

Landing Resort settles claim involving Yelp

By Rebecca Jarvis, Kinga Janik and Chris James, ABC News

It was the Yelp review that led to Yelp revenge.

After wedding guest Rabih Zahnan stayed the Union Street Guest House in Hudson, N.Y., for a friend's wedding, he turned to the business-review website Yelp to write about what he thought was an abysmal stay.

"There was a musty odor, it smelled bad, we kept the windows open for the entire time we were there," Zahnan told "Nightline."

But the Guest House fought back. Zahnan said he received an email from the inn saying there would be a \$500 fine to the bride and groom for each negative review posted online by them or their guests.

The bride and groom apparently overlooked the fine print in their wedding contract put forth by the guest house, which said, "A \$500 fine will be deducted from your deposit for every negative review of USGH placed on any Internet site by anyone in your party."

As this story went viral last week, a collective consumer fury ensued, and the inn's star rating on Yelp plummeted to a dismal 1.5 out of 5 stars as a barrage of users posted angry, and clearly facetious, reviews about the business. One person even called it "the worst hotel in history."

Over the last few years, the Yelp review has taken on a life on its own, and has truly become make-or-break for businesses nationwide.

James Demetriades owns the Landing Resort and Spa in South

Lake Tahoe. He admits to reading online reviews of his hotel all the time, but he took issue with the one comment he said went too far.

“In one case we had an individual who made extremely derogatory remarks about the manager, about the restaurant, about the food, about myself individually,” Demetriades said. “We decided to file suit against this person for defamation.”

Court records reveal the case was settled out of court with no money exchanged.

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