



By Adam Lidgett | February 26, 2018

A group of former exotic dancers who worked at the Spearmint Rhino chain of nightclubs urged a California federal judge on Friday to give final approval to a deal worth at least \$8.5 million to settle a suit alleging they only received compensation in the form of tips.

Lead plaintiffs Lauren Byrne, Bambi Bedford and Jennifer Disla asked the court for final settlement approval in a class and collective action alleging they weren't paid overtime or minimum wage, weren't provided with rest and meal breaks, and had their tips misappropriated. The motion said that out of the more than 8,000 class members, only a few objected and that just more than 50 chose to opt out.

“Class counsel spoke with a number of dancers located throughout the country regarding the allegations in dispute in this case, and reviewed class-wide information provided by defendants’ counsel (before mediation, in the context of mediation and following mediation) concerning the current LLC agreements in place, the number of locations of defendants’ clubs, the number of entertainers working at each club within the applicable statute of limitations and the total number of days worked by dancers at each establishment,” the motion said. “In summary, the parties engaged in substantial investigation and analysis of the legal issues in reaching a settlement in this case.”

The motion said the deal would bring an end to litigation over claims the defendant companies violated state wage and hour laws, along with the

federal Fair Labor Standards Act. The dancers said the deal amount was at least \$8.5 million, but could possibly be \$11 million if “certain conditions are met.”

On the same day as the bid for final settlement approval, a group of intervenors who currently perform as exotic dancers at the defendants’ clubs asked the court to find that they are not in fact employees. They said that while they could have chosen to be “employees” they chose the opposite instead, arguing that they didn’t want to be subjected to the level of control the clubs have over “employees.”

“Plaintiffs, on the other hand, all of whom are former entertainers, have no interest in preserving the choice to perform as non-employees,” the intervenors said.

The present case followed another case in which U.S. District Judge Virginia A. Phillips in November 2012 finalized a settlement in a minimum wage class action brought by former Spearmint Rhino dancers, court records show. That settlement also required the clubs to stop treating their dancers like independent contractors, instead treating them as owners or shareholders in the business, according to that deal.

Counsel for the intervenors declined to comment to Law360 on Monday.

Counsel for the other parties did not immediately respond to requests for comment.

The plaintiffs are represented by Todd Slobin and Ricardo J. Prieto of Shellist Lazarz Slobin LLP, Melinda Arbuckle of Baron & Budd PC, and Jennifer Liakos, Salvatore C. Badala and Paul B. Maslo of Napoli Shkolnik PLLC.

The defendants are represented by Peter E. Garrell and John M. Kennedy of Garrell Law PC.

The intervenors are represented by William X. King and Casey T. Wallace of Feldman & Feldman PC.

The case is Lauren Byrne v. Santa Barbara Hospitality Services Inc. et al., case number 5:17-cv-00527, in the U.S. District Court for the Central District of California.

--Additional reporting by Kat Greene and Joyce Hanson. Editing by Jack Karp.