

Public Hearing - Group Purchasing Agreements-20260312_100832-Meeting Recording

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2h 36m 42s

● **Chew, Kim** started transcription

● **(Chew, Kim)** 0:11

OK all right.

Good morning.

Thank you all for being here.

I appreciate everybody engaging and being part of this process.

We didn't know what the turn out would be but when we solicit comment for rules there are times we've had no one show up no one comment.

So I really appreciate everybody being here to give feedback.

And provide information to the Commission.

We are recording today.

There are some people on virtually if you are on virtually and you have not done so put your name in the chat if you wish to testify and then.

Keep going keep.

We'll know to call on you to testify virtually when you are not testifying if you could keep your microphone muted that will help us here in the room to make sure there's no additional feedback or people are testifying.

My name is Jessica Allen.

I'm chairwoman of the alcohol and tobacco Commission.

With me today vice chairman Jim Payne and commissioner Marjorie McGinn are up.

Here we have a few more.

Employees of the Commission Melissa beauchair is general counsel for the Commission.

Daphne whitmire is senior attorney and Dave Miller is Superintendent of Indiana State excise police.

There are a few other.

Staff members moving around.

We will call everybody that signed in one at a time if you wish to testify we'll have you come sit up here at the microphone and state your name.

Tell us in this case.

Your permit name generally in the state where you're located if it's multiple counties you know list out the county.

There's a southwest Indiana whatever it may be and then tell us if you're part of the group what the group is.

And we may have some questions after you testify but we're interested to hear from everybody.

Today.

So with that and we will swear you in.

Swear in the group now.

I think so that we're not doing it individually.

That would.

That should come up.

If you're on virtually we may swear you in as you?

Testify or if you haven't been in the room and we don't know that you took the oath we may swear you in when you come up to testify.

So if everybody wishing to testify today could raise their right hand.

You solemnly swear firm is the case if you might testify today.

Do you solemnly swear affirm as the case may be that the testimony you're about to give the Commission will be the truth the whole truth and nothing but the truth I must agree?

All right thank you.

We will start working down the list ray Cox.

Right is there enough space there for.

You to actually.

Yeah alright.

We'll make it work.

It is a pretty personal the way we like it so.

What happened?

Start I got a bit distracted so I will say I think everybody knows but we're here.

For comment generally on.

Rule 32.

The group purchase rule we are soliciting comment about what's working what's not working if any amendments are needed it is up for readoption this year and we noticed it for readoption through that process.

We can only either.

Readopt or sunset the rule.

Well we can't make any amendments to the rule.

So this process would be where if any amendments are needed if any changes are needed there can be amendments through this process.

So that's why this process is happening separately from the.

Pre adoption that was previously noticed from rule 32.1.

All right I forgot to explain that.

No problem.

Thank you thank you.

Your name and who you're with.

Yeah yeah my name is ray Cox.

I own and operate 4 stores in Central Indiana.

Elite beverages.

We are members of the dollar saver Co-op here in Central Indiana.

And I want to first of all thank you guys thank the Commission the present Commission you all here today for giving us time to talk about this very very important rule bars I also want to thank.

Past commissions who not only promulgated this rule promulgated rule 32.

In 1996 and then promulgated 32.1.

In 2019.

So thank you very much.

I wanted to start off with.

A general discussion of coops.

I don't know how much everybody knows about coops.

I don't wanna take anything for granted if that's OK with you so co-ops in general are very commonplace in America.

Hardware stores drug stores grocery stores medical suppliers all utilize co-ops throughout America.

Ace Hardware one of the biggest co-ops.

That's how they compete against the big boys.

So very common place in America there are also beverage alcohol.

Coops in other states I know I know for Illinois.

Has beverage alcohol co-ops?

So does Florida.

I don't know the others I imagine there are other states but I know of at least those 2.
There's actually a a national Co-op that some of.

Our Indiana wholesalers have utilized may still be utilizing.

It's called the wine Guild.

Nothing illegal about it but they get together on a national basis.

And they Co-op wine and and direct order it and then clear it to a wholesaler.

So there's all kinds of co-ops been going on for years and years.

There are at least 15 independently owned co-ops in this state today.

They represent hundreds of Hoosier small business people.

There are also independent co-ops I'm sorry commonly owned co-ops that are here today to testify in favor of rule 32.1.

So you'll I'm sure you'll hear from them.

But at this point in time I dislike for all the independent Co-op members that are here supporting rule 31 don't have to testify just raise your hand and be recognized if you're here to support the rule as is.

Yeah.

Thank you very much.

Appreciate you being here.

Independent co-ops can also be comprised of Taverns and restaurants.

So this rule effects actually all retailers and dealers.

Just to give a brief history of rule 32 and its effect on the industry in 1996.

Retailers package store owners the ATC at that that point in time and the wholesalers got together and promulgated rule 32.

It was done.

On a very non discriminatory basis the if you if you look at rule 32 the main distinction between independent co-ops which are co-ops that are formed by people that own their own stores.

Versus.

Commonly on coops which is what you would think of as a chain a large chain.

The the difference between them is really in.

Invoicing and pricing because the wholesaler wanted to guarantee that they got paid.

I don't blame them.

So they required certain invoicing requirements for independence obviously if you're gonna ship.

The store AB and C at 1:00 shipment.

You're gonna bill them AB and C.

One shipment.

That's that doesn't have to happen with a commonly owned.

Other than that the rules are the same.

There's never been a limit to stores on either side of the coop roll either for independent or commonly owned.

And and I I think that's a point that needs to needs to be remembered because there are some who would suggest that there needs to be a limit.

There's never been a limit we think that would be pretty discriminatory.

There may be some misconceptions out there about.

Regarding independently own.

Ed I I just brought a couple pictures I'll introduce into the record.

Just I guess I'll just hand them to you.

These are pictures of a coop in action.

Putting together.

Orders.

Putting together deal levels and placing orders in a Co-op for delivery in our Co-op it pretty much happens every week.

In our coop it happens 3 times a week or 3 times a month.

Then there is the the harder part.

That's the brain part.

The harder part is unloading.

And you can unload.

In different ways and I've I've.

Includes some pictures of a coop just took just the other day of unloading one of the ways we unload is called truck to truck.

It's actually referred to in Rule 32.1.

It's specifically allowed truck to truck is basically where the wholesaler pulls up with his truck.

The retailer backs up with their truck.

There's a portable conveyor belts that go between them.

And the product is rolled off.

Very efficiently.

Excuse me I think our Co-op did.

5000 cases in 4 hours truck to truck transfer.

There's another way to do it which is permitted as well and that is to stage the order and I think the last picture shows that.

Probably which one was that.

Uh that one there.

Where you staged the order actually on the concrete so for?

The record I've marked that one exhibit 4.

All right tell us about the staging.

Yeah so in that in that type of scenario the wholesaler has the goods palletized they down stack them from their truck.

Put it on the parking lot and then they distribute from there to the participating members.

We think truck to truck is more efficient but we're definitely.

Very flexible and we were open to all all forms of delivery.

I want to invite any of you to come to watch a Co-op in action.

We we we generally meet and unload every Wednesday and Lou who runs the Co-op can tell you more about specific dates.

Particular location.

At a particular location yes Sir.

And so if you're interested in seeing that it happen in action you're more than welcome to see it.

I do want to take the time to to thank our secretary speedy.

And Alex his chief of staff for visiting our Co-op a couple times and actually familiarizing themselves with what happens there.

I think they walked away with a pretty good appreciation for what what goes on there.

So when I started you know I've quite frankly I've been following this issue for months now because I knew it was.

But and I.

I wanted to make sure we got this thing reenacted and when I when I started to do that I identified some folks that were opposed and and I think that's probably why we're here today.

So when I when I did that I identified 22 groups that were opposed.

One was big red liquors.

The other one were were wholesalers.

And I don't know who really what wholesalers I'm not sure of course with with wholesalers.

They said it was a safety concern.

So you're not suggesting that all wholesalers just suck.

Correct.

Yes Sir and so.

After meeting.

Several times with all the individual wholesalers the 3 major wholesalers I can tell you that I never really met with RNDC.

Good time to remind everybody to silent cell phones we forgot to say that at the beginning.

Disruptive bags in the meeting.

Yeah yeah yeah.

After I'm I did not meet with RNDC.

They've got their hands full and I did.

What what does RNDC?

RNDC is Republic national distributing corporation.

So they everyone knows yes.

For one news.

I I met with southern wine and spirits and had great conversations with them actually.

We have agreed.

We we narrowed their concerns down considerably and what I think their concerns are really not so much safety.

I don't want to speak for them I assume they'll put something in writing on this but.

Their their concerns are more common courtesy oriented which I totally agree with and I think that we agreed actually we agreed to meet after after these meetings and.

And work out possibly a best practices policy that.

That they can adopt as a company we we don't need to adopt an enroll 32.1.

We would like to work with rule 32.1 as a framework and then work out with our partners.

How we'd like to do things when you said?

When you?

Common courtesy can you explain 'cause everyone may not know but what does common common.

Common courtesy would mean being at the coop drop on time.
Those kind of things Yep making it more efficient.
So when I and I've I've talked to the other wholesaler which is Johnson Johnson brothers.
And.
They were concerned about safety issues so I did a little research.
And nowhere did I find any serious incidents happening at Co-op drops.
There might be somebody getting hurt.
Yeah yeah and I think well yes yes.
And I think maybe one person did.
Break a finger or something had got hurt on the job.
One of their folks I was told that.
I don't know that that's caused by rule 32.1.
Yeah we have a lot of.
I mean you can get hurt.
To palette it's a palette.
Yeah that's right.
Maybe a training issue I don't know but.
But the evidence to to to true safety really points the other way.
Let me tell you what I found in 2009 a trailer full of liquor was hijacked in national wine and spirits parking lot.
National line spirits became Republic national.
In 2013 a quarter of \$1,000,000.00 for the Hennessey cognac was taken from 1900 Kentucky avenue which was bound from southern wine and spirits.
If you're on virtually please mute your microphone?
In may of 2024 the Muncie cheers bar a delivery was being made and it got stolen.
Not by a Co-op.
This none of these are Co-op related OK.
Yeah my point is none of these are Co-op related and actually.
In our own new fields right the the IMA.
In 2023 the day after the penrod art fired \$15,000.00 worth of liquor was heisted.
I don't know of anything at a Co-op I might be wrong.
Maybe somebody does.
As far as I know there have been no violations of law at a Co-op.
Issued by the ATC or by excise.

And so I'm struggling to see where 32.1 is inherently unsafe.

So now I'd like to look at big red and their anticipated argument.

Here I have spent time speaking with them in the last few weeks and.

I think.

It was.

It was.

A good talk but I'm not sure we came to any resolution at all so.

At first it was about the size of a coop and that one of these coops are too big.

And my response to that would be.

We'll limit our numbers when you limit yours.

Equality.

That really isn't a solution but it makes a good point.

Then it became about.

Big red bean at a disadvantage because they operate a warehouse over 100,000 square foot of warehouse space costs a lot of money.

Well I'm sure that's true.

Co-ops have costs associated with them as well and I'd like to submit.

Some yearly cost figures that we as store owners put together as to the per store cost.

Lost.

Being involved in a Co-op.

So just because you're you've got a warehouse doesn't mean you don't have cost.

