

Irvine Regional Managing Partner Pens Article on Hotel Service Charges

News

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In his byline article for *Hotel Management* titled “Beware increased litigation over F&B service charges,” Irvine Regional Managing Partner James J. McDonald, Jr. examines a recent California appellate court decision that affects food delivery service. In *O’Grady v. Merchant Exchange Productions*, the court held that mandatory service charges added by banquet facilities to their contracts may need to be paid to banquet service employees essentially as a gratuity.

Jim explains that the holding is broad enough to suggest that service charges imposed by hotels may have to be paid to employees providing the service. He encourages hospitality employers to review their service charge practices to avoid a lawsuit. One positive note, Jim says, is that the ruling is binding only in California.

To read the full article, visit [Hotel Management](#).

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