CONTENTS

PREFACE xi
ACKNOWLEDGMENTS xvii

CHAPTER 1
PREVENTION PHILOSOPHY 1
1.1 THE FUTURE HOSPITALITY MANAGER AND THE LEGAL ENVIRONMENT 2
1.2 THE HOSPITALITY MANAGER AND LEGAL MANAGEMENT 3
   LEGALLY MANAGING AT WORK: Applying the STEM Process in Hospitality Management 7
1.3 ETHICS AND THE LAW 9
   What Would You Do? 12
   The Hospitality Industry In Court 16
   What Did You Learn In This Chapter? 17
   Rapid Review 17
   Team Activity 17

CHAPTER 2
GOVERNMENT AGENCIES THAT IMPACT THE HOSPITALITY INDUSTRY 19
2.1 FEDERAL REGULATORY AND ADMINISTRATIVE AGENCIES 21
2.2 STATE REGULATORY AND ADMINISTRATIVE AGENCIES 33
2.3 LOCAL REGULATORY AND ADMINISTRATIVE AGENCIES 39
2.4 REGULATORY INTERACTION AND OVERSIGHT IMPACTING TRAVEL AND TOURISM 42
2.5 MANAGING CONFLICTING REGULATIONS 55
2.6 RESPONDING TO AN INQUIRY 57
   LEGALLY MANAGING AT WORK: Recommended Steps for Responding to Inquiries and Complaints by Government Agencies 58
2.7 MONITORING REGULATORY CHANGE 60
   INTERNATIONAL SNAPSHOT: Immigration 63
   What Would You Do? 64
   The Hospitality Industry In Court 65
   What Did You Learn In This Chapter? 66
   Rapid Review 66
   Team Activity 66

CHAPTER 3
HOSPITALITY BUSINESS STRUCTURES 67
3.1 THE IMPORTANCE OF BUSINESS STRUCTURE 68
3.2 COMMON HOSPITALITY ORGANIZATIONAL STRUCTURES 70
3.3 COMMON HOSPITALITY OPERATING STRUCTURES 76
3.4 THE AGENCY RELATIONSHIP 82
   INTERNATIONAL SNAPSHOT: A Comparative Overview of Business Entities in the Hotel Industry 86
   What Would You Do? 87
   The Hospitality Industry In Court 87
   What Did You Learn In This Chapter? 88
   Rapid Review 88
   Team Activity 89
## Chapter 4

### Contract Basics

**4.1 Introduction to Contracts**

**4.2 Components of an Enforceable Contract**

**4.3 The Uniform Commercial Code**

**4.4 Preventative Legal Management and Contracts**

- Legally Managing at Work: Eight Steps to Follow When Entering into Contracts
- Legally Managing at Work: Reducing No-Show Reservations
- International Snapshot: International Contracts
- What Would You Do?
- The Hospitality Industry In Court
- What Did You Learn In This Chapter?

Rapid Review

Team Activity

---

## Chapter 5

### Significant Hospitality Contracts

**5.1 Specific Contract Clauses**

**5.2 Franchise Contracts**

**5.3 Management Contracts**

**5.4 Conference Services Contracts**

- International Snapshot: A Comparison of Franchise Disclosure Requirements under U.S. Law and International Law
- What Would You Do?
- The Hospitality Industry In Court
- What Did You Learn In This Chapter?

Rapid Review

Team Activity

---

## Chapter 6

### Legally Managing Property

**6.1 Introduction to Property**

**6.2 Purchasing Property**

**6.3 Financing the Purchase of Property**

**6.4 Leasing Property**

- Legally Managing at Work: Legal Considerations of Buying versus Leasing
- International Snapshot: U.S. Hotel Companies Seeking Trademark Protection May Now File in the United States for Protection Abroad
- What Would You Do?
- The Hospitality Industry In Court
- What Did You Learn In This Chapter?

Rapid Review

Team Activity

---

## Chapter 7

### Legally Selecting Employees

**7.1 Employee Selection**

**7.2 Discrimination in the Selection Process**

- Legally Managing at Work: Accommodating Disabled Employees
- International Snapshot: Canadian Employment Laws
- What Would You Do?
- The Hospitality Industry In Court
- What Did You Learn In This Chapter?

