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Some Iron Cactus employees are suing the restaurant, alleging labor law violations.



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Workers sue Iron Cactus, claiming federal labor law violations

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A group of current and former Iron Cactus employees has filed suit against the restaurant, claiming multiple violations of federal labor laws.

The lawsuit alleges that Iron Cactus forced waiters to pool their tips and share them with other workers who were ineligible to receive them.

"You've got one group of employees subsidizing another group of employees, and benefiting the business's bottom line," said Galvin Kennedy, the attorney representing the workers.

Kennedy is attempting to have the suit certified as a collective action, which would open it to anyone who worked for Iron Cactus in the past three years, which could be several hundred people, he said.

Gary Manley, a general partner of the restaurant, told the American-Statesman on Monday that executives were still reviewing the allegations but were surprised by what they had read.

"We really didn't see this coming," Manley said. "We don't feel like we've done anything wrong. We feel we've always done right."

Employees also claim in the suit that they didn't receive overtime pay and that they were required to pay for dishes and glasses they broke.

Iron Cactus, in business 16 years, has three Austin-area locations, as well as one each in Dallas and San Antonio.

Kennedy said he's already representing more than 10 workers and expects to hear from more in the coming days.

If Kennedy's suit is certified as a collective action, current and former employees must sign and return a form to Kennedy Hodges LLP, his Houston-based law firm, to be eligible to receive a portion of any settlement in the case.

A similar lawsuit recently filed in Central Texas accuses Yassine Enterprises, owner of eight downtown Austin clubs, of "generally paying no wages at all to tipped employees."

Attorneys in that case told the American-Statesman they believe Yassine owes 200-plus bartenders and waiters three years of back wages and penalties.

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