

BUSINESS MEETING OF THE

MICHIGAN LIQUOR CONTROL COMMISSION

Held: Tuesday, February 6, 2018

Lansing District Office

525 W Allegan Lansing MI 48933

Present: Andrew J. Deloney, Chairman

Dennis Olshove, Commissioner

Absent: Teri L. Quimby, Commissioner

Staff: Pam Hamilton, Director of Finance Division

Liliana Paceagiu, Deputy Director of Finance Division

Anita Fawcett, Administrative Assistant

The meeting was called to order by Chairman Deloney at 9:32 a.m., noting a quorum was present.

- I. Moved by Commissioner Olshove, supported by Chairman Deloney, that the minutes of the Commission meeting of January 30, 2018, 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 February 25, 2018:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	PACK SIZE
A. Hardy/U.S.A. Ltd. (NWS Michigan, LLC)	750ml Brown Jug American Spiked Appl 750ml DeMontal V.S. Armagnac	6 Bottles 6 Bottles
(14470 Michigan, ELO)	750ml DeMontal X.O. Armagnac	6 Bottles
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	750ml Bacardi Gran Reserva Diez Rum	6 Bottles
Balcones Distilling LLC	750ml Balcones Baby Blue Strght Corn	6 Bottles
(General Wine & Liquor Co.)	750ml Balcones Brimstone Strght Corn	6 Bottles
	750ml Balcones Rumble Whiskey	6 Bottles
	750ml Balcones Texas Sngl Malt	6 Bottles

Sazerac North America, Inc. (NWS Michigan, LLC)	50ml 99 Six Flav Counter Display PL	60 Bottles
Temperance Distilling Company (CKL Corporation)	50ml Piece of Cake Chocolate PL Vodka	60 Bottles
Castle Brands (USA) Corp. (NWS Michigan, LLC)	750ml Jeffersons Chefs Collaboration	6 Bottles
Fetzer Vineyards (NWS Michigan, LLC)	750ml Kentucky Peerless Rye	6 Bottles
Graton Spirits Company LLC (General Wine & Liquor Co.) Heaven Hill Distilleries, Inc. (General Wine & Liquor Co.)	750ml D. George Benham's Gin 750ml Redwood Empire American Whsky 375ml Elijah Craig Small Batch Bourbon	6 Bottles 6 Bottles 12 Bottles
Jem Beverage Company, LLC (NWS Michigan, LLC)	750ml Western Son Blueberry Vodka 50ml Western Son Blueberry Vodka 200ml Western Son Blueberry Vodka	6 Bottles 60 Bottles 12 Bottles
	375ml Western Son Blueberry Vodka 50ml Western Son Lime Vodka 375ml Western Son Lime Vodka 750ml Western Son Lime Vodka	12 Bottles 60 Bottles 12 Bottles 6 Bottles
	200ml Western Son Peach Vodka 200ml Western Son Prickly Pear Vodka 200ml Western Son Texas Vodka	12 Bottles 12 Bottles 12 Bottles 12 Bottles
	50ml Western Son Watermelon Vodka 200ml Western Son Watermelon Vodka	60 Bottles 12 Bottles
Charles Jacquin Et Cie, Inc.	375ml Western Son Watermelon Vodka 750ml Western Son Watermelon Vodka 750ml Pravda Vodka	12 Bottles 6 Bottles 6 Bottles
(General Wine & Liquor Co.) Long Road Distillers LLC (NWS Michigan, LLC)	375ml Long Road Raspberry Liqueur	12 Bottles
MHW, Ltd. (CKL Corporation)	750ml Vdka 6100 Vodka	6 Bottles
MHW, Ltd. (General Wine & Liquor Co.)	750ml Goral Cranberry Master Vodka 750ml Goral Grapefruit Master Vodka 50ml Goral Vodka 750ml Goral Vodka	6 Bottles 6 Bottles 144 Bottles 6 Bottles
Mango Bottling, Inc. (NWS Michigan, LLC) Old Elk Distilleries, LLC (General Wine & Liquor Co.)	50ml Travis Hasse Apple/Cow/Cherry 50ml Tooters Bamama-Hama PL 50ml Tooters Melon Balls PL 750ml Dry Town 10 Botanicals Gin 750ml Dry Town Four Grain Gin 750ml Nooku Bourbon Cream	60 Bottles 60 Bottles 60 Bottles 6 Bottles 6 Bottles 6 Bottles

