

Michigan Department of Consumer and Industry Services
Liquor Control Commission

INTER-OFFICE CORRESPONDENCE

TO Manufacturers and Wholesalers Section
 Licensing Division

FROM Administrative Commissioners

SUBJECT: ON-PREMISES BRAND PROMOTIONS

October 27, 1999
DATE

IT IS THE ORDER OF THE COMMISSION THAT WHOLESALERS, MANUFACTURERS, OUTSTATE SELLERS, VENDORS OF SPIRITS AND BROKERS MAY CONDUCT ON-PREMISES BRAND PROMOTIONS OF THEIR PRODUCTS AT ON-PREMISES LICENSED ACCOUNTS PURSUANT TO RULE 436.1321 (1,2,3) WITH THE PROVISIO THAT ALL OF THE FOLLOWING CONDITIONS ARE COMPLIED WITH:

- 1) THE COMMISSION MUST BE NOTIFIED IN WRITING A MINIMUM OF FIVE (5) WORKING DAYS PRIOR TO THE EVENT OF THE DATE, TIME AND LOCATION OF THE EVENT.
- 2) ON-PREMISES PROMOTIONAL EVENTS SHALL BE LIMITED TO THREE (3) PER RETAIL LICENSEE WITHIN A CALENDAR MONTH.
- 3) THE SUPPLIER OR WHOLESALER CONDUCTING THE PROMOTION MUST HAVE A LICENSED REPRESENTATIVE PRESENT AT THE ON-PREMISES ESTABLISHMENT TO SET UP THE PROMOTION AND TO REMOVE ANY SPECIALLY APPROVED ITEMS UPON COMPLETION OF THE PROMOTION. A LICENSED REPRESENTATIVE MUST BE PRESENT DURING THE HOURS OF THE PROMOTION WHEN BRAND LOGOED MERCHANDISE IS TO BE GIVEN AWAY TO CONSUMERS. ALSO, A LICENSED SPIRIT REPRESENTATIVE MUST BE PRESENT DURING ALL HOURS OF A "KEEP THE GLASS" PROMOTION.
- 4) SUPPLIERS, WHOLESALERS AND LICENSED REPRESENTATIVES ARE PROHIBITED FROM FURNISHING ANY ALCOHOLIC LIQUOR TO PARTICIPATING RETAIL LICENSEES.
- 5) LICENSED REPRESENTATIVES MAY DISTRIBUTE MERCHANDISE TO CONSUMERS 21 YEARS OF AGE OR OLDER DURING ON-PREMISES PROMOTION EVENTS. THE MAXIMUM TOTAL VALUE OF ALL MERCHANDISE DISTRIBUTED TO CONSUMERS ON ANY GIVEN DAY, INCLUDING PRIZES AWARDED PURSUANT TO PROVISION #6, IS \$100.00. NO ALCOHOLIC BEVERAGE PURCHASE OR CONSUMPTION MAY BE THE BASIS FOR DISTRIBUTING MERCHANDISE TO CONSUMERS, WITH THE EXCEPTION OF SPIRIT BRAND LOGOED GLASSWARE PURSUANT TO A "KEEP THE GLASS" PROMOTION AS DESCRIBED IN PROVISION #8. ALL MERCHANDISE FURNISHED TO CONSUMERS MUST BE DISTRIBUTED BY A LICENSED REPRESENTATIVE OF THE SPONSORING VENDOR, NOT BY THE RETAIL LICENSEE.

