



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

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In the matter of the request of )  
**Michigan Beer and Wine Wholesalers Association** )  
**for a declaratory ruling regarding the legality of** )  
**Provi's business operations** )  
\_\_\_\_\_ )

At the December 18, 2025 meeting of the Michigan Liquor Control Commission (Commission) in Lansing, Michigan.

PRESENT: Kristin Beltzer, Chair  
Dennis Olshove, Commissioner  
Hoon-Yung Hopgood, Commissioner

**DENIAL OF DECLARATORY RULING REQUEST**

The Michigan Beer and Wine Wholesalers Association ("MBWWA") filed a request for a declaratory ruling on December 4, 2025. At a meeting held on December 18, 2025, the Commission denied the request to issue a declaratory ruling concerning the applicability of any state laws or administrative rules concerning which may prevent Provi from working with suppliers, distributors, or retailers in Michigan.

Under the Michigan Administrative Procedures Act, MCL 24.263, an interested person may request a declaratory ruling as to the applicability of a statute administered by the agency to an actual state of facts. Upon receipt of a request, the Commission has 30 days within which to notify the petitioner if it is granted or denied. Mich Admin Code, R 436.1973(1); R 436.1975. If granted the Commission must issue a ruling within 90 days of receipt of the request. Mich Admin Code, R 436.1973(2)(a)-(e). The Commission

may do the following if granted:

- May request more information from the Petitioner.
- May request information from other interested parties and experts outside of the Commission.
- May request oral or written arguments from interested parties.
- May hold a hearing upon proper notice.

If denied, the Commission shall issue a concise written statement of the principal reasons for denial within 30 days of the denial. Mich Admin Code, R 436.1975.

#### **I. Facts Presented**

According to information submitted in MBWWA's request, Provi is currently conducting business in Michigan by providing "*an online platform that allows wholesalers to track and market their inventory*" and "*facilitates sales directly from the Provi marketplace.*" It brings all three tiers of the alcohol industry (supplier, wholesaler, and retailer) together in a "three-tier supply chain." Provi does not hold any license under the Michigan Liquor Control Code ("Code"). However, MBWWA claims Provi is a market participant in the alcohol industry and is circumventing the Code by not being licensed. As such, MBWWA requests the Commission to issue a declaratory ruling finding that Provi is operating in violation of the Code and that it cannot continue to operate until it comes into compliance with the Code.

Provi's website claims it is "*the beverage industry's leading digital growth partner. More than \$5 billion in gross merchandise has flowed through its platform.*" It "*supports on- and off-premises retailers of every size, from independent bars and restaurants to*

*multi-unit hospitality groups and national chains. The platform streamlines how buyers discover products, communicate orders to sales representatives, and access distributor catalogs, bringing every part of their beverage program into one connected space.”*<sup>1</sup>

In 2022, Provi filed a federal lawsuit against distributors, Republic National Distributing Company, LLC (“RNDC”) and Southern Glazer’s Wine and Spirits, LLC (“Southern”), alleging anti-competitive conduct and tortious interference with Provi’s business. The lawsuit was recently settled between the parties in October of this year, but the terms of the settlement are unknown.<sup>2</sup> The complaint<sup>3</sup> filed in that action by Provi describes their business in pertinent part, as follows:

Provi is a new entrant with an ambitious goal to modernize the industry by offering a revolutionary online wholesale shopping experience and by offering all licensed distributors and retailers a one-stop-shop to browse and buy all available products for purchase . . .” “Provi offers a single marketplace where retailers can search for products across distributors, fill their shopping carts with products, and then click a button for Provi to communicate the order to all relevant parties for fulfillment.<sup>4</sup>

Provi’s marketplace saves retailers the headache and cost of dealing one-on-one with multiple individual distributors. It also gives visibility to the hundreds of small distributors across the country that only carry lesser-known or up-and-coming commodity or craft beverages.<sup>5</sup>

Provi offers an online marketplace to *facilitate* purchases from licensed retailers to licensed distributors.<sup>6</sup>

Online Alcohol Marketplaces give licensed retailers the ability to browse a wide range of products, easily compare prices of those products, view order histories, and communicate orders to one or more distributors, all through a convenient online portal that is accessible around-the-clock.<sup>7</sup>

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<sup>1</sup> <https://www.provi.com/company-news/provi-exceeds-5-billion-in-platform-gmv-cementing-its-role-as-the-beverage-industrys-leading-digital-growth-partner>

<sup>2</sup> [www.just-drinks.com/news/provi-settles-southern-glazers-suit/?cf-view](http://www.just-drinks.com/news/provi-settles-southern-glazers-suit/?cf-view)

<sup>3</sup> [www.provi.com/hubfs/Provi%20-%20Filed%20Complaint.pdf](http://www.provi.com/hubfs/Provi%20-%20Filed%20Complaint.pdf)

<sup>4</sup> Provi complaint, para 8.

