

Maui hotel to pay \$500,000

About 240 workers at the Fairmont Kea Lani will receive previously unpaid gratuities

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Fairmont Kea Lani's class-action lawsuit will cost the Maui resort \$500,000. Above is the pool at the Fairmont Kea Lani.

The Fairmont Kea Lani hotel on Maui will pay roughly 240 present and former employees \$500,000 to settle a lawsuit over how gratuities were divided between workers and the company.

The luxury hotel in Wailea becomes at least the third Hawaii hotel to settle a class-action lawsuit focused on a state law that requires hotels and restaurants to distribute service charges for food or beverage service entirely to employees unless customers are clearly informed that management retains a portion of the charges.

At least six similar cases are pending.

The Kea Lani settlement was approved yesterday in U.S. District Court in Honolulu.

The hotel's operator, Fairmont Hotels & Resorts, said its policy is not to comment on litigation matters, including settlements.

According to court filings, about 140 employees have submitted claims for unpaid service charges for work between 2004 and 2008, when the lawsuit was filed. Another roughly 100 employees have six months to submit claims.

Employee payouts range from 49 cents to \$23,269, based on how much each employee worked during the period. Three plaintiffs who initiated the case were awarded an extra \$25,000 each. Lawyers who represented employees were awarded \$250,000, making the total settlement amount \$750,000.

Proceeds to Kea Lani workers rival a \$526,000 settlement finalized in July with Turtle Bay Resort and 130 employees. The Turtle Bay settlement provided an undisclosed amount of attorneys fees on top of the settlement amount.

Another settlement was reached recently in a lawsuit against the former Maui Prince Hotel for about \$200,000.

Other cases are pending against hotels, including the Four Seasons hotels on Maui and the Big Island, the Grand Wailea, Ritz-Carlton Kapalua and the Maui Marriott.

Shannon Liss-Riordan, a Boston attorney involved in the Maui hotel suits, said she hopes that the cases have led to other employers complying with the law.

"It's clear that hotels and other employers in Hawaii

simply ignored this law for many years," she said.

The law was passed by the Legislature in 2000 with the intent of strengthening wage and hour protection for workers.

Most of the lawsuits involving the law attempt to recoup tips for employees, though some seek compensation on behalf of consumers for gratuities they thought they had paid to service staff.