



BUSINESS MEETING OF THE
MICHIGAN LIQUOR CONTROL COMMISSION

Held: Tuesday, July 14, 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: Julie Wendt, Director of Executive Services Division
Pam Hamilton, Deputy Director of Finance Division
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 June 30, 2015, be approved as written and presented, motion carried by unanimous vote.**

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the minutes of the Closed Session meetings of June 30 and July 1, 2015, be approved as written and presented, motion carried by unanimous vote.

- II. Ms. Hamilton 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 August 2, 2015:**

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Jim Beam Brands Co. (NWS Michigan, LLC)	375ml Effen Black Cherry Vodka	12 Bottles
Bomberger's Distillery (NWS Michigan, LLC)	750ml Bomberger's Whiskies	6 Bottles

Buzzballz, LLC (General Wine & Liquor Co.)	200ml Buzzballz Choc Tease PL	24 Bottles
	200ml Buzzballz Cran Blaster PL	24 Bottles
	200ml Buzzballz Forbidden Apple PL	24 Bottles
	200ml Buzzballz Lotta Colada PL	24 Bottles
	200ml Buzzballz Peachballz PL	24 Bottles
	200ml Buzzballz Pineapple Passion PL	24 Bottles
	200ml Buzzballz Stiff Lemonade PL	24 Bottles
	200ml Buzzballz Strwbrry Rum Job PL	24 Bottles
	200ml Buzzballz Tea-Licious PL	24 Bottles
	200ml Buzzballz Tequila 'Rita PL	24 Bottles
	200ml Buzzballz The Grapeness PL	24 Bottles
	200ml Buzzballz Watermelon Smash PL	24 Bottles
Sidney Frank Importing Co., Inc. (General Wine & Liquor Co.)	375ml Casamigos Blanco Tequila	12 Bottles
Frank-Lin Distillers Products, Ltd. (NWS Michigan, LLC)	750ml Black Saddle 12 Yr. Bourbon	6 Bottles
	750ml Puerto Vallarta Blanco Tequila	6 Bottles
	750ml Puerto Vallarta Reposado Tequila	6 Bottles
	750ml Sec8nds Canadian Whisky	6 Bottles
	750ml Sec8nds Honey Cinnamon	6 Bottles
E. & J. Gallo Winery (General Wine & Liquor Co.)	200ml Shellback Silver Rum	24 Bottles
	375ml Viniq Glow	12 Bottles
William Grant & Sons, Inc. (General Wine & Liquor Co.)	750ml Girvan Patent Still No. 4 Apps	6 Bottles
	750ml Girvan Patent Still – 25 Yr.	3 Bottles
	750ml Girvan Patent Still – 30 Yr.	3 Bottles
	750ml Glenfiddich 14 Yr. Scotch	6 Bottles
	750ml Hudson Baby BBN Whiskey	6 Bottles
	750ml Hudson Manhattan Rye	6 Bottles
	375ml Hudson Maple Cask Rye Whiskey	12 Bottles
Lapham Sales and Marketing, Inc. (NWS Michigan, LLC)	200ml Louis Royer VSOP Force 53	24 Bottles
	750ml Louis Royer VSOP Force 53	6 Bottles
	200ml Louis Royer VSOP Preference	24 Bottles
	750ml Louis Royer VSOP Preference	6 Bottles
Ole Smoky Distillery, LLC (NWS Michigan, LLC)	750ml Ole Smoky Moonshine Pumpkin	12 Bottles
Park Street Imports LLC (General Wine & Liquor Co.)	750ml Gas Monkey Cinnamon Tequila	6 Bottles
Park Street Imports LLC (NWS Michigan, LLC)	750ml Zodiac Black Cherry Vodka	6 Bottles
	750ml Zodiac Vodka	6 Bottles
Phillips Products Co., LLC (General Wine & Liquor Co.)	750ml Tomatin Cuatro Fino Scotch	6 Bottles
	750ml Tomatin Cuatro Manzanilla	6 Bottles
	750ml Tomatin Cuatro Oloroso	6 Bottles
	750ml Tomatin Cuatro Pedro Ximenez	6 Bottles