<sup>5</sup> Provi complaint, para 9.

<sup>6</sup> Provi complaint, para 26.

<sup>7</sup> Provi complaint, para 163.

According to the MBWWA request, in 2022 Provi acquired SevenFifty Technologies, which enabled Provi to provide a more robust e-commerce marketplace allowing retailers to place orders even more efficiently through its online system. Notably, the Commission denied a declaratory ruling request of SevenFifty in 2017 declaring that they did not fall within the parameters of regulation by the Commission under the Code or rules. In relevant part the Commission determined:

As a data provider and technology company, SevenFifty is a searchable database platform that holds no interest in any license in any of the alcohol beverage tiers in Michigan and does not sell any alcoholic beverage products. Since wholesalers invoice retailers, all funds are paid directly by a retailer to the applicable wholesaler. SevenFifty is requesting specific clarification as to whether any of the Michigan Liquor Control Code or Rules would apply to SevenFifty.<sup>8</sup>

The Texas Alcohol Beverage Commission (TABC) issued a letter on March 22, 2024, concluding that Provi's e-commerce platform does not operate consistently with the Texas Code and disrupts Texas's three-tier system.<sup>9</sup> In relevant part the letter concluded:

First, using the platform, Provi takes orders for liquor from retailers and relays those orders to distributors. We have also learned that Provi will "follow up" on orders placed with distributors, checking on order status and the like. Because Provi is unlicensed, we believe it has run afoul of section 11.01(a)(2) of the Code, which generally requires a person to obtain a permit to take orders for liquor.

Second, some manufacturers purchase advertising space on the platform, which we understand significantly funds Provi's operations. On the other hand, retailers are not required to pay to use Provi's platform (though each retailer may be required to provide Provi with certain business information related to the retailer). Sections 102.07(a)(2) and 102.15(a)(1) of the Code generally prohibit manufacturers from furnishing or giving a service or thing of value to a retailer. Based on the information we have reviewed, we believe those manufacturers that purchase advertising space on Provi's

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<sup>8</sup> SevenFifty 2017 Declaratory Ruling

<sup>9</sup> 3/22/24 TABC letter

platform are effectively subsidizing retailers' use of the platform in violation of sections 102.07(a)(2) and 102.15(a)(1). Provi's platform enables that violation and thus does not operate consistently with the Code.

MBWWA states that while wholesalers are not required to do business with Provi, its online blending of the tiers and the benefits provided by its platform to suppliers and retailers in the form of advertising and access to information creates an unequal playing field and unfairly prejudices wholesalers who may not be using the platform.

## **II. Applicable Law & Analysis**

Article IV, Section 40 of the Constitution of Michigan of 1963 permitted the Legislature to establish the Commission, which shall exercise complete control of the alcoholic beverage traffic in this state, including retail sales, subject to statutory limitations. The Commission has general authority over alcoholic beverage products under MCL 436.1203, and other broad authority in the Code and rules: "*A person should not sell, deliver, or import alcoholic liquor... in this state unless the sale, delivery or importation is made by... a person licensed by the Commission.*" MCL 436.1203(1). The three-tier system of alcohol distribution is paramount to the distribution and regulatory control of alcohol in Michigan and across the nation. It is unquestionably legitimate. *Granholm v Heald* 544 U.S. 460, 489 (2005).

MBWWA states in its request that Provi is violating the Code and administrative rules by selling alcohol without a license. The Commission agrees that the Code's definition of sale is broad and includes "*the exchange, barter, traffic, furnishing, delivery or giving away of alcohol liquor.*" MCL 436.1111(8). And it does appear from Provi's own statements on its website that it may be engaged in selling or, at least, facilitating or

assisting in the sale of alcohol (wine, beer, mixed spirit drink, and spirits) in Michigan with respect to the use of its online platform. Provi advertises that it offers an online wholesale shopping experience to all licensed distributors and retailers as a one-stop shop to browse and buy all available alcohol products for purchase. According to Provi, its marketplace saves retailers the headache and cost of dealing one-on-one with multiple distributors. See footnotes 4 and 5. It facilitates purchases from licensed retailers to licensed distributors. See footnote 6.

