

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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on Page 13



03025923

FORM 11-K



(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2002

OR

- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 033-73340-01

PROCESSED
JUL 02 2003
THOMSON
FINANCIAL

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

John Q. Hammons Hotels, L.P. 401(k) Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

John Q. Hammons Hotels, Inc.
300 John Q. Hammons Parkway, Suite 900
Springfield, Missouri 65806

***John Q. Hammons
Hotels, L.P.
401(k) Plan***

*Financial Statements as of
December 31, 2002 and 2001, and
Supplemental Schedule
as of December 31, 2002 and
Independent Auditors' Report*

**JOHN Q. HAMMONS HOTELS, L.P.
401(K) PLAN**

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INDEPENDENT AUDITORS' REPORT

To the Trustees of the
John Q. Hammons Hotels, L.P. 401(k) Plan:

We have audited the accompanying statement of net assets available for benefits of the John Q. Hammons Hotels, L.P. 401(k) Plan (the "Plan") as of December 31, 2002, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. The December 31, 2001 statement of net assets available for benefits was audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on that statement in their report dated May 29, 2002.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2002 financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2002, and the changes in net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic 2002 financial statements taken as a whole. The supplemental schedule of assets held for investment purposes at end of year is presented for the purpose of additional analysis and is not a required part of the basic 2002 financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic 2002 financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic 2002 financial statements taken as a whole.

May 23, 2003

**JOHN Q. HAMMONS HOTELS, L.P.
401(K) PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2002 AND 2001**

	2002	2001
CASH	\$ 7,893	\$ 114,467
INVESTMENTS—at market value	8,712,110	8,122,712
RECEIVABLES:		
Participant contributions	71,463	
Employer contributions	27,878	
Interest income	47	36
	<u> </u>	<u> </u>
Total assets	8,819,391	8,237,215
LIABILITIES:		
Accrued administrative expenses	(15,144)	
Excess participant and employer contributions	(30,298)	
	<u> </u>	<u> </u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$8,773,949</u>	<u>\$8,237,215</u>

See notes to financial statements

**JOHN Q. HAMMONS HOTELS, L.P.
401(K) PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2002**

INVESTMENT INCOME (LOSS):	
Interest and dividends	\$ 99,033
Net depreciation in market value of investments	<u>(1,913,084)</u>
Total investment loss—net	<u>(1,814,051)</u>
CONTRIBUTIONS:	
Participant elective deferrals and rollovers	2,474,526
Employer—net of forfeitures	<u>936,939</u>
Total contributions	3,411,465
ADMINISTRATIVE EXPENSES	(88,832)
DISTRIBUTIONS TO PARTICIPANTS	<u>(971,848)</u>
Increase in net assets available for benefits	536,734
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	<u>8,237,215</u>
End of year	<u>\$ 8,773,949</u>

See notes to financial statements

JOHN Q. HAMMONS HOTELS, L.P. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2002 AND 2001

1. PLAN DESCRIPTION

The following description of the John Q. Hammons Hotels, L.P. 401(k) Plan (the "Plan") is provided for general information purposes only. More complete information regarding the Plan's provisions may be found in the plan document.

General—The Plan is a defined contribution plan established by John Q. Hammons Hotels, L.P. (the "Company") on January 1, 1996. All employees of the Company who are age 18 or older and have completed one-half year of service, as defined, are eligible to participate. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Plan Administration—Effective January 1, 1998, Smith Barney Corporate Trust Company ("Smith Barney") was appointed as the Plan's trustee and Milliman U.S.A., Inc. was appointed as the Plan's recordkeeper. The Plan is administered by an employee of the Company as appointed by the Company's Board of Directors.

Contributions—Participants may contribute elective deferrals to the Plan on a before-tax basis based on a percentage of compensation, as defined by the Plan, subject to certain limitations under the Internal Revenue Code ("IRC"). Participants may also contribute amounts representing distributions from other qualified defined contribution plans. The Company provides a required matching contribution equal to 50% of each participant's elective deferrals up to a maximum of 3% of compensation per payroll period. In addition to the required matching contributions, the Company may contribute a discretionary matching contribution. The Company made no discretionary contributions in 2002.

