

BUSINESS MEETING OF THE

MICHIGAN LIQUOR CONTROL COMMISSION

- Held: Tuesday, December 12, 2017 Lansing District Office 525 W Allegan Lansing MI 48933
- Present: Andrew J. Deloney, Chairman Teri L. Quimby, Commissioner Dennis Olshove, Commissioner
- Absent: None
- Staff: Pam Hamilton, Director of Finance Division Anita Fawcett, Administrative Assistant

The meeting was called to order by Chairman Deloney at 9:34 a.m., noting a quorum was present.

- I. Moved by Commissioner Olshove, supported by Commissioner Quimby, that the minutes of the Commission meeting of November 28, 2017, be approved as written and presented, motion carried by unanimous vote.
- **II**. Ms. Hamilton presented the E-Quote reports for product listings in three 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 December 31, 2017:

| COMPANY/ADA | PRODUCT | PACK SIZE |
|---|--|---|
| A. Hardy/U.S.A. Ltd. (NWS Michigan, LLC) Bacardi U.S.A., Inc. | 750ml Glenburgie 25 Yr. First Edition 750ml MacAllan 21 Yr. First Edition 750ml Thatcher's Blood Orange 750ml Bacardi Gran Reserva Ltd Rum | 6 Bottles 6 Bottles 6 Bottles 6 Bottles |
| (General Wine & Liquor Co.) Black Sea Imports, Inc. | 750ml Elite XO Blk/Citr Car Decanter 750ml Elite XO Blk/Red Car Decanter 750ml Elite XO Blk/Yell Car Decanter 750ml Elite XO Buffalo Decanter 1000ml Elite XO Golden Dog Decanter 750ml Elite XO Red/White Car Decanter | 6 Bottles 6 Bottles 6 Bottles 6 Bottles 4 Bottles 6 Bottles 6 Bottles |

| Brown-Forman Corporation (General Wine & Liquor Co.) Chatham Imports, Inc. | 750ml Elite XO Sky Blue Car Decanter 750ml Elite XO Violin Decanter 1000ml Elite XO Violin Glass Decanter 750ml Benriach Cask Strength Batch 2 750ml Benriach Csk Str Btch 2 Peated 750ml Benriach 10 Yr. Ltd 2006 Release 750ml Glendronach Single Cask 27 Yr. 750ml Michter's 25 Yr. Ltd Release BBN | 6 Bottles 6 Bottles 6 Bottles 6 Bottles 6 Bottles 6 Bottles 6 Bottles 1 Bottle |
|--|---|---|
| (NWS Michigan, LLC) DiSaronno International, LLC (General Wine & Liquor Co.) | 750ml The Irishman Single Malt | 6 Bottles |
| Frank-Lin Distillers Products (NWS Michigan, LLC) | 375ml Category Five Sluricane Hurric Rum | 12 Bottles |
| William Grant & Sons, Inc. (NWS Michigan, LLC) | 750ml Tullamore Dew Rum Cask Finish | 6 Bottles |
| Heaven Hill Distillieries, Inc. | 375ml Lunazul Blanco Tequila | 12 Bottles |
| (General Wine & Liquor Co.) | 375ml Lunazul Reposado Tequila | 12 Bottles |
| Innovative Wine & Spirits, LLC | 750ml Not Your Father's Bourbon | 6 Bottles |
| (General Wine & Liquor Co.) | | |
| Jay Midwest, Inc. | 375ml Jinro Green Grape Liqueur | 20 Bottles |
| (Chinese Import & Export) | | |
| List Distillery LLC | 375ml Mr. Tom's Spirits Caffe Latte | 12 Bottles |
| (CKL Corporation) | 375ml Mr. Tom's Spirits Pumpkin Latte | 12 Bottles |
| Nawrocki Imparts, LLC | 375ml Bull Run Chinato Barrel Aged | 12 Bottles |
| (CKL Corporation) | 375ml Bull Run Regnig Dag Aquavit | 12 Bottles |
| Pernod Ricard USA, LLC | 750ml Midleton Bluebell Forest | 3 Bottles |
| (NWS Michigan, LLC) | 750ml Smooth Ambler Old Scout 107 | 6 Bottles |
| | 750ml Smooth Ambler Old Scout Single | 6 Bottles |
| PRP Enterprises, LLC | 750ml G4 Anejo Tequila | 6 Bottles |
| (CKL Corporation) | 750ml G4 Blanco Tequila | 6 Bottles |
| | 750ml G4 Extra Anejo Tequila | 6 Bottles |
| | 750ml G4 Reposado Tequila | 6 Bottles |
| Remy Cointreau USA, Inc. | 200ml Westland Variety 3 Pk Scotch | 18 Bottles |
| (NWS Michigan, LLC) South Beach Spirit Co., LLC | ZEAml Elorido Kush Anoio Toguilo | 6 Bottles |
| (NWS Michigan, LLC) | 750ml Florida Kush Anejo Tequila | 0 DOILIES |
| Stoli Group (USA), LLC | 750ml Cenote Anejo Tequila | 6 Bottles |
| (General Wine & Liquor Co.) | 750ml Cenote Blanco Tequila | 6 Bottles |
| , | 750ml Cenote Reposado Tequila | 6 Bottles |
| | 50ml Stoli Crushed Mango PL | 60 Bottles |
| | 50ml Stolichnaya Cucumber PL Vodka | 60 Bottles |
| The Edrington Group USA, LLC | 750ml Highland Park The Dark 17 Yr. | 3 Bottles |
| (NWS Michigan, LLC) | 750ml MacAllan Exceptional Sngl Cask | 1 Bottle |
| , | · • | |