	750ml Nooku Bourbon Cream Pppermnt	6 Bottles
	750ml Old Elk Strght BBN Whiskey	6 Bottles
Ole Smoky Distillery, LLC	750ml Ole Smoky Moon Strw-Mango	6 Bottles
(NWS Michigan, LLC)	50ml Ole Smoky Moonshine Blue Flame	48 Bottles
Park Street Imports LLC	750ml Berentzen Icemint Schnapps	6 Bottles
(General Wine & Liquor Co.)	750ml Berentzen Wild Cherry	6 Bottles
	375ml Codigo 1530 Anejo Tequila	12 Bottles
	750ml Codigo 1530 Anejo Tequila	3 Bottles
	375ml Codigo 1530 Blanco Tequila	12 Bottles
	750ml Codigo 1530 Blanco Tequila	6 Bottles
	375ml Codigo 1530 Origen Extra Anejo	12 Bottles
	750ml Codigo 1530 Origen Extra Anejo	3 Bottles
	750ml Codigo 1530 Reposado	6 Bottles
	375ml Codigo 1530 Rosa Blanco	12 Bottles
	750ml Codigo 1530 Rosa Blanco	6 Bottles
	750ml Corner Creek KY Strt BBN	6 Bottles
	750ml Caravedo Mosto Verde Brandy	6 Bottles
Pernod Ricard USA, LLC	1000ml Monkey 47 Gin	3 Bottles
(NWS Michigan, LLC)	•	
Prairie Creek Beverages LLC	375ml Nue Vodka	12 Bottles
_	750ml Title No 21 Bourbon	6 Bottles
	750ml Title No 21 Oak Barrel Whiskey	6 Bottles
	750ml Title No 21 Rye	6 Bottles
Shand Import, LLC	750ml Corte Vetusto Ensamble	6 Bottles
(NWS Michigan, LLC)	750ml Corte Vetusto Espadin Mezcal	6 Bottles
	750ml Corte Vetusto Tobala Mezcal	6 Bottles
Serralles USA, LLC	50ml Barrow's Intense Ginger Liq	60 Bottles
(NWS Michigan, LLC)		
Shaw-Ross International	750ml Ron Anejo Botran Rsrv Blanca Rum	6 Bottles
Importers, LLC	750ml Ron Anejo Botran Sol 1893-18 Yr.	6 Bottles
(NWS Michigan, LLC)	750ml Ron Anejo Botran 12 Yr. Rum	6 Bottles
Luxco, Inc.	50ml Rebel Yell Variety Case PL	60 Bottles
(NWS Michigan, LLC)	·	
	750ml Square One Bergamot Vodka	6 Bottles
(NWS Michigan, LLC)		
Diageo Americas, Inc.	750ml Johnnie Walker Black Jane Wlkr	6 Bottles
(NWS Michigan, LLC)		
Ugly Dog Distillery, LLC	750ml Lost Legacy Rare Find Whiskey	6 Bottles
(General Wine & Liquor Co.)		
Three Bines Hopped Spirits	750ml Three Bines Hopped Whiskey	6 Bottles
(NWS Michigan, LLC)		

Vision Wine & Spirits, LLC 100ml The Bitter Truth Variety 5 Pk 60 Bottles (General Wine & Liquor Co.)

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 April 1, 2018:

COMPANY/ADA	<u>PRODUCT</u>	PACK SIZE
Deluxe Vodka Ltd. (NWS Michigan, LLC)	750ml Monnet XO Cognac	6 Bottles
Laird and Company	750ml Lazzaroni Amaro	6 Bottles
(NWS Michigan, LLC)	750ml Lazzaroni Triplo	6 Bottles
MHW, Ltd.	750ml Casamigos Mezcal Joven	6 Bottles
(General Wine & Liquor Co.)	1000ml Casamigos Mezcal Joven	6 Bottles
	100ml Limousin Rye	24 Bottles
Pernod Ricard USA, LLC (NWS Michigan, LLC)	1000ml Royal Salute The Sword Scotch	1 Bottle

