

The Lusty Lady Theater

(Case Study and Sample Documents)

Date Founded: May 12, 2003

Type of Co-op: Worker

Purpose of the Co-op: Adult Entertainment

Number of Members: approximately 85

Area Served: San Francisco, CA

Co-op Start-Up:

How was the co-op started?

Former owners announced closure due to financial reasons and workers approached them with an offer to buy.

Who was instrumental in the start-up?

There were weekly meetings that were attended by a large majority of workers. Many people took on tasks and served on committees. While some assumed a great deal of responsibility, many were involved on some level.

How was it financed?

It was sold to the workers by the previous owner on a five year repayment contract. It was recently paid off in entirety!

What were some of the main challenges to start the co-op?

It is very difficult to obtain funding for an adult oriented business, which was part of what led to financing by the former owner.

Many years of being organized under SEIU meant that the group was well-versed at mobilizing around a shared concern, organizing and taking action. However, the “us-against-them” mentality that had become deeply entrenched made peer accountability and self management issues more difficult.

Sexworkers are a marginalized workforce, which can lead to a lack of support from organizations, communities and even patrons. This can also lead to issues of internalized oppression, in a vocational sense.

Were other co-ops involved in the start-up – if so, in what ways?

Much development assistance in terms of both business and cooperative structural support was provided by members of Rainbow Grocery. Gordon Edgar and Jenny Glazer were very generous with attending meetings, providing and allowing the appropriation of operating documents, and offering free trainings in meeting facilitation. Tim Huet was and still is prized for his legal expertise, and there was lots of support from some members of Good Vibrations, Inc. who unfortunately are no longer a worker owned cooperative.

What are some of the main stories associated with the start-up of the co-op?

Many of these involve drunken antics, and are best left untold. The synopsis would read, “Ragtag band of misfits purchases peep show, wacky antics ensue”.

The Co-op Today:

How is the co-op governed? There is a seven person Board of Directors that can make minor financial decisions, but most decisions must be ratified by the membership.

How is the co-op managed? There is a management team who coordinate the performers, and are referred to as the Madams. The lead Madam is appointed by the Board, and two Junior Madams are elected by the performers. All Madams answer to the Board, and ultimately to the cooperative at large. The Support Staff Lead Team coordinates the janitors and cashiers and usually consists of three janitors/cashiers. There is a team of Technicians who are in charge of equipment repairs and maintenance, IT, accounts payable, bookkeeping and accounting. They are permanent positions overseen by the board.

What happens to the profits of the co-op – do member receive patronage dividends?

There are no profits, per se - all net proceeds not marked for a specific, agreed upon purpose are paid out weekly. There is a revenue-based pay system by which each worker receives a share of the money earned minus operating expenses. The system also includes a tiered multiplier table which is compliant with the scheduled raise system guaranteed in the union contract, so that senior workers receive more than new workers in a prescribed manner.

How does one become a member? There is a membership orientation and agreement offered to new workers at three months. The buy in amount is \$300, which can be paid in installments of \$10 or more. Performers are either accepted or terminated by the madams at the end of their probationary period, and Support Staff votes whether or not to accept the new worker at that time.

What are the rights and responsibilities of membership?

The right to vote in referendums, at business meetings, and for or against candidates for elected positions.

How is the board structured and elected?

There are seven Directors, two of whom must be Support Staff. There are two staggered elections annually, and the term is one year. There are specific seats on the board with incumbent duties: two secretaries, two finance officers, two theater coordinators and one membership liaison.

Is board training provided on a regular basis?

Not really, except incoming/outgoing transitional trainings.

Is there a member education/communication program – what does it entail?

New performers must attend two trainings: one stage training and one union/coop structure training to pass probation. Currently the performers are trying to formalize more trainings, such as developing a third mandatory anti-oppression training. There are frequent skillshares, as well as an internal email list and a members only part of the website pending.

Does the co-op have a vision/mission statement – if so, what is it? How is the vision/mission statement used in operations?

Please see attached Operations Manual for Mission Statement. The organization tries to adhere to it as much as possible.

How does the co-op measure its success?

Profitability, longevity, status of staff (Are there enough workers? Is there a higher turnover?), and worker morale.

What are the major challenges faced today?

Insufficient revenue, transient workforce, and lack of long term planning. There are also some industry specific challenges, such as a primarily very young and inexperienced workforce, decline in industry standards, hostile zoning and other morality laws, and a decline in desire for live shows among consumers, who have become accustomed to using the internet for such needs.

What role do the cooperative principles play in the operations of the co-op?

Decisions are made democratically at meetings, which happen quarterly or monthly. Leaders are elected and are responsible to those they serve. Each member has one vote and receives a share of weekly earnings. The cooperative gives back to the community via union organizing, charity benefits and sexworker outreach/advocacy.

Are they engaged with other co-ops in their sector, region, nationally, internationally – in what ways?

They are connected to other regional co-ops through membership in NOBAWC.

What has been critical to the maintenance of their on-going operations?

A certain number of members must be willing to make the co-op their main focus, which involves some financial sacrifice.

What would they recommend to similar groups just starting out?

Make an investment early on in getting business education, and make decisions with future vision. Get serious about financial planning.

Become adept at effective meeting/facilitation skills, conflict resolution and democratic decision-making.

You absolutely must have a mechanism by which to discipline and terminate problem workers, and set behavioral standards.

Contact Information:

The Lusty Lady Theater
1033 Kearny St.
San Francisco, CA 94133
(415) 391-3126
www.lustyladysf.com
www.myspace.com/sf_lustylady

A Brief History of the Lusty Lady Theater

Rumor has it that way back before the institution of the Lusty Lady Theater, the space at 1033 Kearny Street was devoted to a swingers club, where relative strangers could meet and share a tryst beneath the glitter-encrusted ceiling. This would not be surprising, since the location at Kearny and Pacific lies in the very heart of the old Barbary Coast, right around the corner from former jazz halls of great and gin joints frequented by pirates. Back in the good old days when you could dock your boat a block away on Montgomery Street or tie your horse outside, the pirates, miners, good time girls and all the other ne'er do wells were enjoying the sins of their choice right here in North Beach, probably in the very same spot. Although the jazz halls are few and far between, and the pirates nowadays are largely relegated to the internet, we at the Lusty Lady consider ourselves in keeping with the proud tradition of providing a debaucherous good time to those in need.

Long about 1976 two business associates from Seattle decided San Francisco was just the licentious sort of town to which to expand their particular trade, that trade being 16mm porno films one could partake of in one's very own private booth. This was quite novel at the time and became very popular, since privacy made real the possibility of masturbation during said films (or even the possibility of more than masturbation, since couples were and still are welcome). It wasn't until 1983 that the partners decided live entertainment might also be of interest to customers, who might want to enjoy themselves while watching and interacting with live nude girls.

