

# SERVING ALCOHOL AT AN OPEN HOUSE





# Broker Approval

- Brokers have the right to approve or disapprove the serving of alcohol at an open house
- Brokers are required by law to exercise reasonable supervision over licensed activities (including open houses)
- Brokers need to evaluate risks, including whether such activities are covered by the broker's E&O insurance



# Serving Alcohol with a License

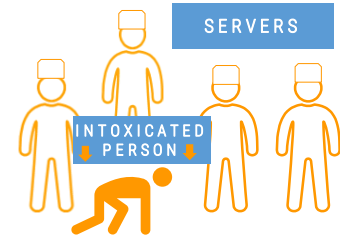
- A license is required when an open house is **open** to the public
- A caterer must have **both**:
  - An On-Sale license from the California Department of Alcoholic Beverage and Control (the “ABC”), and
  - A Type 58 Catering Permit also issued by the ABC



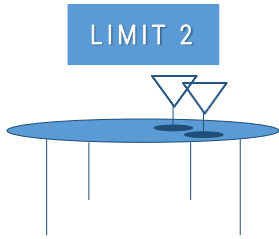
# Limiting Risk When Alcohol is Served



- 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



# Limiting Risk When Alcohol is Served



- Instruct servers to not serve alcohol to minors or obviously intoxicated guests
- Impose a drink limit for all guests (e.g., each guest is provide with two tickets redeemable for an alcoholic beverage).
- Include a variety of alternative, non-alcoholic beverages



# Serving Alcohol Without a License

- Open house is **NOT** open to the public; and
- These 3 requirements are met:
  - 1 There is no sale of alcohol
  - 2 The event is not open to the general public at the time alcoholic beverages are served or consumed (the “private party” exception), and
  - 3 The premises are not maintained for the purpose of keeping, serving, consuming, or disposing alcoholic beverages

# Private Party Exception Requirements

- The host must have prepared the names 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 a license would be required
- Uninvited guests who are not on the guest list must be turned away



# What's the Risk?

- With some **important exceptions**, the general rule is: **No Civil Liability**
  - “No person who sells, furnishes, gives, [etc...] any alcoholic beverage ....shall be civilly liable to any injured person”
  - “No social host who furnishes alcoholic beverages to any person may be held legally accountable....”





# Important Exceptions

- Potential civil liability if alcohol is served to someone under 21 years of age especially if “obviously intoxicated”
- Potential criminal liability if alcohol is furnished to an “obviously intoxicated person” or “habitual drunkard”



# ADDITIONAL RESOURCES

**Civil Code § 1714 and Business & Professions Code §§  
25602 and 25602.1**

**Quick Guide – Serving Alcohol at an Open house**

**C.A.R.'s Q&A [Serving Alcohol at an Open House](#)**