

February 16, 2016

Lynn Snyder  
**VIA E-MAIL**

**RE: Change in Corporate Ownership**

Dear Ms. Snyder:

ISSUE: This office is in receipt of your e-mail of January 7, 2016, wherein you state that, effective January 1, 2016, your brother sold you his shares of a corporation that holds a golf course liquor license. He is no longer involved in the corporation at all. You ask if you need to do anything as a result of this change in corporate ownership.

Records of the Pennsylvania Liquor Control Board (“Board”) indicate that Hickory Heights, Inc. is the holder of Privately-Owned Public Golf Course License No. PGR-55 (LID 9142) for use at the premises located at 5158 Lehman Road, Spring Grove, Pennsylvania. You are the Board-approved manager.

OPINION: You do not provide information concerning the nature or amount of your brother’s prior stock holdings. A change in the ownership of the stock of a corporate license is not considered to be a transfer; however, the transaction must be reported to the Board within fifteen days of the change. Specifically, 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 days. [40 Pa. Code § 5.91(a)].

A change in stockholders involving less than 10% of outstanding voting stock need not be reported, except when the change involves a majority or controlling interest. [Id.]. The Board’s Regulations require that retail liquor licensees reporting a change in officers, directors or stockholders that would constitute a change in majority ownership or controlling interest post notice of the change. [40 Pa. Code § 3.13(b)]. 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 apply to transfer the license to the new entity.

Assuming from your stated fact pattern that the corporate entity is not being dissolved, a PLCB Form 866 (Notice of Change in Business Structure of Licensed Corporations, Limited Liability Companies or Limited Partnerships, Except Clubs) should be filed with the Board's Bureau of Licensing ("Licensing") within fifteen days of the finalization of the commercial transaction. This form is located on the Board's website at [www.lcb.state.pa.us](http://www.lcb.state.pa.us), then select "Licensees," then "Applications and Forms," then "PLCB-866." Please also note that this change of controlling interest information will have to be posted on the licensed premises in accordance with section 3.13(b) of the Board's Regulations. [40 Pa. Code § 3.13(b)].

Thus, in response to your question, the transaction requires only the filing of the noted form and posting of the change in accordance with the above cited regulations. If you have any questions about the form or its filing or about posting your premises, please contact Licensing at 717-783-8250 for assistance. Should you have any additional questions regarding the Liquor Code or Board's Regulations, 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,

**RODRIGO J. DIAZ  
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. 16-022