



BUSINESS MEETING OF THE
MICHIGAN LIQUOR CONTROL COMMISSION

Held: Tuesday, June 3, 2014
Lansing District Office
7150 Harris Drive
Lansing MI 48909

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

Absent: Teri L. Quimby, Commissioner

Staff: Steve Robinson, Director of Finance Division
Pam Hamilton, Deputy Director of Finance Division
Anita Fawcett, Executive Services Division

The meeting was called to order by Chairman Deloney at 9:33 a.m., noting a quorum was present.

- I. **Moved by Commissioner Olshove, supported by Chairman Deloney, that the minutes of the Commission meeting of May 13, 2014, 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 meets other exceptions as indicated and be approved for listing in the approved products list effective June 29, 2014:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	750ml Aberfeldy 21 yr. Scotch	4 Bottles
International Spirits, LLC (NWS Michigan, Inc.)	750ml Ivanabitch Watermelon Vodka	6 Bottles
Palm Bay International, Inc. (General Wine & Liquor Co.)	750ml Bottega Gianduia	6 Bottles
	750ml Bottega Sambuca	6 Bottles
Park Street Imports LLC (NWS Michigan, Inc.)	750ml Clement Select Barrel Rum	6 Bottles

Surville Enterprises Corp. (General Wine & Liquor Co.)	750ml Marie Brizard Watermelon	6 Bottles
Diageo Americas, Inc. (NWS Michigan, Inc.)	200ml Crown Royal Canadian	44 Bottles
	200ml Ketel One Citroen (Hol) Vodka	24 Bottles

B. That the following requests for addition of product to the approved products list be approved for listing, effective June 29, 2014:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Temperance Distilling Company (NWS Michigan, Inc.)	750ml Vodkila Original Vodka	12 Bottles
	750ml Vodkila Straight Vodka	12 Bottles
Caribbean Distillers LLC (General Wine & Liquor Co.)	750ml Club Caribe Banana Rum	12 Bottles
	1000ml Club Caribe Banana Rum	12 Bottles
	750ml Club Caribe Citrus Rum	12 Bottles
	1000ml Club Caribe Citrus Rum	12 Bottles
	750ml Club Caribe Coconut Rum	12 Bottles
	1000ml Club Caribe Coconut Rum	12 Bottles
	750ml Club Caribe Lemon Rum	12 Bottles
	1000ml Club Caribe Lemon Rum	12 Bottles
	750ml Club Caribe Mango Rum	12 Bottles
	1000ml Club Caribe Mango Rum	12 Bottles
	750ml Club Caribe Pineapple Rum	12 Bottles
	1000ml Club Caribe Pineapple Rum	12 Bottles
	750ml Club Caribe Raspberry Rum	12 Bottles
	1000ml Club Caribe Raspberry Rum	12 Bottles
Circus Procession LLC (General Wine & Liquor Co.)	375ml Coppercraft Corn Whiskey	24 Bottles
	375ml Coppercraft High Wheat Whiskey	24 Bottles
	375ml Coppercraft Rye Malt Whiskey	24 Bottles
Heaven Hill Distilleries, Inc. (General Wine & Liquor Co.)	750ml Admiral Nelson's Egg Nog Cream	12 Bottles
MHW, Ltd. (General Wine & Liquor Co.)	750ml Blue Chair Bay Banana Rum	12 Bottles
	1750ml Blue Chair Bay Banana Rum	6 Bottles
	750ml Blue Chair Bay Coconut Cream	12 Bottles
Star Industries, Inc. (General Wine & Liquor Co.)	750ml Donegal Irish Whiskey	12 Bottles
The Black Prince Distillery, Inc. (General Wine & Liquor Co.)	750ml Devil's Springs Vodka	12 Bottles
Wilson Daniels, Ltd. (General Wine & Liquor Co.)	50ml Seagram's Peach PL Vodka	120 Bottles