Actually some of us including myself operate our own warehouse and are involved in a Co-op.

We have 4 stores.

The beauty of it though is that 32.1 treats everybody the same.

You don't need to have a warehouse.

You can have a warehouse right and so.

Independence.

And chains that have chosen to have a warehouse do it because of the advantages.

OK.

So the advantages of of operating a warehouse are are multiple.

Economy is a scale.

We can buy when the price is right and we can hold that inventory for 2345 months when the cost of that inventory increases.

But we bought at a cheaper price.

So can everyone else and of course.

The other.

Real advantage that big red has that really nobody else has.

Yes.

Is that they're now owned by private equity they were started by a guy named mark McAllister years and years ago fantastic guy?

Did a great job but but he's he's been bought out several times and now they're owned by private equity?

I'd like to quote.

From.

A publication from Harrison Williams who specialize in private equity placements.

And I'll enter into the record as well but this is a quote from their their publication big red garnered significant investor attention due to their continued strong same store sales in history of successful acquisitions.

The liquor retail industry is highly fragmented and big red 's unique consolidation strategy has generated an impressive track record of growth.

Over the past 7 years.

Since rule 32.1 has existed big red has almost doubled in size.

And so I find it hard to believe where they're at a disadvantage.

Umm.

There are advantages.

To warehousing that will.

You'll never know.

I mean it's it's this it's mind boggling.

And of course the advantage of private equity.

In unlimited funds is pretty good too.

I'd like to introduce 2 more 2 more pictures and then I'm done.

With the pictures.

And if you look at these.

You might think that's a Co-op delivering a parking lot it's actually not.

It's a beer delivery in a parking lot this bean staged on the parking lot.

And it's going to one of my stores.

This happens twice a week 52 weeks out of the year if there is inherently something wrong.

With parking lot deliveries maybe we ought to talk to the beer guys about it because it goes on.

Like I said all the time throughout the state.

Finally it seems a little odd considering the governor 's call for reducing regulation to take a role as work well for so many years.

And layer it with some onerous limiting regulation or amendment.

Darn sure.

Thank you.

Changing rule 31.

Is choosing private equity over consumers?

With.

Higher prices and less selection.

It's also choosing private equity over hundreds of Hoosier small businesses who are represented here today outside in the room.

And elsewhere with that ladies and gentlemen I want to thank you for your time and I'll answer any questions you might have.

I have some questions previously written out so give me just a second some of them may have already answered.

Sure.

OK.

So how many members about are in the dollars.

They are buying through.

3535.

And that.

What?

's OK.

I'll ask you when you get up here to testify.

Thank you.

Do you do anything with beer in the binding group?

Very little if any.

I don't think we bought beer in a long long time.

Now I do know of coops that do Co-op some beer.

I.

OK.

Wanna ask everybody these same questions.

So yeah.

Well and and it it really varies.

I mean in a metropolitan market like Central Indiana it really doesn't you know your demand is high.

The beer deals aren't that high.

The levels aren't that high.

The savings aren't that great so it doesn't really do as much good to Co-op beer.

Most everybody buys these deep deals on their own.

In a smaller Co-op though in.

Linton Indiana let's say.

They might do some they might.

They might Co-op some beer.

Umm.

How long so every Wednesday about how long does the Co-op delivery take?

That's a good question.

Depends on the truck and the.

Lou 's gonna.

Lose weight in his hand.

And you want to defer to Lou.

OK.

I'll defer to Lou.

Alright I'll ask that question of Lou.

What time of day is the delivery?

I'm gonna defer to Lou all right.

I'd ask if you're the designated agent but I think we know that.

We're gonna defer to Lou.

How do you handle when you pick up at the coop how do you handle delivery to your locations?

Because you said you have 4 stores.

Yeah we actually take all of ours to a warehouse and then we go from there and distribute it out.

How do you keep it separated since it's sub invoice how do you keep it separated at the warehouse?

It's it's all invoice to the warehouse store so it doesn't really need to be separate.

It's just one store OK yeah.

How do you track from?

There.

What's going different places and the reason I'm asking that is everybody knows excise checks for wholesale records when they come in?

So how do you show that it originated from old fiddler.

Yeah we have.

We we we generate invoices with everything we we do so we we have our own invoice.

That states all that's required in the rule.

Price and where it's going and all that.

And then I have some questions about placing the orders but I'll save that for Lou.

He's raising his hand.

OK all right.

Alright.

Any other questions?

Tell me how the Co-op has grown over the years.

And Lou will address this too but I can tell you I can answer that question a little bit into some detail but the Co-op have grown over the years I've been in the business 40 years.

When I first got in a Co-op it was there was no rule 32 when we first started Co opting and it was a group of probably oh I don't know maybe 1010 retailers?

The need the the industry is not consolidate as much so the need for a larger number was not there.

Let's say the maximum deal level might have been 100 or 200 cases.

OK maybe 300 cases.

And so you could easily match you know match 10 people to that OK.

Over the years as the industry consolidated chains became bigger.

And bigger grocery stores got into the business.

Drug stores got into the business all these players got into the business the deal levels grew.

Today there are 5000 case steel levels out there.

And so.

What you know there's probably 2 or 3 things that really control the size of a Co-op?

Because none of us really love to get together and lift cases every week and ship around.

But it's a necessity to be able to compete.

So if you had.

Smaller deal levels that would control the size your coops so number one is deal levels control the size.

Second of all though the the market that you operate in control the size.

If you operate in a in a metropolitan market like like?

Central Indiana.

He may have a pretty big size Co-op because competition is keen.

Deal levels are high.

You need to make those deal levels to be competitive.

The the the coops all came about because of the need for for.

Independent retailers to be competitive just like in the hardware business.

Independent retailers to be competitive just like in the hardware business.

And so that's that's how we got there.

Higher deal levels evolution of the business the business has changed.

So much and and even 30 years.

But 40 years ago we hardly had any rules.

And you know the ATC said.

Well you know guys you might want to have some rules.

And so actually there was a period where the ATC stopped it because there were no rules.

And it's OK.

And it was retail.

The retail sales basically.

And so everybody said OK.

Well then the need to you know put some guidelines on it was there.

Then finally like I said 30 years.

Years ago.

We view the ATC promulgated rule 32.

Thank you very thank you.

Thank you for your time.

All right Lou.

Thank you ladies.

All right.

Good morning start with.

Who you are what stores and what?

OK.

Co-op.

Commission chair Allen.

Other Commission members thank you for allowing me to testify today my name is Lou wilderman.

I've been in the business bought a package store back in 1978 so I've owned the store for 48 years.

And I have been the agent for dollar saver Co-op for well over 40 years.

So I feel that obviously I can probably answer any question that you have.

Concerning co-ops.

For the sake of time I don't wanna be redundant but I do want on the record that everything that Mister Cox stated previously.

I.

Overwhelmingly agree with him so.

I'll try not to be redundant.

There are 2 areas that I'd like to get a little bit more in depth on and and maybe in the weeds a little bit I think it'll explain.

Kind of the history of discounting from 50 years ago to current.

Why we need coops why they're so important for all independents?

I have copies of some deals I've got copies of planners and then.

If if you're willing and want to hear I will go in depth on how a privately owned Co-op places orders accepts the orders so on so forth so?

Starting with kind of the history of discounting back in the early 70s the state of Indiana has.

Fair trade meaning everyone that sold package products and had a license got the same price and that there was a minimum markup for these products well about mid 70s 1976 or so.

Fair trade was abolished.

And competition started.

I bought the store in 1978 back then.

That particular store was 532 square.

Foot that's all the space they needed because product was able to be bought basically on a weekly basis and everything.

It was a case one also back in 1978 when I first bought the store.

I could buy product from multiple wholesalers meaning if I bought a bottle of Jack Daniels or needed Jack Daniels I could buy it from 3 to 5 different wholesalers. Consequently the the competition was there levels remained extremely low. Along came the distillers who didn't like that they wanted exclusivity for their wholesalers and the reason for that is they wanted to be able to control their products.

When they had multiple wholesalers wrapping their products throughout the state they lost control?

Wholesalers also wanted exclusivity they gave us.

The reasoning was that.

Their profitability would improve in that retailers would swim in service.

Not quite exactly what happened but hey we'll go on so.

Changed our developing 21st amendment pay list liquors.

United package liquors during that period.

And and now we have wholesalers that have the exclusive right to sell the products level started to increase back in the day originally 15 and maybe 10 case levels.

Or the norm.

As exclusivity happened change started to develop.

Levels started increasing to 2550 100 cases.

Consequently that's when independence started joining together.

Pooling their resources to be able to compete.

That continued continued on ray has explained.

How and when coops were promulgated?

No reason to go into that but.

In the.

In the 96 obviously coops continued to grow but the change continued to grow.

I and fast forwarding you know we graduated from one in 510 case levels to 2550 100 case levels to 100 200 500 case levels.

Fast forward now to.

2026 and we have 2000.

3000 5000 case levels.

Here are now back in the day we used to have hard copies of discounts today's wholesalers likes they like to do it electronically so unfortunately I can't prove what the levels were 2030 years ago.

Because they have all been destroyed and and purged.

And levels are discounting today is virtually done electronically with the wholesalers but.

To to show exactly how.

How deals have exploded I have here a deal most recently in September?

Canadian club 500 cases of 1.75 liters.

Our Co-op a store or Co-op of 35 stores can't even come close to ordering that.

And here's the big one the difference is is at the 500 case level the cost of a half gallon of Canadian club is \$10.50.

The price we pay at the next level that we can conveniently buy is \$14.00 a bottle.

So I'm confused.

What is this documentary?

This document is a discount sheet that I'm going to submit to you from this.

From.

This particular one is from southern wine and spirits OK.

OK what I'm doing now is just giving you a few discounts.

I have 6810 here I could give you 100 just like this.

OK.

Not to get too repetitive but also here a 2000 case deal on Jose fuertevil.

Gold that is a 6 month buy for our Co-op.

Why do we do it?

Because the savings are so dramatic that we have no choice but not to do it.

A 2000 case order from southern ween Spears in the coastal division.

Significant savings.

500 case deal on Tara mana tequila.

500 case deal on Jack Daniels.

A 2000 case deal with 350 cases.

No charge on Sutter home for.

A deal arts Co-op and eventouch.

These are just a few 1800 silver tequila.

500 cases so.

I will submit these they're hard to read but.

That's proof of where the levels are and why coops are so important to independents.

Umm.

Something of note that I can say unequivocally is the dollar saver Co-op that has

been in existence for 40 years has never asked a wholesaler or an increased deal level.

Or a better price.

All we do is try to compete.

All we do is try to buy the deals that are out there.

We would prefer smaller deals as Ray alluded.

To.

We.

We consider co-ops a necessary evil.

That's not saying we don't like co-ops it's just that we would prefer to bring the product directly into our stores but without this opportunity to buy these deep levels.

A lot of our stores would be out of business.

Our profit would be hurt so substantially we would just sell.

So the next thing that I would like to go into is how co-ops operate.

Now I'm gonna first of all.

Assume a few things here on how commonly owned co-ops work.

A big red for an example I've talked to sales people.

I generally know how this works.

But I'm just going to paint a little picture of kind of the process they have to go through and then the process that a Co-op goes through and the differences I think you'll realize that Big Red is not as disadvantage co-ops are at a disadvantage.

