

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE OF MICHIGAN
LIQUOR CONTROL COMMISSION
SEMI-ANNUAL PUBLIC HEARING

* * *

Proceedings had in the above-entitled matter before Chairman Andy Deloney and Commissioners Edward Clemente, Edward J. Gaffney and Teri Quimby, held at the Michigan Liquor Control Commission, 525 W. Allegan Street, Jacquelyn A. Stewart Hearing Room, Lansing, Michigan, on Wednesday, December 2, 2015.

* * *

C O N T E N T S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SPEAKER

PAGE

Michael A. Tobias, Coordinator, MICRUD	4
Marcia Polenberg, Rep, Neighbors Old West Side Of Ann Arbor	6
Lisa Patrell, Pres, Neighbors Old West Side Of Ann Arbor	10
Michael J. Brown, Attorney, Carlin Edwards Brown	15

In Attendance:

- G. Chris Bernard, Bodman PLC
- John Bicknell, COO, Fabiano Brothers
- Karel Bush, Exec Director, MI Grape & Wine Industry Council
- Joe Cekola, President, Imperial Beverage
- Charlie Cove, Dan Henry Distributing
- Scott Ellis, Michigan Licensed Beverage Association
- Nicholas Goebel, Gov't Relations Director, Great Lakes W&S
- A.J. Mathews, President, West Side Beer Distributing
- Jim Moran, Michigan State Manager, Luxco
- Don Nunn, Meijer
- Joanie O'Sullivan-Butler, John P. O'Sullivan Distributing
- Brian Pizzuti, RNDC of Michigan
- Steve Rocha, RNDC of Michigan
- Randy Rogers, General Manager, Great Lakes Beverage Co.
- John Roshopp, HR Director, Petitpren, Inc.
- Brett Visner, Michigan Beer & Wine Wholesalers Association
- Marc Zack, RNDC

Staff Present:

- Jean Allison, Server Training Coordinator, Exec Services Div.
- Terri Chase, Commission Aide, Executive Services Division
- Steve Creamer, Deputy Director, Executive Services Division
- Lori DeClercq, Court Reporter, Executive Services Division
- Anita Fawcett, Secretary to Chairman, Executive Services Div.
- Pam Hamilton, Deputy Director, Financial Management Division
- Kerry Krone, Business Manager, Executive Services Division
- April Laverty, Departmental Analyst, Executive Services Div.
- Sharon Martin, Director, Licensing Division
- Don McGehee, Division Chief, Attorney General's Office
- Steve Robinson, Director, Financial Management Division
- Taylor Stiles, Hearings & Appeals Supervisor, ESD
- Barb Subastian, Regional Supervisor, Enforcement Division
- Gerald Whalen, First Assistant, Attorney General's Office

1 Lansing, Michigan

2 Wednesday, December 2, 2015 - 10:08 a.m.

3 CHAIRMAN DELONEY: We will call this meeting of the
4 Liquor Control Commission to order. The Commission welcomes
5 you to the second of our two Semi-Annual Public Hearings of
6 2015 as required by Section 215 of the Michigan Liquor
7 Control Code.

8 This hearing is being held under the Code to
9 provide a public forum for airing complaints and comments
10 with respect to the administration of the Liquor Control
11 Code.

12 And four of our five Commissioners are present
13 today. Commissioner Clemente, to my left; Commissioner
14 Quimby, to my right and on the right end, Commissioner
15 Gaffney. Commissioner Olshove is not present for today's
16 hearing.

17 For those who have submitted a card wishing to
18 speak, when your name is called, please come forward and
19 speak from the podium, there. This hearing is being reported
20 by our transcriber so please state your name and the
21 organization you represent. This will be a great help as we
22 create the record for today's hearing.

23 If you have questions of a very specific business
24 nature, you may wish to speak with one or more of us
25 afterward. We do have our licensing meeting immediately

1 after this hearing is concluded, but if you have any
2 questions of a specific nature, again, be mindful that this
3 is a public hearing and everything that is being said is
4 being transcribed so you may wish to speak with one or more
5 of us or staff at the conclusion of the hearing.

