

12-23

APPLICATION FOR BEER PERMIT  
STATE OF TENNESSEE  
CITY OF FRANKLIN

PURSUANT TO SECTION 8 CHAPTER 2 OF THE CODE OF THE CITY OF FRANKLIN, TENNESSEE, AND THE REQUIREMENTS OF 57-5-101 ET. SEQ. OF THE TENNESSEE CODE ANNOTATED, I HEREBY MAKE APPLICATION FOR:

- ON PREMISES PERMIT
- OFF PREMISES PERMIT
- ON AND OFF PREMISES PERMIT
- MANUFACTURER'S OR DISTRIBUTOR'S PERMIT
- SPECIAL EVENTS PERMIT                      HOURS OF EVENT \_\_\_\_\_

DATE PERMIT NEEDED June 1, 2012

PERMITS SHALL BE ISSUED TO THE OWNER OF THE BUSINESS, WHETHER A PERSON, FIRM, CORPORATION, JOINT-STOCK COMPANY, SYNDICATE, OR ASSOCIATION.

1. Applicant (Owner) Drury Development Corporation

Person  Firm  Corp  LLC  Joint-stock co.  Syndicate  Association

2. List all persons, firm, joint-stock companies, syndicates, or associations having at least a 5% ownership interest in the business (attach additional sheet, if needed). Please give name and address.

DDC Class A Common Voting Trust, 721 Emerson Road, Suite 200, St. Louis, Missouri 63141. The Trust owns 100% of all outstanding shares of Class A Common Stock.

3. If the applicant is a corporation, are they authorized to do business in the State of Tennessee? Yes

4. Under what trade name will this business operate?

Drury Plaza Hotel - Franklin

5. Location of the business by street address.

1874 West McEwen Drive, Franklin, Tennessee 37067

Phone number of the business To Be Determined

6. Please give the following information on the person who will be managing the business. This person is an owner \_\_\_\_\_ or a managing agent X.

Name [REDACTED]  
Drivers license # [REDACTED]  
Date of birth [REDACTED] Soc. Sec. # [REDACTED]  
Home phone # [REDACTED] Daytime phone # [REDACTED]

7. Specify the identity, address and daytime contact phone number of the person to receive annual privilege tax notices and any other communication from the City.

Name Dana L. Hunter Title Paralegal  
Mailing Address c/o Drury Hotels Company, LLC, 721 Emerson Rd., Ste. 400  
City, State, Zip St. Louis, Missouri 63141  
Daytime contact phone number (314) 587-3138

8. Will the permit be used to operate two or more restaurants or other businesses under the same permit as permitted by T.C.A. Section 57-5-103(a)(4) within the same building? Yes \_\_\_\_\_ No X.

If so, specify number N/A. List the names of the restaurants or other businesses and describe their location (use additional sheet if necessary)

N/A

9. Do you own the premises on which you will operate? Yes.  
If no, please give the name and address of the property owner.

N/A

10. Has any person having at least 5% ownership interest, managers or employees of the business been convicted of any violation of beer or alcoholic beverage laws or any crime (other than minor traffic violations) within last ten (10) years? No. If so, give particulars of each charge, court and date convicted.

N/A

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11. Has this owner or the owners organization had a beer permit revoked, suspended, or denied in the State of Tennessee? Yes \_\_\_ No X If so, please give date, place and cause of said revocation.

N/A

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12. Give the name and address of the former beer permittee at this establishment.

None. This hotel is new construction.

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13. Give applicant's history of involvement in the beer business, if any.

Drury Development Corporation has owned and operated hotels with liquor licenses throughout the United States for over thirty (30) years.

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14. Give applicant's employment record for the past 10 years.

N/A

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15. What is the exact nature of the business in which you are applying for a beer permit? (Restaurant, tavern, motel, etc.)

Hotel with bar

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16. Will a full course menu be served? No

17. Will separate and sanitary facilities be maintained for men and for women? Yes

18. Will dancing be allowed on your premises? No.  
If yes, do you acknowledge that section 9-102 of the Franklin Municipal Code prohibits the operation of establishments allowing dancing between 1:30 AM and 8:00 AM? N/A

19. Does your company have a training policy for employees regarding the sale of beer to minors? Yes X No \_\_\_\_\_

If yes, explain the procedure in detail or you may provide a separate attachment.

Drury uses the "CARE: Controlling Alcohol Risks Effectively" program, developed by the American Hotel and Lodging Educational Institute, to train all employees involved in the service of alcohol to the hotel's guests.

If no, do you plan to implement a training policy in the future? N/A

20. Please read the following and upon signature of this application, you do understand and agree to comply if you are granted a permit.

