

**Survey - Liquor Licensing In Short Notice
Take-Over Situations (Receiverships, Foreclosures, Bankruptcies, Etc.) -
Sample States - An Array Of Responses**

State	Summary of Applicable Provisions
Colorado	<ul style="list-style-type: none"> • New licensee must file an application for a new license and obtain a temporary permit before selling alcohol. The process is driven by local municipal governments. Requests are examined on a case-by-case basis and may take 10-30 days for issuance of a temporary permit. "Just operating" on the current licensee's license is a violation. Interim management agreements are not recognized. • Typically, the owner holds the liquor license or the owner and manager are co-licensed. • A court order may be required to get a temporary permit (depending on the circumstances).
District of Columbia	<ul style="list-style-type: none"> • No specific provisions provide authority to sell alcohol on short notice take over of operations; however, "involuntary transfer" application may be approved by Liquor Authority upon court order or on Article 9 UCC Sale; • Practically speaking, new operator may continue to operate pending submission of a full application, as Liquor Authority is not likely to take action against new operator or to issue order to cease alcohol sales because tourism and hotel business is too important to D.C. economy (* This is absent egregious circumstances causing Liquor Authority concern).
Florida	<ul style="list-style-type: none"> • No specific provisions address the appointment of receivers or transitions upon foreclosure. • Florida recognizes Interim management agreements. • Interim management agreements must be signed by the current (defaulting or departing) licensee. • If there is a court appointed receiver, the Liquor Authority will recognize the right of the receiver to submit an application for licensure. • While receiver's application is pending, practically speaking, it could operate the hotel and it is very unlikely, assuming it has filed a full application and is making a good faith effort to comply, that the Liquor Authority would take any action against it. • If the current licensee (defaulting party) is not cooperative, it could take 45 to 90 days to get fully licensed.
Indiana	<ul style="list-style-type: none"> • No specific provision addresses receiverships and trustees and bankruptcies; however, a schedule "MQ" (Manager's Questionnaire), which requires agreement/consent and signatures of current licensee and new operator, allows continuation of operations and sale of alcohol by new operator under existing license until new license is issued. Schedule MQ must be filed with the Liquor Authority, but no prior approval is required. • Court orders are normally recognized to allow continuing operations under current licenses. • If there is no cooperation between previous operator and new operator, it could be problematic, as a new license will have to be obtained, alcohol service must cease and processing application takes weeks.
Massachusetts	<ul style="list-style-type: none"> • In Massachusetts, there are specific provisions addressing receivers and bankruptcy trustees, among others. The provisions allow receivers and trustees to operate licensed businesses, without prior approval of the Massachusetts liquor authorities (which include the state and local authorities). Receivers and trustees may operate and "stand in the shoes of" the current licensee/defaulting party. • If the receiver/trustee wants to transfer the licensee to a third party, a full application must be filed. • If a party does not have the status of the trustee, receiver, etc., interim management agreements may be permitted, but prior approval from state and local liquor authorities is required any may take many weeks. • Secured parties which have obtained proper pre-security interest approval of their security interests in the licensed businesses and licenses may also be able to operate without prior approval, upon default of the debtor(s).

