



ADMINISTRATIVE
MEETING OF THE
MICHIGAN LIQUOR CONTROL COMMISSION

Held: Tuesday, March 13, 2012
Lansing District Office

Present: Andrew J. Deloney, Chairman
Teri L. Quimby, Commissioner
Donald B. Weatherspoon, Commissioner
Steve Robinson, Director of Finance Division
Andy Neumann, Director of Administrative Services Division
Julie Wendt, Director of Executive Services Division
Tom Hagan, Director of Enforcement Division
Tim Kovacik, Deputy Director of Executive Services Division
Pam Hamilton, Deputy Director of Finance Division
April Laverty, Analyst Executive Services Division
Andrea Miller, LARA Communications
Anita Fawcett, Executive Services Division

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

- I. **Moved by Commissioner Weatherspoon, supported by Commissioner Quimby, that the minutes of the Commission meeting of February 28, 2012, 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 April 1, 2012:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Domaine Select Wine Estates LLC (General Wine & Liquor Co.)	1000ml Rhum J.M. Rum	6 Bottles
Hood River Distillers, Inc. (General Wine & Liquor Co.)	750ml Pendleton 1910 Rye	6 Bottles

Imperial Brands, Inc. (General Wine & Liquor Co.)	750ml Marie Brizard Chocolate Royal	6 Bottles
Phillips Products Company, LLC (General Wine & Liquor Co.)	200ml King Solly White Grape Vodka	24 Bottles
	375ml King Solly White Grape Vodka	12 Bottles
	750ml Trader Vic's White Chocolate	6 Bottles
Spirits Marque One LLC (General Wine & Liquor Co.)	375ml Svedka Colada	12 Bottles
	750ml Svedka Colada	6 Bottles
	50ml Svedka Colada 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 meet other exceptions as indicated and be approved for listing in the approved products list effective April 29, 2012:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	200ml Bacardi Black Razz Rum	24 Bottles
	375ml Bacardi Black Razz Rum	12 Bottles
	200ml Bacardi Wolf Berry Rum	24 Bottles
	375ml Bacardi Wolf Berry Rum	12 Bottles

B. That the following requests for addition of product to the approved products list be approved for listing, effective April 1, 2012:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACKSIZE</u>
Jim Beam Brands Co. (NWS Michigan, Inc.)	750ml Skinnygirl Bare Naked Vodka	12 Bottles
Brown-Forman Corporation (General Wine & Liquor Co.)	50ml Southern Co Firy PE Fsh Bwl PL	120 Bottles
William Grant & Sons, Inc. (General Wine & Liquor Co.)	750ml Stolichnaya Hot Vodka	12 Bottles
	1000ml Stolichnaya Hot Vodka	12 Bottles
	750ml Stolichnaya Sticki Vodka	12 Bottles
	1000ml Stolichnaya Sticki Vodka	12 Bottles
Hood River Distillers, Inc. (General Wine & Liquor Co.)	750ml Sinfire Liqueur	12 Bottles
Illyrian Import, Inc. (NWS Michigan, Inc.)	750ml Spirytus Zbozowy	12 Bottles
Phillips Products Company, LLC (General Wine & Liquor Co.)	750ml King Solly White Grape Vodka	12 Bottles
Royal Wine Corporation (General Wine & Liquor Co.)	750ml Schmerling's Coffee Liqueur	12 Bottles
	750ml Tomintoul Peaty Tang Scotch	12 Bottles

Spirits Marque One LLC (General Wine & Liquor Co.)	1000ml Svedka Colada	12 Bottles
The Wine Group, Inc. (General Wine & Liquor Co.)	1750ml Flip Flop Silver PL Rum	6 Bottles

B. That the following requests for addition of product to the approved products list be approved for listing, effective April 29, 2012:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	750ml Bacardi Black Razz Rum	12 Bottles
	1000ml Bacardi Black Razz Rum	12 Bottles
	1750ml Bacardi Black Razz Rum	6 Bottles
	50ml Bacardi Black Razz PL Rum	120 Bottles
	750ml Bacardi Wolf Berry Rum	12 Bottles
	1000ml Bacardi Wolf Berry Rum	12 Bottles
	1750ml Bacardi Wolf Berry Rum	6 Bottles
	50ml Bacardi Wolf Berry PL Rum	120 Bottles
Duggan's Distillers Products Corp (NWS Michigan, Inc.)	750ml A & A Liqueur	12 Bottles
MHW, Ltd. (General Wine & Liquor Co.)	50ml Black Beard Spiced Rum	120 Bottles
	750ml Don Q Anejo Rum	12 Bottles
	50ml Don Q Coco Coconut	120 Bottles
Illyrian Import, Inc. (NWS Michigan, Inc.)	750ml Petergoff Vodka	12 Bottles
	Pernod Ricard USA, LLC (NWS Michigan, Inc.)	1000ml Seagrams Lime Twisted Gin

That the request of Grand Traverse Distillery, L.L.C., holder of 2011 Small Distiller license, for addition of product to the approved products list of 750ml Rye Whiskey, packed 12 bottles to the case, be approved for listing, effective April 1, 2012; further prior to any sale and distribution of these products through the Commission's spirit distribution system, Grand Traverse Distillery, L.L.C., must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for this product.