MBWWA states that alcohol beverage orders are being placed through Provi and then the order is communicated to the wholesaler by Provi. Retailers can view invoices, synchronize multiple bank accounts, pay the wholesalers online, or set up autopay. Notably, the Code in Michigan provides for an integrated online ordering system for spirits and it is not clear whether Provi is indirectly interfering with that system. MCL 436.1206. And it is very concerning that TABC concluded in a letter that, under Texas law, Provi takes alcohol orders without the required license and disrupts the three-tier system by allowing manufacturers advertising to subsidize retailers' use of the platform for free. See footnote 9. Apparently, TABC was subsequently in discussions with Provi and Provi may have modified its business practices to comply with Texas law, but this is unknown.

MBWWA also asserts that Provi is violating aid and assistance and certain tied-house provisions of the Code, as well as illegal use and benefit of the licenses of other vendors. Provi is not a licensee. However, a licensee that participates with another entity that is required to be licensed should be aware that it may be subject to possible violations under the Code and administrative rules should the Commission determine that its involvement is contrary to the Code and administrative rules. For example, if the

Commission establishes that a licensee allows a person that is not named on its license to use or benefit from its license, the licensee may face a violation from the Commission under administrative rule R 436.1041. Furthermore, if the Commission determines that a supplier licensee provides something of value to a wholesaler or retailer licensee through the payment for advertising or other fee, the supplier may face a violation for providing aid and assistance to the other vendor under MCL 436.1609, and the wholesaler or retailer that accepts the aid and assistance may also face a violation.

This begs the question as to what type of license Provi would need under the Code and rules. MBWWA does not specify such in its request. Provi does not appear to be directly facilitating the sales of alcohol between the consumer and retailer. MCL 436.1203(15), (16) and (25)(p). Thus, it would not fit within the definition of a third party facilitator service. Provi does not warehouse or deliver alcohol for a retailer or wholesaler. As such, Provi does not appear to fall directly within the definition of a wholesaler or Authorized Distribution Agent, although it may be performing some of the same functions as one by facilitating sales and delivery to retailers through its platform. MCL 436.1113(8); MCL 436.1105(6). Provi may be required to acquire a salesperson or broker license under the Code and rules, but that is not clear without further fact development. See MCL 436.1502; 1609 and Mich Admin Code, R 436.1001. The Code and rules do not have an explicit provision like Texas wherein merely taking orders for alcohol and passing them on to a licensed wholesaler requires a license. See footnote 9. This may be a gap in the Michigan Code. Nevertheless, engaging in the alcoholic beverage business in Michigan is a highly regulated industry and entities wanting to do so should be forewarned:

...[A] person shall not sell, deliver, or import alcoholic liquor, including alcoholic liquor for personal use, in this state unless the sale, delivery, or

importation is made by the commission, the commission's authorized agent or distributor, an authorized distribution agent approved by order of the commission, a person licensed by the commission, or by prior written order of the commission. MCL 436.1203(1)

In this regard, the Commission encourages persons and entities to consult with their legal counsel before engaging in the alcohol business to determine whether a license is required. A violation of MCL 436.1203(1) is a criminal offense subject to prosecution under Michigan's criminal justice system. MCL 436.1904.

However, Provi is not a party to this declaratory ruling request and is likely to have a counter viewpoint from MBWWA on whether it is violating the Code and rules. Further, the Commission does not grant declaratory ruling requests when there is litigation or may be litigation that may involve some of the issues presented in this type of request. The Commission is not a court of law, nor does it want to risk interfering with it or the parties' settlement terms that follow from that litigation. Notably, the litigation between Provi, RNDC, and Southern was only recently settled. It is unknown what the terms of that settlement were and whether it is resulting in modifying Provi's business practices. Additionally, the Commission is not a body that has jurisdiction to adjudicate claims made against non-licensees involving whether their activity is legal or criminal. Those are matters that generally need to be investigated and prosecuted by law enforcement, not addressed by the Commission in a declaratory ruling. Moreover, any modification to the Code to address the issues presented in this matter would fall under the purview of the Michigan Legislature to address through legislation.

**III. Conclusion**

The Commission, therefore, respectfully denies the Michigan Beer and Wine Wholesalers Association's request for declaratory ruling.

MICHIGAN LIQUOR CONTROL COMMISSION



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Kristin Beltzer, Chair



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Dennis Olshove, Commissioner



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Hoon-Yung Hopgood, Commissioner