Things went reasonably smoothly for some time until the summer of 1996 when the company's penchant for hiring intelligent and worldly women began to backfire in the form of a unionization drive. It's a notoriously exploitative game in the adult entertainment world, and it began to be a bit stereotypical, what with the random firings and pay cuts, ambiguous shift policies and other unsavory business. There were even several one-way windows where performers could not see the customer they were dancing for. Subsequently, these windows concealed all sorts of camera and video activity, done without the dancer's consent. This would never do! A group of employees approached Service Employees International Union Local 790 and after some negotiations among union officials and the near-unanimous signing of union cards, an election was planned. Not surprisingly, this made management very angry. There were many harsh words and scheming lawyers and propaganda campaigns - even picket lines and a lockout! But in April of 1997 the Lusty Lady employees voted to unionize, 57 to 15. This process formed the Exotic Dancers Union, the only sexworkers organization of its kind, which is still active at the theater today.

Eventually with the success of internet porn and the decline of profits in general, the owners started to feel the end was near. In February of 2003 they regretfully announced that they planned to close the Lusty Lady. We were inconsolable. Surely this could not be the end of all we had accomplished together? The idea arose: Why not purchase the business and run it as a cooperative?

This was not as simple as it might seem. There are state and local laws and liability issues and above all else money, or a lack thereof. We had what felt like interminable meetings every weekend for several months, with the majority of performers, janitors, cashiers and technicians in attendance. There were seven different committees devoted to buyout negotiations, insurance and licensing, finance and business plans, incorporation, bylaws, media, and operations all taking home a big chunk of homework from these meetings. The most stressful part was that it was hard work done essentially on blind faith, because we had to further the process never knowing if the end result would come to fruition.

The worst part was trying to obtain funding. We never dreamed that being a sex-oriented business

would preclude our ability to get money. It was and is the biggest challenge of owning a business, even collectively. The year 2003 wasn't exactly a banner year for investment capital either, especially in San Francisco, with the internet bust putting for lease signs in windows all over the city. Finally the owners took pity on our struggle and allowed us to buy it directly from them, so now we make payments just like Grandpa made on the farm. Sort of.

Most other aspects fell into place in a reasonable amount of time. We constructed our Bylaws and incorporated with the State of California. We obtained insurance, albeit for a staggering sum. We figured out what the former owners were doing to run the business and created our own Operations Manual, which assigned the various tasks to elected positions and the members at large. Nearly everyone bought into the co-op, and many nice things have been written about us in the various media, which for a sex-oriented business is nothing short of a miracle. We have had the excellent fortune to be assisted by (perhaps even babied and cosseted by) other local co-ops, especially Rainbow Grocery and Good Vibrations.

Some things have taken longer to fall into place, partly because as we progress together, that place keeps changing. On one hand we were lucky to inherit the business from a company who had a 25+ year history of operating it and had refined most of the logistics to where they worked somewhat seamlessly. On the other hand, now that it belongs to us we find ourselves wondering how the various aspects of operating the place reflect our ideals as a group and what we want to accomplish and ultimately whether to keep, change or discard each component. This is where it gets tricky.

Although worker ownership is a rare and ideal situation, it is not without its challenges. Unlike traditional management structure, you have a constant opportunity to impact, change and reinvent your work experience. While this is ultimately fantastic, it also leads to a fair amount of additional work and can be the bone of some very serious contention. When it comes to proposed changes, which ideas are practical? Which have problems of a legal or liability nature? Or a labor/union nature? Which ideas would we love to implement but are impractical, infeasible, or (oops!) illegal? If applicable, how will we implement them fairly? Feasibly? How will we make the decision to move forward and be certain the wishes and intentions of the majority of members are represented? What is our backup plan? Ideally, what is our long-term goal?

So it's not all roses (although you can certainly bring us some if you like). There are decisions to make and votes to count and seemingly endless meetings and discussions to be had. There is always the question of money and how to get more of it if we ever want to... well, anything. And if we want something done (employee manuals, new carpet, a soda machine) we have to do it ourselves. But the beauty of it is, we do. Somehow, the decision gets made and the new idea gets implemented and we get the new carpet. We figure out the problem and we move on to tackle the next one. We fight like siblings and when the smoke clears we realize how lucky we are to be fighting over hopes and dreams and plans for a business that is actually ours. It may not always be that way, because like most small businesses, any rogue wave could badly damage or even sink the ship. But today the Lusty Lady is ours to squabble over, to plan for, to dream about. We have many different hopes and dreams, depending on who you talk to. Most people hope for wages to return to their former glory. Many hope for capital improvements, or even health insurance. Some of us hope to last another 30 years and some hope we last at least until the end of this one. Some of us even dream of helping other businesses to do what we have done, only maybe a little more smoothly. All of us hope to make the Lusty Lady Theater the most triumphant peep show on Earth. And we hope to see you here soon.

Looking Glass Cooperative, Incorporated Bylaws

Article I. Membership

Section 1.01. Classification of Members. The Corporation shall have one class of members.

Section 1.02. Membership Qualifications. Any person may become and remain a member of this Corporation by:

- A. Complying with such uniform conditions as may be prescribed by the Board of Directors.
- B. Being employed by this Corporation for at least the term of their probationary period.
- C. Submitting an application for membership
- D. Making full or partial payment for one share. While financial rights can be obtained only by the full payment of \$300, any partial payment with intent to pay the full amount is sufficient to secure member voting rights.

Section 1.03. Suspension - Suspension will follow such uniform procedures as determined by the General Membership or as outlined in the Operations Manual or the current union contract.

Section 1.04. Termination

- A. Voluntary Withdrawal. A Member shall have the right to resign from the Corporation for any reason and terminate her or his Membership by filing with any member of the Board of Directors a written notice of resignation two weeks prior to the desired date of withdrawal. Live service labor may cease immediately upon the submission of written notice if the Member so requests.
- B. Death or Termination of Employment. A Membership shall immediately terminate upon the death of a Member or the Termination of a Member's employment by the Corporation. The original share purchase amount will be returned to the Estate of the former Member or to the former Member, respectively. The share is not transferable.
- C. Termination Procedures. Any termination of a Member's employment and Membership must be done in good faith and in a fair and reasonable manner and in accordance with current termination procedures as determined by the Members and Board of Directors.
- D. Settlement of Share Interest. The Corporation will pay interest dividends to the former Member as the Corporation is able to do so, with respect to fiscal solvency, within a goal period of three years.