Rapid Review

Team Activity
CHAPTER 8

LEGALLY MANAGING EMPLOYEES 223

8.1 EMPLOYMENT RELATIONSHIPS 225
8.2 WORKPLACE DISCRIMINATION AND SEXUAL HARASSMENT 227
8.3 FAMILY AND MEDICAL LEAVE ACT 237
8.4 COMPENSATION 238
8.5 MANAGING EMPLOYEE PERFORMANCE 247

LEGENALLY MANAGING AT WORK:
Guidelines for Conducting Defensible Employee Terminations 251

8.6 UNEMPLOYMENT CLAIMS 254
8.7 EMPLOYMENT RECORDS AND RETENTION 259
8.8 EMPLOYMENT POSTERS 261
8.9 WORKPLACE SURVEILLANCE 261

INTERNATIONAL SNAPSHOT:
Managing Employees Abroad 264
What Would You Do? 265
The Hospitality Industry In Court 266
What Did You Learn In This Chapter? 267
Rapid Review 268
Team Activity 268

CHAPTER 9

YOUR RESPONSIBILITIES AS A HOSPITALITY OPERATOR 269

9.1 DUTIES AND OBLIGATIONS OF A HOSPITALITY OPERATOR 270
9.2 THEORIES OF LIABILITY 272
9.3 LEGAL DAMAGES 278

CHAPTER 10

YOUR RESPONSIBILITIES AS A HOSPITALITY OPERATOR TO GUESTS 295

10.1 ACCOMMODATING GUESTS 297
10.2 GUEST PRIVACY 303

LEGENALLY MANAGING AT WORK:
Law Enforcement and Guest Privacy 304

10.3 FACILITY MAINTENANCE 305

LEGENALLY MANAGING AT WORK:
Five Steps to Facility Evaluation 311

10.4 RESPONSIBILITIES TO NONGUESTS 312
10.5 REMOVAL OF GUESTS 314

LEGENALLY MANAGING AT WORK:
Responding to Guest Health Emergencies 316

INTERNATIONAL SNAPSHOT:
Should Foreign Governments Adopt Provisions from the USA PATRIOT ACT to Combat Terrorist Acts against the Hospitality Industry? 316

What Would You Do? 317
The Hospitality Industry In Court 318
What Did You Learn In This Chapter? 319
Rapid Review 319
Team Activity 320
## Chapter 11
### 11.1 Liability for Guests’ Property 322
### 11.2 Bailments 326
### 11.3 Property with Unknown Ownership 331

**Legally Managing at Work:** Disposing of Found Property 334

**International Snapshot:** Limited Liability of Innkeepers in Canada 334

What Would You Do? 335

The Hospitality Industry In Court 335

What Did You Learn In This Chapter? 337

Rapid Review 337

Team Activity 338

## Chapter 12
### 12.1 Serving Food 340

**Legally Managing at Work:** Steps to Take When a Guest Complains of Foodborne Illness 343

### 12.2 Truth in Menu Laws 345

### 12.3 Serving Alcohol 351

**International Snapshot:** International Perspective on Food and Beverage Litigation 362

The Hospitality Industry In Court 362

What Did You Learn In This Chapter? 364

Rapid Review 364

Team Activity 365

## Chapter 13
### 13.1 Travel 369

### 13.2 Travel Agents and Tour Operators 375

### 13.3 Transportation and Common Carriers 384

### 13.4 Tourism 392

### 13.5 Online Travel Sales 400

**Legally Managing at Work:** Internet Advertising Checklist 404

What Would You Do? 406

The Hospitality Industry In Court 406

What Did You Learn In This Chapter? 408

Rapid Review 409

Team Activity 409

## Chapter 14
### 14.1 The Importance of a Protected Environment 413

### 14.2 Safety and Security Programs: Four-Step Safety and Security Management Method 417

**Legally Managing at Work:** Establishing an Effective Guestroom Lock Policy 426

### 14.3 Crimes Against Hospitality Businesses 431

**Legally Managing at Work:** Procedures to Reduce the Incidence of Skipping 432

**Legally Managing at Work:** Guidelines for Handling Credit Cards 434

**Legally Managing at Work:** Personal Check Verification 435

### 14.4 Crisis Management Programs 437

**Legally Managing at Work:** The Manager’s Responsibilities in a Crisis 442

**Legally Managing at Work:** Guest Relations in a Crisis Situation 444

**Legally Managing at Work:** Guidelines for Dealing with the Media during a Crisis 446

What Would You Do? 449

The Hospitality Industry In Court 449

What Did You Learn In This Chapter? 451

Rapid Review 451

Team Activity 452
CHAPTER 15
MANAGING INSURANCE 453
15.1 INTRODUCTION TO INSURANCE 454
15.2 TYPES OF COVERAGE 457
15.3 SELECTING AN INSURANCE CARRIER 462
15.4 SELECTING THE INSURANCE POLICY 463
15.5 POLICY ANALYSIS 464
INTERNATIONAL SNAPSHOT: Hotels Operating Internationally Need to Think Globally about Their Insurance Programs 466

What Would You Do? 467
The Hospitality Industry In Court 468
What Did You Learn In This Chapter? 469
Rapid Review 469
Team Activity 469

GLOSSARY 471
INDEX 479