

BLOGS

Vicarious Liability

Ohio Federal Court Grants Hotel Franchisors' Motions for Summary Judgment on Sex Trafficking Claims

A federal court in Ohio recently granted summary judgment in favor of multiple hotel franchisors on sex trafficking claims brought under the Trafficking Victims Protection Reauthorization Act (TVPRA). *S.C. v. Wyndham Hotels & Resorts, Inc.*, 2024 WL 1429114 (N.D. Ohio Apr. 2, 2024).

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The court granted summary judgment to the franchisors regarding direct liability because the plaintiff could not establish the TVPRA's participation requirement. The record failed to show that the business relationship between the franchisors and the franchisees for the operation of the hotels was a sex trafficking venture. The court observed that the franchisors never interacted with the plaintiff's traffickers and that the franchisors were "several steps removed from [the] daily hotel operations." The court also granted summary judgment to the franchisors on the vicarious liability theory. It concluded that the franchisors did not have the contractual right to exercise, nor had they exercised, the requisite control over the daily operations of the hotels. Because the franchisors' "brand standards [did] not control the franchisee hotels' day-to-day operations," the plaintiff's agency theory failed. The plaintiff's joint employer theory similarly failed because the record was devoid of evidence demonstrating control by the franchisors over its franchisees' employees. The court rejected the plaintiff's joint venture theory because it was asserted for the first time in her opposition to the motion. Ultimately, the court concluded that the record might establish triable questions as to the franchisees' violations of the TVPRA, but the claims against the franchisors were not viable.

Related People

Michael L. Sturm

Partner

Washington, D.C.

202.295.2241

michael.sturm@lathropgpm.com

Cassie Doult

Associate

Los Angeles

310.789.4630

cassie.doult@lathropgpm.com

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