C. That the following requests for promotional or special packaging be approved for listing, effective June 29, 2014:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Jim Beam Brands Co. (NWS Michigan, Inc.)	750ml Jim Beam w/Marinade Mix	12 Bottles
	750ml Knob Creek variety w/50ml Rye	6 Bottles
Heaven Hill Distilleries, Inc. (General Wine & Liquor Co.)	1750ml Admiral Nel spice w/50ml Cher PL	6 Bottles
	750ml Evan Wms Honey w/Koozie Sht Gls	6 Bottles
Hood River Distillers, Inc. (General Wine & Liquor Co.)	750ml Lucid w/GI & Cocktail Guide	6 Bottles
McCormick Distilling Company, Inc. (General Wine & Liquor Co.)	750ml Tarantula Azul 70 w/2 Shot Gls	6 Bottles
	750ml Tequila Rose w/2 Shot Gls	6 Bottles
Phillips Products Co., LLC (General Wine & Liquor Co.)	750ml UV Vodka w/3-50ml	12 Bottles
Prestige Imports, LLC (General Wine & Liquor Co.)	750ml Rod & Rifle Bourbon w/Shot Gls	6 Bottles
Russian Standard Vodka (USA), Inc. (NWS Michigan, Inc.)	750ml Russian Standard w/Mule Mug	6 Bottles
Diageo Americas, Inc. (NWS Michigan, Inc.)	750ml Crown Royal Reserve w/4 Coasters	6 Bottles
	750ml Johnnie Walker Black w/2 Gls	6 Bottles
	750ml Johnnie Walker Black w/4 Coasters	6 Bottles
Wilson Daniels, Ltd. (General Wine & Liquor Co.)	750ml Corralejo Reposado w/2 Gls	6 Bottles
	750ml Corralejo Silver w/2 Shot Gls	6 Bottles

D. That the following requests for deletion of product from the approved products list be approved for delisting, effective June 29, 2014:

<u>COMPANY</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	1750ml Bacardi Limon w/Pitcher	3 Bottles
	750ml Bombay (Eng) w/GI	6 Bottles
	750ml Cazadores Reposado w/Belt Buckle	6 Bottles
Sazerac North America, Inc. (NWS Michigan, Inc.)	50ml Mr. Boston Peppermint PL 3 Pk	60 Bottles
Jim Beam Brands Co. (NWS Michigan, Inc.)	200ml Skinnygirl Margarita PL 4 Pk	24 Bottles
Few Spirits, LLC (General Wine & Liquor Co.)	750ml Few Spirits Bourbon	6 Bottles
	750ml Few Spirits Rye	6 Bottles
Heaven Hill Distilleries, Inc. (General Wine & Liquor Co.)	750ml Evan Wms Honey w/Koozie Sht Gls	12 Bottles

Shaw-Ross International Importers, LLC (NWS Michigan, Inc.)	750ml Glengoyne 17 yr. Scotch	6 Bottles
Diageo Americas, Inc. (NWS Michigan, Inc.)	200ml Crown Royal Canadian	48 Bottles

Moved by Commissioner Olshove, supported by Chairman Deloney, that the above actions be taken in accordance with the E-Quote reports dated May 28, 2014, motion carried by unanimous vote.

- III. Mr. Robinson presented the April 2014 Financial Report which shows the results of our operations for the period of October 1, 2013 through April 30, 2014 and advised that this report needs to be adjusted as there is an extra week of spirit sales when compared with the report for April 2013. He stated when the extra week of sales is removed, the Total Gross Sales increased over last year by almost \$23.5 million or 3.8% higher, with the Distilled Spirit cases sold increasing to 48,049 or 1.1%. Mr. Robinson advised the Net Income from spirit sales increased approximately \$4.6 million or 4.9%, and that Beer taxes are higher by \$469,000, with Wine taxes almost at \$266,000 higher this year.

Moved by Commissioner Olshove, supported by Chairman Deloney, that the April 2014 Financial Report, be accepted, motion carried by unanimous vote.