Article 2. Shares

Section 2.01. Share Issuance. Shares may be issued for money paid in the amount of \$300. Shares may be allocated to Members as share dividends, patronage refunds, or other changes affecting outstanding shares. Members may not purchase any shares beyond the initial share required to become a Member of this Corporation

Section 2.02. Share Ownership. Share ownership entitles a Member to only one (1) vote in the affairs of the Corporation, irrespective of the total number of shares a Member owns, and to all the rights of the Membership as described by statute, the Articles, and these Bylaws.á

Section 2.03. Share Receipt and Disclosure Document.

A. Except as provided in subsection (b) of this Bylaw Section, prior to issuing a share, the Corporation shall provide the purchaser of a share with a Disclosure Document. The Disclosure Document may be a prospectus, offering circular, brochure, or similar document, a specimen copy of the share certificate, or a receipt which the Corporation proposes to issue. The Disclosure Document shall contain the information required by Section 12401 of the California Corporations Code.

B. The Corporation shall issue a share receipt or written advance of purchase to anyone purchasing a share upon the Member's first purchase of a share. No Disclosure Document need be provided to an existing Member prior to the allocation of additional shares if that Member has previously been provided with a Disclosure Document which is accurate and correct as of the date of the allocation of additional shares.

Section 2.04. Prohibition on Transfer of Shares. No shares of this Corporation may be assigned or transferred. Any attempted assignment or transfer shall be wholly void and shall confer no rights on the intended assignee or transferee.

Section 2.05. Partial Withdrawal. A Member having a monetary amount in her or his share account in excess of a monetary amount to be determined from time to time by the Board may cause the Corporation to purchase her or his excess share amount upon written request to the Directors. Subject to Bylaw Section 2.06, the Directors must, within three (3) years of such request, pay the amount the Member requests in cash or other property or both. The exact form of payment is within the discretion of the Directors.

Section 2.06. Insolvency Delay. The Corporation shall delay the purchase of shares as described in Bylaw Section 2.05 if the Corporation, in making such purchase is, or as a result thereof would be, likely to be unable to meet its liabilities (except those whose payment is otherwise adequately provided for) as they mature.

Section 2.07. Unclaimed Equity Interests. Any share of a member, together with any accrued and unpaid dividends and patronage distributions related to that member, that would otherwise escheat to the State of California as unclaimed personal property shall instead become the property of the Corporation if the Corporation gives at least 60 days prior notice of the proposed transfer to the affected member by (1) first-class or second-class mail to the last address of the member shown on the Corporation's records, and (2) by publication in a newspaper of general circulation in the county in which the Corporation has its principal office. No shares or amounts shall become the property of the Corporation under this section if written notice objecting to the transfer is received by the Corporation from the affected member prior to the date of the proposed transfer.

Article 3. Meetings

Section 3.01. Regular Meetings. Mandatory Membership Meetings will be held quarterly to conduct any proper business including, but not limited to, the annual election of the Board of Directors, the approval of new members, and changes to Operation Procedures and official Cooperative documents, such as the Bylaws and the Articles of Incorporation. Members shall be notified of meeting time, location, major agenda items, and items to be voted on at least two weeks prior to a given meeting. Members unable to attend a given meeting should notify the Administrative Committee no later than 24 hours prior to the meeting and should have the option to submit written ballots on the items up for vote. Meeting times and locations will be determined by the Board of Directors and communicated to the Members. Members may submit agenda items to the Administrative Committee (for consideration) no later than 48 hours prior to the meeting (and two weeks for voting items).

Section 3.02. Special Meetings. Special meetings of Members (non-mandatory) for any lawful purpose may be called by the Board of Directors or by five percent or more of the members. The Board of Directors

maintains the right to call Mandatory meetings of the Members at any time, given that they notify the Membership two weeks in advance of the meeting time in question.

Section 3.03. Quorum at Meeting. Members representing at least thirty percent (30%) of the voting power shall constitute a quorum at a meeting of members. Any bylaws amendment to increase the quorum may be adopted only by approval of the members. When a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting and entitled to vote shall be the act of the members, unless provided otherwise by these bylaws or the law.

Section 3.04 Loss of Quorum at Meeting. The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if the action taken, other than adjournment, is approved by at least a majority of the members required to constitute a quorum.

Section 3.04b. Adjournment for Lack of Quorum. In the absence of a quorum, any meeting of members may be adjourned by the vote of a majority of the votes represented in person.

Section 3.05. Voting of Membership.

A. Each member of the Corporation is entitled to one vote on each matter submitted to a vote of the members.

B. Cumulative voting shall not be permitted for any purpose.

C. Voting by proxy shall not be permitted for any purpose.

D. Absentee ballots will be considered if they are received on or prior to the meeting.

Section 3.06. Meeting Effectiveness Committee. It will be the duty of the Meeting Effectiveness Committee to facilitate meetings according to set agendas, to confirm quorum, to serve as inspectors of elections (i.e. receive votes, ballots, consents, hear and determine all challenges and questions, and determine the result). As inspectors, facilitators will coordinate these tasks with fairness to all members impartially, in good faith, to the best of their ability. In the absence of a Meeting Effectiveness Committee, these tasks will revert to the Board of Directors.

Section 3.07. Powers Shared by the Members. The following actions shall be approved by either the Members or Board of Directors:

1. adoption of any wage policy and hiring and termination of employment policies and worker benefits;
2. significant changes in operations; and
3. any termination of members by the Board of Directors, subject to Termination Procedures.

Section 3.08. Powers Reserved by the Members. In the event that the members feel the Board of Directors has made a decision which is not in accord with the will of the general membership, the majority vote of two thirds of the membership may effectively overrule such a decision.

Article 4. Directors

Section 4.01a. Number. The Corporation shall have 7 Directors, collectively known as the Board of Directors.

Section 4.01b. Allocation of Board Positions. A minimum of two (2) seats on the board will be special positions allocated specifically to Support Staff members.

Section 4.02. Qualifications. With the exception of the Board of Directors serving until June 1, 2004, the Directors of the Corporation shall be residents of California and have been members of the Corporation for at least one year prior to their tenure as Board Member and they shall have worked at least one shift a week for 26 weeks out of the year prior to their tenure. These weeks do not have to be consecutive.

Section 4.03. Nomination. The Board of Directors shall prescribe reasonable nomination and election procedures for the election of Directors given the nature, size, and operations of the Corporation. The procedures shall include:

- A. A reasonable means of nominating persons for election as directors;
- B. A reasonable opportunity for a nominee to communicate the nominee's qualifications and the reasons for the nominee's candidacy to the members;
- C. A reasonable opportunity for all nominees to solicit votes;
- D. A reasonable opportunity for all the members to choose among the nominees.