OK but we're not here today asking for any change.

We just want the status quo so in a commonly owned Co-op such as Big Red who owns 108 stores there is probably one liquor buyer.

Maybe one wine buyer.

Maybe one beer buyer.

So getting them on the beginning of the week salesman comes in sees what the needs are.

Might go over.

Items that are pulsing when I talk about pulsing.

This is a purchase calendar from Southern Wine and Spirits the Coastal Division and I bring this one to the Commission because it's the easiest one to read.

And what this is it's a 6 month.

List of which items are discounting and when and pricing OK so.

Then at the commonly owned the the salesman decides which products that they need to order.

They place the order and then.

Obviously invoices are generated.

And here's a big point to to hone in on.

The product is.

Delivered to the warehouse and taken off the trucks inside to their warehouse.

Big big point here.

And and later when I explain how coops work the difference between the delivery on a commonly owned compared to an independently owned so.

So getting to something that I know a lot about and that is independently owned co-ops once again I've run this Co-op for 40 years.

And for the last 1520 years.

The drop point is at my location.

So.

Our Co-op is made-up of 35 stores.

And there are 13 owner slash buyers.

The breakdown is we have 41 store owners.

42 store owners 13 store owner 124 store owners 15 store owner and 17 store owner.

So we have a combination of different sizes.

I'm one of the one store owners but I also have a warehouse and the reason I have a warehouse is because of these large deals it allows me to compete without it.

Without the warehouse I could not compete obviously just like.

The commonly owned coops such as.

Red.

We don't dispute the fact that they have expenses.

We know they have expenses.

That's not something that is in contention here at all.

But what I want to explain to you is that we also have.

Expenses and maybe greater expenses than they do so when we hear that they're at a disadvantage I can't wrap my head around this.

How they're at a disadvantage?

OK.

So our process of ordering compared to the common layout here is a 12 month schedule.

Will which I will submit and encourage you to come to one of our meetings slash deliveries anytime to see how?

It actually operates so as you can tell there and we give this to our wholesalers 12 months or excuse me about 3 to 4 months in advance of the of the the year.

Question so as you see there the first meeting of the month let's say March the 4th was a meeting with Johnson brothers.

And RNDC and it is a meeting only so all 13 buyers and ray has given you a picture of that.

We we meet at 9:30 in the morning OK at my location.

A week prior.

The wholesalers give us focus guides.

Bank or the products that we are going to buy.

On may the 4th so the.

13 buyers then accumulate.

Their needs numbers.

Submit them a couple of days prior to the Co-op meeting so that the wholesaler can calculate those numbers.

And and by the time that we meet they will know which deal levels that we have met OK.

So we're at the meeting on March the 4th 9930.

All 13 buyers are there wholesalers.

Johnson brothers.

They they are at the head table and they start the meeting and let us know which levels that we had attained that were on our focus guide to buy.

Then we start the tedious process.

Of all of the items that were on the focus guide to buy that we didn't make the levels that we were insufficient in enough cases that's when we start going around the table.

Why we need to be present?

Why it's not functional to do?

It any other way.

We start going around the table deciding who can add cases whether we want to push that particular buy off to the to another month.

OK.

So this is a.

It's a tedious process compared to commonly owned.

They just bulk buy deal levels which I think some of those big deals were promulgated by those large retailers.

OK so.

We do that same process.

With the second wholesale RNDC.

And each of.

These wholesalers it takes us approximately 2 hours.

So we so that first meeting takes us a good 4 hours also.

There is time involved earlier to actually calculate those numbers to give to the wholesaler.

So then we're done.

OK.

Obviously we've got a good 6 to 8 hours with drive time involved.

In this ordering process so the very next Wednesday then we get delivery on the orders that we have given Johnson and RNDC and with RNDC it is truck to truck with Johnson brothers.

It's palletized and they drop the pallets.

Onto our parking lot after we unload.

Then we we go back into a meeting that second week and we start the process all over ordering with southern wine and spirits.

So.

And then the very next 2 Wednesdays we take deliveries from the orders we place with southern the reason for 2 deliveries is because they're the largest wholesaler with the largest volume and they can't handle.

The the share volume in one week they want it to 2 weeks plus.

Our come up members in some cases would have to rent or have a second truck to be able to transport all those cases.

I estimated.

My time.

Our time as the drop point not having to even.

Transport the product because obviously I'm the agent and it stays in my warehouse that we have a minimum of 32 hours worth of Labor.

Oh a month.

Just for placing the Co-op orders and taking the taking it in.

And to answer your question each Co-op meeting normally takes about 4 hours.

At the physical meeting not the preparation prior to the meeting OK.

The delivery piece takes 4 hours.

And that no the order process to place the orders the delivery normally we can deliver 4 to 5000 cases.

In our parking lot in 4 hours.

Now we think we're very efficient.

We demand that our coop members be on time the wholesalers give us a list of the order of the the stores that are on the trucks and approximate times that they think we'll get to these particular.

Stops.

So we're pretty efficient.

The larger our Co-op gets the less efficient we become.

The more time it takes.

So we have kept our Co-op somewhat small.

To stay as organized and efficient as possible.

But the size that we are now doesn't allow us to buy some of these large levels OK.

So some of those deal levels that I've given you our call up of 35.

Cannot reach all of these levels.

It's just not possible.

So to limit us to X amount of stores would be devastating.

So if for an example just recently at the meeting yesterday we were informed that a 250 case deal.

That has been on for the last couple years on maker 's mark knob Creek and basil Hayden.

Very deep discounted deal at 2:00 150 cases.

Is which we struggle to buy but we do do buy every 3 months because it pulses every 3 months?

They've changed the deal.

The deal now is 500 cases of maker 's mark separate 150 cases of knob Creek and 150 cases of basal Hayden.

So the deal.

Went from 250 cases to 800 cases roughly so as I said the deals as the chains get bigger the deals are just escalating.

They're not getting easier.

We're not here today to complain about levels.

Or complain about anything else other than.

We.

Want the opportunity to be able to compete.

And without coops we can't compete.

It's a tedious process.

It's an expensive process ray has submitted many many stores list of expenses that are associated only with a Co-op not outside of a Co-op.

OK for mine I've been very conservative.

At a minimum it cost me \$29,000.00 a year.

Why did we do it?

Because the savings are that significant.

Why do I have a warehouse?

The savings are that significant.

Why does big red have a warehouse?

The savings are that significant and they're not going to end.

Consumption is down.

Wholesalers have contracts with their suppliers and if they don't meet those numbers they pay penalties.

So the volatility of deal levels is crazy right now.

So we have to be nimble but we have to have the opportunity to be able to purchase some of these deals to be able to compete.

So just reiterating what what ray has said that you know.

I I can't wrap my head around how big red.

Or any other large.

Commonly owned chain is at a disadvantage because we're able to Co-op.

I think the terminology.

That I could understand more is if they said we want to increase our advantage not our disadvantage there's a big difference there.

And as ray said it's nothing more.

Than.

Change wanting to snap us out.

It's the old Walmart scenario that Walmart wants to keep their price at a certain level and when somebody competes with them they want their cost to go up and they then pressure.

Their suppliers to raise the price to their competitors.

There's video out videos of that out in the market now so anyway.

I'll put rambling.

I just appreciate the time.

I would really appreciate if you would renew rule 32 one and it's and it's it entirety as it is right now.

Thank you for your time and I will answer any questions.

Thank you.

Oh the one thing as far as unloading I I think I mentioned that normally we can unload 4 to 5000 cases in about 4 hours.

So you said the deliveries are on Wednesdays.

What time of day are they deliveries OK?

We start at 8:30 in the morning.

Unloading.

Do you do anything with beer?

We do not at this point.

Now there are a few deals that are surfacing on the beer side.

But just out of efficiencies we pretty much stayed away from that.

Umm.

I think you kind of answered this but do you have space at your location for the delivery to be brought into the license premises.

Absolutely not.

That would be a tremendous hardship.

Now one other thing that I'd forgotten to explain.

When it comes to a Co?

Op.

Compared to a commonly owned.

We not only do we have probably X extra.

Time.

Putting these.

Orders together but to get on an even pace with a commonly owned warehouse is we have to take delivery from an agent 's location which in this case is mine.

So the all of these Co-op members have to then load their trucks dry their trucks back to their stores and unload it OK and then in cases like you leap beverages victory Lakers.

Superior breweries they take it then into their warehouse and they later will distribute.

But we have a whole layer of expenses that the commonly owned stores don't have. And that is from the drop point to our stores or to our warehouses.

Then we become equal with the commonly owned chains and distribute it to our sub stores.

Have you now or in the past looked at what it would cost?

To.

Have a licensed premises large enough?

For the delivery to come into the license premises that.

Would without a doubt put an additional layer of expenses onto the Co-op and it would serve no functional purpose?

For the wholesaler the wholesaler would incur additional expenses then also right now the wholesaler pulls up to our lot opens up its tailgate.

And then.

Unloads truck to truck.

If we were to get the the same service that the commonly owned coops yet?

Then that wholesaler would come to our location OK.

Now we have this big huge warehouse but now they have to take it physically off the truck and physically into.

Our warehouse.

Big expense I mean we're now.

We're now talking additional hours that could take 2 to 3 additional hours then we still have to take it out of our warehouse back onto our coop trucks.

Absolutely unnecessary.

Especially what purpose does it serve especially when there have been no violations no problems with how coops have operated since 1996.

3032 years.

So and just as an explanation why I'm asking these questions whether we readapt a rule or amend the rule we have to do an entire physical analysis of what the rule is either saving businesses or costing businesses if we.

Amend it.

So that's why I'm asking if you had an idea on.

It would.

Dollar amount what it would look like.

Would it would increase?

Our expenses exponentially.

Finding.

A warehouse that would be able.

To handle 5 semi loads of product at once.

I would hate to think what that would cost.

And and once again then it would be much more difficult and expensive than to take it out of that warehouse.

Onto the call up trucks.

Unnecessary expense.

All it's going to do is raise the cost of the product.

Hence we would have to then pass that on to the consumer.

Umm.

Are you compensated by the other members for being the designated?

HS absolutely not.

Not a cent.

Umm.

My savings is I do not have to transport the product.

So I incur a substantial amount of expense having that Co-op at my location tying up my parking lot I actually allocate it's a strip center and the in section.

I have no longer lease and I use that for the the the picture that you saw there is a section that I could leave so I'm losing \$18,000.00 a year in minimum and rental income.

Umm.

Would you be able?

To provide us a copy of this sub invoice.

Just for any given absolutely a sub invoice or how it looks when it comes to the location.

OK.

Just so.

We.

Can better understand what that sub invoice looks like?

Mm-hmm.

Yes we have a master invoice which shows the total cases.

By item that are delivered to on those trucks.

So it covers the actual vehicles and then we have sub invoice.

For each individual store.

The wholesaler prepares those.

And that's the actual invoice sub invoice that we pay off of.

Any other questions?

What happens if somebody doesn't come to pick up their product?

They probably are asked not to come back.

By you.

Yes they'll get one.

They better have a very very good excuse.

And and in those cases yes then the product has to come into my location.

Have you so you would take that even if you were unhappy with the member you would take the product into your location?

Depending upon how much and so on and so forth I now I will say.

In the almost 201520 years that the drop has been at my location that has never happened.