- IV. Ms. Hamilton presented the 2012-2013 Annual Financial Report which shows the results of our operations for the period of October 1, 2012 through September 30, 2013 and is compared with the 2011-2012 fiscal year. She advised the Total Gross Sales were \$1,098,866,701, up from last year by over \$66.7 million or 6.5%, and that Distilled Spirit case sales were 7,532,846, increasing by 160,132 or 2.2%. Ms. Hamilton advised income transferred to the General Fund as a result of liquor operations was \$168,585,503 which is down \$6.3 million or 3.6% from last year's totals. She advised combined Beer and Wine taxes were \$50,675,899, \$151,785 lower than last year or down by .3%. Ms. Hamilton reported the Total Revenue Collected (which includes all revenue such as licenses, fees, taxes, fines and income from operations) was \$363,138,174, which is \$596,428 higher than last year.

Moved by Commissioner Olshove, supported by Chairman Deloney, that the 2012-2013 Annual Financial Report, be accepted, motion carried by unanimous vote.

V. Old Business.

There was no Old Business.

VI. New Business.

There was no New Business.

VII. Public Comments.

There were no Public Comments.

With no further business, moved by Commissioner Olshove, supported by Chairman Deloney, that the business meeting be adjourned at 9:41 a.m., motion carried by unanimous vote.

Anita Fawcett
Executive Services

Andrew J. Deloney
Chairperson



BUSINESS MEETING OF THE
MICHIGAN LIQUOR CONTROL COMMISSION

Held: Tuesday, June 10, 2014
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
Anita Fawcett, Executive Services Division

The meeting was called to order by Chairman Deloney at 9:45 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 3, 2014, be approved as written and presented, motion carried by unanimous vote.**

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the minutes of the Commission Closed Session meeting of June 4, 2014, 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 meets other exceptions as indicated and be approved for listing in the approved products list effective June 29, 2014:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Jim Beam Brands Co. (NWS Michigan, Inc.)	50ml 2 Gingers Irish Whiskey	96 Bottles
Charles Ian Cutler (General Wine & Liquor Co.)	750ml Cutler's Gin	6 Bottles
	750ml Cutler's Vodka	6 Bottles

	750ml Grandma Tommie's Apple Pie	6 Bottles
Crillon Importers Co. (NWS Michigan, Inc.)	750ml Wyborowa Wodka	6 Bottles
MHW Ltd. (NWS Michigan, Inc.)	750ml Dumante Espresso	6 Bottles
Ole Smoky Distillery, LLC (NWS Michigan, Inc.)	1000ml Ole Smoky Moonshine Apple Pie	6 Bottles
RGI Brands, LLC (NWS Michigan, Inc.)	750ml Craffhouse Paloma	6 Bottles
Royal Wine Corporation (General Wine & Liquor Co.)	200ml Walders Scotch & Coffee	24 Bottles
21 st Century Spirits, LLC (NWS Michigan, Inc.)	200ml Blue Ice G Blue Raspbrry Vodka	24 Bottles
	375ml Blue Ice G Blue Raspbrry Vodka	12 Bottles
	200ml Blue Ice G Island Coconut Vodka	24 Bottles
	375ml Blue Ice G Island Coconut Vodka	12 Bottles
	200ml Blue Ice G Multi-Grain Vodka	24 Bottles
	375ml Blue Ice G Multi-Grain Vodka	12 Bottles
	200ml Blue Ice G Sweet Peach Vodka	24 Bottles
	375ml Blue Ice G Sweet Peach Vodka	12 Bottles
Diageo Americas, Inc. (NWS Michigan, Inc.)	750ml J Walker Blue Alfred Dunhill	3 Bottles
	50ml Peligros Silver Tequila	96 Bottles
	750ml Peligroso Cinnamon Tequila	6 Bottles
	375ml Peligroso Silver Tequila	12 Bottles
United States Distilled Products Co. (General Wine & Liquor Co.)	750ml Bloom Gin	6 Bottles
	50ml Ricura Horchata PL	60 Bottles

