

July 19, 1999

Telephone: 717-783-9454
FAX: 717-787-8820

Henry A. Giuliani
GIULIANI & BERNSTEIN
101 West Broad Street, Suite 301
Hazleton, PA 18201-6392

Dear Mr. Giuliani:

ISSUE: This office is in receipt of your letter dated May 13, 1999 in which you inquire whether it is permissible for a partnership whose partners are three brothers to lease vehicles to a corporation whose shareholders and officers are the same three brothers, in light of the fact that the validation application for a distributor licensee provides: "if the vehicles are leased, a lease must exist between the vehicle owner and the licensee and the vehicle owner may not have any proprietary interest in any business licensed by the Board." If not permissible as stated, you inquire whether it would be permissible if the partnership was also a corporation with the brothers as shareholders and officers. Please accept our apology for the delay in responding to your inquiry. This issue was one of first impression for this office.

OPINION: There is nothing in the Liquor Code or the Board's regulations which would prohibit a partnership whose partners are three brothers from leasing vehicles to a licensee corporation whose officers and shareholders are the same three brothers, as long as the lessor partnership does not also hold a retail liquor license issued by the Board.

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: Bureau of Liquor Control Enforcement,
Pennsylvania State Police

Advisory Opinion No. 99-252