

STATE OF SOUTH CAROLINA
SOUTH CAROLINA DEPARTMENT OF REVENUE

South Carolina Department of Revenue,)	3 SLED Case No.: 54-14-1474
)	
Petitioner,)	
vs.)	
)	CONSENT AGREEMENT
)	OF DISMISSAL
Charleston Fine Wine, Inc.)	
d/b/a Total Wines & More)	
1820B Ashley River Road)	
Charleston, SC 29407)	
)	
Respondent.)	
)	

Charleston Fine Wine, Inc. d/b/a Total Wines & More ("Licensee") holds ~~Permit/License #32033122-PRL authorizing the retail sale of alcoholic liquors, and wine,~~ at its location of 1820B Ashley River Road, in or near the town of Charleston, South Carolina, 29407 (Licensed Premises). On September 16, 2014, the Department issued its Notice of Intent to Revoke and Assess which alleged that on or about September 16, 2014, Licensee violated 1) S.C. Code Ann. §61-4-735 (D)(1) (Supp. 2014) purchase not from wholesaler and 2) S.C. Code Regs. § 7-300.2 (Supp. 2013) purchase from licensed wholesaler only and, purchase/negotiation for purchase of alcoholic liquors from without the state. The Department's Notice sought the revocation of the Licensee's license and the assessment of a \$1,000 fine. The Licensee responded by its protest of June 8, 2015 contending that S.C. Code of Laws 61-4-735(D)(1) was applicable only to wine; could not be the basis of a revocation of a "liquor license"; and further that the statute only applied to an exception to the prohibition of joint ownership or financial interest across the three tiers of wine. The Licensee further contended that there was no legislative authority for regulation 7-300.2. In addition, the Licensee filed a petition for Declaratory

Determination pursuant to S.C. Code of Laws 1-23-150(A) challenging the legislative authority of the Department to promulgate and enforce Regulation 7-300.2. In addition, while not a part of any alleged violation, the legislative authority of the Department to promulgate and enforce Regulation 7-702 was also challenged.

The Department and Licensee remain in disagreement whether the Licensee committed any statutory and/or regulatory violation. However, the parties recognize the presence of mitigating circumstances as well as the hazards and uncertainties of litigation, and the likelihood of extensive litigation costs and time consumed. Accordingly, in an effort to resolve this dispute, the parties have agreed to enter into this

Consent Agreement of Dismissal.

Therefore, in consideration of these recitals, and for the mutual benefits accruing to the Licensee and the Department from the execution of this agreement, and for other good and valuable consideration, the receipt and sufficiency which are thereby acknowledged, the parties attest, by their signatures hereto, that this matter is resolved under the following terms and conditions:

1. Licensee agrees that it will only purchase beer, wine and alcoholic liquors from licensed S.C. wholesalers; and it will comply with all applicable South Carolina laws and regulations relating to the sale of alcoholic beverages.
2. In return for the Licensee's agreements as stated herein, the Department agrees to dismiss these alleged violations and the penalties related thereto.
3. This Agreement does not limit the Licensee's right to request a contested case hearing before the Administrative Law Court to dispute any alleged violation of this Agreement or any other violation described in this Agreement. However, should the

Department allege any violation of this Agreement and should the Administrative Law Court find that a violation of this Agreement occurred, Licensee understands and agrees that the Department may seek any penalty authorized by law including revocation of the Licensee's License.

4. Licensee also, in consideration for the mutual agreement expressed herein, does hereby agree to withdraw its Petition for a Declaratory Ruling regarding Regulations 7-300.2 and 7-702, filed on June 9, 2015. Department acknowledges that Licensee does not waive its right to file a Petition for a Declaratory Ruling regarding these regulations in the event of a subsequent alleged violation of these regulations or a precipitating event affecting Licensee's economic interest.

5. Licensee understands and agrees that this Agreement does not affect or resolve any additional past, pending, or future violations of Titles 12 or 61 of the South Carolina Code of Laws or the regulations thereunder that are not specifically referred to in this Agreement, or any other provisions, responsibilities, or liabilities which Licensee has under South Carolina law.

