

PENNSYLVANIA LIQUOR CONTROL BOARD

MEETING MINUTES

WEDNESDAY, APRIL 27, 2016

NORTHWEST OFFICE BUILDING, CONFERENCE ROOM 117, HARRISBURG, PA

Tim Holden, Chairman
Michael Negra, Board Member
Michael Newsome, Board Member
John Metzger, Executive Director
John Stark, Board Secretary

[Office of Chief Counsel](#)
[Bureau of Licensing](#)
[Bureau of Human Resources](#)
[Bureau of Accounting & Purchasing](#)

[Office of Retail Operations](#)
[Bureau of Product Selection](#)
[Financial Report](#)
[Other Issues](#)

PUBLIC MEETING – 11:00 A.M

Board Secretary John K. Stark indicated that a quorum of the Board was present and Chairman Holden called the meeting to order.

CALL TO ORDER *Chairman Holden*

Prior to the Pledge of Allegiance to the Flag, Chairman Holden introduced Michael Newsome as the newest member of the Board. Chairman Holden noted that Board Member Newsome has a substantial background working in finance for private-sector businesses, most recently for the Wolf Organization. Chairman Holden further indicated that, based on his own observations over the last several days, Board Member Newsome will be a very valuable asset to the PLCB. Chairmen Holden added that he looks forward to working together with Board Member Newsome.

Board Member Negra also joined in welcoming Board Member Newsome and similarly expressed that he looks forward to the opportunity to work together.

Pledge of Allegiance to the Flag

OLD BUSINESS..... *Secretary Stark*

A. Motion to approve the previous Board Meeting Minutes of the April 6, 2016 meeting.

Motion Made: Board Member Negra

Seconded: Board Member Newsome

Board Decision: Unanimously approved (3-0 vote) previous Board Minutes.

PUBLIC COMMENT ON AGENDA ITEMS

Michael Chitwood, Superintendent of Police for Upper Darby Township, introduced himself and indicated that he wished to comment on Kimkong, Inc. t/a La Cantina, for which the Board is considering an Application for Renewal.

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Superintendent Chitwood indicated that there have been hundreds of incidents at this establishment that have required a police response, including stabbings, fights, robberies, rapes, etc., and he asked for the Board’s assistance in shutting this establishment down. He also added, that even after the hearing in this matter, there have been additional incidents.

Superintendent Chitwood noted that he has been in law enforcement for 52 years and has served as a police chief in various locations for 31 years, but that this is the first time that he has ever appeared publicly to ask for help regarding a situation like this one. He indicated that this establishment is a real problem, and he is concerned for the safety and well-being of his police officers and the community. Accordingly, he again asked that the Board take appropriate action to shut down this establishment.

NEW BUSINESS

From the Office of Chief Counsel.....Rodrigo Diaz, Chief Counsel

- (1) **EXCESSIVE FALSE ALARM VIOLATION** Appeal to the Commonwealth Court of Pennsylvania
 Wine and Spirit Store No. 5185
 180 West Girard Avenue
 Philadelphia, Pennsylvania 19123
 Case No. 15260452244

Rod Diaz, Chief Counsel, explained that the PLCB has received numerous fines because of problems with security alarms at its stores located within the City of Philadelphia. Mr. Diaz further explained that, as a state entity, the PLCB is not subject to such fines. However, the City of Philadelphia disagrees with the PLCB’s position and, even after a hearing, is continuing to seek payment of the fines. Accordingly, Mr. Diaz indicated that an appeal to Commonwealth Court is necessary so that this issue can be properly resolved. He noted that while this particular matter is now at the stage where an appeal can be filed with Commonwealth Court, there are about twelve other similar cases that are still pending at earlier stages of the administrative review process.

Board Member Negra asked Mr. Diaz if a decision in this matter would provide precedential value in resolving the other matters that are still pending, and Mr. Diaz confirmed that it would.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Appeal to the Commonwealth Court of Pennsylvania.

- (2) **H. LOPEZ CORPORATION** Proposed Conditional Licensing Agreement to Allow for Renewal
 458 East Wyoming Avenue
 Philadelphia, Pennsylvania 19120-4538
 Restaurant Liquor License No. R-4972
 LID 66195
 Docket No. 151003405 (Philadelphia County)

Note: Board Minutes are not officially approved until all required signatures are affixed.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal with New Conditional Licensing Agreement.

(3) **CITY OF ALTOONA**
Case No. 16-NE-07

Municipal Petition for Exemption from the Statute Regarding Amplified Sound

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Noise Exemption Until April 27, 2019.

(4) **LOWER ALLEN TOWNSHIP**
Case No. 16-NE-04

Municipal Petition for Exemption from the Statute Regarding Amplified Sound

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Noise Exemption for a Period Extending from April 30, 2016 until April 30, 2021.

(5) **WEST CORNWALL TOWNSHIP**
Case No. 16-NE-05

Municipal Petition for Exemption from the Statute Regarding Amplified Sound

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Noise Exemption for a Period Extending from April 29, 2016 until April 29, 2019.

(6) **WEST CORNWALL TOWNSHIP**
Case No. 16-NE-06

Municipal Petition for Exemption from the Statute Regarding Amplified Sound

Note: Board Minutes are not officially approved until all required signatures are affixed.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Chairman Holden noted his recollection that the Board had already recently approved a noise exemption for this municipality, and he asked Rod Diaz, Chief Counsel, why this matter is being presented again.

Mr. Diaz explained that municipalities can choose to limit the geographic areas for which they seek to obtain a noise exemption and that the prior request pertained to a different geographic area within the municipality.

Unanimously agreed (3-0 vote) to Approve Noise Exemption for a Period Extending from April 29, 2016, to April 29, 2019.

*From the Bureau of Licensing Jerry Waters, Director of Regulatory Affairs
Tisha Albert, Director, Bureau of Licensing*

(1) **1126 Food Concepts, LLC** Place-to-Place Transfer –
R-15519 (LID No. 71173) Case No. 16-9009 Restaurant
140 North 10th Street
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer.

(2) **Bonn Place Brewing, Inc.** New – Brewery Pub
GP-614 (LID No. 72161) Case No. 16-9017
310 Taylor Street
Bethlehem, Northampton County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve New Brewery Pub Application.

(3) **Brown’s IA, LLC** Double Transfer & Requests for
R-11420 (LID No. 72605) Interior Connections with Another
2946 Island Avenue Business & to Conduct Another
Philadelphia, Philadelphia County Business on the Licensed
Premises – Restaurant

Note: Board Minutes are not officially approved until all required signatures are affixed.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer and Requests for Interior Connections with Another Business and to Conduct Another Business on the Licensed Premises.

- (4) **Brown’s Monument, LLC** Double Transfer & Requests for Interior Connections with Another Business & to Conduct Another Business on the Licensed Premises – Restaurant
R-13543 (LID No. 72806)
4160 Monument Road
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer and Requests for Interior Connections with Another Business and to Conduct Another Business on the Licensed Premises.

- (5) **Brown’s Wyncote, LLC** “Intermunicipal” Double Transfer & Requests for Interior Connections with Another Business & to Conduct Another Business on the Licensed Premises – Restaurant
R-8325 (LID No. 73182)
1000 Easton Road, Suite 100
Cheltenham Township
Wyncote, Montgomery County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer and Requests for Interior Connections with Another Business and to Conduct Another Business on the Licensed Premises.

- (6) **Gena Holdings, Inc.** Request for Hearing – *Nunc Pro Tunc* – Renewal, Validation & Extension of Safekeeping – Restaurant
t/a Bailey Hill Lodge and Restaurant
R-21097 (LID No. 53851) Case No. 16-9001
362 Bailey Hill Road, P. O. Box 279
Hector Township
Ulysses, Potter County

Note: Board Minutes are not officially approved until all required signatures are affixed.

Board Member Negra asked Rod Diaz, Chief Counsel, if the Applicant/Licensee would have the opportunity to file an appeal from the Board's decision, if the Board were to deny the request for *nunc pro tunc* relief.

Mr. Diaz confirmed that a right to appeal would exist, as in any other case. Mr. Diaz further explained that the time period for filing an appeal would be twenty days, and that the court of common pleas would be required to conduct a *de novo* review of the matter.

Board Member Negra noted the significant amount of time that had passed in this case.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Deny *Nunc Pro Tunc* Request and Revoke License.

(7) **Giant Food Stores, LLC**
R-16020 (LID No. 72557)
1605 Lititz Pike
Manheim Township
Lancaster, Lancaster County

“Intermunicipal” Double
Transfer & Requests for Interior
Connections with Another
Business & to Conduct Another
Business on the Licensed
Premises & Dual Employment –
Restaurant

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer and Requests for Interior Connections with Another Business, to Conduct Another Business on the Licensed Premises and Dual Employment.

(8) **Hawstone Hollow Winery, Inc.**
t/a Hawstone Hollow Winery
LK-436 (LID No. 70535)
11 Hawstone Road
Granville Township
Lewistown, Mifflin County

Request to Conduct Another
Business on the Licensed
Premises – Limited Winery

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Request to Conduct Another Business on the Licensed Premises.

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- (9) **Kingston Resorts International, Inc.** Person-to-Person Transfer –
t/a Rush Inn Restaurant
R-14753 (LID No. 72622) Case No. 16-9021
220 Zerby Avenue
Kingston, Luzerne County
- Motion Made:** Board Member Negra
Seconded: Board Member Newsome
- Board Decision:** Unanimously agreed (3-0 vote) to Approve Transfer.
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- (10) **Omni Hotels Management Corporation** Extension of License & Requests
t/a Omni Bedford Springs Resort for Interior Connections with Other
H-6204 (LID No. 69976) Businesses & to Conduct Other
2138 Business Route 220 Businesses on the Licensed
Bedford Township Premises – Hotel
Bedford, Bedford County
- Motion Made:** Board Member Negra
Seconded: Board Member Newsome
- Board Decision:** Unanimously agreed (3-0 vote) to Approve Extension of License and Requests for Interior Connections with Other Businesses and to Conduct Other Businesses on the Licensed Premises.
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- (11) **Prospera Hospitality, LLC** Request to Sell Other Items on
t/a Hilton Garden Inn Uniontown the Licensed Premises – Hotel
H-6498 (LID No. 72086)
555 Synergy Drive
South Union Township
Uniontown, Fayette County
- Motion Made:** Board Member Negra
Seconded: Board Member Newsome
- Board Decision:** Unanimously agreed (3-0 vote) to Approve Request to Sell Other Items on the Licensed Premises.
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- (12) **Weis Markets, Inc.** “Intermunicipal” Double
R-19736 (LID No. 72958) Transfer & Requests for Interior
2160 White Street Connections with Another
West Manchester Township Business & to Conduct Another
York, York County Business on the Licensed
Premises – Restaurant

Note: Board Minutes are not officially approved until all required signatures are affixed.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer and Requests for Interior Connections with Another Business and to Conduct Another Business on the Licensed Premises.

(13) **Ace and Summer, Inc.**
t/a Getaway Bar & Grille
R-3483 (LID No. 66687) Case No. 15-9141
711 West Main Street
Sharpsville, Mercer County

Conditional Licensing Agreement
Renewal – District 7

HOLD – 3/9/16 SESSION

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal with Conditional Licensing Agreement.

