



BUSINESS MEETING OF THE
MICHIGAN LIQUOR CONTROL COMMISSION

Held: Tuesday, January 13, 2015
Lansing District Office
525 W Allegan
Lansing MI 48909

Present: Andrew J. Deloney, Chairman
Teri L. Quimby, Commissioner
Dennis Olshove, Commissioner

Absent: None

Staff: Steve Robinson, Director of Finance Division
Kerry Krone, Business Manager
Anita Fawcett, Executive Services Division

The meeting was called to order by Chairman Deloney at 9:38 a.m., noting a quorum was present.

- I. **Moved by Commissioner Olshove, supported by Commissioner Quimby, that the minutes of the Commission meeting of December 16, 2014, be approved as written and presented, motion carried by unanimous vote.**
- II. Mr. Robinson presented the E-Quote reports for product listings in four categories and requested approval of the following:
 - A. That the products listed below be granted exceptions to the standard pack size, inasmuch as the items are packaged nationally or meets other exceptions as indicated and be approved for listing in the approved products list effective February 1, 2015:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Constellation Brands, Inc. (General Wine & Liquor Co.)	375ml Svedka Grapefruit Jalapeno	12 Bottles
Journeyman Distillery, LLC (General Wine & Liquor Co.)	200ml Journeyman Whiskey 3 Pk	18 Bottles
MHW, Ltd. (NWS Michigan, Inc.)	375ml Clyde May's Conecuh Ridge	12 Bottles
Paterno Imports, Ltd. (NWS Michigan, Inc.)	750ml Don Pancho Origenes 18 Yr. Rum	6 Bottles
	750ml Don Pancho Origenes 8 Yr. Rum	6 Bottles

	750ml Langley's Gin	6 Bottles
	750ml Marnier XO Cognac	6 Bottles
	750ml Riazul Anejo Tequila	6 Bottles
	750ml Riazul Plata Tequila	6 Bottles
	750ml Riazul Reposado Tequila	6 Bottles
	750ml Clement Mahina Coco	6 Bottles
Park Street Imports LLC (General Wine & Liquor Co.)		
Pernod Ricard USA, LLC (NWS Michigan, Inc.)	750ml Yellow Spot 12 Yr. Whiskey	6 Bottles
Remy Cointreau USA, Inc. (NWS Michigan, Inc.)	50ml Mount Gay Black Barrel Rum	60 Bottles
The Patron Spirits Company (NWS Michigan, Inc.)	750ml Patron 7 Anos Extra Anejo	3 Bottles
Moet Hennessy USA, Inc. (NWS Michigan, Inc.)	750ml Belvedere Wild Berry Vodka	6 Bottles
	1000ml Glenmorangie Pride Scotch	1 Bottle
	750ml Glenmorangie Tusail Scotch	6 Bottles
Stoller Wholesale Wine & Spirits, Inc. (NWS Michigan, Inc.)	750ml Don Felix Reposado Tequila	6 Bottles
The Old Pogue Distillery, LLC (NWS Michigan, Inc.)	375ml Five Fathers Pure Rye Malt	12 Bottles
Diageo Americas, Inc. (NWS Michigan, Inc.)	750ml Forged Oak 15 Yr. Bourbon	6 Bottles
	750ml Johnnie Walker Green Label	6 Bottles
Wilson Daniels, Ltd. (General Wine & Liquor Co.)	750ml Teeling Irish Sngl Grain Whiskey	6 Bottles
Western Spirits Beverage Company, LLC (NWS Michigan, Inc.)	375ml Bird Dog Apple Whiskey	12 Bottles
	50ml Bird Dog Apple Whiskey PL	60 Bottles
	375ml Bird Dog Chocolate Whiskey	12 Bottles
	50ml Bird Dog Chocolate Whiskey PL	60 Bottles

A. That the products listed below be granted exceptions to the standard pack size, inasmuch as the items are packaged nationally or meets other exceptions as indicated and be approved for listing in the approved products list effective March 1, 2015:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Constellation Brands, Inc. (General Wine & Liquor Co.)	375ml Svedka Vodka 100	12 Bottles
MHW, Ltd. (General Wine & Liquor Co.)	750ml Bols Maraschino	6 Bottles

