

COMMONWEALTH OF VIRGINIA  
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL  
VIRGINIA ALCOHOLIC BEVERAGE CONTROL COMMISSION  
RICHMOND

November 1 .1984

**CIRCULAR LETTER**  
**84-3**

**TO:** MANUFACTURERS, BOTTLERS, WHOLESALERS AND OTHERS CONCERNED  
**SUBJECT:** FINANCIAL INTEREST OF WHOLESALER IN RETAIL PREMISES; SECTION 4-79,  
VIRGINIA CODE.

**PURPOSE:** This circular is to inform those concerned of a recent interpretation by the Commission on the above subject.

**BACKGROUND:** A wholesale licensee leased property from the owner. The property is currently not occupied and the wholesaler desires to have his lease assigned to a person who would apply for a retail license. The retailer would make the payments under the lease directly to the landowner. The wholesaler's only involvement would be upon default by the retailer at which time the wholesaler would reassume the rental payments.

**HELD:** The Commission has concluded that such an arrangement constitutes a financial interest in the premises of the retail licensee because the wholesaler has an obvious interest in Insuring the success of the retail place. Should the retailer not succeed, the wholesaler would again be forced to make payments on a vacant property. Such financial interest in the premises is prohibited by Section 4-79, Virginia Code.

Of course, subsection (al) of that section would permit a wholesaler to have such financial interest in the premises of a retail establishment if he did not sell or otherwise furnish, directly or indirectly, alcoholic beverages or other merchandise to such retail licensee and such licensee is not required by agreement or otherwise to exclude from sale at his establishment alcoholic beverages of other manufacturers, bottlers or wholesalers~

**INQUIRIES:** Inquiries should be addressed to me.

VIRGINIA ALCOHOLIC BEVERAGE CONTROL  
COMMISSION

Larry E. Gilman  
Secretary