Section 4.04. Election. The Directors shall be elected by written ballot. Members may run for specific Board positions, when applicable. The candidates receiving the highest number of votes for any given position shall be elected. For nonspecific Board positions, the candidates receiving the highest number of votes up to the number of open seats shall be elected.

Section 4.05. Terms of Office and Premature Vacancies. The terms of office for Directors shall be one (1) year. Each Director shall hold office until the expiration of the term for which elected and until the election and qualification of a successor. If a Board Member's term terminates prematurely, the current Board of Directors shall analyze the specific situation and present a recommendation to the membership with respect to the manner in which the vacancy should be filled. Measures which might be taken include (but are not limited to) holding an election for an interim Director to fill the vacancy temporarily; filling specific Board positions with nonspecific Board Members; or resolving to leave the position vacant until the next regularly scheduled election.

Section 4.06. Call of Meetings. Meetings of the Board may be called by any two Directors. These Directors shall provide a reasonable amount of notice to the other Board Members and they shall determine the location and the time of the Meeting.

Section 4.07. Quorum at Meetings. The presence of four Directors or a majority of the Directors, constitutes a quorum for the transaction of business.

Section 4.08. Regular Meetings. The Board of Directors shall meet regularly as needed.

Section 4.09. Duties of Directors.

- A. Directors must maintain active live service status, working a minimum of one full live service shift per month, with allowances for emergencies.
- B. Directors must attend regular Board and Membership Meetings.
- C. Directors must, to the best of their ability, fulfill those duties required of them as determined by the general Membership.

Section 4.10. Failure to Fulfill Duties. Failure to fulfill one's duties as a Director may call one's status as a Director into re-evaluation by the body of the Board. The body of the Board will determine an appropriate process to deal with the situation.

Article 5. Officers.

Section 5.01. Offices. Offices will be established according to the needs of the Organization as determined by vote of the general Membership.

Article 6. Corporate Records and Reports

Section 6.01. Required Records. The Corporation shall keep adequate and correct books and records of account and minutes of the proceedings of its members, Board, and committees of the Board. It shall also keep a record of the members, including the names, addresses, and number of shares held by each. The minutes shall be kept in written form. Other books and records shall be kept either in written form or in any other form capable of being converted into written form.

Section 6.02. Annual Report. For fiscal years in which the Corporation has, at any time, more than 25 members, the Corporation shall notify each member yearly of the member's right to receive an annual financial report. The Board shall promptly cause the most recent annual report to be sent to a member on written request. The annual report shall be prepared no later than 120 days after the close of the Corporation's fiscal year.

A. The annual report shall contain in appropriate detail all of the following:

1. A balance sheet as of the end of the fiscal year, an income statement, and statement of changes of financial position for the fiscal year;
2. A statement of the place where the names and addresses of current members are located; and
3. The statement required by section 6.03 of these Bylaws.

B. The annual report shall be accompanied by any pertinent report by independent accountants, or, if there is no such report, by the certificate of an authorized officer of the Corporation that the statements were prepared without audit from the books and records of the corporation.

Section 6.03 Annual Statement of Transactions and Indemnifications. In addition to the annual report described in Section 6.02, the Corporation shall furnish annually to its members and Directors a statement of the transactions and indemnifications to interested persons as required by law. If the Corporation does not issue an annual report pursuant to section 6.02 of these Bylaws, the statement shall be mailed or delivered to members within 120 days after the close of the fiscal year.

Article 7. Surplus Allocations and Distributions.

Section 7.01. Fiscal Year. The fiscal year of the Corporation shall begin at 12:00am on January 1st of each year.

Section 7.02 Surplus Defined. Surplus shall be defined as the excess of revenues and gains over expenses and losses for a fiscal year. Such surplus shall be determined in accordance with generally accepted accounting principles and shall be computed without regard to any patronage refunds, capital allocations, dividends, or income taxes.

Section 7.03. Allocations and Distributions of Surplus.

A. Before any dividends or patronage refunds are distributed, any surplus should first be allocated to any deficit in Retained Earnings.

B. After any deficit in Retained Earnings has been eliminated, the Directors may declare a dividend upon shares at a yearly rate not to exceed any maximum rate established by statute, but in no event to exceed some

percentage (to be determined by the Chief Financial Officer and Approved by the Membership) of the surplus for the fiscal year. No such dividends will be cumulative.

C. The Directors shall then uniformly distribute all the remaining surplus attributed to patronage of the Members of the Corporation to such Members as described in the following paragraphs of this subsection of the Bylaws. For the purposes of this subsection of the Bylaws, the remaining patronage surplus shall be computed without regard to any gains or losses on the sale or other disposition of assets. Patronage is defined as the hours worked and the gross wages earned by each employee during the fiscal year. Gross wages and hours worked shall be given equal weight in determining the total patronage activity and the patronage of each employee.

1. Any remaining patronage surplus attributed to the Members and to be distributed to them shall be the total remaining patronage surplus attributed to both Member and non-Member business (but reduced by dividends on shares and allocations to eliminate a deficit in Retained Earnings) multiplied by the ratio of member patronage to total patronage.

2. A member is entitled to a patronage refund, if such is distributed, in the amount of the remaining patronage surplus, as determined by paragraph (1.) of this subsection of the Bylaws, multiplied by the ratio of such Member's patronage with the Corporation to the patronage of all Members.

D. Any dividends or patronage refunds declared under this Bylaw Section may be in the form of shares, in whole or in part, subject to subsection (E) of this Bylaw Section.

E. Each person who becomes a Member of this Corporation consents to include in his or her gross income for federal income tax purposes the amount of any patronage refund paid to him or her by this Corporation in money or by written notice of allocation (as defined in the Internal Revenue Code), except to the extent that such a patronage refund is not income to the Member because:

1. It is attributable to the purchase of personal, living, or family items, or
2. It should properly be treated as an adjustment to the tax basis of property previously purchased. The term patronage refund, as used herein, shall have the same meaning as the term patronage dividend, as used in the Internal Revenue Code.

F. For the purpose of allocating and distributing the surplus, the entire operations of the Corporation shall be considered as a unit; provided that by resolution of the Board of Directors, the Corporation may distribute patronage refunds on the basis of the business transacted by each of the departments or divisions into which the operations of the Corporation shall be divided by the Board for the purpose of such allocation.

Article 8. Bylaw Changes

Section 8.01. Procedures. The Bylaws shall be adopted, amended, or repealed only by the approval of at least two-thirds (2/3) of the Members or by the unanimous vote of the Board of Directors. Amendments may be proposed by the Board of Directors or by any of the general membership.

