STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

SEMI-ANNUAL PUBLIC HEARING

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Proceedings had in the above-entitled case before Chair Kristin Beltzer, Commissioner Dennis Olshove, Commissioner Hoon Yung Hopgood, Commissioner Edward Toma, Commissioner Lee Gonzales, held at the Southfield District Office of the Michigan Liquor Control Commission Michigan, 25680 West Eight Mile, Southfield, Michigan, on Thursday, March 6, 2025.

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IN ATTENDANCE:

Daniel Vanderley, Michigan Foreclosure Experts
Abigail Tyner, Troy Community Coalition
Amanda Thompson, Alliance of Coalitions For Health Communities
Mark Medenblik, MI Beer & Wine Wholesalers
Jason Canvasser, Attorney
Joe Cekola, Imperial Beverage
Jim Moran, Luxco
James V. Bellanca, III, Attorney
Michael Brown, Attorney
Megan Iaccino, Great Lakes Wine & Spirits
Charlie Cove, Dan Henry Dist.
J.R. Roskopp, Petitpren, Inc.
Riley Hurley, Kelley Cawthorne
Brian Pizzuti, RNDC of MI
Keith McCue, Premium Dist. Of MI
Chris Talacko, Premium Dist. Of MI
Jim Permesane, MBWWA
Kelly Allen, Attorney
Chris Tower, Attorney

STAFF IN ATTENDANCE:

Robert Braner, MLCC Deputy Dir.
Kayla Swope, MLCC Dir. Of Enforcement
Anita Fawcett, MLCC Exec. Srvs.
David Marvin, Dir. Exe. Srvs.

Southfield, Michigan

Thursday, March 6, 2025 - 11:03 a.m.

CHAIR BELTZER: Good morning everyone. I want to welcome you to the March 6, 2025 meeting of the Michigan Liquor Control Commission. This is our Semi-Annual Public Hearing. Good to be here in Southfield.

The Michigan Liquor Control Commission would like to welcome you all here. This meeting is being held to provide a public forum for sharing your thoughts and comments with the MLCC, and we thank you for taking the time to be with us this morning.

With me this morning, I'm Commissioner Beltzer, joining me is Commissioner Olshove, Commissioner Hopgood, Commissioner Toma, Commissioner Gonzales.

This public hearing is being transcribed by our wonderful court reporter, too, Renette, so please state your name and your organization if you come up to the podium and speak with us. As always, if you have questions and specific issues that you would like to address with the Commission, we certainly welcome you to come to the podium and do that, but you also can spend a little time with our team after the meeting if you have some specific questions or anything that we

can do to assist you.

We're going to kind of continue the same format that we had previously in regards to letting you come up and speak to us. I think that everybody's getting a little comfortable because at this given moment we only have one person who wants to come up and talk to the Commission. For you brave souls that are sitting in rows three, four and five, I hope that you guys will still take a little time to just come up and share with us. Share the things that, for one, start with the things that we're doing well; and then, two, Mike Brown, you can remind us of the things that we can improve on. Mike, we can go as long as you need, that's what we're here for; we want to hear from you.

There's a lot of opportunity, I think, for us to continue to grow and learn; we're doing a lot of that right now. We just moved our offices from downtown Lansing out to the west side on Saginaw, and it's quite a lift. As anybody who knows when you got to pack up an entire office and team to move out to new digs, and they're a little smaller too. So we're doing the best we can to continue with a positive attitude and to embrace this new opportunity for us to grow and change in our new location, but that also leaves us room to grow and change with our stakeholders as well.

So we invite you to have an opportunity to share with us as always. Not only on this particular day or the meeting that we have in September, but any day of the year that you want to pick up the phone and you want to call and you want to discuss something with us, we certainly welcome that opportunity.

So with that, I'm going to go to our first speaker who is joining us today from Urbanrest Brewing Company, and that's Eric Vanderley -- how do you pronounce your last name, Eric?

MR. VANDERLEY: Vanderley.

CHAIR BELTZER: Vanderley. Welcome. Good to have you here. Come on up to the podium, and if you would state your name again for the reporter, that will be great.