6. This Agreement constitutes a final resolution of the issues stated herein between the parties.

7. This Consent Agreement of Dismissal is not to be considered as a violation or admission of a violation by the Department of Revenue.

8. The parties further agree that they freely and voluntarily entered into this Agreement, that the Licensee had the opportunity to consult with an attorney, and this Agreement constitutes the full and final resolution of this matter and such is **RESOLVED WITH PREJUDICE.**

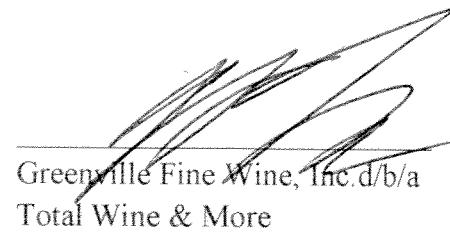
WE SO CONSENT:



Dana R. Krajack, Esquire

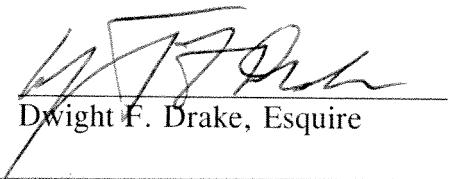
Counsel for Litigation
S.C. Department of Revenue

August 21st, 2015



Greenville Fine Wine, Inc. d/b/a
Total Wine & More

August 5, 2015



Dwight F. Drake, Esquire

Attorney for Licensee
Nelson Mullins Riley & Scarborough, LLP

August 5, 2015

**STATE OF SOUTH CAROLINA
SOUTH CAROLINA DEPARTMENT OF REVENUE**

South Carolina Department of Revenue,)
Petitioner,)
vs.)
Liquid Culture Enterprises, LLC)
2750 Ave. B North, Suites B & C)
N. Charleston, SC 29405)
Respondent.)
)
SLED CASE No.: 54-14-1457
CONSENT AGREEMENT

Liquid Culture Enterprises, LLC ("Licensee"), holds Permit number 32050202-PWB, a Beer and Wine Wholesaler Permit; and License number 32050203-PWL, a Liquor Wholesaler License at the location of 2750 Ave. B North, Suites B & C (respectively), in or near the Town of N. Charleston, South Carolina (Licensed Premises). On September 26, 2014, the Department issued its Notice(s) of Intent to Revoke, alleging that on or about September 16, 2014, Licensee, 1) in violation of its Beer and Wine Wholesaler Permit violated S.C. Code Ann. §§61-4-735(E) and 61-4-940(E) (Supp. 2013) – by failing to provide quantity discounts to all customers; and 2) in violation of its Liquor Wholesale License violated S.C. Code Ann. §§61-6-1310(E) (Supp. 2013) and Reg. 7-300.2 – by failing to maintain a separate licensed warehouse facility; and purchasing alcohol liquors for the

exclusive use of any retailer (respectively).¹ The Department also determined that the appropriate penalties for these violations were the assessment of a total of \$3,500 in fines and revocation of the Licensee's permit and license.

The Department and Licensee remain in disagreement whether the Licensee committed any statutory and/or regulatory violation. However, the parties recognize the presence of mitigating circumstances as well as the hazards and uncertainties of litigation, and the likelihood of extensive litigation costs and time consumed. Accordingly, in an effort to resolve this dispute, the parties have agreed to enter into this Consent Agreement of Dismissal.

Therefore, in consideration of these recitals, and for the mutual benefits accruing to the Licensee and the Department from the execution of this agreement, and for other good and valuable consideration, the receipt and sufficiency which are thereby acknowledged, the parties attest, by their signatures hereto, that this matter is resolved under the following terms and conditions:

1. Licensee admits that the Department possesses sufficient evidence to prove it violated S.C. Code Ann. § 61-6-1310(E) by failing to maintain a separate licensed warehouse facility. The remaining alleged violations are hereby dismissed.

