



BUSINESS MEETING OF THE
MICHIGAN LIQUOR CONTROL COMMISSION

Held: Tuesday, February 5, 2013
Lansing District Office
7150 Harris Drive
Lansing MI 48909

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

Absent: None

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

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

- I. **Moved by Commissioner Olshove, supported by Commissioner Quimby, that the minutes of the Commission meeting of January 15, 2013, 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 meet other exceptions as indicated and be approved for listing in the approved products list effective March 3, 2013:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Cana Distributors LLC (NWS Michigan, Inc.)	750ml MBR Kentucky Apple Pie	6 Bottles
	750ml MBR Kentucky Black Dog	6 Bottles
	750ml MBR Kentucky Blueberry Shine	6 Bottles
	750ml MBR Kentucky Pink Lemonade	6 Bottles
	750ml MBR Kentucky Strawberry Shine	6 Bottles
	750ml MBR Kentucky White Dog	6 Bottles

Jomada Imports, LLC (NWS Michigan, Inc.)	750ml MBR True Kentucky Shine	6 Bottles
	750ml Amate Anejo Tequila	6 Bottles
	750ml Amate Blanco Tequila	6 Bottles
	750ml Amate Reposado Tequila	6 Bottles
	750ml Primo Vodka	6 Bottles
	750ml Riazul Premium Anejo	6 Bottles
Luctor International, L.L.C. (General Wine & Liquor Co.)	750ml Riazul Premium Reposado	6 Bottles
	750ml Limoncello De Capri	6 Bottles
MHW, Ltd. (General Wine & Liquor Co.) (NWS Michigan, Inc.)	200ml Bertina Elderflower Liqueur	12 Bottles
	750ml Bertina Elderflower Liqueur	6 Bottles
	750ml Casamigos Blanco Tequila	6 Bottles
	750ml Casamigos Reposado Tequila	6 Bottles
	50ml Chopin Rye Vodka	60 Bottles
	50ml Chopin Vodka	60 Bottles
	50ml Chopin Wheat Vodka	60 Bottles
	375ml Grappa Marolo Brandy	12 Bottles
	750ml Grappa Marolo Brandy	6 Bottles
	750ml Great King St Whiskey	6 Bottles
	375ml Marolo Grappa Brunello	12 Bottles
	750ml Marolo Grappa Brunello	6 Bottles
	375ml Marolo Grappa Moscato	12 Bottles
	750ml Marolo Grappa Moscato	6 Bottles
	375ml Marolo Milla Grappa & Camomile	12 Bottles
	750ml Marolo Milla Grappa & Camomile	6 Bottles
Pernod Ricard USA, LLC (NWS Michigan, Inc.)	750ml Avion Espresso	6 Bottles
Moet Hennessy USA, Inc. (NWS Michigan, Inc.)	750ml Glenmorangie Ealanta Scotch	6 Bottles
Skyy Spirits, LLC (General Wine & Liquor Co.)	750ml Russell's Reserve Sngl Barrell	6 Bottles
	375ml Skyy Infusion Moscato Grape	12 Bottles
	50ml Skyy Infusion Moscato Grape PL	72 Bottles
Diageo Americas, Inc. (NWS Michigan, Inc.)	200ml Parrot Bay Long Island Tea PL	24 Bottles
	200ml Parrot Bay Rum Punch PL	24 Bottles
Wilson Daniels, Ltd. (General Wine & Liquor Co.)	750ml Templeton Rye	6 Bottles
Western Spirits Beverage Company, LLC (General Wine & Liquor Co.)	50ml Kuhl Blue Ocean Rave PL	60 Bottles
	50ml Kuhl Cherry PL	60 Bottles
	50ml Kuhl Hippie Hooch Love Punch PL	60 Bottles
	50ml Kuhl Mango Lemonade PL	60 Bottles
	50ml Kuhl Raspberry PL	60 Bottles
	50ml Kuhl Vodka PL	60 Bottles