Participant Accounts—Individual accounts are maintained for each of the Plan's participants to reflect the participant's contributions and related employer matching contributions, as well as the participant's share of the Plan's income. Allocations are based on the proportion that each participant's account balance has to the total of all participants' account balances.

Vesting—Participants are fully vested in their contributions and the earnings thereon. Vesting in employer matching contributions is based on years of continuous service. Participants vest according to the following schedule:

Less than two years	0%
Years two through five	20% per year
Six years or more	100%

If a participant dies or becomes disabled while still employed by the Company, he becomes 100% vested.

If a participant terminates employment due to the sale, closure or other disposition of a hotel owned by the Company, such participant shall become 100% vested in his account under the Plan unless the

participant is re-employed by the last day of the Plan year in which such sale, closure or other disposition occurred.

Forfeitures—Forfeitures of Company matching contributions are used to reduce future Company contributions to the Plan. For the year ended December 31, 2002, forfeitures of approximately \$23,000 were used to reduce Company contributions to the Plan. At December 31, 2002 and 2001, forfeitures of approximately \$37,000 and \$5,000, respectively, remained in the Plan.

Payment of Benefits—Upon termination of service due to death, disability, or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his account. The form of payment is a lump-sum distribution.

Administrative Expenses—Administrative expenses principally represent trustee and recordkeeper expenses of the Plan. The Company also provides certain administrative services at no cost to the Plan.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying financial statements are prepared on the accrual basis of accounting in conformity with accounting principals generally accepted in the United States of America.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits as of the date of the financial statements and the reported amounts of changes in net assets available for plan benefits during the reporting period. Actual results could differ from those estimates.

Investment Valuation—Cash equivalents are stated at cost, which approximates fair value. Investments are stated at fair value as determined by the trustee by reference to published market data. Realized gains and losses on the sale of investments and the unrealized gains and losses of investments are reported currently in the statement of changes in net assets available for benefits. The computation of unrealized gains and losses of investments is based on the market values of the investments at yearend compared to their market values as of the beginning of the Plan year, or at acquisition cost, if purchased during the year. Realized gains and losses are computed on a moving average basis based on historical cost. Purchases and sales of securities are recorded based on a trade date basis. Dividends are recorded on the ex-dividend date.

Expenses of the Plan—All expenses incurred on the administration of the Plan, except for certain trustee and recordkeeper fees, are paid directly by the Company.

Payments of Benefits—Benefits are recorded when paid.

3. PLAN INVESTMENTS

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

The following investments have fair values in excess of five percent of net assets available for benefits at December 31:

	2002	2001
Consulting Group Capital Markets Funds Government Money Investments	\$ 1,145,183	\$ 777,381
Consulting Group Capital Markets Fund Multi-Sector Fixed Income Investments	1,182,089	902,848
Consulting Group Capital Markets Funds International Equity Investments	649,234	566,173
Consulting Group Capital Markets Funds Large Capitalization Growth Investments	1,694,679	1,895,612
Consulting Group Capital Markets Funds Large Capitalization Value Equity Investments	1,481,179	1,450,102
Consulting Group Capital Markets Funds Small Capitalization Growth Investments	1,460,393	1,738,223
John Q. Hammons Hotels, Inc. Common Stock	682,491	585,735

The Plan's investments (including investments bought, sold and held during the year) depreciated in value for the year ended December 31, 2002 as follows:

Mutual funds	\$ (1,860,188)
Common stock	<u>(52,896)</u>
Net depreciation in fair value of investments	<u>\$ (1,913,084)</u>

4. PARTIES-IN-INTEREST

Certain plan investments are shares of mutual funds managed by Smith Barney and shares of John Q. Hammons Hotels, Inc. common stock. Smith Barney is the trustee as defined by the Plan and John Q. Hammons Hotels, L.P. is the plan sponsor and therefore, these transactions qualify as party-in-interest transactions.

5. TAX STATUS

The Internal Revenue Service has determined and informed the Company by letter dated November 2, 1998 that the Plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving a determination, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

6. PRIORITIES UPON TERMINATION OF THE PLAN

Although it has not expressed any interest to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become fully vested in their account balances including employer contributions.