- (a) You will not sell beer or similar beverages except at the place or places for which the beer board has issued your permit.
- (b) You will not sell beer or any like beverage except in accordance with the terms of said permit.
- (c) If this application is made for permit to sell and not for consumption on the premises, you will not sell for consumption on the premises and not allow consumption on the premises.
- (d) You will rigidly enforce the law against sales to minors.
- (e) You will prohibit gambling at your establishment and understand that the conduct of such activities on the premises will result in revocation of your permit.
- (f) You will secure a certificate or statement from the health department or health officer that the premises covered by the application meet the requirements of the ordinances of the City of Franklin and the laws of the State of Tennessee.
- (g) You will not attempt to transfer this permit to anyone else.
- (h) You will display this permit in a prominent place in your establishment.
- (i) You will not sell or distribute beer between the hours of 3:00 AM and 6:00 AM (8:00 AM for on premises consumption) during the week and between the hours of 3:00 AM Sunday and 12:00 Noon Sunday (10:00 AM for on premises consumption).
- (j) You will prohibit the congregation at your establishment of those who reasonably appear to be intoxicated, lawless, rowdy, or prostitutes.
- (k) You will not allow any liquor with alcoholic content of greater than five percent (5%) to be consumed on the premises.
- (l) You will not allow any sale or delivery of beer for consumption on the premises outside of the building, it being the intention to prohibit the sale of beer by what is commonly known as "curb service" or "curb sales" of beer.
- (m) You will comply with all requirements of section 2-201 through 2-229 of the municipal code of the City of Franklin.

A non-refundable \$250 fee must accompany this application and the application shall be submitted at least fifteen (15) days prior to the Beer Board meeting at which it is to be considered. If the application is approved you are required to provide documentation of sales tax registration to the city within ten days of approval. Any applicant making false statement in this application shall forfeit his permit and shall not be eligible to receive any permit for a period of ten years.

A privilege tax of \$100 is imposed on the business of selling, distributing, storing or manufacturing beer in this state effective January 1, 1994 and each successive January 1. Any holder of a beer permit issued after January 1, 1994 shall pay a pro rata portion of this annual tax when the permit is issued.

*I hereby make application to the City of Franklin Beer Board for a beer permit.*

*The signing of this application acknowledges that I am aware of the laws prohibiting the sale of beer to minors.*

*I hereby certify that no person having at least a 5% ownership interest, nor any person to be employed in the distribution or sale of beer in my establishment has been convicted of any violation of the beer or alcoholic beverage laws or any crime involving moral turpitude within the past 10 years.*

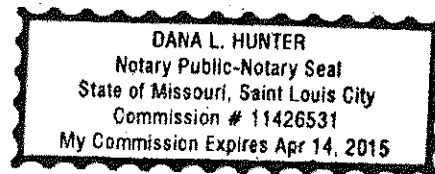
*I am also aware that I shall not be issued a permit or my permit shall be revoked if my business location causes traffic congestion or interferes with schools, churches, or other public places of public gathering, or otherwise interferes with public health, safety and morals.*

By: *Jacqueline D. Pollvogt*  
Signature of Applicant/Owner (or Authorized Corporate Officer) Jacqueline D. Pollvogt,  
Sr. Vice President and Secretary  
On behalf of: Drury Development Corporation  
Name of Business Entity

Sworn to and subscribed before me this 17<sup>th</sup> day of April, 20 12

*Dana L. Hunter*  
Notary Public Dana L. Hunter

My Commission Expires: April 14, 2015



Official Use Only	
Application Fee \$ <u>250.00</u>	Date Paid <u>4-23-12</u>
Privilege Tax \$ <u>67.00</u>	Date Paid <u>4-30-12</u>
Board Meeting Date <u>5, 8, 12</u>	

**Drury Development Corporation – List of Corporate Stockholders and Officers**

Name	Title	Actual Number of Shares	Percentage of Stock Owned
DDC Class A Common Voting Trust	Sole Shareholder	12,332	100%
Charles L. Drury, Sr.	Chairman, CEO and Director	-0-	-0-
Timothy M. Drury	President, Treasurer, Director and Trustee of the DDC Class A Common Voting Trust	-0-	-0-
Charles L. Drury, Jr.	Senior Vice President, Director and Trustee of the DDC Class A Common Voting Trust	-0-	-0-
Jacqueline D. Pollvogt	Senior Vice President, Secretary, Director and Trustee of the DDC Class A Common Voting Trust	-0-	-0-
Janice Ann D. Ruopp	Director and Trustee of the DDC Class A Common Voting Trust	-0-	-0-

**DRURY DEVELOPMENT CORPORATION:**

By: *Jacqueline D. Pollvogt*  
 Jacqueline D. Pollvogt, Sr. VP & Secretary

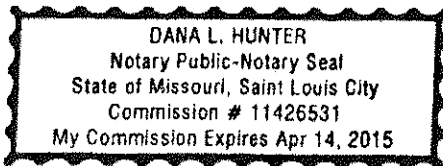
7,668  
 Number of shares not issued by  
 the corporation

4/11/12  
 Date

Subscribed and sworn to before me this 11<sup>th</sup> day of April, 2012.

*Dana L. Hunter*  
 Notary Public

4-14-2015  
 My commission expires



# City of Franklin

P O Box 705  
Franklin, TN 37065  
(615) 791-3225

DATE: 4-24-12  
TO: CODES DEPT  
FIRE DEPT  
FROM: CHRISTY MCCANDLESS, ACCOUNT MGMT SUPERVISOR  
RE: BUILDING INSPECTIONS FOR APPLICATION FOR BEER PERMIT

- ON PREMISES PERMIT
- OFF PREMISES PERMIT
- ON AND OFF PREMISES PERMIT
- MANUFACTURER'S OR DISTRIBUTOR'S PERMIT
- SPECIAL EVENTS PERMIT

- Applicant is requesting a temporary permit. Please return ASAP.
- Please return by 4/27/12 to provide information for Beer Board meeting agenda.

