

In The News

Andrew Robins Explains How Some Hotels May Survive Losses Related to COVID-19 to *Law360*

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Andrew Robins, Co-Chair of Akerman’s Hospitality Sector Team, spoke to *Law360* about how some hotels, particularly franchises, may be able to survive losses related to COVID-19. He explained that hotels operating under franchise agreements with hotel chains may receive more flexibility from brands about raiding their cash reserves, which are typically required under a franchise. Robins said that typically, 5 percent of a hotel’s gross revenue will go into this reserve on a monthly basis and will not be touched by the owner, but in difficult times, the fund can be an important cash supply that could help keep the business afloat.

“I expect there will be lots of latitude from brands and banks to use that cash for operating expenses,” Robins said. “But that has to be approved by both lenders and managers.”

“You don’t turn the light switch on and be in business overnight.”

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