

Governor JB Pritzker Cynthia Berg, Chairman Chimaobi Enyia, Executive Director

100 West Randolph Street, Suite 7-801, Chicago, IL 60601 300 West Jefferson Street, Suite 300, Springfield, IL 62702

Illinois Liquor Control Commission COVID-19 Related Action Guidance on Product Returns Pursuant to Illinois Governor Executive Order 2020-07 March 19, 2020

Both Federal and State of Illinois alcohol beverage laws generally prohibit the sale of alcoholic liquor from a distributor to a retailer on consignment, under a conditional sale, or with the privilege of return. Due to the outbreak of COVID-19, Illinois Governor JB Pritzker has issued Executive Order 2020-07 ordering the suspension of all on-premises sales of food and beverages.

Because the suspension of on-premises consumption of food and beverages and general self-quarantines cause an unanticipated reduction of beer ("Beer") sales to the public and Beer is likely to deteriorate, become less marketable, and, if consumed after deterioration, may have negative health consequences, the Illinois Liquor Control Commission is authorizing the return of Beer sold and delivered to a retailer on or before March 23, 2020 only. No returns shall be authorized (other than through normal legal channels) for retailer Beer purchases made after March 23, 2020. Beer returns as a result of Executive Order 2020-07 ("EO 2020-07 Returns") are authorized under the following conditions:

- 1. EO 2020-07 Returns apply to Beer as defined by 235 ILCS 5/1-3.04. Such returns do not apply to wine and spirits products.
- 2. EO 2020-07 Returns apply to beer in the original package and untapped Beer only.
- 3. EO 2020-07 Returns apply to Beer previously sold and delivered by licensed distributors and licensed manufacturers/non-resident dealers with self-distribution privileges ("Distributors") to license holders authorized to conduct retail sales for consumption on the licensed premises ("Retailers").
- 4. EO 2020-07 Returns apply to Retailers authorized to conduct on-premises sales and for beer intended to be consumed on-premises.
- 5. EO 2020-07 Returns do not apply to returns from off-premises only retailers or for beer originally intended to be sold for off-premises consumption.
- 6. Beer may be returned for cash or credit against outstanding indebtedness to be determined by agreement between Distributors and Retailers.
- 7. Beer may be exchanged for the same volume of identical product at the risk of a Retailer being unable to sell the Beer by the Beer code date or near code date.
- 8. Beer delivered or exchanged after **March 23, 2020** is subject to the Product Return Rules established in 235 ILCS 5/6-5.5 and 11 III. Admin. Code 100.245.
- 9. This return policy shall not be construed to create a mandatory obligation by the Distributor to accept an EO 2020-07 Return.
- 10. If a Distributor engages in EO 2020-07 Returns, the Distributor shall apply such return policy to all similarly situated Retailers.

11. All EO 2020-07 Returns shall be documented by a notation on a credit invoice as an "Executive Order 2020-07 Return" or as a substantially similar notation. All such records shall be maintained according to all State Commission records retention and records availability rules (e.g. retailer 90-day invoice requirement; three years records retention schedule).

Chima Enyia Chimaobi Enyia

Executive Director

Illinois Liquor Control Commission