Beer Board Meeting Date 4/27/12

Name of Business Dave's Bar & Grill

Location of Business 2411 Woodland Park Dr, W

CODES DEPT

RECEIVED APR 24 2012

[Signature]  
Building Inspector

4-24-2012  
Date

FIRE DEPT

\_\_\_\_\_  
Fire Inspector

\_\_\_\_\_  
Date



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- SPECIAL EVENTS PERMIT

- Applicant is requesting a temporary permit. Please return ASAP.
- Please return by 5-1-12 to provide information for Beer Board meeting agenda.

Beer Board Meeting Date 5-8-12

Name of Business Dunbar Plaza Hotel

Location of Business 1200 West Main Street

## CODES DEPT

Building Inspector \_\_\_\_\_

Date \_\_\_\_\_

## FIRE DEPT

Fire Inspector Wayne Moberg

Date 4-24-12





## **CARE<sup>®</sup> for Servers**

**A Welcome to Servers**

## A Welcome to Servers (15 minutes)

As servers enter the seminar room, have them sign the exam roster included with your exam materials. If all the servers do not know each other, have them make name tags or table tents for themselves. You may also distribute a handout showing where restrooms and smoking areas are located. Distribute pencils, pens, *Server's Manuals*, and, if applicable, *Pocket Guides*. Number two pencils **must** be used on the exam.

Begin the seminar by introducing yourself if necessary, welcoming the servers, and explaining where restrooms, smoking areas, and refreshments are located.

### Optional Activity (5 minutes)



If you wish to use an ice-breaker activity to open the seminar, see Resource 0.3 (Ice-Breaker Activity).

### Seminar Overview (2 minutes)

Refer servers to the list of seminar sections on page 1 of the *Server's Manual*.

If you are giving the *CARE® for Servers* exam immediately after the seminar, explain that one hour will be allotted for the 45-question exam.

### Seminar Objectives (3 minutes)

Refer servers to and read the information and list of seminar objectives on page 1 of the manual.

### Optional Activity (5 minutes)

Discuss problems the establishment has faced regarding the service of alcohol.

## A Welcome to Servers

Welcome to CARE® for Servers.

This *Server's Manual* is divided into the following sections:

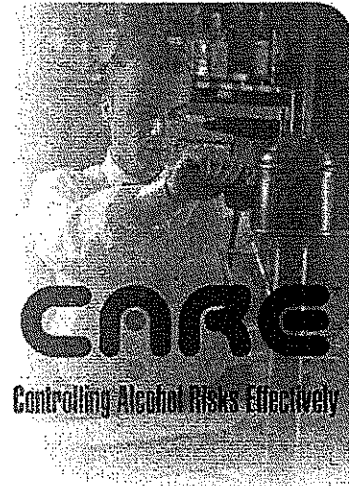
**Section 1: Introduction**

**Section 2: Alcohol Service and the Law**

**Section 3: Checking Identification**

**Section 4: Alcohol and Its Physical Impact**

**Section 5: Intervention**



### Objectives

As an alcohol server, you have special challenges and responsibilities above and beyond those of any other hospitality professional. Each time you put a drink in front of your guests, you may be helping them observe a special event or spend a pleasant evening with friends and family. Or you *could* be handing them a weapon that might hurt them and others—including you!

This *Server's Manual* will help you improve your ability to serve alcohol responsibly to guests. After reading this manual, you will be able to:

- Identify the laws regarding alcohol service at your establishment and how they affect your work
- Carry out your establishment's ID-checking policies
- Spot false identification and handle minors according to your establishment's policies and procedures
- Describe how alcohol works in and affects the body
- Create a friendly environment that discourages overconsumption of alcohol
- Use the "traffic light" system to monitor and control guests' alcohol consumption
- Intervene tactfully to prevent possible problems arising from alcohol consumption

## How to Use This *Server's Manual* (5 minutes)

Refer servers to the list of activities on page 2 of the *Server's Manual*. Highlight the three types of activities. Encourage servers to try to answer the Check Your Understanding and Review Questions before looking at the correct answers in the back of the manual.

Explain where you would like servers to record answers and important information during the seminar. Tell servers whether you want them to use the *Server's Manual* or the *Pocket Guide* for taking notes and completing activities.

## How to Use This *Server's Manual*

This guide contains information, examples, and activities to help you understand and retain the key points of this seminar. As you go through the manual, it is recommended that you use the following features:



**1. At My Establishment.** There are opportunities for you to write in information specific to your location or establishment. These areas are indicated by a small pencil icon. Your trainer will provide this information to you.



**2. Check Your Understanding.** These activities, located throughout the manual, give you the opportunity to apply what you have learned and help reinforce key points. Answers to the activities are located in the back of the *Server's Manual*.



**3. Review Questions.** After completing each section, answer the review questions. These questions test your knowledge of key concepts presented in the section. If you have difficulty answering them, review the content again. Answers to the review questions are located in the back of the *Server's Manual*.



## How to Get the Most From the CARE® for Servers Seminar *(5 minutes)*

Refer servers to and read the list of items on page 3 of the *Server's Manual*. Encourage servers to ask questions and participate in group discussions and activities throughout the seminar.

## How to Get the Most From the CARE® for Servers Seminar

If you attend a CARE® for Servers Seminar, be sure to:



### **Listen actively.**

Pay attention to the presentation, respond to the trainer's questions, and think about how the information applies to your job.