B. That the following requests for addition of product to the approved products list be approved for listing, effective February 1, 2015:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Jim Beam Brands Co. (NWS Michigan, Inc.)	750ml Cruzan Blueberry Lemonade Rum	12 Bottles
Brown-Forman Corporation (General Wine & Liquor Co.)	750ml Pinnacle Mimosa Vodka	12 Bottles
Constellation Brands, Inc. (General Wine & Liquor Co.)	1000ml Southern Comfort Caramel	12 Bottles
	50ml Svedka Grapefruit Jalapeno	120 Bottles
	1000ml Svedka Grapefruit Jalapeno	12 Bottles
	1750ml Svedka Grapefruit Jalapeno	6 Bottles
	750ml Svedka Grapefruit Jalapeno	12 Bottles
Circus Procession LLC (General Wine & Liquor Co.)	750ml Coppercraft Corn Whiskey	12 Bottles
Haas Brothers, Inc. (General Wine & Liquor Co.)	750ml Coppercraft High Wheat Whiskey	12 Bottles
Louisville Distilling Company, LLC (General Wine & Liquor Co.)	1000ml Cimarron Blanco Tequila	12 Bottles
	1000ml Cimmarron Reposado Tequila	12 Bottles
Pernod Ricard USA, LLC (NWS Michigan, Inc.)	100ml Angels Envy	48 Bottles
Phillips Products Co., LLC (General Wine & Liquor Co.)	750ml Kahlua Salter Caramel Coffee	12 Bottles
RGI Brands, LLC (NWS Michigan, Inc.)	750ml Malibu Peaches N' Cream	12 Bottles
Savvy Distillers, L.P. (General Wine & Liquor Co.)	750ml Hell Cat Maggie Whiskey	12 Bottles
	1000ml Hell Cat Maggie Whiskey	12 Bottles
	750ml Redemption White Rye	12 Bottles
	750ml Deep Eddy Lemon Vodka	12 Bottles
	1000ml Deep Eddy Lemon Vodka	12 Bottles
	1750ml Deep Eddy Lemon Vodka	6 Bottles
Serralles USA, LLC (NWS Michigan, Inc.)	750ml Don Q 151 Rum	12 Bottles
Western Spirits Beverage Company, LLC (NWS Michigan, Inc.)	750ml Bird Dog Apple Whiskey	12 Bottles
	750ml Bird Dog Chocolate Whiskey	12 Bottles

That the request of Journeyman Distillery, LLC, holder of 2014 Small Distiller license, for addition of the following product to the approved products list, be approved for listing, effective February 1, 2015; further prior to any sale and distribution of this product through the Commission's spirit distribution system, Journeyman Distillery, LLC must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for this product:

<u>PRODUCT</u>	<u>PACK SIZE</u>
750ml Journeyman Federalist 12 Whiskey	12 Bottles

B. That the following requests for addition of product to the approved products list be approved for listing, effective March 1, 2015:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Jim Beam Brands Co. (NWS Michigan, Inc.)	750ml Red Stag by Jim Beam	12 Bottles
	1000ml Red Stag by Jim Beam	12 Bottles
	1750ml Red Stag by Jim Beam	6 Bottles
	50ml Red Stag by Jim Beam PL	120 Bottles
	200ml Red Stag by Jim Beam PL	48 Bottles
	375ml Red Stag by Jim Beam PL	24 Bottles
	750ml Red Stag by Jim Beam PL	12 Bottles
Constellation Brands, Inc. (General Wine & Liquor Co.)	750ml Svedka Vodka 100	12 Bottles
	750ml James Oliver American Whiskey	12 Bottles
Stoller Wholesale Wine & Spirits, Inc. (NWS Michigan, Inc.)		
Diageo Americas, Inc. (NWS Michigan, Inc.)	200ml Captain Morgan Coconut Rum PL	48 Bottles
	375ml Captain Morgan Coconut Rum PL	24 Bottles
	200ml Captain Morgan Grapefruit Rum PL	48 Bottles
	375ml Captain Morgan Grapefruit Rum PL	24 Bottles
	200ml Captain Morgan Pineapple Rum	48 Bottles
	1750ml Captain Morgan Pineapple Rum	6 Bottles
	375ml Captain Morgan Pineapple Rum	24 Bottles
Ugly Dog Distillery, LLC (General Wine & Liquor Co.)	750ml Workers Vodka	12 Bottles

C. That the following requests for promotional or special packaging be approved for listing, effective February 1, 2015:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	750ml Bacardi Oakheart w/50ml Superior	12 Bottles
Brown-Forman Corporation (General Wine & Liquor Co.)	750ml Southern Comfort 70 w/Beanie	6 Bottles
Western Spirits Beverage Company, LLC (NWS Michigan, Inc.)	750ml Calumet Farm Bourbon w/GI	6 Bottles

