

LAST
CALL
AT
MAC
AND
BOB'S

OVER THE COURSE OF FOUR DECADES, A 10-STOOL COLLEGE BAR GREW INTO ONE OF SOUTHWEST VIRGINIA'S MOST BELOVED RESTAURANTS. THEN A PAIR OF LAWSUITS BROUGHT THE PLACE TO ITS KNEES. THE TOWN BROUGHT IT BACK.

BY ALEX HOYT
PHOTOGRAPHY BY MATT EICH



Bob Rotanz opened Mac and Bob's with his Roanoke College lacrosse teammate Jim McEnery in 1980, when they were 24.

K

atie Rotanz doesn't quite know how to describe her dad's restaurant. It feels a little like a diner—comfort food, late hours, coffee regulars—but after all the expansions, it's too big for that. It's cavernous. It's a couple blocks from Roanoke College, in the city of Salem, but you couldn't call it a college spot, either—not anymore. It's too enmeshed with the town—the Salem High School Spartans and the Rotary Club, the T-ball teams and after-church crowd. And though the walls are essentially a Roanoke College Hall of Fame, though its very logo is a pair of lacrosse sticks that nods to the place's creation story, it's not quite a sports bar either.

What Mac and Bob's is like, if you can compare it to anything, is Cheers, the Boston bar in the '80s sitcom. That is, if Cheers weren't in Beacon Hill but on Main Street in small-town Southwest Virginia, if Sam Malone hadn't been a Red Sox relief pitcher but a Long Island lacrosse star, if the show had never gone off the air and over the next four decades the bar had expanded to a restaurant that seats 330. That's Mac and Bob's—the place you go the night before Thanksgiving, when everyone's back in town; the place where everybody knows your name. And that's because of Bob Rotanz. If you grew up in Salem, like I did, there's a good chance Bob knows your name.

"He does a good job of being a Yankee in the South," Katie told me by phone one day in September. Her dad is still a New Yorker at heart—a fast-talking Giants fan with a machine-gun laugh, a guy who always greets you with a clap on the shoulder and a "Hey, how ya doin'?" But he also embodies Salem, his adopted hometown, has ever since he scored the winning goal in the 1978 NCAA Division II and III lacrosse championship, still Roanoke College's defining athletic moment. As a Salem friend of mine recently put it, "He's, like, the mayor around here."

Rotanz is 63 now, slightly hobbled by an ankle surgery, yet he still exudes a mellow but constant energy, like a guy tossing a tennis ball against your dorm room wall. At Mac and Bob's, that kinetic quality finds two outlets: hustle—he's worked every other weekend since he founded the restaurant, nearly 40 years ago—and empathy. Stories about his kindness are a part of Salem lore: He extends his employees loans when times are tight. He regularly caters funerals for free. He holds an annual golf tournament for Down syndrome research. "He's touched everybody, every Little League team," says his friend Frank Cotter, a local ophthalmologist whose son Joe, who has an intellectual disability, is a runner at Mac and Bob's. "Bob never says no."



That altruism and constancy have made what happened to the restaurant over the past year and a half particularly shocking. "You've always supported us," Katie recalled telling him, almost in disbelief, when she first heard the news. It was September 2018, and Rotanz had gotten the whole family on the phone—his wife, Wendy; their three grown daughters—to talk about the holidays. "I'm healthy, your mom's healthy," he began, which was when Katie knew something was wrong. "But it wasn't until he said 'bankruptcy' that I realized what he was talking about," she said. "And I burst into tears."

On May 23rd, 2018, a former waiter named Matthew Jonathan Snider sued Mac and Bob's, alleging the management had violated a federal labor law by requiring servers to share a portion of their tips with the restaurant's dishwashers. Filed by a pair of lawyers from Charlottesville, Virginia, and Fort Worth, Texas, it was a collective-action lawsuit, seeking damages not only for Snider but for all Mac and Bob's employees from the past three years.

Snider had worked at the restaurant for only nine months and, Rotanz later discovered, had lied on his job application, claiming he had never been convicted of a crime, when in fact he had been convicted of a slew of felonies: grand larceny, credit card theft, and receiving stolen goods. "If we had known that," Rotanz told me, "we never would have hired him in a million years."

