

Hello everyone it's Heather Reid here.

I am so excited to be here with you to today.

My pronouns are she and her, and for

those that are using accessibility technology, I'm

a 60 year old white woman sitting in my home office

with wall to wall bookcases behind me and wearing a navy blue blouse,

have ash colored hair, and I'm wearing my signature red lips and red glasses

So our topic today is exciting

and it's critical.

We're talking about contract consequences - being sued.

We're going to dive into one of the most daunting

challenges event planners can face, and that's getting sued

due to contracts and issues with contracts.

I'm joined today by a very special guest.

I'm so thrilled Joan Eisenstodt

Joan founded Eisenstodt Associates LLC,

a Washington, DC based meeting consulting and

training company in 1981

and today she is absolutely considered

to be one of the most knowledgeable, inclusive

and ethical practitioners in our industry for

her work Joan has been inducted into the event council

industry sorry the events industry council hall of leaders,

which is our industry's highest honor.

while Joan and I could chat for hours about many topics,
and I hope we do in episodes to come, Joan is
joining me here to today to share her personal experience
with being sued as an event planner.

We're going to discuss what happened to Joan
how being sued impacted her professional practice
and the crucial lessons that you can take from Joan's
own experience to protect yourself in similar situations.

So whether you're a seasoned pro or you're new
to event planning, I know that the next 20,
25 minutes is going to be packed with valuable
insights to help you safeguard your events and your own career.

so as Joan comes on screen and
she settles in, I'd like to remind folks
of two items neither Joan nor

I we are not legal counsel.

We are not legal counselor.

We are amazing planners, but not legal counsel, and
our discussions today in no way will be providing or suggesting legal advice.

And the second is that we know that you're going to have questions
now or during a replay somewhere, so please don't
hesitate to put them in the comments wherever you are viewing and

we will do our best to address them today live or in future episodes.

So welcome, Joan.

Thank you so much for being here today.

I'm so excited.

How are you today?

Heather, it is lovely to be with you.

Thank you and how am I?

It's been an interesting week and an interesting few weeks in the United States.

I'm basically fine.

So interestingly, we did not coordinate our clothing.

No, we are both

we both I'm wearing a navy and white dress with

um sort of checks dots.

I don't know what to call it.

I have on hornrim glasses.

I have short white hair that is difficult to do without a very dark background.

So behind me, what you will see is my office that

is not nearly as lovely as Heather's. um my

pronouns are she/her and they. I like using they, it helps me

get used to using it. um I am I asked Heather.

I knew she was going to say her age.

So I'm a 77 and a half year old woman with

very pale skin of northern

European Jewish background.

And um I am in Washington, DC., where I

am right downtown in Washington acrossation

when I come visit, but you won't probably won't find me, but across from part of the FBI building.

So I'm either very safe or not safe.

Well, thank you, Joan.

So let's dig into meat and potatoes because I know that you and I could go

on and on, but we want to make sure we're giving value to those that are listening.

So you were named in a lawsuit related to an event.

Could you set this scene for all of us, so what was your role?

What stage of your career were you in?

What was the situation that you were coming into?

How did it get resolved where you found liable?

So I know that's a lot, but I want you to be able to paint a picture without

me interrupting you as to what the scenario was like for you at the time.

Thanks, and what I hope is that if I missed

something and if you think of a question that's relevant ask me, um

so as Heather mentioned, I started my company in 1981.

I had moved from Dayton, Ohio to Washington, DC in 1978.

I worked for an association on and off

for three years and then decided I wanted to work on my own.

I worked best on my own, um being an independent

planner in 198 was relatively new.

And I met a number of people who um

we sort of learn more about the industry and understand that.

I had met a number of meeting planners, one of whom was leaving her job.

And so in 1983, her association decided

to hire me to do their meeting.

Basically all the logistics, because at that time, my business

was pure, what I call pure meeting planning, was doing logistics, helping

with speakers, overseeing registration, going on site to do meetings.

We did there's actually a little bit of a backstory.

So we I did their 1983 meeting that

the backstory that that will probably dump into it another

time Heather, but relevant because of the at at

least built the relationship with the client on the way to the

meeting from the airport, we were in a very bad car accident.

And so I had to do that meeting by radio.

We talked about that under their time.

It however, bonded the client and and meet together.

We got back from that meeting.