B. That the following requests for addition of product to the approved products list be approved for listing, effective June 29, 2014:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	750ml Bacardi Oakheart Spiced Rum PL	12 Bottles
Jim Beam Brands Co. (NWS Michigan, Inc.)	1000ml Courvoisier Gold Cognac	12 Bottles
	1000ml Courvoisier Rose Cognac	12 Bottles
Crillon Importers Co. (NWS Michigan, Inc.)	1750ml Wyborowa Wodka	6 Bottles
M.S. Walker, Inc.	750ml MacNish Cinnamon Scotch	12 Bottles
	750ml MacNish Honey Scotch	12 Bottles
Ole Smoky Distillery, LLC (NWS Michigan, Inc.)	750ml Ole Smoky Moonshine Charred	12 Bottles
	750ml Ole Smoky Moonshine Lemon Drop	12 Bottles
	750ml Ole Smoky Moonshine Strwbrry	12 Bottles

Phillips Products Co., LLC (General Wine & Liquor Co.)	1000ml UV Grapefruit Vodka	12 Bottles
21 st Century Spirits, LLC (NWS Michigan, Inc.)	750ml Blue Ice G Blue Raspbrry Vodka	12 Bottles
	750ml Blue Ice G Island Coconut Vodka	12 Bottles
	750ml Blue Ice G Sweet Peach Vodka	12 Bottles

C. That the following requests for promotional or special packaging be approved for listing, effective June 29, 2014:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	750ml Bombay Sapphire w/Mixing Spoon	6 Bottles
Heaven Hill Distilleries, Inc. (General Wine & Liquor Co.)	1750ml Admiral Nel Spice w/50ml Cher PL	6 Bottles
Ole Smoky Distillery, LLC (NWS Michigan, Inc.)	750ml Ole Smoky Blackbrry w/Mason Jar	6 Bottles
Phillips Products Co., LLC (General Wine & Liquor Co.)	750ml UV Blue Raspbrry w/Lemonade Pwd	12 Bottles
Shaw-Ross International Importers, LLC (NWS Michigan, Inc.)	750ml Cardenal Mendoza w/Decanter	6 Bottles
Diageo Americas, Inc. (NWS Michigan, Inc.)	1750ml Capt Morg Spiced w/2-50ml	6 Bottles
	1750ml Smirnoff 80 w/4 Shot Gls	6 Bottles
	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 June 29, 2014:

<u>COMPANY</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Jim Beam Brands Co. (NWS Michigan, Inc.)	200ml Skinnygirl Margarita PL 4 Pk	24 Bottles
RGI Brands, LLC (NWS Michigan, Inc.)	750ml Craffhouse Paloma	12 Bottles
Shaw-Ross International Importers, LLC (NWS Michigan, Inc.)	750ml Glengoyne 17 yr. Scotch	6 Bottles
Diageo Americas, Inc. (NWS Michigan, Inc.)	750ml Peligroso Cinnamon Tequila	6 Bottles

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the above actions be taken in accordance with the E-Quote reports dated June 5, 2014, 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 six (6) different licensees requesting price reductions; that 2156 product price reductions could be approved; and that 1 product price reduction should be denied.

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the 2156 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 1 special price reduction be denied for the reason stated in the attached Notification of Denial for Price Reduction reports, motion carried by unanimous vote.

- IV. Chairman Deloney advised that the Schedule of Meetings for 2014 needs to be amended to show that all Lansing meetings will be held in the new offices located at Constitution Hall, 525 W Allegan, Lansing MI 48933.

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the Amended Schedule of Meetings for 2014, be approved as written and presented, motion carried by unanimous vote.

- V. Old Business.

There was no Old Business.

- VI. New Business.

There was no New Business.

- VII. Public Comments.

Attorney Michael Brown congratulated Commissioner Olshove on his reappointment to the Commission and stated he continues to expect great things.

Attorney Brown further stated that he did not want to miss the last public meeting in this room, before the Commission offices are moved to the new location. He stated he has been coming to meetings and hearings for over twenty years, and has probably attended over 100 hearings at this location. He indicated that he has seen many commissioners come and go and there is a bittersweet response to attending the final public meeting of the Commission at the General Office Building.

Chairman Deloney also congratulated Commissioner Olshove on his reappointment and advised he is glad that Commissioner Olshove will be around for another 4 years.

Chairman Deloney stated when the move was first announced, he talked with the Directors and there were very strong opinions that the new hearing room still be named in honor of the memory of past Commissioner Jacqueline Stewart. He stated that it will be sad to leave the General Office Building but the new offices in Constitution Hall will provide the Commission with enhanced technology and further opportunities for efficiency.

