

Alan Steen
Administrator

August 12, 2004

MARKETING PRACTICES BULLETIN – MPB 082004006dj Cooler Door Hangers

To: BEER INDUSTRY

ALL CAPTAINS & COMPLIANCE SUPERVISORS

The practice of distributor's and/or members of the manufacturing tier providing COOLER DOOR HANGERS to retailers has come under scrutiny at the request of Industry Members. It appears that throughout the state we have been inconsistent with respect to interpretation and regulation of these items.

Of two Beer Distributors of differing brands in the same territorial area with the same elements for providing the COOLER DOOR HANGERS, one distributor was told that COOLER DOOR HANGERS were equipment and could not be furnished or sold to a retailer under any circumstances and the other distributor was told that COOLER DOOR HANGERS were promotional items and could be sold to the retailer.

It is our intent to derive consistency and clarify any disparities that may exist regarding these items. A careful review by the marketing practices committee revealed that the basic statute involved would come under Section 102.07 for a manufacturer/wholesaler of malt liquor/ale and Section 102.14 & 102.15 for a distributor, which states respectively that an upper tier member shall not furnish, give, rent, lend any money or other thing of value or furnish, give, rent, lend or sell any equipment, fixtures or supplies to a person engaged in or about to be engaged in brewery products.

Further, a preliminary study revealed that Cooler Door Hangers were analogous to shelving and increases the product shelf space rather than serve as a means for promoting the product. Therefore Cooler Door Hangers do not fall within the relaxations of Rule 45.117 and/or Rule 45.113 which allow upper tier members to provide advertising specialties and/or signs to a retailer. All things considered, our position is to rule "Cooler Door Hangers" as equipment and such items may not be furnished, loaned, given, or sold to a retailer.

Any correspondence published prior to this bulletin shall be deemed null and void. In the event that a retailer purchased this item prior to the date of this bulletin, the retailer will be allowed to keep the item if the retailer can produce an invoice which validates the purchase. Otherwise, please take the necessary precaution to remove these items from the marketplace effective immediately. As of the effective release date of this bulletin COOLER DOOR HANGERS shall not be furnished, loaned, given or sold to a retailer. If you should have any question regarding this correspondence please do not hesitate to contact me at 512-206-3411.

Kind Regards,

Dexter K. Jones

Acting Director of Marketing Practices

CC: Alan Steen, Administrator

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