

THE AMERICAN CONTRACT BRIDGE LEAGUE, INC.

LITIGATION SUMMARY

December 5, 2023

Peter Marcus, et. al. v. ACBL

Peter Marcus, a former ACBL tournament director, filed a class action lawsuit in U.S. District Court in Massachusetts against the ACBL under the Fair Labor Standards Act (“FLSA”) claiming that tournament directors, assistant national tournament directors, national tournament directors, field supervisors, area managers, and mentors had been improperly classified as exempt employees; the plaintiffs sought overtime pay for full- time TDs, damages, and attorneys’ fees. Marcus also alleged that the ACBL constructively discharged him in retaliation for his past TD pay complaints. The District Court granted summary judgement ruling in part that the ACBL had improperly classified the tournament director position as exempt and also part that the ACBL had properly classified the other positions. The misclassification was deemed not willful. The Court also granted summary judgment in favor of the ACBL as to the individual retaliation claim asserted by Marcus.

On appeal, the Circuit Court reversed the District Court with respect to assistant national and national tournament directors, finding that they were also improperly classified as exempt, but otherwise affirmed the District Court’s judgement in all other respects. The parties are due back before the court in a few weeks to argue the amount of damages that are due and the amount of attorneys fees owed to the plaintiffs. The damages are estimated to be approximately \$60,000, and the plaintiffs have claimed \$155,000 in new attorney fees (an amount still disputed by ACBL) in addition to the \$230,000 previously due.

Gary Hann v. ACBL

Gary Hann filed a complaint against the ACBL in the U.S. District Court for the Central District of California in June 2023. Hann’s complaint relates to two primary incidents. First, during a Zoom videoconference and immediately following conclusion of a meeting of the then Board of Governors, Hann stood up and was observed by several attendees to be completely nude from the waist down. He was subsequently charged by the ACBL Disciplinary Committee and sentenced to a suspension of approximately 8 months (through March 21, 2022). Hann’s second complaint stems from allegations that his BAM team at the 1979 Spring National tournament was cheated out of winning the event by another team that subsequently won the event.

The complaint asserts a variety of defamation, breach of contract, lack of due process, and similar (and often confusing) claims relating to those two incidents. The complaint was not served on ACBL until November 7, 2023, and, due to an agreed extension, the ACBL’s response has not yet been filed. The ACBL believes the complaint does not have merit and intends to file a motion to dismiss. ACBL’s insurance provider has thus far provided coverage for this claim.

Phoenix Sheraton Dispute

Attendance at the 2022 Phoenix NABC was lower than anticipated, which resulted in the ACBL having a sizable attrition fee due to the Phoenix Sheraton for their lost booking revenue. The parties reached an agreement for the ACBL to pay approximately half of the amount owed, which was approximately \$85,000, provided that the parties entered into a new agreement for a future NABC on mutually agreed terms. After the ACBL had paid the \$85,000, after substantial discussions and negotiations on a new contract, the Phoenix Sheraton suddenly added a \$115,000 fee for rental of conference room space. Even though (according to both ACBL staff and Conference Direct, ACBL's conference services provider) a fee of that size was virtually unheard of for a convention of this size, the Sheraton refused to back down, and the deal fell apart. The Sheraton is now claiming that ACBL owes an additional \$117,000 in attrition for the 2022 NABC. ACBL believes that the Sheraton is bargaining in bad faith and that ACBL does not owe the money. The Sheraton, through counsel, has threatened to file a lawsuit against the ACBL, although, to our knowledge, no such action has yet been filed.