B. That the following requests for addition of product to the approved products list be approved for listing, effective February 25, 2018:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	PACK SIZE
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	750ml Bacardi Anejo Cuatro Rum	12 Bottles
Sazerac North America, Inc.	50ml 99 Mangoes Schnapps	120 Bottles
(NWS Michigan, LLC)	750ml 99 Mangoes Schnapps	12 Bottles
	100ml 99 Mangoes Schnapps	48 Bottles
Jim Beam Brands Co.	200ml Cruzan 151 PL Rum	48 Bottles
(NWS Michigan, LLC)	375ml Dekuyper Triple Sec PL	24 Bottles
	750ml Old Overholt Bonded Straight Rye	12 Bottles
Boffo Brands, LLC	750ml Muscashine Brandy	12 Bottles
(NWS Michigan, LLC)		
Fifth Generation Inc.	50ml Tito's Handmade Vodka PL	120 Bottles
(NWS Michigan, LLC)		
Gray Skies Distillery, LLC	750ml Gray Skies Coffee Liqueur	12 Bottles
(NWS Michigan, LLC)	750ml Gray Skies MI Strt BBN Whiskey	12 Bottles

Green Door Distilling Company (CKL Corporation)	750ml Backpack Java	12 Bottles
Heaven Hill Distilleries, Inc. (General Wine & Liquor Co.)	750ml Admiral Nelson's Silver Rum 1750ml Admiral Nelson's Silver Rum 1000ml Evan Williams White Bttl Bond	12 Bottles 6 Bottles 12 Bottles
LeVecke Corporation	1000ml Jesse James America's Outlaw	12 Bottles
(General Wine & Liquor Co.)	375ml Jesse James Americas Outlaw PL	24 Bottles
Mash Mavericks, Inc.	750ml Michigrain Grain Vodka	12 Bottles
(NWS Michigan, LLC)	750ml Michigrain Potato Vodka	12 Bottles
M.S. Walker, Inc.	750ml Peleton DeLa Muerte Tequila	12 Bottles
(General Wine & Liquor Co.) Misa Imports, Inc.	750ml Kirkland Signature 20 Yr. Scotch	12 Bottles
(NWS Michigan, LLC)	750111 KIIKland Signature 20 11. Scotch	12 Dotties
New Holland Brewing	375ml New Holland Beer Barrel BBN	24 Bottles
Company, L.L.C.	375ml New Holland Knickerbocker Gin	24 Bottles
(NWS Michigan, LLC)		
Park Street Imports LLC	50ml Berentzen Bushel & Barrel	120 Bottles
(General Wine & Liquor Co.)		
Proximo Spirits, Inc.	50ml Bushmills Red Bush	120 Bottles
(NWS Michigan, LLC)	375ml Bushmills Red Bush	24 Bottles
Sazerac Company, Inc.	50ml Fireball Party Bucket PL 20 Pk	120 Bottles
(NWS Michigan, LLC)	200ml Miles' London Dry Gin	48 Bottles
	375ml Miles' London Dry Gin	24 Bottles
	750ml Miles' London Dry Gin 1000ml Miles' London Dry Gin	12 Bottles 12 Bottles
	50ml Miles' London Dry Gin	12 Bottles
	100ml Miles' London Dry Gin PL	48 Bottles
	1750ml Miles' London Dry Gin PL	6 Bottles
Luxco, Inc.	1000ml Arrow Orange Curacao	12 Bottles
(NWS Michigan, LLC)	G	
Campari America LLC	50ml Skyy Watermelon Vodka	120 Bottles
(General Wine & Liquor Co.)	750ml Skyy Watermelon Vodka	12 Bottles
	1000ml Skyy Watermelon Vodka	12 Bottles
	1750ml Skyy Watermelon Vodka	6 Bottles
Star Industries, Inc.	1000ml Georgi French Vanilla Vodka	12 Bottles
(NWS Michigan, LLC)	1000ml Georgi Grape Vodka 50ml American Anthem Vodka	12 Bottles
Diageo Americas, Inc. (NWS Michigan, LLC)	750ml American Anthem Vodka	120 Bottles 12 Bottles
(1444 O IVIIOI II GAIT, LLO)	1750ml American Anthem Vodka	6 Bottles
	750ml Cascade Blonde Whiskey	12 Bottles
	750ml George Dickel Tabasco Whiskey	12 Bottles
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750ml Ketel One Botanical Gpfrt&Rose	12 Bottles
1000ml Ketel One Botanical Gpfrt&Rose	12 Bottles
750ml Ketel One Botanical Peach&Oran	12 Bottles
1000ml Ketel One Botanical Peach&Oran	12 Bottles
50ml Tenstar PL Vodka	120 Bottles
750ml Tenstar PL Vodka	12 Bottles
1750ml Tenstar PL Vodka	6 Bottles
1000ml Llord's Peach Schnapps	12 Bottles

