

Pop-Ups Face Pitfalls When Partnerships Go South

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New Orleans Managing Partner Keith Pyburn provided commentary in the August 8 *New Orleans City Business* article "Pop-Ups Face Pitfalls When Partnerships Go South."

The "pop-ups" referred to in the article are restaurants that operate in what is essentially borrowed space.

The practice of running a business within a business has become a growing trend in New Orleans. Chefs set up shop in an existing restaurant using its kitchen and facilities.

It has become a popular way for up-and-coming chefs to gauge the interest of diners before investing time and money into a brick and mortar restaurant.

Keith noted that businesses operating this way can create an opportunity for legal problems.

He said that restaurants that host pop-ups should make sure their existing insurance coverage protects them against any liability from the visiting business.

Two businesses working in the same space also run the risk of becoming joint employers.

"If there isn't a clear understanding of the two parties, then when the supervisor starts instructing the employee of the other restaurant to do something, you can become responsible for all of the employees of the other entity."

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