MR. VANDERLEY: Good morning Chair, Commissioners, my name is Eric Vanderley. I'm here -- I'm here on my on behalf. I want to start by quoting the Chair from the last meeting on 9/19 in which the Chair said, so we appreciate the stakeholders and groups that get involved with us. I think everyone has got a place in this space to make sure that we're providing public service, protecting the public welfare and safety of its citizens, as well as providing an opportunity for people to have this in the State of

Michigan and to be entrepreneurs and business owners. At the same hearing, Commissioner, I believe it's pronounced, Olshove, said I would rather, in regard to people only saying nice things about the Commission, I would rather hear that people have things, suggestions to us or even criticize us. On that note, I have a bone to pick with the Commission.

The Forward of the Code, the Michigan Liquor Control Code states, the Commission believes that this cannot be accomplished -- I'm sorry, that this can be accomplished most effectively through selective licensing and strict enforcement.

CHAIR BELTZER: Eric, can I ask you to speak up a little bit?

MR. VANDERLEY: I'm sorry. The observance of all liquor laws and rules of the Commission is in the best interest of everyone, the public, the licensees and the alcoholic beverage industry. For anyone not paying attention there will be strict enforcement.

Rule 12. I'd like to discuss Rule 12. It's clear in its obligations on licensees to maintain their organizations in good standing with the State of Michigan via the Corporations Division. First, I'd like to speak in general terms. Based on my investigation updated yesterday, there are more than

600 distributors, manufacturers in retail operations in the State of Michigan that are currently failing to comply with their Rule 12 obligations, 600. This accounts for approximately 7 percent of the licensees that are included in my investigation. To be clear, this is completely unacceptable. These licensees are not allowed to sale alcohol, but even more they're not eligible for renewal of their license which is due by April 30, for many of them. This is a clear and palpable error in enforcement by the Commission, and a grave dereliction of your responsibilities to, one, protect members of the protected class as the code protects; and two, the compliant licensees, which I assume most of the people here are today.

I'm watching, and I'll take legal action if any of these licensees are granted renewals in the coming month while out of compliance.

Second, I'd like to discuss a case I'm familiar with. Urbanrest Brewing Company, whose company has been out of compliance with Rule 12 since March 2023; we're going on two years now, and this is not even close to the most flagrant violation I found. On or about September 23, 2024 I made a phone call and sent an e-mail to Carol Shepard of the Enforcement Division, highlighting Urbanrest's noncompliance with

Rule 12. No action was taken. No action was taken until January when Urbanrest was issued a warning, a warning. I filed a police report with the City of Ferndale Police Department on or about September 25, 2024, explained their obligations under MCR 436.1201. The police attest that they had contacted the Commission and owners and were instructed that the Urbanrest Brewing Company is in compliance with the code and there is no outstanding violation. This has been attested by the Chief of Police, Dennis Emmi. I filed a civil suit against Urbanrest for their noncompliance, but this action on my part does not excuse the Commission for your failure to regulate the industry and enforce the code.

Wait, there's more. Two times since early February I submitted complaints about the 600 enterprises that are operating illegally to the Office of the Attorney General. The AGD, representing the Commission, replied there are no violations and no action will be taken, but the complaint would be forwarded to the Enforcement Division for followup. No such followup has occurred.

At this point, the Commission won't act; the police won't act; the AG won't act. My only recourse is to seek a legal relief against the Commission in the

court of claims. Wait, there's even more. On or about October 18, 2024, 45 days before any warning was issued, nothing, a warning I believe is completely insufficient in this matter, but a warning was issued. Lucille Gould, representing the Commission, sent an e-mail to the Corporations Division asking about Urbanrest, stating, and I quote, I just want to talk to someone in the Corporations Department to see if there's anything we can do to help these entities get their name back and into good standing. The malfeasance here is palpable. The investigation was complete in October. The Commission knew that Urbanrest was out of compliance. Yet, a representative of the Commission attempted to advocate for the licensee that's out of compliance instead of taking any action to enforce the rules.

Further, Urbanrest does not hold a basic permit, yet the Commission approved a name change. The protected class deserves better. You, as a Commission, need to do better. Seven percent breakage in noncompliance is unacceptable. Strict enforcement is, in your own words, the order of the day. Now it's on you to comply and enforce compliance. It's my understanding that these statements of material facts must be placed -- there's a procedure that allows

statements of material facts to be placed before the Commission in order to have the agent and the agent's decision ruled on on whether compliance is made by both the Commission and the licensee. If this notice here today does not suffice to prove -- does not suffice to prove -- provide the notice required, I would appreciate the Commission provide the formula for submission that you so require.