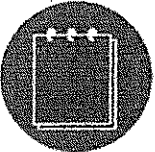
### **Ask questions.**

When you don't understand the information or if it doesn't seem right, ask questions.



### **Fill in your *Server's Manual* or *Pocket Guide*.**

Make sure you fill in information when directed by your trainer. Check with your supervisor or manager after the seminar if you aren't sure about your establishment's procedures and policies. Underline *Server's Manual* or *Pocket Guide* information you think is important or make notes if you hear something you want to remember.



### **Use your *Server's Manual* or *Pocket Guide*.**

After the seminar is over, keep your *Server's Manual* or *Pocket Guide* with you and use it as an on-the-job reference.

## Section 1: Introduction *(15 minutes)*

### Section Objectives

Presentation. Refer servers to and read "Section Objectives," page 4 of the *Server's Manual*.

### The Fatal Effects of Too Much Alcohol *(5 minutes)*



**Group Discussion.** Explain that irresponsible use of alcohol can easily end in tragedy. Refer servers to the bulleted examples on page 4–5 of the manual.

Ask servers to share incidents they know of in which the use of alcohol resulted in death or injury.

### Optional Activity *(5 minutes)*

**Group Discussion.** You may wish to hand out and discuss brochures from state or local organizations which compile statistics on the dangers of excessive drinking. Some possible sources of information include Mothers Against Drunk Driving (MADD), Bartenders Against Drunk Driving (BADD), law enforcement agencies, and restaurants/bar associations.

### Who's Responsible? *(5 minutes)*

**Instructor's Comments:** We've just discussed some of the dangers involved in alcohol service. The first video segment we're about to watch recaps some of these points. Let's look at it now.



#### Show Video Segment 1: "The Issues."

After the video, ask servers if they have questions about Video Segment 1 or about anything in Section 1 of the seminar so far. Then lead into the next activity by saying:

**Instructor's Comments:** It's not pleasant to think about accidents and injuries, but lawsuits against establishments are occurring more often.

## Section 1: Introduction

### Section Objectives

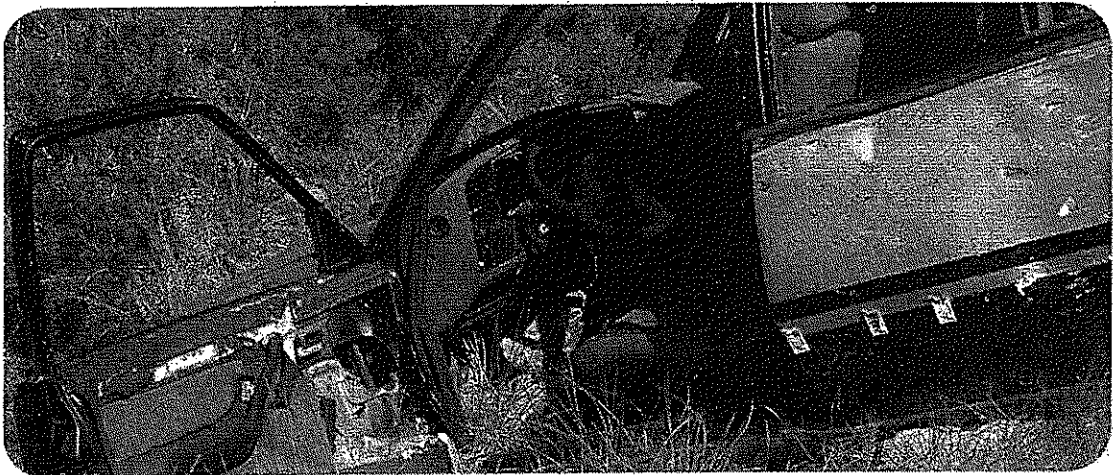
After completing this section, you will be able to:

- State the effects of too much alcohol
- Recognize that a license to serve alcohol is a privilege that requires certain responsibilities

### The Fatal Effects of Too Much Alcohol

In the wrong hands, alcohol can be a fatal weapon. Consider these facts:

- Drunken drivers account for approximately 39 percent of all traffic fatalities
- Traffic deaths involving drunken drivers occur, on average, every 31 minutes
- About 40 percent of all crimes (violent and non-violent) are committed under the influence of alcohol
- Alcohol is a factor in up to 70 percent of all drowning deaths
- Between 40 and 60 percent of all suicides involve alcohol
- Approximately 33 percent of all boating accidents are alcohol-related
- The driver, pedestrian, or both were intoxicated in 44 percent of all fatal pedestrian crashes in 2005. In these crashes, the intoxication rate for pedestrians was triple the rate of drivers – 33 percent and 11 percent, respectively





### Optional Activity (15 minutes)

**Group Activity.** Give a copy of Resource 1.1 (Who's Responsible?) to each participant. Refer participants to and read the examples of alcohol-related lawsuits in the resource. Divide servers into five groups and ask each group to consider one of the examples. At the end of five minutes, ask the groups to explain what they would do if they were on a jury. Then explain how the cases were really settled:

1. A jury held the bar liable for the woman's injuries. (*Hospitality Law*, October 1992, p. 8.)
2. The guest won a \$1.5 million lawsuit. (*Hospitality Law*, June 1992, p. 7.)
3. Although the hotel argued that the intoxicated guest was to blame for his accident, his lawyers made sure the jury knew that the hotel made big profits off its liquor sales. The jury awarded the guest \$6 million. (*Hospitality Law*, May 1992, p. 6.)
4. The establishment was held liable. (*Hospitality Law*, October 1992, p. 8.)
5. The court said the hotel should have taken extra care to prevent the accident because it was New Year's Eve. The ruling went in the injured woman's favor. (*Hospitality Law*, December 1992, p. 4.)



