

Serving Alcohol at an Open House

Do I need my broker's approval to serve alcohol in a setting like an open house?

Yes. The broker has the right to either approve or disapprove the serving of alcohol at an open house. A broker is required to exercise reasonable supervision over licensed activities conducted through the brokerage and this would include the decision to permit the serving of alcohol and determination if this activity would be covered by the broker's E&O insurance.

Is an ABC license required?

If the "open house" is in fact *open* to the public, then yes. A caterer must have *both*:

- 1) an On-Sale license from the California Department of Alcoholic Beverage and Control (the "ABC"), and
- 2) a Type 58 Catering Permit also issued by the ABC

What preventative steps may be taken to limit liability when serving alcohol?

- Make sure no minors are present
- Employ a catering service with proper alcohol licenses and professional servers.
- Instruct servers to require identification from guests.
- Instruct servers to identify if guests are intoxicated and refuse to serve alcohol to minors or obviously intoxicated guests.
- Impose a drink limit for all guests. For example, each guest may be provided with two (2) tickets redeemable for an alcoholic beverage.
- Include a variety of alternative, non-alcoholic beverages.

Is it permissible to serve alcohol without a license?

Yes. There is the "private party" exception. To qualify you must meet three requirements:

- 1) There can be no sale of alcohol,
- 2) The event may not be open to the general public at the time alcoholic beverages are served or consumed, and
- 3) The premises may not be maintained for the purpose of keeping, serving, consuming, or disposing of alcoholic beverages.

For the private party exception, are there steps that may be taken to minimize the risk the event will be considered "open to the general public"?

The host should prepare a list of the invited guests prior to the event. If any person not on the list is admitted to the event, it may be considered "open to the public," and then an ABC license may be required. Uninvited guests who are not on the guest list should be turned away to minimize this risk.