



STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LIQUOR CONTROL COMMISSION

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In the matter of the request of )  
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**FROEHLICH'S, INC.** ) Request ID No. 772751  
19 N. Elm )  
Three Oaks, Michigan 49128 )  
)  
Berrien County )  
\_\_\_\_\_)

At the May 12, 2015 hearing of the Michigan Liquor Control Commission  
(Commission) in Lansing, Michigan.

PRESENT: Andrew J. Deloney, Chairman  
Dennis Olshove, Commissioner

**LICENSING APPEAL ORDER**

On December 2, 2014, Froehlich's, Inc. (applicant) filed a request to transfer ownership of the Specially Designated Distributor and Specially Designated Merchant licenses with Sunday Sales Permits (A.M. & P.M.) and Direct-Connection from Buffalo Drugs, Inc. at the above-noted address; and to cancel the existing Direct-Connection. The licenses were placed in escrow on May 12, 2015.

At a meeting held on April 15, 2015, the Commission denied this request under administrative rule R 436.1103(2) because the applicant failed to provide all of the documents and information required to complete the investigation and processing of this application.

Joe Daly, legal counsel on behalf of the applicant, submitted a timely request for an appeal in this matter and Attorney Richard Racht represented the applicant at the May 12, 2015 hearing, held at the Commission's Lansing office.

After hearing arguments, reviewing the MLCC file and documents presented, and discussion of the issue on the record, the Commission finds that the applicant sufficiently

demonstrated through updated documents that the previous questions concerning this application have been satisfactorily addressed.

Article IV, Section 40, of the Michigan Constitution (1963), permits the legislature to establish a Liquor Control Commission, which shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. MCL 436.1201(2) provides the Commission with the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the manufacture, importation, possession, transportation and sale thereof.

The licensee is authorized to do business in Michigan, as required under MCL 436.1535 for licensure. Under MCL 436.1537(1)(f) and (g), the licensee may sell spirits, mixed spirit drink, beer and wine for consumption off the premises only.

The Commission finds sufficient reasons to reverse its denial issued in this matter and to approve the applicant's request for the reasons stated on the record.

THEREFORE, IT IS ORDERED that:

A. The denial order of April 15, 2015 issued in this matter is reversed and the applicant's request to transfer ownership of the escrowed Specially Designated Distributor and Specially Designated Merchant licenses from Buffalo Drugs, Inc. is APPROVED, subject to the following:

1. The licensee shall submit to the Commission the remaining license transfer fees in the amount of \$310.50 (\$270.00 for the SDD license and \$40.50 for the Sunday Sales Permit (P.M.).
2. The licensee shall submit to the Commission verification that Froehlich's, Inc. received a loan in the amount of \$25,000.00 from Colleen Froehlich.
3. The licensee shall submit to the Commission an executed and acceptable lease agreement between Froehlich's, Inc. (tenant) and HF Interests, LLC (landlord).
4. The licensee shall submit to the Commission form LCC-3010 "Report of Stockholders/Members/Partners".

5. The licensee shall submit to the Commission form LCC-3012.
6. The licensee shall provide proof of financial responsibility providing security for liability as required under MCL 436.1803. Failure to maintain proof of financial responsibility providing security for liability will result in the immediate suspension of the subject licenses and permits until the licensee provides the Commission with proof of financial responsibility as required under MCL 436.1803.

B. The applicant's request to transfer the existing Sunday Sales Permit (P.M.) is APPROVED, subject to the following:

1. A reference to the time of day includes daylight savings time, when observed.
2. This permit is subject to revocation by operation of law or otherwise if the Commission receives notice from a county, city, village, or township that it prohibits the sale of spirits, mixed spirit drink, or beer and wine during the time authorized by this permit.

C. The applicant's request to transfer the existing permit to sell alcoholic liquor between 7 A.M. and Noon on Sundays is APPROVED, pursuant to Public Act 213 of 2010, MCL 436.2111-2115. This permit is subject to revocation by operation of law or otherwise if the Commission receives notice from a county, city, village, township, or the local governmental unit, that it prohibits or otherwise objects to the sale of spirits, mixed spirit drink or beer and wine between the hours of 7 A.M. and Noon on Sundays. If notice and supporting documentation is received by the Commission, a show cause hearing will be scheduled before the Commission under administrative rule R 436.1925(1) to determine if the permit must be revoked.

D. The licensee shall pay all license fees by April 30<sup>th</sup> each year pursuant to administrative rule R 436.1107.

E. Under administrative rule R 436.1003, the licensee shall comply with all state and local building, plumbing, zoning, sanitation, and health laws, rules, and ordinances as determined by the state and local law enforcements officials who have jurisdiction over the licensee. Approval of the licenses and permits by the Michigan Liquor Control Commission does not waive any of these requirements. The licensee shall obtain all other

required state and local licenses, permits, and approvals before selling or serving alcoholic liquor.

F. Failure to comply with all requirements of licensure in the State of Michigan will result in the licensee being charged with a violation of the Michigan Liquor Control Code, Administrative Rules, and Commission order, which may result in fines, suspension, and/or revocation of the licenses and permits.

MICHIGAN LIQUOR CONTROL COMMISSION



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Andrew J. Deloney, Chairman



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Dennis Olshove, Commissioner

Date Mailed:

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