



Jason Arbuck

Partner & Co-Chair of the
Hospitality Group at Cassels

- Practice devoted to hotel financing and acquisition transactions, hotel management arrangements, hotel ownership issues
- Focussed on cross-border transactions
- Significant experience in drafting and negotiating hotel purchase agreements, hotel management agreements, loan and credit agreements



Frank Robinson

Partner & Co-Chair of the
Hospitality Group at Cassels

- Advises Canadian and international companies on all matters relating to franchising, licensing and distribution including structuring and expansion strategies, legal and regulatory issues, contract drafting and negotiation, compliance with Canadian franchise disclosure legislation
- Provides counsel on mergers and acquisitions and general corporate, commercial and contractual matters to companies in the hospitality industry

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THE HOSPITALITY LAW
CONFERENCE SERIES 2.0

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Legal Issues You May Not Know About Canada

Franchise Law

- Franchise disclosure laws can apply to franchise, license and managed hotel transactions
 - Franchise disclosure document, or FDD, similar to US, with important differences
 - “Material facts” and “Material Changes”
 - Limited exemptions
 - Statutory rescission rights and duty of good faith
 - COVID impacts on franchising
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Cannabis Law

- Federally legal since October 17, 2018
 - Federal, provincial, municipal legislative power
 - Certain provinces permit hotels, motels and inns to allow in-room consumption; municipalities may limit this
 - Hotels are marketing themselves as “cannabis-friendly”
 - Ontario has side-lined consumption lounges, Manitoba is soliciting views as of last week
 - Policies, notices, insurance and other changes required
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Employment Law

- No “at-will” employment in Canada
- Notice under employment standards legislation vs. common law
- Prudent employers require employment agreements
- Cannot contract out of employment standards legislation
- Owner as employer
- Many COVID related changes since March

Destination Marketing Fees Litigation

- Claim involves the disclosure of DMFs as taxes
- Summary judgement motion – franchisors are not responsible
- Update: Summary judgement motion dismissed (summer of 2019)

New Loyalty Program Laws

- New laws in Ontario and Quebec
- No expiry of reward points due to passage of time alone
- Exception: Customer has not **earned** or **redeemed** within a specified period **and** such expiration is provided for in the agreement
- Quebec: 1 year of inactivity

Mergers & Acquisitions

- Asset vs Share Transactions
- Capital Gains Exemption (\$866,912 per person) can lead to share deals
- Land transfer tax payable on asset deals