

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF ALCOHOLIC BEVERAGE CONTROL

IN THE MATTER OF THE LPGA)	
FOUNDATION TOURNAMENT)	
PROPERTIES, LLC'S REQUEST)	SR 2021-15
FOR A SPECIAL EVENT)	SPECIAL RULING AUTHORIZING THE
PERMIT FOR THE COGNIZANT)	LICENSING BUREAU TO ISSUE
FOUNDERS CUP GOLF)	A SPECIAL EVENT PERMIT TO THE LPGA
TOURNAMENT)	FOUNDATION TOURNAMENT
)	PROPERTIES, LLC FOR THE SALE AND SERVICE
)	OF ALCOHOLIC BEVERAGES AT THE
)	COGNIZANT FOUNDERS CUP GOLF
)	TOURNAMENT
)	
)	

Jeffrey A. Warsh, Esq., Attorney for Applicant

BY THE DIRECTOR:

On September 27, 2021, the LPGA Foundation Tournament Properties, LLC¹ (“LFTP”) d/b/a Cognizant Founders Cup submitted to the Division of Alcoholic Beverage Control (“Division”) an application for a Special Event Permit to sell and serve alcoholic beverages at the Cognizant Founders Cup (the “tournament”) to be held by the LFTP at Mountain Ridge Country Club located at 713-719 Passaic Avenue, West Caldwell, New Jersey, on October 4, 2021 through October 10, 2021, with a rain date of October 11, 2021. Mountain Ridge Country Club (“Mountain Ridge”) is the holder of Club License No. 0721-31-006-001, which is sited at the Mountain Ridge Country Club located at 713-719 Passaic Avenue, West Caldwell, New Jersey. The LFTP does not hold a liquor license or permit in New Jersey, but has been

¹ The LPGA Foundation is structured as a 501(c)(3) organization. In 2011, the LPGA Foundation formed a wholly-owned for-profit subsidiary, LPGA Foundation Tournament Properties, LLC (“LFTP”) specifically and solely for the purpose of running and managing the Founders Cup tournament on behalf of the LPGA Foundation.

licensed to sell, serve and deliver alcoholic beverages in other jurisdictions, including at multiple LPGA events.

I. LFTP’s Qualifications for Special Event Permit.

The LFTP represents that, while Mountain Ridge is the holder of a club license for the premises at which the tournament will occur, Mountain Ridge’s privileges under its respective club license only permits Mountain Ridge to sell and serve alcohol to its *bona fide* members and their guests. Therefore, Mountain Ridge cannot utilize its license for the service and sale of alcoholic beverages during the golf tournament. However, according to representations of the LFTP, Mountain Ridge will provide ten general admission tickets to each of its members and will be selling alcoholic beverages only in a small, designated “Members Only” area in Mountain Ridge’s Clubhouse.

According to the LFTP’s representations, the LFTP will be the sole entity responsible for the purchasing, receiving and selling of alcoholic beverages during the tournament (with the exception of the “Members Only” area of Mountain Ridge’s Clubhouse). The LFTP states that it sells sponsorships that includes alcoholic beverages and General Admission tickets that allow patrons to purchase alcoholic beverages at concession tents on the golf course during the tournament. The sponsorship packages include a “Pairings Dinner” at the clubhouse and access to VIP tents throughout the tournament, with open bars. The LFTP represents that it will be using a third-party catering company (Classic Sports Catering) for “food, labor and necessary supplies” and Mountain Ridge for food and non-alcoholic beverages at certain host events and banquets. The LFTP will be also be utilizing Mountain Ridge and Classics Sports Catering to assist in serving alcoholic beverages at tournament. Ultimately, the LFTP will be responsible for all alcoholic beverage aspects at the clubhouse (except for the “Members Only” area of the clubhouse) and at the VIP sponsor tents and for all General Admission concession tents for the duration of the tournament. See LFTP Method of Operation, Introduction and Hospitality Overview and Venue Hours.