(14) **The Barn, Inc.**
R-11300 (LID No. 52696) Case No. 15-9199
18 Swamp Road
Village at Newtown South
Newtown Township
Newtown, Bucks County

Renewal – District 11

Motion Made: Board Member Negra
Seconded:

Board Decision: Hold by Board Member Negra for Conditional Licensing Agreement.

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**15) Kimkong, Inc.
t/a La Cantina**

Renewal – District 11

R-9124 (LID No. 64440) Case No. 15-9198
6840 Market Street
Upper Darby Township
Upper Darby, Delaware County

Board Member Negra asked Tisha Albert, Director of Licensing, if the Applicant/Licensee would have the opportunity to file an appeal to the court of common pleas in the event that the Board voted to refuse renewal. Board Member Negra also asked whether the Applicant/Licensee would be permitted to continue operating while the appeal is pending.

Ms. Albert confirmed that the Applicant/Licensee would have the opportunity to appeal in the event of a refusal and that the filing of an appeal would act as an automatic supersedeas allowing the Applicant/Licensee to continue operating while the appeal is pending.

Rod Diaz, Chief Counsel, also confirmed this information and further explained that an Application for Stay or Removal of Supersedeas would need to be sought by the PLCB and granted by the court in order to force the Applicant/Licensee to cease operations during the appeal process.

Board Member Negra then questioned Ms. Albert as to whether a Conditional Licensing Agreement with offer-in-compromise terms could require the Applicant/Licensee to completely cease operations any sooner.

Ms. Albert indicated that it is possible, but that the Applicant/Licensee would still need to agree to such terms.

Board Member Negra indicated that he would like this matter to be held for a Conditional Licensing Agreement with offer-in-compromise terms. He noted that he had previously been leaning towards this type of resolution and that Superintendent Chitwood's comments only served to confirm his feelings.

Motion Made: Board Member Negra
Seconded:

Board Decision: Hold by Board Member Negra for Conditional Licensing Agreement (Offer-in-Compromise Terms).

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- (16) **LAG Enterprises, Inc.** Renewal & Amusement Permit -
District 9
t/a Freedom Bar and Grill
R-1730 (LID No. 67841) Case No. 15-9190
901 North Valley Avenue
Olyphant, Lackawanna County

Motion Made: Board Member Negra
Seconded:

Board Decision: Hold by Board Member Negra for a Conditional Licensing Agreement. Board Member Negra also requested that no prohibition against live entertainment be included in the proposed Conditional Licensing Agreement.

- (17) **LaRussa's Italian Café, LLC** Renewal – District 9
t/a LaRussa's Italian Café
R-15389 (LID No. 58059) Case No. 15-9192 **HOLD – 4/6/16 SESSION**
590 Burke Bypass
Olyphant, Lackawanna County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Chairman Holden asked if there was anyone present for the Applicant/Licensee.

Francis X. O'Brien, who represented the Applicant/Licensee at the hearing held in this matter, indicated that he appreciates the Board taking additional time to consider a Conditional Licensing Agreement. However, his client expressed that the building where the establishment is located is only fitted out for a restaurant, and he does not think it would work to sell the license and move it to a different location. Mr. O'Brien reiterated his prior position that if the Application for Approval of Appointment of Manager, which is still pending with the Bureau of Licensing, were to be approved, then the business could operate responsibly at the present location under the new manager.

Chairman Holden responded by indicating that there has not been enough movement by the Applicant/Licensee in terms of reaching an agreement, and that he was, thus, in support of refusing renewal.

Mr. O'Brien again expressed that he appreciates the Board giving this matter additional consideration.

Unanimously agreed (3-0 vote) to Refuse Renewal.

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- (18) **McLaughlin's Corner Tavern, Inc.** Renewal – District 11
t/a Danny's Corner Tavern
R-18881 (LID No. 19771) Case No. 16-9003
65 North Union Avenue
Upper Darby Township
Lansdowne, Delaware County
- Motion Made:** Board Member Negra
Seconded: Board Member Newsome
- Board Decision:** Unanimously agreed (3-0 vote) to Hold for a Conditional Licensing Agreement Including Divestiture of Daniel McLaughlin.
- (19) **Erik Smith** Conditional Licensing Agreement
t/a Buckhorn Hotel Renewal – District 7
H-2503 (LID No. 61170) Case No. 15-9147
320 Welsh Street
Kane, McKean County
- Motion Made:** Board Member Negra
Seconded: Board Member Newsome
- Board Decision:** Unanimously agreed (3-0 vote) to Approve Renewal with Conditional Licensing Agreement.
- (20) **WSM, Inc.** Renewal – District 4
t/a Kicker's Pub & Restaurant
H-335 (LID No. 46209) Case No. 15-9196
204 West Main Street
Bath, Northampton County
- Motion Made:** Board Member Negra
Seconded: Board Member Newsome
- Board Decision:** Chairman Holden asked if anyone was present for the Applicant/Licensee, but there was no response. Unanimously agreed (3-0 vote) to Refuse Renewal.

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*From the Bureau of Human Resources Jason Lutcavage, Director of Administration
Jennifer Haas, Director, Bureau of Human Resources*

Personnel Actions

- (1) Rosa Cruz – Removal Action
- (2) Stefine Georges – Affirm Removal
- (3) Christopher Hutchinson – Affirm Removal
- (4) Sandra Johnson – Removal Action
- (5) Ian Kay – Removal Action
- (6) Leighann Manion – Removal Action
- (7) Rita McGee – Affirm Removal
- (8) Donna Oates – Removal Action
- (9) Dione Penn – Removal Action
- (10) Alexis Reed – Affirm Removal
- (11) Byron Russell – Removal Action
- (12) Jacqueline Warnagiris – Affirm Removal

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve all Personnel Actions.

*From the Bureau of Accounting & Purchasing Oren Bachman, Director of Finance
Koppolu Ravindraraj, Director, Bureau of Accounting & Purchasing*

- (1) **Microsoft True-Up** – The Microsoft Enterprise Agreement requires an annual true-up by the PLCB to account for any increase in qualified desktops, users or usage of additional products during the previous year.

Procured via DGS Statewide Contract #4400007199 – VENDOR: Dell – TERM: One (1) year – \$231,815.23 estimated cost.

- (2) **PLCB Regulatory Affairs System** – The PLCB is in the process of implementing a regulatory affairs system that will replace multiple legacy systems and result in better customer service,

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processing efficiencies, and an overall reduction in costs. The purpose of Change Request 10 is to add grant management, evaluate event attendance and monitor and track grant material inventory.

Procured via Change Request 10 to Contract 20121101 – VENDOR: Computronix USA, Inc.
TERM: Six (6) months - \$63,800.00 estimated cost

- (3) PLCB Regulatory Affairs System** – The PLCB is in the process of implementing a regulatory affairs system that will replace multiple legacy systems and result in better customer service, processing efficiencies, and an overall reduction in costs. The purpose of Change Request 11 is to design and implement a CBT module for training.

Procured via Change Request 11 to Contract 20121101 – VENDOR: Computronix USA, Inc.
TERM: Six (6) months - \$52,000.00 estimated cost

- (4) Senior Business Subject Matter Expert 2 Staff Augmentation** – Provide an IBM Websphere Commerce support person to assist the PLCB with various changes to our eCommerce site such as finishing the coding and configuration for combining the existing three catalogs. Future work includes adding shop-by-store functionality, updates for the premium collection magazine and security patches.

Procured via DGS Statewide Contract #6100030999 – VENDOR: OST, Inc. – TERM: Six (6) months – \$111,522.52 estimated cost.

- (5) Senior Business Subject Matter Expert 2 Staff Augmentation** – Provide a second IBM Websphere Commerce support person to assist the PLCB with various changes to our eCommerce site such as finishing the coding and configuration for combining the existing three catalogs. Future work includes adding shop-by-store functionality, updates for the premium collection magazine and security patches.

Procured via DGS Statewide Contract #6100030999 – VENDOR: OST, Inc. – TERM: Six (6) months – \$111,522.52 estimated cost.

- (6) Project Manager 3 Staff Augmentation** – Provide assistance to the PLCB Project Management Office in the capture of business requirements, project planning, and project delivery services. Specifically, internal and customer facing initiatives primarily for increased Operating Income, Consumer Experience, and Technical Efficiency of our organization.

Procured via DGS Statewide Contract #6100030999 – VENDOR: OST, Inc. – TERM: Six (6) months – \$79,194.04 estimated cost.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Chairman Holden asked if there were any questions regarding these proposed actions, but no questions were raised. Unanimously agreed (3-0 vote) to Approve all Purchasing and Contracting Actions.

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From the Office of Retail Operations.....Charlie Mooney, Director of Retail Operations

1. **#1506 – 861 East Lancaster Avenue, Downingtown
Amendment**
2. **#1514 – 161 East Swedesford Road, Wayne
Amendment**
3. **#4815 – 341 Town Center Boulevard, Easton
Amendment**
4. **#5122 – 8 Penn Center, 1628 John F. Kennedy Boulevard, Philadelphia
Amendment**
5. **#5152 – 3772 L Street, Philadelphia
Amendment**
6. **#6509 – 208 Countryside Plaza, Mount Pleasant
Amendment**
7. **#0703 – 202 Hollidaysburg Plaza, Duncansville
Amendment / added space**
8. **#3603 – 36 South 18th Street, Columbia
Amendment / added space**
9. **#05XX – 9613 Lincoln Highway, Bedford
New Store (to replace #0501)**
10. **#6601 – 600 Hunter Highway, #4 Village Center, Tunkhannock
Relocation**
11. **#18XX – 167 Seventh Street, Renovo
New Store**
12. **#5161 – 1515 Locust Street, #100, Philadelphia
New Store**

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Chairman Holden asked if there were any questions regarding these proposed actions, but no questions were raised. Unanimously agreed (3-0 vote) to Approve all Retail Operations Actions.

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*From the Bureau of Product SelectionDale Horst, Director of Marketing/Merchandising
Joseph Puhalla, Director, Bureau of Product Selection*

1. Regular Cost and Retail Decreases

| <u>BRAND NAME AND SIZE</u> | <u>CODE</u> | <u>PRESENT</u> | | | <u>PROPOSED</u> | | |
|---|-------------|------------------|------------------|---------------|------------------|------------------|---------------|
| | | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> |
| <u>Majestic Wine and Spirits USA Inc</u> | | | | | | | |
| Junipero Gin 750 ML | 10487 | \$125.64 | \$20.94 | \$33.99 | \$121.92 | \$20.32 | \$32.99 |
| <u>Sazerac Company Inc</u> | | | | | | | |
| Crown Russe Vodka PET 1.75 L | 4249 | \$37.20 | \$6.20 | \$11.49 | \$35.58 | \$5.93 | \$10.99 |

EFFECTIVE DATES: The proposed cost will become effective May 1, 2016 and the proposed retail prices will become effective when the current stock has been sold.

