How Leaders Can Protect Chapters from Potential Legal Issues
HFTP Legal Counsel

HFTP has an attorney on retainer to provide counsel in a variety of areas. Anthony Icenogle is of counsel to Icenogle & Boggins PLLC. Mr. Icenogle’s practice has focused on insurance, association law, appellate law, and legislative/governmental affairs.
The content provided is for informational purposes and should not be considered legal advice. Please refer to legal counsel for official legal opinions.
Chapter Resources

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  – Submit inquires (brochures)
  – If needed staff will contact HFTP legal counsel
## Legal Scenarios

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1</td>
<td>Advertising &amp; Making Recommendations</td>
</tr>
<tr>
<td>Scenario 2</td>
<td>Alcohol</td>
</tr>
<tr>
<td>Scenario 3</td>
<td>Chapter Roundtable</td>
</tr>
<tr>
<td>Scenario 4</td>
<td>Contractual Liability</td>
</tr>
<tr>
<td>Scenario 5</td>
<td>Statistical Surveys</td>
</tr>
<tr>
<td>Scenario 6</td>
<td>Copyright &amp; Trademark</td>
</tr>
<tr>
<td>Scenario 7</td>
<td>Disclosing Member Information</td>
</tr>
<tr>
<td>Scenario 8</td>
<td>Exclusion of Membership</td>
</tr>
<tr>
<td>Scenario 9</td>
<td>D&amp;O Insurance</td>
</tr>
<tr>
<td>Scenario 10</td>
<td>Membership Limitations</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Scenario 11</th>
<th>Membership Termination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 12</td>
<td>Reprinting Published Materials</td>
</tr>
<tr>
<td>Scenario 13</td>
<td>Endorsement of Non-Chapter Meetings/Events</td>
</tr>
<tr>
<td>Scenario 14</td>
<td>Scope of Authority</td>
</tr>
</tbody>
</table>
Scenario 1: 
Advertising and Making Recommendations

Bob, an HFTP member, owns a company that sells goods/services to the hospitality industry. Bob is confident that his company’s goods/services can save members time and money. He approaches his local chapter president (who is also a satisfied client) to form a partnership, which they do. The chapter president adds Bob’s company logo to the chapter website along with endorsements from HFTP members who have used his goods/services. The chapter president also sends e-mail to his fellow chapter members (using the HFTP logo) recommending that his chapter members try Bob’s product/service, stating, “The HFTP sample chapter highly recommends the company, they are the BEST”.

BEST CHOICE
Poll Question #1

Are chapters authorized to use the HFTP global logo on communications?

• Yes
• No
Scenario 2: Alcohol

During a chapter sponsored event at a member hotel, an open bar is offered. Longtime member Jane D becomes intoxicated but servers continue to serve her. Unfortunately, Jane left drunk and was severely injured when the car she was driving swerved into another lane of traffic. Jane’s family named the hotel in a civil lawsuit.
Scenario 3: Chapter Roundtable Topics

As the vice president of The Serious Chapter of HFTP, you have organized a round table discussion as the topic of the chapter meeting. Just as your roundtable discussion group is seated, Gayle Gossip, a long time chapter member, proceeds to tell all the other members that she is “pretty sure” that the software she purchased from NeverWorks.com is not functioning properly. She has also heard that the company is in financial difficulties and they are closing their regional service center. She wants everyone to know this so that they do not purchase NeverWorks.com software and she would like the chapter to take a vote to notify chapters in other parts of the association.
Scenario 4: Contractual Liability

The General Managers Association is insolvent. An office supply company is trying to collect an association debt from the president. The president tells the office supply company to quit bothering him, that he is not responsible. “Yes you are,” replies the office supply company. “You signed the contract”. 
Scenario 5: Statistical Surveys

The Muleshoe Chapter wants to conduct a statistical survey among its members to determine income and expenses. A committee is formed to design the survey and make recommendations. The Board of Directors, with one abstention, approves the committee report that contains these requirements:

1. Participation by members is mandatory.
2. Current as well as past data must be disclosed.
3. Completed surveys are to be sent to the committee chair.
4. Members must sign their names that the information provided is correct.
5. Copies of each completed survey form are to be available to any interested member.
All of the previous comments are illegal. The law involved is antitrust. Before a chapter or committee considers conducting a statistical survey, the chapter or committee should first check with the HFTP Global office.
Scenario 5: Statistical Surveys

