

EMPLOYER LAW BLOG

Leave My Tips Alone!

AUTHOR: SANDBERG PHOENIX

By Courtney Cox

 not found or type unknown

The California adult nightclub Paradise Showgirls will have to pay more than \$6.5 million to dancers who were required to turn over a portion of their tips to their employer. The Court found that under California law, any money handed directly from a customer to a dancer belongs to the dancer. The nightclub required the dancers to give a portion of these tips to the nightclub.

In addition, the dancers alleged the nightclub required the dancers to pay a “stage fee” and refused to reimburse dancers for required “uniforms and dance costumes.” The nightclub also failed to provide rest and meal periods and unlawfully imposed penalties and required dancers to sell a minimum number of drinks. They also failed to treat the dancers as employees rather than independent contractors.

The case was tried on the tip misappropriation issue and resulted in a jury verdict in favor of the dancers. The club owner says they plan to appeal, arguing that there is no rational basis to distinguish between and exotic dancer or a waiter and waitress who is given a tip.

Stay tuned.

Hills v. Todd & Katie Inc., Cal. Super. Ct., No. BC577028.