

September 28, 1998

Dee Kurtz

A/P Senior Analyst

CARLSON RESTAURANTS WORLDWIDE

7540 LBJ Freeway, Suite 100

Dallas, TX 75251

**RE: Prepaid Beer Accounts**

Dear Ms. Kurtz:

**ISSUE:** This office is in receipt of your letter dated August 31, 1998 in which you inquire whether Carlson Restaurants Worldwide, corporate office for TGI Friday's, may establish prepaid beer accounts with private beer vendors in the Commonwealth of Pennsylvania which service your stores. This would entail sending an escrow deposit to the vendor equaling the total purchase amount for a two-week period for each store involved. During your conversation with this office on September 10, 1998, you explained that when a delivery is made, the vendor takes the amount from escrow immediately and, within one week of delivery, you pay the vendor and the deposit amount is replaced. The purpose of establishing prepaid accounts is to eliminate the need for your stores to write checks.

**OPINION:** While section 493(2) in the Liquor Code [47 P.S. Section 4-493(2)] provides that it is unlawful for any licensee to purchase or receive any malt or brewed beverages, except for cash or bank institution credit cards, there is nothing in the Liquor Code, nor the Board's Regulations, which prohibit prepaid accounts for such products. Therefore, as long as your account always remains sufficient to cover purchases by your stores, and no credit is extended to your corporation for the purchase of said product, the prepaid accounts with private beer vendors would be permissible. However, the retailer must maintain beer purchase invoices on its licensed premises for a period of two years. [47 P.S. Section 4-493(12)].

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

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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

Refer to: (717) 783-9454

FAX: (717) 787-8820

LCB Advisory Opinion No. 98-321