For those interested, media packets will be available at the termination of this public hearing or by e-mailing me at simplemail@duck.com, with your media credentials. S-i-m-p-l-e-m-a-i-l@duck.com.

I will close again by quoting the words of the Chair that I quoted at the beginning of my statement. I think everybody, everybody has got a place in this space to make sure that we're providing public service, protecting the public welfare and safety of our citizens, as well as providing an opportunity for people in the State of Michigan and to be entrepreneurs and business owners. I'm doing my part, now will you? Thank you very much.

CHAIR BELTZER: Thank you Eric. We appreciate the time that you took to come to the Commission today. Certainly, you know, we'll have an opportunity to talk to the team a little bit about your

inquiry. Obviously, we'll have to do our due diligence as well, but I do hope that, Renette, you got the communication and contact information for you. We will discuss and potentially look back as we get the answers and we talk a little bit through this. We appreciate you taking the time today.

MR. VANDERLEY: Okay. Thank you so much.

CHAIR BELTZER: Thank you.

Anyone else wish to speak this morning or come to the podium and address the Commission?

I do want to say -- yes, Brett Visner from the Michigan Beer and Wine Wholesalers.

MR. VISNER: Brett Visner, Michigan Beer and Wine Wholesalers Association. Proud to be here today. Chair and Commissioners, we've got several Michigan distributors in the room. First, just want to simply say thank you for the work that you do, it's a big job, obviously, and we appreciate that and we appreciate all the staff as well; you got a great team carrying out the work of the Commission. We also appreciate the opportunity to have dialogue and communicate both with the association as well as our members, the Commission is always accessible, as well as staff so that we can have that dialogue and talk on issues that are affecting our members in the industry of the

wholesaler.

Just want to say thank you and hopefully we can continue that positive conversation and dialogue to make everything better as we can. Thank you.

CHAIR BELTZER: Thank you, Brett. Always enjoy the opportunity to work with you and to engage with your members. We appreciate Michigan Beer and Wine.

Assistant Attorney General Don McGehee.

MR. MC GEHEE: Good morning Commissioners. Just want to report what a great job the liquor illegal shipping team is doing working with us with hundreds of illegal bottles of alcohol, be it wine, be it whiskey, sometimes beer, that are coming in without paying taxes, without going through our three-tier system. We've had over 40 lawsuits, over 250,000 in fines. We've got something like 25 judgments under the Twenty-first Amendment Administrative Enforcement Act under federal law, and we do give everybody a warning, caution them and say they can get licensed to direct ship, and when we find out that they don't do that, that's when we're forced to have to file lawsuits. It takes a tremendous amount of resources, and I know that, I think -- don't hold me to the exact number, but I think we have something like 2600 hearings. Now, a

lot of those are resolved, for liquor violations and there's a tremendous amount of resources and time that goes into that. Do we catch everything? No, but I think we're doing a damn good job and I commend the Commission for that and the excellent relationship we have with you. So, thank you.

CHAIR BELTZER: Thank you, Don. We appreciate the good work of you and your department and your work with enforcement, too. I think that again we are looked at as a model all over the country in regards to the direct or illegal shipping, and I always appreciate that and people stop me and ask me and they commend the work that you do and an opportunity for us to be a leader in the industry, so thank you so much.

MR. MC GEHEE: Thank you so much.

CHAIR BELTZER: It looks like my good friend, former Commissioner, Geralyn Lasher, would like to come to the podium as well. She has been a great friend of the Commission and we appreciate her.

MS. LASHER: Thank you so much. Geralyn Lasher, Wine Institute. Happy to be here. Thank you so much. I just wanted to followup as Assistant Attorney General McGehee mentioned about direct consumer shipping. With the Wine Institute, we represent about a thousand California wineries. Direct

consumer shipping is very important for our licensed members. We are very appreciative of the work that goes on from the attorney general's office because they are making sure that, for instance, people who are not licensed and who want to portray themselves as a winery, are not able to ship their product in. Our winery members, we work very closely with them to try to make sure that they understand all of the shipping rules and regulations to make sure that our partners at UPS and FedEx are doing that appropriately as well. We appreciate the work that's done on all fronts with the Commission. I just wanted to express our appreciation and say hello.

CHAIR BELTZER: Well thank you so much, Geralyn, we appreciate that as well and we appreciate the wine industry and what they bring here in the State of Michigan. We've got some great partners all over the state so we appreciate that as well. Always good to see you. Thank you.

