



ADMINISTRATIVE
MEETING OF THE
MICHIGAN LIQUOR CONTROL COMMISSION

Held: Tuesday, August 30, 2011
Lansing District Office

Present: Andrew J. Deloney, Chairman
Donald B. Weatherspoon, Commissioner
Teri L. Quimby, Commissioner
Andy Neumann, Director of Administrative Services Division
Steve Robinson, Director of Finance Division
Julie Wendt, Director of Executive Services Division
Tom Hagan, Director of Enforcement Division
Pam Hamilton, Deputy Director of Finance Division
Tim Kovacik, Deputy Director of Executive Services Division
Felepe Hall, Assistant Attorney Generals Office
Andrea Miller, Executive Services Division
April Laverty, Executive Services Division
Anita Fawcett, Executive Services Division

The meeting was called to order by Chairman Deloney at 11:26 a.m., noting that a quorum was present.

- I. **Moved by Commissioner Quimby, supported by Commissioner Weatherspoon, and unanimously carried, that the minutes of the Commission meeting of August 23, 2011, be approved as written and presented.**

- II. Mr. Robinson gave a brief summary of the 2009-2010 Annual Financial Statement. He advised this report show the results of our operation for the period of October 1, 2009 through September 30, 2010, and is compared with the 2008-2009 fiscal year. Mr. Robinson advised that Distilled Spirit case sales were up 143,260 (2.1%) during the 2009 – 2010 year, Total Gross Sales are lower than last year by \$1.9 million (.2%). He advised that income transferred to the General Fund from the sale of liquor, was lower this year by \$3.9 million (approximately 2.4%), and that Total Revenue collected during the 2009 – 2010 year shows a decrease of \$3,151,713 over the prior year. Chairman Deloney advised the Commission will be looking at how the Annual Financial Statements are distributed, either by mail or electronically, and will examine the issue of printing the statement.

Moved by Commissioner Weatherspoon, supported by Commissioner Quimby, and unanimously carried, that the financial report for the Fiscal Year of 2009 through 2010, be accepted.

- III. Chairman Deloney stated the next item on the agenda was a request for a declaratory ruling by Michigan Brewing Company, Inc. He asked if there was anybody who wished to make a comment. Attorney Seth Tompkins responded that he represents Michigan Brewing Company, Inc., and if the Commission had any questions regarding this issue, he would be available. Attorney Brian O'Keefe advised that he represents Best Brew Finance Company, LLC, the defendants in the ongoing litigation filed in Ingham County Circuit Court against Michigan Brewing Company, Inc. and that he did not feel it was appropriate for the Commission to issue a declaratory ruling when there was ongoing litigation, with some of the parties involved not holding a liquor license.

Chairman Deloney summarized the request and stated that the information available to the Commission indicates that Michigan Brewing Company entered into a contract brewing agreement with DBC Holdings, whose managing member appears to be Richard Gheri who also appears to be the managing member of Detroit Beer Company. He advised that based on various terms of agreement, as well as information gathered by the Commission's Enforcement Division, the Commission issued a violation complaint against Michigan Brewing Company for accepting aid and assistance from Detroit Beer Company, contrary to MCL 436.1609, and that a violation was also issued against Detroit Beer Company for providing aid and assistance to Michigan Brewing Company, contrary to MCL 436.1609 and obtaining an indirect financial interest in Michigan Brewing Company, contrary to MCL 436.1603(1). Chairman Deloney advised both entities chose not to contest the violation complaints and the Commission issued orders finding them responsible for each of the violations, with the orders clearly articulating the Commission's conclusions of law based on the specific factual findings of each violation. He advised these issues are being adjudicated through the legal process and are clearly outside the purview of the Commission both in general and as it relates to this request for a declaratory ruling.

Moved by Chairman Deloney, supported by Commission Quimby, and unanimously carried, that Michigan Brewing Company, Inc. request for a declaratory ruling is denied.

- IV. Old Business

There was no old business.

V. New Business

There was no new business.

VI. Public Comments

There were no public comments.

With no further business, moved by Commissioner Quimby, supported by Commissioner Weatherspoon, that the business meeting be adjourned at 11:37 a.m., motion carried by unanimous vote.

Andrew J. Deloney
Chairman

Anita Fawcett
Executive Services