

March 12, 1999

Gary Norton, Esquire
DERR, PURSEL, LUSCHAS & NORTON
120 West Main Street
P.O. Box 539
Bloomsburg, PA 17815

**RE: Dual Ownership Interests in
Two Liquor Licenses**

Dear Mr. Norton:

ISSUE: In your fax dated February 25, 1999, you ask several questions regarding a shareholder of a liquor license and her ownership and employment by another liquor licensee. You ask whether the individual may have a shareholder interest in two liquor licenses, whether she may be a manager of one licensee and an employee of another, whether she may be manager of one licensee and a shareholder of the other, and whether she can have an ownership interest as well as being employed by both licensees.

OPINION: There is no prohibition against an individual holding shares of stock or an ownership interest in two separate retail liquor licensees. It is also permissible for an individual to be a manager of one retail licensee and a shareholder in another if the person has gone through the normal manager appointment process which requires an application and investigation by the Board. The requirements for managers are contained in section 5.16 of the Board's Regulations. [40 Pa. Code §5.16].

Please note that a manager is required to devote full time to the licensed business and, therefore, may be limited in the quantity of work performed for another licensee or in any other job while holding the title of manager. It is permissible for an individual to be a manager of one licensee and an officer, director or shareholder in another licensee as long as she is able to devote full time to the management of the first business. If the individual is an employee of both licensees, and they are both retail licensees, she can maintain ownership interests as well as be employed by both of them at the same time. Please note that there are restrictions on employment of retail licensee officers or employees by distributors, manufacturers, vendors or importers. [47 P.S. §4-493(11)]. Please review these provisions which are enclosed.

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

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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

Enclosures

cc: Pennsylvania State Police-
Bureau of Liquor Control Enforcement

Refer to: (717) 783-9454
FAX: (717) 787-8820

LCB Advisory Opinion No. 99-084