6 So with that being stated, we will get right to the
7 cards of people indicating a desire to speak. I will ask
8 people to keep their comments to no more than five minutes.
9 We will start with Mike Tobias.

10 MR. TOBIAS: Good morning, Chairman Deloney and
11 Commissioners. My name is Mike Tobias. I am representing
12 the Michigan Coalition to Reduce Underage Drinking. I
13 appreciate the opportunity to speak before you today. And I
14 also appreciate the MLCC's great staff. You guys do good
15 work and I appreciate it. I believe together we can do a
16 better job to ensure that children aren't getting access to
17 alcohol and controlled buy operations are one tool that can
18 help us achieve this. In the coming year, I would like to
19 work with the Commission on creating a plan that would ensure
20 that all liquor licenses in Michigan receive a controlled buy
21 inspection and that violation histories are created for all
22 Michigan retailers.

23 According to the website -- I think from
24 yesterday -- in my own county where I live, Shiawassee
25 County, we have 107 active licenses and 22 of those have no

1 violation histories at all -- about 21 percent. And then
2 there is a bulletin list of some of the larger retailers and
3 you can see, kind of, how many entries they have had, in what
4 time frame and how many of those are violations. Like,
5 Meijer has seven entries; no violations. They had a warning
6 since 2000. Krogers had three entries, with one violation
7 since 2005 on down. But this is a -- just, kind of, a small
8 sample of a relatively small county and I believe there is,
9 perhaps, hundreds or perhaps, thousands of retailers across
10 the state, also, who don't have any kind of violation history
11 and I am concerned there may be a small number of retailers
12 who continue to violate the law, but are never held
13 accountable because there is no system in place to ensure
14 that they are in compliance. I know that most retailers --
15 the vast majority of retailers -- do comply with the law, but
16 I do hear, from across the state, that people are concerned
17 about certain retailers who repeatedly sell to, you know,
18 children and sell to intoxicated individuals; that kind of
19 thing. So again, I would like the Michigan Liquor Control
20 Commission to create an annual plan that would ensure that
21 all retailers receive a controlled buy inspection once a year
22 minimally. I know that you have a lot of outlets. I think
23 there is over 17,000 and I know it's kind of a shared
24 responsibility between local law enforcement because they get
25 some of the licensing fee. From speaking with some

1 representatives of the Michigan Association of Chiefs of
2 Police, I believe that they would be helpful in creating a
3 plan toward this goal and see if we can't get a more
4 systematic plan in place. Thank you for your attention in
5 this matter. I look forward to the coming year and hearing
6 your thoughts about this. I would be happy to answer any
7 questions that you have.

8 CHAIRMAN DELONEY: Thank you very much.

9 MR. TOBIAS: Thanks.

10 CHAIRMAN DELONEY: One thing I will state -- and I
11 appreciate some of these numbers. Certainly, Commission
12 investigators are not the only people who do controlled buy
13 operations. Law enforcement officers at all three levels --
14 state, county and local police -- perform those.
15 Unfortunately, not every -- or as a matter of fact, not many
16 local police jurisdictions actually report to the Commission
17 when they report or when they do a controlled buy operation.
18 The only time we are aware of it is if they actually send
19 that to us and again, not many do for a number of reasons.
20 It is something that frustrates us to a degree. We have had
21 some conversation; that is something I would like to pursue
22 further. So thank you for your comments.