Royal Wine Corporation (General Wine & Liquor Co.)	750ml Los Arango Reposado Tequila	6 Bottles
The Patron Spirits Company (NWS Michigan, LLC)	1000ml Patron Silver Tequila	6 Bottles
Speakeasy Spirits, LLC (NWS Michigan, LLC)	750ml Pennington's Strawberry Rye	6 Bottles
Sutter Home Winery, Inc. (General Wine & Liquor Co.)	750ml Amador Whiskey Ten Barrels	6 Bottles
Diageo Americas, Inc. (NWS Michigan, LLC)	50ml Baileys Espresso Crème PL	80 Bottles
	750ml Captain Morgan Cannon Blast Rum	6 Bottles
	1000ml Captain Morgan Cannon Blast Rum	6 Bottles
	1000ml Kettel One 325 Commerative BTL	6 Bottles
United States Distilled Products Co. (General Wine & Liquor Co.)	750ml Opihr Oriental Gin	6 Bottles
Wilson Daniels, Ltd. (General Wine & Liquor Co.)	750ml Teeling Single Malt Irish Whiskey	6 Bottles
Winebow, Inc. (NWS Michigan, LLC)	375ml Balsam Amaro Americano	12 Bottles

That the request of American Fifth Spirits, Co., holder of 2015 Small Distiller license, for addition of the following products to the case size exception products list, be approved for listing, effective August 2, 2015; further prior to any sale and distribution of these products through the Commission's spirit distribution system, American Fifth Spirits, Co., must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for these products:

<u>PRODUCT</u>	<u>PACK SIZE</u>
375ml American Fifth Hue Vodka	12 Bottles
375ml Capital Gin	12 Bottles
375ml Fat Five White Whiskey	12 Bottles

That the request of Long Road Distillers LLC, holder of 2015 Small Distiller license, for addition of the following products to the case size exception products list, be approved for listing, effective August 2, 2015; further prior to any sale and distribution of these products through the Commission's spirit distribution system, Long Road Distillers LLC, must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for these products:

<u>PRODUCT</u>	<u>PACK SIZE</u>
375ml Long Road Genever Gin	12 Bottles
750ml Long road Genever Gin	6 Bottles

375ml Long Road Wendy Peppercorn Vodka	12 Bottles
750ml Long Road Wendy Peppercorn Vodka	6 Bottles

That the request of Working Bugs, LLC, holder of 2015 Small Distiller license, for addition of the following products to the case size exception products list, be approved for listing, effective August 2, 2015; further prior to any sale and distribution of these products through the Commission's spirit distribution system, Working Bugs, LLC, must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for these products:

<u>PRODUCT</u>	<u>PACK SIZE</u>
375ml Red Cedar Spirits Malt Whiskey	12 Bottles
375ml Red Cedar Spirits Rye	12 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 August 30, 2015:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
La Bodega International, LLC (NWS Michigan, LLC)	750ml J.R. Revelry BBN Whiskey	6 Bottles
United States Distilled Products Co. (General Wine & Liquor Co.)	750ml Glen Moray Port Cask Finish	6 Bottles

- B.** That the following requests for addition of product to the approved products list be approved for listing, effective August 2, 2015:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
American Fifth Spirits, Co. (General Wine & Liquor Co.)	750ml Fat Five White Whiskey	12 Bottles
Circus Procession LLC (General Wine & Liquor Co.)	750ml Coppercraft Cask Strength Bourbon	12 Bottles
Frank-Lin Distillers Products, Ltd. (NWS Michigan, LLC)	750ml Coppercraft Straight Bourbon	12 Bottles
	750ml Bellringer Gin	12 Bottles
	750ml Defrost Peppermint Schnapps	12 Bottles
	750ml Gran Berri	12 Bottles
E. & J. Gallo Winery (General Wine & Liquor Co.)	750ml Medley Bros Bourbon	12 Bottles
	750ml Viniq Glow	12 Bottles