They were Washington, DC based, and knew

that we needed to because the meeting had grown in size, tremendously, probably double triple.

And we were going the the next year's meeting,

1984, was already booked

fully with a number of hotels.

And so we thought, let's go to that city and do a site visit and based on the growth of the meeting what we needed to do.

There were a number of things that triggered concern.

One was that the contract had been, and this is incredibly relevant.

The original contract had been done pre-opening.

And so when you're booking a pre-opening a hotel, you don't really know what it's going to be like.

You don't even maybe know all the furnishings.

The the physical plant was already deteriorating.

Then we asked the hotel how

they would change a schoolroom set from

1500 to a banquet set in 15 minutes

and they said they could, and

my professional knowledge said, that is virtually impossible.

A magic wine?

That was, you know, it's a general, it's usually what we're told, right?

It's like all hands on deck we'll get everybody in there, you know, we'll make sure the people leave immediately.

The speakers stop speaking and everything and we'll get everything in the set.

And so we said that doesn't seem feasible.

Plus, there were the issues that we were surprised that a fairly new hotel

had carpet stains and scuffed furniture, and we

were concerned about the image that would reflect for the client's meeting.

So we said, we're going to look around and we did look.

They had another hotel contracted for overflow, and we decided we would look for another hotel if we needed to move it.

The client decided that there was no way that the meeting could feasibly fit into, not because of the deterioration, but because of the set that it had grown and there was not a protection in the contract for growth.

And so we decided, I say we, they decided, I only brought in the the expertise on logistics, that they were going to move it.

And so they did in fact sign a contract with another hotel.

Now, backing up for a second,

I was not involved at all in the original site selection.

I had nothing to do with negotiating any contracts with either hotel at the beginning.

This was done by both other hotel people and the previous meeting planner and someone from the convention and business Bureau.

So once they did that, the and to add to the interesting complication that's really relevant right now is that the hotel they were canceling was under one management company and one owner and they were being sold to another owner.

Yeah, or sold under and getting a new management company.

So there were all these parties that chose to sue the client

sue me individually as a person and sue

my company. um and and so the

and this is this is a year out, not even a year, so it would have been at that point nine months out of the meeting.

And so it was

if you look at the number of parties involved, there's the association

there, I'm going to say two of me because in the sense it was two of me.

And then there were the hotel two different

owners, management companies and the brand.

And everybody is involved in this lawsuit.

um And it was the initial reaction

for me, obviously, was um the

words that I won't say here. um they it was daunting.

It was incredibly daunting.

It would be.

So how did it end up being resolved and were you found liable in all of that process?

So we'll jump to the end and then we'll come back to the middle.

It had a really interesting ending.

So I am a third party considered by the industry a third party.

I am not what the industry considers a typical third party.

I work on fees from clients, not commission.

So there was no gain for me in them moving the hotel.

In other words, um

if if I had gained more money because the rates were higher or there were other commissions involved, then I would have been paid, there would have been a different outcome.

And and so I the client

um so as jumping to the end of the the end of the story and then we really have to go back to the meet of it because how it happened is to me a lot of the issue.

They ended up settling for

what would have been the association less than the legal fees, which is usually an that's

often the settlement that the the canceling party will settle for the legal fees.

The case against me and my

company were thrown out as precedent setting, because

I gained nothing at all from this action,

and and my contract with the client said that they

would protect and defend me in the event of any

any legal action, whether it were arbitration or litigation.

Okay, so tip tip, tip, tip tip, ding ding ding

is having in your own third party planner's contract

is you already had the awareness that you were to be protected in the case of legal action.

So that's wonderful.

So you were not found liable and you um so

how like so you talk about the middle.

So take me to the middle, then, what so so

the suit, right, the lawsuit is filed and um the

client asked me immediately who I would recommend as an attorney.

Fortunately, I had already gotten involved in the industry and I recommended um

I think he's now retired, Jeff King, who at the

time was the attorney for the convention industry council, which

is now the events industry council, or conventionallyaision council then.

And I said, Jeff is local to DC where the association and I were.

The hotel was in a very different city.

and I said, I would recommend him.

At that time, I was still new to DC. I didn't

know a lot of the hospitality attorneys and I said um Jeff would be best.

And so we spent a lot of time.

They hired Jeff, who would then defend them

and defend me and my company because he had knowledge.

He had relationships.

He knew the industry, he knew industry contracts.