23 MR. TOBIAS: Thank you.

24 CHAIRMAN DELONEY: Next is Marcia Polenberg.

25 MS. POLENBERG: Thank you for allowing me to speak.

1 My name is Marcia Polenberg Ramsey. I live at 524 South
2 First Street in Ann Arbor. I am a resident of the Old West
3 Side. I am just around the corner from the potential
4 brewery, distillery, dance hall. This is very, very
5 incompatible with the residential neighborhood that we live
6 in. We live in a historic neighborhood of two and three
7 story houses, many of which are owner occupied -- most are
8 owner occupied. There are many small children in the
9 neighborhood. On Second Street, there are 14 under
10 preschool -- let's see; they are under five years old who
11 live within one block. So that is just between Jefferson and
12 Madison. On First Street, we have several, again, preschool
13 children. Around the corner, there are many more preschool
14 children. What I am saying, is it is a neighborhood of young
15 families who are moving in for safety, quiet and peace. We
16 need to get up early in the morning. This is incompatible
17 with having a dance hall that lets out at 2:00 a.m. The
18 people who pour out at 2:00 a.m., are they going to be quiet
19 if they have been drinking all night? What about parking?
20 There is no parking provision. Where are the people going to
21 park? We have a Montessori school that is just down the
22 block. It is 446 feet from this potential brewery. There
23 are also kindergarten kids who go to this preschool. We have
24 another school that is a few blocks north on Jefferson,
25 between Third and Fourth Street. This is Bach Elementary

1 School. Before that is Community of Church Christ --
2 Community Christ Church -- excuse me -- on the corner of
3 Jefferson and Third Street. You are getting the picture of
4 young families. It is incompatible. We have many, many bars
5 in Ann Arbor. They're at Liberty and North. That is where
6 the commercial section is and that is fine. We get those
7 people pouring down our streets because I live on First
8 Street where there are several bars that are north of Liberty
9 and during the summer you see these young people staggering
10 down the street. They are vomiting. You see these young
11 girls held up by two companions. This is not what we want in
12 our neighborhood. This is not what we want to encourage. It
13 is encouraging drunkenness. It is encouraging a lifetime of
14 alcoholism. I think it is incompatible to have a bar and
15 dance hall that will be making noise until all hours of the
16 day or night, seven days a week with the lifestyle that we
17 have. We were here first. The bar is a potential bar, at
18 this point. It is incompatible. Thank you very much.

19 CHAIRMAN DELONEY: Thank you. Question for you.
20 It sounds like it is not open yet or has it been built yet?

21 MS. POLENBERG: No. They are applying for the
22 liquor license.

23 CHAIRMAN DELONEY: Do you know if they have
24 applied?

25 MS. LISA PATRELL: Yes.

1 MS. POLENBERG: Yes.

2 CHAIRMAN DELONEY: They have? Okay. One thing I
3 can tell you is under Commission Rule 436.1105, when
4 considering an application for a license, the Commission
5 shall consider any opinions submitted in writing by local
6 residents, local community members, as well as the local
7 government, local police jurisdiction. So if when we -- this
8 application comes before the Commission for consideration, we
9 have to consider all of those things that are in the file so
10 if we have written concerns from community members or from
11 the local government or a neighborhood association, things
12 like that, those are things that the Commission shall
13 consider under the rule when deciding whether or not to
14 approve the license.

15 MS. POLENBERG: Thank you so much for that
16 information.

17 CHAIRMAN DELONEY: Commissioner Quimby?

18 MS. POLENBERG: Are there questions?

19 COMMISSIONER QUIMBY: Thank you for taking time to
20 come here today to share your concerns.

21 MS. POLENBERG: This is our neighborhood.

22 COMMISSIONER QUIMBY: And I do appreciate all the
23 comments that you have made. I need to say, though, a lot of
24 what I am hearing from you sounds like local unit of
25 government issues rather than Liquor Control issues. While

1 the Chairman is absolutely correct in that we do review any
2 comments that we receive, what we are mostly looking at is
3 whether or not the person qualifies for the license under the
4 state laws and rules, but we can't -- we don't have any
5 influence where they place their business. That is up to the
6 local unit of government.

7 MS. POLENBERG: Thank you.

8 CHAIRMAN DELONEY: Thank you. Good points,
9 Commissioner Quimby. Thank you. Thank you for your
10 comments.

11 Next, Lisa -- is it Patrell?

12 MS. PATRELL: Yes, thank you. Hello. My name is
13 Lisa Patrell and I came here with Marcia. I am also an Old
14 West Side Neighborhood resident. I brought some material
15 that I would love to leave for Kyla Swope. From my research,
16 it looks like she has been assigned to do the investigation.