Alcohol can also be a fatal poison. Each year many people die from overdoses of alcohol or alcohol in combination with other drugs.

Even when its effects aren't fatal, alcohol can be devastating. For example:

- Alcohol is a factor in many domestic violence incidents
- Many assaults occur after someone has had too much to drink
- Uncounted numbers of serious accidents like slips and falls are alcohol-related
- Alcohol can interfere with normal fetal development, resulting in fetal alcohol syndrome or other birth defects

Society is increasingly concerned with alcohol abuse, and courts are increasingly holding establishments responsible for serving intoxicated guests. Groups like MADD (Mothers Against Drunk Driving), SADD (Students Against Driving Drunk), BADD (Bartenders Against Drunk Driving), and RADD (Recording Artists, Actors, and Athletes Against Drink Driving) are on the rise.

The good news is that due in great part to continuing alcohol awareness efforts, such as this seminar, traffic fatalities have actually dropped 5 percent in the last ten years.

It may seem to go against the grain of hospitality to deny someone alcohol service. It can place employees in a challenging position. However, to protect your guests and others, you may have to put limits on service.

**You have a legal responsibility when serving alcohol.**



**Review Questions** (5 minutes)

**Activity.** Refer servers to the review questions on page 6 of their *Server's Manuals* or page 1 of their *Pocket Guides*. Ask servers to individually complete the questions. When they are done, ask them to compare their answers with the answer key on page 47 of the *Server's Manual* or page 24 of the *Pocket Guide*.

**Answers:**

1. *d*
2. *c*
3. *b*
4. *d*



## Review Questions

1. Which fatal accidents can result from overindulgence in alcohol?
  - a. traffic fatalities
  - b. suicides
  - c. drowning deaths
  - d. all of the above
2. Which organization's mission is to stop drunk driving, support the victims of violent crimes, and prevent underage drinking?
  - a. BADD
  - b. NYPD
  - c. MADD
  - d. FEMA
3. Alcohol awareness training has resulted in:
  - a. more slip and fall lawsuits
  - b. fewer traffic fatalities
  - c. more birth defects
  - d. fewer satisfied guests
4. Which of the following statements are TRUE about Controlling Alcohol Risks Effectively?
  - a. Sometimes it involves putting limits on service.
  - b. It can place employees in a challenging and stressful position.
  - c. It seems to go against the grain of hospitality.
  - d. all of the above

For answers, refer to page 47.

## Section 2: Alcohol Service and the Law

(55 minutes)

### Section Objectives

**Presentation.** Refer participants to and read "Section Objectives," page 7 of the *Server's Manual*.

### Illegal Alcohol Sales (5 minutes)

**Group Discussion.** Refer to and read the information about illegal sales on page 7 of the *Server's Manual*. Explain that sales to minors and intoxicated people are illegal, but that it is up to individual states to define "minors" and "intoxicated." Ask servers what they think is an acceptable definition of intoxication.

## Section 2: Alcohol Service and the Law

### Section Objectives

After completing this section, you will be able to:

- Explain legal restrictions that affect alcohol sales at your establishment
- Identify liability laws that apply to alcohol sales at your establishment
- See how understanding alcohol sales laws can make you a better server

### Illegal Sales

In the United States, it is illegal to sell or give alcohol to:

- Minors
- Intoxicated people

It is up to individual states, however, to determine who is a minor (that is, who is too young to drink or serve alcohol) and who is legally intoxicated.

What do you think it means to be *legally* intoxicated? Is it stumbling, slurred speech, or drowsiness? Although these symptoms may indicate a medical condition, they are all signs of intoxication. However, states classify a person as legally intoxicated based on blood alcohol concentration (BAC). Each state determines the minimum BAC level at which a person in that state is legally intoxicated.





## Blood Alcohol Concentration (5 minutes)

Explain that intoxication is defined by "blood alcohol concentration" (BAC). Then refer to and read the information about blood alcohol concentration in the manual.



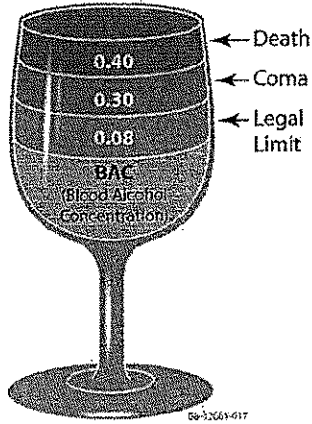
*Activity.* Refer servers to the "Illegal Sales" activity on page 8 of their *Server's Manual* or page 2 of their *Pocket Guides*, and ask them to write down your state's legal age to gamble, legal age to purchase alcohol, legal drinking age, the legal age of employees who serve or handle alcoholic beverages, and the BAC which constitutes legal intoxication. Explain that in some states the legal age to drink alcohol may vary from the legal age to buy alcohol.

