

STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
LIQUOR CONTROL COMMISSION

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ADMINISTRATIVE ORDER

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This Administrative Order shall supersede and replace Bulletin # 3159-17 issued on May 13, 2010.

The Michigan Liquor Control Commission, ("Commission"), has before it a certain matter concerning the movement of vendors between Authorized Distribution Agents (ADA). To address this issue, the Commission hereby enters this Administrative Order acting under the authority set forth in MCL 436.1205(1) and (2). Specifically, for an ADA to be "eligible for appointment by the commission as an authorized distribution agent" the ADA must demonstrate that it has "entered into a written agreement or contract with a supplier of spirits for the purposes of warehousing and delivering a brand or brands of spirits of that supplier of spirits."<sup>1</sup> Further, the ADA must demonstrate to the Commission that it "has an adequate warehousing facility located in this state for the storing of spirits from which all delivery of spirits to retail licensees shall be made,"<sup>2</sup> and can "ensure that all retail licensees continue to be properly serviced with spirits."<sup>3</sup> Finally, under MCL 436.1205(2)(a), all ADAs must satisfy the requirements of licensure as prescribed by the Michigan Liquor Control Code ("Code").

To achieve this end, and to ensure that ADAs are adequately equipped to "store spirits owned by a supplier of spirits or the commission,"<sup>4</sup> and "deliver spirits sold by the commission to retail licensees,"<sup>5</sup> the MLCC will not routinely approve the vendor movement of products between ADAs unless and until there is a written request made by the ADA and filed with the Commission.

IT IS HEREBY ORDERED, that if an ADA proposes contracting with a new vendor, the ADA and the vendor's licensed representative must submit to the MLCC a written request to do so. The written request shall include documentation stating the reason(s) for the vendor's decision to change ADAs, a proposed written contractual agreement for warehousing and delivering a brand or brands of spirits of that supplier of spirits,<sup>6</sup> and a

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<sup>1</sup> MCL 436.1205(2)(b).

<sup>2</sup> MCL 436.1205(2)(c).

<sup>3</sup> MCL 436.1205(1).

<sup>4</sup> MCL 436.1105(4)(a).

<sup>5</sup> MCL 436.1105(4)(b).

<sup>6</sup> Under MCL 436.1205(8), an ADA or prospective ADA "shall maintain and made available to the commission or its representatives, upon notice, any contract or written

proposal submitted by the ADA on its ability to effectively warehouse and distribute the additional brand or brands of spirits of that supplier of spirits, and whether such a change would negatively impact the warehousing and delivery of spirits in the state of Michigan. The Commission will review and analyze every requested ADA change before rendering a decision to approve or deny the change based on the written information supplied to the Commission. If the Commission does approve of an ADA change, it will submit a written order to the parties. If the Commission denies the request, the parties shall have the right to appeal the written order of denial under administrative rule 436.1925.

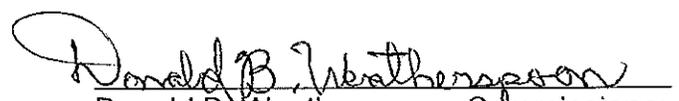
The Commission imposes these changes under MCL 436.1201(2) in that it has the "sole right, power and duty to control the alcoholic beverage traffic . . . within this state," and to ensure the requirements of MCL 436.1205(1) and (2) have been satisfied.

IT IS SO ORDERED.

Dated: February 9, 2011

  
Nida R. Samona, Chairperson

  
Pat Gagliardi, Commissioner

  
Donald B. Weatherspoon, Commissioner

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agreement it may have with a supplier of spirits or other authorized distribution agent for the warehousing and delivery of spirits in this state.