| Diageo Americas, Inc. | 750ml Lagavulin 8 Yr. Scotch | 6 Bottles |
|-----------------------------|-------------------------------|-----------|
| (NWS Michigan, LLC) | 750ml Rhetoric 24 Yr. Bourbon | 6 Bottles |
| WJ Deutsch & Sons, Ltd. | 1000ml Citadelle Gin | 6 Bottles |
| (General Wine & Liquor Co.) | | |

That the request of Two James Spirits LLC, holder of 2017 Brandy Manufacturer license, for addition of the following product to the approved products list with exceptions, be approved for listing, effective December 31, 2017; further prior to any sale and distribution of this product through the Commission's spirit distribution system, Two James Spirits LLC, must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for this product:

| PRODUCT | PACK SIZE |
|----------------------------|-----------|
| 750ml Backroom Jamaica Rum | 6 Bottles |

B. That the following requests for addition of product to the approved products list be approved for listing, effective December 31, 2017:

| COMPANY/ADA | PRODUCT | PACK SIZE |
|--|---|--|
| Sazerac North America, Inc. (NWS Michigan, LLC) | 750ml Caliber Carib Spiced Rum PL | 12 Bottles |
| Caffo Beverages Inc. (NWS Michigan, LLC) | 750ml Dominique Brandy | 12 Bottles |
| Coppercraft Distillery, LLC (General Wine & Liquor Co.) | 750ml Coppercraft Straight Rye | 12 Bottles |
| Frank-Lin Distillers Products (NWS Michigan, LLC) | 750ml Category Five Sluricane Sw Tea | 12 Bottles |
| Heritage Distilling Company, Inc. (NWS Michigan, LLC) | 750ml Heritage Lavender Vodka | 12 Bottles |
| High Five Spirits, LLC (General Wine & Liquor Co.) | 750ml Petoskey Stone Gin | 12 Bottles |
| Impex Beverages, Inc. (NWS Michigan, LLC) | 750ml West Wind Bourbon | 12 Bottles |
| Les Cheneaux Distillers, Inc (CKL Corporation) | 750ml Straits Vodka | 12 Bottles |
| List Distillery LLC (CKL Corporation) | 750ml Mr. Tom's Spirits Apple Pie Rum 750ml Mr. Tom's Spirits Coconut Rum 750ml Mr. Tom's Spirits Dark Rum 750ml Mr. Tom's Spirits Key Lime Pie 750ml Mr. Tom's Spirits Spiced Rum 750ml Mr. Tom's Spirits Sugar Free Vodka 750ml Mr. Tom's Spirits White Rum | 12 Bottles 12 Bottles 12 Bottles 12 Bottles 12 Bottles 12 Bottles 12 Bottles |

| MHW, Ltd. (General Wine & Liquor Co.) | 750ml Bols Ginger Liqueur 750ml Bols Mango Liqueur 750ml Bols Pineapple Chipotle 1000ml Bols Root Beer Liqueur | 12 Bottles 12 Bottles 12 Bottles 12 Bottles |
|---|---|--|
| MISA Imports, Inc. (NWS Michigan, LLC) | 1750ml Kirkland Irish Whiskey | 6 Bottles |
| Stoli Group (USA), LLC | 750ml Stoli Crushed Mango Vodka | 12 Bottles |
| (General Wine & Liquor Co.) | 1000ml Stoli Crushed Mango Vodka | 12 Bottles |
| | 750ml Stolichnaya Cucumber Vodka | 12 Bottles |
| | 1000ml Stolichnaya Cucumber Vodka | 12 Bottles |
| Diageo Americas, Inc. | 375ml Crown Royal Bourbon Mash | 24 Bottles |
| (NWS Michigan, LLC) | 750ml Crown Royal Bourbon Mash | 12 Bottles |