### For the Instructor . . .

The U.S. Department of Transportation recently noted that crash risks increase more rapidly when BAC is above 0.05 percent. Crash risk increases significantly when BAC is greater than 0.08 percent.

Some states have special rules about serving alcohol to minors. For example, it may be legal in some states to serve minors if they are with their parents or a spouse who is of legal drinking age. Some states allow those between 18 and 20 years old to drink low-alcohol beverages, such as two-percent beer.

## Blood Alcohol Concentration



When you drink an alcoholic beverage, some of the alcohol enters your bloodstream. The amount of alcohol in your bloodstream is your BAC. In most states, if you have a BAC of 0.08 percent (8/100 of 1 percent), you are legally drunk.

It's important to understand that someone who doesn't look or even act drunk may, in fact, be legally intoxicated. For example, a BAC of 0.10 percent is equivalent to one drop of alcohol in 1,000 drops of blood. While this may not seem like a lot, a BAC of 0.30 percent may cause a coma, and a BAC of 0.40 percent can cause death.

How can you tell what someone's BAC is? You can't unless you have special equipment such as a Breathalyzer. Servers must rely on a guest's behavioral signs and on the amount of alcohol a guest consumes to gauge the guest's level of intoxication.

### Illegal sales

The legal drinking age in this state is: \_\_\_\_\_

In the current year, 20 \_\_\_\_\_, a person must be born on or before 19 \_\_\_\_\_ to be old enough to drink alcohol.

Employees must be \_\_\_\_\_ years old in this state to sell, dispense, or serve alcohol. Also, employees must be \_\_\_\_\_ or older to stock coolers with alcohol, put packaged alcohol in bags, or clear alcoholic beverages from tables.

The blood alcohol concentration level (BAC) at which someone in this state is legally drunk is: \_\_\_\_\_

## Other Restrictions on Alcohol Sales (10 minutes)

**Presentation and Activity.** Explain that most states place a variety of other legal restrictions on alcohol sales. Refer servers to and read the information about these restrictions on page 9 in the *Server's Manual*.



Display Resource 2.1 (*Activity: Restrictions on Alcohol Sales*).

Resource 7.1 (State Laws) provides specific information about your state's laws. Before the seminar, you will have written on Resource 2.1 the legal restrictions on alcohol sales that affect your establishment. As you compile information for this resource, find out your state's laws about:

1. Allowing minors into your establishment
2. Parents in your establishment offering alcohol to their minor children
3. Age requirements for servers (and possibly bus persons and dishwashers who handle liquor glasses) at your establishment
4. Drink promotions
5. Transporting alcohol in and out of the serving area/ establishment
6. What time your establishment must stop serving alcohol and at what time guests must leave



Ask servers to copy the restrictions from the resource into the space provided on page 9 of their *Server's Manuals* or page 2 of their *Pocket Guides*.

### For the Instructor . . .

Laws that restrict alcohol sales on Sundays are called "blue laws."

Local option laws allow some "dry" areas to vote on making some alcohol sales legal.

## Other Restrictions on Alcohol Sales

Most states have other restrictions on alcohol sales. For example, it may be illegal to serve alcohol in certain areas, on certain days, or during certain hours.

In some areas, for example:

- It is illegal to sell alcohol from 2 a.m. to 11 a.m.
- It is illegal to sell alcohol on Sundays
- Sunday sales of alcohol are legal only after noon
- No alcohol may be purchased on voting days when the polls are open

In addition, in some areas it is always illegal to sell all or most types of alcohol. These areas are said to be "dry," although they may allow some type of alcohol sales, such as beer with less than 3 percent alcohol by volume.

Restrictions on alcohol sales that affect my establishment include:

I cannot sell or serve alcohol before \_\_\_\_\_ (a.m./p.m.).

I must stop selling or serving alcohol at \_\_\_\_\_ (a.m./p.m.).

I cannot sell alcohol on the following days or holidays: \_\_\_\_\_

\_\_\_\_\_

Additional restrictions: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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**Presentation and Activity.** Display Resource 2.2 (*Activity: Happy Hour and Drink Promotion Restrictions*) and refer participants to page 10 of their *Server's Manuals* or page 3 of their *Pocket Guides*. Discuss the establishment's policies and procedures for drink specials, happy hours, doubles, and other drink promotions. Ask servers to record this information in their *Server's Manuals* or *Pocket Guides*.



Some states also place restrictions on "happy hours" and drink promotions. For example, it may be illegal to:

- give away alcohol or sell it below cost
- serve more than one drink at one time to a guest
- award alcohol drinks as prizes for games or contest
- offer free merchandise or giveaways based on the purchase of alcoholic beverages

What are your establishment's policies and procedures regarding drink specials, happy hours, doubles, and other drink promotions?

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**Liability** (10 minutes)

**Group Discussion.** Explain that any employee of an establishment can be sued for injuries or damages caused by illegal alcohol sales. That includes establishment owners, managers, servers, bartenders, and others.

Refer servers to and read the information on page 11 of the Server's Manual regarding the two types of laws that determine liability in alcohol sales cases.



Review your state's laws as explained in Resource 7.1 (State Laws). Refer servers to page 11 of their *Server's Manuals* or page 3 of their *Pocket Guides*, and tell them to check whether your establishment is governed by dram shop acts or common law.

