

UNITEHERE!

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Local 362

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Memorandum

To: Bill Pace
From: Jeremy Cruz-Haicken and Eric Clinton
Date: March 20, 2017
Re: U.S. Department of Labor Investigation and Settlement
Cc: Staff and Shop Stewards

Last Friday, March 17, you called us to inform us about an investigation conducted by the U.S. Department of Labor (the “DOL”) into certain practices of the Company. You told us that the DOL had initially begun an investigation into one issue (at the time, you did not know the issue) and then opened a separate investigation after observing some Cast Members working before their start times. We understood from you that the Company had reached a settlement with the DOL regarding both issues and that affected Cast Members would be asked to sign some sort of settlement document. Your call came just as the DOL publicly released news of the investigation and settlement. From news reports, we have come to learn that the first issue addressed by the DOL involved paycheck deductions related to costumes.

We are now writing to request more detailed information. Please provide us with the following information:

1. An Excel spreadsheet showing the name and perner of all current and former Cast Members affected by the DOL investigation and settlement.
2. On the same spreadsheet, the dollar amount offered to each Cast Member.
3. On the same spreadsheet, the full calculation(s) that led the Company to offer the dollar amount referred to in #2 above. Please distinguish between calculations related to costumes and calculations related to hours of work. Please also include the rate(s) of pay used in the calculation. We are concerned that the rates are less than the applicable STCU contract rates (for example, the federal minimum wage in the calculation).
4. We understand that legal fees may have been deducted from the checks received by some Cast Members. If that is the case, please include the amount deducted for legal fees as a separate column on the spreadsheet referred to above.
5. Given that the investigation allegedly involved unpaid labor for work time that was not properly recorded, explain how the Company determined which Cast Members performed unpaid work and which ones did not.

6. A detailed explanation of all training that will be provided to managers and to STCU-represented Cast Members related to the DOL settlement. Please provide copies of verbal spiels as well as screen shots of any computer training done.
7. Copies of all discipline issued in relation to either of these issues.
8. A detailed explanation of the “grace period” function in the Company’s time clock system. What increments of time are used in the “roll forward” or “roll back” and are they the same or different for clocking in and out? Which, if any, of the Cast Members affected by the DOL settlement are receiving money that is in any way related to the “grace period”?
9. Are the settlement agreements provided to Cast Members offered only in English or are they available in Cast Members’ native languages?
10. What is the purpose of the lawyers who are stationed at the locations where Cast Members are picking up their checks. Are the lawyers representing the DOL, the Company or individual Cast Members?

Please provide this information by next Monday, March 27, 2017. The Union reserves the right to request further information regarding this issue and to take actions we deem appropriate.

It is the Union’s position that no settlement signed by a Cast Member can waive their rights under the law or the Union contract. As you know, “direct dealing” with Cast Members around their Union representatives is not permitted. We reserve the right to take additional action on behalf of any Cast Members – even those who sign the proposed settlements.

Finally, it is unfortunate that the Company chose to withhold knowledge of the DOL investigation from the Union until after the settlement was announced. In the future, we request that the Company notify the Union as soon as it has knowledge of such an investigation.