LOOKING GLASS COLLECTIVE

Operations Manual

Preamble

This document is created with the intention of promoting a design of operation that is both flexible and evolving according to the needs of the collective. There is no assumption that this manual is complete nor will it remain static, but rather, that changes will reflect the growth and development of this collective. It is therefore important that any and all proposals and definitions therein are open to debate and discussion with fluidity to make appropriate amendments when necessary.

In order to amend any of the following details a proposal must be made to the Board of Directors at which time they may opt to make a decision regarding the amendment or chose to call a Member Meeting. If the Board of Directors unanimously votes to change any element of this manual, they may do so but are required to present any changes to the membership. Changes may be revoked by a vote of the membership.

Definition of Workers

The Looking Glass Collective operates with the various contributions of Cooperative members. After a 90 day probationary period, an employee must become a member in order to receive shift preference (i.e. in order to be on the schedule) by signing a Membership Agreement and paying a \$300 membership fee. This can be accomplished by either signing a payroll deduction authorization form to have the membership fee gradually deducted from his/her pay on a weekly basis, or by paying said fee in its entirety. This requirement is designed to ensure ongoing active participation and dedication to the cooperative for the benefit of all.

Cooperative members will be defined as performers or support staff according to their position. Their job descriptions are detailed in either the Performer's Job Purpose document or the Support Staff document distributed at the time of hire. Any performer or support staff member can request a copy of these documents at any time. Essential details of this job such as pay schedule, union steward representation, and termination and discipline are outlined in the current union contract. Cooperative members are required to attend scheduled quarterly meetings which, if publicized as mandatory are paid at meeting rate per the union contract. Members are required to stay reasonably informed of current issues so as to be able to make informed votes on the various topics, when voting is required. Cooperative members are awarded one vote and are responsible for voting on each issue, when applicable. Cooperative members may choose to fulfill various alternative requirements on each of the elected bodies, committees, or special teams which may be created. A member may serve on only one elected body (board of directors, support staff lead team, facilitation team, or madams of the house) during any given period of time (see section 2). Cooperative members will be paid according to the current union contract.

1. Introduction

1.1 History

Yet to be determined

1.2 Mission Statement

We the members of The Looking Glass Cooperative strive to establish and maintain a positive work environment embracing equality and individuality. We view each worker/owner as a unique and important component in our efforts and appreciate the participation of all members in every contribution towards this goal. We extinguish the concept of hierarchy and provide a division of labor based upon a system of equality, promoting greater opportunities to expand upon our roles and develop a variety of skills. With the challenges that we face, it is imperative that all members make distinct efforts to communicate, maintain an open-mindedness to diversity, and respect the needs of the cooperative as well as all members.

1.3 Overview of Services

We provide a unique opportunity for people to explore their fantasies, sensuality, sexuality, and pleasure on a multitude of levels in a safe, open-minded context where mutual respect of employees and customers is valued. This experience incorporates a classic-style Peep Show, Live Talk-Fantasy Booth, Videos and experienced customer service.

1.4 Operation Organizational Chart

Performers

Support Staff

Board of Directors

Madams of the House

Support Staff Lead Team

General Operations (Tech/Payables)

2. Administration

2.1 Board of Directors

There are to be seven board members total, at least two of whom must be Support Staff. Board members (hereafter BOD) are nominated and elected by the members of the cooperative, and must themselves be co op members. The term of service for BOD members will be one year. Special elections may be held as needed to fill a vacant board position.

Responsibilities:

- * A representative from the BOD must attend each meeting for other departments.
- * Board members are to check in with the madams and lead team and provide support as needed.
- * BOD members are responsible for signing agreements with vendors.
- * The BOD would provide mediation for groups who requested it.
- * The BOD sign the allotment of payroll, expenses and emergency maintenance. Emergency maintenance is defined as something out of the scope of normal operations.
- * The BOD are community liaisons and should be able to speak to the press on behalf of the LL.
- * The BOD are liaisons to employees with suggestions and concerns.
- * Members of the board participate in contract negotiations with members and the SEIU.
- * In the unlikely event that a general vote ends in a dead heat, the board will cast the deciding vote.
- * Board members cannot be Madams, or members of the Facilitation Team or Support Staff Lead Team.

Board positions pay \$17 per hour, subject to the revenue-based pay system, with a maximum amount of pay not to exceed \$170 per month per member. If maximum pay has been reached, the Board Member is still required to fulfill his/her duties. These positions require little labor but hold responsibility and necessitate an awareness of current cooperative issues.

Board Members are required to attend a minimum of 75% of Board meetings. Attendance is taken at each meeting, and the percentage of attendance will be tabulated and examined quarterly for all members. If a board member does not fulfill this attendance requirement, they may elect to step down from service as a board member or will be subject to a vote by the co-op membership to remove the member from the position. Co-op members will be provided relevant information, including a statement by the member in question, to make an informed vote.

Board members are expected to remain as aware as reasonably possible of current theater happenings including board minutes for meetings not attended.

Board members are to do their best at promoting a positive work space and making themselves available for co-op member concerns or feedback of any nature.

If a co-op member feels that a board member has not fulfilled these duties to the best of her/his ability the co-op member may submit a signed and dated statement regarding this situation. The board will review all such concerns. If a board member receives 3 concerns on separate occasions from co-op members, a similar vote to that concerning attendance will take place.

Exceptions: Exceptions may be made when a board member is absent from the workplace due to illness or a vacation for an extended period of time. If a member able to perform paid duties such as dance or support staff duties, s/he would be considered able to attend board meetings for that week.

Board Member Replacements: If a board member chooses to step down or is voted to be removed from position, the board may operate as a six person body if it so desires. The position will be filled during the next election.

2.2 Madams of the House

There are to be three madams, whose main focus is to ensure the integrity of the show and provide performers support. Madams are nominated and elected by the co op members, and must be co op members themselves. The term of service is eight months, which will include on-call duties and training a replacement madam in the final month. So that no three madams are new at any given time, elections will be staggered. New madam terms will begin on January, May, and September 1.

Responsibilities:

- * Scheduling
- * Performer Support
- * Approve schedule requests, leaves of absence and schedule changes.
- * Show reviews
- * Assembling Paychecks
- * Post and accurately record duties on weekly madam duties chart
- * Hiring and Termination of performers

- * Training
- * Increases
- * Internal monthly Madam meetings
- * Madams are a point of contact for Union Rep for complaints.
- * Madams work to arrange hiring of new employees
- * Madams are to interact in a positive way with the Union Stewards.

Madam positions pay \$17 per hour, subject to the revenue-based pay system. Madams in training will be paid \$10 per hour, subject to the revenue-based system.

Madams are not permitted to take extended vacations (beyond two weeks of duty) and are responsible for covering their shifts during any absence including illness if at all possible. Shifts can only be covered by another trained Madam.