¹ The Department's Notice of Intent to Revoke the Liquor Wholesaler's License also alleged that the Licensee violated S.C. Code Reg. 7-300.2 by allowing the purchase or negotiation of the purchase of liquor by a retail dealer directly from a manufacturer from without the State. To the extent not inconsistent with this Agreement, those factual allegations are hereby dismissed as a basis for a violation of Reg. 7-300.2.

2. Licensee hereby affirms to the Department that it has erected separate licensed warehouse facilities and that it will use and maintain those facilities henceforth.

3. Licensee agrees to pay a fine of \$1,000 to the Department contemporaneously with the execution of this Agreement.

4. Licensee understands and agrees that it will comply with all applicable South Carolina laws and regulations relating to the sale of beer, wine and alcoholic beverages: specifically including but not limited to, maintaining separate licensed warehouse facilities, and not purchasing alcohol liquors for the exclusive use of any retailer. In addition, to the extent it offers quantity discounts, Licensee agrees to make them available to all customers (on the same basis).

5. This Agreement does not limit the Licensee's right to request a contested case hearing before the Administrative Law Court to dispute any alleged violation of this Agreement or any other violation described in this Agreement. However, should the Department allege any violation of this Agreement and should the Administrative Law Court find that a violation of this Agreement occurred, Licensee understands and agrees that the Department may seek any penalty authorized by law including revocation of the Licensee's License.

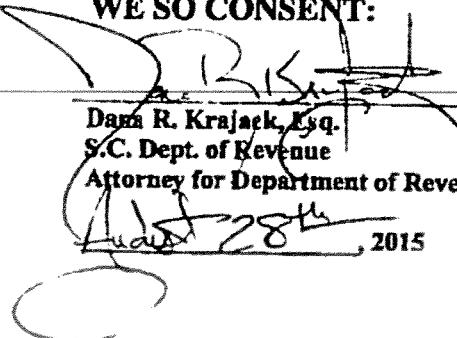
6. Licensee understands and agrees that this settlement does not affect or resolve any additional past, pending, or future violations of Titles 12 or 61 of the

South Carolina Code of Laws or the regulations thereunder that are not specifically referred to in this Agreement, or any other provisions, responsibilities, or liabilities which Licensee has under South Carolina law.

7. This Agreement constitutes a final resolution of the issues stated herein between the parties and becomes effective upon signature by the parties.

8. The parties further agree that they freely and voluntarily entered into this Agreement, that the Licensee had the opportunity to consult with an attorney, and this Agreement constitutes the full and final resolution of this matter and such is **RESOLVED WITH PREJUDICE.**

WE SO CONSENT:


Dana R. Krajack, Esq.
S.C. Dept. of Revenue
Attorney for Department of Revenue

August 28th, 2015


Liquid Culture Enterprises, LLC
2750 Ave. B North, Suites B & C
N. Charleston, SC 29405
Licensee

August 28th, 2015


Andrew Richardson, Esq.
McAngus, Goudelock & Courie,
LLC
Attorney for Licensee

7.2.15, 2015

**STATE OF SOUTH CAROLINA
SOUTH CAROLINA DEPARTMENT OF REVENUE**

South Carolina Department of Revenue,)
Petitioner,)
vs.)
Columbia Fine Wine, Inc.)
d/b/a Total Wines & More)
275-C Harbison Blvd., Unit 2)
Columbia, SC 29212)
Respondent.)
SLED Case No.: 54-14-1474
**CONSENT AGREEMENT
OF DISMISSAL**

Columbia Fine Wine, Inc. d/b/a Total Wines & More ("Licensee") holds Permit/License #32062077-PRL authorizing the retail sale of alcoholic liquors, and wine, at its location of 275-C Harbison Blvd., Unit 2, in or near the town of Columbia, South Carolina, 29212 (Licensed Premises). On September 26, 2014, the Department issued its Notice of Intent to Revoke and Assess which alleged that on or about September 16, 2014, Licensee violated 1) S.C. Code Ann. §61-4-735 (D)(1) (Supp. 2014) purchase not from wholesaler and 2) S.C. Code Regs. § 7-300.2 (Supp. 2013) purchase from licensed wholesaler only and, purchase/negotiation for purchase of alcoholic liquors from without the state. The Department's Notice sought the revocation of the Licensee's license and the assessment of a \$1,000 fine. The Licensee responded by its protest of June 8, 2015 contending that S.C. Code of Laws 61-4-735(D)(1) was applicable only to wine; could not be the basis of a revocation of a "liquor license"; and further that the statute only applied to an exception to the prohibition of joint ownership or financial interest across the three tiers of wine. The Licensee further contended that there was no legislative authority for regulation 7-300.2. In addition, the Licensee filed a petition for Declaratory