17 I would like to start with: This is our
18 neighborhood. It is a map of the Ann Arbor historic
19 district. The gray area is the historic district. The white
20 area is generally considered the Old West Side Neighborhood.
21 I have circled, here, the proposed location of what is
22 currently an auto repair shop to become this entertainment
23 and liquor venue. As you can see, in general, the railroad
24 tracks in the past has, kind of, served as a, more or less,
25 as a dividing line between commercial and residential. Most

1 of downtown happens north of Williams Street all the way to
2 Miller. This is a blow-up of the area, the historic
3 district, the rest of the neighborhood. This is the location
4 of the proposed bar. Recently, we found out that this used
5 to be, within the last 18 months, zoned business services.
6 They have changed the zoning to D-2 which means downtown
7 interface. We don't know yet what that means. Our
8 neighborhood, in general, only found out about this a few
9 days before the holiday so we have a lot more ground work to
10 do and I think Teri is correct in pointing out we need to
11 work more closely with our Commissioners. We did contact
12 them and they pointed to a noise ordinance and we just
13 countered back. The problem with the noise ordinance is that
14 it is enacted after it has been broken and if there is a
15 disturbance, you call the police; the resident then has to
16 interface with the police and this is probably going to be a
17 repetitive behavior because noise ordinances are broken over
18 and over and over again when you are going to have a bar and
19 venue so close to a residential neighborhood. The business
20 ID is 237524.

21 CHAIRMAN DELONEY: Repeat that again, please.

22 MS. PATRELL: 237524, known as Aquamarine Springs,
23 LLC. It is owned by Joel R. Flowers out of Grosse Pointe and
24 I think his business address is in West Bloomfield. He has
25 applied for a small wine making license; a micro-brewery

1 license; a new outdoor service permit; an entertainment
2 permit; new Sunday Sales p.m. permit; new Sunday Sales a.m.
3 permit and new small distillery license permit.

4 I do have -- I have collected some letters from my
5 neighbors who -- and I would like to give these to Kyla, as
6 well. Some may have already been submitted to you directly
7 to your info e-mail inbox in the last several days and if
8 that is the appropriate mailbox, you will probably be
9 expecting more. If Kyla is the correct person to direct all
10 our concerns with, we can do that. So we would appreciate
11 some direction so we can give you the information you need so
12 you can make the best decision.

13 I also have provided just an info sheet. This is
14 the current building, garage service. It comprises addresses
15 of 507 South Ashley, 509 South Ashley and a small parking lot
16 that is about 10 or 12 parking spaces is 511 Ashley. These
17 are all part of that parcel. Directly across the street,
18 these are actually the clap board homes. These homes have
19 been here since the 1880s; built up until the 1920s. They
20 are very attractive; very nice. They are for everybody who
21 thinks of a white picket fence. They would love to live
22 here. Here is the signage of the Doughty School that Marcia
23 mentioned. It does include kindergarten. They do teach
24 kindergarten there and that is within that 500 feet envelope.
25 This is another church, St. Paul's Lutheran Church. It's up

1 on Liberty and this is a picture of the Bach Elementary
2 School.

3 All the residents of the Old West Side have always
4 lived with a blend of commercial and residential. But the
5 kind of commercial that has been compatible are those that
6 have hours and behaviors that are in sync with a residential
7 neighborhood. We would like to cite Jefferson Market at 609
8 West Jefferson as being an example of a best practice. They
9 are right across the street from Bach Elementary School. She
10 sells cakes and goodies that a lot of times the parents and
11 the children, after school, will hang out at and get a bite
12 to eat. We also would like to cite Argus Farm Stop Market at
13 325 West Liberty as being another great example of best
14 practices, mixing retail commercial with residential. Both
15 have limited parking but you find that people walk -- walk
16 there from the neighborhoods more so than driving. The
17 establishment that is proposed, it will more than likely
18 attract many more people than the 10 or 12 parking spaces
19 that it has. There isn't a parking structure in the near
20 vicinity and what is left are the resident parking right
21 across the street from these clap board homes. In doing a
22 little bit more research on the property, I found this at
23 findthedata.com, it is in a flood zone plain and it has been
24 shown -- it's been stated as being a very high risk for
25 flooding and it is in the area where Allen Creek runs through

1 that part of Ann Arbor. A cursory reading of our local
2 ordinance, very quickly, the last couple of days that we have
3 had, does talk about minimum number of parking spaces with
4 the square footage of the building. The square footage of
5 the building is 3,616 feet and the lot size is .18 acres. It
6 was sold -- all three parcels -- for \$225,000. The year is
7 leaving me.

