



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

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In the matter of the request for contingency plans)
from Authorized Distribution Agents)
)
General Wine & Liquor Company, Inc.)
373 Victor Avenue)
Highland Park, MI 48203)
)
NWS Michigan, LLC)
13000 Eckles Road)
Livonia, MI 48150)
)
Imperial Beverage Company)
3825 Emerald Drive)
Kalamazoo, MI 49001)
)
_____)

At the November 18, 2021, meeting of the Michigan Liquor Control Commission (Commission) in Lansing, Michigan.

PRESENT: Pat Gagliardi, Chair
Dennis Olshove, Commissioner
Geraldyn A. Lasher, Commissioner

ADMINISTRATIVE ORDER NO. 2021-12
CONTINGENCY PLANS PROVIDED BY AUTHORIZED DISTRIBUTION AGENTS

Article IV, Section 40, of the Michigan Constitution (1963) permits the Legislature to establish a Liquor Control Commission, which shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. The Commission has 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, subject to the Liquor Control Code's provisions. MCL 436.1201(2).

The Commission may establish, by order, further business operating procedures for authorized distribution agents (ADAs) relative to the warehousing and distribution of spirits. Mich Admin Code, R 436.1802(14). Through this order, the Commission is requiring each Authorized Distribution Agent to provide a full contingency plan that sets forth the plans and procedures that the ADA will follow if something happens that affects the distribution and warehousing of liquor operations.

THEREFORE, IT IS ORDERED THAT:

Each ADA provide the Commission with its contingency plan (Plan) addressing the following concerns no later than 90 days from the issuance of this order:

- A. The Plan must contain an outline of the steps each department will take if a failure point occurs so the department can work around the failure point while accomplishing its necessary tasks of warehousing spirits and delivering retail licensees' orders in a timely and efficient manner with accountability. The Plan must contain at a minimum the following:
 1. Identification of each department and corresponding department manager and a description of the business processes each department handles and the tasks it oversees.
 2. A description of the failure points in each business process described. These failure points include, but are not limited to, events that can disrupt the completion of a process or task, such as natural disasters, pandemics, labor strikes, data loss, equipment and vehicle breakdowns, cyber or ransom attacks, or a hard drive crash that destroys financial data.
 3. Details of the probability that the failure points could occur and the impact that each failure point would have on operations.

B. Provide verification that the State of Michigan, Liquor Control Commission is an additional insured or loss payee for all insurance coverages that will protect the State against claims resulting from the business operations of each ADA. Specifically, each ADA should provide insurance coverages for personal property of others; theft disappearance, and destruction coverage; employee dishonesty coverage; general commercial liability coverage; and vehicle liability insurance coverage. This includes maintaining insurance on alcoholic beverages in storage or transit.

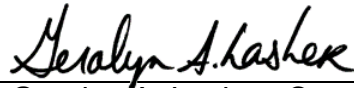
MICHIGAN LIQUOR CONTROL COMMISSION



Pat Gagliardi, Chair



Dennis Olshove, Commissioner



GERALYN A. LASHER, Commissioner