Most states have third party liquor liability laws passed by their legislatures. Refer servers to and explain the terms "first party," "second party," and "third party" as defined on page 11 of the manual.

**For the Instructor . . .**

Liability laws are designed to allow a third party (someone outside the alcohol sales transaction) to sue an establishment that served alcohol to a guest who injured the third party. In some cases, other guest-contact employees (valet attendants, guest service representatives, etc.) have been held liable by courts for allowing intoxicated guests to leave the establishment.

Intoxicated guests are not supposed to sue the establishment if they, too, are injured. However, the majority of lawsuits against establishments are filed by intoxicated guests who slip and fall and claim the establishment allowed an unsafe situation—such as a wet floor, broken handrail, or loose carpet—to exist.

Lawsuits against establishments are increasing each year, and that means your chances of being sued may be increasing. Moreover, juries and judges tend to be especially sympathetic when an innocent third party has been permanently injured or killed by an intoxicated guest. The amount of the award increases in proportion to the severity of the injury.

As the frequency and amounts of awards in favor of third parties increase, liquor liability insurance rates rise. Strict adherence to responsible service procedures, documentation of service, and training efforts *may* help establishments obtain insurance rate discounts—some as high as 15 percent. Alcohol awareness training pays.

## Liability

Anyone who serves alcohol at an establishment can be sued for injuries or damages caused by illegal alcohol sales. That includes an establishment's managers, servers, and bartenders. But as most are on-the-job, the employer is ultimately liable.

Two basic types of laws determine liability in alcohol sales cases:

- **Dram shop acts:** Formal state laws or statutes related to alcohol sales passed by a state's legislature or governing body
- **Negligence (Common law):** Laws established based on previous court or judicial decisions, rather than statutes and written laws

The following laws affect alcohol service at my establishment:

- Dram shop act
- Common law

Dram-shop laws are referred to as third-party liquor liability laws. The state legislature enacts them into law. In order to understand how these laws work, you must understand what is meant by the terms "first party," "second party," and "third party."

- **First party:** The person buying alcohol
- **Second party:** The person or establishment selling or serving the alcohol
- **Third party:** Someone outside the alcohol sales transaction

**Second Party:**  
The person or the establishment selling or serving the alcohol, or employees of the establishment who came into contact with the intoxicated guest.



**Third Party:**  
Someone outside the alcohol sales transaction (e.g., a victim)

**First Party:** The person buying the alcohol (customer).

The key is how the liability is assigned. In most states, the establishment's liability follows the service of alcohol to a minor and/or an obviously and visibly intoxicated individual, who then is involved in a drunken driving accident injuring others.

### **Dram Shop Acts** (5 minutes)

**Group Discussion.** Read the explanation of dram shop acts on page 12 of the *Server's Manual*.

Refer servers to and read the scenario in their manuals. Ask servers to identify the first party in the scenario (the man drinking the Manhattans), the second party (the bar and the bartender), and the third party (the woman driving the van).

Explain that a dram shop act would allow the woman in the van (the third party) to successfully sue the bar. The intoxicated man, as the second party, would not be able to successfully sue anyone.

### **Common Law** (5 minutes)

**Presentation.** Read the first two paragraphs in the section under "Common Law" on page 12 of the *Server's Manual*.

Ask servers to recall the scenario under "Dram Shop Acts." Explain that under common law, the woman could argue that the bar was negligent in serving the man, who was obviously drunk.

Then explain "negligence" as defined in the third paragraph.

### **For the Instructor . . .**

Dram shop acts are nothing new. They date back to the 1800s and were enacted to protect family members from habitual drunkards. Each state has the right to legislate its alcohol liability laws. Today, one must read the state's dram shop act of their location, as each state's third-party liquor liability statute may differ. For example, the statute in Florida will differ from the statute in New York.

A lawyer representing an injured party in a drunken driving accident case, may opt to sue in common law negligence. "Negligence," as defined under common law, means the failure to exercise the type of reasonable care used by a prudent person under similar circumstances. "Reasonable care" is a somewhat vague term, but it is crucial for an establishment's defense, to be able to show they have exercised reasonable care with alcohol service. It's negligence to serve a patron at the bar 23 shots of alcohol in two hours. It happened.

## Dram Shop Acts

Dram shop acts vary from state to state, but in general, they impose liability on the seller of alcoholic beverages when third parties suffer injury as a result of an intoxicated person's actions. They are also referred to as third-party liquor liability laws.



Let's say something like this happens in a state where there is a dram shop act:

A man comes into a bar and drinks four Manhattans in an hour. Even though he is slurring his words and trips over a chair on his way to the jukebox, the establishment serves him two more Manhattans. When the man leaves the bar, he gets into his car and has a head-on collision with a van. He and the woman driving the van are both injured.



Under a dram shop act, the woman in the van will probably have a successful suit against the bar. The bar may be directly liable for damages including medical expenses, property damages, pain and suffering, lost wages, and perhaps punitive damages.

## Common Law

Not all states have dram shop acts. Independent of dram shop laws, common law allows third parties injured by an intoxicated person to sue an establishment that showed negligence in serving the person.

Let's reconsider the example above of the intoxicated man who injured the woman in the van. Under common law, the woman could argue that the bar was negligent in serving the man, who was obviously drunk.

