



NCSLA 2016 Annual Conference

The Westin Michigan Avenue, 909 North Michigan Avenue, Chicago, IL 60611

June 26 – 29, 2016

A Blueprint To The Future

SUNDAY, JUNE 26, 2016

- 9:00 A.M. – 12:00 P.M. NCSLA Executive Committee Meeting: Huron A
- 1:00 P.M. – 5:00 P.M. Registration/Help Desk: Superior East
- 6:00 P.M. – 8:00 P.M. *Welcome Reception:* The Signature Room at the 95th, John Hancock Building
875 N. Michigan Avenue

1st DAY – MONDAY, JUNE 27, 2016 - General Session: Great Lakes Grand Ballroom

- 7:00 A.M. – 5:30 P.M. Registration/Help Desk: Superior East
- 8:00 A.M. – 9:00 A.M. **Opening Ceremony and Roll Call**
Welcome - President Jerry Waters and the Illinois Liquor Control Commission
Presentation of Colors / Pledge of Allegiance – Color Guard
Roll Call of States – Executive Director Pamela Frantz
Exhibitor Introductions – Executive Director Pamela Frantz
- 9:00 A.M. – 9:40 A.M. **Keynote Speaker:** Isiah Thomas, NBA All-Star and NBA Hall of Fame
- 9:40 A.M. – 9:55 A.M. **Morning Break:** Great Lakes Foyer
- 9:55 A.M. – 10:55 A.M. **PANEL #1: Innovation vs. Regulation – Change is Inevitable, Growth is Optional**

Broader than just technology or automation, INNOVATION is the way we bring to bear new ideas. New and original processes, services and analysis can transform our agencies, the alcoholic beverage industry, as well as the citizens we serve. Yet, without a Research and Development function, government innovation usually occurs incrementally, through practice - if at all. Yes, technology can make an impact, but the real difference is always about the strategy and people using the technology, not the technology itself. We have all witnessed different organizations buy the exact same hardware or software from the exact same vendor and get wildly different results.

Participate with our panel in a lively and engaging look at how Innovation can sometimes conflict with Regulation:

- How regulatory agencies can innovate when laws were written when everything was a manual process;
- How regulatory agencies can innovate when funding is limited or unavailable;
- Benefits and Challenges of Innovation; and
- Recognizing Opportunities for Innovation.

Moderator: Sherry Cook, Executive Director, Texas Alcoholic Beverage Commission



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1st Day (cont.) MONDAY, JUNE 27, 2016 - General Session: Great Lakes Grand Ballroom

Panelists:

Amy Harrison, Director, Licensing Division, Texas Alcoholic Beverage Commission
Jill Valachovic, President, National Association of Licensing and Compliance Professionals (NALCP)
Mark Bordas, Region Vice President State Affairs, Anheuser-Busch Companies, Inc.

10:55 A.M. – 11:00 A.M.

Transitional Break

11:00 A.M. – 12:00 P.M.

PANEL #2: Centennials, Millennials and Baby Boomers...Oh My! Technology is changing everything! Are You Prepared?

The next generations of consumers are making purchasing decisions based on a hand-held device. No need to visit the traditional brick and mortar retailer. Malls across the country saw fewer consumers this last Black Friday, while on-line retailers, like Amazon, had record sales. Social media, social networking, social apps....are regulators prepared to address the complexity of our beverage alcohol laws and rules under a new marketing platform that defies the traditional path alcohol takes to get to the consumer? Are marketing practices used with this new technology in conflict with our three tier system and tied house laws that restrict the relationship between suppliers, distributors and retailers? How are suppliers, big and small, being affected by these new consumers and does it affect suppliers' interaction with state/federal legal requirements?

Moderator: Rick Garza, Director, Washington State Liquor and Cannabis Board

Panelists:

Bahaneh Hobel, Partner, Alcohol Beverage Counsel, Dickenson, Peatman and Fogarty
Holly Phillips, Liquor Control Investigator, Minnesota Department of Public Safety
Hobert Rupe, Executive Director, Nebraska Liquor Control Commission
Kelly Martin, VP of Compliance, Direct Wines, Inc.

12:00 P.M. – 1:30 P.M.