Have you ever faced situations where one of your members is on no ship?

Absolutely and what happens.

They get upon.

For a second so for the other commissioners.

If a store is behind paying any wholesaler then they can be put on no ship and the way it works with the group the group would then not be able to purchase while a member is on no ship?

OK and so I will get a phone call from.

So.

The post sale stating that.

Ex member is in arrears or past due.

I will call that member and they know that they should drop everything they're doing and take care of the problem.

Once again.

We have never.

We have never.

We've had issues with invoices not being paid on time but it has never stopped a delivery.

We've always gotten it taken care of before.

It terminated that delivery.

I don't know about other co-ops.

I'm trying to ask everybody similar questions if they're in different countries any other questions.

All right.

Thank you.

Thank you.

Right I see Greg Bosch does not say he wants to speak.

I.

I don't even.

OK are you a Co-op member.

I.

I am a Co-op Co-op OK.

Can you just tell me which Co?

Op I'm in.

Lose Co-op OK Co-op.

All right.

Thank you.

Kyle ripiger ripperger.

That's me.

I'm part of Lou 's Co-op as well I have 2 stores in Richmond Indiana so I got a nice pretty long drive to bucket.

That's how we survive so.

All right do make a hike there.

All right I'm gonna try to read everybody 's handwriting and get right Scott thomick. Alex.

That was like I had to Claremont liquors in Central Indiana.

Employees employees and appreciate the rule being in stated the way it is keeps me in competition and I appreciate you guys time here today for letting us speak.

Are you also in Lou 's Co-op?

Yeah all right.

Ryan Wallace Ryan.

I have 4 stores I'm a member of Dollar Tree Co-op of blue.

Denver Marduk all.

Right thank you.

Warren.

Right.

All right it says.

That catches everybody.

It says if you want to speak yeah I'll go.

All right come on up.

No I'm not a member of lose Co-op.

Right right we're ready to hear.

Yeah.

Not a member of anybody 's Co-op but.

Your name please Sir.

Sir Warren *****.

From Columbus I have 14 stores.

Columbus Greensburg Shelbyville Seymour and Edinburgh although while not in a Co-op.

I was wanted several that you've already heard from that.

Were in favor of the start of coops many years ago?

I've been in business 44 years in a past president of the national American beverage licensees which represents all types.

Of alcohol beverage permits across the country.

So I am here primarily.

While supporting this the the rule.

Primarily because I'm a commonly owned business which is different than maybe anybody else here but I also have just finished a year ago a 13,000 foot warehouse.

So I thought that that in particular maybe something.

You folks may have interest in that.

Maybe this group would not address.

I think you've heard most of the Co-op story.

But for the whole time we were have been open we had run our business out of our primary store.

Which is about 13,000 feet in Columbus and then it just as has been stated?

Deals kept getting larger and larger and the only way to.

Combat that was to build a warehouse which we did.

It is on.

One of the one of the problems problems faced by everybody if you have a

warehouse it has to be attached to a permitted premise.

So I did have a lot large enough of one of my locations to build this 13,000 foot warehouse.

Which has 4 doors 4 garage doors 3?

These are all unloading dock height doors.

The 4th is a has a ramp.

Into the building which you can drive a full size truck into.

Which makes for delivery especially?

Craft beers and smaller liquor companies they can pull right into the building.

And not just there so one of the benefits of that was it.

It enabled me to turn my primary store my biggest store.

Literally back into a package store and not.

Store slash warehouse which was.

Very complicated in operation.

So so since then we've been able to increase our products and stuff in in that store so.

The I don't know what you will ask in the future but that building that I built was.

At around 1.5 \$1,000,000.00 and we did it for the purposes as been stated deals are so large.

That we needed the space and it created a huge made it a huge efficiency thing for us were just on our delivery time.

To my locations which was we delivered 5 days a week.

Literally kept a truck running.

Normal business hours the whole you know 8 to 5 type thing we can now.

We can now cut our delivery time to 2 and a half to 3 days.

A week instead of 5 full days a week.

So that's that's been a huge.

So as rate you know as has been stated that's been one of the big pluses for us.

So you know we don't.

We don't suffer with the issue.

Use it these most of these guys have of having to transport back to a warehouse or back to a store.

We it's all comes to one location and we ship everything out to our stores.

Literally weekly or more if necessary some may get 2 deliveries a week but we can we can give them exactly what they need on a weekly basis.

And and then that opens up for the store operation.

And that opens up the ability for them to actually operate as a store and have more product more selection because.

Their their space is not being taken up as aware.

So that's most of the buses for us but.

That's really why I'm here and you know if there was if there's any other questions.

I'm a firm believer in what these how these guys operate.

We just operate differently.

Being a sole owner we don't Co-op with anybody else.

It's strictly just us.

I have thought about it but haven't haven't done it.

Kind of have my hands full anyway.

So on our buying as was discussed the wholesaler reps come to the warehouse meet with.

We have.

I have a liquor buyer.

Have a wine buyer?

Beer 's a little bit different.

We don't really Co-op.

We don't ship a lot of beer out.

We do some if there's a special deal but there really aren't many.

Very big deals in beer anymore.

So it's primarily a liquor wine stuff.

We also ship cigarettes and sacks and chips and all kinds of stuff so.

That's kind of our story.

Be glad to answer any questions.

I do have some questions.

You may not consider yourself a Co-op but under our rule we we do.

We just consider you a commonly owned Co-op right.

Considering.

Umm what we're learning is that a lot of commonly owned don't realize they need to register with us as a Co-op and so this isn't a gotcha question if you did.

I am rich.

Good are you.

What is your Co-op name?

OK.

Well it's under court liquors.

Cork cork she or take a look at.

It.

Right and then how many stores are within that 14.

Approximately how long would you say.

We'll compare it apples and apples here to what we've heard about the the liquor deliveries from southern wine and spirits are in DC or Johnson brothers.

How long would you say that delivery takes to your warehouse?

A considerably less time than it does these folks.

And primarily because a truck can back up to an overhead door.

Everything 's on one level.

Some of it comes in on pallets which you can just pick up bring the whole pallet in.

That's up to the wholesalers how they bring it.

A lot of it is still wheeled in by 2 wheel cart.

But it is still a huge time savings whereas before when it was at my primary store they were Wheeling off a truck down a ramp and all through the pretty good sized store.

And put you know we were putting away and it was very inconvenient.

Now they pull it back up to a door and even if they're bringing in on a 2 wheel car it goes to one area.

They just kick it off.

And go get another one.

What used to what used to as I timed it?

Used to could take a truck 4 hours to deliver.

On our previous way cut to maybe 45 minutes.

With the way we do it now.

Does the invoice you get from the wholesaler indicate that it's forward?

Yes well.

OK.

How do you mean indicate for it?

So it doesn't have to be set in place but.

It's it's billed to that it's billed to that specific store that it's attached to.

OK does it at all indicate pork liquors group or is it just billed to DL whatever the permit number is.

Liquors on.

I'm pretty sure OK.

It doesn't.

It doesn't break it down to each store it just goes to that one location.

Umm.

How do you track the transfers out of your warehouse to the individual stores?

Create an invoice for each store that goes to the warehouse.

And is pulled.

At the warehouse and shipped to the store.

And those invoices.

The warehouse is reimbursed.

By each store for the product they get.

Umm.

Before you had the warehouse did you always have it delivered inside the footprint of the license premises or did you ever do the parking lot transfer truck to truck.

On the liquor and wine.

Although not.

Not technically the parking lot but we have a big awning overhang area above our sidewalk which is pretty large and they would back up to that.

Put the ramp down onto the sidewalk and wheel it in that way.

Tell me a joke.

Beer would probably be like everybody else.

Else you know comes to the back door area in some fashion.

And is taking off the truck and brought in.

So it wasn't.

Immediately taken to one of the other stores.

Approximately what have your expenses been in creating and maintaining the warehouse.

House space.

Oh.

Not quite sure how to answer that.

If and if you want to follow up later I'll have to do that to us that's fine?

I mean it has.

You know it has its own heating and air.

And and all his taxes I mean.

It's a.

It's a large.

It's a 13,000 foot warehouse but yeah if.

You want to follow up with us with that information you can.

I think that's those are the questions I had.

Given.

But maybe you do OK.

There are 14 stores and you are a commonly owned.

February.

Is there a breakpoint for commonly versus independent?

5102040 why have you decided not.

And you don't have to answer that type of business.

Oh that's fine.

In reality a lot of why I mean I never.

I'm probably like most of these guys.

I never planned on getting to 14.

OK.

And I started with 144 years ago and it just kind of things happened.

And I don't know.

You know I don't know if.

I'll have get more stores or not I don't.

I don't know.

I'm not particularly actively out looking for it.

I've been to some of the recent auctions and that kinda changed my mind on a few of them.

But.

I could say that until we built this warehouse I was at a point where I really couldn't buy any OK the warehousing ability created a whole new set of opportunities that I didn't have.

OK.

Before.

None of the common theme here is space for everybody.

Space of cost yeah space and time.

OK.

Thank you.

Fine thank you.

Just know thing.

Why we don't have any additional comments that I can answer that that the gentleman haven't already?

The second one.

Discussed want to know.

The name of my coauth member.

Of members I think.

Yeah wait.

I'm sorry E and.

MS Mandeep Singh 1:22:18

What's going on, everybody?

(Chew, Kim) 1:22:19

DE as in boy D as in David liquors.

Were located in Seymour Indiana?

Our Co-op name is flagpole Co-op FLAGPOLE.

Thank you.

And it is drop shipped.

To port Vernon Indiana House of spirits.

We have in our Co-op we have a total of 21 inmates in our colon.

So I have.

Are you the designated agency?

You can't you say.

Could you come take a seat and I can ask you some questions just so we can compare?

See what's contracted see what's unique.

Just a review please state your comment.

Oh yeah if you're on virtually could you mute your microphone.

If you're on virtually if you could mute your microphone we're getting just a little bit of feedback?

I don't think it's bad in the room but it's gonna be.

Frustrating if we ever have to transcribe this hearing.

 **(Serak, Chris)** 1:23:38
One second.

 **(Chew, Kim)** 1:23:41
Or Chris if you can go through and mute anybody that's not muted.

 **(Serak, Chris)** 1:23:45
Yeah I'm muting everybody.
Ker are you getting any any.
Interfering noise from us out here.

 **(Chew, Kim)** 1:23:52
No.

 **(Serak, Chris)** 1:23:53
OK great I think I've metered everybody.
I'll I'll keep keep an eye on it.

 **(Chew, Kim)** 1:23:57
Thank you.
All right.
Just a few questions on the your name please.
First Bruce nolting.
Thank you.
NO.
LTING.
Alright and you said that you were with flag bull liquors Co-op.
Do?
You deliver to a licensed premises the 4 walls of the licensed premises or the
extended floor plan area.
We deliver it actually is a truck to truck with all of our vendors.
And it is delivered in.
I say it's in the parking lot of House of spirits 'cause it's a single largest store in our
Co-op.

And is that one of your stores.

No if I just OK.

If I just have one?

And that's the one in Seymour OK.

So you are the designated agent but it's not delivered at your store.

That's correct.

When is the delivery day of the week and time of day?

It varies.

I actually put out a schedule a 6 month look out into the future.

And I distribute that to all the vendors I distribute that to all the stores.

And it states.