Determination pursuant to S.C. Code of Laws 1-23-150(A) challenging the legislative authority of the Department to promulgate and enforce Regulation 7-300.2. In addition, while not a part of any alleged violation, the legislative authority of the Department to promulgate and enforce Regulation 7-702 was also challenged.

The Department and Licensee remain in disagreement whether the Licensee committed any statutory and/or regulatory violation. However, the parties recognize the presence of mitigating circumstances as well as the hazards and uncertainties of litigation, and the likelihood of extensive litigation costs and time consumed. Accordingly, in an effort to resolve this dispute, the parties have agreed to enter into this

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1. Licensee agrees that it will only purchase beer, wine and alcoholic liquors from licensed S.C. wholesalers; and it will comply with all applicable South Carolina laws and regulations relating to the sale of alcoholic beverages.
2. In return for the Licensee's agreements as stated herein, the Department agrees to dismiss these alleged violations and the penalties related thereto.
3. This Agreement does not limit the Licensee's right to request a contested case hearing before the Administrative Law Court to dispute any alleged violation of this Agreement or any other violation described in this Agreement. However, should the

Department allege any violation of this Agreement and should the Administrative Law Court find that a violation of this Agreement occurred, Licensee understands and agrees that the Department may seek any penalty authorized by law including revocation of the Licensee's License.

4. Licensee also, in consideration for the mutual agreement expressed herein, does hereby agree to withdraw its Petition for a Declaratory Ruling regarding Regulations 7-300.2 and 7-702, filed on June 9, 2015. Department acknowledges that Licensee does not waive its right to file a Petition for a Declaratory Ruling regarding these regulations in the event of a subsequent alleged violation of these regulations or a precipitating event affecting Licensee's economic interest.

5. Licensee understands and agrees that this Agreement does not affect or resolve any additional past, pending, or future violations of Titles 12 or 61 of the South Carolina Code of Laws or the regulations thereunder that are not specifically referred to in this Agreement, or any other provisions, responsibilities, or liabilities which Licensee has under South Carolina law.

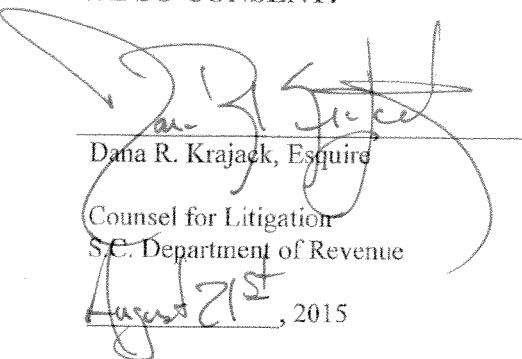
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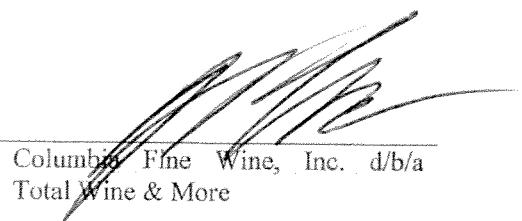
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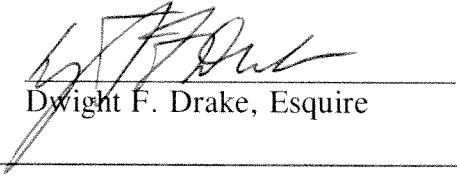
WE SO CONSENT:


