



Hawaii Hotels Face Lawsuits Over Service Fees

Attorneys Investigating If Other Hawaii Hotels Kept Money From Workers

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HONOLULU -- Hawaii hotels and banquet halls are facing multimillion-dollar legal costs in lawsuits over their service fees.

Lawsuit by both workers and customers claim the companies are keeping money that should have gone to their service workers.

A man who held his wedding banquet at The Kahala Hotel last year said he was charged a nearly \$5,000 "service fee," which he expected would go to the banquet staff. Instead, his attorneys said the hotel kept a portion of the fee.

"If you knew that was just hidden profit for the hotel I think you would probably negotiate it away," attorney John Perkin said.

However, attorneys Brandee Faria and Perkin said state law requires customers can sue if they were not informed that the service fee is not all going to servers.

"In some instances the hotel is keeping 25 percent, in some cases 50 percent, in other instances it was 15 percent, and in all instances where it's unfair under the law," Faria said.

Meanwhile, employees of five Maui hotels are suing their employers over the same practice.

"They are not distributing the total proceeds to the waiter and bartenders and service employees they are skimming off the top and making a lot of money doing that," said Shannon Liss-Riordan, attorney for the service workers.

The Maui resorts and The Kahala Hotel are only the beginning as far as service fee lawsuits. Attorneys for both customers and employees said they have been investigating other hotels man of them in Waikiki.

"We actually have quite a bit of information about all the other large hotels in town, and as sad as it is, it is happening on a pretty systematic basis," Faria said.

The bad news for hotels could be good news for employees. Hundreds of mainland workers have collected tens of thousands of dollars each in recent settlements.

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