

# LEISURE & HOSPITALITY

## INTERNATIONAL

Your destination, event & lifestyle magazine

# *An Amazing View*

Fred Malek and Leland Pillsbury apply the skills they used as Marriott executives to grow Thayer Lodging Group. **Page 26**



## PLUS



### **DICK'S LAST RESORT**

With a recently opened 15th location, the chain continues to carefully cultivate an atmosphere of fun. **P 82**



### **LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT**

The Louisiana airport undergoes significant renovation to excel in the 21st Century. **P 125**



A close-up photograph of a restaurant table. In the foreground, a white plate holds a piece of seared scallop with a golden-brown crust, resting on a bed of green arugula. To the left, another plate shows a piece of roasted chicken. In the center, a wine glass is partially filled with red wine. The background is softly blurred, showing more of the table and possibly other diners.

# *See and Be Seen*

TRIUMPHS AND PITFALLS OF CELEBRITY-RUN RESTAURANTS





“For real? Is this happening?” Those are the questions that ran through my mind as I watched Jon Bon Jovi grab the guitar hanging on the Blue Parrot’s wall and sing “Wanted Dead or Alive” to the 50 people eating Mexican food and drinking margaritas. This surreal experience is what people secretly hope for when patronizing celebrity boîtes; I can hit a hot-spot, eat amazing food, and maybe, just maybe, chill with Justin Timberlake or Michael Jordan or Mark Wahlberg.

Presence, cache and star power are just what a celebrity adds to a restaurant, and that’s all. The secret, then, to a successful restaurant is everyone contributing their essential skillset: the investors – money; the celebrities – appearances; the chef – food; the management – executive and administrative oversight; and the attorneys – legal advice. The lines shouldn’t cross, and everyone should recognize their narrow forté.

Whereas a celebrity might think they have the wherewithal to independently spearhead the next trendy eatery, opening a restaurant is not just a matter of simply choosing a hot location in the meatpacking district or an Asian-fusion menu. Opening a restaurant requires countless important decisions, seemingly mundane, which range from the number of seats in the dining room to the distance between the bathroom and the kitchen to selecting the right mix of purveyors. Although celebrities receive preferential treatment for reservations or entry to VIP rooms, when it comes to opening a new restaurant, there are no shortcuts and/or room for error. As an attorney and industry professional, I cannot stress enough that every aspect of a restaurant’s success or demise hinges upon an owner’s ability to take advantage of his or her partners’ specific expertise in order to minimize risk and pounce on opportunity.



Every decision – especially at a celebrity-run restaurant that garners considerable scrutiny – requires familiarity with the hospitality industry and thorough knowledge of health, safety, leasing, licensing and building and/or zoning regulations. Accordingly, an overwhelming number of celebrity-run restaurants are featured in newspaper headlines as epic failures rather than trendy triumphs. The triumphs, however, likely did three key things: One – deferred to experienced restaurant management; two – refrained from dishing out freebies; and three – hired competent attorneys.

## THE BEST THING A CELEBRITY CAN DO TO BOLSTER BUSINESS IS FREQUENT THE ESTABLISHMENT AND DEFER TO INDUSTRY EXPERTS WHO HAVE PROVEN THEMSELVES.

### THESE THREE THINGS

First and foremost, new restaurants must hire (and defer to) a reputable restaurant management team. Whereas celebrities often have unrivaled acting, athletic or musical talents, generally speaking, they lack restaurant industry expertise. Sure, they attend restaurants more than most and consequently may have a greater appreciation or demand for attentive service and quality cuisine. However, that does not mean they know what colors are statistically proven to whet a diner's appetite, what requirements are imposed by local health code ordinances (a contributing factor to the downfall of pop star Britney Spears' Nyla), how to ensure repeat customers (a fatal problem for filmmaker Steven Spielberg's Dive!), the benefit of up-

dating a restaurant menu regularly to account for changes in food prices (a key factor in the success of skateboarding champ Tony Hawk's MARKET Restaurant and Bar). They also tend to be unfamiliar with the best way to ensure adherence to a budget or the timely payment of staff and vendors (fatal missteps for professional baseball player Carlos Beltran's Sofrito and record producer Jermaine Dupri's Cafe Dupri). Hiring an experienced management team whose entire job is to account for such details, which elude even the most frequent restaurant diners, is critical.

Second, a celebrity opening a restaurant must resist the urge to provide complementary food and drinks to fellow celebrities, friends and family members. A restaurant is a business like any other. It cannot be the *de facto* clubhouse for celebrity owners and their entourage. Celebrity-run or not, a new restaurant is always on shaky financial grounds at the onset due to significant "front-heavy" costs (e.g., buying kitchen equipment, paying contractors, putting down security deposits). If friends and family dine for free, they are taking away tables from full-paying customers, and the cost of goods sold drops immediately to the bottom line. Ultimately, freebies are a surefire way to an early closing.

Third, a celebrity-run restaurant must pay attention to the corporate, litigation and real

estate issues arising in the hospitality industry. Whereas the chef and management team are some of the most important ongoing restaurant players, also critical are the "housekeeping" documents – leases with landlords, contracts for managers and chefs, and agreements with investors that focus on issues such as lease terms; non-competition, non-disparagement and non-solicitation agreements; corporate agreements; intellectual property protections; employment and wage and hour laws; and contracts regarding the transfer of interests. These contracts will govern relationships with employees, architects, designers and front- and back-of-the-house personnel. Also important is limiting financial liability stemming from lawsuits involving laws concerning dram shop, gift card, equal employment opportunity, intellectual property, partnership agreements, contracts and marketing and advertising laws.

Ultimately, celebrity owners can always put their imprint on a restaurant and give their two cents about the ambiance and food. However, at the end of the day, the best thing they can do to bolster business is frequent the establishment and defer to experts who have proven themselves knowledgeable in the industry. 🌐



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