

STATE OF MICHIGAN
LIQUOR CONTROL COMMISSION
SEMI-ANNUAL PUBLIC HEARING

* * *

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.

* * *

1 Southfield, Michigan

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

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

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

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

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

1 can do to assist you.

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

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

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

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

11 MR. VANDERLEY: Vanderley.

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

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

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

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

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

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

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

1 600 distributors, manufacturers in retail operations in
2 the State of Michigan that are currently failing to
3 comply with their Rule 12 obligations, 600. This
4 accounts for approximately 7 percent of the licensees
5 that are included in my investigation. To be clear,
6 this is completely unacceptable. These licensees are
7 not allowed to sale alcohol, but even more they're not
8 eligible for renewal of their license which is due by
9 April 30, for many of them. This is a clear and
10 palpable error in enforcement by the Commission, and a
11 grave dereliction of your responsibilities to, one,
12 protect members of the protected class as the code
13 protects; and two, the compliant licensees, which I
14 assume most of the people here are today.

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

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

1 Rule 12. No action was taken. No action was taken
2 until January when Urbanrest was issued a warning, a
3 warning. I filed a police report with the City of
4 Ferndale Police Department on or about September 25,
5 2024, explained their obligations under MCR 436.1201.
6 The police attest that they had contacted the
7 Commission and owners and were instructed that the
8 Urbanrest Brewing Company is in compliance with the
9 code and there is no outstanding violation. This has
10 been attested by the Chief of Police, Dennis Emmi. I
11 filed a civil suit against Urbanrest for their
12 noncompliance, but this action on my part does not
13 excuse the Commission for your failure to regulate the
14 industry and enforce the code.

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

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

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

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

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

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

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

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

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

7 MR. VANDERLEY: Okay. Thank you so much.

8 CHAIR BELTZER: Thank you.

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

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

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

1 wholesaler.

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

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

9 Assistant Attorney General Don McGehee.

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

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

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

15 MR. MC GEHEE: Thank you so much.

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

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

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

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

20 Anyone else?

21 A VOICE: Good morning.

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

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

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

2 CHAIR BELTZER: Absolutely, Mike, go right
3 ahead.

4 MR. TOBIAS: Thanks. Sorry I can't be there
5 in person but on behalf of MCRUD, I thank you and the
6 MLCC staff for the work that you do to keep our
7 Michigan residents safe from alcohol misuse. I'm very
8 pleased that Amanda Nys participated in meetings we are
9 convening to revise Michigan's strategic plan to reduce
10 underage drinking. In addition, we are grateful that
11 David Marvin and Kayla Swope have agreed to present
12 again at our annual conference in Gaylord on April
13 23rd; we hope that one of the Commissioners can join us
14 as well.

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

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

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

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

1 you do with MCRUD.

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

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

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

13 COMMISSIONER TOMA: Thank you Chair Beltzer.

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

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

18 CHAIR BELTZER: Thank you Commissioner Toma.
19 Commissioner Gonzales.

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

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

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

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

12 Thank you Madam Chair for this opportunity
13 and for your exercise of leadership.

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

17 Commissioner Hopgood.

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

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

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

19 Commissioner Olshove.

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

1 kind of thing we'd like to here.

2 You're from the Urbanrest Brewing Company?

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

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

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

14 CHAIR BELTZER: Thank you Commissioner
15 Olshove.

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

24 Kerry, hi.

25 MS. KRONE: Hi, everyone. Good morning.

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

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

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

13 As we kind of mentioned earlier, one big
14 announcement is our Lansing office location has just
15 recently moved. Yesterday was our first official day
16 at a new location on the west side of Lansing. It's
17 7109 West Saginaw Street. All of our updated
18 information is on our website if you ever need to use
19 that. We're happy to be at that location. It's the
20 same building the Public Service Commission is in, so
21 if anyone is familiar with that in Lansing.

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

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

10 Some stats on that, just so you know what
11 that team does every year is they renew well over
12 110,000 licenses and permits in that pretty much little
13 over a month period of time. Also, besides that
14 renewal process, our licensing team issues 9,000
15 special licenses a year; so those are not renewed, but
16 that's something that's in addition; we're actually at
17 a record number of those, we're right about 9,000
18 annually. We're are up to or exceeding the number of
19 special licenses that we did at Covid or prior to
20 Covid. So we feel that's really good news and kind of
21 some good data points to show what's going on in
22 communities within the State of Michigan.

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

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

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

1 A little more background information for what
2 MLCC did fiscal year '24. We closed that out in
3 October, October 1st. It is unofficial numbers at this
4 point until it's finally audited and close the books,
5 but our sales were up unofficially about one percent;
6 our case sales down maybe about a half percent or I
7 would call that almost flat based on the numbers that
8 we do, because we sell over ten point five million
9 cases of spirits alcohol in fiscal year 2024, with over
10 14,000 products available for licensees to choose and
11 consumers to choose.

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

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

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

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

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

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

1 Thank you very much.

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

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

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

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

1 any more speakers, we're all good to go.

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

5 Any discussion?

6 Hearing none. All those in favor say aye.

7 COMMISSIONER OLSHOVE: Aye.

8 COMMISSIONER HOPGOOD: Aye.

9 COMMISSIONER TOMA: Aye.

10 COMMISSIONER GONZALES: Aye.

11 CHAIR BELTZER: Aye.

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

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

1 * * *

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

9
10
11
12
13 Renette L. Gibson

14 Renette L. Gibson, CSR-2731

15
16 March 17, 2025
17
18
19
20
21
22
23
24
25