2.3 Support Staff Lead Team

The lead team will consist of three co op members, with two support staff who are elected by support staff, and one performer who is elected by the performers. The term of service is one year, with special elections held if a position is vacated.

Responsibilities:

- * Assembling checks
- * Hiring and termination of Support staff
- * Training new employees
- * Handle performer complaints regarding support staff.
- * Being on call.
- * Scheduling
- * Administration of Discipline
- * Giving out Points
- * Staff conflict resolution
- * Development of Janitor cleaning schedule
- * Other duties as needed

Lead team positions pay \$17 per hour, subject to the revenue-based pay system.

If there is a conflict with a lead team member, the concerned employee can take the complaint to the board of directors for final resolution.

2.4 General Operations

The jobs involved require expertise and trust. These jobs will not be rotating or open to a periodic vote.

Music Program Director

The music program director is hired by the board of directors and serves until he/she voluntarily resigns or is terminated by the board. The music program director may also serve in other capacities in the theater, but must be a co op member.

Responsibilities:

- * Clearing rights to music played in the theater.
- * Preparing and programming music for the MP3 player, including member requests.
- * This position pays \$10 per hour subject to the revenue based pay system, with a maximum of 8 hours per month.

Payroll Administrator

The payroll administrator is hired by the board of directors and serves until he/she voluntarily resigns or is terminated by the board. The payroll administrator may also serve in other capacities in the theater, but must be a member.

Responsibilities:

- * Adding hours worked and making wage adjustments.
- * Ensuring the prompt and accurate payment of all employees.
- * Reporting the points tally for the week to the madams.
- * Reading, working with and filing time cards.
- * Submitting the payroll to the payroll service on time.
- * This position pays \$15 per hour subject to the revenue based pay system. Training will pay \$10 per hour, subject to the revenue based system.

Payables (Money/Tech Group)

Each person in the money/tech group is hired by the board of directors and serves until he/she voluntarily resigns or is terminated by the board. The money/tech people may also serve in other capacities in the theater, but must be co op members. This group has its own leadership, standards and practices set by the group, and answers to the board of directors. There will be three to four people in this group, consisting of two support staff members and one performer, with the option to expand if needed.

Responsibilities:

- * Cash outlays for the maintenance of the LL (Any over \$20 must have Tony's approval. Any expense over \$200 must be approved by the BOD)
- * Ongoing purchases, such as live show apparatus, porn videos and DVDs and merchandise for sale.
- * There are a total of 56 hours per week for money collection and other money related tasks.
- * There are a total of 8 hours per week allotted specifically for tech work.

* Support Staff will have an expanded tech role in the future, and when the money/tech group has meetings they will have the ability and be expected to give input.

* This position pays \$20 per hour subject to the revenue based pay system.

3.Human Resources

3.1 Advertising for new hires

This will be conducted by either the madams or the lead team, depending on which department is in need of staffing. Ads will be run in the chosen location for a period of one week or until the position(s) is/are adequately filled.

3.2 Hiring

Hiring will be conducted by the Madams or the Lead Team depending on the position being offered.

Hiring of performers requires approval by any two of the three madams. All Madams will share hiring responsibilities. At least two Madams must be present for the audition and agree upon the outcome.

Interested parties must fill out the designated application, schedule an audition, and upon approval must schedule an orientation meeting. If an applicant meets all performance requirements she will be hired and will begin her probation period according to the union contract.

Hiring of Support Staff requires approval by two of the three lead team members. If a position becomes available and no current employee wishes to fill it, then the lead team review application and conducts interviews. The lead team will at that time narrow down the number of applications to the best three, if applicable. The staff will then vote on those three applications.

Former employees of Multivue Inc., be they terminated or resigned, must undergo the same process as all applicants. All new hires will be subject to a probationary period of six weeks worked, at which time Staff must vote to retain them as a permanent Staff member. Applicants will be informed of these conditions during the interview. All voting will be anonymous.

3.3 Wage Increases

Wage increases will be allotted by Support Staff Lead Team and Madams for the appropriate department. Wage increases will follow those outlined in the current contract. Wage increases above those in said contract require approval of all co op members and will be regularly discussed and approved at meetings.

3.4 Termination

Termination of either Performers or Support Staff will be in accordance with the current union contract. Progressive discipline will be administered by the Lead Team and the Madams and will be in accordance with the union contract. Progressive discipline will be as follows: Verbal warning, followed by written warning for the same offense, followed by suspension or termination as determined by the Madams or the Lead Team. Either a verbal or a written warning will roll off in six months. Progressive discipline does not apply to theft, destruction of company property, etc., nor does it apply to the accumulation of points.

The point system will remain the same as in the union contract. It is the responsibility of the Madams and the Lead Team to issue points. If an employee accumulates 25 points in either a rolling 6 month period (for performers) or a rolling four month period (for support staff) the employee shall be either suspended or terminated as determined in a vote by the Madams (for performers) or the Lead Team (for support staff). Suspension will never be longer than six weeks for performers or support staff. The period of suspension

will be determined by the Madams (for performers) or the Lead Team (for support staff) and at the end of the suspension period, the points from the last incident roll off. In the case of performer suspension, any Madam who is able to conduct the scheduled disciplinary meeting with the performer can suspend her. In the case of termination, all three madams must achieve consensus on the termination. All voting will be anonymous.

3.5 Termination Review Process

If an employee is terminated, s/he may appeal the decision as follows:

1. Within 48 hours of the notice of termination, s/he should fill out an appeals form and submit it to the board of directors. The form must indicate:

- a) S/he intends to appeal the termination and
- b) S/he authorizes any co-op member to review his/her personnel file in order to make a decision about how to vote.
- c) The employee agrees to accept an unpaid suspension/leave for the duration of the appeals process, and waives any right to back pay, even if the appeal is successful.

2. Within 7 days of the notice of termination, the terminated employee or his/her union steward must submit to the board of directors signatures from 10 co-op members in support of the appeal. This is to demonstrate that there is sufficient support for the appeal among the membership.

3. If the employee is able to submit ten signatures within 7 days, s/he may appeal to the membership to have the termination overruled. S/he should submit with the signatures a brief statement (1 page or less) explaining why s/he should not be terminated. This statement must avoid abusive language, profanity or any confidential information about other employees (i.e., claims about specific other worker's personnel records). The board of directors must then copy and distribute in the following week's outgoing paychecks to co-op members

- a) the employee's statement,
- b) a statement by the terminating body (madams, lead team, etc) explaining the reasons for termination.
- c) an anonymous "accept termination/overturn termination" ballot with the date & time when votes will be counted and the corporate seal of Looking Glass (to ensure against ballot-stuffing).