And that was

I would say a huge lesson, Heather,

is that without a hospitality attorney, you

may have someone who doesn't know the ins and outs of the industry, and why,

for example, it is not feasible to change

a room 1500 schoolroom to 1500 banquet

with a preset salad right in pickering it.

Right So there's tip number two for folks obviously is

really network and know who is in your circle of influence

and just because you don't need them right now does not know that you will

need someone in a moment of duress and you knew who to go to.

So that's another great tip.

Okay, so keep going so this is here's

another interesting piece, because what I know,

and you and I have had this conversation, that when

you and I have have you teach contracts,

I teach risk and contracts and other areas of meeting planning.

When I ask meeting planners or hotelers, what's the worst thing that's ever happened?

Now, if we go back a few years, certainly for

all of us now, COVID of the potential of an active shooter

and climate issues, hurricanes and so forth are all some of the worst cases.

And and for me, death would be the worst thing could happen in a meeting.

What planners don't think about is that

a contract that may be signed today for next year,

two years for associations that sometimes five to

ten years in advance, that if they leave that organization,

or if the salesperson leaves the employ

of the owner or the brand or the management company,

that they're they're free and clear, right?

Just I'm going to disappear and it won't matter.

What happened during this and and

is that the former meeting planner, the former hotelers

had to, at their own expense, come back

for depositions and talk about their process and

all of their records, um at that time it was paper that everybody was using.

We weren't quite using computers, so

there weren't all the files, but that was paper, so it was reams of paper.

And they had to testify about what they were thinking, what their plans were.

The questions that are asked in depositions are

in in my now experience at least as great

as those that may be asked in an arbitration or in litigation.

And so but it was at their expense.

And so these are people who are no longer involved.

And that to me, if I were taking away the biggest

lesson, it's what you do today, what you did yesterday,

what you did last week, could come back and be

part of some sort of legal action

or even just a dispute of some kind, even if it's not legal.

It's just not an understanding of what of

what people meant to do and what they intended.

Okay.

Wow.

So that's another one.

That's like gold nuggets are dropping off everywhere.

So I can we move into how

you felt and what you do differently?

So my question is, how did it feel being sued?

And then how did it affect your

personal professional life?

What do you do differently today and have

you done throughout your career and that you want to impart to our listeners?

Because really what we're really wanting to do is you've had an amazing experience

that we want to avoid and we want to take lessons away.

So what would you advise in that situation?

What did you live through?

Well, I'm laughing because it is

my belief and it's my experience with everything I've ever done

in this industry or in life that until you experience something, you don't grow.

And so again, for for those who say nothing bad's

ever happened or, you know, I don't know of anything bad and they think that's fine.

We grow from

errors.

I would say that at the in the beginning, I was terrified

because my company was new.

I was still new in Washington relatively new.

And so the fear of what this might cost

me financially and what it might cost me reputationally was terrifying.

What calmed me was working with Jeff.

When you work with a hospitality attorney who really

knows the industry and I've had great good fortune over

many years of doing that with others, that

they walk you through and they calm you down and they're able

to explain to you the process, what's going to happen, what you have to provide

and and everything that happens.

I would say that that you know what I've said this.

I'll say it again, that it is without a

doubt, it was the best and the most important

professional experience I have ever had or ever could have.

I don't think had that

if that had not happened early on in my um in

my own company career, I'd already been in meetings for some years

um that I would ever have taken the

interest in contracts and risk management in

any of the issues that have become really the

core of my not only my business, but the core of my being

in this industry and what I want to impart to others. until

you go through something like that, you you can't.

And one of the things that I know that either some
of the listeners now or later or some who know me professionally,
um I became an expert witness some years later
as a result of that, because it allowed me to then delve deeper.
So I don't want anybody to have to go into arbitration or litigation.

I don't.

It is it's costly and it's scary.

However, until you until you
understand that it could happen, even after you leave the employ
of an organization or even after you, you retire.

Anything could happen.

And I think that the U. and Canada are
so different because we do lawsuits in the United States.

People always talk about the long ago hot coffee at McDonald's lawsuit.

The lesson I took that Jeff King said and that I have held
literally in my system forever.

It said he said to us early on, it doesn't
matter if you're right or wrong, you can still be sued.

And that for me was one of the most important things.