Lunch and *LinkedIn*: Michigan Ballroom

1:30 P.M. – 2:30 P.M.

PANEL #3: Alcohol and Public Safety: The Data, the Research and the Implications

Regulators have an increasingly difficult job of balancing the wishes of the industry with public safety concerns. At the same time, individuals in the industry want to be innovative, yet must also contend with potential risks. Understanding the latest in alcohol research is important to good decision-making. This session will delve into alcohol research that has implications for both regulators and the industry, especially in the areas of underage and young adult use.



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1st Day (cont.) MONDAY, JUNE 27, 2016 - General Session: Great Lakes Grand Ballroom

Presenter - Jason Kilmer, PhD., Associate Professor, Psychiatry and Assistant Director of Health and Wellness for Alcohol and Other Drug Education, University of Washington

2:30 P.M. – 2:35 P.M.

Transitional Break

2:35 P.M. – 3:45 P.M.

PANEL #4: Is Consolidation the New Norm for the Beverage Alcohol Industry? How Mergers and Acquisitions are impacting the Industry.

This session will examine the consolidation trend within the industry. The panel will delve into the causes for consolidation and the impact on the industry from a regulatory perspective. Panelists will also discuss benefits of a consolidated industry from an operational perspective, and provide their own opinions on what to expect in the future. Additionally, a consolidated industry's impact on consumers, the craft industry and small suppliers will be explored.

Moderator: Gloria L. Materre, Partner, Dinsmore & Shohl, LLP

Panelists:

Earl Farkas, Senior Partner, Gozdecki, Del Guidice, Americus, Farkas & Brocato, LLP
Stephen Humphress, General Counsel, Kentucky Dept. of Alcoholic Beverage Control
Andrew Levy, V.P. Gold Network Development, Constellation Brands Beer Division
Michelle Seltzer, Department of Justice – Antitrust Division

3:45 P.M. – 4:00 P.M.

Afternoon Break: Great Lakes Foyer

4:00 P.M. – 5:00 P.M.

PANEL #5: Adapting the Three Tier System and Tied House Rules to the Future

Relying on NCSLA's [*Principles of State-Based Alcohol Regulation*](#) White Paper, the panel will outline purposes served by the complementary regulatory schemes represented in the three tier system and the tied house rules. Various proposals for changing or interpreting these schemes will also be discussed. In each instance, the question will be asked whether the proposal is a useful adaptation, or refinement, of the three tier system and the tied house rules *consistent with their purposes*.

Moderator: Max Hess, Law Firm of Taylor, Feil, Harper, Lumsden & Hess, P.C., Atlanta, Georgia

Panelists:

Edward Cooper, VP, Public Affairs & Community Relations, Total Wine & More
James C. Ho, Law Firm of Gibson, Dunn & Crutcher, Dallas, Texas
Nancy Palmer, Executive Director, Georgia Craft Brewers Guild, Atlanta, Georgia
Stephanie Strauss, Government Relations, Iowa Alcoholic Beverages Division



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2nd Day – TUESDAY, JUNE 28, 2016 - General Session: Great Lakes Grand Ballroom

- 7:00 A.M. – 4:00 P.M. **Registration/Help Desk: Superior East**
- 8:00 A.M. – 8:30 A.M. **Keynote Speaker: Andrew Lansing, Levy Restaurants, COMPASS Group (CPG.L)**
- 8:30 A.M. – 8:35 A.M. **Transitional Break**
- 8:35 A.M. – 9:35 A.M. **PANEL #6: Cutting Edge Retail Practices – Balancing Consumer Demand, Market Forces and Regulations**

The retail tier faces distinct challenges, especially with the lack of uniformity between states on many common retail issues. The business and marketing world – inside and outside the beverage alcohol industry - is exploding with new ideas on what sometimes seems like an hourly basis. Retailers, whether independent, regional or national, must be able to market their products to consumers in new and exciting ways in order to remain relevant and competitive with consumers, while being legally compliant and staying in line with administrative processes.

Can the regulatory world keep pace with market forces? What should regulators be looking at when considering retail issues? The inconsistencies and uncertainties in the retail regulatory schemes from state to state, and within a state, make it difficult for retailers to compete with online companies currently providing customers the convenience of internet alcohol sales.