8 The last thing I would like to say is that there
9 are many things that haven't been transparent in working with
10 our -- in working with our local council and we are trying to
11 work for greater transparency, as I know the State of
12 Michigan is, because we have been able to negotiate and
13 compromise with various buildings and changes in our
14 neighborhood that we have to welcome and fit in and then
15 after compromise has been reached, there seems to be closed
16 door sessions where concessions are given by the council and
17 then the neighborhood gets very surprised at what is being
18 built or what is being brought into their neighborhood and
19 this is just one of the cases. So we very much would like to
20 work with Kyla in slowing down this licensing process from
21 the Michigan end so there is more due process, both at the
22 City level and the State level and allow us to have more
23 transparency.

24 CHAIRMAN DELONEY: Thank you. We will make sure
25 that the documents you have left -- if you want to -- Anita,

1 do you want to take those and make sure those get associated
2 with the application --

3 MS. PATRELL: Thank you.

4 CHAIRMAN DELONEY: -- file for that? The role of
5 the investigator in the license application is to look at --
6 to make sure that the applicant meets the statutory
7 requirements for licensure, things of that nature; look at
8 the finances of the applicant, things like that and then it
9 is up to the Commission to take all of the facts that we have
10 and make a decision based on what we know and either decide
11 yes or no, the license will or will not be approved. So
12 again, thank you for those documents and we will make sure
13 those get included or associated with the license application
14 file.

15 MS. PATRELL: Thank you.

16 CHAIRMAN DELONEY: Thank you very much. Mike
17 Brown?

18 MR. BROWN: Good morning, Commissioners. Michael
19 Brown from the law firm of Carlin Edwards Brown, here in
20 Lansing, and there are three things that I wanted to bring to
21 your attention this morning as part of this public hearing.
22 And I appreciate the opportunity to do that. The first item
23 is a couple of recent success stories that we have had that,
24 quite frankly, would not have been possible without the
25 cooperation of your staff and the, sort of, extra effort that

1 they put in. The first one I wanted to mention -- and you
2 may have seen this insert in today's Lansing State Journal --
3 is the opening of the Tequila Cowboy Bar and Grill, which is
4 going into the Lansing Mall, opening tomorrow as part of
5 their grand opening and quite frankly, that grand opening
6 would not have happened tomorrow without the extraordinary
7 efforts of your staff. So I wanted to just mention that, in
8 particular, Sara Weber in your Licensing staff; Barb
9 Subastian and Mark O'Farrell in your Enforcement Staff and
10 then Patty Curns and Kim Whitely in Unit 4 and also Carly
11 Haney in the Renewal Unit, all of which worked, sort of,
12 above and beyond to help us get that done very quickly. It
13 was a situation where that client came to us very late in the
14 process because they did not realize when they initially
15 filed their application that they were going to not qualify
16 for a conditional license because it was a license transfer
17 and so that application was sort of way behind schedule by
18 the time they found us in early October and we were able to,
19 essentially, get them through the Licensing process and get
20 the license issued in about six weeks. And as I say, that
21 would not have happened without the efforts of your staff.

22 The second recent success I wanted to mention to
23 you, is one that just happened, actually, yesterday. Again,
24 this was part of a national transaction involving the seven
25 TGI Fridays locations in Michigan. Those restaurants were

1 sold as part of a national deal, multi-state, multi-million
2 dollar transaction that just closed yesterday in California.
3 But through the work of your staff, we were able to process
4 those 7 license transfers yesterday afternoon so that there
5 was no interruption in the business for those seven TGI
6 Fridays in Michigan and again, in that case, Patty Curns, Kim
7 Whitely, in the Renewal -- or I am sorry -- in Unit 4 -- and
8 Rex Metts, Rilla Caldwell, Deb Shaw in the Renewal Unit, all
9 worked right up until 5:00 yesterday afternoon to get those
10 issued for us. And so I wanted to make mention of that.