Tender date and the products that will go on that specific Co-op.

And then how long does the delivery typically take.

Typically of course it depends on how many cases we're getting but typically you're looking at it unload between 3 to 4 hours and like I said it's truck to truck.

So what we get.

Is an e-mail the afternoon before after all the orders with course they've had our orders for 3 to 5 business days?

So we get from that particular vendor.

We get notification.

Here's the ETA of the truck.

Here's the store name and the unload sequence and number of cases per each store.

So all of our stores see.

That day before.

Your First off and that sequence always is the same.

So I'm 3rd on one vendor.

I'm second on another but.

It does not change within a vendor or a Co-op.

With that then all of the stores see here's your ETA you need to be at the store at least by that time or earlier.

Inside any of the licensed premises in the group to deliver inside the license premises.

For each store.

For the entire Co-op delivery to be delivered and dropped inside a licensed premises.

I don't know if my questions making sense do any of the members have a store large

enough that it could be dropped inside the license branches.

No they do not OK.

Have you looked either now or in the past?

And what it would cost any of the members to develop.

A warehouse store.

Never no we have not because it seems.

That it works so well the way we do it.

Why would you put that additional cost and both in labor and brick and mortar to do that?

So we we have not never gone down that path.

As the designated agent are you compensated by the members for being the designated agent.

No I'm not.

How do you handle?

I guess first the common courtesy issues.

How do you handle if a member doesn't show or?

Is late beyond their number off the truck?

I stayed in my emails to them when we had a call.

I remind them you must be there at the designated time or earlier.

Or you run the risk of being excluded from the car.

Now that said we have excluded 2 different ones over the course of.

Of in the Co-op.

18 years we have excluded them and we've excluded them for.

Putting the Co-op or almost putting the Co-op on no ****.

I mean you do it once it's.

Shame on them the second time.

There's No 3 strikes you'd get 2 in your.

Alt.

So how do you handle if you find out that a member of your Co-op is on no ship.

We I find that out I'm contacted by.

My sales Rep for that particular vendor they call me.

I need to let you know that store X.

Is going to have the whole Co-op on no ship if they don't take care of this immediately?

And then I I make the phone call and I don't want to spend my time having to do

that any more than necessary.

Have you ever missed a delivery because of somebody on no ship no?

I don't think I have any other questions.

And these stores in the Co-op.

How many store 21 stores in the Co-op?

All right.

Thank you Carol.

Connect cancel.

State senator I don't have a question.

I think we're just taking questions and information today.

Thank you.

Thanks all of you for your time and opportunity.

Hopefully we can continue with the rule 32 dash one.

Right Jason Allen.

It didn't say you wanted to speak but Nolan.

No.

Jason Allen no it looks like Allen good.

OK 4 is left.

All right we'll come back around to that.

Alright.

David borey David Lori.

OK now Jason Nolan.

It doesn't say you want to speak but if you could just tell us your store 's number of stores which Co-op.

I own time out in Westland Indiana.

We're part of Indian lakes Co-op.

Dennis bam is our agent.

We have a.

44 stores in our Co-op I've.

Been a member of.

The Co-op for roughly 20 years.

Hence the board of rule 32 one.

Thank you.

Thank you.

Right.

Jorawar Singh.

And it doesn't say you want to speak but if you could just tell us your stores how many and which store.

Yeah good night.

What was the color?

All right.

Thank you Mister abhola here.

If you want to talk to him?

All right I think he just signed in so we'll we'll work through the list and all right thank you.

OK.

Yep.

Harwinda.

I'm a bachelor publisher co-founder for and I own 2 stores.

All right.

And our designated agent Mister Bola is here.

I think he's going to speak on behalf of us.

All right.

Thank you.

I would really appreciate if we continue using all right.

Thank you for being here thank you.

Farms thing.

Who liquor you're in central and outpost?

I mean quorum spoof with the marine group and the time you support the move to this language I survived.

I don't want to show this one guy.

Keep my customer.

All right.

And you said marine group correct.

Yes I'll major Matt Cole.

All right.

Thank you thank you.

5 star liquor.

Ghirendra Mahal I'm part of map group as well.

Correct.

I own 3 stores.

2 of them are here in Indy the other one 's in Vernon Indiana.

I'm I'm in favor of this law as well if you'd like to see it pass.

But we all can survive.

Somebody else sign in for handy spot.

My name is Durham Dixon.

I'm also part of.

As well we have a nice store.

Also alright is that the same.

Yeah with the same.

Alright thank you both.

Umm.

Harpreet Singh.

Here I'll be using the same with the Bola Bishop.

OK do you have stores separate from the ones that have already.

We're also part of handy spy.

OK thank you.

OK.

Alex grabbing draping.

I'm red barrel liquors.

I do have the ambushes from our coal operators.

Would you like to see?

That if you want to come up.

All right so tell us your name your stores and your Co-op.

Alex draving with red barrel liquors Mooresville and Monrovia Indiana Morgan

County and our Co-op group is dollar stretcher.

Review the designated agent or a member.

And that was dollar stretcher.

All right.

And then you indicated you wanted to speak so let us know.

I'd like to thank you guys for listening to all of us for rule 32.1 I think with the co-ops being younger 31 watching more older generations and younger generation trying to get into the business I think co-ops have absolutely given us.

A capability to compete with larger.

Competitions with keeping our price low.

With here on our invoices.

You can see.

We have our total discounts and savings that we had made.

Between our pickup yesterday we saved over \$10,000.00 on discounts by hitting old Smokey deals and other product deals.

And it shows on here which I believe you asked.

Uh.

It says invoice name and it does say \$2.00 stretcher and then it does say sold to red barrel.

Look at number 2 to where next one says red barrel liquors for Mooresville.

If you guys would like?

To.

Go over those or keep those these are just copies so.

With these are copies that.

Yes I can usually do 2 copies usually get extra copies to make sure we don't lose anything.

Wait can we please yes.

We want to make sure you have your copies too and just.

And it shows that.

Mark those here in a second.

But.

Does your Co-op do anything with beer?

We do not OK.

At least while I've been there I don't know in the past.

Past so I've been doing it for 10 years.

My family 's had the stores for 39 years in December so I'd be 3rd generation my grandparents were 86 still living and working.

My mother is will be 69 this year.

And still working and then me being 31 I've been with the business for 10 years now.

They brought me in as soon as they could.

Good.

I've got to watch my whole entire life of kind of how the business goes from home.

Listen to mom talked about coop meetings and hitting deal levels and hearing how we went from being able to one case just bring in one case at the deepest deal level to as we've heard 50 cases 200 cases now we're up to 1000 cases.

Like that and I think if we do get rid of co-ops or they change some things most of us won't be able to survive going forward because now we're dealing with big box and large chains that are capable of bringing it in for us.

We do.

We do not have a warehouse we bring all product into each location.

I believe you asked earlier.

So I don't know if anybody has spoke on but how we load our trucks is we load our Mooresville port stores first.

First and then we lower Monrovia store second so I will leave Roland is where our Co-op meeting is at or pick up so I will leave from there go to our Monrovia location and load our cases there and have their invoice.

Left there and then I go to our Mooresville location and then go there.

So everything is still separated per so once I load Mooresville store they will print off that invoice and then we'll continue on to the next store.

And then that's kinda how our operation rolls and I think it's very fluent and efficient because if everything was just to get if you have 3 or 4 deliveries in one day at 1:00 location you may be making which those invoices are with southern Glazer wine and spir.

The same Glazer wine and spirits shows up in RND Republic national shows up.

You could be turning that driver 's day into a 4 hour day because we're all just backpedaling up on deliveries.

Think you answered all my questions.

For members any questions.

Thank you very much thank you.

I appreciate it.

 **(Serak, Chris)** 1:40:22

Eric can I ask can I ask for clarifying.

Question and I'm feeling sorry.

Start.

 **(Chew, Kim)** 1:40:33

Umm.

I.

Can't read their handwriting here.

Bottle shop.

I really wasn't going to speak but.

You can just tell us your name your stores and your Co-op OK.

Well my name 's ilana rosinski and we're down to one store now and reporting

Indiana we've been in business probably.

38 years pretty much.

We have 3.

Stores there one time was planning on retiring but I still on Co-op days getting to the trailer help download put the product away.

So I know what this will co-ops and beer trucks that keeps me active and I don't have to go to gym that way.

There you go.

But that's the only way we're gonna survive with one store I'm hoping maybe my grandson could take over the boat my son.

Soon as they turn 21 you just yeah.

Yeah.

He's not a worry thank you.

Colby shima on the marine group reached out to one stroke of Indiana.

So this is more like we did.

So if you lose that we can.

Who's your who's your?

Jeremy want to take your bus.

All right thank you.

Umm.

Among.

Somebody Garcia cannot read the first name.

I'm talking yes dear.

Yeah OK came with me to help me drive.

All right.

Well appreciate you too.

Go on.

Go on go on yeah.

Thank you guys for having us today and here are so.

The issue.

My name is Steve quorum.

I own Chili's liquors a one store owner.

Now one time I'm a 5 store owner.

I've been in business 30 years.

I'm kind of unique to this.

I work for RMDC or national wine spirits of time for 16 years.

Had this for 30 years and I also work part time for big red when I was at IU.

Some of the unique issues we have we represent my son is the agent for the marine group.

I believe we're the largest Co-op in state of Indiana.

We have 45 owners and 72 stores in a group.

We have our delivery on Thursdays.

Approximately 8:00 o'clock to 1:00 o'clock.

It varies depending on the size of the deals they print.

Obviously \$5000.00 5000 case rate takes longer than some of the smaller ones so you know it varies a little bit but that's generally where you guys are welcome to come anytime.

We meet at the 1040 north post road in the shoe ****.

We a partner.

There's the Fatima house.

It's a Catholic organization.

And they're on our coop.

It's a club kind of thing you membership to be there our group pays them rent \$18,000.00 a year and they use that a lot of their programs for disadvantaged.

Kids Saint.

Vincent de Paul Santa calaca charities.

So we're happy to do that.

What day is it for Thursday?

****.

Ours is also unique.

The fact that we are we have stores from Evansville to Lafayette to lawrenceburg all the way over to Clayton Indiana I think that's the footage West so we it's important up these guys.

They drive a lot of miles.

To save the money and that's part of the expense my store I think is one of them submitted.

We spent approximately \$86,000.00 last year my son myself and my daughter the 3 highest paid employees are involved in Co-op.

Baby that day and you know it takes like I said 4 or 5 hours the 3 of us we meet 3 people a vehicle and of course we got through an expense and I had about 7 years ago moved to a bigger location.

That had warehouse capability because of the size the deals increasing and us trying to continue to compete you know it seems to be space and money is what makes you compete in this industry.

I'd also like to say that we are pleased we have a lot of first generation entrepreneurs and Hoosiers in our group and they represent a lot of small business a lot of different communities and we're really.

Proud to welcome them in.

We realized that 32 one really gives us a level playing field with the big box stores and we're just.

Glad you support that and I'm be happy to answer any questions a lot of other stuff I haven't covered.

I don't want to be redundant on what really went.

Right said earlier.

Tonight is for time purposes.

I do have some questions sure if.

You know you can answer if you need to defer to your son and OK.

Say that's our designated agents yeah to answer.

Do you do anything with beer?

We do not OK.

So.

With.