Based on the foregoing alcohol-related activities to be performed by the LFTP, the LFTP must become qualified under the Alcoholic Beverage Control Act (“ABC Act”) and regulations in order to conduct its proposed activities. Accordingly, the LFTP has applied for a Special Event Permit, the authority for which will be described below. In support of its application for a Special Event Permit, the LFTP has provided to the Division the following documents for review:

- Letter from Jeffrey A. Warsh, Esq. requesting relaxation of certain regulations, dated September 27, 2021.
- The LFTP’s Articles of Incorporation.
- The LFTP’s September 27, 2021 Method of Operation.
- A copy of LPGA Foundation’s Arizona Alcoholic Beverage License issued to Scott Wood, LFTP Tournament Director which it has held since 2015.
- The LFTP’s Application for a Catering Permit.
- LPGA Foundation, Statement of Financial Position (consolidated), July 31, 2021.
- The LFTP’s Security Schedule dated August 6, 2021.
- The LFTP’s Site Map.
- Tournament Club Agreement, executed December 16, 2020, granting LFTP exclusive right to conduct tournaments on the property of Mountain Ridge Country Club during certain tournament dates through January 1, 2024.
- First Amendment to Tournament Club Agreement executed September 2, 2021.
- Second Amendment to Tournament Club Agreement executed September 29, 2021.
- Affidavits of Qualification for Ownership or Interest In or Association With a New Jersey Alcoholic Beverage License or Permit for the following individuals:
 - o Aaron Flickinger, Operations Director for Cognizant Founders Cup

- Tracy L. Hupko, Sales and Marketing Manager for Cognizant Founders Cup
- Scott Wood, Tournament Director for Cognizant Founders Cup
- Kathryn H. Milthorpe, Treasurer, LPGA Foundation, Inc.²

Based on the Division's review of these documents, the Division is able to make a preliminary determination that the LFTP and its principals are not criminally disqualified from holding a liquor license or permit in the State of New Jersey, that the source of funds used by the LPGA Foundation and the LFTP appears to be legitimate and sufficient to ensure that the event will be operated safely and responsibly, and that the LFTP has the requisite background and experience to provide alcoholic beverages at the Cognizant Founders Cup Golf Tournament in a manner consistent with the ABC Act and regulations. The LFTP has been operating the Founders Cup Tournament for eleven years and has held its Arizona Liquor License since 2015, with no reported problems at any prior LFTP events. See N.J.S.A. 33:1-25; N.J.A.C. 13:2-2.9(b). The Division also finds that, pursuant to the Tournament Club Agreement, the LFTP has the requisite possessory interest and control to sell and serve alcoholic beverages at the Mountain Ridge Country Club during the Cognizant Founders Cup Golf Tournament, as required by N.J.A.C. 13:2-9.3. See Tournament Club Agreement, Section 3.

According to the Tournament Club Agreement, the LFTP maintains general liability insurance in the amount of two million dollars (\$2,000,000) in the aggregate and also maintains umbrella liability insurance with an aggregate amount of coverage of not less than three million dollars (\$3,000,000). The LFTP maintains liquor liability insurance with a limit of no less than one million dollars (\$1,000,000). The Division finds that LFTP has the necessary insurance coverage to sell and serve alcohol at the golf tournament.

² The LFTP's sole managing member is the corporate non-profit entity, the LPGA Foundation, Inc.

II. LFTP's Proposed Alcohol Beverage Operation.

The LFTP has proposed a plan to sell and serve alcoholic beverages at three General Admission concession stands, six premium Skybox/Hospitality suite locations in and around the course, as designated in the LFTP's 2021 LPGA Founders Cup Serving Areas Map, and in areas in the Club House where the Pairing Dinner or other banquets/events will be held. See Exhibit A to LFTP's application. All revenue collected by the LFTP from the sale of alcoholic beverages will be deposited into the LFTP's account. All alcohol will be served or poured by employees of Mountain Ridge and Classic Sports Catering at each point of sale location from 7 a.m. to 7 p.m. on October 4th, 6th, 8th, and 10th and from 7:00 a.m. to 9:00 p.m. on October 5th and 7th, however, these employees will be under the control and supervision of the LFTP. The LFTP has stated that all bartenders and servers will be trained in alcohol service by a nationally recognized accrediting agency. In addition to purchasing product from licensed New Jersey wholesalers, the LFTP has stated that it will be receiving donations of alcoholic beverages from wholesalers and/or suppliers to be used for certain events during the tournament. The LFTP is providing adequate security by hiring West Caldwell police officers, as well as a private security firm. The LFTP states that all profits from the Cognizant Founders Cup Tournament will be transferred to the LPGA Foundation in support of its non-profit "grow the game initiatives". These representations, along with other requirements, will be included by Special Conditions imposed on the Special Event Permit to ensure that the event is run safely and responsibly.

