

Liability Exposure Involved with Financial Support of Distributor Trade Shows

The Manufacturers Agents for the Food Service Industry (MAFSI) has long taken the position that the cost of distributor open houses and trade shows should be totally borne by the distributors producing them since they are the direct recipients of the marketing benefits.

While the Association recognizes that the ultimate decision to financially participate in such events rests with the individual representative, the growing number of members engaging in these activities warrants concern. MAFSI has sought the advice of its legal counsel in order to define the potential risks and extent of liability posed by such involvement's to MAFSI members.

It is unlikely that manufacturers' representatives would neglect insuring their businesses against fire or theft. Likewise, the MAFSI Board of Directors want to be certain that its members take the necessary steps to protect themselves and their businesses **BEFORE they agree to financially sponsor** trade shows or other events.

When members are participating in events, shows or outings as sponsors, rather than exhibitors and are not being indemnified against potential liability by the event organizers, they run the risk of being named in a lawsuit. Due to the litigious nature of our society, and to the guard against such an occurrence, MAFSI suggests that its members request a certificate of insurance from the show organizer specifying the rep firm's name as an insured. If such a document is not provided, the MAFSI rep should insist upon a written disclaimer that would hold him/her harmless from and defend litigation, should any personal injury or property damage result from the sponsored event.

The following legal language will assure that the member is protected against any claimant trying to extend liability. Whether donating money or a gift, the member can then participate in the event with complete confidence.

The statement recommended by MAFSI is as follows. It should be dated, signed by the sponsor and witnessed:

INDEMNIFICATION AGREEMENT

Date _____

(Show Sponsor) will indemnify and hold (Representative Agency) harmless from any loss, liability, damage or expense, including reasonable attorney's fees, incurred by (Representative Agency) as a result of participation in the event entitled, (Show Name). Should any claim for personal injury or property damage arising from the holding of the event be asserted against me, such claim need only be referred to (Show Sponsor) for handling and defense.*

Signed _____
(Officer of Company Sponsoring or Promoting the Event)

Witness Signature _____

***Note: Any negligence caused by the individual MAFSI member is excluded from this indemnification covenant.**

This guideline is intended only to pertain to the question of liability in the event of personal injury or property damage. The issue of the application of and potential violation of anti-trust laws has been the subject of other MAFSI releases.