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular Monthly Special Price Reductions July 2016 Revisions

| <u>BRAND NAME AND SIZE</u> | <u>CODE</u> | <u>REGULAR RETAIL</u> | <u>SPECIAL RETAIL</u> | <u>CUSTOMER SAVINGS</u> |
|---|-------------|-----------------------|-----------------------|-------------------------|
| Cancellation of Sale | | | | |
| Malibu Mango Rum 750 ML | 9118 | \$15.99 | \$11.99 | \$4.00 |
| Malibu Pineapple Rum 750 ML | 9120 | \$15.99 | \$11.99 | \$4.00 |
| Change in Discount | | | | |
| Moet and Chandon Ice Imperial 750 ML | 9064 | \$59.99 | \$56.99 | \$3.00 |
| New Additions to Sales Period | | | | |
| Effen Black Cherry Vodka 750 ML | 5895 | \$24.99 | \$19.99 | \$5.00 |
| Hornitos Plata Tequila Silver 1.75 L | 1307 | \$39.99 | \$34.99 | \$5.00 |
| Hornitos Reposado Tequila 1.75 L | 5727 | \$39.99 | \$34.99 | \$5.00 |
| Z Alexander Brown Uncaged Cabernet Sauvignon North Coast 750 ML | 1182 | \$18.99 | \$14.99 | \$4.00 |

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|--|-------|---------|---------|--------|
| Z Alexander Brown Uncaged Proprietary Red Blend North Coast 750 ML | 1183 | \$18.99 | \$14.99 | \$4.00 |
| Crios Malbec Mendoza 750 ML | 1207 | \$13.99 | \$10.99 | \$3.00 |
| Cruzan Aged Dark Rum 1.75 L | 6313 | \$21.99 | \$18.99 | \$3.00 |
| Cruzan Aged Light Rum 1.75 L | 6327 | \$21.99 | \$18.99 | \$3.00 |
| Esprit de Saint Sulpice Bordeaux Blanc 750 ML | 1217 | \$15.99 | \$12.99 | \$3.00 |
| Gnarly Head Authentic Black 750 ML | 9406 | \$12.99 | \$9.99 | \$3.00 |
| Marie Brizard Chocolat Royal Liqueur 750 ML | 1278 | \$21.99 | \$18.99 | \$3.00 |
| Markham Vineyards Chardonnay Napa Valley 750 ML | 1186 | \$16.99 | \$13.99 | \$3.00 |
| Noble Vines 242 Sauvignon Blanc 750 ML | 1181 | \$12.99 | \$9.99 | \$3.00 |
| Sanford Chardonnay Sta Rita Hills 750 ML | 1187 | \$24.99 | \$21.99 | \$3.00 |
| Santos Lima Lab White 3 L | 1202 | \$24.99 | \$21.99 | \$3.00 |
| Bacardi Raspberry Rum 750 ML | 1313 | \$14.99 | \$12.99 | \$2.00 |
| Bols Sour Apple Schnapps Liqueur 1 L | 1248 | \$12.99 | \$10.99 | \$2.00 |
| Colby Red 750 ML | 1199 | \$14.99 | \$12.99 | \$2.00 |
| Cusumano Nero D'Avola 750 ML | 1222 | \$12.99 | \$10.99 | \$2.00 |
| Goslings Ginger Beer 6 355 ML | 1254 | \$5.99 | \$3.99 | \$2.00 |
| Jose Cuervo Strawberry Lime Margarita Prepared Cocktail 1.75 L | 1250 | \$15.99 | \$13.99 | \$2.00 |
| Prophecy Sauvignon Blanc Marlborough 750 ML | 1210 | \$10.99 | \$8.99 | \$2.00 |
| Rich and Rare Reserve Canadian Whisky 1.75 L | 1300 | \$21.99 | \$19.99 | \$2.00 |
| Tim Smith's Climax Moonshine Fire No 32 750 ML | 1280 | \$31.99 | \$29.99 | \$2.00 |
| Dolin Rouge Sweet Vermouth de Chambery 750 ML | 34108 | \$15.99 | \$14.99 | \$1.00 |
| Dolin Vermouth de Chambery Blanc 750 ML | 36461 | \$15.99 | \$14.99 | \$1.00 |
| E and J Apple Brandy 375 ML | 1232 | \$7.49 | \$6.49 | \$1.00 |
| E and J Peach Brandy 375 ML | 1234 | \$7.49 | \$6.49 | \$1.00 |
| Liberty Creek Pinot Grigio 1.5 L | 1158 | \$9.99 | \$8.99 | \$1.00 |
| Myx Fusions Sangria Tropical 4 187 ML | 1173 | \$10.99 | \$9.99 | \$1.00 |
| Paxis Red Blend 750 ML | 1227 | \$9.99 | \$8.99 | \$1.00 |
| Underwood Pinot Gris Can 375 ML | 42885 | \$7.99 | \$6.99 | \$1.00 |
| Underwood Pinot Noir Can 375 ML | 42883 | \$7.99 | \$6.99 | \$1.00 |
| Black Box Pinot Noir 500 ML | 1153 | \$5.99 | \$5.49 | \$0.50 |

EFFECTIVE DATES: June 27, 2016 through July 31, 2016

RECOMMENDED ACTION: We recommend the Board approve this action

3. Regular Monthly Special Price Reductions August 2016 Revisions

| <u>BRAND NAME AND SIZE</u> | <u>CODE</u> | <u>REGULAR RETAIL</u> | <u>SPECIAL RETAIL</u> | <u>CUSTOMER SAVINGS</u> |
|------------------------------|-------------|-----------------------|-----------------------|-------------------------|
| Cancellation of Sale | | | | |
| Yellow Tail Pinot Noir 1.5 L | 3514 | \$14.99 | \$11.99 | \$3.00 |

Note: Board Minutes are not officially approved until all required signatures are affixed.

Change in Discount

| | | | | |
|--|------|---------|--------|--------|
| Rib Shack Red Wine Blend 750 ML | 6680 | \$10.99 | \$8.99 | \$2.00 |
| The Beach House Red Wine 750 ML | 6673 | \$10.99 | \$8.99 | \$2.00 |
| The Beach House Sauvignon Blanc 750 ML | 6676 | \$10.99 | \$8.99 | \$2.00 |

New Additions to Sales Period

| | | | | |
|--------------------------------------|-------|---------|---------|--------|
| Calumet Farm Bourbon Kentucky 750 ML | 34127 | \$47.99 | \$42.99 | \$5.00 |
| Malibu Mango Rum 750 ML | 9118 | \$15.99 | \$11.99 | \$4.00 |
| Malibu Pineapple Rum 750 ML | 9120 | \$15.99 | \$11.99 | \$4.00 |
| Yellow Tail Cabernet Sauvignon 1.5 L | 6021 | \$14.99 | \$11.99 | \$3.00 |
| Gekkeikan Sake 3 L | 8163 | \$15.49 | \$14.49 | \$1.00 |

EFFECTIVE DATES: August 1, 2016 through August 28, 2016

RECOMMENDED ACTION: We recommend the Board approve this action

4. Regular New Items Accepted Revision

| <u>BRAND NAME AND SIZE</u> | <u>REASON</u> | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> |
|--|---------------|------------------|------------------|---------------|
| New Item Addition | | | | |
| <u>Letterman Enterprises Inc</u> | | | | |
| Bonfatto’s Artisan Sauces – Apocalips Sweet Habanero Hellfire Sauce 148 ML | 8 | \$30.60 | \$2.55 | \$4.99 |

RECOMMENDED ACTION: We recommend the Board approve this action

New Items – Recommended Listings

Reason Codes

1. Strong marketing support
2. High brand recognition
3. Line/Size extension of successful brand
4. Trade up opportunity
5. Growing category
6. Growing segment
7. National rollout
8. Niche item / Limited distribution
9. High dollar profit potential
10. Trade out

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11. High quality for the value
12. Innovative product/ flavor
13. High sales through other PLCB channels (Luxury, Online, SLO)
14. Underrepresented category/segment
15. Hole in selection – consumer/store requests

5. Regular New Items Rejected Revisions

| <u>BRAND NAME AND SIZE</u> | <u>REASON</u> | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> |
|--|---------------|------------------|------------------|---------------|
| Additions | | | | |
| <u>MHW LTD</u> | | | | |
| Anciano Reserva Aged 7 Years 750 ML | 17 | \$84.96 | \$7.08 | \$12.89 |
| Clos de Chacras Cavas de Crianza Malbec 750 ML | 17 | \$101.04 | \$8.42 | \$14.99 |
| Clos de Chacras Eredità Malbec 750 ML | 17 | \$154.80 | \$12.90 | \$21.99 |
| Pieza el Col Garnacha 750 ML | 17 | \$85.56 | \$7.13 | \$12.99 |
| Piggy Bank Carmenere 750 ML | 5 | \$77.88 | \$6.49 | \$11.99 |
| Piggy Bank Sauvignon Blanc 750 ML | 7 | \$77.88 | \$6.49 | \$11.99 |
| <u>Sutter Home Winery</u> | | | | |
| Bandit Red Blend 500 ML | 7 | \$35.64 | \$2.97 | \$5.99 |

RECOMMENDED ACTION: We recommend the Board approve this action

New Items – Recommended Rejections

Reason Codes

1. Price segment well-represented
2. Lack of marketing support
3. Negative category trend
4. Negative segment trend
5. Requires further research on viability of this product
6. Low dollar profit potential
7. No perceived need
8. Poor performance of other items in brand family
9. Inconsistent sales of others in brand family
10. Inventory issues with others in brand family
11. Need to evaluate sales of recent listed item(s) in brand family
12. Packaging/Closure concerns
13. Quality issues – (taste, sediment, color, etc.)
14. Recommend to propose to other PLCB Channels(Luxury, Online, SLO)
15. Non-competitive pricing with surrounding markets
16. Samples not provided
17. Did not pass pre-scoring process

Note: Board Minutes are not officially approved until all required signatures are affixed.

6. Regular One Time Buys

| <u>BRAND NAME AND SIZE</u> | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> |
|---|------------------|------------------|---------------|
| <u>Bacardi USA Inc</u> | | | |
| Bacardi Superior Rum PET 1.75 L | \$70.08 | \$11.68 | \$19.99 |
| <u>Brown Forman Corp</u> | | | |
| Jack Daniel Sinatra 1 L | \$701.10 | \$116.85 | \$169.99 |
| <u>Constellation Brands Inc</u> | | | |
| Serpent’s Bite Apple Cider Flavored Whisky 50 ML | \$22.80 | \$0.19 | \$0.99 |
| <u>North Wales Wines</u> | | | |
| Ecco Domani Pinot Grigio Zac Posen Label 750 ML | \$57.36 | \$4.78 | \$8.99 |
| New Amsterdam Apple Flavored Vodka 750 ML | \$73.20 | \$6.10 | \$10.99 |
| <u>Pio Imports LLC</u> | | | |
| Elmo Pio Moscato Anniversary 750 ML | \$33.48 | \$2.79 | \$5.99 |
| <u>Plata Wine Partners LLC</u> | | | |
| Pittsburgh Pirates Proprietary Red Club Series 750 ML | \$112.92 | \$9.41 | \$16.99 |
| <u>Sutter Home Winery Inc</u> | | | |
| Sutter Home Cabernet Sauvignon 2-pk 1.5 L | \$29.58 | \$9.86 | \$17.99 |
| <u>Treasury Wine Estates Americas Company</u> | | | |
| Run Riot Pinot Noir 750 ML | \$103.20 | \$8.60 | \$14.99 |
| <u>USA Wine West LLC</u> | | | |
| Val De Los Frailes 750 ML | \$48.96 | \$4.08 | \$7.99 |