That the request of Blue Sky Brewing, LLC, holder of 2017 Small Distiller license, for addition of the following products to the approved products list, be approved for listing, effective December 31, 2017; further prior to any sale and distribution of these products through the Commission's spirit distribution system, Blue Sky Brewing, LLC, must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for these products:

<u>PRODUCT</u> 750ml Thornapple Artisan Spirits Vodka PACK SIZE 12 Bottles

That the request of D'Still, LLC, holder of 2017 Small Distiller license, for addition of the following products to the approved products list, be approved for listing, effective December 31, 2017; further prior to any sale and distribution of these products through the Commission's spirit distribution system, D'Still, 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 Motor City Gas Black Eye BBN | 12 Bottles |
| 750ml Motor City Gas Burnout Bourbon | 12 Bottles |

That the request of Iron Fish Distillery, LLC, holder of 2017 Small Distiller license, for addition of the following product to the approved products list, be approved for listing, effective December 31, 2017; further prior to any sale and distribution of this product through the Commission's spirit distribution system, Iron Fish Distillery, LLC, must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for this product:

<u>PRODUCT</u>

750ml Iron Fish Cask Aged Dark Rum

That the request of Les Cheneaux Distillers, Inc., holder of 2017 Small Distiller license, for addition of the following products to the approved products list, be approved for listing, effective December 31, 2017; further prior to any sale and distribution of these products through the Commission's spirit distribution system, Les Cheneaux Distillers, Inc., must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for these products:

PACK SIZE

12 Bottles

PRODUCT

750ml Straits Vodka Signature Series Vodka

That the request of Two James Spirits LLC, holder of 2017 Small Distiller license, for addition of the following product to the approved products list, be approved for listing, effective December 3, 2017; further prior to any sale and distribution of this product through the Commission's spirit distribution system, Two James Spirits LLC, must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for this product:

| PRODUCT | PACK SIZE |
|-------------------------------------|------------|
| 750ml Two James Backroom Peated BBN | 12 Bottles |

B. That the following requests for addition of product to the approved products list be approved for listing, effective January 28, 2018:

| <u>COMPANY/ADA</u> | PRODUCT | PACK SIZE |
|------------------------------------|------------------------------|------------|
| Luxco, Inc. (NWS Michigan, LLC) | 1000ml Juarex Silver Liqueur | 12 Bottles |

C. That the following requests for promotional or special packaging be approved for listing, effective December 31, 2017:

| COMPANY/ADA | PRODUCT | PACK SIZE |
|---|---------------------------------------|--------------|
| Bacardi U.S.A., Inc. (General Wine & Liquor Co.) | 1750ml Bacardi Oakheart w/200ml Supr | 6 Bottles |
| Constellation Brands, Inc. | 750ml Svedka Vodka w/50ml Blue Rasp | 12 Bottles |
| (General Wine & Liquor Co.) | 1750ml Svedka Vodka w/100ml Pm Gr A | mb 6 Bottles |
| Pernod Ricard USA, LLC | 1000ml Absolut Citrus Vareity 6 Pk | 6 Bottles |
| (NWS Michigan, LLC) | 375ml Absolut Lime w/50ml Absolut 80 | 24 Bottles |
| | 50ml Jameson Candy Canes 4 Pk | 120 Bottles |
| | 375ml Martell Blue Swift w/100ml VSSD | 12 Bottles |
| Sazerac Company, Inc. (NWS Michigan, LLC) | 1750ml Southern Comfort PL w/50ml SC | 80 6 Bottles |

| Stoller Imports, Inc. (NWS Michigan, LLC) | 750ml Outerspace w/Sun Glasses | 6 Bottles |
|--|--|--|
| Diageo Americas, Inc. (NWS Michigan, LLC) | 750ml Baileys Original w/2-50ml 750ml Capt Morgan Locunut w/50ml Cr Ap 750ml Capt Morgan Spiced w/2-50ml 1750ml Smirnoff 80 w/2-50ml Vod & Appl | 12 Bottles 6 Bottles 12 Bottles 6 Bottles |

After discussion, the following product is denied:

| <u>COMPANY</u> | PRODUCT | PACK SIZE |
|-----------------------|--|------------|
| Veritas Vineyard, LLC | 750ml Grand River Distilling Agave Teq | 12 Bottles |
| (Small Distiller) | | |

Moved by Chairman Deloney, supported by Commissioner Olshove, that the above actions be taken in accordance with the E-Quote reports as written, and presented, dated December 8, 2017; motion carried by unanimous vote.