Dana R. Krajack, Esquire
Counsel for Litigation
S.C. Department of Revenue

August 21st, 2015


Columbia Fine Wine, Inc. d/b/a
Total Wine & More

Augt 5, 2015


Dwight F. Drake, Esquire

Attorney for Licensee
Nelson Mullins Riley & Scarborough, LLP

Augt 5, 2015

STATE OF SOUTH CAROLINA
SOUTH CAROLINA DEPARTMENT OF REVENUE

South Carolina Department of Revenue,)
) SLED Case No.: 54-14-1474
 Petitioner,)
 vs.) **CONSENT AGREEMENT**
) **OF DISMISSAL**
 Greenville Fine Wine, Inc.)
 d/b/a Total Wines & More)
 1125 Woodruff Road, Ste. 300B)
 Greenville, SC 29607)
)
 Respondent.)
)

Greenville Fine Wine, Inc. d/b/a Total Wines & More ("Licensee") holds Permit/License #32038993-PRL authorizing the retail sale of alcoholic liquors, and wine, at its location of 1125 Woodruff Road, Ste. 300B, in or near the town of Greenville, South Carolina, 29607 (Licensed Premises). On September 17, 2014, the Department issued its Notice of Intent to Revoke and Assess which alleged that on or about September 17, 2014, Licensee violated 1) S.C. Code Ann. §61-4-735 (D)(1) (Supp. 2014) purchase not from wholesaler and 2) S.C. Code Regs. § 7-300.2 (Supp. 2013) purchase from licensed wholesaler only and, purchase/negotiation for purchase of alcoholic liquors from without the state. The Department's Notice sought the revocation of the Licensee's license and the assessment of a \$1,000 fine. The Licensee responded by its protest of June 8, 2015 contending that S.C. Code of Laws 61-4-735(D)(1) was applicable only to wine; could not be the basis of a revocation of a "liquor license"; and further that the statute only applied to an exception to the prohibition of joint ownership or financial interest across the three tiers of wine. The Licensee further contended that there was no legislative authority for regulation 7-300.2. In addition, the Licensee filed a petition for

Declaratory Determination pursuant to S.C. Code of Laws 1-23-150(A) challenging the legislative authority of the Department to promulgate and enforce Regulation 7-300.2. In addition, while not a part of any alleged violation, the legislative authority of the Department to promulgate and enforce Regulation 7-702 was also challenged.

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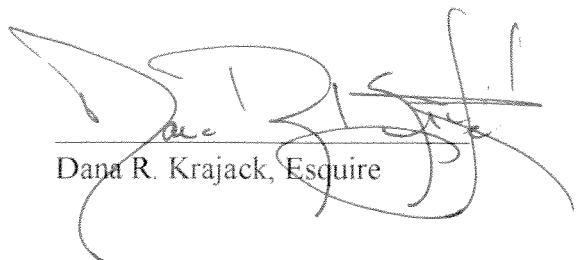
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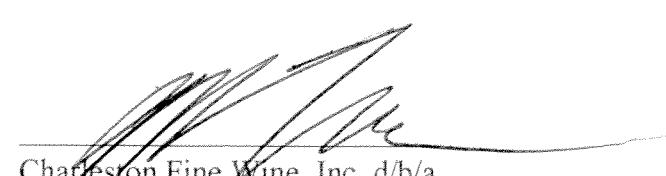
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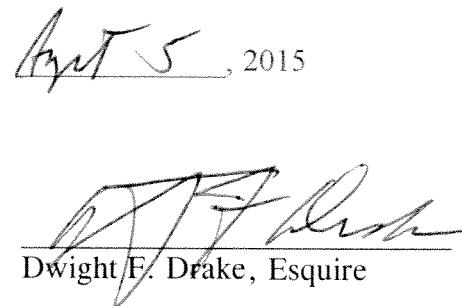
Dana R. Krajack, Esquire

Counsel for Litigation
S.C. Department of Revenue

August 21st, 2015



Charleston Fine Wine, Inc. d/b/a
Total Wine & More



Aug 5, 2015

Attorney for Licensee
Nelson Mullins Riley & Scarborough, LLP



Aug 5, 2015