RECOMMENDED ACTION: We recommend the Board approve this action

7. Regular PA New Items Accepted

| <u>BRAND NAME AND SIZE</u> | <u>REASON</u> | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> |
|---|---------------|------------------|------------------|---------------|
| <u>Bluebird Distilling</u> | | | | |
| Bluebird Distilling Four Grain Bourbon Whiskey 750 ML | 8 | \$187.62 | \$31.27 | \$49.99 |
| Bluebird Distilling Juniperus Gin 750 ML | 8 | \$148.92 | \$24.82 | \$39.99 |

Note: Board Minutes are not officially approved until all required signatures are affixed.

| | | | | |
|--|---|----------|---------|---------|
| Bluebird Distilling Rye Whiskey 750 ML | 8 | \$187.62 | \$31.27 | \$49.99 |
| Bluebird Distilling Sugarcane Rum 750 ML | 8 | \$110.22 | \$18.37 | \$29.99 |
| Bluebird Distilling Vodka 750 ML | 8 | \$110.22 | \$18.37 | \$29.99 |
| Bluebird Distilling White Rye Whiskey 750 ML | 8 | \$129.54 | \$21.59 | \$34.99 |

RECOMMENDED ACTION: We recommend the Board approve this action

New Items – Recommended Listings

Reason Codes

1. Strong marketing support
2. High brand recognition
3. Line/Size extension of successful brand
4. Trade up opportunity
5. Growing category
6. Growing segment
7. National rollout
8. Niche item / Limited distribution
9. High dollar profit potential
10. Trade out
11. High quality for the value
12. Innovative product/ flavor
13. High sales through other PLCB channels (Luxury, Online, SLO)
14. Underrepresented category/segment
15. Hole in selection – consumer/store requests

8. Regular Recommended Delist Retail Reductions July 2016

| <u>BRAND NAME AND SIZE</u> | <u>CODE</u> | <u>PRESENT RETAIL</u> | <u>SPECIAL RETAIL</u> | <u>CUSTOMER SAVINGS</u> |
|------------------------------------|-------------|---------------------------|---------------------------|-----------------------------|
| Nissley Chambourcin 750 ML | 6912 | \$12.89 | \$10.49 | \$2.40 |
| Gnarly Head Authentic White 750 ML | 6795 | \$12.99 | \$10.99 | \$2.00 |
| Tapena Tempranillo 750 ML | 6694 | \$12.99 | \$10.99 | \$2.00 |

EFFECTIVE DATES: June 27, 2016 through August 28, 2016. The transference to closeout will become effective June 1, 2016

RECOMMENDED ACTION: We recommend the Board approve this action

Note: Board Minutes are not officially approved until all required signatures are affixed.

9. Regular Recommended Delist Retail Reductions September 2016

| <u>BRAND NAME AND SIZE</u> | <u>CODE</u> | <u>PRESENT RETAIL</u> | <u>SPECIAL RETAIL</u> | <u>CUSTOMER SAVINGS</u> |
|------------------------------------|-------------|---------------------------|---------------------------|-----------------------------|
| Nissley Chambourcin 750 ML | 6912 | \$12.89 | \$8.49 | \$4.40 |
| Gnarly Head Authentic White 750 ML | 6795 | \$12.99 | \$8.99 | \$4.00 |
| Tapena Tempranillo 750 ML | 6694 | \$12.99 | \$8.99 | \$4.00 |

EFFECTIVE DATES: August 29, 2016 through October 31, 2016.

RECOMMENDED ACTION: We recommend the Board approve this action

10. Luxury Case Cost Adjustment No Retail Change

| <u>BRAND NAME AND SIZE</u> | <u>CODE</u> | <u>PRESENT</u> | | | <u>PROPOSED</u> | | |
|--|-------------|----------------------|----------------------|---------------|----------------------|----------------------|---------------|
| | | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> |
| <u>Fruit of the Vines Inc</u> | | | | | | | |
| Champagne Billecart-Salmon Brut Rose NV 375 ML | 39712 | \$290.16 | \$24.18 | \$39.99 | \$296.22 | \$24.68 | \$39.99 |
| <u>Integrity Wines</u> | | | | | | | |
| Hi! Prosecco NV 750 ML | 43497 | \$60.67 | \$5.06 | \$9.99 | \$62.72 | \$5.23 | \$9.99 |
| Hi! Sparkling Rose NV 750 ML | 43979 | \$60.67 | \$5.06 | \$9.99 | \$62.72 | \$5.23 | \$9.99 |
| <u>Monsieur Touton Selections LTD</u> | | | | | | | |
| Villa Jolanda Moscato and Coconut NV 750 ML | 46501 | \$57.67 | \$4.81 | \$8.99 | \$57.08 | \$4.76 | \$8.99 |
| Villa Jolanda Moscato and Mango NV 750 ML | 43966 | \$57.67 | \$4.81 | \$8.99 | \$57.08 | \$4.76 | \$8.99 |
| Villa Jolanda Moscato and Pineapple NV 750 ML | 43967 | \$57.67 | \$4.81 | \$8.99 | \$57.08 | \$4.76 | \$8.99 |
| Villa Jolanda Moscato and Strawberry NV 750 ML | 44179 | \$57.67 | \$4.81 | \$8.99 | \$57.08 | \$4.76 | \$8.99 |

EFFECTIVE DATE: May 2, 2016

RECOMMENDED ACTION: We recommend the Board approve this action

Note: Board Minutes are not officially approved until all required signatures are affixed.

11. Luxury One Time Buy Cost and Retail Decreases

| <u>BRAND NAME AND SIZE</u> | <u>CODE</u> | <u>PRESENT</u> | | | <u>PROPOSED</u> | | |
|--|-------------|------------------|------------------|---------------|------------------|------------------|---------------|
| | | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> |
| <u>David Bowler Wine</u> | | | | | | | |
| Chateau Coustaut Graves Blanc 2014 750 ML | 73005 | \$141.12 | \$11.76 | \$19.99 | \$125.04 | \$10.42 | \$17.99 |
| <u>T. Elentevy Holdings LLC</u> | | | | | | | |
| Cardedu Cannonau di Sardegna “Caladu” 2012 750 ML | 72997 | \$119.04 | \$9.92 | \$16.99 | \$111.36 | \$9.28 | \$15.99 |

EFFECTIVE DATE: May 2, 2016

RECOMMENDED ACTION: We recommend the Board approve this action

12. Luxury One Time Buy Cost and Retail Increases

| <u>BRAND NAME AND SIZE</u> | <u>CODE</u> | <u>PRESENT</u> | | | <u>PROPOSED</u> | | |
|---|-------------|------------------|------------------|---------------|------------------|------------------|---------------|
| | | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> |
| <u>Pernod Richard USA</u> | | | | | | | |
| Jameson Gold Reserve Irish Whiskey 750 ML | 4951 | \$344.58 | \$57.43 | \$89.99 | \$386.34 | \$64.39 | \$99.99 |
| <u>The Wine Merchant</u> | | | | | | | |
| Paul Hobbs Cabernet Sauvignon Napa 2013 750 ML | 49105 | \$761.88 | \$63.49 | \$99.99 | \$851.52 | \$70.96 | \$109.99 |

EFFECTIVE DATE: May 2, 2016

RECOMMENDED ACTION: We recommend the Board approve this action

Note: Board Minutes are not officially approved until all required signatures are affixed.

13. Luxury One Time Buys

| <u>BRAND NAME AND SIZE</u> | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> |
|--|------------------|------------------|---------------|
| <u>Au Bon Climat Winery</u> | | | |
| Au Bon Climat Chardonnay Santa Barbara County 2014 750 ML | \$134.52 | \$11.21 | \$18.99 |
| Au Bon Climat Nuits Blanches Au Bouge Chardonnay 2013 750 ML | \$237.72 | \$19.81 | \$29.99 |
| <u>Capital Wine & Spirits</u> | | | |
| Alpha Estate Malagouzia 2014 750 ML | \$126.84 | \$10.57 | \$17.99 |
| Concha y Toro Don Melchor Cabernet Sauvignon 2012 1.5 L | \$137.88 | \$137.88 | \$197.99 |
| Concha y Toro Don Melchor Cabernet Sauvignon 2012 750 ML | \$380.94 | \$63.49 | \$99.99 |
| Domaine Douloufakis Dafnios Liatiko 2014 750 ML | \$111.36 | \$9.28 | \$15.99 |
| Domaine Sigalas Santorini Assyrtiko 2015 750 ML | \$204.24 | \$17.02 | \$27.99 |
| Domaine Skouras Megas Oenos Red Blend 2012 750 ML | \$204.24 | \$17.02 | \$27.99 |
| Domaine Skouras Zoe Rose 2015 750 ML | \$80.28 | \$6.69 | \$11.99 |
| Earthquake Zinfandel 2013 750 ML | \$180.96 | \$15.08 | \$24.99 |
| Kir Yianni Paranga Red Blend 2013 750 ML | \$111.36 | \$9.28 | \$15.99 |
| Subercaseaux Extra Brut NV 750 ML | \$109.86 | \$18.31 | \$29.99 |
| Trincherio Mary's Vineyard Sauvignon Blanc 2015 750 ML | \$78.90 | \$13.15 | \$21.99 |
| <u>CBL Wine Co. LLC</u> | | | |
| Darioush Signature Napa Valley Cabernet Sauvignon 2012 750 ML | \$367.20 | \$61.20 | \$97.99 |
| Darioush Signature Napa Valley Merlot 2012 750 ML | \$216.18 | \$36.03 | \$58.99 |
| Darioush Signature Napa Valley Shiraz 2013 750 ML | \$293.64 | \$48.94 | \$78.99 |
| <u>David Bowler Wine</u> | | | |
| Alta Maria Vineyards Chardonnay Santa Maria Valley 2013 750 ML | \$219.12 | \$18.26 | \$29.99 |
| Alta Maria Vineyards Pinot Noir Santa Maria Valley 2012 750 ML | \$233.04 | \$19.42 | \$31.99 |
| Jean Perrier et Fils Vin de Savoie Aymes 2015 750 ML | \$85.08 | \$7.09 | \$12.99 |
| Mount Eden Vineyards Chardonnay Edna Valley Wolff Vineyard 2013 750 ML | \$185.04 | \$15.42 | \$25.99 |
| Ransom Rogue Valley Red 2012 750 ML | \$141.12 | \$11.76 | \$19.99 |
| <u>Deschere's Selected Wines and Spirits</u> | | | |
| Collavini Benedete Ribolla Gialla Delle Venezie 2014 750 ML | \$80.28 | \$6.69 | \$11.99 |
| Collavini Broy White Blend 2013 750 ML | \$71.16 | \$11.86 | \$19.99 |
| Collavini Pinot Grigio 2014 750 ML | \$80.28 | \$6.69 | \$11.99 |
| Collavini Pucino Refosco 2014 750 ML | \$80.28 | \$6.69 | \$11.99 |
| Collavini T Friulano 2014 750 ML | \$80.28 | \$6.69 | \$11.99 |
| Collavini Turian Ribolla Gialla Friuli Colli Orientali 2014 750 ML | \$47.88 | \$7.98 | \$13.99 |
| Sheldrake Point Dry Rose 2015 750 ML | \$95.76 | \$7.98 | \$13.99 |
| <u>DiamAndes USA</u> | | | |
| Diamandes de Uco Malbec 2013 750 ML | \$107.52 | \$8.96 | \$15.99 |