And so it allowed me to say as I'm doing any work,
what could be the outcome, good or bad
of what I'm doing and to question it and not just go, oh, well, it'll be okay.

Right.

I actually had a situation, Joan and you and I have talked about this
and I've been an avid father of yours since 2006.

just going to put it out there, Joan. and I remember you

saying very clearly about your experience at that, you know, that you had been through.

And I remembered saying, okay, I need to document everything.

And I was a planner on site where there was

someone who tripped over an audio visual cable and

went for quite a role.

But I was very lucky and that I had good practices in place.

and I have been deposed a

couple of times to my recollections.

And so I don't have to remember.

I have fantastic notes from, you know, the pre-event.

I have fantastic notes of my onsite recaps

and my post event kind of summary.

So so I would love for you, Joan, um

to how can we, ensure,

if we're an independent planner, if we're an in-house planner,

how can we ensure that we're protected in the event that a client

decides to sue the independent planner's

company or the um

where they're employed.

Let me add a little bit to that and and

that is give me one second.

I want to go back to what you said first and that is the documentation.

I'm on um

I take notes like crazy in every conversation.

I still take them by hand because I think that way, um and then I scan them.

And so it is taking notes because our memories,

when we're all working on so many things, it's tough.

If you ask me I know what I did this week.

I don't remember what I did last week.

So it's but conversations with clients have

voluminous notes.

So it's it's who said one, it's action items and so on.

And now, of course, I've forgotten your question.

I'm sorry.

Oh, no, no, no. what do

So I would say, first of all, um it it

also applies to any suppliers who happen to be listening.

Hot, DMOs, um AV companies, whatever, any part of any industry.

And and there is, I would say there's not

because of what Jeff said, that it doesn't matter if your w right or wrong,

you can still be sued or take to arbitration, that

you if you take good, let's start at the beginning.

If you ask good questions, what ha what I've seen Heather

and I know you have, and it it makes me sad

that people when they're presented a proposal when planners
are presented a proposal, they skim it and they look for
rate state space and concessions.

And they don't look they don't read it.

They don't thoroughly read it.

So the first thing to me is read what you
are given as a proposal that it's
considered a contract before you do anything.

The second is

to understand how you are protected, whether it's by your
client, your employer, what happens when you leave the employee
or do the contract ends and what you will need to do?

And then take take every note.

I think that what we do

badly in the industry is that we don't ask good questions.

I I've I've been a

proponent of improvisation training for years, and that
is you learn to listen more closely and you learn to say, tell me more.

Well, tell me what that means, or could we please clarify
that language in the contract?

Because we each have an understanding of language and
it may differ from what is intended or what the other party has said.

Very cool.

So we have a couple of things.

We've had a question.

How much time and this should be really short?

How much time did being sued take away from your professional life or your personal life or both?

It's interesting.

One of the things that I'm very good

or bad at, I don't know which one it is is that I compartmentalize bad stuff.

So I don't honestly remember how long I I can

I can make a good guess because we were the travel

involved to and from the city where the hotel was alone was extensive.

There was documenting everything so that I had to answer all the questions from

um the attorneys for the the suing party and I had to

write everything from um to the client about what I

knew and what I understood. um And so there is a constant paperwork.

I would say that it um

I was single at the time.

And so it was I don't know.

It's awful to say that I don't know that impacted me because

I'm really curious and I love to read and research.

And so it probably

this will make me sound stranger than I even am, but it probably

gave me some odd kind of joy because it helped me learn.

If I'm not learning every day, I'm not I don't feel good.

So it was a process that added to my

professional life and also the ability to understand what I was helping.

I think I think that, again, I go back to having

at that time, especially having a

strong, hospitality attorney and a good client.

Again, you know, we've been through the car accident and so we are bonded

and they want to protect me as much as I want them protected.

And I want the meeting to happen as it should.

And so that was a lot of

um I think that probably me and MPath, right?

That probably was a greater time

taker than it was the actual work on doing what I needed to do.

So I if a

couple of things I want to go and we're like you and I could spend all day, every day.

I wish we could in real life, but we can't,

and I want to be mindful of the time set aside by our listeners.

We had a question that was

um and I'm going to start by answering it briefly and then over to you.

But can you share sample contract language to

ensure that you are covered under your client if you have legal issues?

So I'm going to say to the questionnaer, we

will never you and I will never give actual language, and I think the one thing is is that there isn't a one size fits all.