Anyone else?

A VOICE: Good morning.

CHAIR BELTZER: Good morning, how are you? Could you identify yourself please?

MR. TOBIAS: Yeah, hi. This is Mike Tobias with the Michigan Coalition to Reduce Underage

Drinking. Is it okay to give comments via the phone?

CHAIR BELTZER: Absolutely, Mike, go right ahead.

MR. TOBIAS: Thanks. Sorry I can't be there in person but on behalf of MCRUD, I thank you and the MLCC staff for the work that you do to keep our Michigan residents safe from alcohol misuse. I'm very pleased that Amanda Nys participated in meetings we are convening to revise Michigan's strategic plan to reduce underage drinking. In addition, we are grateful that David Marvin and Kayla Swope have agreed to present again at our annual conference in Gaylord on April 23rd; we hope that one of the Commissioners can join us as well.

I also want to invite you, the MLCC staff and the public to a webinar we are having later this month on March 26th from 12 to 1:00 p.m. on Zoom. The title of the webinar is Deregulation by Defunding, the Need For State Alcohol Regulatory Funding. Our presenters are Kelly Roberson, Director of the Center for Alcohol Policy, JT Griffin, I believe he's former Government Affairs of MADD National, and former MLCC Administrative Commissioner Chair, Pat Gagliardi. I'll be sure to share this information with Kayla and anyone is welcome to join us.

I appreciate all of you and Kayla Swope's ongoing support of MCRUD. Since criticisms are brought up again, I know Denise has said that a couple times. I'll say, overall, we really appreciate the work MLCC staff does, but we'd like to see MCRUD, and some of our coalition leaders across the state would like to see better and more easily accessible data about the retailers that operate in their communities. There is a lot of information from the website, but it's hard to filter through and see the retailers history of how well they've done in compliance without a lot of clicks. So I don't know if there's a better system or not, but if you could find one, that would be great.

MCRUD would also like to see more controlled buy operations performed by MLCC and local police departments. We believe there should be a systematic transparent process for all retailers who receive controlled buy operations, and if there's a violation, we'd recommend that there should be a followup inspection within 90 days. I appreciate the opportunity to speak today. I'm sorry I wasn't able to be there in person but keep up the good work.

CHAIR BELTZER: Thank you so much, Mike. We appreciate you taking the time with us this morning and sharing your thoughts. Appreciate the good work that

you do with MCRUD.

If you would like to speak to the Commission and you're on the phone this morning, we welcome your comments and feedback.

If you'd like to speak with the Commission and you're on the phone with us this morning, please identify yourself and we welcome your comments. I think we're good on the phone, here.

I'm going to turn it over to Commissioner Toma to share with us a little bit too, in terms of the work that you're doing, and we appreciate you being here.

COMMISSIONER TOMA: Thank you Chair Beltzer.

Good morning everyone. Thank you all for being here. In just a few moments you're going to hear from Commissioner Gonzales, we're both hearing Commissioners and you're going to hear some interesting numbers that he's put together. But I wanted to share and discuss with you little bit of what we do as hearing Commissioners. We are responsible for any MLCC related violation hearings. Our duties include a reviewing evidence, hearing testimony from the licensee or other witnesses and taking it all into consideration before rendering a decision. Our decisions or typically -- not typically, they are in the form of a

Commission order and they may include some type of monetary fine, suspension and possibly even a revocation of the license. We take no joy in handing down and considering some of these fines for these violations. Times are tough. The economy is tough and being a small business owner or being any business owner with a liquor license can be difficult at times and challenging. If you make a mistake or if you want to make some type of change, I suggest consulting with someone, I suggest educating yourself. There's a lot of great resources on the website. There's always someone from the MLCC staff whether it be licensing or enforcement that's available. I encourage everyone to take up those resources and educate yourself before making a decision and possibly causing and triggering a violation. That's pretty much it; that's all I have. Thank you everyone for being here.

CHAIR BELTZER: Thank you Commissioner Toma.

Commissioner Gonzales.

COMMISSIONER GONZALES: Thank you Madam Chair. I'm so grateful for everyone being here and expressing their ideas and how we can do better. The liquor code provides us the basis for how Commissioners enforce the law. The vast majority of licensees comply with the liquor code and administrative rules.

