IN THE MATTER OF THE
APPLICATION TO EXTEND THE
PRICES POSTED IN THE FEBRUARY
2020, MAY 2020, JULY 2020, OCTOBER
2020, AND DECEMBER 2020
CURRENT PRICE LISTS

ORDER PERMITTING EXTENSION OF
PRICES POSTED IN FEBRUARY, MAY,
JULY, OCTOBER AND DECEMBER
2020 CURRENT PRICE LISTS

BY THE ACTING DIRECTOR:

N.J.A.C. 13:2-24.6(a)(4) provides that a Current Price List ("CPL") shall be filed no later
than the 15th day of each calendar month, and shall become effective the first day of the following
calendar month and shall remain effective for the entire month.

On January 13, 2020, the Division of Alcoholic Beverage Control (the "Division") received
a request from Jeffrey A. Warsh, Esquire, General Counsel to the New Jersey Wine and Spirits
Wholesalers Association ("NJWSWA"), seeking a relaxation of N.J.A.C. 13:2-24.6(a)(4), such
that the prices contained in the February, May, July, October and December 2020 CPLs would be
extended as shown in the chart below.

<table>
<thead>
<tr>
<th>CPL</th>
<th>END OF MONTH</th>
<th>REQUESTED END OF MONTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2020</td>
<td>Friday, February 28, 2020</td>
<td>Monday, March 2, 2020</td>
</tr>
<tr>
<td>May 2020</td>
<td>Friday, May 29, 2020</td>
<td>Monday, June 1, 2020</td>
</tr>
<tr>
<td>July 2020</td>
<td>Friday, July 31, 2020</td>
<td>Monday, August 3, 2020</td>
</tr>
<tr>
<td>October 2020</td>
<td>Friday, October 30, 2020</td>
<td>Monday, November 2, 2020</td>
</tr>
<tr>
<td>December 2020</td>
<td>Thursday, December 31, 2020</td>
<td>Monday, January 4, 2021</td>
</tr>
</tbody>
</table>

If the requested relaxation is granted, all New Jersey licensed wholesalers would be authorized to
utilize the prices listed in the February, May, July, October and December 2020 CPLs for orders
that were received on or before the close of business on the dates shown in the Requested End of
Month column above.

According to Mr. Warsh's letter, this practice places operational pressures on the
wholesalers in terms of managing the sales, billing, credit, warehousing and delivery of alcoholic
beverages. The Division is aware from past requests for similar relief that retailers typically place
significant orders at the end of each month, and although retailers are able to place orders on-line
before the end of each month, their practice is to assess their inventory first so they know how
much product is needed. When the end of the month falls on a weekend or legal holiday, or on the
eve of a weekend or legal holiday, the retailers are not able to properly assess their inventory and
place well-informed orders at the advantageous prices that may exist during the previous month.

To address this situation, many wholesalers have developed an administrative "work
around," in which wholesalers will file their CPL with two sets of prices, one set for the beginning
of the month and one set for the remainder of the month. Such a practice places a burden on the
wholesalers, but accomplishes the same result that is underlying the instant relaxation request. If
granted, the request would alleviate some of those pressures, as well as additional concerns over
scheduling and processing timelines, and provide critical relief to wholesaler personnel who would
not have to work weekends to fill these orders.

In order to extend the effectiveness of the prices established in the February, May, July,
October and December 2020 CPLs, affirmative action by the Acting Director is necessary. In
accordance with N.J.A.C. 13:2-9.1, the Director or Acting Director has the authority to relax the
provisions of N.J.A.C. 13:2-24.6(a)(4) upon a showing of undue hardship (economic or otherwise);
that the waiver of the rule would not unduly burden any affected parties; and that the waiver is
consistent with the underlying purposes of Title 33 and its implementing regulations.

I have reviewed the requests to extend the expiration dates for the February, May, July,
October and December 2020 CPLs in light of the standards contained in N.J.A.C. 13:2-9.1. I
believe that denying the relief sought would cause hardship to both wholesalers and retailers.
Without the relief sought, retailers would not be able to assess their inventory and place their
significant orders at the end of the month at the advantageous prices offered. Wholesalers, on the
other hand, are administratively burdened if choosing to file two sets of prices (one for the previous
month’s prices, and then for the coming month), especially those wholesalers whose CPLs contain
thousands of products.

Since the extension of the February, May, July, October and December 2020 prices would
apply to all wholesale and retail licensees on a non-discriminatory basis, I do not believe that the
requested approval would unduly burden any affected parties, or would undermine the purposes
of Title 33, which are to prevent discrimination in the sale of alcoholic beverages and to maintain
trade stability. I note that wholesalers who choose to exercise the extensions granted herein must
extend the February, May, July, October and December 2020 prices on a uniform basis for all
products and for all retail licensees.

Accordingly, it is on this 11 day of February, 2020,

ORDERED that wholesalers are authorized to extend prices listed in the February 2020
CPL for retail orders received on or before the close of business on Monday, March 2, 2020,
provided that all such prices are extended in a uniform, non-discriminatory basis to all retail
accounts; and it is further

ORDERED that wholesalers are authorized to extend prices listed in the May 2020 CPL
for retail orders received on or before the close of business on Monday, June 1, 2020, provided
that all such prices are extended in a uniform, non-discriminatory basis to all retail accounts; and it is further

ORDERED that wholesalers are authorized to extend prices listed in the July 2020 CPL for retail orders received on or before the close of business on Monday, August 3, 2020, provided that all such prices are extended in a uniform, non-discriminatory basis to all retail accounts; and it is further

ORDERED that wholesalers are authorized to extend prices listed in the October 2020 CPL for retail orders received on or before the close of business on Monday, November 2, 2020, provided that all such prices are extended in a uniform, non-discriminatory basis to all retail accounts; and it is further

ORDERED that wholesalers are authorized to extend prices listed in the December 2020 CPL for retail orders received on or before the close of business on Monday, January 4, 2021, provided that all such prices are extended in a uniform, non-discriminatory basis to all retail accounts; and it is further

ORDERED that the relief provided herein is based upon the specific facts alleged in this ex parte proceeding and, therefore, is subject to further review and modification should the factual circumstances warrant.

JAMES B. GRAZIANO
ACTING DIRECTOR

JBG/PTU