

June 11, 2015

Anne N. Day, Legal Assistant
Elion, Wayne, Grieco, Carlucci & Shipman, P.C.
125 East Third Street
Williamsport, PA 17701

RE: Irrevocable Trust

Dear Ms. Day:

ISSUE: This is in response to your e-mail of May 13, 2015 in which you state that Attorney Grieco represents a husband and wife who are owners of stock in a corporation that holds a liquor license. For estate planning purposes, the husband and wife want to transfer their respective shares into an irrevocable trust. You inquire if the Pennsylvania Liquor Control Board (“Board”) has any requirements prior to such a transaction, and if doing so would create any problems under the rules and regulations. Additionally, pursuant to a phone call to the Board’s Bureau of Licensing (“Licensing”), you add that a staff member opined that the stock could be transferred without requirements of the Board since there was no change to the name of the liquor license or to the corporation.

OPINION: For the purposes of this response, an irrevocable trust is assumed to be a legal vehicle that allows an individual to place his or her assets under the control of a trustee. The trustee administers the trust and distributes the assets to the beneficiaries at the appropriate time. The assets placed in an irrevocable trust are no longer the original owner’s property; the trust is a separate entity. The trust must operate the existing corporation.

In accordance with the aforementioned, it is permissible for the clients to place their corporate stock in the liquor license into an irrevocable trust. If there are no planned changes regarding the current licensed entity, the placement of the stock into an irrevocable trust should be followed by the submission of a PLCB Form

866 (Notice of Change in Business Structure of Licensed Corporations, Limited Liability Companies or Limited Partnerships, Except Clubs) to Licensing within fifteen (15) days.

Should you have any other questions and/or issues related to the Liquor Code or the Board's Regulations, please feel free to once again 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, Office of Regulatory Affairs
Tisha Albert, Director, Bureau of Licensing
Jeffrey Lawrence, Assistant Director, Bureau of Licensing

LCB Advisory Opinion No. 15-226