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WHOLESALE BEER DISTRIBUTORS OF TEXAS

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To: WBDT Principles

From: Doug Davis

Subj: Brand Transfers

The Brewers Association's recent focus on "reforming" states' franchise laws is a call to action for Independent Distributors. One of the BA's claims is that current franchise laws essentially "trap and bind" craft brands in perpetuity, resulting in an unreasonable and inequitable situation of "brand collecting", and potentially even, "brand death or execution". We know the hyperbolic chamber resonating from this type of rhetoric is an untruthful misrepresentation of the Texas marketplace. WBDT will continue to explain brand-building and the value of the independent distribution tier. The BA's push provides us with the opportunity to remind policy-makers of the essence, history, and importance of preserving the Beer Industry Fair Dealing Law.

In our effort to package the distributors' message; WBDT staff asks the membership's assistance in gathering some information. Please review your files and put together a list of all of the brand transactions into and out of your distributorship over the last five (5) years. The following information would be beneficial to add to our educational arsenal:

1. Brand or brands transferred;
2. Date of the transfer;
3. Circumstances involving the transfer (eg: distributor/distributor; distributor/manufacturer; distributor voluntary abandonment);
4. Recipient of the transfer;
5. Other useful, non-proprietary information (For Example: Did the manufacturer approach distributor and request the transaction, or vice-versa? Did another distributor initiate the transfer? Was the transfer a component of another mutually agreed-to transaction? Et cetera...).

Telling and selling the true story of distributor/manufacturer relations has served WBDT well in the past. Thank you in advance for your assistance in unwinding and unraveling the national narrative being pushed by the Brewers Association.