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SoHo House Pays \$2.8M To Clear LA Workers' Class Claims

By **Daniel Siegal**

Law360, Los Angeles (January 08, 2015, 10:21 PM ET) -- A California judge on Thursday gave final approval to Soho House West Hollywood LLC's deal to pay \$2.8 million to settle class claims that it underpaid more than a thousand employees of the luxury club and another high-end Los Angeles restaurant under its ownership.

At a brief fairness hearing, Los Angeles Superior Court Judge Kenneth Freeman said he would grant final approval to the agreement, pending the submission of distribution reports by the parties, under which the Los Angeles location of the global restaurant and club will pay \$2.8 million to a class of roughly 1,250 current and former employees to settle claims that it shorted employees of Soho House and of Cecconi's West Hollywood, a restaurant that came under Soho House's ownership in 2005, according to its website.

Plaintiffs' motion for final settlement approval noted that no class members objected to the settlement, and only one class member opted out, while 637 valid claims have been collected by the claims administrator, and that those claims consist of roughly 80 percent of the available settlement amount.

SoHo House denies all the plaintiffs' claims, but the company has recognized that it has already expended "substantial" amounts of time, energy and resources on the litigation, and would be required to expend yet more resources if the action isn't resolved, according to the settlement agreement.

Named plaintiff Andrea Ware filed suit in December 2012, alleging the Los Angeles location of the London-headquartered high-end restaurant and club chain had a multifaceted policy, both in Soho House West Hollywood and Cecconi's, that included failing to pay employees for work done off the clock, underpaying overtime and underpaying employees for accrued but unused personal days.

Ware's original complaint said the company's nonexempt employees' overtime should have consisted of one-and-a-half times their "regular rate of pay," which under California state law should have included the value of free meals and beverages that were provided to the employees during their shifts. The company also failed to reimburse employees for the cost and maintenance of their work-required uniforms, according to court filings.

Ware said Soho House also violated the state labor code by failing to provide employees with full half-hour, off-duty meal periods and uniformly failing to inform workers of their right under California law to take 10-minute rest breaks for every four hours of work.

On Tuesday, Judge Highberger issued final approval for the settlement, which provides roughly \$1.7 million for the class, as well as a class representative incentive payment of \$20,000, attorneys' fees of \$933,333 and assorted other taxes and administration costs.

The plaintiffs are represented by Joseph R. Becerra of Law Office of Joseph R. Becerra; and Torey Joseph Favarote of Gleason & Favarote LLP.

Soho House is represented by Karen L. Corman of Skadden Arps Slate Meagher & Flom LLP.

The case is Andrea Ware v. Soho House West Hollywood LLC et al., case number BC496246 in the Superior Court of the State of California.

--Editing by Chris Yates.

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