



UK Progressive

[The Champion of Skycaps, Waitresses and Delivery Drivers](#)

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The name “Sledgehammer” Shannon Liss-Riordan has become a nightmare for companies from American Airlines to Starbucks Coffee, FedEx to the Four Seasons Hotel and Ruth’s Chris to Saugus, Massachusetts’ landmark Hilltop Steakhouse.

The message is simple, deny your tip-dependent staff their due or change their classification to obfuscate your own culpability or otherwise discriminate against your staff and this sledgehammer will fall square on your head in the form of an employee class-action suit.



While most Innovators end up in this column for creating change through new technology, Ms. Liss-Riordan has innovated and helped thousands of tip-dependent workers using an, until now, obscure 1952 Massachusetts labour law. Under this law, protections for tip-dependent workers are even stronger than ones used in the recent celebrated California \$100 million dollar class action judgement protecting Starbucks baristas.

The Sledgehammer has won or had significant progress in class action suits against: American Airlines for introducing a \$2 per bag handling fee fliers thought went directly to Skycaps but the company instead pocketed; Hilltop Steakhouse and Ruth’s Chris Steakhouse for not sharing tips with function staff even though the customer was charged a 15% gratuity (that employers tried to call an “administrative fee” to get around paying the tips) and Starbucks is currently being sued for violating the statute by pooling baristas tips with shift supervisors who, under the statute, are considered management.

She is currently suing FedEx on behalf of four drivers discriminated against because of their Arabic/Muslim background and names. FedEx re-classified them as independent contractors to avoid culpability and lawsuits. The Massachusetts Commission Against Discrimination ruled against FedEx’s action and the case goes on. If this case reaches the same conclusions as a similar CA judgement, it could cost FedEx millions.

Shannon was asked by legal industry publication [Lawyers and Settlements](#) if she thought FedEx and Starbuck would settle their cases. She replied, “well, that would be a welcome change! I’ve found, though, that in most of these cases, they’ll fight it all the way through trial. Starbucks has vowed to fight this case, they’ve vowed to appeal the California decision, and they’re trying to

make themselves look like a benevolent employer. Why can't they just admit they made a mistake and correct their workplace practices?

I find this a lot with tips and wage and hour cases. The employers will fight it and fight it, and then years down the road, when they lose, they wind up paying much more. I'll be glad to take on that fight. I've filed at least 40 tips class actions over the years; I've settled about 20, and the rest are pending. Some of the cases I'm settling now I filed in 2002, and the settlements are much bigger now because they've been accruing interest all along. Along the way, the employers have made every argument imaginable, and they've lost virtually every time.

We won the Skycaps tips case this week, we won against Hilltop Steakhouse in 2006, and we won against the Federalist Restaurant in December 2007. So we've won three trials, we've won many summary judgments, we won an appeal against Northeastern University that reversed a lower court ruling and gave a summary judgment for our plaintiffs. So we've pretty much established the law in this area."

LAS: Wouldn't it make more sense for employers to simply comply with the state tips law?

SLR: You'd think it would, but it's mind boggling the way employers try to get around these rulings. When I started doing these cases in 2001, employers were saying, "Oh, we didn't know there was a tips law; our mistake, sorry." I was suspicious about that then, and by now those arguments are wearing thin. Every business in Massachusetts should know there's this law and they should keep their hands off their employees' tips. They've been finding more and more ingenious ways to get around it, and they're failing; in case after case we beat them.

The latest trick is that they think they can call the service charges that are automatically included in a customer's check a 15 percent "administrative charge". They think that if they change the titles of their managers, that's going to make it okay. So people who were called managers are now captains or leads or something like that, but that doesn't do it. They try implementing arbitration clauses to prevent employees from suing them in class actions. It's been a busy seven years."

Her critics say she has simply manipulated an obscure statute to build a cottage industry. Corporations though never seem to learn and end up paying much more than if they had settled the matter in costs and judgements.

The Skycaps and Waitstaff think the world of Shannon and with good reason, this sledgehammer is working on the side of angels, helping those who otherwise would not get any justice or help.

Another reason why this legal Innovator gets our vote.