

November 20, 2013

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29 East Main Street
P.O. Box 706
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VIA FAX: (570)385-4572

Re: Ownership of Distributor Licenses

Dear Ms. McDonald:

ISSUE: This is in response to your letter sent via facsimile on October 15, 2013, wherein you ask if a corporation that holds a distributor license may purchase another distributor license. You advise the corporation will operate the second distributorship under a fictitious name at a separate location, and that each location will have its own manager devoted to the full-time management of the licensed premises.

Records of the Pennsylvania Liquor Control Board ("Board") indicate that RSC Beverages, Inc., ("RSC") trading as Brewers Outlet, holds Distributor License No. D-225 (LID 45829) for the premises located at East Side Claude Lord Boulevard, Route 61, Pottsville, Pennsylvania. It is assumed, for purposes of this response, that your firm represents RSC.

OPINION: Section 438(b) of the Liquor Code states: "No person shall possess or be issued more than one distributor's or importing distributor's license." [47 P.S. § 4-438(b)]. Section 443(b) of the Liquor Code prohibits a distributor or importing distributor, officer or director of any distributor or importing distributor, from directly or indirectly owning any stock or having any financial interest in or being the owner, proprietor or lessor of any place covered by any other malt or brewed beverage license. [47 P.S. § 4-437(b)]. Similarly, no distributor or importing distributor shall receive directly or indirectly any credit, loans, monies or the equivalent thereof, from any other licensee or from the officer, director or firm member of any other licensee except a banking institution, for the purpose of

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equipping, fitting out, payment of a license fee, maintaining or conducting an established business under a distributor or importing distributor license. [47 P.S. § 4-443(f)]. Thus, it would not be permissible for any entity to acquire an interest in more than one (1) distributor or importing distributor license

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. 13-491