labor Code violations that Defendants have committed against **Error! Reference source not found.** and aggrieved employees as follows:

- (1) For all initial violation of Labor Code section 204, \$100 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 210);
- (2) For all subsequent violation of Labor Code section 204, \$200 for each aggrieved employee, plus 25% of the amount unlawfully withheld from each aggrieved employee, per pay period for each violation (penalties set by Labor Code section 210);
- (3) For all initial violations of Labor Code section 223, that are deemed to be neither willful nor intentional, \$100 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 225.5);
- (4) For all initial violation of Labor Code section 223 that are deemed to be either willful or intentional, \$200 for each aggrieved employee, plus 25% of the amount unlawfully withheld from each aggrieved employee, per pay period for each violation (penalties set by Labor Code section 225.5);
- (5) For all subsequent violations of Labor Code section 223, regardless of whether he initial violation of Labor Code section 223 is deemed to be either willful or intentional, \$200 for each aggrieved employee, plus 25% of the amount unlawfully withheld from each aggrieved employee, per pay period for each

violation (penalties set by Labor Code section 225.5);

- (6) For all initial violations of Labor Code section 510, \$50 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 558(a)(1));
- (7) For all subsequent violations of Labor Code section 510, \$100 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 558(a)(2));
- (8) For all initial violations of Labor Code sections 1194 and 1198, \$100 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 2699(f)(2));
- (9) For all subsequent violations of Labor Code sections 1194 and 1198, \$200 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 2699(f)(2));
- (10) For all initial violations of Labor Code section 1197 deemed to be intentional, \$100 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 1197.1(a)(1));
- (11) For all subsequent violations of Labor Code section 1197, regardless of whether the initial violation is deemed to be intentional, \$250 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 1197.1(a)(2)).

FAILURE TO REIMBURSE FOR EXPENSES
(Lab. Code § 2802)

Labor Code section 2802(a) states:

- (a) An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.

At all relevant times during the applicable limitations period, Defendants required DELAPP and the aggrieved employees to incur expenses which Defendants failed and/or refused to reimburse them for including, but not limited to professional tools.

Uniforms

Section 9 of the applicable Wage Order states:

- (A) When uniforms are required by the employer to be worn by the employee as a condition of employment, such uniforms shall be provided and maintained by the employer. The term “uniform” includes wearing apparel and accessories of distinctive design or color.
- (B) When tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft. This subsection (B) shall not apply to apprentices regularly indentured under the State Division of Apprenticeship Standards.
- (C) A reasonable deposit may be required as security for the return of the items furnished by the employer under provisions of subsections (A) and (B) of this section upon issuance of a receipt to the employee for such deposit. Such deposits shall be made pursuant to Section 400 and following of the Labor Code or an employer with the prior written authorization of the employee may deduct from the employee’s last check the cost of an item furnished pursuant to (A) and (B) above in the event said item is not returned. No deduction shall be made at any time for normal wear and tear. All items furnished by the employer shall be returned by the employee upon completion of the job.

At all relevant times during the applicable limitations period, Defendants required DELAPP and the aggrieved employees to pay for uniforms provided to them as a necessary condition of employment. Specifically, DELAPP and the aggrieved employees were required to purchase uniforms from Defendants and was not reimbursed for such expenditures. As such, Defendants failed to indemnify DELAPP and the aggrieved employees for such expenses both during and after their employment ended.

Accordingly, DELAPP now seeks civil penalties for these Labor Code violations that Defendants committed against **Error! Reference source not found.** and aggrieved employees as follows:

- (1) For all initial violations of Labor Code section 2802, \$100 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 2699(f)(2));
- (2) For all subsequent violations of Labor Code section 2802, \$200 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 2699(f)(2)).

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FAILURE TO PROVIDE ACCURATE WRITTEN WAGE STATEMENTS
(Lab. Code § 226)

Labor Code section 226(a) states, in pertinent part:

- (a) An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except as provided in subdivision (j), (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 his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee and, beginning July 1, 2013, if the employer is a temporary services employer as defined in Section 201.3, the rate of pay and the total hours worked for each temporary services assignment. The deductions made from payment of wages shall be recorded in ink or other indelible form, properly dated, showing the month, day, and year, and a copy of the statement and the record of the deductions shall be kept on file by the employer for at least three years at the place of employment or at a central location within the State of California. For purposes of this subdivision, "copy" includes a duplicate of the itemized statement provided to an employee or a computer-generated record that accurately shows all of the information required by this subdivision.

At all relevant times during the applicable limitations period, Defendants failed to provide accurate itemized wage statements that shows:

- (1) gross wages earned;
- (2) total hours worked by the employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission;

- (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 his or her social security number or an employee identification number other than a social security number;
- (8) the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer;
- (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee and, beginning July 1, 2013, if the employer is a temporary services employer as defined in Section 201.3, the rate of pay and the total hours worked for each temporary services assignment.

By failing to accurately record all hours worked, including “off-the-clock” work described above, by failing to pay employees meal and rest period premiums in accordance with California law, by subjecting vested vacation pay to unlawful forfeiture, and by failing to reimburse employees for all necessary business expenses, Defendants have failed to provide DELAPP and the aggrieved employees with written wage statements that comply with the requirements of Labor Code section 226(a). The wage statements of DELAPP and the aggrieved employees have not accurately reflected their applicable rates of pay, hours worked, and the amounts of their gross and net wages.

Accordingly, DELAPP now seeks civil penalties for Defendants’ violations of the Labor Code as follows:

- (1) For all violations of Labor Code section 226(a) if a civil action filed in accordance with the procedures set forth in Labor Code section 2699.3 results in an initial citation or its equivalent, \$250 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 226.3);
- (2) For all violations of Labor Code section 226(a) if a civil action filed in accordance with the procedures set forth in Labor Code section 2699.3 results in a subsequent citation or its equivalent, \$1000 for each aggrieved employee per pay period for each violation (penalties set by Labor Code section 226.3).

VIOLATIONS OF LABOR CODE SECTION 256

DELAPP is an individual who was employed by Defendants in a non-exempt, hourly position within the past year. At all relevant times, Defendants [jointly] employed persons, conducted business in, and engaged in illegal labor and payroll practices and policies in California.

Pursuant to Labor Code section 256, the Labor Commissioner shall impose a civil penalty in an amount not exceeding thirty days' pay as waiting time under the terms of Section 203. Defendants willfully failed to timely furnish DELAPP and aggrieved employees with any final paycheck timely and/or with final paychecks that include all earned and unpaid wages, including, but not limited to, all earned and unpaid hourly, overtime, vacation, and/or premium wages. Accordingly, DELAPP now seeks to recover the wages and penalties provided in Labor Code section 256 on behalf of himself and the aggrieved employees.

CONCLUSION

As noted above, this letter constitutes the required notice under the Private Attorneys General Act of 2004 (Lab. Code §§ 2698 *et seq.*). Insofar as this letter is directed to Defendants, please be advised that DELAPP will seek both reasonable attorneys' fees and costs under Labor Code section 2699(g)(1) in a civil action should the Labor and Workforce Development Agency decline to pursue this matter.

Very truly yours,

SETAREH LAW GROUP



Shaun Setareh, Esq.

