

NAVIGATING **LEGAL ISSUES**

Why Contacting an Attorney is Good for Your Business

By Christopher L. Strohehn



I have represented bar and tavern owners over the years for a number of issues. I have received calls on all sorts of situations but for now I want to focus on two of the most frequent and expensive: licensing issues and civil suits involving pay-per-view theft.

LICENSING ISSUES

One of the most valuable parts of a tavern or bar owner's business is the license that allows him to operate. That license is a valuable piece of property that ultimately derives from the owner's relationship with the local police department and municipal licensing authority. Whether you are starting out or running an established business, it cannot be overstated that if you are encountering issues on the premises, options one and two should always be working with the police and municipal entities to face those issues collaboratively rather than in an adversarial manner.

Let's take an example. You are running a tavern that has encountered contacts with the police department for altercations, underage patrons, unlicensed bartenders or crowd nuisance issues. The local police department wants to meet with you to discuss these issues. What is the best way of dealing with that meeting? Do you take a confrontational tone and refuse to make changes to how your business is operated? Or do you consider making a few tweaks to satisfy local police?

MAINTAIN A GOOD RELATIONSHIP WITH LAW ENFORCEMENT

Understand that when you are looking to renew your liquor license, which is the key to the success of your business, one of the first things the aldermen or trustees sitting on the licensing board are going to do regarding license renewal, is look to the police department to see what sort of establishment you have been running. They will ask if there have been police contacts and what the result of those contacts have been. You do not want the police department commenting or advocating that the presence of your business is a detriment to public safety by virtue of how it has been operated.

Let's flashback to that meeting with the police department. If you attend that meeting and take a confrontational tone, or dismiss suggestions that police offer about how to make improvements to reduce law enforcement interactions on the premises, you risk making an enemy out of a potential ally. You want the police on your side when you are looking to renew your license. You do not want an adversarial position with the police department because they can push the municipal attorney or body to suspend, revoke or refuse renewal of your license. Above all else, you want the police to work with you and not against you.

If all attempts at cooperation fails at the municipal level, there are legal challenges that can be taken in circuit court to attempt to preserve your license. That being said, the best defense and protection for your business is to find a better path and avoid the confrontation.

CIVIL LAWSUIT ISSUES: PAY-PER-VIEW THEFT

Lawsuits are expensive. They require talking to lawyers and defending your business in court. Commonly, bar and tavern owners think of defending their businesses against people injured on their premises or by employees. However, there is a little known risk that you face that may not be on your radar that you should take note of: the theft of UFC and Boxing pay-per-view fights.

What is pay-per-view theft? No doubt many bars and taverns across this state cater to clientele that enjoy viewing these pay-per-view events. They can be a boost to business and reason for patrons to make it out to the bar to hang out with friends for a night of fun. It is understandable that a bar or tavern owner may want to court those customers to come to their place of business.

Unfortunately, if these events are not aired in accordance with the law, it places a significant amount of legal liability on the bar or tavern owner.

PIRATING IS A NO WIN SITUATION

In my experience, it is all too common that some business owners, many running smaller "corner" type bars and pubs, make the mistake of legally purchasing the pay-per-view fight on their home cable provider and bringing a box in, or running a cable wire from a nearby residence into the bar. While that allows the bar to display the pay-per-view to its customers, it is a recipe for disaster.

Thereafter, the UFC, Zuffa, Joe Hand Promotions, J&J Sports Productions, or another corporate arm will hire investigators to conduct audits at the varying pub, tavern or sports bar locations in your city or town. It is not uncommon for these investigators to visit locations throughout the state of Wisconsin. These investigators will often wear hidden video cameras in an attempt to catch the unauthorized airing of these events. The investigators will also take pictures of the cars in the parking lot to obtain potential witnesses and use other means to prove the unauthorized viewing.

Shortly thereafter, one can expect that the tavern or bar owner will receive a letter or call from a law firm or representative from the aforementioned corporate or legal entities that had the ownership rights of this event accusing the bar or tavern owner of stealing or "pirating" the pay-per-view event and seeking extraordinary damages, penalties and attorney fees. As basis therefore, the representative will cite certain federal statutes that allow exorbitant penalties to punish and deter this type of conduct.

GET THE FACTS FIRST

At that point, they will demand a large settlement from the bar or tavern owner to avoid lengthy and costly litigation. I know the panic that owners have felt after receiving this type of letter and threatened financial ruin. Do not simply enter into a settlement or a "payment agreement" without talking to a lawyer about possible alternatives. The bar or tavern owner may have defenses to the claims asserted. There may be legal technicalities or insufficiencies in the claims asserted. Explore the defenses. Sometimes, if the lawyer pushes the other side, the plaintiff may lack the proof to sustain their claim. Talk to a lawyer before you make a decision. I understand that when you think of a lawyer you think of "added cost" but most lawyers will talk initially to anyone for free. You do not want to enter into a detrimental financial arrangement for a mistake if you have not looked at your potential defenses. Not only that, even if at the end of the day the bar or tavern owner has no

defenses, a lawyer is likely to be better able to extract a fairer or financially feasible settlement for the business owner.

GET AN IMPARTIAL ADVISOR

Lawyers often get a bad rap for varying reasons. That being said, we are here to help our clients. Your business is more often than not your livelihood. Whether you are dealing with the ongoing relationship with your police department or municipal licensing bodies, or crisis management issues like a severe altercation at your bar, or if you are the target of a legal claim like pay-per-view theft, a lawyer can be that impartial adviser and the advocate you need to help you navigate difficult times. There are some 22,000 lawyers in the state of Wisconsin. Do not be afraid to contact one in your time of need. *TLW*



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