



ADMINISTRATIVE  
MEETING OF THE  
MICHIGAN LIQUOR CONTROL COMMISSION

Held: Tuesday, June 5, 2012  
Lansing District Office

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

Staff: Steve Robinson, Director of Finance Division  
Tom Hagan, Director of Enforcement Division  
Julie Wendt, Director of Executive Services Division  
Andrea Miller, LARA Communication  
Anita Fawcett, Executive Services Division

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The meeting was called to order by Chairman Deloney at 9:10 a.m., noting a quorum was present.

- I. **Moved by Commissioner Quimby, supported by Chairman Deloney, that the minutes of the Commission meeting of May 15, 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 July 1, 2012:

| <u>COMPANY/ADA</u>                                  | <u>PRODUCT</u>   | <u>PACK SIZE</u>                     |
|---|--|--------------------------------------|
| Bendistillery Inc.<br>(General Wine & Liquor Co.)   | 50ml Krome Vodka<br>750ml Krome Vodka<br>1000ml Krome Vodka  | 50 Bottles<br>6 Bottles<br>6 Bottles |
| Black Rock Spirits, LLC<br>(NWS Michigan, Inc.)     | 750ml Bakon Vodka  | 6 Bottles                            |
| Itsko Imports Inc.<br>(General Wine & Liquor Co.)   | 100ml Casino Azul Silver Tequila                             | 72 Bottles                           |
| MHW, Ltd.<br>(General Wine & Liquor Co.)            | 1000ml Caliche Rum   | 6 Bottles                            |
| Prichard's Distillery, Inc.<br>(NWS Michigan, Inc.) | 750ml Prichards Double Chocolate<br>750ml Prichards Fine Rum | 6 Bottles<br>6 Bottles               |

|                              |           |
|------------------------------|-----------|
| 750ml Prichards Key Lime Rum | 6 Bottles |
| 750ml Prichards Rye Whiskey  | 6 Bottles |

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

| <u>COMPANY/ADA</u>   | <u>PRODUCT</u>                       | <u>PACK SIZE</u> |
|--|--------------------------------------|------------------|
| Jim Beam Brands Company<br>(NWS Michigan, Inc.)                        | 375ml Cruzan Banana Rum PL           | 24 Bottles       |
|  | 375ml Cruzan Black Cherry Rum PL     | 24 Bottles       |
|  | 375ml Cruzan Coconut Rum PL          | 24 Bottles       |
| Caribbean Distillers LLC<br>(NWS Michigan, Inc.)                       | 750ml Black Roberts Spiced Rum PL    | 12 Bottles       |
|  | 750ml Isle of Arran 10 Yr. Scotch    | 12 Bottles       |
| Impex Beverages, Inc.<br>(General Wine & Liquor Co.)                   |                                      |                  |
| MHW, Ltd.<br>(NWS Michigan, Inc.)                                      | 750ml 44 North Magic Valley Vodka    | 12 Bottles       |
|  | 750ml 44 North Mountain Huckleberry  | 12 Bottles       |
|  | 750ml 44 North Rainier Cherry Vodka  | 12 Bottles       |
| Remy Cointreau USA, Inc.<br>(NWS Michigan, Inc.)                       | 375ml Brugal Especial Extra Dry Rum  | 12 Bottles       |
|  | 1750ml Brugal Especial Extra Dry Rum | 6 Bottles        |
| United States Distilled<br>Products Co.<br>(General Wine & Liquor Co.) | 750ml Greenalls Gin                  | 12 Bottles       |
|  | 1750ml Greenalls Gin                 | 6 Bottles        |
|  | 750ml Label 5 Scotch                 | 12 Bottles       |
|  | 1750ml Label 5 Scotch                | 6 Bottles        |

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

| <u>COMPANY/ADA</u>  | <u>PRODUCT</u>                         | <u>PACK SIZE</u> |
|---|--|------------------|
| Jim Beam Brands Company<br>(NWS Michigan, Inc.)               | 750ml Canadian Club w/50ml Dock 57     | 12 Bottles       |
|   | 750ml Connemara-Irish w/2 Gls          | 6 Bottles        |
|   | 375ml Courvoisier VS w/50ml Cour Rose  | 12 Bottles       |
|   | 200ml Courvoisier VSOP w/50ml Cour VS  | 12 Bottles       |
|   | 750ml J Beam Devil's Cut w/Music DnL   | 12 Bottles       |
|   | 750ml Red Stag Honey Tea w/Music DnL   | 12 Bottles       |
| Phillips Products Company, LLC<br>(General Wine & Liquor Co.) | 750ml UV Blue Raspberry/50ml Ch Cake   | 12 Bottles       |
|   | 750ml UV Blue Raspberry/50ml Whipped   | 12 Bottles       |
| Wilson Daniels, Ltd.<br>(NWS Michigan, Inc.)                  | 750ml Corralejo Blanco w/Shaker        | 6 Bottles        |
|   | 750ml Corralejo Reposado w/2 Tile Cstr | 6 Bottles        |
|   | 750ml Crystal Head Vodka w/Gl          | 4 Bottles        |
|   | 750ml Zaya Gran Reserva Rum w/2 Gls    | 6 Bottles        |