4. Members should then review the employee's file and cast a vote on whether to accept or overturn the termination. Ballots will be accepted for one week from the Thursday on which they are distributed.

5. Ballots will be counted on the day after the final day of voting by one member of the board of directors and the employee's designated shop steward. Other employees may also witness the vote count if they choose to do so.

6. If at least 67% of the total co-op membership vote to overturn the termination, the employee will be reinstated as of the next schedule to be written, or in the case of support staff, on the next business week. However, the employee may be assigned alternate discipline (such as a suspension) by the terminating body, with credit for time already accrued since the employee was removed from the schedule.

7. If less than 67% of the total co-op membership votes to overturn the termination, the termination will stand. (*BOD 4/19/04)

4. Standards and Purpose

4.1 Overview and Purpose

Performer Purpose

Performer purpose involves maintaining a positive and supportive work environment, providing an entertaining performance for the clientele, demonstrating respect for each other as well as the clientele and the Support staff, and consideration of care and safety throughout employment.

Support Staff Purpose

Cashiers - Cashier purpose is to maintain a positive and inviting lobby, attend to the till, provide change and general information to clientele, receive phone calls and direct calls to appropriate location or answer questions as needed.

Janitors - Janitor purpose is to maintain a clean and safe theater, Janitors are to adhere to a cleaning schedule as determined by the Lead Team and participate in technical support as needed and as skill allows.

All members of Support Staff are to demonstrate respect for each other as well as the clientele and performers, and maintain consideration of care and safety throughout employment. Repairs are to be made as quickly and efficiently as possible. Carpet cleaning and other cleaning needs beyond daily cleaning are to be completed according to a schedule as determined by the members of the cooperative.

4.2 Setting Standards

Performer Standards are to be followed according to those established by the cooperative in conjunction with guidelines as determined in the current contract. Adherence to these standards will be measured by the Madams who will provide feedback in a constructive and open manner following multiple show checks. Performance reviews will be provided to performers as needed and upon request of the performer. If any changes to a performer's style are to be considered, a process of review must be undergone by all Madams before a performer is addressed in order to achieve consensus on the potential changes. A performer's perspective is always considered valid and appreciated when such potential changes are addressed.

Support Staff Standards are to be followed according to those established by the cooperative in conjunction with guidelines as determined by the current contract. Adherence to these standards will be measured by the Lead Team who will provide feedback in a constructive and open manner. If any changes to a Support Staff Member's performance are to be considered, a review by all members of the Lead Team must achieve consensus before the Support Staff Member is addressed.

4.3 Collective Decision Making Process

(This process aims to revitalize our collective enthusiasm and energy by creating structural opportunities of participation for all members, while relieving excess pressure on a few elected, and preserving some basic security for the continued and improved functioning of our collective business).

There shall be a monthly member voting meeting for collective business to be conducted. At the member voting meeting all collective members will be able to vote on proposals and issues that all members have been properly noticed (posted within 14 days) on a public agenda. Any combination of members including individual members (or groups of members), Board of Directors (hereafter BOD), Madams, Support Staff Lead team, etc. may put proposals on the agenda for the consideration of and voting by the members of the

collective. Except for emergency issues impacted by time sensitivity, all collective business items will be conducted at the member voting meetings.

Collective business items for the member voting meeting include but are not limited to:

- * Changes or innovations to collective policies (including Bylaws, Operations Manual, Articles of Incorporation)
- * Amendments/developments to work standards, expectations, job descriptions
- * Spending (anything beyond pre-existing and/or routine expenses)
- * Changes in the structure of membership and/or creation of new positions and committees
- * Media involvement or publicity engagements that exceed regular event advertising or press releases

With the goal of advancing an equal, respectful and efficient meeting process that balances the opportunity/responsibility to participate of every member with the need to safeguard the security of the business, the following meeting principles have been adopted:

Principles of member voting meetings:

1. One member, one vote:

To conduct “collective business” as defined above, all voting will take place at member voting meetings where every member will have an equal vote in decisions for the collective.

2. Quorum: As stipulated in the organizational Bylaws, Section 3.03, “Members representing at least thirty percent (30%) of the voting power shall constitute a quorum at a meeting of members. When a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting (also including referendum pre-votes, see item#7) shall be the act of the members unless provided otherwise by these Bylaws or the law.”

In reference to Bylaws Section 3.07 requiring items for vote to be approved by both the members and the BOD, it is assumed that at member voting meetings votes cast by members of the BOD will be counted toward the quorum of the general membership and toward the quorum of the Board of Directors. 50% of the BOD constitutes a quorum of the BOD (Bylaws Section 4.07) If a quorum of the BOD is not met at a member voting meeting, any decisions ratified by the membership will be brought to the next BOD meeting for Board ratifications

If quorum of the general membership is not met (through a combination of member attendance and pre-votes) all unresolved items and proposals will roll forward to the next member voting meeting.

There will be individual pre-vote ballots for each proposal in question, i.e. each proposal is independent of other proposals.

3. All Other Meetings Open:

All members are welcome to attend and participate in the discussion of any other non-voting BOD/Madam/SSLT or any future committee to be created meetings with the exception of portions of meetings that have been specified to address private personnel issues. In addition to the right all employees have to file grievances through the union, all members retain the right to appeal terminations to the membership. Confidentiality is waived for cases undergoing termination appeal to the membership. Cases of termination appeal to the membership are thus not private and will be open to all members.

Members who are not elected BOD, Madam or Support Staff Lead Team (SSLT) Members will not be paid to attend non-voting BOD, Madam or SSLT meetings unless they are doing so in the capacity of a task approved and budgeted for by the membership. BOD/ Madams/ SSLT members will receive their current pay for their activity in non-voting meetings as it is considered business/work they do outside of member voting meetings.

Any employee who is not yet a member must be paid for any work they do, including any meetings they attend.

4. Emergency Issues:

Any issue determined by the BOD to be a time-sensitive threat (i.e. must be resolved before the next member voting meeting) to the security, legality or safety of the collective business, may be resolved by an emergency BOD vote in a regular BOD meeting. Any such decisions must then be brought to that month's member voting meeting to receive membership ratification.

5. Voluntary and Equally Paid:

Member voting meetings will be voluntary and any member (irrespective of any other titles/pay rates they may currently hold/receive) attending the member voting meeting will be paid regular meeting rate. Facilitation Team members will receive the same pay as all other members and elected representatives for their time at member voting meetings.

6. Agenda Posting:

An agenda item sign up list will be posted in an accessible place at the beginning of the month. Any member, elected or committee representative or body may post an agenda item for discussion or vote at the upcoming member voting meeting. The agenda item sign up will close 14 days before the member voting meeting at which point a final proposed member voting meeting agenda will remain posted until the member voting meeting. See principle #8 for more info.