This panel will explore initiatives and proposals by some retailers, including the delivery of alcoholic beverages to consumers, retail warehousing and transportation issues, the use of third-party smart phone applications and, as time permits, growler sales.

Moderator: Robert “R.J.” O’Hara, Attorney, Flaherty and O’Hara, P.C.

Panelists:

- Ileana McAlary, Senior Counsel, Legal Department, Meijer
- Colleen Hunter, Senior Director of Licensing, Darden Restaurant Companies
- Rebekah Punak, In House Counsel, InstaCart
- Teri L. Quimby, Commissioner, Michigan Liquor Control Commission
- James Webster, Senior Partner, Webster Powell, P.C.

- 9:35 A.M. – 9:40 A.M. **Transitional Break**



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9:40 A.M. – 10:45 A.M. **PANEL #7: 2016 Annual Legal Update**

The alcohol industry is changing in extraordinary ways. Expanding economic globalization, contracting industry concentration, proliferating Social Media platforms, the exponential propagation of unlicensed third-party providers – these are just a few of the many dynamic changes creating enforcement challenges for regulators and compliance quandaries for industry members. To keep up, alcohol regulation must evolve, *and quickly!*

How do you cope with such change in an already complex environment? *You need a blueprint to identify key issues and define the legal parameters for dealing with them.* Staying informed about relevant judicial cases is important. Understanding the courts' reasoning in deciding those cases is vital. *Fortunately, NCSLA can help you build that blueprint!*

This year's *Legal Update* will examine how The 21st Amendment, The Commerce Clause, The Equal Protection Clause, The First Amendment, The Sherman Act and a host of other laws are impacting state regulatory schemes throughout the nation. Surveying hundreds of recently published judicial decisions, Richard Blau's *2016 Legal Update* is one of the most comprehensive legal presentations of the year.

Presenter: Richard Blau, Chair, Alcohol Beverage and Food Dept., GrayRobinson, P.A.

10:45 A.M. – 11:00 A.M. **Morning Break: Great Lakes Foyer**

11:00 A.M. – 12:00 P.M. **PANEL #8: College Town USA**

The University of Illinois at Champaign/Urbana was recently named the nation's Top Party School. The controversial annual ranking is issued every August by Princeton Review, the testing and admission services company, for its latest "Best 380 Colleges" book. Learn from university officials, university student leaders and civic leaders what steps are being taken to address underage and excessive drinking on campus and in that community. Please come prepared to share what measures are being taken on college campuses in your communities as well.

Moderator: Lynn Walding, Executive Director Control States, Diageo PLC

Panelists:

Ted Penesis, Education Manager, Illinois Liquor Control Commission
University Administrator – *To Be Named*
University Student Leader – *To Be Named*
Civic Leader – *To Be Named*

12:00 P.M. – 12:05 P.M. **Transitional Break**



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12:05 P.M. – 1:05 P.M.

Session 9: ETHICS SESSION - Minding Your Own Business! Keeping Public and Private Business Separate in the Digital Age

Modern communication methods are both a convenience and a curse. From Hillary Clinton’s home e-mail server fiasco to Anthony Weiner’s sexting scandal to Pennsylvania Attorney General Kathleen Kane’s release of e-mails to the media and the resulting ethics charges, we are surrounded by examples of how electronic communications can lead to unforeseen, and sometimes disastrous, consequences. We can be in touch with the world 24/7, which means business gets done faster and more efficiently, anywhere at any time. This also means the lines between our personal and business lives have become ever more blurred. We are sending off e-mails and texts while barbecuing at home, sitting on the couch watching TV, lying in bed, on vacation, and elsewhere, all hours of the day and night that has traditionally been clearly “personal time.” We also utilize multiple devices—desktops, laptops, tablets, smartphones. What does this mean for government officials? When someone makes an open records request, where do you look? Can court-ordered discovery reach your personal cell phone? Are all your personal communications and electronic devices now fair game for someone to comb through? What are your legal and ethical obligations? As communication has become easier, many of the legal issues surrounding it have become more complex. Join our esteemed and loquacious presenters as they explore some of the pitfalls of modern communications and discuss some potential best practices to insure the public’s business remains proper and transparent without consuming our personal lives. *This conversation will look at the intersection of technology and some of the rules of ethical conduct such as client confidentiality (ABA model rule 1.6) and communicating with parties (ABA model rules 4.2 and 4.3).*

Co-Presenters:

Matthew Botting, General Counsel, California Alcoholic Beverage Control
Lou Bright, Of Counsel, Martin, Frost & Hill, P.C.