With no further business, moved by Chairman Deloney, supported by Commissioner Quimby, that the business meeting be adjourned at 9:55 a.m., motion carried by unanimous vote.

Anita Fawcett
Executive Services

Andrew J. Deloney
Chairperson



BUSINESS MEETING OF THE
MICHIGAN LIQUOR CONTROL COMMISSION

Held: Tuesday, June 24, 2014
Lansing District Office
525 W Allegan
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
Tim Kovacik, Deputy Director of Executive Services Division
Kerry Krone, Business Manager
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 10, 2014, be approved as written and presented, motion carried by unanimous vote.**

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the minutes of the Commission Closed Session meeting of June 11, 2014, be approved as written and presented, motion carried by unanimous vote.

- II. 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 (19) different licensees requesting price reductions; that 418 product price reductions could be approved; and that there were no product price reductions to be denied.

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the 418 special price reductions be approved as indicated on the attached Approval for Price Reduction on Liquor reports, motion carried by unanimous vote.

- III. Mr. Robinson presented the May 2014 Financial Report which shows the results of our operations for the period of October 1, 2013 through May 31, 2014 and advised this report is comparable to the May 2013 period. He stated the Total Gross Sales increased over last year by almost \$28.1 million or 3.9% higher, with the Distilled Spirit cases sold increasing to 61,315 or 1.2%. Mr. Robinson advised the Net Income from spirit sales increased approximately \$4.6 million or 4.2%, and that Beer taxes are higher by \$540,000, with Wine taxes at \$263,000 are also higher this year.

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the May 2014 Financial Report, be accepted, motion carried by unanimous vote.

- IV. Chairman Deloney advised that James Crank (Crank) filed a request for a declaratory ruling on April 24, 2014, and at an April 29, 2014 meeting, the Commission granted Crank's request to issue a declaratory ruling concerning the interpretation of MCL 436.1411. He stated that specifically, Crank asks whether two separately licensed companies may transfer alcoholic beverages between each other if both companies share the same sole stockholder and that a draft declaratory ruling has been prepared.

Chairman Deloney advised of the facts presented by Crank. JPE Restaurant Corporation (JPE) holds a micro brewer license with permits for outdoor service and beer and wine sampling. JPE's license was originally issued on May 1, 2012, and its licensed premises are located at 213 S. State, Big Rapids, Michigan. JJC Restaurant, Inc. (JJC) holds a micro brewer license and an outdoor service permit. JJC's license was originally issued on January 29, 2014, and its licensed premises are located at 454 68th Street SW, Grand Rapids, Michigan. The sole stockholder of both corporations is James Crank. Despite James Crank's role as sole stockholder in each corporation, JPE and JJC are separate and distinct corporate entities. Applying the statutory interpretation factors to the language in MCL 436.1411, it is clear that JPE and JJC are prohibited from transferring product between each other because they are separate and distinct entities.

Commissioner Quimby stated that the statute is clear and unambiguous on its face and concurs with the adoption of the declaratory ruling.

Moved by Chairman Deloney, supported by Commissioner Olshove, that the declaratory ruling be issued which concludes that MCL 436.1411 is clear and unambiguous; therefore, guided by the well-established principles of statutory construction, the plain language of the statute prohibits JPE and JJC, separate and distinct entities, from transferring product between each other.

V. Old Business.

There was no Old Business.

VI. New Business.

There was no New Business.

VII. Public Comments.

Chairman Deloney stated the staff and Business Manager, Kerry Krone, did a fantastic job in getting the offices moved. He stated there was hardly any disruption of service to our customers and that speaks to the professionalism and the dedication in making sure good service was provided during the relocation of the offices. Chairman Deloney also advised that Ms. Krone was providing tours of our new offices if anyone was interested.

With no further business, moved by Commissioner Olshove, supported by Commissioner Quimby, that the business meeting be adjourned at 9:53 a.m., motion carried by unanimous vote.

Anita Fawcett
Executive Services

Andrew J. Deloney
Chairperson