C. That the following requests for promotional or special packaging be approved for listing, effective April 1, 2012:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Brown-Forman Corporation (General Wine & Liquor Co.)	1750ml Southern Comfort w/Coke	3 Bottles

Pernod Ricard USA, LLC (NWS Michigan, Inc.)	750ml Beefeater Gin w/Tonic	6 Bottles
Moet Hennessy USA, Inc. (NWS Michigan, Inc.)	750ml 10 Cane w/Beach Mat	6 Bottles
	750ml Glenmorangie 18 yr w/2 Gls	6 Bottles
	750ml Glenmorangie Orig w/Luggage Tag	6 Bottles
	750ml Glenmorangie Orig w/2 Gls	6 Bottles
	750ml Grand Marnier (Fr) w/Tote Bag	6 Bottles

C. That the following requests for promotional or special packaging be approved for listing, effective April 29, 2012:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	750ml Cazadores Blanco w/Anejo	12 Bottles

D. That the following requests for deletion of product from the approved products list be approved for delisting, effective April 1, 2012:

<u>COMPANY</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Domaine Select Wine Estates (General Wine & Liquor Co.)	1000ml Rhum J.M. Rum	6 Bottles
Skyy Spirits, LLC (General Wine & Liquor Co.)	750ml Cabo Wabo Blanco w/Marg Pitcher	6 Bottles

After discussion, no action will be taken at this time on the following three products, pending further information and review as the pictures sent did not match the proof:

Patron Spirits Company (NWS Michigan, Inc.)	50ml Patron XO Combo-Café & Dk Coco	60 Bottles
Sazerac North America (NWS Michigan, Inc.)	200ml Chi Chi's Skinny Lng Isl PL 4 Pk	24 Bottles
	1750ml Chi Chi's Skinny Lng Isl Tea PL	6 Bottles

Mr. Robinson advised that the 50ml King Solly White Grape PL Vodka, packed 60 bottles to the case, would have a profit for the Commission of \$1.06 per case sold. Commissioner Weatherspoon indicated that if this product was approved he would like periodic reports on how much is sold as he is concerned about inexpensive alcohol on the market and the effect it will have on over consumption. Chairman Deloney thanked Mr. Robinson for advising the Commission regarding the low margin this product provides on the sale of a case. He stated he is proud the Commission is

supportive of new products coming in to Michigan, but that we need to also look at the profit margin and the performance of new products. Chairman Deloney stated we may need to take a closer look at the approval process for products coming into Michigan.

Moved by Chairman Deloney, supported by Commissioner Quimby, that King Solly White Grape Vodka, 50ml size packed 60 Bottles to a case, submitted by Phillips Products Company, LLC, be denied from the E-Quote reports dated March 12, 2012, motion carried by unanimous vote.

Moved by Chairman Deloney, supported by Commissioner Quimby, that the above actions be taken in accordance with the E-Quote reports dated March 12, 2012, 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 sixteen different licensees requesting price reductions; that 280 price reductions should be approved; and that 13 price reductions should be denied for the reasons stated in the attached reports.

Commissioner Weatherspoon continued to express his concerns over the low price of alcohol after approving the price reductions. Chairman Deloney stated they are valid concerns, but if the licensee meets the qualifications for the price reductions, the Commission will continue to grant them.

Moved by Chairman Deloney, supported by Commissioner Quimby, that the 280 special price reductions be approved as indicated on the attached Approval for Price Reduction on Liquor reports, motion carried by unanimous vote.

Moved by Chairman Deloney, supported by Commissioner Quimby, that the 13 special price reductions be denied for the reasons stated in the attached Notification of Denial for Price Reduction reports, motion carried by unanimous vote.

- IV. Ms. Hamilton presented a summary of the January 2012 financial statement. She stated this report shows the results of our operations for the period of October 1, 2011 through January 31, 2012 and is compared with the same period from the previous fiscal year. Ms. Hamilton advised Distilled Spirit case sales have increased 73,976 cases (3.1%) during the first four months of 2011-12 year, and in addition, the average price per case sold has increased 1.72%. She advised Total Gross Sales

were \$344,784,437, which is 4.9% higher, and that Net Income from the sale of spirits is also higher this year by 735%. Ms. Hamilton stated this is in part due to the approximate \$1.6 million reduction of the Fire Protection Grant payment. She advised the error at the end of the fiscal year for the beer/wine/mixed drink taxes, was corrected in February 2012 instead of January 2012 as previously reported.

After a brief discussion, moved by Commissioner Quimby, supported by Commissioner Weatherspoon, to accept the financial report for January 2012, motion carried by unanimous vote.

V. Old Business

Ms. Wendt advised that HB 4393 which provides that minors presenting themselves for treatment will be exempt from underage drinking violation under certain circumstances is scheduled before the Senate Judiciary Committee this afternoon for consideration. She further advised that SB 874 which changes the time frame in which a local governmental unit can request a revocation or suspension of an off-premises liquor license for sales of alcoholic beverages to minors from a single calendar year to a 12-month period is scheduled before the House Regulatory Reform Committee on Wednesday, March 14, 2012.

VI. New Business

There was no New Business.

VII. Public Comments

There were no public comments.

With no further business, moved by Commissioner Weatherspoon, supported by Commissioner Quimby, that the business meeting be adjourned at 11:35 a.m., motion carried by unanimous vote.

Anita Fawcett
Executive Services

Andrew J. Deloney
Chairman