11 The second item I wanted to bring to your attention
12 today on this public record is to acknowledge the passing of
13 one of the greats of our industry, and that is Frank
14 Palazzolo, who as you know, passed away on September 10th of
15 this year. Frank was not only a great lawyer, but a great
16 person and I wanted to make sure that this public record
17 acknowledged his contributions to our industry over the
18 years. And he is definitely one that we miss.

19 Thirdly, the last item I wanted to mention to you,
20 on a much happier note, and also another what I consider to
21 be giant in our industry, is my partner, John Carlin. It has
22 been my pleasure to be John's partner for the last 12 years,
23 starting at Plunkett and Cooney and then for the last nine
24 years with our firm. On January 6 of 2016, John will
25 celebrate 50 years as a practicing attorney in Michigan and

1 although he does not want to make a big deal out of that, I
2 did not want to miss the opportunity to put that
3 acknowledgment on this public record because, to me, that is
4 significant and again, John has been both a good friend, a
5 good mentor and easily the best career decision I ever made
6 joining up with him and so I simply wanted to take a few
7 moments on your public record to acknowledge his significant
8 achievement of 50 years in the practice of law and what I
9 would argue is probably the best career as a liquor licensing
10 attorney anybody has ever had in the State of Michigan. So
11 thank you.

12 CHAIRMAN DELONEY: Thank you, Mike and thank you
13 for bringing Mr. Carlin's milestone to our attention. I will
14 certainly never say that I think John Carlin is an old man.
15 I will certainly never say on the record that he began his
16 career as a lawyer many years before I was born. I would
17 never say things like that. So that is good to know. That
18 is great and I also want to, on a serious note, echo your
19 comments regarding the late great Frank Palazzolo. I think
20 all of us, including Commissioner Olshove, have had Frank
21 with different matters in front of us and no matter how they
22 turned out -- speaking for myself and I think I can speak for
23 all of my fellow Commissioners -- Frank was always well
24 prepared. He did a fantastic job; always professional;
25 always making -- no matter what the decision of the

1 Commission was, whether to admit something into evidence,
2 make it part of the record or the final decision, he did a
3 fantastic job for his clients making sure that all the "i"s
4 were dotted and all the "t"s were crossed and always, always
5 handled himself very professionally, very capably. His
6 clients should have known, if they didn't, that they had a --
7 they had a giant working for them. He did a fantastic job on
8 their behalf. So I thank you for your comments. And on
9 that, I don't know if any of my fellow colleagues have
10 comments regarding Mr. Palazzolo. I will certainly miss him.
11 Commissioner Gaffney?

12 COMMISSIONER GAFFNEY: Thank you, Mr. Chairman.
13 Yes, I think Frank was almost like one of a kind. He had the
14 perfect temperament for somebody who has to go in and, you
15 know, stand before you and sometimes he was such a nice guy,
16 you have to rule against him when he is wrong, but he never
17 seemed to let that bother him and he would come right back
18 the next time and, you know, be friendly and have an even
19 personality and he never took things personally. He was
20 someone we can all learn a lesson from; that to keep our own
21 personal biases out of when we come before the Commission or
22 our actions as an attorney. So I really have the highest
23 regard for Frank and I just want everybody to know it. Thank
24 you, Mr. Chairman.

25 CHAIRMAN DELONEY: Commissioner Quimby?

1 COMMISSIONER QUIMBY: Frank is definitely already
2 missed. We have had so many good conversations about so many
3 different things from histories in southeast Michigan with
4 local units of government to different judges, to different
5 fine legal points out of the Commission's Liquor Control Act
6 and there is no doubt that Frank represented all of his
7 clients to the best of his abilities every time he came
8 before us. As the Chairman mentioned, he was always so well
9 prepared and no matter how mad he was at us, he left on a
10 pleasant note saying, we will see you next time. So we
11 definitely will miss him.