Violations do occur, and that's when a licensee at a violation hearing may be found responsible for a particular violation such as a sale to a minor, a non-sufficient fund electronic payment for the purchase of alcoholic liquor, gambling, sale to a non-bonafide member at a social club and other violations. I like how Edward put the framework together of how we proceed with our hearings. On occasion Commissioner Toma and I do have some outlier cases where a licensee's license and permits may be suspended, and in more egregious cases a revocation is warranted. I had a case last week that ended up with a revoked license, but overall, licensees do want to work with us to remedy their violation, and our enforcement division provides excellent guidance for the licensees. Plus, thanks to our enforcement investigators across the state and for your participation at the violation hearings.

Commissioner Toma referenced that we have some updated statistics provided by David Marvin, and these are year-to-date, January 1st to March 3, 2025. Cases adjudicated 329, total fines ordered $89,909, the largest fine $2,706, the smallest fine $50, and the average fine over this period $332.87. Dismissed cases, number 9, hearings scheduled 373, acknowledgments 203 and negotiated stipulations 54.

My gratitude goes to the assistant attorneys general, court reporters and our Zoom meeting platform hosts for their work at our hearings. I'm also grateful for Kerry Krone and David Marvin for their relentless pursuit of innovation. I want to thank the entire MLCC team for your commitment to continued improvements, and for your work with all of our partners to grow this industry and be the best Commission in the nation. Plus, I thank my fellow Commissioners for all you have done. I have learned a great deal from each of you.

Thank you Madam Chair for this opportunity and for your excise of leadership.

CHAIR BELTZER: Thank you Commissioner Gonzales. I appreciate you being here, appreciate the great work that you and Commissioner Toma do.

Commissioner Hopgood.

COMMISSIONER HOPGOOD: Hello everyone. It's good to be here, it's good to see everyone. I'm going on year two of this process and it's very interesting. It's a great opportunity to learn and lots of engaging with the folks out in the community and we appreciate the chances to do that. At the Commission we do work hard to provide a public service, a valuable public service, and I think probably the only comment --

there's a range of issues that we deal with but I would say and I think it's been said before and I think the chair has said it numerous times, hopefully this rings true, but we're a resource for people out learning how to try to deal with the system and try to work through whatever issues that they're working with and encountering. The idea is to maybe not get to some of the violations and some of the issues that come up; we're going to look at those and I think act accordingly, but we really, you know, if we can provide some information and we can provide some feedback, however, to make a process run well, that's what we'd like to do. I think that the Chair's said that a number of times, so I wanted to reenforce that because it's important and it's useful. Thank you.

CHAIR BELTZER: Thank you. We appreciate you, Commissioner Hopgood, you've been a great addition to our team.

Commissioner Olshove.

COMMISSIONER OLSHOVE: Thank you everybody for being here today. The wonderful, beautiful Commission's here. Thank you for all the praise, but I'm particularly interested in the gentleman that did come forward and speak. Obviously this don't happen very often when we have these meetings, but that's the

kind of thing we'd like to here.

You're from the Urbanrest Brewing Company?

MR. VANDERLEY: I don't represent the licensee, no.

COMMISSIONER OLSHOVE: Nevertheless, we like to hear that kind of thing. We have people here that are willing to listen. I don't know about the lawsuits and all that and what that interferes with what we can say, I think that's what the attorney general would say, but we're certainly here to try and listen to your issues; it's been a year. You can go to the top, like you're doing here, which I think is the way to do it when you're really frustrated in not getting things done. A couple of us up here have served in the legislature before, and there's always -- I get the feeling from some people that we're unapproachable, people write letters, nobody got back to them. I always tell people in the end, call them up, see if they can get -- stop at the office, bring three or four people with you. I understand, I'm looking out there, you're frustrated. I get it. But you're doing the right thing in taking it to the top, which we appreciate, and I know there's other people out there. We haven't done a perfect job for everybody, but then everybody says we're perfect and we're not; we all know

that, but I think after this meeting I'll be talking to you to see what's going on and what all this is about. But it takes a little bit of guts to come up and you're going on here, around the state, you made your point, people are listening, and that's what we want to do forever body. So those of you that are out there listening right now, I think surely there's frustrated people out there that want to stay something to the Commission. We all have phone numbers. Come in and visit us in our new office, knock on the door, I think the door's open. So appreciate your frustration but more importantly I'd appreciate you coming before and speaking up. Those are my comments.