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Fruit of the Vines

| | | | |
|-----------------------------------|---------|--------|---------|
| Domaine Montrose Rose 2015 750 ML | \$69.18 | \$5.76 | \$10.99 |
|-----------------------------------|---------|--------|---------|

Gateway Wine and Spirits Inc

| | | | |
|---|------------|----------|----------|
| Domaine JL Chave Hermitage Blanc 2013 750 ML | \$1,020.78 | \$170.13 | \$239.99 |
| Domaine JL Chave Hermitate Rouge 2013 750 ML | \$1,020.78 | \$170.13 | \$239.99 |
| Domaine JL Chave Mon Coeur Cotes du Rhone Rouge 2014 750 ML | \$157.80 | \$13.15 | \$21.99 |
| Domaine JL Chave St. Joseph Rouge 2013 750 ML | \$529.56 | \$44.13 | \$69.99 |

Grand Cru Imports Inc

| | | | |
|--|----------|---------|---------|
| Domaine Masson-Blondelet Pouilly Fume Villa Paulus 2015 750 ML | \$173.28 | \$14.44 | \$23.99 |
|--|----------|---------|---------|

Kermit Lynch Wine Merchant

| | | | |
|--|----------|----------|----------|
| Arnaud Ente Meursault Chardonnay 2014 750 ML | \$552.60 | \$92.10 | \$137.99 |
| Arnaud Ente Meursault Clos des Ambres Chardonnay 2014 750 ML | \$613.44 | \$102.24 | \$150.99 |

Kobrand Corp.

| | | | |
|--|----------|----------|----------|
| Foley Chardonnay Santa Rita Hills 2013 750 ML | \$173.28 | \$14.44 | \$23.99 |
| Sassicaia Super Tuscan 2013 1.5 L | \$738.48 | \$246.16 | \$339.99 |
| Sassicaia Super Tuscan 2013 3 L | \$493.54 | \$493.54 | \$644.99 |
| Sassicaia Super Tuscan 2013 750 ML | \$723.18 | \$120.53 | \$174.99 |
| Sequoia Grove Chardonnay 2014 750 ML | \$173.28 | \$14.44 | \$23.99 |
| St Francis Claret Sonoma 2013 750 ML | \$119.04 | \$9.92 | \$16.99 |
| St Francis Sauvignon Blanc Sonoma County 2015 750 ML | \$103.44 | \$8.62 | \$14.99 |

Krasi LLC DBA Karamoor Estate

| | | | |
|--|----------|---------|---------|
| Karamoor Estate Cabernet Franc 2013 750 ML | \$235.20 | \$19.60 | \$31.99 |
|--|----------|---------|---------|

Kysela Pere et Fils LTD

| | | | |
|--|----------|---------|---------|
| Domaine de la Mordoree Tavel Dame Rousse 2015 750 ML | \$173.40 | \$14.45 | \$24.49 |
|--|----------|---------|---------|

Majestic Wine & Spirits USA

| | | | |
|---|----------|---------|---------|
| Girard Cabernet Sauvignon 2013 750 ML | \$204.24 | \$17.02 | \$27.99 |
| Koval Millet Whiskey Single Barrel Cask # 1359 750 ML | \$183.96 | \$30.66 | \$48.99 |
| Koval Millet Whiskey Single Barrel Cask # 1903 750 ML | \$183.96 | \$30.66 | \$48.99 |
| Koval Millet Whiskey Single Barrel Cask #1882 750 ML | \$183.96 | \$30.66 | \$48.99 |
| Lafond Santa Rita Hills Chardonnay 2014 750 ML | \$142.32 | \$11.86 | \$19.99 |

McFadden Farm

| | | | |
|---|----------|--------|---------|
| McFadden Blue Quail Chardonnay 2014 750 ML | \$75.60 | \$6.30 | \$11.99 |
| McFadden Blue Quail Sauvignon Blanc 2014 750 ML | \$75.60 | \$6.30 | \$11.99 |
| McFadden Gewurtztraminer 2013 750 ML | \$84.60 | \$7.05 | \$12.99 |
| McFadden Old Vine Zinfandel 2012 750 ML | \$111.36 | \$9.28 | \$15.99 |

Moet Hennessey USA Inc

| | | | |
|---|------------|----------|----------|
| Krug Champagne Giftbox 2002 750 ML | \$1,066.50 | \$177.75 | \$249.99 |
| Veuve Clicquot Rose Giftbox 2008 750 ML | \$288.00 | \$48.00 | \$75.99 |

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Nawrocki Imports

| | | | |
|---|----------|---------|---------|
| Domaine Porto Carras Chateau Porto Carras 2006 750 ML | \$134.64 | \$11.22 | \$18.99 |
| Miolo Cuvee Giuseppe Chardonnay 2013 750 ML | \$165.60 | \$13.80 | \$22.99 |
| Miolo Family Vineyards Cabernet Sauvignon 2013 750 ML | \$111.36 | \$9.28 | \$15.99 |
| Miolo Family Vineyards Pinot Grigio 2015 750 ML | \$111.36 | \$9.28 | \$15.99 |
| Miolo Family Vineyards Tannat 2014 750 ML | \$111.36 | \$9.28 | \$15.99 |
| Miolo Lote 43 2011 750 ML | \$212.04 | \$17.67 | \$28.99 |
| Miolo Merlot Terroir 2012 750 ML | \$212.04 | \$17.67 | \$28.99 |
| Miolo Quinta Do Seival Castas Portuguesas 2013 750 ML | \$165.60 | \$13.80 | \$22.99 |

Owen Roe LLC

| | | | |
|--|---------|--------|---------|
| Corvidae Wine Company Chardonnay 2014 750 ML | \$78.60 | \$6.55 | \$11.99 |
|--|---------|--------|---------|

Palm Bay International

| | | | |
|---|----------|---------|---------|
| Domaine De l'A Cote De Castillon Wooden Box 2012 750 ML | \$148.08 | \$24.68 | \$39.99 |
| Williams Elegant Gin 1 L | \$148.44 | \$24.74 | \$39.99 |

Southern Wine and Spirits of PA

| | | | |
|---|------------|----------|----------|
| Amapola Creek Jos. Belli Vineyard Russian River Valley Chardonnay 2013 750 ML | \$125.40 | \$20.90 | \$33.99 |
| Balletto Vineyard Pinot Gris 2013 750 ML | \$111.36 | \$9.28 | \$15.99 |
| Balletto Vineyards Gewurztraminer 2013 750 ML | \$126.72 | \$10.56 | \$17.99 |
| Bartenura Rosso Toscana Sangiovese 2014 750 ML | \$57.12 | \$4.76 | \$8.99 |
| Ca'Marcanda Bolgheri DOC 2011 750 ML | \$540.00 | \$90.00 | \$134.99 |
| Ca'Marcanda Promis 2013 750 ML | \$374.64 | \$31.22 | \$49.99 |
| Ca'Marcanda Vistamare 2014 750 ML | \$226.02 | \$37.67 | \$59.99 |
| Chateau Ste. Michelle Canoe Ridge Chardonnay 2014 750 ML | \$86.64 | \$14.44 | \$23.99 |
| Clos Du Bois Calciare Chardonnay 2014 750 ML | \$109.86 | \$18.31 | \$29.99 |
| Entwine Chardonnay 2014 750 ML | \$64.80 | \$5.40 | \$9.99 |
| Gaja Barbaresco DOCG 2012 750 ML | \$837.42 | \$139.57 | \$199.99 |
| Gaja Brunello di Montalcino DOCG 2011 750 ML | \$295.74 | \$49.29 | \$77.99 |
| Gaja Contesia Langhe Nebbiolo DOC 2011 750 ML | \$928.92 | \$154.82 | \$219.99 |
| Gaja Costa Russi Langhe Nebbiolo DOC 2011 750 ML | \$1,981.50 | \$330.25 | \$449.99 |
| Gaja Dagromis Barolo DOCG 2010 750 ML | \$295.74 | \$49.29 | \$77.99 |
| Gaja Darmagi Langhe DOC 2012 750 ML | \$928.92 | \$154.82 | \$219.99 |
| Gaja Pieve di Santa Restituta Rennina Brunello di Montalcino DOCG 2011 1.5 L | \$239.32 | \$239.32 | \$330.99 |
| Gaja Pieve di Santa Sugarille Brunello di Montalcino DOCG 2011 1.5 L | \$208.04 | \$208.04 | \$289.99 |
| Gaja Sito Moresco 2013 750 ML | \$374.64 | \$31.22 | \$49.99 |
| Gaja Sori Tilden Langhe Nebbiolo DOC 2011 750 ML | \$1,981.50 | \$330.25 | \$449.99 |
| Gaja Sperss Langhe Nebbiolo DOC 2011 750 ML | \$1,066.26 | \$177.71 | \$249.99 |
| Green Truck Sauvignon Blanc Organic 2014 750 ML | \$88.08 | \$7.34 | \$12.99 |
| Heitz Wine Cellars Chardonnay 2014 750 ML | \$196.56 | \$16.38 | \$26.99 |
| Heitz Wine Cellars Napa Valley Sauvignon Blanc 2015 750 ML | \$173.28 | \$14.44 | \$23.99 |
| Il Poggione Brunello di Montalcino Riserva Vigna I Paganelli DOCG 2010 1.5 L | \$139.40 | \$139.40 | \$199.99 |
| Il Poggione Brunello di Montalcino Riserva Vigna I Paganelli DOCG 2010 750 ML | \$425.58 | \$70.93 | \$109.99 |
| JaM Cellars Butter Chardonnay 2015 750 ML | \$119.04 | \$9.92 | \$16.99 |
| JaM Cellars Jam Cabernet Sauvignon 2015 750 ML | \$142.32 | \$11.86 | \$19.99 |
| Jordan Vineyard Chardonnay 2013 750 ML | \$250.68 | \$20.89 | \$33.99 |

Note: Board Minutes are not officially approved until all required signatures are affixed.

| | | | |
|--|----------|----------|----------|
| Joseph Drouhin Puligny-Montrachet AC 2014 750 ML | \$489.80 | \$40.81 | \$64.99 |
| Joseph Phelps Napa Valley Sauvignon Blanc 2014 750 ML | \$125.40 | \$20.90 | \$33.99 |
| Justin Vineyards Sauvignon Blanc Central Coast 2015 750 ML | \$95.76 | \$7.98 | \$13.99 |
| Knob Creek 2001 Limited Edition Kentucky Straight Bourbon Whiskey 750 ML | \$517.92 | \$86.32 | \$129.99 |
| Laphroaig Lore Scotch Whisky 750 ML | \$495.00 | \$82.50 | \$124.99 |
| Le Lauriers de Rothschild Montage Saint-Emilion 2014 750 ML | \$142.92 | \$11.91 | \$19.99 |
| Long Shadows Julias Dazzle Rose 2015 750 ML | \$119.04 | \$9.92 | \$16.99 |
| Qupe Chardonnay Santa Barbera Y Block Chardonnay 2014 750 ML | \$142.32 | \$11.86 | \$19.99 |
| Robert Mondavi Napa Valley Maestro 2013 750 ML | \$187.32 | \$31.22 | \$49.99 |
| Rodney Strong Reserve Chardonnay 2013 750 ML | \$148.56 | \$24.76 | \$39.99 |
| Stag's Leap Wine Cellars FAY Cabernet Sauvignon 2013 750 ML | \$517.02 | \$86.17 | \$129.99 |
| Stag's Leap Wine Cellars SLV Cabernet Sauvignon 2013 750 ML | \$517.02 | \$86.17 | \$129.99 |
| The Divining Rod Chardonnay 2014 750 ML | \$111.36 | \$9.28 | \$15.99 |
| The Federalist Chardonnay 2014 750 ML | \$103.56 | \$8.63 | \$14.99 |
| The Federalist Honest Red Blend 2014 750 ML | \$103.56 | \$8.63 | \$14.99 |
| Ulysses Napa Valley Red Blend 2012 750 ML | \$610.20 | \$101.70 | \$149.99 |
| Van Duzer Vineyards Estate Pinot Noir 2013 750 ML | \$180.96 | \$15.08 | \$24.99 |

