



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

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In the Matter of Procedures for:)
)
Vendors of Spirits)
)
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 March 3, 2022 meeting of the Michigan Liquor Control Commission (Commission) in Lansing, Michigan.

PRESENT: Pat Gagliardi, Chairman
Dennis Olshove, Commissioner

ADMINISTRATIVE ORDER NO. 2022-02
SPIRIT PRODUCT DELISTING PROCEDURES

Article IV, Section 40, of the Constitution of Michigan (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. 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, in accordance with the provisions of MCL 436.1231, the Commission may buy, possess, and sell in its own name all alcoholic liquor as provided by statute.

Michigan uses Authorized Distribution Agents (ADAs) to warehouse and deliver distilled spirits. The ADAs are private companies that have contracted with the Vendors of Spirits and have been certified by the Commission. Currently, the Commission uses the three entities specified above as ADAs.

The Commission finds that spirit product delisting procedures are necessary for many reasons, including the ADAs' warehouse space and the large volume of spirit products approved for sale. To improve the spirit product delisting procedures and to better serve the retail licensees and the Vendors of Spirits, the Commission finds that the factors that trigger consideration of delisting should be updated. Those factors include the timeline for delisting, the product shelf prices, and the number of cases sold.

After review and discussion of these issues at the meeting, the Commission finds that this Administrative Order should be approved to establish spirit product delisting procedures and that Administrative Order 2015-06, Administrative Order 2021-10, and Amended Administrative Order No. 2021-10 should be rescinded.

THEREFORE, IT IS ORDERED THAT:

- A. Administrative Order 2015-06, Administrative Order 2021-10, and Amended Administrative Order 2021-10 are rescinded.
- B. Each month, the Commission will review and consider currently listed spirit products for delisting if they have not achieved the following sales thresholds in the preceding rolling 12-month period.
 1. Twelve standard-size cases, for products with a minimum shelf price less than \$100.00. The standard case sizes are:
 - a. 120 bottles for 50 ml sized bottles,
 - b. 48 bottles for 100 ml sized bottles,
 - c. 48 bottles for 200 ml sized bottles,
 - d. 24 bottles for 355 ml sized bottles,
 - e. 24 bottles for 375 ml sized bottles,
 - f. 12 bottles for 750 ml sized bottles,
 - g. 12 bottles for 1000 ml sized bottles,

- h. 6 bottles for 1750 ml sized bottles.
 - 2. Six bottles, for products with a minimum shelf price of \$100.00-\$249.99.
 - 3. One bottle, for products with a minimum shelf price of \$250.00 and greater.
- C. Unlimited value-added packages are allowed for each bottle size.
- D. A product that is delisted under this order cannot be re-listed for a period of one year from the effective date of the product's delisting.
- E. If the Commission has a product in state-owned inventory that gets delisted, the Commission will return the product to the Vendor of Spirits of record at the time of delisting. Rather than receiving a refund, the Commission will deduct the total current cost of the delisted product inventory from subsequent purchase orders for the relevant Vendor of Spirits.
- F. This order is effective immediately.

MICHIGAN LIQUOR CONTROL COMMISSION



Pat Gagliardi, Chair



Dennis Olshove, Commissioner