



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

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

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

NWS Michigan, LLC)
17550 Allen Road)
Brownstown, MI 48192)

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

At the March 3, 2015 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. 2015-02
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 to establish, by order, further business operating procedures for authorized distribution agents (ADAs) relative to the wholesaling and distribution of spirits.

The Commission finds that distilled spirit value added package requirements are necessary to regulate distilled spirit value added packages offered for sale within the state. The existing distilled spirit value added package requirements are outdated. The Commission is aware of national commercial trends in the distilled spirit industry. To better serve the retail licensees, vendors of spirits, and consumers in this state, new requirements are necessary.

After review and discussion of these issues at the meeting, the Commission finds that this Administrative Order should be approved to establish requirements for distilled spirit value added packages. Further, the Commission finds that Administrative Orders 2012-06 and 2012-08 dated September 11, 2012; Administrative Orders dated March 28, 2006, July 24, 2001, and November 4 1998; and Bulletins numbered 3145-17, 3120-17, 3099-17, 3067-17, 3024-17, and 2936-17, should all be rescinded immediately.

THEREFORE, IT IS ORDERED THAT:

- A. Administrative Orders issued by the Commission regarding distilled spirit value added package requirements and identified as Administrative Orders 2012-06 and 2012-08 dated September 11, 2012; and Administrative Orders dated March 28, 2006, July 24, 2001, and November 4 1998, are all hereby RESCINDED effective immediately.
- B. Bulletins issued by the Commission regarding distilled spirit value added package requirements and numbered 3145-17, 3120-17, 3099-17, 3067-17, 3024-17, and 2936-17 are all hereby RESCINDED, effective immediately.
- C. A manufacturer may offer for sale any of the following value added packages, after approval by the Commission:
 1. A package that contains one bottle of a distilled spirit product and non-alcoholic merchandise.

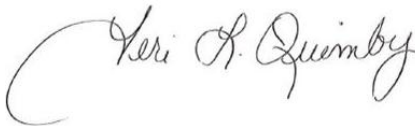
2. A package that contains two or more bottles of distilled spirit products and is priced at a discount of up to 33% of the total minimum retail shelf price of all of the separate distilled spirit product bottles in the package, and may also contain non-alcoholic merchandise.
3. A package that contains one 750 milliliter (ML), one 1.0 liter (L), or one 1.75 L size bottle of a distilled spirit product and bonus distilled spirit product not to exceed 200 ML, subject to the following:
 - a. The 200 ML maximum bonus quantity shall be met from one of the following:
 1. Not more than four 50 ML size bottles of bonus distilled spirit product.
 2. Not more than two 100 ML size bottles of bonus distilled spirit product.
 3. Not more than one 200 ML size bottle of bonus distilled spirit product.
 4. A combination of one 100 ML size bottle of bonus distilled spirit product and not more than two 50 ML size bottles of bonus distilled spirit product.
 - b. Not more than one of the bonus size bottles may include the same distilled spirit product as the 750 ML, 1.0 L, or 1.75 L size bottle. All other bonus size bottles shall contain different distilled spirit products from each other and from the 750 ML, 1.0 L, or 1.75 L size bottle.
 - c. All of the 50 ML size, 100 ML size, and 200 ML size bottles of bonus distilled spirit products shall contain distilled spirit products that are available for sale in Michigan.
4. A package that contains one 375 ML or one 200 ML size bottle of a distilled spirit product and not more than one 50 ML size bottle of bonus distilled spirit product, subject to the following:

- a. The bonus 50 ML size bottle may contain either the same distilled spirit product or different distilled spirit product from the 375 ML or 200 ML size bottle.
 - b. The bonus 50 ML size bottle of distilled spirit product shall contain distilled spirit product that is available for sale in Michigan.
- D. The certified ADAs shall warehouse and distribute only those distilled spirit value added packages that have been approved by the Commission.
- E. The certified ADAs shall not separate any of the items contained in a distilled spirit value added package approved by the Commission.
- F. Licensed retailers shall not separate any of the items contained in a distilled spirit value added package approved by the Commission.
- G. This Administrative Order is effective immediately.

MICHIGAN LIQUOR CONTROL COMMISSION



Andrew J. Deloney, Chairman



Teri L. Quimby, Commissioner



Dennis Olshove, Commissioner