7. Referendum Pre-Voting:

In the 14 day period between the posting of the final agenda and the member voting meeting, members unable to attend the upcoming member voting meeting may register a vote by referendum pre-vote (yes/no/abstain) on each individual proposal that was submitted to agenda sign up sheet and is to be included on the member voting meeting agenda. Submitted pre-vote ballots will be public, noted, recorded, and counted the same as votes of members attending the member voting meeting. If, through friendly amendments, a proposal changes at a member voting meeting, pre-vote ballots will no longer count, and only the votes of members present at the member voting meeting will count toward the proposal in question.

8. Facilitation Team:

A Facilitation Team comprised of six members will be elected by the membership. The Facilitation Team members may not simultaneously be serving as BOD/Madams/SSLT. The Facilitation Team will perform and coordinate the following functions: facilitate member voting meetings; take, post, and archive member voting meeting minutes and tape record meetings; compile and post agenda sign up sheets and member voting meeting agendas; coordinate referendum pre-voting. Facilitation Team members will be paid a common rate as BOD/Madams/SSLT for their work. Members of the Facilitation Team will be paid a maximum of 5 hours a month for work they do performing Facilitation Team functions.

Facilitation Team members will receive facilitation training (to be coordinated through support of other local co-ops, conferences, etc.) to run effective member voting meetings. Facilitation Team members will receive at least six hours of formal training for which they will be paid their formal work rate. (Any additional training Facilitation Team members seek on their own is unpaid, but greatly appreciated.) At member voting meetings, Facilitation Team members will be paid the regular meeting rate for attending and working (facilitating and taking minutes) - the same for all other elected representatives (BOD/Madams/SSLT). The time Facilitation Team members spend attending member voting meetings will not be counted toward their 5 hour monthly totals.

Members of the Facilitation Team will take minutes during member voting meetings and bring the last most recent member voting meeting minutes to each subsequent voting meeting for membership. The Facilitation Team will also coordinate tape recording member voting meetings to ensure more complete record-keeping and to enable member/employees who missed meetings to inform themselves. The Facilitation Team will archive the approved minutes according to member voting meeting chronology, passed and un-passed resolutions.

Member voting meeting agendas will be compiled by the facilitation team based on items submitted to the agenda sign up sheet and a standard member-approved agenda format. (A regular agenda format could include items such as: Check-ins, Agenda Review, Past Minutes Ratification, allocated space for BOD/Madams/SSLT and committee reports, Items and Proposals of the month (including rolled-over items of previous months member voting meetings) from agenda item sign-up, emergency issues, etc.)

Facilitation Team members will coordinate referendum pre-voting to prevent duplicate voting. To maintain a sound facilitation resource base, Facilitation Team member elections will be staggered. At the completion of the first year term of the initial Facilitation Team, two Facilitation Team member slots will open up, and continually so for each subsequent 6 month period. At each new Facilitation Team election juncture, a high turn over is encouraged so that many people develop this skill and can contribute to a positive and efficient process of our collective.

9. Location and Time:

The member voting meeting is to be held at an easily accessible, public/community (non-bar) space. Member voting meetings will be held on a consistent day and time that allows for a likely quorum of members to attend. Meeting times for the member voting meeting will be announced on the posted agenda.

4.4 Reporting Process

All information discussed at said meetings will be recorded, typed in a report, and made available to all employees including copies of materials both in the dressing room and at the front desk. Important memos will be placed in each individual paycheck and displayed in the appropriate locations so as to be accessible by all.

Reasonable efforts will be made to reach individuals who will not be receiving a paycheck or who will not be present at the theater during the time in question.

4.5 Service Issues and Resolution Procedures

Support Staff issues will be addressed by Lead Team members. Performer issues will be addressed by Madams. If the above teams cannot achieve resolution, the issue will be directed to the Board of Directors. If the Board of Directors cannot achieve resolution, the issue will be directed to the cooperative members in which case a majority of members will decide the issue. If the issue requires reinstatement of a terminated employee, or revision of the bylaws, a 67% majority of members must come to a consensus.

Steward representation will be utilized according to the rules established in the current contract and the Weingarten rights.

5. Security and Safety Issues

5.1 Corporation Policies

All safety standards will be followed according to California law as established by the Occupational Safety and Health Administration. All work related health concerns are to be reported immediately to a Madam or member of the Lead Team. Workman's compensation policy will be adhered to according to California law.

5.2 Building Security

The back door will remain locked at all times and the front doors will remain unlocked during all business hours. Emergency evacuation procedures and pathways are to remain displayed at all times.

5.3 Emergency Contact Information

Emergency contact information will be displayed at all times.

6. Job Descriptions

Job descriptions for performers and support staff are described in new hire material as established by previous management. Any changes are to be addressed and voted on by the employees.

6.1 Support Staff

Filling in vacancies and scheduling are decided by the lead team. The lead team will decide who gets an extra shift based on 1. availability, 2. number of shifts (person with the least) and 3. Seniority. Only founding members of the co op who no longer wish to dance may transition to a support staff member. Performers will only be allowed to join staff on an attrition basis, i.e. when a position is available. Current part time staff members will be given the first option to collect surplus hours. Performers who opt to transition to staff will be expected to work shifts available to them as a new hire, but the rate of pay would be that of a support staff member with an equal number of weeks worked from date of hire, according to the pay scale in the current contract.

Performers who opt to transition to support staff must be willing to discontinue dancing. The performer will be given a sixty day trial period to decide if she would like to remain support staff or return to performing. At the end of the trial period the support staff reserve the right to vote on whether to retain the performer as a permanent staff member. All voting will be anonymous.

Seniority for support staff is determined chronologically by hire date.

The lead team will take into consideration any staff member who habitually causes overtime and can use progressive discipline for such occurrences. Staff members are responsible for covering shifts that they cannot work without causing overtime.

Leaves of absence are dictated in the union contract. A future goal is to enact that support staff members can have up to three months leave of absence without losing their shift slots. If they do not return in that time, they move to on call status. Staff members may take up to three months leave in a six month period. Exceptions will be made for extenuating circumstances such as personal injury. Staff members who are on call must work at least one shift in nine months to remain employed at the Lusty Lady.

6.2 Performers

Job requirements for this position will remain as outlined in the new hire material until changed by consensus vote of all performers.

The madams shall determine the schedule based on availability and number of shifts desired according to schedule requests.

7. Hours of Operation

Hours of operation are as follows: The live show will operate Monday through Sunday, 11 am to 3 am. Videos will operate 24 hours a day, seven days a week.