B. That the following requests for addition of product to the approved products list be approved for listing, effective March 3, 2013:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Anthony's Own Inc. (NWS Michigan, Inc.)	750ml Anthony's Own Apple Pie	12 Bottles
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	750ml Bacardi Light Strwbry Daiquiri	12 Bottles
	1750ml Bacardi Light Strwbry Daiquiri	6 Bottles
Domaine Select Wine Estates LLC (General Wine & Liquor Co.)	750ml Alibi	12 Bottles
Lohr Distributing Co Inc. (General Wine & Liquor Co.)	750ml Deau VS Cognac	12 Bottles
MHW, Ltd. (NWS Michigan, Inc.)	750ml Green Mark Vodka	12 Bottles
Skyy Spirits, LLC (General Wine & Liquor Co.)	750ml Skyy Infusion Moscato Grape	12 Bottles
	1000ml Skyy Infusion Moscato Grape	12 Bottles
	750ml Skyy Infusion Wild Strawberry	12 Bottles
	1000ml Skyy Infusion Wild Strawberry	12 Bottles
Diageo Americas, Inc. (NWS Michigan, Inc.)	750ml Parrot Bay Blended Mudslide	12 Bottles
	1750ml Parrot Bay Blended Mudslide PL	6 Bottles
	1750ml Parrot Bay Lng Isl Tea	6 Bottles
	1750ml Parrot Bay Orange Pin Dream PL	6 Bottles
	750ml Parrot Bay Orange Pinepl Dream	12 Bottles
	1750ml Parrot Bay Rum Punch	6 Bottles
Western Spirits Beverage Company, LLC (General Wine & Liquor Co.)	1750ml Kuhl Blue Ocean Rave Vodka	6 Bottles
	750ml Kuhl Cherry	12 Bottles
	1750ml Kuhl Vodka	6 Bottles
	1750ml Kuhl Vodka PL	6 Bottles

C. That the following requests for promotional or special packaging be approved for listing, effective March 3, 2013:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	375ml Bacardi Limon w/50ml Pineapple	12 Bottles
	750ml Bacardi Limon w/Coke	6 Bottles
Skyy Spirits, LLC (General Wine & Liquor Co.)	750ml Skyy Infusion Strbrry w/Lemonade	6 Bottles
	750ml Wild Turkey 81 w/50ml Amer Hny	12 Bottles
Diageo Americas, Inc. (NWS Michigan, Inc.)	750ml Smirnoff Lt Variety w/50ml Vodka	12 Bottles

D. That the following requests for deletion of product from the approved products list be approved for delisting, effective March 3, 2013:

<u>COMPANY</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
William Grant & Sons, Inc.	375ml Stolichnaya Vanilla Vodka	24 Bottles

Moved by Commissioner Quimby, supported by Commissioner Olshove, that the above actions be taken in accordance with the E-Quote reports dated January 31, 2013, 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 September 11, 2012 regarding special price reductions on spirit products, which was effective on January 1, 2013. He advised there were nineteen different licensees requesting price reductions; that 168 price reductions should be approved; and that there were no price reductions to be denied.

Moved by Commissioner Quimby, supported by Commissioner Olshove, that the 168 special price reductions be approved as indicated on the attached Approval for Price Reduction on Liquor reports, motion carried by unanimous vote.

IV. Mr. Robinson presented the December 2012 financial report which shows the results of our operations for the period of October 1, 2012 through December 31, 2012. He stated Total Gross Sales increased by almost \$19.3 million or 6.8%, with Distilled Spirit cases being sold increased 62,781 or 3.1%. Mr. Robinson advised the Net Income from liquor sales is down approximately \$1.0 million or 1.8%, but the decrease is due to the 1.85% specific tax that was eliminated on October 1, 2012 and higher expenses for Technology services. He reported that comparison of the Beer and Wine taxes received in the new fiscal year may not reflect the current trends for these two taxes because certain accounting entries from November 2011 were not made until February 2012. Mr. Robinson advised when the effects of those accounting entries are removed from the excise tax totals, Beer taxes remain essentially unchanged, and Wine taxes are higher by \$377,000.

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the December 2012 Financial Report, be accepted, motion carried by unanimous vote.

V. Mr. Robinson requested approval to write off uncollectible accounts. He advised this is routine information sent to the Michigan Department of Treasury about outstanding debts that the Commission has not been able to collect for licenses

that are no longer active. Mr. Robinson stated that the Michigan Department of Treasury will attempt to collect the debt and if successful, the Commission receives 40% to 50% of the outstanding debt.

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the information concerning the uncollectible debts be forwarded to the Michigan Department of Treasury for collection as written and presented, motion carried by unanimous vote.

VI. Old Business

There was no Old Business.

VII. New Business

Ms. Wendt advised that new bills have been introduced in the legislature for this session pertaining to the Liquor Control Code. Senate Bill 27 introduced by Senator Hildebrand which involves refilling growlers by on-premises licensees; Senate Bill No. 79 introduced by Senators Hansen, Walker, Jones, Roberson, Booher, Proos, Nofs and Marleau creates a new Farmer's Market Permit; Senate Bill 109 introduced by Senator Hansen creates a new Conditional License; and House Bill 4144 introduced by Representatives Segal and Slavens which includes preschools as part of the 500 foot proximity restriction for new or transfer location of on-premises retail licenses and Specially Designated Distributor licenses. Ms. Wendt indicated that the Senate bills have been assigned to the Senate Regulatory Reform Committee and that the House bills have been assigned to the House Regulatory Reform Committee. She further indicated that no action has been taken on any of the bills.

VIII. 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 11:20 a.m., motion carried by unanimous vote.

Anita Fawcett
Executive Services

Andrew J. Deloney
Chairman