The Black Prince Distillery, Inc. 1000ml Llord's Peach Schnapps (NWS Michigan, LLC)

Infinium Spirits Inc. 1000ml Seagram's Apple Vodka 12 Bottles

That the request of Ann Arbor Distilling Company, LLC, holder of 2017 Small Distiller license, for addition of the following product to the approved products list, be approved for listing, effective February 25, 2018; further prior to any sale and distribution of this product through the Commission's spirit distribution system, Ann Arbor Distilling Company, 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 Water Hill Apple Brandy LE 12 Bottles

That the request of 18th Amendment, LLC, holder of 2017 Small Distiller license, for addition of the following products to the approved products list, be approved for listing, effective February 25, 2018; further prior to any sale and distribution of these products through the Commission's spirit distribution system, 18th Amendment, LLC, must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for these products:

<u>PRODUCT</u>	PACK SIZE
1000ml 18 th Amendment BBN Whiskey PL	12 Bottles
200ml 18 th Amendment Rye	48 Bottles
1000ml 18 th Amendment Rye PL	12 Bottles

That the request of Gray Skies Distillery, LLC, holder of 2017 Small Distiller license, for addition of the following products to the approved products list, be approved for listing, effective February 25, 2018; further prior to any sale and distribution of these products through the Commission's spirit distribution system, Gray Skies Distillery, LLC must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for these products:

PRODUCT	PACK SIZE
750ml Gray Skies MI Strt BBN Whiskey	12 Bottles
750ml Gray Skies MI Strt Rye Whiskey	12 Bottles

That the request of Mash Mavericks, Inc., holder of 2017 Small Distiller license, for addition of the following products to the approved products list, be approved for listing, effective February 25, 2018; further prior to any sale and distribution of these products through the Commission's spirit distribution system, Mash Mavericks, Inc., must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for these products:

PRODUCT	PACK SIZE
750ml Michigrain Spirit from Grain	12 Bottles
750ml Michigrain Spirit from Potato	12 Bottles

B. That the following requests for addition of product to the approved products list be approved for listing, effective April 1, 2018:

Deluxe Vodka Ltd.	750ml Monnet VS Cognac	12 Bottles
(NWS Michigan, LLC)	750ml Monnet VSOP Cognac	12 Bottles
Proximo Spirits, Inc.	50ml Three Olives Rose Vodka	120 Bottles
(NWS Michigan, LLC)		

That the request of Blue Sky Brewing, LLC, holder of 2017 Small Distiller license, for addition of the following product to the approved products list, be approved for listing, effective April 1, 2018; further prior to any sale and distribution of this product 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 this product:

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

C. That the following requests for promotional or special packaging be approved for listing, effective February 25, 2018:

COMPANY/ADA	<u>PRODUCT</u>	PACK SIZE
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	375ml D'Usse VSOP w/50ml GG Vodka	12 Bottles
Serralles USA, LLC (NWS Michigan, LLC)	750ml Death's Door w/50ml Barrow's Gin	6 Bottles

After discussion, the following products were denied:

COMPANY	<u>PRODUCT</u>	PACK SIZE
Jem Beverage Company, LLC	375ml Western Son Watermelon	12 Bottles
(NWS Michigan, LLC)		
MHW Ltd.	375ml Twisted Shotz Party Pack 1	6 Bottles
(NWS Michigan, LLC)	375ml Twisted Shotz Party Pack 2	6 Bottles
DV Spirits, LLC	750ml Dulce Vida Blanco w/Naranja 2 Pk	12 Bottles
(NWS Michigan, LLC)		
MHW, Ltd.	750ml Tubi 60 Original	12 Bottles
(General Wine & Liquor Co.)		
Stewart Spirit and Beverage, LLC 750ml Voo Ultra w/Netflix-Music Dnld		12 Bottles
(NWS Michigan, LLC)		

Moved by Commissioner Olshove, supported by Chairman Deloney, that the above actions be taken in accordance with the E-Quote reports as written, and presented, dated February 1, 2018; motion carried by unanimous vote.