Association surveys where members are asked to report their itemized costs so it may be averaged and published, should follow these rules:

1. Survey participation must be voluntary.
2. Survey must be for a legitimate reason.
3. Survey data should be submitted to an INDEPENDENT third party who is not in the same type of business. For example, a CPA firm is very appropriate, a member from a hotel or club is not because the member may use the individual data for setting prices.
4. The survey should cover PAST data only (at least 3 months is a good rule to follow). ABSOLUTELY no current or future price information is to be included.
5. Individual data must remain confidential.
6. No comments or discussion of data is allowed.
7. Results should be available to a nonmember (perhaps at a higher price but cannot compel membership).
8. Individual data must be destroyed or returned to the individual.
9. It is always recommended to have survey reviewed by legal counsel.
Poll Question #2

Chapters can mandate for members to participate in a Chapter survey?

• True
• False
Scenario 6: Copyright & Trademark

The Sample Chapter does a mailing to promote their regional conference. The chapter downloads and uses the HFTP Global logo to create letterhead for the mailer. The chapter does not include the chapter name by the logo.
Scenario 7: Disclosing Member Information

President Bill Knowitall mentions during a Board meeting that another member, Jim Drugger, is in the hospital after being assaulted in a bar fight. Afterwards, another member of the chapter board, Helen Cravittts, tells the President that he should not disclose such personal information without permission and that both he and the chapter could be sued. Bill Knowitall’s response is, “As long as it’s true I can say anything I want in a meeting.”
Scenario 7: Comments
Disclosing Member Information

Suggestion:
Long time chapter member Jim Drugger is in the hospital recuperating from a non life threatening illness. If you’d like to send him a card or letter, you mail them c/o the hospital.
Scenario 8: Exclusion of Membership

The Red Deer Chapter members are very friendly with each other. They haven’t admitted a new member for several years. An application for membership has been received from Sam Sleaze. No one is quite sure why but Sam is disliked by everyone, although he otherwise meets the requirements for membership.
Scenario 9: Directors & Officers (D&O) Insurance

The Sample Chapter is planning on holding a 2-day educational conference. The chapter does not have insurance. At a planning meeting, a board member states “the hotel will have insurance so the chapter should not worry about it”.

![Insurance Image]
Poll Question #3

Does your chapter carry D&O insurance?

• Yes
• No
Scenario 10: Membership Limitations

The Party Chapter has had a hospitality liability insurance salesman, Larry Liability, attend their meetings. He decided to join the association and included payment for chapter dues to the Party Chapter with his membership application. Upon receiving the chapter dues from the HFTP Global office, the treasurer notifies you, as chapter president, that he intends to send Larry Liability a refund and tell him “thanks, but no thanks.” Vendors are not allowed to join the Party Chapter.
Scenario 11: Membership Termination

Early one morning an irate member calls Fred, the new president of the HFTP Brilliant Chapter. The member tells him there is a front page story about a past president who has been arrested. The caller is insistent that the membership of the past president should be terminated “because this publicity is embarrassing to the association.”
Scenario 12: Reprinting Published Materials

The Charmed Chapter has decided to publish a quarterly newsletter. Margaret has volunteered to edit it because she has a large file full of ideas. On the second page of the initial issue, there is a cartoon that was copied from the *Austin American Statesman*. About a week after mailing the newsletter, a letter is received threatening litigation for copyright violation.
Scenario 13:
Endorsement of Non-Chapter Meetings/Events

Chapter President Jane received an invitation to attend Vendor Member’s annual meeting. Jane feels that the sessions being presented may be of interest to other chapter members. Jane posts the meeting details on the chapter website.
Scenario 13:
Endorsement of Non Chapter Events/Meetings

Suggested text to publish:
The HFTP Name Chapter is forwarding the below/attached meeting details for informational purposes. The HFTP Name Chapter is not endorsing this event. For further information, please contact: (Contact name/phone/email/website)
Scenario 14: Scope of Authority

In an effort to provide chapter relevant services, Chapter President James John, with the Chapter Membership Committee advice identifies a sure-fire product line and signs a contract with an affinity program, assuming the decision would easily be approved by the Chapter Board. After the presentation of the contract, the Chapter Board voted not to pursue the contract.
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