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

| <u>COMPANY</u>  | <u>PRODUCT</u>  | <u>PACK SIZE</u>        |
|---|---|-------------------------|
| Phillips Products Company, LLC<br>(General Wine & Liquor Co.) | 200ml UV Green Vodka PL<br>1750ml UV Pink Lemonade Cktl | 24 Bottles<br>6 Bottles |
| Skyy Spirits, LLC<br>(General Wine & Liquor Co.)              | 750ml Frangelico Liq 40/Esspress Cups                   | 6 Bottles               |

**Moved by Commissioner Quimby, supported by Chairman Deloney, that the above actions be taken in accordance with the E-Quote reports dated June 4, 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 four different licensees requesting price reductions; that 60 price reductions should be approved; and that 4 price reductions should be denied for the reasons stated in the attached reports.

**Moved by Commissioner Quimby, supported by Chairman Deloney, that the 60 special price reductions be approved as indicated on the attached Approval for Price Reduction on Liquor reports, motion carried by unanimous vote.**

**Moved by Commissioner Quimby, supported by Chairman Deloney, that the 4 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. Mr. Robinson presented a brief summary of March 2012 Financial Statement. He advised the report reflects the results of operations for the period of October 1, 2011 through March 31, 2012 and is compared with the same period from the previous fiscal year. Mr. Robinson advised Distilled Spirit case sales were 3,615,396, an increase of 135,451 cases or 3.9%, and that Gross Sales were \$505,099,363, an increase of \$26.9 million or 5.6%. He advised that the Net Income was \$83,915,475, an increase of \$4,498,583 or 5.7%, and that the combined beer and wine tax revenues were \$19,994,981, an increase of \$475,613 or 2.4%.

Chairman Deloney stated that the suppliers are supplying what the customers want, the distributors are getting the product to the retailers, and the customers are making the purchases from the retailers. Chairman Deloney indicated that these

numbers are a sign of improved economic health in Michigan and hopes this is a continuing trend for the remainder of the fiscal year.

**Moved by Commissioner Quimby, supported by Chairman Deloney, that the March 2012 Financial Statement 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. Mr. Robinson stated that the Michigan Department of Treasury will try to collect the debt and if successful, the Commission receives 40 to 50% of the outstanding debt.

**Moved by Commissioner Quimby, supported by Chairman Deloney, 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. Mr. Robinson presented a proposed bulletin which would notify vendors of spirits and vendor representatives that the deadline dated for the September 2, 2012 Supplemental Liquor Price List has changed from August 3, 2012, to July 20, 2012. He advised the change is being made because of the new pricing formula that will go into effect on October 1, 2012.

**Moved by Commissioner Quimby, supported by Chairman Deloney, that Bulletin 2012-10 be approved as written and presented, motion carried by unanimous vote.**

- VII. Mr. Robinson presented a proposed bulletin which would amend the Commission Order of February 15, 2007 regarding spirit product delisting. He advised that currently listed spirit products which have been listed for at least one year with sales of less than 12 cases in the previous one year period, will be presented to the Commission for delisting. Mr. Robinson advised this was a change from the previous six month time period for delisting. He stated there are other changes which will reduce the number of products that are not selling. He advised there are a few exceptions for higher priced products and that returns of delisted products to the vendor of record will be still be required. Mr. Robinson stated this new procedure will be effective on October 1, 2012, which will allow time for the Vendors of Spirits, Vendor Representatives and Authorized Distribution Agents to become familiar with the policy.

Chairman Deloney thanked Mr. Robinson for his work on this procedure and bulletin. He advised he likes the open door policy the Commission has for new products, but the Commission must also be vigilant on delisting products that are

not selling an appropriate quantity. Chairman Deloney stated the Commission is charged with the responsibility of producing revenue and products that are not selling are creating costs for everyone involved. He stated the Commission may make changes in the future to this procedure if needed.

**Moved by Chairman Deloney, supported by Commissioner Quimby, that Bulletin 2012-09 be approved as written and presented, motion carried by unanimous vote.**

**VIII.** Old Business

Ms. Wendt advised that House Bill No. 5660 which exempts certain containers from the beverage container deposit law was passed by the House on May 29, 2012 and referred to the Senate Regulatory Reform Committee which will have a hearing on this bill this afternoon.

Ms. Wendt advised that House Bill No. 5488 requires the Commission to issue a conditional license under certain circumstances will be taken up before the House Regulatory Reform Committee on Wednesday, June 6, 2012. She stated she has been working with Representative Franz's office and it is her understanding that a substitute bill will be offered at the Committee Hearing tomorrow.

**IX.** New Business

There was no New Business.

**X.** Public Comments

There were no Public Comments.

**With no further business, moved by Commissioner Quimby, supported by Chairman Deloney, that the business meeting be adjourned at 9:31 a.m., motion carried by unanimous vote.**

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Anita Fawcett  
Executive Services

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Andrew J. Deloney  
Chairman