

Product Returns To Wholesalers & Wine Makers

A Wholesaler, Wine Maker or Small Wine Maker shall not make product exchanges, adjustments or refunds with retail licensees except for keg beer that shows evidence of leakage, keg beer that is flat and not salable at the time of tapping, or other reasonable grounds approved by the Commission. The Commission annually issues a blanket Order approving product refund or exchanges with retailers for a variety of additional reasons.

The Commission approves product exchanges or refunds between retailers and wholesalers or wine makers for the following reasons:

- S Outdated product.
- S Seasonal closing of retail licensee.
- S Retail licensee going out of business or placing license in escrow.
- S Driver/Salesperson delivery error.
- S Order error by retail licensee.
- S Discontinuance of brand by supplier.
- S License suspension or revocation.
- S Short fill.
- S Off taste, off color, sediment in product or adulterated product.
- S Breakers or leakers at the time of delivery.
- S IRS or Michigan Department of Treasury seizure.
- S Saleable product not used by a special licensee.

The Commission further ordered that wholesalers may **exchange** like products with retail licensees, on a one-for-one basis, for beer products nearing out-of-date code. Wholesalers may not refund or credit for beer products nearing out-of-date code, they may only exchange for like product on a one-for-one basis.

An inventory reset by a retail licensee is not an approved reason for product return or exchange. Product exchange or refunds made to retail licensees as a result of the retailer discontinuing certain products will result in citations against both the retailer and wholesaler.

Rule 436.1633, Rule 436.1735, 1/23/02 Commission Order