

September 12, 2013

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John Caleb Bee, Esquire  
McQuaide Blasko  
811 University Drive  
State College, PA 16801

**RE: Limited Liability Partnership**

Dear Mr. Bee:

ISSUE: This office is in receipt of your email of August 7, 2013, in which you advise that you are an associate attorney at McQuaide Blasko. You advise your client, the Atherton Hotel (“Atherton”), is a general partnership and holds a Hotel Liquor License. You advise that the business may transform itself from a general partnership and elect to become a Limited Liability Partnership (“LLP”). You further advise that Atherton has no plans to change its ownership or “traditional reorganization.” You inquire if Atherton would be required to file a transfer of its license from the general partnership to the newly formed LLP.

Pennsylvania Liquor Control Board (“Board”) records indicate that indicate that Atherton Street Partnership holds Hotel Liquor License No. H-5453 (LID 55706) for use by it at premises located at 125 South Atherton Street, State College, Pennsylvania.

OPINION: As the election to an LLP changes the legal entity holding the license, a transfer application would be required. Section 8204 of the Corporation Code [15 Pa.C.S.A § 8204] states in pertinent part:

**(a) General rule.**--Except as provided in subsection (b), a partner in a registered limited liability partnership shall not be individually liable directly or indirectly, whether by way of indemnification, contribution or otherwise, for debts and obligations of, or chargeable to, the partnership, whether sounding in contract or tort or otherwise, that arise from any negligent or wrongful acts or misconduct committed by another partner or other representative of the partnership

while the registration of the partnership under this subchapter is in effect.

[15 Pa.C.S.A § 8204].

Thus, the practical effect of making the election to an LLP is the avoidance of personal liability. This is the same practical effect an individual makes when incorporating. This office, as you note, has consistently held that this is the creation of a new legal entity. Consequently, based upon the information provided in your inquiry, it appears there will be a change in the legal entity that will holds the license. Absent a merger or consolidation provision akin section 1929 of the Corporation Code [15 Pa.C.S.A §1929, as interpreted in Sante Fe Energy Resources, Inc. v. Manners, 635 A.2d 648 (Pa. Super. 1993), you would be required to file a transfer application. In sum, because the formation of the LLP by Atherton will create a new legal entity, it would be necessary for it to apply for a person-to-person transfer of the license. [40 Pa. Code § 7.2].

THIS OPINION APPLIES ONLY TO THE FACTUAL SITUATION DESCRIBED HEREIN AND DOES NOT INSULATE THE LICENSEE OR OTHERS FROM CONSEQUENCES OF CONDUCT OCCURRING PRIOR TO ITS ISSUANCE. THE PROPRIETY OF THE PROPOSED CONDUCT HAS BEEN ADDRESSED ONLY UNDER THE LIQUOR CODE AND REGULATIONS. THE LAWS AND POLICIES ON WHICH THIS OPINION IS BASED ARE SUBJECT TO CHANGE BY THE LEGISLATURE OR THE PENNSYLVANIA LIQUOR CONTROL BOARD

Very truly yours,

FAITH S. DIEHL  
CHIEF COUNSEL

cc: Pennsylvania State Police,  
Bureau of Liquor Control Enforcement  
Jerry W. Waters, Director of Office of Regulatory Affairs  
Tisha Albert, Director, Bureau of Licensing  
Jeffrey Lawrence, Assistant Director, Bureau of Licensing

LCB Advisory Opinion No. 13-415