



NEW YORK COMPLIANCE

DUGGAN'S DISTILLERS

PRODUCTS CORP.

560 Bradley Parkway West, Unit 1

Blauvelt, NY 10913

845-358-7230

BASIC SERVICES

- **State Compliance**

As part of the Services, Duggan's will manage all aspects of the state specific compliance requirements, including:

- Register the Product with NY State Liquor Authority.
- Create and file price postings monthly as required.
- File all required Tax reports with the State Liquor Authority.

BASIC SERVICES

- **Logistics Planning and Management**

As part of the Duggan's will manage all aspects of the logistics chain for the Product, including:

- Arrange for pick-up of Product at the place of production.
- Arrange transportation of Product from the place of production to Gateway Whse, a NJ bonded and full-service beverage alcohol warehousing company VIA:
 - Domestic and international ground freight.
 - International ocean freight.
 - Domestic and international expedited air freight.
- Deliver orders to NY License retail outlets via Fleetwood Trucking or owner operators.

BASIC SERVICES

- **Order Processing and Customer Service**

As part of the services, Duggan's will manage all aspects of the order processing and customer service for the Product, including

- Receive orders from
 - CLIENT authorized wholesalers
 - Control state authorities
 - CLIENT authorized retailers.
 - CLIENT authorized independent sales agents/brokers
- Check the received orders against prices suggested by CLIENT and properly filed with state agencies (in states that require such filings)
- Coordinate pick-up or delivery from the warehouse (or the foreign supplier in the case of Direct Import sales)
- Administer samples to control state authorities, licensed distributors and retailers in accordance with state specific alcoholic beverage control laws
- Administer the support of CLIENT sponsored charity events in accordance with state specific alcoholic beverage control laws
- Manage customer inquiries with regards to logistics and back-office operations on behalf of the CLIENT

BASIC SERVICES

- **Cash Cycle Management**

As part of the Services, Duggan's will manage all aspects of the CLIENT cash cycle management , including:

- Invoice the purchaser(s) at the prices suggested by CLIENT and properly filed with state agencies (in states that require such filings)
- Manage accounts receivables and collect funds
- Follow-up with customers on overdue accounts receivables monthly
- Open and maintain a dedicated (optional) and segregated Duggan's bank account for the sole purpose of managing CLIENT designated activity (the "Managed Account") in order to deposit CLIENT remittances into the Managed Account.
- Pay all relevant beverage excise taxes out of CLIENT's funds in the Managed Account.
- After receiving written approval by CLIENT, pay other third party expenses out of CLIENT's funds in the Managed Account.

BASIC SERVICES

- **Accounting**

As part of the Services, Duggan's will manage all aspects of the CLIENT activity accounting, including:

- Record all payments made and received in the CLIENT's Managed Account.
- Conduct a monthly reconciliation of the CLIENT's Managed Account.
- Prepare a monthly account closing statement by “the end of the following month”.

- **Reporting**

As part of the services, Duggan's will provide reporting on several aspects of the CLIENT's activities, including;

- Provide timely reports upon request,(weekly and/or monthly)
 - Sales.
 - Customer balances / Accounts Receivables.
 - Cash receipts
 - Inventory by locations.
- Prepare a monthly closing report including itemized schedules of all monthly activities and balances by “mid-month following”
 - Account activity
 - Accounts receivables aging
 - Inventory
 - Sales Cash receipts

BASIC SERVICES

- **Distributor Chargeback and Bill-back Support Management**
 - (Set-up subject to review of process and agreement)

As part of the services, Duggan's will support distributor chargeback and bill-back procedures, including:

- Receive distributor chargeback and bill-back invoices.
- Provide CLIENT with electronic copies of distributor chargeback and bill-back invoices for prior approval to posting.
- After receiving written approval by CLIENT, pay distributor chargeback and bill-back invoices out of CLIENT's funds.

ADDITIONAL SERVICES (Fee Based)

- **Marketing Support-If requested as additional service.**

As part of additional services, Duggan's will support the marketing functions of CLIENT through various tools and activities, including;

- Provide initial pricing structure set up for the development of price offers for discussions with potential customers.
- Provide a select industry date relative to the clients brand category for client's analysis of target and positioning in market.
- Provide initial guidance on route to market options and test market set-up

NEW YORK CLEARING SERVICE FEE

- Duggan's Distillers will charge **15%** margin of net discount selling trade price for all orders managed by supplier/client.

Duggan's Distillers will , on agreement, offer sales to current retailer accounts active with our NY Wholesale business. A charge of **15%** added to the clearing fee for a total **30%** margin on selling price to the trade.

CONTACT

- **To discuss or request information on our services available, please contact Chris Massie at the following details:**

(845)-358-7230

Duggans1@duggansdist.com