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Michigan	<ul style="list-style-type: none"> • Michigan has no process to specifically address short notice take overs. • Court orders, which provide that a licensed business and license are to be taken over by a receiver or other party, would be recognized. The Liquor Authority would "transfer" the liquor license to the name of the receiver in the face of such an order. • Local municipalities are also involved in the approval process.
Nevada	<ul style="list-style-type: none"> • No specific provisions address short term take overs by receivers or foreclosure events. • Licensing varies by local licensing board. • Technically, a receiver (or other "new operator") may not sell alcohol until they are deemed "suitable." • Local Liquor Authorities have "discretion" to allow continuation of the continuation of the sales of alcohol, uninterrupted, under certain conditions, most notably if the "key employee" (who had been previously investigated and approved) remains as part of the operations. • In and around the greater Las Vegas area, there may be a "Let Sleeping Dogs Lie" attitude as a result of foreclosures, etc., and enforcement on this issue appears to be far from aggressive. • In the face of a court order stating that a certain entity may continue to operate, even if statutorily Liquor Authorities are not required to defer, they are likely to do so.
New Jersey	<ul style="list-style-type: none"> • No specific provisions address short term take overs by receivers or foreclosure events. • Loss of possessory interest in hotel premises by the current (defaulting) licensee renders the current license void by operation of law. • Interim management agreements are permitted, but they require signature of the current licensee and require fairly specific terms, such as: all employees must be employees of the current licensee, all bank accounts used must be bank accounts of current licensee, current licensee must retain profits, etc. • Local municipalities are heavily involved in the approval process and, as a result, there may be wide variation in licensing practices and time required.
New York	<ul style="list-style-type: none"> • New York has a provision that allows a receiver or guardian to apply to the Liquor Authority to continue the operation of the licensed business. • The receiver must submit a "statement" regarding the circumstances on how it has succeeded to rights of current licensee. • The receiver must also file an application for licensee. • Even with this provision, there is a likelihood that there will be an interruption in the ability to sell alcohol, although it should be of limited duration. • Temporary licenses are issued, but they take at least 15 days for issuance and interim management agreements are not permitted. • A 30 day notice to local community boards/local clerks is also required and this 30 day period must pass before the 15 days begins to run to obtain a temporary permit.
Ohio	<ul style="list-style-type: none"> • If a receiver is appointed, a specific rule allows the receiver to transfer the permit to itself and to operate the licensed business until the buyer is found so that there is no interruption in service. • In all other situations (including lenders in foreclosures) where there is cooperation from current licensee, interim management agreements are permitted if application for new license/transfer is filed. • Without cooperation of the current licensee, it could take 6-8 weeks to get full licensure.

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Oregon	<ul style="list-style-type: none"> • A specific provision allows Liquor Authority to grant temporary authority to sell alcohol to a trustee, receiver, personal representative or holder of a security interest upon submission of "proof of status" and written request. The party issued the temporary authority should be able to continue selling alcohol without interruption. The license may be revoked for non-compliance with applicable laws. • New owners (subsequent to the receiver, etc.) must apply for new licenses.
Pennsylvania	<ul style="list-style-type: none"> • No specific provision addresses short term take overs, receivers, foreclosures or the like. • Interim management agreements are not permitted, but are often employed. (Interim management agreements could be viewed as unlawfully giving an undisclosed pecuniary interest to an unlicensed party). • Temporary licenses are not issued. • Investigation and citation on disclosure and transfer requirements rarely occur unless new operator draws attention to itself.
South Carolina	<ul style="list-style-type: none"> • No specific provision addresses short term take overs, receivers or foreclosures. • South Carolina does issue temporary licenses upon the filing of full applications for licensure. • Temporary licenses will normally be issued within a few days of filing.
Texas	<ul style="list-style-type: none"> • A specific provision in the Texas Code allows a receiver, trustee or other successor in interest to operate during the unexpired term of the current permit upon order of a judge of a court of competent jurisdiction. (This is (1) likely to require a local county court or state court judicial order and (2) the new operator may only operate until the end of the current license term, which may not leave a lot of time.) • The new operator must apply for and receive a new license before the end of the current licensee's current license term.
Virginia	<ul style="list-style-type: none"> • Specific provisions now provide for a state-sanctioned interim permit (via an Application for Continuation of Operations Permit) for new operators to continue to operate licensed businesses, provided the operator has filed a full application for liquor license and the operator obtains the right to operate through contract, lease, concession, license, management or similar agreement. • Other specific provisions allow receivers and lenders to operate for a limited period of time under the current license, if appointed in a court proceeding or purchasing via foreclosure or judicial action; sixty days will be given, longer upon Liquor Authority discretion.
Washington	<ul style="list-style-type: none"> • A specific provision allows the Liquor Authority to give receivers and trustees, and other assignees, permission to operate on the existing license, and to renew it. • The successor in interest (receiver, etc.) must submit written notice to the Liquor Authority (with appropriate back-up/documentation) and the Liquor Authority will typically approve the request for permission to operate without much formal investigation.