



STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LIQUOR CONTROL COMMISSION

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In the matter of Value Added Packages)
for Distilled Spirits, Distributed by the Authorized)
Distribution Agents)

General Wine & Liquor Company, Inc.)
373 Victor Avenue)
Highland Park, MI 48203)

NWS Michigan, Inc.)
17550 Allen Road)
Brownstown, MI 48192)

Chinese Import & Export Co.)
1100 Owendale – Suite F)
Troy, MI 48083)
_____)

At the September 11, 2012 meeting of the Michigan Liquor Control Commission
(Commission) in Lansing, Michigan.

PRESENT: Andrew J. Deloney, Chairman
Teri L. Quimby, Commissioner
Dennis Olshove, Commissioner

ADMINISTRATIVE ORDER NO. 2012-06
DISTILLED SPIRIT VALUE ADDED PACKAGES

Under Article IV, Section 40, of the Constitution of Michigan (1963), the Commission shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. MCL 436.1201(2) provides the Commission with the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the manufacture, importation, possession, transportation and sale thereof. Further, administrative rule R 436.1802(14) authorizes, the Commission by order to establish further business operating procedures for authorized distribution agents (ADAs) relative to the wholesaling and distribution of spirits.

Previously the Commission approved an Administrative Order on July 24, 2001 establishing criteria for the listing of spirit products with additional merchandise attached as value-added packages. The existing Order did not contemplate certain packaging currently being marketed as well as other changes occurring over the years in this industry.

After review and discussion of these issues at the meeting, the Commission finds that a new Administrative Order should be approved.

THEREFORE, IT IS ORDERED THAT:

- A. The Administrative Order of the Commission dated July 24, 2001 is hereby RESCINDED.
- B. The following business operating procedures are APPROVED:
 1. The ADAs shall warehouse and distribute "value-added packages", defined as a package that contains a spirit product and either non-alcoholic merchandise or another spirit product.

2. The ADAs may warehouse and distribute value-added packages in Michigan with or without an up charge or surcharge.
 3. The ADAs shall not warehouse and distribute a value-added package that is lower in price than the spirit product without the additional merchandise.
 4. The ADAs shall warehouse and distribute only those value-added packages where the product quotation includes an accurate photograph or electronic image of the package.
 5. The ADAs shall warehouse and distribute value-added packages that include additional spirit product(s) limited to 50 ml size added bottles. Up to four 50 ml size bottles may be added to a purchased bottle of at least a 750 ml size. No more than one 50 ml size added bottle may contain the same spirit product as the purchased bottle. All of the added 50 ml size bottles must contain different spirit products from each other. Only one 50 ml size spirit bottle may be added to a purchased bottle of a 375 ml size or smaller. All of the added 50 ml size bottles must contain spirit products that are currently available for sale in Michigan.
 6. The ADAs shall warehouse and distribute only those value-added packages that have been approved by the Commission.
 7. The ADAs are prohibited from separating the additional merchandise from value-added packages, including those packages that contain 50 ml size additional spirit bottles.
- C. This new Administrative Order is effective immediately.

Andrew J. Deloney, Chairman

Teri L. Quimby, Commissioner

Dennis Olshove, Commissioner

Date: September 11, 2012

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