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**AAHOA Former Board Member Decries  
New Joint-Employer Standard before House Subcommittee**

SAVANNAH – August 27, 2015 – Asian American Hotel Owners Association (AAHOA) Director at Large Kal Patel testified today at a field hearing of the House Subcommittee on Health, Employment, Labor, and Pensions. Mr. Patel, who is also President and CEO of Image Hotels in Savannah, Ga., spoke before committee members Chairman Phil Roe (R-TN), Rep. Rick Allen (R-GA), and Rep. Buddy Carter (R-GA) on the expected “overwhelmingly negative impact” of the National Labor Relations Board’s (NLRB) proposed joint-employer standard.

Mr. Patel offered the story of his journey from aspiring entrepreneur to established small business owner – a journey aided significantly by the decades-old franchise business model. A second-generation hotelier, Mr. Patel spent his youth learning the hotel business, launching Image Hotels when he was just 17 years old. Today, he owns eight hotels, including Hilton, Choice, and Marriott franchises in Georgia and Alabama.

The Committee questioned Mr. Patel on franchisee issues ranging from employment to ownership of the land where his hotels are located, including the projected impact of the joint-employer standard on future investment. “Before [the joint employer issue], I was able to be much more liberal with investment capital,” Mr. Patel said. “Now, I’m being more conservative. We have eight properties; we could have had maybe 10. But I don’t want to worry about losing control of even more businesses.”

That costs jobs – each new hotel creates around 50 new jobs, according to Mr. Patel – in an industry that, until now, has been enjoying a remarkably strong post-recession comeback. Chairman Roe pointed out that the proposed standard is set to affect 780,000 franchisees and almost nine million employees.

“What I struggle with most is trying to understand the rationale of the NLRB in trying to destroy a way of doing business that has been exponentially successful for decades,” said Mr. Patel. The franchise model is poised to crumble under the weight of the NLRB’s joint-employer standard, which will almost certainly poison the franchisor-franchisee relationship and by definition will turn franchisees into managers of their own business.

“AAHOA members have repeatedly made clear their position on this issue,” said AAHOA President and CEO Chip Rogers. “The new standard, if approved, will demolish entrepreneurial

aspirations for thousands. We will continue to oppose this unnecessary, damaging, and burdensome measure with all available resources.”