When an establishment is negligent, it means that its employees failed to do what any sensible person ought to have done under the same circumstances: stop service when the man showed signs of intoxication and provide alternate transportation home, possibly a taxi cab. If the drunk is not driving, there is no drunk driving accident. Training should focus on methods to spot the intoxicated guest and prevent him or her from driving. Stopping alcohol service to the intoxicated guest is not enough.

## Alcohol Service and You (10 minutes)

**Instructor's Comments:** The video segment we're about to watch explains how the laws we've just discussed affect you personally as a server of alcohol. As you watch the video, think about how your knowledge of alcohol service laws helps make you a better server.



### Show Video Segment 2: "The Law."

**Presentation and Activity.** After the video segment, refer servers to page 13 of the *Server's Manual*. Read the list of consequences that can occur if they fail to serve alcohol responsibly. Then read the benefits of understanding the legal responsibilities in serving alcohol.



If applicable, note that the list of benefits also appears on page 3 of their *Pocket Guides*. Ask servers to suggest other benefits of understanding their responsibilities and to add these to their *Server's Manual* or *Pocket Guides*.

Emphasize that, beyond their legal responsibilities, servers have an ethical duty to see to it that people are not hurt because they failed to serve alcohol responsibly.

**Instructor's Comments:** The next two video segments will demonstrate liability. During each segment, think about who should be held liable.



### Show Video Segment 2.1: Discussion vignette.

Lead group discussion.



### Show Video Segment 2.2: Discussion vignette.

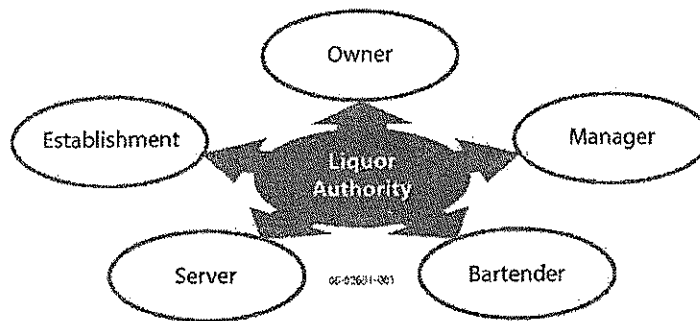
Lead group discussion.

## Alcohol Service and You

You as a server have legal responsibilities in serving alcohol. In addition to local law enforcement, every state has a liquor authority that monitors and enforces alcohol laws. These agencies can also impose penalties and issue citations for violations.

What happens when establishments violate the laws regarding alcohol service?

- Owners, managers, servers, and bartenders can be sued if someone is injured because of irresponsible alcohol service
- Managers, servers, and bartenders can lose their jobs
- Managers, servers, and bartenders can be arrested and fined
- Establishments can lose their liquor licenses



When you understand your legal responsibilities in serving alcohol, you:

- Develop better judgment and confidence when serving alcohol
- Enhance guest service and safely promote hospitality
- Reduce injuries and deaths caused by drunk driving accidents
- Increase community awareness and relations

Other benefits of understanding your legal responsibilities:

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Finally, regardless of your legal responsibilities, you have an ethical duty to see to it that people are not hurt because you failed to serve alcohol responsibly.

**Review Questions** (5 minutes)

**Activity.** Refer servers to the review questions on page 14 of their *Server's Manuals* or pages 4–5 of their *Pocket Guides*. Ask servers to individually complete the questions. When they are done, ask them to compare their answers with the answer key on page 47 of the *Server's Manual* or page 24 of the *Pocket Guide*.

**Answers:**

1. c
2. b
3. a
4. d
5. b
6. a





## Review Questions

1. At what BAC is a person considered legally intoxicated?
  - a. 0.04 percent
  - b. 0.06 percent
  - c. 0.08 percent
  - d. 0.10 percent
2. Which of the following statements is TRUE?
  - a. Intoxicated people look and act drunk.
  - b. Each state defines the BAC level at which someone is considered legally intoxicated.
  - c. Individuals with a BAC of 0.30 experience a slight impairment of balance, speech, and reaction time.
  - d. All servers are required to purchase and use breathalyzers to determine if someone is intoxicated.
3. If you live in a "dry" area, what restrictions exist for alcohol sales?
  - a. It is illegal to sell all or most types of alcohol.
  - b. Alcohol is only sold on Saturday afternoons.
  - c. Alcohol sales are prohibited between 2 a.m. and noon.
  - d. Only non-sweet wines are sold and served.
4. \_\_\_\_\_ can be held legally liable for violating alcohol service laws.
  - a. servers
  - b. owners
  - c. managers
  - d. all of the above
5. Which law holds an establishment and its employees liable to third parties harmed in accidents caused by intoxicated guests who drank there?
  - a. Implied Consent Law
  - b. Dram Shop Act
  - c. Victims of Crimes Act
  - d. Amendment VII
6. A hotel's banquet department caters a wedding reception off site. Outside staff is brought in to serve the function. A temporary hire serves alcohol to an obviously intoxicated person, who also happens to be a minor. The minor is involved in a drunk driving accident later that evening. Since the event was not held at the hotel, who is responsible for the temporary bartender's actions?
  - a. the hotel
  - b. staffing agency
  - c. guest
  - d. the bride and groom

For answers, refer to page 47.