



The New York City
Department of
Consumer Affairs
42 Broadway
New York, NY
10004-1716

Jonathan Mintz
Commissioner

April 18, 2008

██████████
Deputy Director
Legal Services Division
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██████████
██████████

Re: Corporate Change in Scrap Metal Processor

Dear Mr. ██████████

I am writing in response to your query concerning a proposed change in the corporate ownership of a DCA-licensed scrap metal processor. You specifically asked whether a planned transfer of more than 10% of stock by corporate principals in a family-owned business to family members, such as children or grandchildren (who do not currently have any stock ownership), will result in the corporation being required to apply for a new license. In short, the answer is yes, unless there is prior written approval of the change in owners.

Pursuant to §20-110 of Title 20, Chapter 2 of the Administrative Code of the City of New York ("Code"): "Where any person...becomes the beneficial owner of ten percent or more of the stock of an organization to which a license has been granted pursuant to chapter two, if such person...previously did not hold at least a ten percent interest, such license shall immediately become void unless prior written approval of the commissioner or commissioner's designee is obtained."

Thus, if your client were to have the proposed new owners successfully undergo a background check, including fingerprinting, it could seek prior written approval from DCA before making the formal change in ownership and thereby retain its current license.

If you have any further questions, please don't hesitate to contact me.

Sincerely,

██████████
Deputy Director
Legal Services Division