Yours is the first one we've heard from that the delivery is not to a package store location.

Is it still handled in the parking lot or truck to truck?

It's unique.

Johnson brothers they put their they pavitz theirs like someone said before.

So it's on the ground.

Most of the other are truck to truck.

But it doesn't enter the no.

The delivery no in our coop has a big enough store to.

Handle that.

To your knowledge has anyone ever looked at what that cost would be.

Now I was really never a big issue.

I know the deal that's gonna have we.

Moved to a a.

It was a a Family Dollar store that moved and we went in that building because of the dock and warehouse space some years ago but as far as a big enough space to house.

Orders for 70 large pack stores now I don't.

Never really looked into that.

Very expensive I'm assuming.

Do you know?

Do you compensate the designated agent?

No no it costs us money.

Then what if we bring extra people we often have to make copies of schedules and things like that provide information to them.

And so now we've never kind of said.

And if you know how does your Co-op handle.

Anybody that.

Arrives late doesn't show up or what are your rules on that.

If they arrive late?

And of course we have exceptions.

People aren't coming from afar and there's issues with 65 and some there's they generally call and we as a group who there are off to the side you know and keep the Co-op moving.

But if they continuously more than once.

Late we moved to the back of the line.

So then there you know can't get it on time.

You move to the back of the line and.

That's just kind of how we handle it it's continuous.

We kick him out of the car.

We've done that before.

Again if you know how does your Co-op handle.

Members that are on the no ship list.

My son channel gets a call we contact them immediately.

So I'm gonna have to get off of their ship so we can all order and generally do.
If they don't we've had it 2?
It's just where they didn't.
And both those gentlemen were no longer in our cab.
We kicked my account out for wee.
Did you miss any deliveries with that or were they moved?
You know they both have.
Try hard to see the next.
We don't meet in January and they both happen in January from large December invoices from you know a year and a deal.
So when I was out of the country in in India and the other gentleman just just overlooked some things and couldn't get ahold of him and so unfortunately.
They're not in our group anymore.
Anything else.
Are you closed at 45 members?
Are you open to others joining?
We I get calls every week for people to join.
We try to be.
See if they'll add anything to our group in that sort of thing.
But but we're not opposed to adding more.
The only issue we have is the it's not as efficient because there's more sometimes delivery 's coming.
One or 2 semis.
Sometimes they come in 5 or 6 box trucks.
So again depending on the wholesaler.
And.
How they do it the but now we are trying to cab it?
Now we don't really want to have the administrative for us cost in busy signing people up as a little more but we're happy to do it.
We want to be competitive.
We can and the more members seems to make us do that.
Thank you.
I'm I'm struck by the precision that everybody try sound like a finely.
You should come see it.
Yeah well I I wrote your address down.

Yeah I'd appreciate that.

So I can't do.

But what do you do when it snows.

Dress warm.

Dress warm.

So the delivery still happen regardless of the weather.

So then.

Yes.

There's a change yeah there's like if there's any change where they've they've cancelled.

Sometimes it's delayed because obviously OK the trucks don't get there as early because you know the interstates are backed up and stuff.

So yeah it goes on.

We we don't meet in January.

That's sometimes the worst month for weather.

No we just dress warmer and you're out there with your gloves and everything and great.

Fast.

Yeah right.

Thank you thank you.

Keep.

Give me the last name again Tony all right.

I'm with the marine group.

Also I have 5 stores.

Rushville Cambridge City and Centerville and very in favor of rule 3111.

Thank you.

I think you have rule 32 that.

32.5 big player.

Yes.

Put the record player.

Benjamin.

It was Jeff warden.

Hey Cortana.

Am I.

You.

Don't have to come up and speak.

But what stores and what Co-op.

You've heard it before in regroup.

OK.

All right.

Thank you.

Here 4.

How Winder calon rider?

I have 2 locations in Central Indiana and I'm 40332.1.

K and what what Co-op if you're in a Co-op dollar saver OK.

And I just wanna put one more thing in there.

I've moved my store recently about.

3 and a half years ago and spent about \$1,000,000.00 putting it in the new building

'cause the deals are just so big we were running out of space so we went from 3200 square feet to about 7200 square feet.

And got about a 3500 square foot warehouse just to warehouse everything 'cause we have to buy so much for so long you know.

Yeah it was very expensive.

I think I estimated about \$48,000.00 a year in my expense.

Yeah thank you thank you.

Davender.

The vendor.

Thank you.

My name is ravinder Kaur.

I could never use the handwriting again.

I got a bundle store in east side and I'm with the dollar stretcher.

Dollar stretcher dollar saver dollar stretcher dollar stretcher OK thank.

You thank you.

Umm.

Do we want to take a quick break and then come back?

I don't need a break.

All right.

We'll keep going if you if anybody here needs a break.

Get up come back we'll keep moving.

Royal liquors my name is Karim Singh.

My family we own 3 liquor stores in Central Indiana.

We're with the dollar stretcher Co-op.

Our agent is waving the beer and we're very much in favor for the 32.1 law thank you thank you.

Tajinder car.

Hi can you tell us which stores and how many and which Co-op.

 **(Serak, Chris)** 1:54:32

No it's yeah.

 **(Chew, Kim)** 1:54:35

I own the one liquor store homecoming liquor here is the best side. Item.

I'm in the marine group since 2017 all right thank you.

Thank you.

If it?

Matthew.

Make sure that we get on the record that you're for or against.

Just the application OK.

We can not survive without contempt OK.

Thank you.

Matthew Koren is it Corin or.

Yes.

Corin.

Coram is the.

OK cool thank you.

Coram.

You.

And then I think we've heard about the coop.

Do you have anything to add on how your Co-op operate?

Obviously.

Extremely in favor of a 32.1 obviously as you can test and maybe you could say how many people in this room are in our I mean everyone who showed up I could think they've taken it seriously and show I mean.

45 members I bet 44 of them are in the you know so I think that would test like dad

said they've come from all parts of the state you know so I think they take it pretty seriously and they understand that this is their life.

Going forward.

Thank you.

Dylan Austin me.

I own one store in Richmond Indiana.

I'm in the marine Co-op and you know being able to be in a Co-op was one of the main reasons I hadn't bought a liquor store.

So if at 32 one wasn't around I wouldn't be able to survive.

So I'm in big favor of it.

How long have you owned it?

It's been 7 years now.

Steve short.

Drinks lager part of the dollar.

Triple.

Say stretcher.

I do see dogs that's why we're here 'cause it saves or stretches the dollar.

3 stores one in Marion County West side and 2 out in Park County and we're very much in favor.

Thank you thanks.

Ted Clements.

Ted Clements we are.

You must find out 3 stores here in Indianapolis.

It's another one that it it that everybody else here.

We did not be able to purchase 500 cases of smearing off our own to without belonging to a group.

Yeah we would we would suffer tremendously.

Which group are you with?

We're very pleasure also to present.

All right.

Thank you.

John Adams.

This is my dad.

Business partner we got 3 stores in Marion County.

I am 431 point.

232.1.

All right.

Thank you.

I can't remember what rule 31 is but.

Thing with discount liquors.

Starts with AJ sitting in that.

Jack.

Room.

Maybe another one.

All right Chris.

Is Jack singing in the room with you?

 **(Serak, Chris)** 1:58:06

Yep.

Good for AJ.

Is that for AJ liquors?

Is it for AJ liquors chair?

Is it written down there?

 **(Chew, Kim)** 1:58:12

Discount liquor.

 **(Serak, Chris)** 1:58:14

He's got liquor.

 **(Chew, Kim)** 1:58:14

Yeah.

 **(Serak, Chris)** 1:58:15

Is anybody here for?

Is anybody here for that?

We must be in the bathroom.

No he he may have left the room.

 **(Chew, Kim)** 1:58:21

OK.

I'll come back to that.

One well you left.

 **(Serak, Chris)** 1:58:23

Thank you.

Oh.

 **(Chew, Kim)** 1:58:25

OK.

Which Co-op is he in?

Marine marine.

OK.

And then.

Bar 52 in Brookville liquors.

Yeah.

All right I support.

All right.

Thank you.

Kuldeep Singh.

If we buy stores in the sentimental and I mean with the marine group from last 10 and a half years and I'm in the favour of that point?

Thank you.

Charles everhart.

Yes.

Good afternoon.

My name 's Charles eberhardt own community spirits in Indianapolis Indiana.

I have 18 stores and I'm a commonly owned Co-op.

Obviously I'm a commonly owned Co-op 'cause I like to buy in bulk.

At 1:00 point I had more stores right now have 18.

The reason that I'm not a member of the independent co-ops primarily is I like to pay my bills on time.

And I hear horror stories about folks and.

I don't want to be on the first step which is COD cash delivery which they put you on for 2 weeks before they put you on no ship and I've never been in that situation so.

It's just a lot easier to be a a a one person being.

You know every retailer is not present.

At the same deals I'm just gonna be honest with you about that and I think anybody here would tell you the same things when you hear about 5000 case deals and 3000 case deals.

On product that you could actually purchase and would be willing to put your money behind you're not always presented with those deals so.

Having some of these co-ops in place that have 45 and more stores.

Like that they're sometimes presented with bigger deals that we have not been presented with and because we're you know I always say friends in the liquor business we hear about the deals a lot of times from co-ops that we don't hear about our ourselves.

So obviously you can go online and comb through pages and pages and look for some of these deals but it's very difficult sometimes when they're they're very and we just don't understand them.

You know at some point I may need to join a coop to compete like I said I have 18 locations all in Marion County north side of Indianapolis and at some point I may need to join a Co-op to compete because I don't have.

More than 50 stores and obviously my buying power is limited also so I'm in favor of rule 32.1.

So I'm gonna go through my commonly owned questions just to see how you operate and how it works.

So just for the record are you actually at purchasing this K.

Is the delivery?

To inside one of your licensed premises or is it to an extended floor plan parking lot area.

No we actually bought a former car dealership and converted their garages.

Into our warehouse.

Our warehouse is about 30,000 square feet.

We have 2 delivery doors.

One door is the one that goes down a ramp so it's level.

And then for those types of trucks and then the up some other trucks.

Don't fit quite.

So we have a large Bay door that they can actually back in to the warehouse and deliver inside of our warehouse.

How long does the delivery take?

It depends on the distributor and the number of cases but let's say we were getting a typical 500 case or 1000 case delivery it probably run about hour hour and a half.

And then.

When is the delivery generally time of day day of the?

Week usually Tuesday mornings and sometimes we get overflow for our warehouse on on Friday.

Most of our individual stores we do do some direct shipping on on some cheaper more common items.

And that did every day for the distributors is Friday but our our warehouse store can get deliveries twice a week.

Tuesdays and Fridays.

Do you do?

Any beer deliveries to the warehouse store?

In the 30 years that I've been in the business I think we've done.

2 massive beer purchases and then distributed ourselves and they were both from monarch slash res and they were like you know 1500 K 's corona modelo deals so but that's a that's an exception to the rule we just normally operate out there 100 or 100. 25 K so requirement.

Umm.

How do you handle the transfers from the warehouse location to the individual stores?

I have 4 full time warehouse employees.

They range from 16 to \$20.00 an hour 40 hours a week and then so those folks handle our deliveries.

We have a point of sale system which gives us depletions and that we look at the depletions and then create an order for each store.