The Wine Merchant

| | | | |
|--|----------|---------|---------|
| Ca Va Sparkling NV 750 ML | \$103.56 | \$8.63 | \$14.99 |
| Castello de Pedregosa II Secreto Cava 2007 750 ML | \$328.20 | \$27.35 | \$43.99 |
| Jose German Robles La Perra Gorda 2013 750 ML | \$119.04 | \$9.92 | \$16.99 |
| Jose German Robles Milu Tempranillo 2013 750 ML | \$111.36 | \$9.28 | \$15.99 |
| La Seu Marselan 2013 750 ML | \$103.56 | \$8.63 | \$14.99 |
| Lo Necessario Las Aves de Paso Red Blend 2012 750 ML | \$95.76 | \$7.98 | \$13.99 |
| Southern Gothic Collection Poor Thing Grenache 2014 750 ML | \$173.28 | \$14.44 | \$23.99 |
| Southern Gothic Collection Precious Syrah 2013 750 ML | \$281.64 | \$23.47 | \$37.99 |
| Tresege Gratia Maximus 2012 750 ML | \$173.28 | \$14.44 | \$23.99 |

Urban Earth Wines

| | | | |
|---|----------|---------|---------|
| Campriano Chianti Classico 2011 750 ML | \$256.00 | \$21.33 | \$34.99 |
| Comtesse Bernard De Cherisey Puligny Montrachet 1er Cru Chalumaux 2014 750 ML | \$750.60 | \$62.55 | \$98.99 |
| Comtesse Bernard De Cherisey Puligny Montrachet 1er Cru Monople 2014 750 ML | \$750.60 | \$62.55 | \$98.99 |
| Il Palazzotto Dolcetto di Diano d'Alba Sori Cristina 2014 750 ML | \$125.00 | \$10.42 | \$17.99 |
| Maxime Megnon Corbieres Rouge Rozeta 2015 750 ML | \$295.00 | \$24.58 | \$39.99 |

Verity Wine Partners

| | | | |
|-------------------------------------|---------|--------|---------|
| Dio Fili Xynomavro Rose 2015 750 ML | \$71.04 | \$5.92 | \$10.99 |
|-------------------------------------|---------|--------|---------|

Vine St Imports

| | | | |
|---|----------|---------|---------|
| Apriori Chardonnay 2014 750 ML | \$173.04 | \$14.42 | \$23.99 |
| Apriori Proprietary Red Blend 2014 750 ML | \$240.00 | \$20.00 | \$32.99 |
| Artisan by Murdoch Hill Phaeton Pinot Noir 2014 750 ML | \$129.18 | \$21.53 | \$34.99 |
| Auntsfield Single Vineyard Sauvignon Blanc 2015 750 ML | \$116.04 | \$9.67 | \$16.99 |
| BK Wines One Ball Chardonnay 2015 750 ML | \$258.00 | \$21.50 | \$34.99 |
| BK Wines Skin & Bones Pinot Noir 2014 750 ML | \$258.00 | \$21.50 | \$34.99 |
| BK Wines Syrah Noveau 2014 750 ML | \$140.04 | \$11.67 | \$19.99 |
| Dandelion Vineyards Lionheart of the Barossa Shiraz 2014 750 ML | \$132.00 | \$11.00 | \$18.99 |

Note: Board Minutes are not officially approved until all required signatures are affixed.

| | | | |
|--|----------|---------|---------|
| Dandelion Vineyards Menagerie of the Barossa GSM 2013 750 ML | \$132.00 | \$11.00 | \$18.99 |
| Locations AR-5 NV 750 ML | \$140.04 | \$11.67 | \$19.99 |
| Misfit Wine Co. Cycle Buff Beauty 2014 750 ML | \$102.00 | \$8.50 | \$14.99 |
| Misfit Wine Co. Cycle Buff Beauty 2014 750 ML | \$102.00 | \$8.50 | \$14.99 |
| Mouton Noir Love Drunk Rose 2015 750 ML | \$140.04 | \$11.67 | \$19.99 |
| Mouton Noir OPP Pinot Gris 2014 750 ML | \$140.04 | \$11.67 | \$19.99 |
| Mouton Noir P Oui Pinot Noir 2013 375 ML | \$140.04 | \$11.67 | \$19.99 |
| Murdoch Hill Artisan Phaeton Pinot Noir 2014 750 ML | \$129.18 | \$21.53 | \$34.99 |
| Murdoch Hill Artisan Syrah 2013 750 ML | \$129.12 | \$21.52 | \$34.99 |
| Ochota Barrels Fugazi Grenache 2014 750 ML | \$167.04 | \$27.84 | \$44.99 |
| Paris Valley Road Chardonnay 2014 750 ML | \$94.32 | \$7.86 | \$13.99 |
| Pintupi 9 The Red 2013 750 ML | \$56.28 | \$4.69 | \$8.99 |
| Pintupi 9 The White 2015 750 ML | \$56.28 | \$4.69 | \$8.99 |
| Priorat Natur Vermut NV 750 ML | \$210.72 | \$17.56 | \$28.99 |
| Pyren Vineyards Syrah 2013 750 ML | \$124.80 | \$10.40 | \$17.99 |
| Pyren Vineyards Syrah 2013 750 ML | \$124.80 | \$10.40 | \$17.99 |
| Red Heads Studios Mohawk Cabernet Sauvignon 2013 750 ML | \$124.80 | \$10.40 | \$17.99 |
| Red Heads Studios Mohawk Cabernet Sauvignon 2013 750 ML | \$124.80 | \$10.40 | \$17.99 |
| Shinas Estate Shiraz The Guilty 2014 750 ML | \$140.04 | \$11.67 | \$19.99 |
| Shinas Estate The Guilty Shiraz 2014 750 ML | \$140.04 | \$11.67 | \$19.99 |
| SLO Down Wines Sexual Chocolate Syrah 2013 750 ML | \$216.00 | \$18.00 | \$29.99 |
| SLO Down Wines Stand Out Cabernet Sauvignon 2012 750 ML | \$162.00 | \$13.50 | \$22.99 |
| Some Young Punks Passion Has Red Lips Red Blend 2014 750 ML | \$140.04 | \$11.67 | \$19.99 |
| Woodlands Margarent Cabernet Sauvignon 2013 750 ML | \$249.00 | \$20.75 | \$33.99 |
| Xabregas Artisan Riesling 2011 750 ML | \$90.30 | \$15.05 | \$24.99 |
| Xabregas Artisan Syrah 2010 750 ML | \$100.56 | \$16.76 | \$27.99 |
| <u>Vino Bliss</u> | | | |
| Palladian Estate Cabernet Sauvignon Napa 2009 750 ML | \$412.92 | \$34.41 | \$54.99 |
| <u>Winebow</u> | | | |
| Quinta De Chocapalha Arinto Branco 2014 750 ML | \$95.76 | \$7.98 | \$13.99 |
| Tramin Sauvignon Blanc 2015 750 ML | \$111.36 | \$9.28 | \$15.99 |
| <u>Winemonger</u> | | | |
| Weingut Winter Riesling Trocken 2014 1 L | \$125.04 | \$10.42 | \$17.99 |

RECOMMENDED ACTION: We recommend the Board approve this action

Note: Board Minutes are not officially approved until all required signatures are affixed.

14. Luxury Retail Increases

| <u>BRAND NAME AND SIZE</u> | <u>CODE</u> | <u>PRESENT</u> | | | <u>PROPOSED</u> | | |
|---|-------------|------------------|------------------|---------------|------------------|------------------|---------------|
| | | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> |
| <u>Kobrand Corporation</u> | | | | | | | |
| Tia Maria Dark Liqueur 750 ML | 4555 | \$166.68 | \$13.89 | \$20.99 | \$166.56 | \$13.88 | \$22.99 |
| <u>Palm Bay International</u> | | | | | | | |
| Chase Smoke Vodka 750 ML | 75011 | \$129.36 | \$21.56 | \$33.99 | \$129.36 | \$21.56 | \$34.99 |
| The Hive 8 Year Blended Malt Scotch Whisky 750 ML | 75013 | \$148.44 | \$24.74 | \$38.99 | \$148.44 | \$24.74 | \$39.99 |
| The Spice King 8 Year Blended Malt Scotch Whisky 750 ML | 75014 | \$148.44 | \$24.74 | \$38.99 | \$148.44 | \$24.74 | \$39.99 |
| Peat Chimney 8 Year Blended Malt Scotch Whisky 750 ML | 75012 | \$148.44 | \$24.74 | \$38.99 | \$148.44 | \$24.74 | \$39.99 |

EFFECTIVE DATE: May 2, 2016

RECOMMENDED ACTION: We recommend the Board approve this action

15. Luxury Special Reductions

| <u>BRAND NAME AND SIZE</u> | <u>CODE</u> | <u>CURRENT RETAIL</u> | <u>PROPOSED RETAIL</u> | <u>SAVINGS</u> |
|---|-------------|-----------------------|------------------------|----------------|
| Forget Brimont Rose Wine Premier Cru Non Vintage 750 ML | 29674 | \$45.49 | \$19.99 | \$25.50 |
| Domaine Phillippe Gonet Rose Premier Cru Brut Non Vintage 750 ML | 29425 | \$47.99 | \$24.99 | \$23.00 |
| Ayala Rose Wine Non Vintage 750 ML | 29769 | \$46.99 | \$24.99 | \$22.00 |
| Jean Pierre Legret Champagne Brut Rose Wine Non Vintage 750 ML | 36051 | \$42.99 | \$24.99 | \$18.00 |
| R Dumont Rose Wine Non Vintage 750 ML | 18624 | \$35.99 | \$18.99 | \$17.00 |
| Pascal Jolivet Sancerre Rose 2013 750 ML | 48635 | \$24.99 | \$9.99 | \$15.00 |
| Graf von Schonborn Rose Wine Franken Kabinett 2011 750 ML | 39775 | \$19.99 | \$5.99 | \$14.00 |
| Commanderie de Peyrassol Cotes de Provence Rose 2013 750 ML | 48920 | \$21.99 | \$9.99 | \$12.00 |
| Terres Dorees Beaujolais Rose d'Folie 2013 750 ML | 48903 | \$17.99 | \$6.99 | \$11.00 |
| Domaine de la Bastide Blanche Bandol Rose 2013 750 ML | 48974 | \$20.99 | \$9.99 | \$11.00 |
| Domaines Ott Les Domaniers Cotes de Provence Rose 2013 750 ML | 48859 | \$19.99 | \$9.99 | \$10.00 |
| Domaine Brazillier Coteaux du Vendomois Rose 2013 750 ML | 45066 | \$15.99 | \$6.99 | \$9.00 |
| Paul Jaboulet Parallele 45 Rose Cote du Rhone 2013 750 ML | 48838 | \$14.99 | \$5.99 | \$9.00 |
| Domaine de Corbillieres Touraine Rose 2013 750 ML | 48660 | \$15.99 | \$6.99 | \$9.00 |
| Domaine Brazillier Coteaux du Vendomois Rose 2013 750 ML | 45066 | \$15.99 | \$6.99 | \$9.00 |
| Domaine de la Pepiere La Pepie Rose 2013 750 ML | 48902 | \$17.99 | \$8.99 | \$9.00 |
| Pink Pegau Rose 2013 750 ML | 48715 | \$17.99 | \$8.99 | \$9.00 |
| Chateau d'Astros Rose Cote de Provence 2013 750 ML | 48863 | \$15.99 | \$7.99 | \$8.00 |
| Domaine de Malavieille Charmille Rose 2013 750 ML | 48714 | \$13.99 | \$6.99 | \$7.00 |
| Chateau Saint Pierre Tradition Rose Cotes de Provence 2013 750 ML | 48812 | \$14.99 | \$7.99 | \$7.00 |

