



GENERAL ASSEMBLY

STATE OF ILLINOIS

November 16, 2012

Richard Haymaker
Chief Legal Counsel
Illinois Liquor Control Commission
100 W. Randolph, Ste. 7-801
Chicago, IL 60601

RE: Case No. 12-CCH-01

Dear Mr. Haymaker,

We are writing in regard to the Liquor Control Commission's (Commission) recent order in Case No. 12-CCH-01, dated Oct. 31, 2012. In the order, the Commission allowed Anheuser-Busch InBev (ABI), through its subsidiary WEDCO, to maintain an interest in a distributorship, City Beverage Illinois, LLC. The Commission erred in its order and we strongly urge you to appeal the decision.

ABI's ownership interest in the distributorship violates the very essence of Illinois' longstanding three tier system of alcohol regulation. Furthermore, it undermines the efforts of other brewers, distributors, and retailers.

Illinois courts have established that the Liquor Control Act (Act) functions as an authorization law, meaning the Act prohibits that which it does not expressly permit. The Commissioners writing in the majority in this case seem to have ignored this long standing precedent. The majority opinion concludes that the Act is unclear as to whether an ownership interest of this sort is allowed, and yet, contrary to established legal precedent, the majority allows ABI to maintain its interest. The Act must expressly permit ABI's ownership interest; otherwise, that interest should be deemed unlawful.

SB 754 (P.A. 97-0005), the bill passed by the General Assembly in direct response to this particular dispute, should have made it abundantly clear to the Commission that ABI's ownership interest is not permitted. In sum, the General Assembly amended the Act to authorize only brewers that manufacture under a stipulated volume to obtain a permit to self-distribute a portion of their own beer. By design, the threshold established by SB 754 excludes large brewers such as ABI. Nowhere in the Act, both before and after the enactment of SB 754, is a



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brewer, large or small, expressly permitted to own or obtain an interest in a distributorship or hold a distributorship license.

If any doubt remained, the Commission should have consulted the legislative history of SB 754. The chief sponsor in the House stated the intent of the legislation was to establish that "... all brewers, in-state and out-of-state, manufacturing beer above the craft brewers limits may not self-distribute or own a distributorship in Illinois."

For the foregoing reasons, we, the undersigned members of the General Assembly, respectfully request that your office take immediate action to appeal the order to provide the Commission with another opportunity to evaluate the merits of the case.

Please let us know how we may be of any further assistance in this matter. Thank you for your time and consideration.

Sincerely,

David Leitch

Frank Mautino

Mike Bost

Dan Brady

John Cavaletto

Bill Cunningham

Paul Evans

Jack Franks

Norine Hammond

Chad Hays

Dwight Kay

Antonio Munoz

Chris Nybo

JoAnn Osmond

Robert Pritchard

David Reis

Al Riley

Tim Schmitz

Joe Sosnowski

CC: Stephen B. Schnorf, Acting Chairman of the Illinois Liquor Control Commission
Donald G. O'Connell, Commissioner of the Illinois Liquor Control Commission
James Pandolfi, Commissioner of the Illinois Liquor Control Commission
Cynthia Cronin Cahill, Commissioner of the Illinois Liquor Control Commission
Amy Kurson, Commissioner of the Illinois Liquor Control Commission
Bill Morris, Commissioner of the Illinois Liquor Control Commission
Maria Saldana, Commissioner of the Illinois Liquor Control Commission
Allyson Reboyras, Secretary of the Illinois Liquor Control Commission



GENERAL ASSEMBLY

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November 16, 2012

The Honorable Pat Quinn
Governor of Illinois
James R. Thompson Center
100 W. Randolph, 16-100
Chicago, IL 60601

RE: Illinois Liquor Control Commission - Case No. 12-CCH-01

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We are writing in regard to the Liquor Control Commission's (Commission) recent order in Case No. 12-CCH-01, dated Oct. 31, 2012. In the order, the Commission allowed Anheuser-Busch InBev (ABI), through its subsidiary WEDCO, to maintain an interest in a distributorship, City Beverage Illinois, LLC. The Commission erred in its order and we strongly urge you to contact the Legal Division of the Liquor Control Commission to encourage their office to appeal the decision.

ABI's ownership interest in the distributorship violates the very essence of Illinois' longstanding three tier system of alcohol regulation. Furthermore, it undermines the efforts of other brewers, distributors, and retailers.

Illinois courts have established that the Liquor Control Act (Act) functions as an authorization law, meaning the Act prohibits that which it does not expressly permit. The Commissioners writing in the majority in this case seem to have ignored this long standing precedent. The majority opinion concludes that the Act is unclear as to whether an ownership interest of this sort is allowed, and yet, contrary to established legal precedent, the majority allows ABI to maintain its interest. The Act must expressly permit ABI's ownership interest; otherwise, that interest should be deemed unlawful.

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November 20, 2012

VIA HAND DELIVERY

The Honorable Pat Quinn
Governor of Illinois
James R. Thompson Center
100 W. Randolph, 16-100
Chicago, IL 60601

RE: Illinois Liquor Control Commission - Case No. 12-CCH-01

Dear Governor Quinn,

In a letter dated Nov. 16, 2012, 19 members of the General Assembly expressed their support of an appeal of the Liquor Control Commission's (Commission) recent order in Case No. 12-CCH-01. Case law and statutory law that clearly contradict the majority's order necessitate an appeal in this case. We, the undersigned members of the General Assembly, write to echo the sentiments shared in that letter.

Accordingly, we respectfully request that your office urge the Legal Division of the Illinois Liquor Control Commission to appeal the order to provide the Commission with another opportunity to evaluate the merits of the case.

Please let us know how we may be of any further assistance in this matter. Thank you for your time and consideration.

Sincerely,

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Dale Righter
Jim Sacia

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Sam McCann
Chapin Rose
Martin Sandoval

Robyn Gable
Lou Lang
Michelle Mussman
Wayne Rosenthal
Pat Verschoore

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