



ADMINISTRATIVE
MEETING OF THE
MICHIGAN LIQUOR CONTROL COMMISSION

Held: Tuesday, December 20, 2011
Lansing District Office

Present: Andrew J. Deloney, Chairman
Teri L. Quimby, Commissioner
Donald B. Weatherspoon, Commissioner
Steve Robinson, Director of Finance Division
Julie Wendt, Director of Executive Services Division
Andy Neumann, Director of Administrative Services Division
Sharon Martin, Director of Licensing Division
Tom Hagan, Director of Enforcement Division
Jason Geissler, Attorney Generals Office
Felepe Hall, Attorney Generals Office
Andrea Miller, LARA Communications
Terri Chase, Executive Services Division
Anita Fawcett, Executive Services Division

The meeting was called to order by Chairman Deloney at 11:05 a.m., noting that a quorum was present.

- I. **Moved by Commissioner Weatherspoon, supported by Commissioner Quimby, that the minutes of the Commission meeting of December 13, 2011, be approved as written and presented, motion carried by unanimous vote.**

- II. Chairman Deloney advised the Schedule of Commission Meetings for 2012 is being amended to change the time of the Wednesday morning meetings from 9:00 a.m. to 10:00 a.m.

Motion made by Chairman Deloney, supported by Commissioner Quimby, to accept the amended Schedule of Commission Meetings for 2012 as written and presented, motion carried by unanimous vote.

- III. Mr. Robinson presented licensee requests for special price reductions on spirit products in accordance with the provisions of the Commission's Order of February 15, 2006 regarding special price reductions on spirit products. He advised there are 26 different licensees requesting price reductions, and that 452 price reductions could be approved, with 26 price reductions being denied for reasons stated in the attached reports.

Moved by Chairman Deloney, supported by Commissioner Quimby, that the 452 special price reductions be approved as indicated on the Approval for Price Reduction on Liquor reports, motion carried by unanimous vote.

Moved by Chairman Deloney, supported by Commissioner Quimby, that the 26 special price reductions be denied for the reasons stated in the Notification of Denial for Price Reduction reports, motion carried by unanimous vote.

- IV. Chairman Deloney advised a request for a Declaratory Ruling was received from Attorney Michael Brown on behalf of Tin Can-West, LLC regarding a customer loyalty program that would reward customers with a \$10 gift certificate upon receiving 10 stamps on their customer loyalty card. Mr. Brown presented examples of other similar promotions such as Finley's buy \$50 in gift cards and receive a \$10 bonus gift card; Bennigan's buy \$25.00 in gift cards and receive a \$5.00 gift card for use on the next visit; and Claddagh's buy \$100 in gift cards and receive a \$20 gift card. He advised how to redeem the gift card and on what to redeem the gift card is at the discretion of the customer. Mr. Brown stated that he does not believe that these types of programs violate MCL 436.2025(1) and asks the Commission to issue a Declaratory Ruling in this matter.

Motion made by Chairman Deloney to approve the request that the Commission issue a Declaratory Ruling on the customer loyalty reward program, supported by Commissioner Quimby, motion carried by unanimous vote.

Mr. Brown commented on the Notice regarding license fee changes posted on the website. He advised it would be helpful to edit the form to include the applicant name and request I.D. or business I.D. number so the payment could be matched to the correct application file.

- V. Old Business – There was no old business to conduct.

- VI. New Business

Chairman Deloney advised a request has been received for an appeal hearing from Platinum Sports, Ltd., located at 14541 W Eight Mile, Detroit MI, regarding Complaint Number 0-141766. He advised the Commission has reviewed the request and is declining to grant an appeal hearing on the basis of insufficient reasons stated to meet the requirement under Commission Rule 436.1917. Chairman Deloney stated a review of the record made before the Hearing Commissioner Colleen Pobur reflects the following:

- A violation complaint was issued against the licensee, which alleged that the licensee or the licensee's agent, clerk or employee had violated 5 separate provisions of the Michigan Liquor Control Code and the Commission's Rules;
- The licensee was given notification and an opportunity to contest the alleged violations at a hearing before a Hearing Commissioner;
- At the violation hearing, at which the licensee was represented by legal counsel, the licensee voluntarily chose to acknowledge the validity of counts 3 and 4 and thereby authorized the entry of an order without a formal hearing;
- The licensee acknowledged violating MCL 436.1707(7) by permitting or allowing Cassey M. Shutran, who was 14 years-old at the time, to work as an exotic dancer on the licensed premises;
- The licensee also acknowledged that its employee, Andrew C. Hutson, committed an illegal act on the licensed premises contrary to Commission Rule 436.1011(1). Mr. Hutson was charged with, and convicted of permitting the exhibition of a child in violation of MCL 750.140;
- The three remaining counts were dismissed;
- The acknowledged violations were brought to the Commission's attention by way of a violation report that was submitted to the Commission by the Detroit Police Department. The Detroit Police Department's violation report indicates that Officers Rodney Ballinger and Jeffrey Rivard were dispatched to the licensed location where they came into contact with Nicole Shutran and her 14 year-old daughter, Cassey. Following an investigation, it became clear that Cassey Shutran had been permitted to perform as an exotic dancer at the licensed location for approximately 2 months, without her mother's knowledge and despite the fact that she was only 14 years-old;
- The violation report and the attachments thereto were admitted as a part of the record without objection from the licensee and its legal counsel;
- The licensee was given an opportunity to provide an explanation and submit any information regarding mitigating circumstances for the Hearing Commissioner to consider in disposing of the violation;
- The Hearing Commissioner, having reviewed the record, issued a written order revoking the license and permits.

Chairman Deloney advised that regarding the Platinum Sports, LTD case, the licensee was given due notice and a proper hearing at which the licensee acknowledged that 14 year-old Cassey Shutran had been permitted to perform as an exotic dancer at the licensed location and that its employee, Andrew Hutson, had permitted the exhibition of a child at the licensed location. He stated the Commission has rejected the request for an appeal hearing and the revocation of the license and permits will be executed per the Hearing Commissioner's Order.

VII. Public Comments

Mike Rosch of Great Lakes Wine and Spirits, LLC stated he would like to commend the Commission on the revocation of the license and permits of Platinum Sports Ltd., and pointed out that it sends a message to other licensees.

With no further business, moved by Commissioner Weatherspoon, supported by Commissioner Quimby, that the business meeting be adjourned at 11:23 a.m., motion carried by unanimous vote.

Andrew J. Deloney
Chairman

Anita Fawcett
Executive Services