III. Ms. Paceagiu 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. She advised there were sixty one (61) different licensees requesting price reductions; that 1314 product price reductions could be approved; and that there was one (1) product price reduction to be denied.

Moved by Commissioner Olshove, supported by Chairman Deloney that the 1314 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 Chairman Deloney, 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. Old Business.

There was no Old Business.

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V. New Business.

There was no New Business.

VI. 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 9:38 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, February 13, 2018

Lansing District Office

525 W Allegan Lansing MI 48933

Present: Andrew J. Deloney, Chairman

Teri L. Quimby, Commissioner Dennis Olshove, Commissioner

Absent: None

Staff: Liliana Paceagiu, Deputy Director of Finance Division

Anita Fawcett, Administrative Assistant

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 February 6, 2018, be approved as written and presented, motion carried by unanimous vote.
- II. Chairman Deloney stated there would be no Special Price Reductions to review as there was a computer issue that precluded staff from being able to bring in the requests for consideration.
- III. Ms. Paceagiu requested approval to write off a number of uncollectible accounts. She advised this is routine information sent to the Michigan Department of Treasury regarding outstanding debts that the Commission has not been able to collect for licensees that are no longer active. Ms. Paceagiu stated that the Michigan Department of Treasury will attempt to collect the debt and if successful, the Commission receives 40% to 50% of the outstanding debt.

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the information concerning the uncollectible debts be forwarded to the Michigan Department of Treasury for collection, as written and presented, motion carried by unanimous vote.

IV. Chairman Deloney advised a request for a declaratory ruling was received from Short's Brewing Company (petitioner) on November 21, 2017. At a meeting on December 19, 2017, the Commission granted the request for a declaratory ruling.

Chairman Deloney stated that the petitioner asks for clarification on what is allowable as barware under MCL 436.1609(11), as a retail licensee would like to embroider the petitioner's logo or wordmark on their employee's shirts, at their own expense. The petitioner is asking whether the logoed shirt qualifies as acceptable barware. Chairman Deloney noted that a letter in support of this activity was received from Attorney Scott Breen on behalf of Michigan Beer & Wine Wholesalers Association, on December 4, 2017. A short discussion followed and the following motion was made:

Moved by Chairman Deloney, supported by Commissioner Olshove, that the declaratory ruling be issued which concludes that that the shirts described in Short's request do not constitute allowable barware pursuant to MCL 436.1609(11) because the shirt would promote a brewery as opposed to a specific beer or wine as the statute allows. Even if changes were made to the proposed logo to include a specific beer name, this scenario still arises to conduct that constitutes a "joint effort between licensees . . . to advertise alcoholic liquor." Mich Admin Code, R 436.1001(1)(d). Further, the barware shirts would be an item advertising Short's as a company and also include the name of the retail establishment – a violation of Mich Admin Code 436.1319(1) and (3). The vote was taken as:

Chairman Deloney Aye
Commissioner Quimby Nay
Commissioner Olshove Aye

As there were two aye votes and one nay, the motion was carried.

Commissioner Quimby did not vote in favor of this, noting her disagreement with the Commission's conclusion. She stated that the issue in question is whether or not the licensee can authorize the use of its company logo to a retailer, for use by the retailer, at the retailer's expense. Commissioner Quimby opines that the Commission's analysis falls short, since it does not consider such factors as First Amendment rights. Also, the federal language concerning "cooperative advertising" in 27 CFR, Part 6, Subpart C, Section 6.52 is not considered. This language clearly states that "cooperative advertising" is "an arrangement in which an industry member participates with a retailer in paying for an advertisement placed by the retailer constitutes paying the retailer for advertising within the meaning of the Act." Commissioner Quimby notes the statutes concerning alcoholic beverages

in Michigan do not address "cooperative advertising" and concludes that the cooperative advertising rule may not have a statutory umbrella to stand other, and further appears to be contrary to the federal language. The declaratory ruling request indicates that the retailer, and the retailer alone, will be paying any costs.

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 Commissioner Quimby, that the business meeting be adjourned at 9:55 a.m., motion carried by unanimous vote.

	Andrew J. Deloney Chairman	_
Anita Fawcett Administrative Assistant		