As Snider later told *The Roanoke Times*, just after he quit, he came across an article by the Fort Worth lawyer, Drew Herrmann, on a Facebook page popular in the restaurant industry. It clarified the tip-pooling provision of the Fair Labor Standards Act, the 1938 federal law—the last piece of the New Deal—that established a minimum wage and a system of overtime pay. Restaurants could require that waiters and bartenders share a portion of their tips with back-of-house, untipped workers—dishwashers and cooks—but only if all employees are paid the full federal minimum wage, \$7.25 an hour, not the tipped minimum wage, \$2.13 an hour.

Like many restaurant owners, Rotanz paid his servers less than the full federal minimum wage. And for the past 20 years, Mac and Bob's had required servers to share a portion of their tips—1 percent of their daily sales—with the restaurant's dishwashers. A server who sold \$400 of food and drink in a night would presumably earn about \$80 in tips, and would have to share \$4 of that with the dishwashers. Rotanz told me he had no idea the policy was illegal and made no effort to hide it; there was even an envelope by the kitchen labeled "Tips for Dishwashers."



Over the past four decades, Rotanz has become a mayor-like figure in Salem. "He's touched everyone, every Little League team" says his friend Frank Cotter. "Bob never says no."



Co-owner Joe Dishaw and manager Keith Griswold in the kitchen during the lunchtime rush

"IT WAS REALLY ROUGH DRIVING UP. I DIDN'T TELL MY WIFE, DIDN'T TELL JOE. I JUST LET IT RIDE, LET THEM HAVE ONE MORE WEEKEND OF PEACE."

He had two rationales for the policy: In his eyes, the dishwashers had the hardest job in the restaurant, so he needed to incentivize them. He also felt they should be compensated for their hustle, just like servers are. "I'm a capitalist," he said. "I believe in hard work. When the bartenders are busy and the servers are busy, they're loving it, because they're working hard, they're making more money." Why shouldn't the dishwashers be similarly rewarded?

Rotanz had first learned of the lawsuit from Todd Leeson, a lawyer who handled labor issues for the restaurant, who saw the public court filing online. They decided to hold a meeting at Rotanz's house, where, together with Wendy, Mac and Bob's co-owner Joe Dishaw, and

the restaurant's five managers, they calculated that in the nearly 10 months Snider worked at Mac and Bob's, he had given \$1,105 in tip money to the dishwashers. Hoping to settle the suit quickly, they offered Snider \$5,000, Rotanz said. (Snider and Herrmann did not return calls for this story.) "But they just laughed at that,"

Rotanz said. "They knew a bigger payout was coming."

That's because the Fair Labor Standards Act provides for heavy damages: double the amount of tips the employee had to pay out, plus double the "tip credit"—or the discrepancy between a server's wage and the full federal minimum wage—for the hours worked. In a collective-action suit, Rotanz could be liable for such damages from up to 156 employees. If each of them joined the lawsuit, the restaurant would be on the hook for over \$1 million, not including lawyers' fees. As Rotanz recalled, "That's when I said, 'Well, Todd, we're done. We're out of business.'"

On June 30th, Rotanz had servers stop sharing their tips with the dishwashers.

They had been making between \$9 and \$11 an hour before tips; to compensate for the loss of income, he gave them each a \$3 an hour raise. Still, one of the five dishwashers quit. Some servers continued to tip them voluntarily. Others were confused about why the policy was ending. Aside from the managers, Rotanz hadn't told any of his employees about the lawsuit—he was too afraid they'd join it. And because the statute of limitations for the violation was two to three years, he wouldn't be in the clear until at least June 2020.

In mid August, Mac and Bob's settled with Snider, paying him \$20,089 and \$14,215 to Herrmann. Leeson sent Snider and Herrmann their checks on Friday the 24th. The following Friday, as Rotanz was driving to Philadelphia for his nephew's wedding, Leeson called. They'd been hit with another, nearly identical lawsuit, this time by a former server named Steven Nguyen. Again, the lawyers were Herrmann and Tucker. "It was rough driving up," Rotanz recalled. "I didn't tell my wife, didn't tell Joe. I just let it ride, let them have one more weekend of peace."