III. Old Business.

There was no Old Business.

IV. New Business.

There was no New Business.

V. Public Comments.

There were no Public Comments.

With no further business, moved by Commissioner Olshove, supported by Commissioner Quimby, that the business meeting be adjourned at 9:40 a.m., motion carried by unanimous vote.

Andrew J. Deloney Chairman

Anita Fawcett Administrative Assistant



BUSINESS MEETING OF THE

MICHIGAN LIQUOR CONTROL COMMISSION

Held: Tuesday, December 19, 2017 Lansing District Office 525 W Allegan Lansing MI 48933
Present: Andrew J. Deloney, Chairman Teri L. Quimby, Commissioner Dennis Olshove, Commissioner
Absent: None
Staff: Pam Hamilton, Director of Finance Division Teri Chase, Commission Aide

The meeting was called to order by Chairman Deloney at 9:36 a.m., noting a quorum was present.

- I. Moved by Commissioner Olshove, supported by Commissioner Quimby, that the minutes of the Commission meeting of December 12, 2017, be approved as written and presented, motion carried by unanimous vote.
- II. Chairman Deloney advised that a request for a declaratory ruling was received from Scott Newman-Bale of Shorts Brewing Company (petitioner) on November 21, 2017 and that the Commission, under administrative rule R 436.1973(1) has 30 days to notify the petitioner whether a declaratory ruling will be issued. Chairman Deloney stated that the petitioner asks for clarification on what is allowable as barware under MCL 436.1609(11). He advised a letter of support was received from Attorney Scott Breen on behalf of Michigan Beer & Wine Wholesalers Association, on December 4, 2017. After discussion on the record, Chairman Deloney stated that this request for a declaratory ruling should be considered by the Commission.

Motion made by Chairman Deloney to grant the request to issue a declaratory ruling on MCL 436.1609(11) of the Michigan Administrative Code, supported by Commissioner Olshove, motion carried by unanimous vote.

Chairman Deloney announced that under administrative rule R 436.1973(2) the Commission is obligated to issue the declaratory ruling within 90 days which is no later than March 16, 2018. He invited anyone that wishes to submit written comments for Commission consideration must do so on or before February 26, 2018.

III. Chairman Deloney advised that a request for a declaratory ruling was received from Attorney Brennen J. Gorman on behalf of Wesco, Inc. (petitioner) on November 22, 2017 and that the Commission, under administrative rule R 436.1973(1) has 30 days to notify the petitioner whether a declaratory ruling will be issued. Chairman Deloney stated that the petitioner asks for (1) a standard or non-exhaustive list of services to be used in calculating the minimum inventory requirement created by MCL 436.1541, in a manner similar to the Commission's Administrative Order dated February 26, 2008 regarding qualified inventory; and (2) determine a means by which a licensee may report those expenses to the Commission and tally them toward the \$250,000.00 threshold. Chairman Deloney advised the inventory requirement is a valid discussion topic, even though the statutory language is clear that the inventory amount exclude alcohol and gas. He believes the request should be denied.

After a brief discussion on the issue, it was **Moved by Chairman Deloney**, supported by Commissioner Olshove, that the request for a declaratory ruling be denied, motion carried by unanimous vote.

IV. Chairman Deloney advised a request to increase the fees paid to the Authorized Distribution Agents (ADA) has been received. After review and discussion, the Commission finds that a new Administrative Order should be approved to increase the per case ADA distribution fee, and that any previous orders pertaining to the per case ADA distribution fee, should be rescinded.

Moved by Chairman Deloney, supported by Commissioner Olshove, that Administrative Order 2017-05, Per Case ADA Distribution Fee, be approved as written and presented, motion carried by unanimous vote.

V. Old Business.

There was no Old Business.

VI. New Business.

Chairman Deloney advised that some note-worthy industry people were retiring in the near future; Attorney John Carlin, Michigan Grocers Association President Linda Gobler, and Meijer Compliance Specialist Don Nunn. He advised they will be sorely missed for their knowledge and contribution to the liquor industry.

VII. Public Comments.

There were no Public Comments.

With no further business, moved by Commissioner Olshove, supported by Commissioner Quimby, that the business meeting be adjourned at 9:50 a.m., motion carried by unanimous vote.

Andrew J. Deloney Chairman