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- 6) LICENSED REPRESENTATIVES MAY AWARD MERCHANDISE TO CONSUMERS THROUGH CUSTOMER PARTICIPATION CONTESTS. ANY CONTEST AWARDED MERCHANDISE MUST BE DONE IN ACCORDANCE WITH COMMISSION RULES, INCLUDING ISSUANCE OF THE NECESSARY ENTERTAINMENT PERMIT TO PARTICIPATING RETAILERS. RANDOM DRAWINGS AWARDED LOGOED PRIZES ARE REQUIRED TO BE OPEN TO ANY PERSON 21 YEARS OF AGE OR OLDER WISHING TO PARTICIPATE. WINNERS OF RANDOM DRAWINGS NEED NOT BE PRESENT TO WIN.
- 7) LOGOED WEARING APPAREL MAY BE WORN BY EMPLOYEES OF THE RETAIL LICENSEE DURING THE HOURS OF THE ON-PREMISES PROMOTION. ALL LOGOED WEARING APPAREL MUST BE REMOVED FROM THE RETAILER'S PREMISES BY THE CLOSE OF BUSINESS ON THE DAY OF THE PROMOTION.
- 8) SPIRIT BRAND LOGOED GLASSWARE MAY BE DISTRIBUTED TO CONSUMERS THROUGH "KEEP THE GLASS" PROMOTIONS, WHEREBY CONSUMERS MAY PURCHASE A DRINK IN A SPIRIT BRAND LOGOED CONTAINER AND MAY KEEP THE CONTAINER, DURING THE HOURS OF THE ON-PREMISES PROMOTION. GLASSWARE DISTRIBUTED TO CONSUMERS THROUGH "KEEP THE GLASS" PROMOTIONS SHALL NOT BE CONSIDERED PART OF THE \$100.00 LIMIT OF MERCHANDISE DISTRIBUTED TO CONSUMERS. BRAND LOGOED GLASSWARE MAY NOT CONTAIN THE NAME OF ANY RETAIL LICENSEE. THE SPONSORING VENDOR OF SPIRITS MUST HAVE A LICENSED REPRESENTATIVE PRESENT DURING ALL HOURS OF A "KEEP THE GLASS" PROMOTION. BRAND LOGOED GLASSWARE MUST BE REMOVED FROM THE RETAILER'S PREMISES BY THE CLOSE OF BUSINESS ON THE DAY OF THE PROMOTION. BRAND LOGOED GLASSWARE MAY ONLY BE DISTRIBUTED TO CONSUMERS THROUGH SPIRIT "KEEP THE GLASS" PROMOTIONS. BRAND LOGOED GLASSWARE MAY NOT BE DISTRIBUTED TO CONSUMERS IN ANY OTHER MANNER.
- 9) A MAXIMUM OF TWO (2) SPIRIT BRAND LOGOED GLASSES MAY BE SOLD TO AN INDIVIDUAL CONSUMER THROUGH A "KEEP THE GLASS" PROMOTION DURING ANY GIVEN PROMOTION.
- 10) LOGOED COASTERS, NAPKINS, STIR RODS, PLACEMATS, TUBS AND BUCKETS MAY BE USED DURING THE ON-PREMISES PROMOTION. ALL SUCH SPECIALLY APPROVED LOGOED ITEMS MUST BE REMOVED FROM THE RETAILER'S PREMISES BY THE CLOSE OF BUSINESS ON THE DAY OF THE PROMOTION.

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- 11) THERE MAY BE NO ADVERTISING OF THE ON-PREMISES PROMOTION EVENT BY ANY PARTY OFF THE LICENSED PREMISES, THROUGH BANNERS, FLYERS, RADIO ADVERTISING OR BY ANY OTHER MEANS.
- 12) PARTICIPATING RETAIL LICENSEES MAY NOT RECEIVE ANY FEE OR OTHER VALUABLE CONSIDERATION FOR PARTICIPATING IN ANY ON-PREMISES PROMOTION.
- 13) ALL PERSONS ATTENDING THE ON-PREMISES PROMOTION EVENTS ON BEHALF OF THE SPONSORING VENDOR AND PROMOTING ALCOHOLIC BEVERAGES IN ANY MANNER MUST HOLD A VALID SALESPERSON OR VENDOR REPRESENTATIVE LICENSE.
- 14) PARTICIPATING RETAILERS MUST COMPLY WITH ALL MLCC STATUTES AND RULES.
- 15) INSIDE POINT OF SALE MATERIAL MAY BE UTILIZED, PROVIDED THAT IT IS UNILLUMINATED AND NO MORE THAN 3,500 SQUARE INCHES IN DIMENSION.

THE PRECEDING PROVISIONS ARE INTENDED TO BE THE STANDARDS BY WHICH ALL ON-PREMISES BRAND PROMOTIONS MUST COMPLY. ANY DEVIATION FROM THESE STANDARDS WITHOUT PRIOR COMMISSION APPROVAL MAY RESULT IN CITATIONS AGAINST THE SPONSORING VENDOR AND THE PARTICIPATING RETAIL LICENSEE. THE COMMISSION RESERVES THE RIGHT TO MODIFY THESE ON-PREMISES PROMOTION GUIDELINES AS DEEMED NECESSARY. THE COMMISSION WILL CONTINUE TO REVIEW ON-PREMISES PROMOTION GUIDELINES ON A SEMIANNUAL BASIS.

THIS ORDER SUPERSEDES THE COMMISSION ORDER OF OCTOBER 5, 1994 RELATIVE TO ON-PREMISES BRAND PROMOTIONS.