

**STATE OF ILLINOIS
LIQUOR CONTROL COMMISSION**

In the Matter of:

A declaratory ruling of the Illinois Liquor)	Before a special session of the
Control Commission to determine whether)	Illinois Liquor Commission on
Anheuser-Busch, Inc., a duly licensed Illinois)	3/2/2010
Non-resident Dealer, or any of its affiliates,)	
may hold an ownership interest in, CITY Beverage)	
Illinois Inc., CITY Beverage – Chicago, CITY)	On the Record
Beverage LLC, CITY Beverage Markham LLC,)	
and/or their affiliates, as duly licensed Illinois)	10 DR 01
distributors.)	

DECLARATORY RULING

THIS MATTER having come to be heard upon the specific request of Anheuser-Busch Inc, CITY Beverage – Illinois Inc and their affiliates, this Commission having heard the argument of counsel, and being otherwise fully informed does hereby declare:

Statement of Facts

1. Anheuser Busch Inc (“AB Inc”) is a duly licensed Illinois Non-resident Dealer.
2. CITY Beverage – Illinois, Inc. (“CITY Beverage”) is a parent company of CITY Beverage – Chicago, CITY Beverage LLC, and CITY Beverage Markham LLC, each duly-licensed Illinois Distributors and Importing Distributors.
3. AB Inc. is the owner of affiliate Wholesaler Equity Development Corporation (“WEDCO”).
4. AB Inc. has proposed to purchase through its affiliate WEDCO, a 70% interest in CITY Beverage.
5. WEDCO currently owns a 30% interest in CITY Beverage and has held such an interest since 2005.
6. CITY Beverage was issued Illinois distributor licenses from 2005-2009 while WEDCO was, in fact, a 30% owner of CITY Beverage.

IT IS HEREBY DECLARED:

- 1 Preserving Illinois’ three tier distribution system of alcoholic liquor is a fundamental objective of the Liquor Control Act and the Illinois legislature for reasons of public policy.
- 2 The three tier distribution system supports state interests in liquor tax collection, the maintenance of an orderly market, and the protection of the public against unsafe alcoholic liquor.
- 3 The three tier system further protects against vertical monopolies and economies of scale that would lead to the introduction of cheap alcoholic liquor into the marketplace. In this way, the three tier system promotes temperance and assists in the control and limitation of the irresponsible consumption of alcoholic liquor as required by the Liquor Control Act.

- 4 The Liquor Control Act defines a Distributor and Importing Distributor as a person "other than a non-resident dealer." 235 ILCS 5/1-3.15, 235 ILCS 5/1-3.16.
- 5 The Liquor Control Act does not specifically allow a Non-resident Dealer to also be a Distributor.
- 6 In this case, Anheuser-Busch Inc., a Non-resident Dealer and through its affiliate, WEDCO, has held a 30% interest in CITY Beverage since 2005.

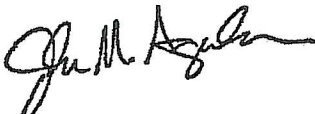
Therefore, the Illinois Liquor Control Commission DECLARES:

- A. Based on the law, AB Inc., and its affiliates are currently on notice that the Liquor Control Act prohibits an Illinois licensed Non-resident Dealer from possessing an ownership interest in a licensed Illinois distributor. If CITY Beverage should notify the Illinois Liquor Control Commission per ILCC Rule 100.100 that AB Inc, WEDCO or any of its affiliates has purchased any additional interest in CITY Beverage, then the ILCC will consider CITY Beverage licenses to be held in violation of the Liquor Control Act and the licenses will be subject to revocation or refused renewal.

Votes in Favor of Declaration A



Stephen B. Schnorf, Acting Chairman



John M. Aguilar, Commissioner



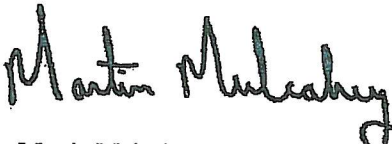
Daniel J. Downes, Commissioner



Michael F. McMahon, Commissioner



Sam Esteban, Commissioner



Martin Mulcahey, Commissioner



Donald O'Connell, Commissioner

The Illinois Liquor Control Commission additionally DECLARES:

- B. Based on the facts of this case, it has been determined that AB Inc., through its affiliate WEDCO has owned a 30% interest in CITY Beverage since 2005. The Illinois Liquor Control Commission will renew said CITY Beverage distributors licenses upon their expiration and as currently owned absent any other license disqualifying factors. This factual determination is limited solely to the history and facts surrounding this case and will have no bearing on future legal declarations or rulings of the Illinois Liquor Control Commission.

Votes in Favor of Declaration B



Stephen B. Schnorf, Acting Chairman



Daniel J. Downes, Commissioner

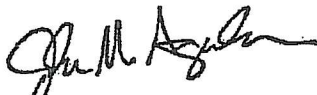


Michael F. McMahon, Commissioner



Donald O'Connell, Commissioner

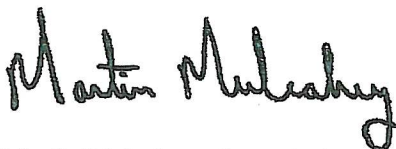
Votes in Opposition to Declaration B



John M. Aguilar, Commissioner



Sam Esteban, Commissioner



Martin Mulcahey, Commissioner

**THIS IS A DECLARTORY RULING OF THE ILLINOIS LIQUOR CONTROL
COMMISSION AND IS NOT SUBJECT TO APPEAL PER 235 ILCS 100/5-150 OF THE
ILLINOIS ADMINISTRATIVE PROCEDURE ACT**

ENTERED before the Illinois Liquor Control Commission at Chicago, Illinois, on March 10,
2010.

ATTEST:

A handwritten signature in cursive script, reading "Lydia Marucco". The signature is written in dark ink and is positioned above the printed name.

Lydia Marucco, Secretary