7. EXCESS PARTICIPANT AND EMPLOYER CONTRIBUTIONS

The IRS requires benefit plans to meet certain nondiscrimination rules which, among others, limits the amount highly compensated participants may voluntarily contribute to the Plan and limits the amount of employer matching contributions given to the highly compensated participants. In 2002, the administrator accepted certain voluntary contributions from highly compensated participants and certain employer matching contributions given to highly compensated participants which, although in accordance with the provisions of the Plan agreement, resulted in the Plan being in noncompliance with these nondiscrimination rules. In order to comply with the nondiscrimination rules for the year ended December 31, 2002, the Plan administrator determined the amount necessary to be returned to highly compensated participants and the employer. These amounts aggregated to \$30,298 which were recorded as excess participant and employer contributions in the December 31, 2002 financial statements and were returned to the respective participants and employer in the first quarter of the 2003 Plan year. These excess participant and employer contributions are included in the Annual Report on Form 5500 for the year ended December 31, 2002.

* * * * *

**JOHN Q. HAMMONS HOTELS, L.P.
401(K) PLAN**

**SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AT END OF YEAR AS OF DECEMBER 31, 2002**

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value
COMMON STOCK:		
*John Q. Hammons Hotels, Inc.	Common Stock	<u>\$ 682,491</u>
MUTUAL FUNDS:		
*Smith Barney	Consulting Group Capital Markets Funds Government Money Investments	1,145,183
*Smith Barney	Consulting Group Capital Markets Funds Multi-Sector Fixed Income Investments	1,182,089
*Smith Barney	Consulting Group Capital Markets Funds International Equity Investments	649,234
*Smith Barney	Consulting Group Capital Markets Funds Large Capitalization Growth Investments	1,694,679
*Smith Barney	Consulting Group Capital Markets Funds Large Capitalization Value Equity Investments	1,481,179
*Smith Barney	Consulting Group Capital Markets Funds Small Capitalization Growth Investments	1,460,393
*Smith Barney	Consulting Group Capital Markets Funds S&P 500 Index Investments	133,430
*Smith Barney	Consulting Group Capital Markets Funds Small Cap Value Investments	283,432
		<u>8,029,619</u>
Total		<u><u>\$ 8,712,110</u></u>

*Represents a party-in-interest.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

JOHN Q. HAMMONS HOTELS, L.P.
401(k) PLAN

By:



KENT FOSTER
Administrator

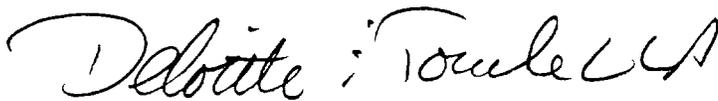
Date: June 27, 2003

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Title</u>	<u>Page</u>
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99.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	15

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 333-1276 on Form S-8 of John Q. Hammons Hotels, Inc. of our report dated May 23, 2003, appearing in the Annual Report on Form 11-K of the John Q. Hammons Hotels, L.P. 401(k) Plan for the year ended December 31, 2002.

A handwritten signature in cursive script that reads "Deloitte Touche LLP". The signature is written in black ink and is positioned above the typed name and date.

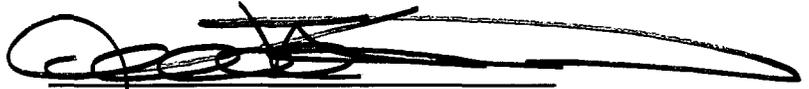
Cincinnati, Ohio
June 27, 2003

Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

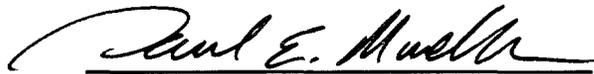
In connection with the Annual Report on Form 11-K of John Q. Hammons Hotels, L.P. 401(k) Plan (the "Plan") for the annual period ended on December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), John Q. Hammons, as President, Chairman of the Board and Chief Executive Officer of John Q. Hammons Hotels, Inc. (the "Company") and Paul E. Muellner, as Chief Financial Officer of the Company, each hereby certify, pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), that:

1. The report fully complies with the requirements of Section 13(a) or 15(D) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the net assets available for Plan benefits and the changes in net assets available for Plan benefit financial condition and results of the Plan.

Dated: June 27, 2003



John Q. Hammons
President, Chairman of the Board and Chief
Executive Officer



Paul E. Muellner
Chief Financial Officer