It dawned on him, as he drove north, that Mac and Bob's could be facing a never-ending sequence of lawsuits. Suddenly, that \$1 million in damages seemed like a very real possibility. At any given time, Mac and Bob's had between \$25,000 and \$100,000 in the bank. They could not afford any more lawsuits. He decided the restaurant would file for Chapter 11 bankruptcy.

Rotanz had never felt more alone than he did on that drive to Philadelphia, but what happened to Mac and Bob's was rattling restaurants all over America. A 2012 report by the Department of Labor's wage and hour division found that 84 percent of all full-service restaurants it investigated over the previous two years had violated labor standards. More recently, breaches of the Fair Labor Standards Act had led to lawsuits against all kinds of dining establishments—McDonald's, Ruby Tuesday, P.F. Chang's, Per Se. The law's tip-sharing provision was a particular source of legal action. In 2017, TGIFridays paid out \$19 million to settle a collective-action lawsuit alleging (among other violations) that tipped workers were forced to share their tips with back-of-house staff. That same year, chef Dan Barber's much-lauded Blue Hill restaurants, bearers of three Michelin stars between them, reached a \$2 million settlement after being sued for their own illegal tip-pooling policies. All of this played out against challenging national trends: Rising food costs, a shrinking middle class, and the proliferation of fast casual options were making it increasingly difficult to operate a full-service restaurant.

One morning in December 2018, three months after Mac and Bob's filed for bankruptcy, I sat with Rotanz in a booth at the back of the restaurant. I'd eaten there many times growing up, but this was the first one-on-one conversation we'd ever had. The community was rallying around him—in a single week that fall, over \$100,000 in donations had flooded in from more than a thousand loyal patrons—and I wanted to know how a Long Islander had created the quintessential small-town Virginia restaurant, one its customers would not let die. In the quiet hour before the lunchtime rush, he told me. It's a story about lacrosse.

He started playing in eighth grade. It was 1970—just as the sport was entering

the mainstream—but out on Long Island, it was like football in Texas; everyone played. Rotanz, a commanding defenseman, was recruited by big Division I college programs but instead followed several top local players to a small school in Southwest Virginia: Roanoke College. Resources were modest—when the coach, Paul Griffin, showed up, there wasn't even a locker room. But Griffin assembled a gritty squad that regularly overperformed, and in 1978, with Rotanz as captain, they made the NCAA final. With two minutes left, the score tied, Griffin pulled Rotanz out of the game, only to send him back, in a surprise move, on the offensive end of the field. Unmarked, he scored the winning goal, securing

a massive upset and clinching Rotanz NCAA Player of the Year honors.

In the late '70s, like today, there was a pipeline from top college lacrosse programs to the trading floors of Wall Street, and Rotanz's teammates landed lucrative jobs at top-tier investment banks. Rotanz had a mind for business too, but something in him resisted the pull. One reason was Wendy, a bookish underclassman from Kentucky he'd started dating his senior year. He couldn't imagine leaving her behind. "I didn't want to come back on alumni weekend and say, 'What the hell was I thinking?'" he said. But he didn't know what to do in Salem either. So he took a job at Allstate, which



Griswold, Rotanz, and Dishaw in 1981, three years after they won the NCAA Division II and III lacrosse championship at Roanoke College, and in 2019



"Having your financial world rocked is scary," Rotanz said. "If I'm 30, it's one thing, but when you're 62, that's a little scary, because we're very late in the fourth quarter."

he hated, and wondered what to do with his life.

He'd always wanted to start his own business, maybe a bar. So through a realtor, he got in touch with the owner of a hot-dog joint looking to rent the space: \$500 a month. It had everything you'd need—10 barstools, a freezer, a keg. The drinking age was 18, so nearly everyone at Roanoke College could legally drink, but Salem didn't have a single place that stayed open after midnight. If he did it right, he'd be the only game in town. He was nearly broke but managed to talk a teammate and fellow Long Islander, Jim McEnerny, into going into business with him. In August 1980, they opened Mac and Bob's. They were 24.