D. That the following requests for deletion of product from the approved products list be approved for delisting, effective February 1, 2015:

<u>COMPANY</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Diageo Americas, Inc. (NWS Michigan, Inc.)	750ml Johnnie Walker Green Label	12 Bottles

D. That the following requests for deletion of product from the approved products list be approved for delisting, effective March 1, 2015:

<u>COMPANY</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Jim Beam Brands Co. (NWS Michigan, Inc.)	750ml Red Stag by Jim Beam	12 Bottles
	1000ml Red Stag by Jim Beam	12 Bottles
	1750ml Red Stag by Jim Beam	6 Bottles
	50ml Red Stag by Jim Beam PL	120 Bottles
	200ml Red Stag by Jim Beam PL	48 Bottles
	375ml Red Stag by Jim Beam PL	24 Bottles
	750ml Red Stag by Jim Beam PL	12 Bottles

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the above actions be taken in accordance with the E-Quote reports dated January 9, 2015, motion carried by unanimous vote.

III. Mr. Robinson requested approval for a bulletin that would notify licensed outstate sellers that they will no longer be responsible for collection, reporting and payment of Michigan beer, wine and mixed spirit drink taxes, effective February 1, 2015. He advised this bulletin also notifies the Michigan licensed wholesalers that they will be responsible for collection, reporting and payment of Michigan beer, wine and mixed spirit drink taxes, effective February 1, 2015. The Commission must change its tax collection and reporting systems to comply with Public Acts 48 and 49 of 2014, (which became part of MCL 436.1301 and MCL 436.1409)

In conjunction with this bulletin, Mr. Robinson requested approval for an administrative order that would require the Michigan licensed wholesalers to perform a complete physical inventory of the beer, wine and mixed spirit drink products that they own on the close of business on January 31, 2015. He advised this was the best way to keep the records straight during the transition period of this change in tax collection.

Mr. Spencer Nevins of Michigan Beer & Wine Wholesalers Association, thanked the Commission for letting them be involved in this process and was happy that some of their suggestions were incorporated into the documents. A brief discussion was held on the new procedure and issues that may arise.

Moved by Chairman Deloney, supported by Commissioner Olshove, that the Bulletin 2015-01, be approved as written and presented, motion carried by unanimous vote.

Moved by Chairman Deloney, supported by Commissioner Olshove, that the Administrative Order 2015-01, be approved as written and presented, motion carried by unanimous vote.

- IV. Mr. Robinson requested approval for a bulletin for the submission of quotations for Price List No. 238, which is effective May 3, 2015. He advised this is a quarterly reminder that is sent to Vendors of Spirits and Vendor Representatives to remind them of the deadline dates for the next price book.

Moved by Chairman Deloney, supported by Commissioner Olshove, that the Bulletin 2015-02, be approved as written and presented, motion carried by unanimous vote.

- V. Mr. Robinson requested approval for a bulletin that would notify retail licensees that distilled spirit product prices will change quarterly. He advised this is a reminder of when a price change may take effect so they can stay informed as to the correct licensee prices and minimum shelf prices.

Moved by Chairman Deloney, supported by Commissioner Olshove, that the Bulletin 2015-03, be approved as written and presented, motion carried by unanimous vote.

- VI. Mr. Robinson presented the November 2014 Financial Report which includes comparisons with November 2013. He advised the 2014 numbers have to be adjusted as ½ of the spirit sales for the last week of November 2013, were not recorded until December 2013, and without any adjustments the November 2013 spirit profit and tax amounts are low. Mr. Robinson stated the Total Gross Sales increased over last year by almost \$4.2 million or 2.0% higher, with the Distilled Spirit cases sold down by 2964 or -.2%. He advised the Net Income from spirit sales was higher by \$2.7 million, and that this figure is inflated due to the way

DTMB and DLARA charges are recorded in the early months of a new fiscal year. Mr. Robinson stated Beer taxes were down by almost \$220,000, with Wine taxes higher by \$182,000.

Moved by Chairman Deloney, supported by Commissioner Olshove, that the November 2014 Financial Report, be accepted, motion carried by unanimous vote.

VII. Old Business.

There was no Old Business.

VIII. New Business.

There was no New Business.

IX. Public Comments.

There were no Public Comments.

With no further business, moved by Commissioner Olshove, supported by Commissioner Quimby, that the business meeting be adjourned at 10:03 a.m., motion carried by unanimous vote.

Andrew J. Deloney
Chairman

Anita Fawcett
Executive Services