12 CHAIRMAN DELONEY: Thank you, Commissioner Quimby.
13 Absolutely; he will be missed and he is missed already.
14 Thank you, Mike.

15 That is it for the individuals who indicated a
16 desire to speak this morning, but we also have cards from
17 those folks who are present this morning. Chris Bernard with
18 Bodman; good morning, Chris. I see you are right in front.
19 Karel Bush with the Michigan Grape & Wine Industry Council;
20 good morning. Brett Visner, Michigan Beer & Wine
21 Wholesalers; good morning. Randy Rogers, Great Lakes
22 Beverage; good morning. A.J. Mathews, West Side Beer
23 Distributing; good morning. John Bicknell with Fabiano
24 Brothers; good morning. Joanie O'Sullivan with John P.
25 O'Sullivan Distributing; good morning. John Roshopp,

1 Petitpren. Charlie Cove with Dan Henry Distributors; good
2 morning. Marc Zack with Republic National Distributing
3 Corporation; good morning. Steve Rocho, also with RNDC.
4 Brian Pizzuti, also with RNDC. Don Nunn with Meijer and
5 Scott Ellis with Michigan Licensed Beverage Association. Joe
6 Cekola, with Imperial Beverage. And Jim Moran of Luxco.
7 Good morning to all of you. Thank you to all of you for
8 attending. Those are the cards that we have this morning.

9 If any other Commissioners wish to make any
10 comments? I just have a couple of quick things. It has been
11 a very busy and productive year, I think, for the Commission.
12 Commissioners Clemente and Gaffney continue to work their
13 dockets expeditiously and fairly and professionally, making
14 sure that licensees are held accountable for violations of
15 the Act, while at the same time, making sure that they are
16 hearing all of the facts of the case and making appropriate
17 decisions and we thank them for their efforts throughout the
18 year.

19 I also want to thank our staff team, many of which
20 are in the back of the room. We never have -- it is not
21 often when we go into a meeting with staff where we say,
22 nope, got nothing for you today. We are always throwing new
23 things at them; asking them questions, challenging them to
24 help take us in new directions. They are always answering
25 the call and we could not be where we are without them and I

1 also want to thank you, Mike, for your comments with regard
2 to the staff. It is very much appreciated.

3 Next year promises to be even bigger for us. One
4 of the things we are most excited about is the fact that if
5 things remain on schedule and we are hopeful that by the Fall
6 of 2016, our very outdated, slow and -- our software system
7 our licensing software system is going to be replaced. We
8 are very much held back by what technology we currently have.
9 There is a lot of things that you would like to do; that
10 staff have a lot of great ideas. As a matter of fact, we had
11 a discussion with some of our licensing staff yesterday.
12 They had an idea and unfortunately, the technology
13 limitations that we have just don't allow us to do certain
14 things that we want to do. But again, we are very hopeful
15 and excited about our new sales force system that we are
16 going to have. Again, looks like it is on track as of now
17 for Fall of '16.

18 We are also very grateful to the Legislature for
19 appropriating scarce and limited taxpayers' dollars to the
20 Commission and entrusting the Commission with those dollars
21 to make sure that we have an updated system.

22 We have a couple of process improvement teams that
23 are at work, as we speak, in the area of licensing
24 investigations, as well as our forms. A lot of exciting
25 changes taking place and we are also very excited that in our

1 Licensing Division, we are currently updating processes and
2 procedures to streamline how we handle requests to transfer
3 interest. The attorneys in the room know that many of the
4 requests that are brought before the Commission are not just
5 a transfer of the whole ownership of a licensed entity, but
6 to transfer interest within a licensed entity as a
7 shareholder who is being bought out or as a shareholder
8 coming in or a stockholder or a member of an LLC. We get --
9 I don't even know how to quantify it, but hundreds -- could
10 be even more than that annually -- just requests to transfer
11 interest. Listening to some attorneys who brought their
12 concerns to our attention, as well as talking about these
13 issues with staff, we have come up with several different
14 solutions to some problems which will eliminate many
15 unnecessary internal tracking processes that we have and
16 requests for documentation and this is going to result in a
17 much more expeditious and efficient handling of requests to
18 transfer interest.