In addition, Mountain Ridge will be utilizing its club license and will continue to serve alcoholic beverages to its *bona fide* members exclusively in a small area designated "Members Only" at the Club House. If a Special Event Permit is issued to the LFTP, it will be sited in areas on and around the course and will cover the Club House, except for the small designated area reserved for Mountain Ridge Members,

as proposed. The Special Event Permit will not be sited in areas that overlap with Mountain Ridge's active club license, and there will be no co-mingling of alcohol sold by Mountain Ridge and the LFTP.

III. Division's Authority to Issue Special Event Permit.

Pursuant to N.J.S.A. 33:1-39, the Director has the authority to make such general rules and regulations and such special rulings and findings "as may be necessary for the proper regulation and control of the manufacture, sale and distribution of alcoholic beverages . . . , and [to] alter, amend, repeal and publish the same from time to time." Such rules and regulations may cover a variety of subjects, as well as any matters whatsoever as are or may become necessary in the fair, impartial, stringent and comprehensive administration of the ABC Act. Additionally, N.J.S.A. 33:1-74 grants the Director the authority to issue temporary permits to provide for contingencies where it would be appropriate and consonant with the spirit of Title 33 to issue a license but the contingency has not been expressly provided for. In this case, the Division does not have an alcohol permit specifically available for an out-of-state organization, such as the LFTP, to operate a large-scale event such as the Cognizant Founders Cup Tournament, but would not consider the LFTP's proposal to be inconsistent with or antithetical to the ABC Act.

Having considered the success of similar events in recent years, the State of New Jersey's interest in serving as host to major national events that can have a positive impact on the local and State economies, Mountain Ridge's inability to sell and serve alcoholic beverages at large events such as a the LFTP tournament due to the restrictions of its club liquor license, and the Division's determination that the LFTP does not appear to be disqualified to sell and serve alcoholic beverages, the Division is authorizing the Licensing Bureau to review and issue a Special Event Permit to the LFTP to allow service of alcoholic beverages at the Cognizant Founders Cup Golf Tournament to be held at the Mountain Ridge Country Club from October 4, 2021 through October 11, 2021. While the Division typically only permits non-profit organizations and industry trade organizations to receive donations of alcoholic beverages pursuant to


N.J.A.C. 13:2-24.7, the Division will relax this regulation and permit the LFTP to receive donated alcoholic beverages as the profits from this event will be going towards the LPGA Foundation, which is a non-profit organization. The Division will also permit any wholesalers that sold and/or donated product to LFTP for the tournament to accept returns of unused and unopened inventory of alcoholic beverages. However, any opened and used inventory of alcoholic beverages must be destroyed at the end of the tournament. This Special Event Permit will contain necessary conditions to ensure that the sale and service of alcoholic beverages is done in a responsible manner that protects the health, safety and welfare of the attendees at this event. Should the event be run in a manner inconsistent with the ABC Act and its regulations and the September 27, 2021 Method of Operation, the Division reserves the right to deny any future applications submitted by the LFTP.

In issuing this Special Ruling, the Division further finds that the authorization contained herein does not unduly burden any affected parties, is consistent with the underlying purposes of the ABC Act, and that undue economic hardship would befall Mountain Ridge, the LFTP, the LPGA, and the State if such authorization was not granted.

The permission granted herein authorizes the Division's Licensing Bureau to review the LFTP's application for a Special Event Permit based on consideration of the foregoing. The LFTP must satisfy all requests from the Licensing Bureau and must establish that it is qualified to hold an interest in or be associated with a New Jersey Alcoholic Beverage license or permit. This Ruling in and of itself does not authorize the LFTP to sell, serve, or deliver alcoholic beverages at this or any other event. If the LFTP is issued a Special Event Permit for the Cognizant Founders Cup Golf Tournament, it will be required to submit an accounting to the Division within 45 days after the conclusion of the event, said accounting to include, but not limited to: (1) a dissemination of all alcoholic-beverage related proceeds, (2) number of attendees each day, (3) amount of proceeds from alcoholic beverage sales accrued throughout the event,

broken down by sponsorships sold, sales at Pairing Dinners and other banquets/events, and alcoholic beverage sales at General Admission concession tents and (4) all exchange of payment records for the event related to alcoholic beverages.

Should the proposal presented in the September 27, 2021 letter and all documents submitted in support of this Special Event Permit application differ from the actual circumstances involved in putting on the Cognizant Founders Cup Golf Tournament, the Director reserves the right to modify, amend or rescind this Ruling, and to take any remedial action necessary against the applicant.



JAMES B. GRAZIANO
DIRECTOR

Dated: October 1, 2021