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| | | | | |
|--|-------|---------|--------|--------|
| Domaine Saint Eugenie Corbieres Rose 2013 750 ML | 48647 | \$12.99 | \$5.99 | \$7.00 |
| Domaine Petit Rimauresq Cru Classe Cotes de Provence Rose 2013 750 ML | 48706 | \$13.99 | \$6.99 | \$7.00 |
| Chateau Montaud Cotes de Provence Rose 2013 750 ML | 45001 | \$12.99 | \$5.99 | \$7.00 |
| Chateau Grande Cassagne Costieres de Nimes Rose 2013 750 ML | 48649 | \$11.99 | \$5.99 | \$6.00 |
| L'Argentier Aramon Rose Vieilles Vignes 2013 750 ML | 48813 | \$11.99 | \$5.99 | \$6.00 |
| Chateau de Lascaux Coteaux de Languedoc Rose 2012 750 ML | 46431 | \$11.99 | \$5.99 | \$6.00 |
| Domaine Fougeray de Beauclair Rose Wine Marsannay 2011 750 ML | 36434 | \$12.99 | \$6.99 | \$6.00 |
| Domaine de la Petite Cassagne Rose 2013 750 ML | 48650 | \$11.99 | \$5.99 | \$6.00 |
| Joseph Mellot Sincerite Pinot Noir Rose VdP Val de Loire 2013 750 ML | 45047 | \$9.99 | \$4.99 | \$5.00 |
| Domaine de Malavielle Charmille Rose Pays d'Oc 2012 750 ML | 31595 | \$8.99 | \$4.99 | \$4.00 |
| Domaine de Pellehaut Harmonie Rose Vin de Pays des Cotes de Gascogne 2013 750 ML | 48460 | \$7.99 | \$4.99 | \$3.00 |

EFFECTIVE DATES: May 29, 2016 - November 26, 2016

RECOMMENDED ACTION: We recommend the Board approve this action

16. Luxury Vintage Changes

| <u>BRAND NAME AND SIZE</u> | <u>CODE</u> | <u>PREVIOUS VINTAGE</u> | <u>NEW VINTAGE</u> |
|---|-------------|-------------------------|--------------------|
| <u>Capital Wine and Spirits</u> | | | |
| Susana Balbo Crios Torrontes 750 ML | 72891 | 2014 | 2015 |
| <u>David Bowler Wine</u> | | | |
| Chateau Coustaut Graves Blanc 750 ML | 73005 | 2013 | 2014 |
| <u>Majestic Wine & Spirits USA</u> | | | |
| Left Coast Cellars White Pinot Noir 750 ML | 21449 | 2014 | 2015 |
| <u>Southern Starz Inc</u> | | | |
| Tait The Ball Buster Barossa Valley 750 ML | 49899 | 2012 | 2013 |

RECOMMENDED ACTION: We recommend the Board approve this action

Note: Board Minutes are not officially approved until all required signatures are affixed.

17. Chairman's Advantage Recommended Approvals

| <u>BRAND NAME AND VINTAGE</u> | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> |
|--|------------------|------------------|---------------|
| <u>Southern Wine and Spirits of PA</u> Domaine Ste. Michelle Blanc de Noir Rose NV 750 ML | \$49.32 | \$4.11 | \$7.99 |

RECOMMENDED ACTION: We recommend the Board approve this action

18. Chairman's Advantage Revision

| <u>BRAND NAME AND SIZE</u> | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> |
|---|------------------|------------------|---------------|
| <u>Vintage Correction</u> | | | |
| <u>Southern Wine and Spirits of PA</u> Primera Piedra Cabernet Sauvignon Mendoza 2015 750 ML | \$49.32 | \$4.11 | \$7.99 |

RECOMMENDED ACTION: We recommend the Board approve this action

19. Chairman's Selection Recommended Approvals

| <u>BRAND NAME AND SIZE</u> | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> |
|--|------------------|------------------|---------------|
| <u>Appellation Trading Company LLC</u> Edict Pinot Noir Anderson Valley 2013 750 ML | \$180.60 | \$15.05 | \$24.99 |
| Vineyards Found Cabernet Sauvignon Napa Valley 2012 750 ML | \$218.52 | \$18.21 | \$29.99 |
| <u>Conterra Wine Company LLC</u> Casa Santos Lima Feiticeira Tinto 2014 750 ML | \$62.68 | \$5.31 | \$9.99 |
| <u>Good Life Wine and Spirits Importers</u> Asio Otus Red 2014 750 ML | \$64.88 | \$5.41 | \$9.99 |

Note: Board Minutes are not officially approved until all required signatures are affixed.

Jean Claude Boisset

| | | | |
|--|----------|--------|---------|
| Antonin Rodet Chateau de Mercey Hautes Cotes de Beaune Bourgogne Blanc 2014 750 ML | \$103.26 | \$8.61 | \$14.99 |
| Antonin Rodet Chateau de Mercey Hautes Cotes de Beaune Bourgogne Rouge 2014 750 ML | \$103.26 | \$8.61 | \$14.99 |

Lumara Imports LLC

| | | | |
|--|---------|--------|---------|
| Le 7 Torri Falanghina del Sannio DOC 2015 750 ML | \$72.56 | \$6.05 | \$10.99 |
|--|---------|--------|---------|

Winebow Inc

| | | | |
|--|----------|---------|---------|
| Poggio Scalette Il Carbonaione IGT 2012 750 ML | \$289.44 | \$24.12 | \$38.99 |
|--|----------|---------|---------|

Winebuzz Marketing

| | | | |
|---|---------|--------|--------|
| Comte de Saint Aignan Sauvignon Blanc Vin de France 2015 750 ML | \$64.02 | \$5.34 | \$9.99 |
|---|---------|--------|--------|

RECOMMENDED ACTION: We recommend the Board approve these items

20. E Commerce Cost and Retail Increases

| <u>BRAND NAME AND SIZE</u> | <u>CODE</u> | <u>PRESENT</u> | | | <u>PROPOSED</u> | | |
|--|-------------|------------------|------------------|---------------|------------------|------------------|---------------|
| | | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> |
| <u>Capital Wine and Spirits Inc</u> Tomatin Single Malt Scotch 18 Year Old 750 ML | 31206 | \$215.10 | \$35.85 | \$56.99 | \$342.72 | \$57.12 | \$89.99 |
| <u>CBL Wine Company LLC</u> Dock Street Spirits Vicio Mezcal Joven 750 ML | 34355 | \$332.40 | \$27.70 | \$44.99 | \$346.44 | \$28.87 | \$46.99 |

EFFECTIVE DATE: April 30, 2016

RECOMMENDED ACTION: We recommend the Board approve this action

Note: Board Minutes are not officially approved until all required signatures are affixed.

21. E Commerce Exclusive Items

| <u>BRAND NAME AND SIZE</u> | <u>CASE COST</u> | <u>UNIT COST</u> | <u>RETAIL</u> |
|---|------------------|------------------|---------------|
| <u>Cadee Distillery</u> | | | |
| Cadee Bourbon Whiskey 750 ML | \$282.00 | \$23.50 | \$37.99 |
| Cadee Cascadia Rye Whiskey 750 ML | \$329.04 | \$27.42 | \$43.99 |
| Cadee Deceptivus Bourbon Whiskey 750 ML | \$329.04 | \$27.42 | \$43.99 |
| Cadee Intrigue Gin 750 ML | \$246.00 | \$20.50 | \$33.49 |
| Cadee Rye Whiskey 750 ML | \$282.00 | \$23.50 | \$37.99 |
| <u>Grand Cru Imports</u> | | | |
| Dunn Cabernet Sauvignon Napa Howell Mountain 2012 750 ML | \$1,272.00 | \$106.00 | \$155.99 |
| Peter Michael Chardonnay Belle Cote Sonoma 2014 750 ML | \$761.88 | \$63.49 | \$99.99 |
| Peter Michael Chardonnay La Carriere Sonoma 2014 750 ML | \$761.88 | \$63.49 | \$99.99 |
| Peter Michael Sauvignon Blanc L'Apres Midi Sonoma 2014 750 ML | \$451.80 | \$37.65 | \$59.99 |
| Peter Michael Cabernet Sauvignon L'Esprit des Pavots Sonoma 2012 750 ML | \$814.80 | \$67.90 | \$105.99 |
| Peter Michael Cabernet Sauvignon Les Pavots Sonoma 2013 750 ML | \$1,675.32 | \$139.61 | \$199.99 |
| Peter Michael Pinot Noir Le Caprice Sonoma County 2014 750 ML | \$1,020.00 | \$85.00 | \$128.49 |
| Spottswoode Cabernet Sauvignon Napa 2012 750 ML | \$705.00 | \$117.50 | \$171.49 |
| Spottswoode Sauvignon Blanc Napa 2014 750 ML | \$335.88 | \$27.99 | \$44.99 |
| <u>Majestic Wine and Spirits USA</u> | | | |
| Koval Rye Whiskey Single Barrel Cask #1841 750 ML | \$226.56 | \$37.76 | \$59.99 |
| <u>Southern Wine and Spirits of PA</u> | | | |
| Booker's Kentucky Straight Rye Whiskey 2016 Limited Edition 750 ML | \$1,295.94 | \$215.99 | \$299.99 |
| Golden 8 The Williams Pear Liqueur by Massenez 750 ML | \$187.80 | \$31.30 | \$49.99 |
| Laird's Rare Twelve Year Old Apple Brandy 750 ML | \$260.22 | \$43.37 | \$69.99 |
| <u>The Wine Merchant LTD</u> | | | |
| Prats & Symington Chryseia 2013 750 ML | \$272.52 | \$44.42 | \$71.99 |
| <u>Winebow Inc</u> | | | |
| Poli Elisir Camomilla Liqueur 750 ML | \$129.72 | \$21.62 | \$34.99 |

RECOMMENDED ACTION: We recommend the Board approve this action

Note: Board Minutes are not officially approved until all required signatures are affixed.