People were skeptical. Their draft list was Budweiser and Miller Lite; the menu was sandwiches cooked in a steamer. "My lacrosse buddies coming down for alumni weekend are going, 'What the hell are you doing, man?'" His old coach Paul Griffin was underwhelmed too. "I told him he was crazy," Griffin recalled. "A hot dog stand? Is that your aspiration?" Things soon got worse. In October, McEnerny took a job with

Merrill Lynch in New York, leaving Rotanz to run the place alone. "That almost killed me," he said. "I was working seven days a week."

But things worked out. Rotanz had a knack for hype—during Monday Night Football, there were 3-cent drafts if a team kicked a 45-yard field goal; on Ladies' Night, a line sometimes stretched around the corner. He brought on two former teammates, both New Yorkers, Joe Dishaw and Keith Griswold, to be his co-owner and general manager, respectively. Wendy did the payroll, accounting, and menus. Soon they were expanding: They bought a building down the street, taking their capacity to 36 seats. In the mid 1980s, Virginia changed the drinking age for beer from 18 to 21, and Rotanz realized they had to become less of a bar, more of a restaurant, so they sent Dishaw to the Culinary Institute of America. A year later, voilà: a full-service kitchen. A waiter from Long Island told them to sell calzones—it seemed like a purely New York idea, but people loved them. Rotanz estimates they've sold over 600,000.

The restaurant expanded again and again—to 90 seats, 120, 230, 330. They

built a 48-foot bar, an outdoor patio. Rotanz and Dishaw named dishes after their kids—the Katie Salad, Ryan's Rigatoni, the Kendall Zone. Four of them would eventually work at the restaurant. It was the epitome of a family business, and the community embraced it. *The Roanoke Times* named Mac and Bob's the best outdoor dining spot in the Roanoke Valley. *Virginia Living* said it was the best in all of Southwest Virginia. And Rotanz became the mayor.

That status was fully evident on September 19th, 2018—the day *The Roanoke Times* broke the news of the bankruptcy, and Rotanz gathered the restaurant's 100 employees and told them what had happened. With Katie's help, he also uploaded a video to YouTube in which he explained the situation to the public. Mac and Bob's had broken the law, he said, and he was to blame. He offered only two clarifications: He had done so unknowingly, and without an eye toward profit. As for the future, he promised the restaurant would stay open. Unlike Chapter 7 bankruptcy, which requires a business to liquidate assets to

pay off creditors, Chapter 11 allowed for restructuring to cover priority damages. If a bankruptcy court judge approved their plan, they would survive.

Meanwhile, Frank Cotter, the ophthalmologist, started a GoFundMe page to cover the restaurant's legal fees. In an accompanying video, he compared Rotanz to George Bailey, Jimmy Stewart's character in *It's a Wonderful Life*, a building and loan manager in small-town Bedford Falls who faces financial ruin one Christmas Eve, only to be bailed out by the townspeople he'd so often supported before. The message struck a chord: Hundreds of donations poured in. One woman gave \$5,000. A FedEx delivery man slipped \$50 in the mailbox. A 9-year-old raised \$111 at a lemonade stand. Less than two weeks later, when the GoFundMe had reached \$138,000, Rotanz told Cotter to shut it off—the donations would more than cover the restaurant's legal fees.

There were other displays of support, too. When Wendy Rotanz took her car to be inspected, the owner refused her money. "We Stand with Mac & Bob's" signs popped up in storefronts across Salem—the pharmacy, the jeweler, the credit union. And just before Christmas, in one of the restaurant's front windows, a longtime customer built a diorama recreating a scene from *It's a Wonderful Life*: the street-light and snow-covered bench George Bailey stumbles past in his darkest hour. Affixed to the back of the bench were the feathered wings of Clarence, his guardian angel.

