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STATE OF NEW YORK
LIQUOR AUTHORITY

TO: MANUFACTURERS AND WHOLESALERS OF LIQUOR AND
RETAIL PACKAGE STORE LICENSEES

SUBJECT: THE GIVING AND ACCEPTANCE OF FREE GOODS

The Authority has received a number of allegations to the effect that package store licensees placing orders for sizeable case lots of various brands of liquor are receiving free goods in violation of Section 101.1(c) and of the price scheduling provisions of Section 101-b of the Alcoholic Beverage Control Law.

The terms of the stay granted by the United States Supreme Court in connection with the pending suit on "Affirmations" do not restrain the Authority from enforcement of those provisions of Section 101-b prohibiting the sale of liquor and wine to retailers on terms not in conformance with the appropriate schedule of prices to retailers filed pursuant to Section 101-b and then in effect. Such prohibition antedated the 1964 amendment and is still in full force and effect.

Rule 36 of the Rules of the State Liquor Authority provides that any license or permit issued pursuant to the Alcoholic Beverage Control Law may be revoked, cancelled or suspended for causes enumerated in such Rule which include:

"Where any licensee or permittee engages or participates in or abets a violation of any of the provisions of the A.B.C. Law or of the Rules of the State Liquor Authority."

The giving of free goods is contrary to the provisions of Sections 101.1(c) and 101-b and Rule 16 of the Rules of the State Liquor Authority and the license of any manufacturer or wholesaler violating the same will be subject to appropriate disciplinary action. The acceptance of such free goods by a retail licensee will also subject the license of such licensee to disciplinary action as abetting such violation.

STATE LIQUOR AUTHORITY



D. S. HOSTETTER
Chairman