CHAIR BELTZER: Thank you Commissioner Olshove.

I'm going to have Kerry Krone come up now. Kerry is our business manager, and it's really been such a great resource, one, for us the Commission, but she's a great leader and a great resource for our team and really kind of keeps all of the things moving forward on a daily basis. So I wanted Kerry to just kind of share with you a little bit of the highlights on the MLCC and our accomplishments in 2024.

Kerry, hi.

MS. KRONE: Hi, everyone. Good morning.

Thank you so much. Very kind of you, Madam Chair.

I always like to try and turn. I can talk to these guys everyday. I don't get to see the audience and talk to everyone that is with us on the phone line. David kind of hooked up, I think, specifically, because I tend to turn or sometimes move the furniture around so I can address you.

Just a few bits of information on what MLCC's been working on this past year, what we are continuing to strive to do in the future. Always trying to be innovative, great word to use, Commissioner, and make improvements.

As we kind of mentioned earlier, one big announcement is our Lansing office location has just recently moved. Yesterday was our first official day at a new location or the west side of Lansing. It's 7109 West Saginaw Street. All of our updated information is on our website if you ever need to use that. We're happy to be at that location. It's the same building the Public Service Commission is in, so if anyone is familiar with that in Lansing.

Our renewal for -- our annual renewal just started, that just kicked off this last weekend, March. So we do have individuals already renewing online, already printing their own license, if you remember we

have that functionality which works really well. This year is our requirement to renew online. If you do have any issues with that, there's information on our website and how to contact our team that can help step you through. We also have pretty good instructions that you can follow along as well. Again, if there are individuals that need assistance, our licensing renewal team is available through that web contact information for you to be able to get some assistance.

Some stats on that, just so you know what that team does every year is they renew well over 110,000 licenses and permits in that pretty much little over a month period of time. Also, besides that renewal process, our licensing team issues 9,000 special licenses a year; so those are not renewed, but that's something that's in addition; we're actually at a record number of those, we're right about 9,000 annually. We're are up to or exceeding the number of special licenses that we did at Covid or prior to Covid. So we feel that's really good news and kind of some good data points to show what's going on in communities within the State of Michigan.

Some other information based on what we do along with our partners. Michigan is setup in a three-tier system, we have suppliers, wholesalers and

retailers. In our supplier tier we have over 1200 licensees; in our wholesale tier we have over 100 licensees; and in our retail tier we have 20,000 licensees. And we have over 14,000 licensees that have the ability to order spirits from us, the State of Michigan, who is the wholesaler. So every single week over 14,000 licensees can place a weekly order.

With that information I want to kind of add a little data point for our ADA partners. We have three ADA partners that work with the state in order to help to get that product to our licensees. And those three ADAs make over 16,000 deliveries to the door of those licensees that request that, every week. Those three ADA partners also handpick over one million individual bottles every week in order to do those deliveries. So I find that a lot of you are looking, and saying wow. I can see your face expressions for those of you that are here. It really just gives, kind of, a picture of what is done on a weekly basis, consistent basis not only by our MLCC team but also our industry partners. Of course we also have, and maybe or our next update I need to get some data points from our wholesalers as to how many deliveries you guys do on a week, that's the beer and wine is also in addition to those spirit numbers that I just kind of indicated.

A little more background information for what MLCC did fiscal year '24. We closed that out in October, October 1st. It is unofficial numbers at this point until it's finally audited and close the books, but our sales were up unofficially about one percent; our case sales down maybe about a half percent or I would call that almost flat based on the numbers that we do, because we sell over ten point five million cases of spirits alcohol in fiscal year 2024, with over 14,000 products available for licensees to choose and consumers to choose.

We continue at MLCC to review those policies and procedures -- the continuation to review our product listings, our delisting processes. We've done some changes, not recently but about two years ago now we were trying to look in the future, looking at innovation, looking at trends, and we knew coming out of Covid and what was happening throughout the country, that our sales were going to probably dip. We want to do everything that we can to try and maintain that level of customer choice, product availability and, of course, revenue, not only for the State of Michigan, but any revenue for us also means revenue for our licensees and the businesses throughout the State of Michigan that are one of our partners as well. So we

have updated those to be a little more acceptable of products and delisting procedures. Again, it's something we want to continue to review and stay, I would say, up-to-date with as things change. We have more product listings now than ever. We continue to add new products every single month. A little over a year ago we added a new product which, again, thanks to some of the changes that the Commission did, we allow special labeling. So you can have, basically, two different labels but it's the same product, so the same liquid in the bottle. The first launch of that we were very pleased to see that within five months or less than five months there were three million dollars in sales for that particular product. So again we try to stay current; we try to stay innovative and up-to-date with what's going on and being able to help the state and our partners.

