

LIQUOR:  
CORPORATIONS:

A corporation which holds a majority interest in various other corporations cannot, either personally or through its various subsidiaries, hold more than three retail liquor-by-the-drink licenses.

OPINION NO. 377

September 30, 1969

Honorable Harry Wiggins, Supervisor  
Department of Liquor Control  
Broadway State Office Building  
Jefferson City, Missouri 65101

Dear Mr. Wiggins:

This is in response to your request for an opinion by our office, in which you seek our construction of §311.260, RSMo 1959, with respect to corporate structures. Specifically, you asked whether §311.260 would prohibit the organization of a holding corporation which would then acquire majority stock ownership of numerous other corporations in the State of Missouri and place liquor-by-the-drink licenses in series of three licenses under each subsidiary corporation, thereby having an interest in more than three liquor-by-the-drink licenses.

Section 311.260 provides:

"No person or corporation, or any employee, officer, agent, subsidiary, or affiliate thereof, shall have more than three licenses, nor be directly or indirectly interested in any business of any other person or corporation, or of any employee, officer, agent, subsidiary, or affiliate thereof, to sell intoxicating liquor, at retail by the drink for consumption on the premises described in any such license, nor shall any such intoxicating liquor be sold at retail by the drink for consumption at the place of sale at more than three places in this state, by any person or corporation, or by any employee, officer, agent, subsidiary or affiliate thereof."

Thus, it is clear ". . . that a retail dealer in liquor by the drink . . . may have not more than three licenses, nor shall he sell

Honorable Harry Wiggins

at more than three places in the state. . . ." State ex rel. Klein v. Hughes, 173 S.W.2d 877, 880 (Mo. 1943). Also, it is plain that this statute prohibits the holding of more than three licenses by any combination of a retail dealer in liquor-by-the-drink, whether he be person or corporation, and any employee, officer, agent, subsidiary, or affiliate thereof. Indeed, if this were not so, the phrase "or any employee, officer, agent, subsidiary, or affiliate thereof" would be meaningless. In addition, we think it clear that §311.260 prohibits a retail dealer in liquor-by-the-drink from having a direct or indirect interest in the business of any other person or corporation which has, either personally or through an employee, officer, agent, subsidiary, or affiliate, a license to sell liquor-by-the-drink for consumption on the premises.

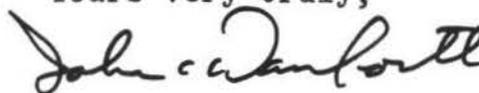
In the factual situation mentioned, there can be no question that each of the corporations, the majority of the stock of which is owned by another corporation, is a subsidiary of the holding corporation. See Baker v. Fenley, 128 S.W.2d 295, 298 (K.C.Mo. App. 1939). This being so, §311.260 would prohibit the holding corporation or any of its subsidiary corporations from holding more than three liquor-by-the-drink licenses, whether such licenses be issued individually to three subsidiary corporations or collectively to one subsidiary corporation.

CONCLUSION

Therefore, it is the opinion of this office that a corporation which holds a majority interest in various other corporations cannot, either personally or through its various subsidiaries, hold more than three retail liquor-by-the-drink licenses.

The foregoing opinion, which I hereby approve, was prepared by my Assistant, Richard L. Wieler.

Yours very truly,



JOHN C. DANFORTH  
Attorney General