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# DAILY REPORT

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## Ex-Dancer Drops Racketeering Claims Against The Cheetah

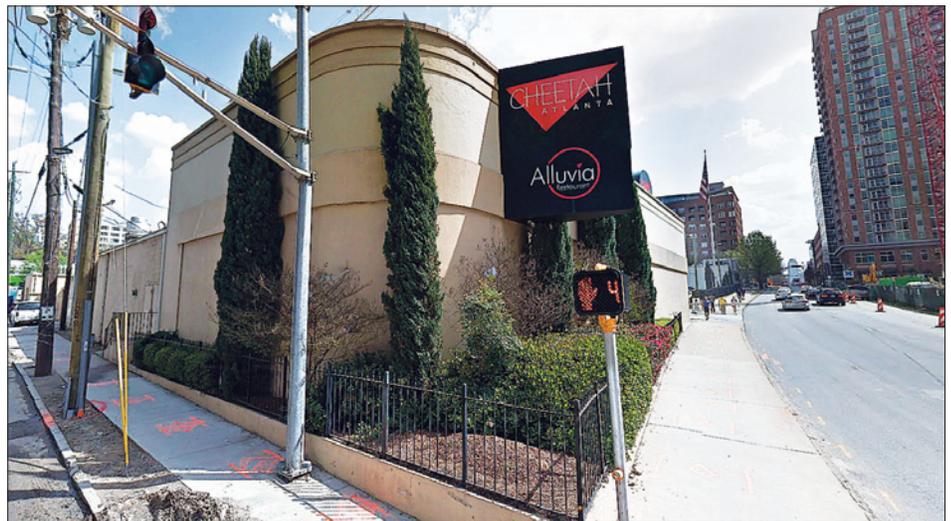
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A FEDERAL RACKETEERING suit filed against Atlanta's iconic strip club The Cheetah—that the club's defense counsel denounced as “false, spurious, and baseless”—has been dismissed voluntarily by the former dancer who filed it.

Atlanta attorneys Kevin Ward of Schulten Ward Turner & Weiss and Steven Sadow said that former Cheetah dancer Alison Valente's dismissal of her civil racketeering claims was not the result of any settlement or confidential agreement by The Cheetah, its parent company International Follies or its owner.

The attorneys announced the dismissal with a reminder that they had predicted in 2015 when Valente went public with sensational allegations claiming the high-dollar Midtown strip club was a crime syndicate offering “a menu of illegal goods and services



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The former dancer voluntarily dismissed the suit against The Cheetah, but two related cases are still active.

to its high-end clientele,” that she would eventually dismiss her lawsuit or lose it in court.

Valente also had claimed that following the closure of Atlanta's notorious Gold Club after its owners and operators were indicted on federal racketeering charges nearly 20 years ago, illicit activities that took place there migrated to The Cheetah.

“Our position,” Ward said, “was that it was total nonsense.”

Valente's attorney, Larry Pankey of Pankey & Horlock, has not been available for comment. Atlanta attorney James McDonough III of Heninger Garrison & Davis, who originally represented Valente, left the case in April over what he said was a conflict that threatened to place him in violation of the State Bar of Georgia's professional conduct rules.

Two related cases that Valente also filed against International

Follies are still active. One is a federal wage-and-hour claim that the club did not pay its employees, who worked solely for tips, not wages, and allegedly were improperly designated by The Cheetah as independent contractors.

The second is a federal sex discrimination claim in which Valente alleged she was fired in retaliation for reporting to management what she described as verbal and physical sexual harassment and a sexually hostile work environment. Both suits incorporate some of the allegations as the dismissed racketeering case.

“The real story here is that Valente alleged they [The Cheetah, its owner and staff] were involved in this criminal conspiracy, and she did that, in my opinion, to enhance the value of her FLSA [Federal Labor Standards Act] and other claims,” Ward said. “She voluntarily dismissed it on the eve of having to respond to our motion to dismiss,” Ward added. “Her case was absolutely unsupportable.”

On Friday, U.S. District Judge Eleanor Ross issued an order allowing the wage-and-hour case—which now includes nearly a dozen Cheetah dancers and former dancers, including Valente—to go forward as a class action. In that case, Ross also refused, at least for now, to dismiss counterclaims filed by the nightclub against the dancers who have sued.

Club attorneys had contended in court papers associated with the counterclaims that, if the dancers are employees as they claim, rather than independent contractors as the Cheetah contends, they will need to repay substantial sums of money in fees the dancers shared in that Cheetah customers were charged for certain entertainment services.

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—Kevin Ward,  
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Ward said the wage-and-hour case will require that dancers opt in, as opposed to being automatically included. He also said that, beginning in April 2016, The Cheetah began designating dancers as employees rather than independent contractors, calling it “a lot smarter business model.” Ross also dismissed Cheetah owner William Hagood as a defendant in the ongoing wage-and-hour case. Valente’s third suit against The Cheetah, a sex discrimination claim, also remains in play. Sadow, Ward and his firm,

and Garland, Samuel & Loeb have joined in defending The Cheetah, International Follies, its owner and staff. They also are pursuing an aggressive counterclaim against Valente in the discrimination case, accusing the former dancer of slander and defamation for promoting the publication of “false and malicious statements about The Cheetah,” including her claim that she was wrongfully fired in response to protesting allegedly illegal activities at the club.

The counterclaim asserts that Valente, who performed at The Cheetah for 16 years, was fired after multiple customer complaints resulted in chargebacks to their credit cards. Valente’s statements to the media and other Cheetah employees, the counterclaim says, “wrongfully depicted [The Cheetah] as something it is not and were calculated to harm The Cheetah’s reputation as a sophisticated, upscale Gentleman’s club.” None of The Cheetah’s employees, it said, were asked to perform sexual favors for customers.

In a motion to dismiss the counterclaim, McDonough, Valente’s former attorney, contended that it was a tactic “designed to bully Ms. Valente into silence and to keep her from talking to anybody—and especially the media—about her lawsuit against The Cheetah.” 