We deliver big deliveries on Mondays and Tuesdays and we do fill insurance on Thursdays and Fridays.

Good.

How much would you estimate if you don't have the number I think when I asked this earlier somebody was going to get back to us that it costs you?

To.

Develop and maintain the warehouse location.

Well I can tell you we just the warehouse that we're in now we've been in for 3 years

and it costs us about \$1,000,000.00 to retrofit.

And put in loading docks and those things into our warehouse heating systems completely different system that then was there before so that ran us about 1,000,000 bucks.

On top of that.

I'd say we just for those 4 employees in the warehouse it runs about 180. \$190,000.00 a year.

And you know the.

Utilities are all part of the store.

My offices are there and then we have the warehouse so.

I.

I couldn't tell you utility costs off the top of my head but the warehouse is a portion apart a part of that but.

I would say to to it'd be the cost of kind of running our store up front would be about the same cost so you're probably looking.

In at 20:00 to \$30,000.00 in utilities and things like that.

Umm.

Does your invoice at all indicate when it gets delivered to the warehouse that it's? For accident purchasing group or just that it's coming to acknowledge the corporate empty right.

99.9% of those invoices are just to acquaint purchasing group and we distribute the liquor.

And the wine from the warehouse what.

Happens that 0.1% of the time.

Is when the distributors come in and they have to have?

Place settings at each store.

It still all is delivered to the warehouse and it comes in in say 3 case increments and an invoice is attached to each one of those and then we have to turn around and deliver them to the stores.

But they got the placement that they need to satisfy their suppliers that these products are actually in each location.

I don't think I have any other questions I don't.

I don't have anything present.

Alright well thank you for your time and again I'm in favor of rule 32.1.

Andy zielinski.

You left.

He left.

Oh he left OK does anybody know if he's in a group or.

He's in Michael OK.

Umm.

Vikram.

Chandra.

Town market spirits.

 **(Serak, Chris)** 2:08:30

He's he's in here chair.

Yeah Bikram and sanjot from con spirits and fine lines.

We're part of the marine group.

We run about 5 stores in Hamilton County.

 **(Chew, Kim)** 2:08:46

All right.

Thank you.

And are you in favor or opposed to 32.1.

 **(Serak, Chris)** 2:08:51

In favor.

 **(Chew, Kim)** 2:08:53

OK.

Thank you.

And did someone else sign in with your stores.

Ban weight.

 **(Serak, Chris)** 2:09:09

Yeah the pardon.

 **(Chew, Kim)** 2:09:09

Last name.

Did somebody else sign in for your stores?

 **(Serak, Chris)** 2:09:12

Who else I mean?

Yeah I'm sanji and then my business partner he had to step out but he's become Dean 's up.

 **(Chew, Kim)** 2:09:21

Oh OK.

 **(Serak, Chris)** 2:09:22

He stepped out thank you chair.

 **(Chew, Kim)** 2:09:22

Thank you.

Rocky 's thing.

He just left.

I didn't even have to go to pick up the kids OK so he's from marine group OK.

Maureen through thank you.

Full of thing excuse me.

Most of all thank you so much.

For this week.

You signed in late but I don't know if you were here.

Did you take our oath?

I can take oath OK.

Do you solemnly swear firm as the case may be that the testimony you're about to give the Commission will be the truth the whole truth and nothing but the truth?

Yes all right.

So tell us your name your stores and.

Well that's saying with mega liquor and smoke.

30.

And I have my Co-op name with Co-op.

All right take a look back to make it recognize why is 32.1 is needed to aju to and it's still on store in Michigan in 2007 I moved to Indiana.

And I was due to Michigan.

Where you can order one bottle 2 bottle or 10 bottle 100 case they all come same

price?

Yeah so when I bought it when I moved to Indiana.

So I thought you know what I live in Indiana I should buy liquor store in Indiana.

Cortana.

So bottom line liquor store Indiana and find out that.

Buckeye bottle cost \$9.00 more delivered to me.

With Belmont next door selling for so it might cost \$9.00 more than him I have to make a couple bucks but I mean I'm \$1012.00 more than the other store.

Nobody was gonna come to me.

So I was looking for and I went home and I told my brother and wife I we made a big mistake.

We should not have bought a store in Indian.

And I was trying to sell that store.

And in between some salesman introduce me a Co-op.

Which one of the lighthouse go up in candles?

Well and it's about 2 hour drive from me but I get up every Thursday morning 4:00 o'clock Monday by 6:00 o'clock say I want to make sure I'm there so I'm not awake.

I pick up my coat and my business start going.

It does not pay me my driving time.

It does not pay my expense but it was somewhere I can think.

Yeah I can be in business right now all my time my labor was just effort not a profit.

Now I'm start happy with Indiana store for about a second one.

I bought a 3rd one so I have multiple stores so in a few year.

Or going to candlewell and pick em up.

And then about 3 year back we start our own Co-op which one I have about.

90 some store between 15 and 18 owners.

We are in a Business Today because of the 32.1.

That was not a disk either.

I have to sell the store or lose the store that time so I'm very happy in this business.

Now I have multiple stores through state Indiana.

I have my son.

He's wanna be a store owner but he's in law degree right now and his dream is.

That dad I will run better than you tomorrow.

But if this Co-op goes away.

They have no power buying and competing with Walmart.

Costco I mean other big store still people come to us.

We're buying from the Co-op we're making our 20 25% markup still people come.

Hey I can buy this in Costco for 60 bucks.

Why do you have for \$79.00?

We tell them hey we are not Costco we are liquor stores.

But if this thirtytwo 0.1 goes away I think half of these people here in this room will have the sign for sale.

And nobody will be a buyer.

So please keep that 32.1.

Adjust so we can be in business thank you.

I have some questions since you're the designated agent.

Are the deliveries made to the 4 walls of the licensed premises or to a parking lot expanded floor plan area?

Parking lot.

Umm.

When is the delivery day and time?

We have.

We have 2 days.

We have Johns from balucham every Thursday.

Sorry once Thursday the month and then we have Friday for our NDC or southern one and the timing.

Umm.

A pretty typical between 9:00 o'clock to 8:39 o'clock and we just like everybody else said we get e-mail we have time slot everybody member get the time slot and basically you won't see more than one or 2 people in my parking lot.

They just come all the time.

Pick em up and leave and the next one will come.

How long did the delivery take?

I said between 3 to 4 usually they're between 830 to 9:00 o'clock.

They they gone by 12:31 o'clock.

Umm.

Have space or do any of your members have space to take all of the product and place it inside the license premises?

I think state have to grant us 5 \$6,000,000.00.

We can build one but we don't have one.

I hope the ATC have some kind of grant we can build one.

To your knowledge has anyone ever looked at what the actual cost of that would be.

I can tell you so I had a small warehouse.

I was kind of managing with one or 2 people from my stores and that's not anybody keeps going into my warehouse.

In a city of sorts men pushing me to the wall saying that I have too much liquor in one small building.

So I bought bigger building but 12,000 square foot building cost me 2.8 \$1,000,000.00.

Which 18?

\$28,000.00 monthly payment.

Now I have 4 people work there.

Each month I pay 20 to \$25,000.00 payroll for those guys.

60 some \$1000.00 it might just the property tax for the building and that not generate me any extra penny than what I was making before for somebody to come up and buy a bigger building and have that delivery going into the warehouse.

Like I said it's gotta be between \$10,000,000.00 for that kind of space to have everybody delivery in I mean.

You guess every Friday delivery from one company the southern wine RNDC or Johnson brother or Caroline.

Somebody will be there every Friday then in 5 \$6000.00.

Sorry 5 6000 case every week have to come that warehouse and the warehouse have to be bigger than 15 to 20,000 case holding capacity so they can.

Load into the warehouse.

Umm.

As the designated agent are you compensated by the other members of the group.

I make a copy for everybody.

Hi.

I have a bottle of water for everyone.

I make sure in the winter time I have enough coffee so my people doesn't get free.

And that's always I just trying to help my family 's friend and members.

So we can all stay in the business and that's actually you know I said thanks to everyone who's the leader in this Co-op.

It's a lot of headache.

It's not a it's not just easy job.

A lot of time the day I go so frustrated and my wife will say must be a Co-op day today.

Don't she want to know that.

Why I'm so mad for the day?

It's a lot of lot of work you know like right now I'm getting a message.

They're sending me.

Hey we need this many case for this because we have a Co-op this week for southern wine.

All my members sitting here I can tell them hey go add some cases in there.

You know we have to sometimes put in there what we don't even need them and it's liquor is so geography based sell.

1800 tequila will sell this part of the country.

It will not sell for us you know there's so many liquor will sell.

Indianapolis will not sell in South Bend.

I'm surprised I bought a store in Logansport.

I've seen the item.

I never thought those item will sell but those are my bigger selling items.

So that's you know when they set up a price they don't see where we are.

They say Jose earlier you know they mentioned the 2000 case for Jose 100 ML.

Who will sell 2000 case Jose 100 ML?

Yes because if they are in this neighborhood where everybody buys singles and come 20 times in your store you might will sell it.

But I don't have that clientele so we can't buy that and when we buy 50 be paying \$20.00 more cases.

And we have to sell higher than them and that's being in if I have to just buy by myself I probably will buy 20 cases and that will because of the double.

Once you get the product how do you handle the transfers to your multiple stores.

We usually have our trucks there too.

We have 2 big box trucks.

My guys are there.

We load them up that same day and take it to the store we need to.

We go and some store we are very small stores we have no space for month holding. Or 4 week holding.

We we have a POS system we have 4 guys like I said earlier.

Anything we scan and create the invoice and it's store number so and so when they

push submit.

It automatically goes into their inventory and when they see the product they get received.

And the inventory will switch from warehouse to their store.

From the group delivery to the warehouse and then distribute from the warehouse some store.

Yes OK.

So a little of.

Both yeah Yep a small deals which one.

I I I know it's not a part of this but I wanted to you guys to look into that too.

Please because.

Those liquor company are pushing us where we don't want to be southern wine which has \$10.00 delivery which one nobody else does in any state.

Or in state Indiana.

So you do they have like 25 cases.

Small deal.

Which one we don't have to handle at the Co-op we send it directly to the store?

No they put a \$10.00 delivery charge.

No I have to make a \$10.00 somehow from that 25 cases.

Even not that we don't have the big enough warehouse.

And we was talking earlier about big red says not fair yes it is.

They are 100% fair.

They're not because they have the big warehouse if they build for 40 stores they don't pay \$400.00 because they have dock and southern wine do only charge them one delivery charge.

Where I have multiple store every week I pay \$400.00 \$300.00 \$350.00 depending how many store I order?

Each store they charge us.

\$10.00 even at the Co-op not the direct delivery they bring only one delivery to my warehouse which everybody all pay \$10.00 including every single store I own.

I pay \$10.00 so that's very unfair and fair between those big store and us.

So with that's extra cost on us too OK.

How do you handle if someone is late or doesn't show up for you?

Never had to happen.

We had a 12 members.

We warned them once because I told them I'm not gonna be babysit here.

Your case is sitting in my place if you don't come next time you will not be in the and we actually take them out.

What did you do when they didn't show up?

Did you take it to your?

We never had that happen.

It just came late like instead be here 9 and leave I tell them.

Put in my warehouse.

Probably half hour 20 minutes.

They will come pick him up.