19 We are going to be making changes to our forms that
20 attorneys and licensed entities can be looking forward to
21 next month and we will be identifying the changes on those
22 forms. So we are very excited about that and again, want to
23 thank different attorneys for bringing their concerns to our
24 attention, but also again, to our staff for sitting down with
25 us and coming to the table with a lot of great ideas to help

1 solve these customer problems. Are there any other
2 Commissioners who want to make any comments before we close
3 the hearing? Commissioner Gaffney?

4 COMMISSIONER GAFFNEY: Well, yes; Happy Holidays to
5 everyone and this January 16 will celebrate my seventh year
6 with the Commission and it has been a great pleasure and a
7 learning experience. When I was appointed, I had no idea
8 what the Liquor Control Commission does and I tried to find
9 out. I still don't know. No, I am just kidding. So it has
10 been great working with such a group of professional people.
11 I think the industry is a great industry to be associated
12 with. There is a lot of professionalism, a lot of ethics
13 that go into it and I am proud to be a part of it. Merry
14 Christmas and Happy New Year, Hanukkah and Kwanzaa.

15 CHAIRMAN DELONEY: Thank you, Ed. Commissioner
16 Clemente?

17 COMMISSIONER CLEMENTE: No. He just forgot
18 Festivus.

19 CHAIRMAN DELONEY: December 23rd, Festivus. Get
20 the pole out of the crawl space, right? Commissioner Quimby?

21 COMMISSIONER QUIMBY: Thank you, Mr. Chairman. I
22 would just like to say thanks to everybody who took time out
23 of their very busy schedules to come here today and for those
24 that spoke or wrote something. Thank you for taking the time
25 to do that. We do take the comments that we receive very

1 seriously and any other emails or communications that you
2 want to provide to us throughout the year, not just this
3 particular point in time. The more detailed comments we get,
4 the better. We again, do appreciate any of those. Our
5 staff, it is nice to hear some comments. We get a lot of
6 those. Actually, I know when I go to different places, one
7 of the first things I hear about is how helpful our staff is
8 when people are here dealing with different parts of the
9 Licensing process and Enforcement process and Hearings and
10 Appeals and things like that. So we definitely, definitely
11 have a great staff here. Thank you.

12 CHAIRMAN DELONEY: Thank you very much and with
13 that, we will -- I will make a motion in a moment -- or
14 accept a motion in a moment to close the hearing.

15 COMMISSIONER CLEMENTE: So moved.

16 CHAIRMAN DELONEY: But before I do, I want to wish
17 everybody a very Merry Christmas, Happy New Year and Happy
18 Holidays and wish you and your organizations and companies
19 nothing but success in the year 2016. We look forward to
20 working with all of you and hearing from all of you and we
21 look forward to another productive year in 2016. So with
22 that, I will entertain a Motion to Adjourn.

23 COMMISSIONER CLEMENTE: So moved.

24 CHAIRMAN DELONEY: Moved by Commissioner Clemente.
25 Is there a second?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COMMISSIONER QUIMBY: Second.

CHAIRMAN DELONEY: Seconded by Commission Quimby.
Any discussion on the Motion? Hearing none, all in favor
will indicate by saying aye.

COMMISSIONER CLEMENTE: Aye.

COMMISSIONER GAFFNEY: Aye.

COMMISSIONER QUIMBY: Aye.

CHAIRMAN DELONEY: Aye. The ayes have it. We are
adjourned.

(Hearing concluded at about 10:45 a.m.)

* * *

I HEREBY CERTIFY that I reported stenographically,
the foregoing testimony and proceedings on the date and place
hereinbefore set forth; that the same was later reduced to
typewritten form, and that the foregoing is a true, full and
correct transcript of my stenographic notes so taken.

Lori K. DeClercq, CSR-3053

Dated: February 29, 2016