There is never a scenario where boiler plate language is going to suit every single situation.

And so as an independent, which you and I have both been for our careers, it's very important that we have protections in our services agreements with our clients.

And and how do we do that?

We invest in legal counsel right up front to draft those service agreements and bring bringing to them that one of our concerns is being implicated in legal action and we need to be protected.

The other thing that you and I had a discussion with one of our certification uh enrol East, um, the program enrol East, and she is an employee.

And it turned out that she actually really didn't know how she was protected as an employee with the agreements that were being made by her employer with clients.

And so I think we left her with saying, I need to go back and do my homework to say, I need to find out, how do you protect me as an individual?

How is the company protected?

What kinds of documents are being signed between client

and agency and agency an employer or sort of employee so

and and what will happen if I leave?

And there is any kind of action, any

kind of dispute, um between the

signing of whatever agreement between me and the

client between you and the client, uh between you and the

the the client and the hotel or the convention center or whatever

and and I'm gone, or any of us are gone.

And who will be who will then be responsible

for protection and fees and anything else that may be encountered?

And what's what I think Heather, what's scary is that

I think people have literally no idea of what

can happen and how they should even ask that question.

So if I were taking, if I were listening to this and it were that

long ago, um I would say, oh, I

need to ask that question and make sure my contracts cover it.

So that, um and so and back to the original question, no, we will not.

And I find it

painful, truly, that when people ask

in various of the social media groups for language

that some people will provide it, I will never do that.

I I heard Jonathan Howe, who is one of your

esteemed hospitality lawyers in the United States, say that it

we we as independent planners are broaching
the line of being perceived as legal counsel if
we do share or suggest language and
that's that scared the crap out of me kind of like your lawsuit.
Like that was really defining for me when I'm working with clients.
So we need to wrap this up because we're at the top of the hour,
which is so sad, but I do want you to give
four or five bullet point key pieces of advice for our listeners.
If you can bang, bang, bang, bang, bang, give them
to us that would be fantastic, Joan.
I'm glad to.

So the first thing is the minute you finished
listening to this, go find out how you are protected now
and in the future for anything that may occur as a
result of a meeting that you negotiated and helped and helped to to contract.

You didn't even sign it.

What will happen to you?

The next is read everything carefully word
by word by word. ask questions if you don't know the
meaning of something and your partner or your supplier partner
or your planner partner if you're a supplier, doesn't understand it.
stop, find out and clarify.

The next thing is to make sure

that you talk with a hospitality industry attorney.

There is the I'll get the name wrong it's haima, um

it's hospitality industry something. um

and Heather and I are all glad to to recommend people to help.

And the and I think the other is, um no, I'm going to just reiterate.

It's read everything.

Don't skim.

Do not sign anything or recommend

that your client or your employer sign anything

until everybody is clear on the language.

And this is especially important.

We're now at the end of November.

I know this is the first year and more

than I can tell you, that I don't have a stack of contracts that

must be signed before Christmas, so

it's a time that people are going to rush.

Now it's a time to take a deep breath and say

until we clarify, we're not going to

sign, and yes, you will be told planners that you'll lose the

deal at the first of the year and that may be a better risk to take

than to sign something over which there may be a dispute and you're involved.

Thank you, Joan.

I I tell you and I have the privilege of

connecting almost virtually every day because of our work together right now, but

I um I just am honored that you are it

took some time today to share lessons learn because I

really you have lived experience.

And I think the world learns through people being

willing to share lived experience.

And it's not just out in the world.

It's in our own industry.

And so sharing your lived experience of being sued, I hope is

a pause for people.

I certainly have shaped my professional

work and how I've tried to CYA cover your ass.

Right?

We all want to do that, but really in being careful.

So anyways, thank you so much, Joan.

I'm just going to wrap this up because you're going to be back in future episodes.

I know because we have so much to talk about.

So for our listeners thank you, Joan.

Thank you so much for being here with us.

I am just so honored that you would spend 30 minutes with us.

We're going to be back on December 18 at

2:30 PM Eastern live and I'm going to

be going solo talking about

hidden fees, and why I don't believe there

is such a thing as hidden fees, so

with that, please take care, folks.

I know it's the American Thanksgiving coming up.

It's holiday season, and as Joan said, read

read read be careful, take your time and happy contracting folks.

Bye for now.