How do you handle if you're notified that someone 's on no ship?

And very simple for us if they can't pay the bill they don't need to be in this business.

We had one person one time.

But end up he sold the store now so he's not in that business anymore.

I don't have anything.

Thank you again.

I wanted to please board that 32.1 and keep everybody in business and really appreciate for your time thank you.

But Chris I can't see the chat.

Can you call the names in the chat of the well first before we do?

That is there anyone here that wanted to speak or at least indicate which stores they own and which Co-op they're in.

That we missed.

Yes.

I was late for my name on it.

I want one store.

I'm in marine Corp and I want to continue the 32.1.

Thank you.

Anybody else yes.

I'm from the pre service meeting Cline and I have lunch for the thirtytwo point to one and reason for just a example for everyone since.

Just one one item details if you go online and search is 302599.

Anybody got it.

That price to purchase on last year.

Not even.

Anyone 's got it less than 2599 anyone 's purchased.

And this this whole group I'm asking nobody purchasing unless they're trying group of money.

But still our first is not even that price and if search online the one store.

They sell in 2599.

So if the biggest group and still we got it at the offer they're trying and if the group is gone how can how can we survive.

Can you tell us?

I think you told us your stores but not.

Not my store.

I'm talking about general.

Just an example Tito 's pricing current.

No I understand.

It wasn't your store.

I was just asking your name.

For the record.

OK thank you.

So I pay with the 32.1 because of the reasons.

Currently nobody can beat even though we were chain price and if the Co-op is gone then nobody can even afford anything not even there for the rent.

Thank you.

Thank.

You.

Anybody else.

Dollar fetcher what stores do you watch.

All Star liquor and what group.

Sorry what's your name.

Krishna.

OK thank you.

 **(Serak, Chris)** 2:25:29

Chair we have a couple in here that wanted to.

 **(Chew, Kim)** 2:25:29

All right.

 **(Serak, Chris)** 2:25:31

Yeah we have a couple in the room that wanted to testify here.

 **(Chew, Kim)** 2:25:35

Yep.

 **(Serak, Chris)** 2:25:35

Do you want to state your name?

The al can see you.

So I think we can see if you just state your name and speak hi so my name is baraaaj Patel.

I'm also part of the marine group.

We have 3 stores around Marion County and we're also in favor of the the thirtytwo 3232.1.

Yeah I need to call.

Yeah yeah.

One thing that I wanted to mention was.

Some of the deals have gotten quite big over the past few years so because majority of our stores are smaller in size.

So we don't have that much space when it comes to buying like thousands of cases where.

Some of the.

People have the bigger warehouses so they're able to house them.

So essentially what happens is let's say a deal comes around.

 **(Chew, Kim)** 2:26:19

Thank you.

 **(Serak, Chris)** 2:26:21

It's 2000 cases.

An average store maybe takes 100 cases of something that's how we hit the deal.

Well if coops weren't in business anymore we would no longer be able to hit 2000 cases on my own.

So essentially I would have to buy maybe only 50 cases.

So for example let's say Tito 's were buying at 100 cases.

It takes me about 3 or 4 months to sell through the entire product.

Well if I can't buy 100 cases anymore now my price goes from 15 bucks to maybe 18 bucks.

So I can no longer sell it at 20:00.

I might have to sell at 20:05.

So essentially what that happens is the bigger box stores they have to they will sell they'll be able to sell it at cheaper prices end up creating sort of a monopolies and they'll be able to make more money because they're able to buy more in bulk but someone.

Like me I would only be able to sell at 20:05 bucks in order for me to meet my cost.

And potentially if I'm selling let's say 5 cases a month it might come down to 3.

So over over the long haul maybe in the next few years my revenue would probably consistently go down.

 **(Chew, Kim)** 2:27:31

Thank you.

 **(Serak, Chris)** 2:27:34

Anybody else want to testify here.

One other you can stay there.

We can see you.

My name is anushree Singh.

I'm here on behalf of my mother live in decor.

We have 2 stores in Elkhart and one in La Paz Indiana called AJ liquors in AJ liquor one.

And I am in favor of.

1:00 in the group is Bishop Bishop Co-op.

Thank you.

Thank you.

And then chair we have several individuals that put written testimony in the chat I've been aggregating that in my notes if if the Commission wants to take rec notice of that then I think that would be adequate for for that testimony to be entered the record.

 **(Chew, Kim)** 2:27:58

Thank you.

 **(Serak, Chris)** 2:28:14

And then I can go through the names.

 **(Chew, Kim)** 2:28:17

All right we'll consider the comments in the chat to be written comment to the Commission.

Yeah if there are names in the chat of people that wanted to testify virtually if you could call those when your name is called you'll need to unmute your own microphone for us.

 **(Serak, Chris)** 2:28:37

Yes we have verinder Kumar.

Did you want to?

Did you want to testify?

Are you still in the chat or still in the in the group online?

 **Virender Kumar** 2:28:46

Yes, Sir.

 **Gurinder Kaur** 2:28:47

Yes, yes, this is Govinder Kaur.

 **Virender Kumar** 2:28:48

Yes, Sir. It's Virender Kumar and the yeah, it's Virender Kumar.

And my Co-op is Marin Group and we have a small store in a small town in Switzer.

So I'm in favor of the, otherwise we will not be able to survive in this business.

 **(Serak, Chris)** 2:29:00

1.

VK **Virender Kumar** 2:29:05
Thank you, Sir.

(Chew, Kim) 2:29:06
All right.
Thank you.

VK **Virender Kumar** 2:29:08
Thank you, ma'am.

(Serak, Chris) 2:29:10
Verinder car did you want to testify.

VK **Virender Kumar** 2:29:15
Yeah, I just testified.

GK **Gurinder Kaur** 2:29:15
Yes, my name is Govindra Kaur. I own 5 liquor stores and I'm part of two co-ops, Indian Lakes and Bishop and I wanted to say that I'm in favor of 32.1 in order for me to survive in business and continue to do business it.

VK **Virender Kumar** 2:29:18
Oh, sorry.

GK **Gurinder Kaur** 2:29:32
Really important that that this rule continues.

(Serak, Chris) 2:29:36
Thank you.

(Chew, Kim) 2:29:37
All right.
Thank you.

 **(Serak, Chris)** 2:29:38

Thank you.

I've got frank rugar rugeri.

Keep going on mute.

Right.

No.

OK frank has not spoken up.

I see you still in the chat but he did.

 **(Chew, Kim)** 2:29:59

All right he he's not.

 **(Serak, Chris)** 2:30:00

He did make record he's in favor.

 **(Chew, Kim)** 2:30:01

He doesn't have a microphone.

All right frank if you could just put in the chat what your stores are and what Co-op you're in if you're in a Co-op all right thank you.

 **(Serak, Chris)** 2:30:08

It is a homework.

He's done that chair he's done that.

Yep Yep.

Oh he said.

No thanks anyway OK perfect.

Manny Singh.

OK then I've got gervinder Singh of Speedway liquor.

Did you want to say anything other than that turn favor?

Don't sound like it though.

That's everybody who has put anything into our chat there.

Did you want to speak yeah OK?

There's somebody in person here that wants to speak.

Can you state your name and hi?

My name is chirag Patel I own 2 liquor store.
I'm in a doctor stretchers and I'm in favor of the rule 32.1.

 **(Chew, Kim)** 2:31:06

Thank you.

 **(Serak, Chris)** 2:31:06

OK.

Got some more in here that are raising their hand.

Myself is jagat Patel.

I don't know and I'm in favor of 32.1 and I'm in the marine Co-op.

Thank you.

 **(Chew, Kim)** 2:31:25

OK.

Thank you.

Anybody else on virtually.

 **(Serak, Chris)** 2:31:34

We've got one one second here.

We've got big barrel barrel liquors number 2.

Sir you can speak big barrel liquors number 2.

I don't have a name.

Is he muted?

He's not muted or she Yep.

Oh that's that's Manny OK Manny 's saying.

Did you want to speak Sir?

 **(Chew, Kim)** 2:31:58

No.

 **(Serak, Chris)** 2:31:59

You got your hand up.

A lawyer and.

Lowered.

OK Manny Singh did enter into the he entered into the chat that he was in favor of 32.1 I guess that's all I wanted to say.

 **(Chew, Kim)** 2:32:12

We're not hearing anything.

All right.

Thank you.

Is anyone?

 **(Serak, Chris)** 2:32:25

Oh we have one more person.

We all favor.

 **(Chew, Kim)** 2:32:27

On.

 **(Serak, Chris)** 2:32:28

Yeah I'm fairly important to stay in store names and we can do.

I.

I guess we can do it one by one.

Have you guys all signed an agreement was there a favor?

If we can get another sign in sheet and put it in here then I think they can all the sign in rather than individually testifying 'cause?

Ite.

I think that's all they wanted is to state their name and and their support.

 **(Chew, Kim)** 2:32:51

All right there is yeah.

 **(Serak, Chris)** 2:32:51

Is that OK or?

 **(Chew, Kim)** 2:32:53

So the sign in sheet says name and business if you could put your business and your

Co-op that'll at least let us know.

Who's here and that they're a member of a Co-op?

 **(Serak, Chris)** 2:33:05

Thanks I'll grab it and bring it in your.

Looks like.

Thank you.

 **(Chew, Kim)** 2:33:12

So we are what's the Melissa.

Did we set a deadline for written comment?

He said for one week from today so March 9th.

So we still have one week as of earlier this week we didn't have any written comments yet but.

We still can take written comment.

If you were here today and provided comment?

That qualifies if you have anything to add you can add to that you don't need to duplicate what was here today.

I think there's a question.

Ask a question of another written comments will they become part of the public record.

They will be.

They will be public.

Record and if so when will we be able to access those I.

Don't know.

I'll be honest this is the first time we've ever taken public comment on a rule before we had.

A rule that we were moving through the rule making process.

The reason we did it this way is if there are going to be any amendments.

Didn't know what those would be before we took comment if that makes sense.

So I would say.

After the close of comment.

They would be available as a public record at so gonna say that submit a public records request.

Public records request or or would it be.

Yes perfect.

Some were available and meet or relatively immediately I.

Think we can post it next week.

So we have all the documents today that were submitted.

I marked them with an exhibit number.

This hearing would be public and we can put the other public comments on the rulemaking docket OK.

So those will be posted trying to get it cleared those will be posted soon after you receive them.

It depends on logistics on getting them posted.

We can try to post them when we get them but I can't promise how quick it'll be.

But that's a logistics.

OK.

Thing.

Does that make sense yeah?

No I I understand.

I'm not trying to.

Yeah more difficult.

I'm just trying to understand the process.

Full transparency.

I don't know how to post things to our website so we have to get it to somebody who does and then they.

I think there was a.

Would monitor the website?

Is that right to see if they was posted?

Yeah.

That what we should do yeah OK.

Any other?

Comments today on 32.1.

I just on behalf of everybody want to thank the Commission again for your time and patience with this hearing.

It's finally important to all of us so thank you.

Thank you.

This is more participation than we anticipated.

But I appreciate everybody being here.

I know it's been a long hearing and some of you drove from far away away from your stores probably during operating hours.

So I appreciate everybody being here and giving their feedback on this.

Thank you.

Thank you.

You.

Thank you.

Thank you.

● **Chew, Kim** stopped transcription