Other things we have that we're currently actively working on are some process improvements and pilot programs. We have our IT projects that we're updating and continuing to move forward with. We have some consistency and streamline reviews in process of current systems both with enforcement and within licensing. Our special licenses is one of those areas we're looking at. Again when we issue 9,000 special

licenses and we ask the individuals apply ten days or more in advance, we'd love it when it's of more. We like to say July 4 is always July 4 no matter what year it is, but we're looking at reviewing to see if we can streamline any of those application processes and procedures as well.

Lastly, in the past we've talked about when we launched in '24 MLCC On The Road; that is kind of an educational program where we go out and we listen and we educate and we are proactive with our communities, our licensees as well as local units of governments or even individuals that maybe want to become a licensee. We are continuing those efforts throughout the state. One new addition to that MLCC On the Road is we added a podcast. So hopefully many of you have been able to listen to that. We have, I think four or five maybe -- four, thank you David, launched already. We're going to continue to do those, we're actually going to continue to do those while we're on the road with different individuals and locations. So far it's been part of our staff team. We're going to expand that to be some of our industry partners as well as some of our licensees in the future.

So that's a quick summary of a few things all things MLCC. Thank you. If there's any questions.

Thank you very much.

CHAIR BELTZER: Again, our team is available here to speak with you after the hearing as well. I do want to say, special thank you to our enforcement leadership, we've got Rob Braner here as well our new Enforcement Director Kayla Swope. Kayla, are you in the back back there? Stand up and let everybody see you. Kayla was our deputy previously. She is hitting the ground running. As you can imagine it's a lot, drinking out of a firehose but she is just doing a championship job for us as well, and working very well with our other division leaders and talking and communicating, just making sure that everybody completely understands all of the pieces that go into this. You know you've heard me say it before and I want to reiterate that, you know, this is a two billion dollar business. There is a lot of work that goes into this and we certainly continue to be open to listening, to working with you, to improvement, as you heard Commissioner Gonzales say, continuous improvements. I think that we're doing that. That being said, there's a lot of things that go into this that we also can't discuss and that we have to work behind the scenes to make sure that we are doing our checks in the way that we should, that there is accountability, not only on

ourselves but the industry, the people that we work with as well. So we certainly welcome you to share with us not only on this one day, but as I said earlier with us, I think many of you in this room know that, that you can pick up the phone and you can call us. I think we've demonstrated that we want to be open and that we want to continue to help you and we want to grow to State of Michigan.

So Mr. Vanderley, I want you to know that we are going to address the issue that you brought up with us. Again, we appreciate you coming forth as Commissioner Olshove said, coming to the podium and sharing, and in the way that you did it, too. All of, this, and I think anybody that knows us, I mean, we certainly don't want to be contentious. We don't do this to make ourselves feel good, we're doing this for the public and were doing it for you, and we're doing it for the stakeholders here and just trying to lay a foundation really, so that the State of Michigan and your industries will be strong in really doing that for a time that we will not see. So we certainly are working to get better everyday and want to continue to partner and bring good products, safe products to the State of Michigan.

With that I think, Anita, we don't have

anymore speakers, we're all good to go.

It's been moved by Commissioner Olshove, supported by Commissioner Hopgood that we adjourn for the day.

Any discussion?

Hearing none. All those in favor say aye.

COMMISSIONER OLSHOVE: Aye.

COMMISSIONER HOPGOOD: Aye.

COMMISSIONER TOMA: Aye.

COMMISSIONER GONZALES: Aye.

CHAIR BELTZER: Aye.

We're adjourned everyone. Thank you so much for joining us. We look forward to seeing you again in September.

(Record concluded at 11:47 a.m.)

* * *

I HEREBY CERTIFY that I reported stenographically, the foregoing testimony and proceedings on the date and place hereinbefore set forth; that the same was later reduced to typewritten form, and that the foregoing is a true, full and correct transcript of my stenographic notes so taken.

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Renette L. Gibson, CSR-2731

March 17, 2025