

April 17, 2014

Telephone: (717) 783-9454

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Tom Sheridan

Re: Transfer of License

Dear Mr. Sheridan:

ISSUE: Your e-mail of March 3, 2014 inquires whether one (1) of two (2) owners can easily be removed from a brewery license and, if so, what the process is. Alternatively, you inquire whether a license can be transferred to another company where the owner of that company is the current holder of the license. More specifically, you explain that you and Benjamin Bedard are the members of the company which currently holds the license, and Mr. Bedard no longer wants to be part of the company. You believe it may be easiest to simply close down your current company and re-open a new company with yourself as sole member.

Records of the Pennsylvania Liquor Control Board (“Board”) indicate that Do Good Brewing Company, LLC holds Brewery License No. G-505 (LID 68413) for use by it at premises located at 3245 Amber Street, Unit 5-B-1, Philadelphia, Pennsylvania. The license is currently inactive, having expired December 31, 2013.

OPINION: A change in the ownership of the stock of a corporate license is not considered to be a transfer. However, the transaction still needs to be reported to the Board within fifteen (15) days of the change. Section 5.91(a) of the Board’s Regulations states that a corporation, association or other Board-licensed entity, except a club, having officers, or directors, or stockholders, shall report a change in officers, or directors or stockholders within fifteen (15) days. [40 Pa. Code § 5.91(a)]. A change in stockholders involving less than ten percent (10%) of outstanding voting stock need not be reported, except when the change involves a majority or controlling interest. [Id.]. Control is defined as the power or authority to manage, direct, govern, administer or oversee the operation of the licensed business. [Id.].

However, if the current business entity is dissolving and a new business entity is formed for the purpose of holding the license, then you would need to transfer the license to the new entity. In the alternative, the new business entity could apply for a new brewery license.

The forms necessary for reporting a change in ownership, for transferring a license to a new entity, and for applying for a new license are available on the Board's website or by contacting the Bureau of Licensing.

If you have any further questions or concerns regarding this matter, please do not hesitate to contact this office.

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. 14-151