1:05 P.M. – 2:30 P.M.

Lunch and NCSLA Regional Meetings (*States Only*): Michigan Ballroom

2:30 P.M. – 4:15 P.M.

NCSLA Annual Business Meeting (*ALL members welcome!*)

5:45 P.M. – 11:00 P.M.

NCSLA Reception and Awards Banquet: Art Institute of Chicago



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3rd Day – WEDNESDAY, JUNE 29, 2016 – REGULATOR ACADEMY: Great Lakes Grand Ballroom

9:00 A.M. – 10:00 A.M. **PANEL #10: REGULATOR ACADEMY – Survival Guide for ABC Regulators**

Join this interactive discussion in which four proficient Administrators share their knowledge and experience addressing challenges within their agency. They will also predict the next wave of issues on the horizon and share their “blueprint” for effective regulation and management into the future.

Moderator: Jerry W. Waters, Sr., NCSLA President and Director, Office of Regulatory Affairs, Pennsylvania Liquor Control Board

Panelists:

- *Southern Region* - Keith Burt, Director, Oklahoma ABLE Commission
- *Northern Region* – David Edmunds, Deputy Commissioner, New York State Liquor Authority
- *Central Region* - Stephen Larson, Administrator, Iowa Alcoholic Beverages Division
- *Western Region* - Patrick Maroney, Director, Colorado Liquor & Tobacco Enforcement Division

10:00 A.M. – 10:05 A.M. **Transitional Break**

10:05 A.M. – 11:05 A.M. **PANEL #11: REGULATOR ACADEMY – Public Relations and Damage Control**

The best defense is a strong offense, right, or is it the other way around? In this day and age public scrutiny is continuous, recording devices are everywhere and there is no place to hide. Alcohol regulatory agencies must employ robust public relation efforts to build credibility in good times, and rely on that credibility to mitigate potentially damaging events when they inevitably occur. In this session, you will hear real life experiences from State Regulators about how they proactively communicate their message to the public and how you can get your message heard. You’ll also get helpful tips on what to say, or not say, to prepare yourself for future media encounters.

Moderator: Jeffrey Kelly, Director, Maryland Field Enforcement Division

Panelists:

- Dean Argo, Government Relations Manager, Alabama Alcoholic Beverage Control Board
Dexter Jones, Assistant Chief of Audit and Inspections, Texas Alcoholic Beverage Commission
Ranee Niedermeyer, Communications and Government Affairs Director, Oregon Liquor Control Commission
Brian Smith, Communications Director, Washington State Liquor and Cannabis Board



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11:05 A.M. – 11:10 A.M. Transitional Break

11:10 A.M. – 12:10 P.M. **PANEL #12: REGULATOR ACADEMY “Hot Topic”
Social Media Funding: Business Nightmare or Dream Come True?**

If you haven't heard about this topic yet, don't worry, you will. This panel is a continuation and expansion of the discussion begun in Baltimore at the NCSLA 2015 Northern/Southern Regional Conference about some entrepreneurs' unusual methods of funding their licensed alcohol businesses using social media; yes, they've got an app (or two) for that! In exchange for "voluntary funding" the donor(s) may receive gifts ranging from a hug, to a few free drinks, to some amount of equity in the business. So, do we care? Should we care? This session takes a look behind the curtain of Social Media funding to determine how these programs work and what information about the requester and donor(s) is available. Join this session for general knowledge of these programs and a better understanding of how to research the true ownership of licensed establishments.

Moderator: Robert Wiest, Jr., Deputy Commissioner, Delaware Alcoholic Beverage Control

Panelists:

Joshua Segal, Partner, Lawson and Weitzen, LLP

John Hinman, Partner, Hinman & Carmichael LLP

Jim Ebel, Two Brothers Artesian Brewing, Chicago, Illinois

12:10 P.M. – 12:15 P.M. Closing Remarks and Dismissal