William Grant & Sons, Inc. (General Wine & Liquor Co.)	750ml Grant's Ale Cask Finish	12 Bottles
Heaven Hill Distilleries, Inc. (General Wine & Liquor Co.)	50ml Cold Spell Intense Mint Whs PL	120 Bottles
	750ml Cold Spell Intense Mint Whsky	12 Bottles
Le Vecke Corporation (General Wine & Liquor Co.)	750ml Pau Maui Vodka	12 Bottles
MHW Ltd. (General Wine & Liquor Co.)	1000ml Bols Crème de Cassis	12 Bottles
	750ml Bols Lychee	12 Bottles
	750ml Bols Melon	12 Bottles
	750ml Bols Strawberry	12 Bottles
Shaw Ross International Importers (NWS Michigan, LLC)	750ml Ron Viejo de Caldas Rum	12 Bottles
Luxco, Inc. (NWS Michigan, LLC)	750ml Everclear Alcohol PL	12 Bottles
	1750ml Pearl Cucumber PL	6 Bottles
Speakeasy Spirits, LLC (NWS Michigan, LLC)	750ml Pickers Blood Orange Vodka	12 Bottles
	1000ml Pickers Blood Orange Vodka	12 Bottles
	1750ml Pickers Blood Orange Vodka	6 Bottles
	750ml Pickers Blueberry Vodka	12 Bottles
	1000ml Pickers Blueberry Vodka	12 Bottles
	1750ml Pickers Blueberry Vodka	6 Bottles
	750ml Pickers Original Vodka	12 Bottles
	1000ml Pickers Original Vodka	12 Bottles
	1750ml Pickers Original Vodka	6 Bottles
Stoli Group (USA), LLC (General Wine & Liquor Co.)	375ml Stolichnaya Vanilla Vodka	24 Bottles
24Ligne, LLC (NWS Michigan, LLC)	750ml Black Button Distill Apple Pie	12 Bottles
Diageo Americas, Inc. (NWS Michigan, LLC)	1000ml Bailey Espresso Creme	12 Bottles
	50ml Captain Morgan Cannon Blast PL	120 Bottles
	1000ml Smirnoff Sours Berry Lemon	12 Bottles
	50ml Smirnoff Sours Berry Lemon PL	120 Bottles

That the request of Northern Latitudes Distillery, LLC, holder of 2015 Small Distiller license, for addition of the following products to the approved products list, be approved for listing, effective August 2, 2015; further prior to any sale and distribution of these products through the Commission's spirit distribution system, Northern Latitudes Distillery, LLC must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for these products:

<u>PRODUCT</u>	<u>PACK SIZE</u>
750ml Michigan Dogman Moonshine	12 Bottles
750ml Voyageur	12 Bottles

C. That the following requests for promotional or special packaging be approved for listing, effective August 2, 2015:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Jim Beam Brands Co. (NWS Michigan, LLC)	750ml Jim Beam w/2-50 ml	6 Bottles
Brown-Forman Corporation (General Wine & Liquor Co.)	750ml J Dan Hny w/Fire 2 Sht GlS 2 Pk	12 Bottles
Crillon Importers Co. (NWS Michigan, LLC)	750ml Southern Comfort Shot w/Lanyard	12 Bottles
Ole Smoky Distillery, LLC (NWS Michigan, LLC)	750ml Wyborowa Wodka w/2 Sht GlS	6 Bottles
Pernod Ricard USA, LLC (NWS Michigan, LLC)	750ml Ole Smoky Appl w/Lid & 2 Sht GlS	6 Bottles
RGI Brands, LLC (NWS Michigan, LLC)	750ml Absolut 80 w/2 Shot GlS	6 Bottles
The Patron Spirits Company (NWS Michigan, LLC)	750ml Craffhouse South w/50ml Ginger	6 Bottles
Shaw Ross International Importers (NWS Michigan, LLC)	750ml Patron XO Café w/50ml Incendio	6 Bottles
Diageo Americas, Inc. (NWS Michigan, LLC)	750ml Cardenal Mendoza w/GI	6 Bottles
Veev Spirits, L.L.C. (General Wine & Liquor Co.)	750ml Ron Barcelo Gr Anejo w/Rum Jar	6 Bottles
Wilson Daniels, Ltd. (General Wine & Liquor Co.)	750ml Kettel One w/Bloody Mary Mix	6 Bottles
	750ml Veev Vodka w/Flask	6 Bottles
	750ml Crystal Head Vodka w/Shaker	4 Bottles
	750ml Templeton Rye w/Flask	6 Bottles

D. That the following requests for deletion of product from the approved products list be approved for delisting, effective August 2, 2015:

<u>COMPANY</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Brown-Forman Corporation (General Wine & Liquor Co.)	750ml Antiquo Blanco Tequila	12 Bottles
Buzzballz, LLC (General Wine & Liquor Co.)	200ml Buzzballz Choc Tease PL	24 Bottles
	200ml Buzzballz Cran Blaster PL	24 Bottles
	200ml Buzzballz Forbidden Apple PL	24 Bottles
	200ml Buzzballz Lotta Colada PL	24 Bottles
	200ml Buzzballz Peachballz PL	24 Bottles
	200ml Buzzballz Pineapple Passion PL	24 Bottles
	200ml Buzzballz Stiff Lemonade PL	24 Bottles

	200ml Buzzballz Strwbrry Rum Job PL	24 Bottles
	200ml Buzzballz Tea-Licious PL	24 Bottles
	200ml Buzzballz Tequila 'Rita PL	24 Bottles
	200ml Buzzballz The Grapeness PL	24 Bottles
	200ml Buzzballz Watermelon Smash PL	24 Bottles
Ole Smoky Distillery, LLC (NWS Michigan, LLC)	750ml Ole Smoky Moonshine Sweet Tea	6 Bottles

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the above actions be taken in accordance with the E-Quote reports dated July 13, 2015, motion carried by unanimous vote.

- III. Ms. Hamilton 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. She advised there were thirty five (35) different licensees requesting price reductions; that 849 product price reductions could be approved; and that 3 product price reductions should be denied.

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the 849 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 Olshove, supported by Commissioner Quimby, that the 3 special price reductions be denied for the reason stated in the attached Notification of Denial for Price Reduction reports, motion carried by unanimous vote.

- IV. Ms. Hamilton requested approval of a bulletin for the submission of quotations for Price List No. 240, which is effective November 1, 2015. She advised this is a quarterly reminder that is sent to Vendors of Spirits and Vendor Representatives to remind them of the deadlines for the next price book.

Moved by Commissioner Olshove, supported by Commissioner Quimby, that Bulletin 2015-05, be approved as written and presented, motion carried by unanimous vote.

- V. Ms. Hamilton presented the May 2015 Financial Report which shows the results of our operations for the period of October 1, 2014 through May 31, 2015. She advised this report contains the same number of weeks of spirit sales as the May 2014 report. Ms. Hamilton stated the Total Gross Sales increased over last year

by approximately \$50.8 million (6.8%), and that Distilled Spirit cases sold increased to 190,828 (3.8%). She advised the Net Income from spirit sales increased \$9.6 million (8.3%), and that Beer taxes were down by \$6.3 million with Wine taxes also down by \$677,000. Ms. Hamilton advised the Beer and Wine taxes are lower primarily due to the new tax collection system.

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the May 2015 Financial Report, be accepted, motion carried by unanimous vote.

- VI. Ms. Hamilton presented the 2013-2014 Annual Financial Report which shows the results of our operations for the period of October 1, 2013 through September 30, 2014 and is compared with the 2012-2013 fiscal year. She advised the Total Gross Sales were nearly \$1.2 billion, up from last year by over \$54.1 million or 4.9%, and that Distilled Spirit case sales were 7,709,480, increasing by 176,634 or 2.3%. Ms. Hamilton advised income transferred to the General Fund as a result of liquor operations was \$176,840,786 which is up \$8.3 million or 4.9% from last year's totals, and that combined Beer and Wine taxes were \$51,249,170, which was \$573,271 higher than last year or 1.1%. Ms. Hamilton reported the Total Revenue Collected (which includes all revenue such as licenses, fees, taxes, fines and income from operations) was \$379,598,142, which is \$16.5 million higher than last year.

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the 2013-2014 Annual 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.

Attorney Michael Brown asked if the rule on self-dispensing equipment had been approved. Chairman Deloney advised that, following the public hearing that took place, he was contemplating some language changes which should be ready soon. He also advised Commission staff was looking into the question of whether or not another public hearing would be needed.

Mr. Brown inquired about the chain store policy of the Commission and whether it had been changed. He asked if a person holding multiple licenses under various corporate or limited liability company names could be considered as a chain store applicant. Chairman Deloney advised that discussion has been held with staff and the Commission is looking at adding this type of ownership tier to the policy. He advised they have a few more items to look at before the policy would be changed.

With no further business, moved by Commissioner Olshove, supported by Commissioner Quimby, that the business meeting be adjourned at 9:58 a.m., motion carried by unanimous vote.

Andrew J. Deloney
Chairman

Anita Fawcett
Executive Services