But not everyone was sympathetic. A Roanoke College student who'd worked as a dishwasher at Mac and Bob's published a blistering editorial in *The Roanoke Times*. "This restaurant's behavior is a microcosm of corruption," he wrote. "It is a business misusing the hard-earned labor of a server for the sake of increasing profit and incentivizing the dishwasher—the hardest position to keep—to stay for a while." Meanwhile, a Reddit thread surfaced. "I don't buy that they didn't know this was illegal," one user wrote. "Everyone who works in restaurants knows this is illegal."

It was a stressful year, and Rotanz didn't get a good night's sleep for months. "I would wake up at 1 in the morning, and I was wide awake," he says. "Having your financial world rocked is scary. If I'm 30,

it's one thing, but when you're 62, that's a little scary, because we're very late in the fourth quarter." He began to entertain the worst-case scenario: that Mac and Bob's would close. The building was supposed to be his retirement—he and Dishaw were going to sell the restaurant and collect a rent check. Suddenly that was all in jeopardy. Would he have to find another job? Take out a second mortgage on his house? It all seemed unfathomable.

In *It's a Wonderful Life*, on the night George Bailey learns of his financial ruin, he goes on a bender at his local bar. Stumbling home, he wanders out to the middle of a snowy bridge and begins to contemplate the rushing water below.

For all the parallels between George Bailey and Bob Rotanz, that scene is where their characters diverge. However dark and sleepless the nights got for Rotanz, you could not imagine him setting foot on that bridge. Instead, just as he had

"HE ALWAYS SEES WHAT HE WANTS TO HAPPEN AND IT HAPPENS. SCORING THE LACROSSE GOAL, ALL THE EXPANSIONS. HE KNEW IT WOULD WORK OUT. HE'S A FIGHTER."

in his days as an athlete, he found a way to focus his thoughts on other visions, ones that had always sustained him.

He thought about his older brother, Richard Rotanz Jr., a captain in the New York City Fire Department who had been on the ground at the World Trade Center on September 11th.

He thought about his father, Richard Rotanz Sr., a detective in the New York Police Department who survived a heart attack after a gun battle at a liquor store only to succumb to a second one, two weeks later, as he tossed a football with his three young sons. The department said he died in the line of duty.

He thought about Wendy and his daughters and a place on the Florida Coast they once went, a hunt-and-fish club where they caught bass and played guitar and a bell rang for dinner as they sat by the fire with a cocktail in hand.

"He always sees what he wants to happen and it happens," Katie told me. "Scoring the lacrosse goal,

all the expansions. He just knew it was going to work out. He's a fighter."

On a crisp night in late September, Rotanz, Dishaw, and Griswold sat with their families and friends and dozens of other diners in the vast atrium of the Taubman Museum of Art, a swooping structure of steel and glass in Downtown Roanoke. It was the Roanoke Regional Chamber of Commerce's Small Business of the Year Awards, and Mac and Bob's was among the nominees.

They had settled with Steven Nguyen the previous spring, just after a judge approved their bankruptcy plan: Every server who had worked at the restaurant in the six months before the bankruptcy filing received the amount they tipped out to the dishwashers and the full minimum wage for the hours they worked. The total was \$128,000—a heavy hit, but far less than the \$1 million Rotanz had feared. The donations from the GoFundMe covered the legal fees and then some. Rotanz divvied the remaining \$8,000 among three employees to help with their education costs.

That night at the Taubman, a local news anchor presented the awards, and when she announced that Mac and Bob's was the Small Business of the Year, the place thundered like an arena. Rotanz,

Dishaw, and Griswold embraced and shuffled onstage, three New York guys with steely gray hair and gray mustaches and boxy gray suits, looking, as they put their arms around each other, like a trio of world-weary characters at the end of a Scorsese movie. "I want to thank our employees," Rotanz said, taking the mic. "Our employees could have signed up and put us out of business, and they didn't."

Later, at a bar around the corner, he bought everyone round after round. At his side was Katie, looking radiant and at ease alongside her new husband. Watching them all raise a glass, I thought back to something she told me on the phone a few weeks before. "Our family was falling," she said, "and Salem was a net." She said she'd been at the restaurant just after the bankruptcy filing when a crowd of diners came in for lunch. "A little old man walked up to my dad and said, 'You are a good man, and I will eat here for the rest of my life.'" 🍷