
INSTRUCTIONS AND GENERAL INFORMATION

GENERAL INFORMATION

- Acronyms or form numbers used in these instructions:

B&P Business & Professions Code
227 Notice of Intended Transfer
 (Under Sections 24073 and
 24074)

211 Application for Alcoholic
 Beverage License
- ABC employees shall not prepare any Notice of Intended Transfer ("notice") since the document affects the rights and duties between the parties.
- If there is a defect in the notice, if there is a change in the full amount of consideration from that shown in the notice, or if you do not submit a notice with the application, ABC will not process the transfer until the 11th day after the notice is properly recorded.
- For transfers under Sections 24073 and 24074, use Form ABC-227.
- Record the notice in the office of the county recorder of the county or counties in which the licensed premises are situated. (Sections 24071.1(b) and 24071.2(b) B&P Code.)

INSTRUCTIONS

Licensee's name(s) (Item 1) — Enter the name of the licensed entity.

Address to which license is issued (Item 3) — Enter the address for the licensed premises.

Kind of license intended to be transferred (Item 4) — Enter the license type (e.g., Type 47) and/or a description (e.g., On-Sale General License).

Total consideration to be paid for the stock, capital or profits (Item 9) — Enter the dollar amount of the entire consideration.

Signature — One signature for the applicant is sufficient.

MISCELLANEOUS INFORMATION

Changes requiring filing of notice and application for transfer**A. Stock ownership changes**

When the ownership of 50 percent or more of the shares of stock of a corporation is acquired by or transferred to a person or persons who did not own 50 percent of those shares of stock on the date the license was issued to the corporation, the license of the corporation shall be transferred to the corporation as newly constituted. (Sections 24071.1(a) and 23405 B&P Code.)

Exception: The above does not apply to: (a) A corporation the stock of which is listed on a stock exchange in this state or in the City of New York, State of New York, (b) A bank, trust company, financial institution or title company to which a license is issued in a fiduciary capacity, or (c) A corporation which is required by law to file periodic reports with the Securities and Exchange Commission.

B. Limited partnership changes

When there is a new general partner *or* when the ownership of 50 percent or more of the capital or profits of a limited partnership is acquired by or transferred to a person or persons as general or limited partners and who did not hold ownership of 50 percent or more of the capital or profits of the limited partnership on the date the license was issued to the limited partnership, the license of the limited partnership shall be transferred to the limited partnership as newly constituted. (Sections 24071.1 and 23405.1 B&P Code.)

There are no exceptions to the above. It applies to all limited partnerships.

C. Limited liability company changes

When the ownership of 50 percent or more of the membership interests in a limited liability company is acquired by or transferred to a person or person who did not hold the ownership of 50 percent of the membership interests on the date the license was issued to the limited liability company, the license of the limited liability company shall be transferred to the limited liability company as newly constituted.

Exception: The above does not apply to a limited liability company that is required by law to file periodic reports with the Securities and Exchange Commission. (Section 23405.2(c) B&P Code.)

Investigation

Before the license is transferred, ABC will conduct an investigation. The following persons must be qualified to hold a license:

- Any person or persons who own 10 percent or more of the shares of stock of the corporation or who own as limited partners 10 percent or more of the capital or profits of the limited partnership.
- Any person or persons who own 10 percent or more of the membership interests of the limited liability company.

(Sections 23405(d), 23405.1(c), 23405.2(b) B&P Code.)

Credit and delinquent payments

Notwithstanding any other provision of this division to the contrary, a corporation, limited partnership or limited liability company as newly constituted by transfer is not eligible for any new credit until all delinquent payments owed by the entity, as formerly constituted, are made.

A retail licensee, by transferring its license under Sections 24071.1 or 24071.2, does not avoid the provisions of Section 25509 with regard to 42-day or 30-day periods, percentage charges for unpaid balances, or cash-on-delivery basis.

(Sections 24071.1(c), 24071.2(c) and 25509 B&P Code.)