22. E Commerce Monthly Special Price Reductions

| <u>BRAND NAME AND SIZE</u> | <u>CODE</u> | <u>REGULAR RETAIL</u> | <u>SPECIAL RETAIL</u> | <u>CUSTOMER SAVINGS</u> |
|---|-------------|---------------------------|---------------------------|-----------------------------|
| Berry's Own Selection Barbados Rum 11 YO 750 ML | 36792 | \$89.99 | \$84.99 | \$5.00 |
| Berry's Own Selection Fiji Rum 9YO 750 ML | 36936 | \$89.99 | \$84.99 | \$5.00 |
| Giffard Creme de Violette Liqueur 750 ML | 34810 | \$26.99 | \$23.99 | \$3.00 |
| Giffard Menthe de Pastille Liqueur 750 ML | 34811 | \$29.99 | \$27.99 | \$2.00 |

EFFECTIVE DATES: May 30, 2016 - June 26, 2016

RECOMMENDED ACTION: We recommend the Board approve this action

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve all Bureau of Product Selection / Marketing Actions.

Note: Board Minutes are not officially approved until all required signatures are affixed.

FINANCIAL REPORT *Anna Maria Kiehl, Comptroller Operations, Office of Budget*
 The financial report was presented by Mike Burns from the Office of Budget.

**Commonwealth of Pennsylvania
 Pennsylvania Liquor Control Board
 State Stores Fund
 Comparative Statement of Net Position
 (Unaudited)**

| | <u>March 31, 2016</u> | <u>March 31, 2015</u> As Adjusted* |
|--|-------------------------|---------------------------------------|
| Assets: | | |
| Current Assets: | | |
| Cash | \$ 21,281,967 | \$ 22,885,726 |
| Investments-Short Term | 268,662,166 | 204,341,497 |
| Accounts and Claims Receivable (Net) | 1,236,032 | 1,023,038 |
| Inventory - Merchandise (Net) | 229,091,268 | 222,637,920 |
| Inventory - Operating Supplies | 1,003,220 | 221,051 |
| Prepaid Expenses | <u>1,073,830</u> | <u>2,110,428</u> |
| Total Current Assets | <u>522,348,483</u> | <u>453,219,660</u> |
| Fixed Assets: | | |
| Land | 322,973 | 322,973 |
| Buildings | 19,557,620 | 19,557,620 |
| Leasehold Improvements | 757,962 | 757,962 |
| Machinery and Equipment | 50,375,308 | 42,974,146 |
| Computer Software - Internally Generated | <u>22,710,632</u> | <u>27,442,140</u> |
| Total Fixed Assets | 93,724,495 | 91,054,841 |
| Less: Accumulated Depreciation/Amortization | <u>54,539,848</u> | <u>55,336,318</u> |
| Net Fixed Assets | <u>39,184,647</u> | <u>35,718,523</u> |
| Total Assets | <u>\$ 561,533,130</u> | <u>\$ 488,938,183</u> |
| Total Deferred Outflows - Pension (Note 4) | 48,138,538 | 36,433,569 |
| <u>Liabilities and Net Position</u> | | |
| Liabilities: | | |
| Current Liabilities: | | |
| Trade Accounts Payable | \$ 248,993,352 | \$ 242,399,865 |
| Other Accounts Payable | 12,602,655 | 11,165,515 |
| Accrued Payroll-Related Expenses | 41,285,120 | 39,697,757 |
| Workers' Compensation Liability (Note 6) | 12,316,604 | 5,046,803 |
| Due to Other Funds | <u>5,418,265</u> | <u>3,103,894</u> |
| Total Current Liabilities | <u>320,615,996</u> | <u>301,413,834</u> |
| Noncurrent Liabilities: | | |
| Other Accounts Payable - OPEB (Note 5) | 86,552,554 | 73,396,845 |
| Workers' Compensation Liability (Note 6) | 42,109,251 | 40,038,766 |
| Net Pension Liability (Note 4) | <u>388,785,050</u> | <u>363,223,996</u> |
| Total Noncurrent Liabilities | 517,446,855 | 476,659,607 |
| Total Liabilities | <u>838,062,851</u> | <u>778,073,441</u> |
| Total Deferred Inflows - Pension (Note 4) | 4,802,223 | 2,251,667 |
| Net Position: | | |
| Invested in Capital Assets, net of related debt | 39,184,647 | 35,718,523 |
| Unrestricted | <u>(272,378,053)</u> | <u>(290,671,879)</u> |
| Total Net Position | <u>\$ (233,193,406)</u> | <u>\$ (254,953,356)</u> |

* Amounts reported in previously published interim statements adjusted to recognize retroactive monthly allocation of FY 2014-15 Pension, Workers' Compensation and OPEB year-end accounting valuation actual expenses and restatement of beginning net position due to implementing GASB 68.

Note: Board Minutes are not officially approved until all required signatures are affixed.

**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Assets
For The Month Ending March 31, 2016 and March 31, 2015
(Unaudited)**

| | March 2015-16 | March 2014-15 (As Adjusted)* |
|--|--------------------------|---|
| Sales Net of Taxes | \$ 155,693,509 | \$ 143,839,810 |
| Cost of Goods Sold | 107,283,862 | 99,214,676 |
| Gross Revenue from Sales | 48,409,647 | 44,625,134 |
| Operating Expenses: | | |
| Purchasing, Storage & Transportation | 1,949,650 | 2,189,337 |
| Stores' Operations & Supervision | 31,541,599 | 29,593,252 |
| Central Administrative Support | 5,456,899 | 5,041,819 |
| Comptroller Operations | 383,722 | 356,427 |
| Commonwealth-Provided Services (Note 2) | 624,401 | 1,031,919 |
| Total | 39,956,271 | 38,212,754 |
| Operating Income | 8,453,376 | 6,412,380 |
| Nonoperating Revenues (Expenses): | | |
| Enforcement Fines | 148,775 | 184,545 |
| Interest Income | 96,885 | 27,828 |
| Investment Gain (Loss) | - | - |
| License Fees | 1,357,080 | 1,154,003 |
| Miscellaneous Income | 105,506 | 255,486 |
| Administrative Law Judge | (206,422) | (205,367) |
| Legal | (278,300) | (270,828) |
| Licensing & Investigations | (1,356,987) | (1,210,269) |
| Total | (133,463) | (64,602) |
| Income Before Operating Transfers | 8,319,913 | 6,347,778 |
| Operating Transfers Out: | | |
| PSP Enforcement (Note 3) | 1,946,904 | 1,698,361 |
| Income After Enforcement/Before Other Transfers | 6,373,009 | 4,649,417 |
| Other Operating Transfers Out: | | |
| General Fund Appropriations (Note 3) | 25,000,000 | - |
| Total | 25,000,000 | - |
| Change in Net Position | (18,626,991) | 4,649,417 |
| Total Net Position - Beginning | (214,566,415) | (259,602,773) |
| Total Net Position - Ending | \$ (233,193,406) | \$ (254,953,356) |
| | | |
| Liquor tax | 28,062,626 | 27,131,481 |
| State Sales Tax | 10,929,428 | 10,562,217 |
| Local Tax | 717,089 | 720,805 |
| Taxes remitted to Dept.of Revenue PTD | \$ 39,709,143 | \$ 38,414,503 |

* Amounts reported in previously published interim statements adjusted to recognize retroactive monthly allocation of FY 2014-15 Pension, Workers' Compensation and OPEB year-end accounting valuation actual expenses and restatement of beginning net position due to implementing GASB 68.

Note: Board Minutes are not officially approved until all required signatures are affixed.

**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For The Nine Months Ending March 31, 2016 and March 31, 2015
(Unaudited)**

| | <u>2015-16</u> | <u>2014-15 (As Adjusted*)</u> |
|--|--------------------------------|--------------------------------|
| Sales Net of Taxes | \$ 1,467,732,825 | \$ 1,409,773,485 |
| Cost of Goods Sold | <u>1,009,870,270</u> | <u>969,629,648</u> |
| Gross Revenue from Sales | 457,862,555 | 440,143,837 |
| Operating Expenses: | | |
| Purchasing, Storage & Transportation | 16,254,522 | 14,491,704 |
| Stores' Operations & Supervision | 275,740,358 | 273,990,242 |
| Central Administrative Support | 51,548,522 | 50,711,248 |
| Comptroller Operations | 3,600,918 | 3,510,739 |
| Commonwealth-Provided Services (Note 2) | 8,650,781 | 9,568,226 |
| Total | <u>355,795,101</u> | <u>352,272,159</u> |
| Operating Income | 102,067,454 | 87,871,678 |
| Nonoperating Revenues (Expenses): | | |
| Enforcement Fines | 1,500,881 | 1,509,388 |
| Interest Income | 531,028 | 313,428 |
| License Fees | 9,933,196 | 9,183,611 |
| Miscellaneous Income | 2,117,921 | 1,992,387 |
| Administrative Law Judge | (1,880,577) | (1,938,604) |
| Legal | (2,613,543) | (2,704,058) |
| Licensing & Investigations | (11,255,937) | (10,798,126) |
| Total | <u>(1,667,031)</u> | <u>(2,441,974)</u> |
| Income Before Operating Transfers | 100,400,423 | 85,429,704 |
| Operating Transfers Out: | | |
| PSP Enforcement (Note 3) | <u>19,886,575</u> | <u>19,749,926</u> |
| Income After Enforcement/Before Other Transfers | 80,513,848 | 65,679,778 |
| Other Operating Transfers Out: | | |
| General Fund Appropriations (Note 3) | 75,000,000 | 80,000,000 |
| Total | <u>75,000,000</u> | <u>80,000,000</u> |
| Change in Net Position | 5,513,848 | (14,320,222) |
| Total Net Position - Beginning, 2014-15 Restated | <u>(238,707,254)</u> | <u>(240,633,134)</u> |
| Total Net Position - Ending | <u>\$ (233,193,406)</u> | <u>\$ (254,953,356)</u> |
| Liquor tax | 263,755,072 | 253,243,951 |
| State Sales Tax | 102,761,580 | 98,610,917 |
| Local Tax | 6,560,612 | 6,402,100 |
| Taxes remitted to Dept. of Revenue YTD | <u>\$ 373,077,264</u> | <u>\$ 358,256,968</u> |

* Amounts reported in previously published interim statements adjusted to recognize retroactive monthly allocation of FY 2014-15 Pension, Workers' Compensation and OPEB year-end accounting valuation actual expenses and restatement of beginning net position due to implementing GASB 68.

Note: Board Minutes are not officially approved until all required signatures are affixed.

OTHER ISSUES

None

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

None

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, May 11, 2016 beginning at 11:00 A.M. Prior to the public meeting, there will be an Executive Session to discuss matters of personnel and to engage in non-deliberative informational discussions, some of which are regarding actions and matters which have been approved at previous public meetings.

ADJOURNMENT

On a motion by Board Member Negra, seconded by Board Member Newsome, the meeting was adjourned.

The foregoing actions are hereby officially approved.

Chairman

Member

Member

ATTEST:

Secretary