

The Commonwealth of Massachusetts
Department of the State Treasurer
Alcoholic Beverages Control Commission
Boston, Massachusetts 02114

Deborah B. Goldberg
Treasurer and Receiver General

VIOLATION REPORT

Kim J. Gainsboro, Esq.
Chairman

To: Chief Investigator Frederick Mahony

From: Investigator Nicholas Velez

Licensee: Craft Beer Guild, LLC D/B/A: Craft Brewers Guild
170 Main Street
Everett, MA

License #: WI-298

Violations: 204 CMR 2.08 No licensee shall give or permit to be given money or any other thing of substantial value in any effort to induce any person to persuade or influence any other person to purchase, or contract for the purchase of any particular brand or kind of alcoholic beverages, or to persuade or influence any person to refrain from purchasing, or contracting for the purchase of any particular brand or kind of alcoholic beverages.

Chapter 138 §25A. No licensee authorized under this chapter to sell alcoholic beverages to wholesalers or retailers shall: Discriminate, directly or indirectly, in price, in discounts for time of payment or in discounts on quantity of merchandise sold, between one wholesaler and another wholesaler, or between one retailer and another retailer purchasing alcoholic beverages bearing the same brand or trade name and of like age and quality;

Date: Numerous Dates in 2013 and 2014

On Thursday, October 16, 2014 at approximately 2:00pm Chief Investigator Mahony and Investigator Velez entered Buzzards Bay Brewing Company, Inc. to address information that had been received relative to brewers and or wholesalers providing unlawful inducements to retailers.

Investigators entered the licensed premises and conducted an interview with Dan and Martha Paquette of Pretty Things Beer and Ale Project, Inc. Chief Mahony asked them to provide any information they had regarding Dan Paquette's recent allegations via Twitter.

Martha Paquette stated to Investigators that Wilcox Hospitality Group Inc. (Wilcox) is using "pay-to-play" schemes with their tap lines. In addition, Martha Paquette then provided documentation that appeared to indicate that the Briar Group, LLC (Briar) was receiving payments from Craft Beer Guild, LLC (Craft) in exchange for the placement of

Craft products in Briar's 812 locations.

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The documentation further indicated that Craft was billing and receiving payment from brewers for the payments made by Craft to retail groups. Martha Paquette further stated that she emailed Craft after receiving such a bill, requesting information as to the subject of the invoice. She stated that Craft did not respond to the question, but instead indicated that she did not have to pay the bill.

On, Friday, October 17, 2014 at approximately 12:00pm Investigators Wilichoski & Velez entered the licensed premises of Craft and spoke to Craft sales Manager Craig Corthell and Office Manager Bethany DiCristofaro.

Investigator Wilichoski asked Corthell to explain the terms brand allocation, marketing support and menu programing, which are the terms observed by Investigators on the invoice supplied by Paquette. Corthell stated to the Investigators that he was not aware of what these terms indicated. Corthell then stated to Investigators that he was not comfortable answering the questions and did not want to get his company in trouble. Corthell informed Investigators that Attorney Caroline O'Connell was on her way to the location, so the Investigators waited for O'Connell to arrive before proceeding with the interview. Investigators then continued the interview with Corthell and DiCristofaro in the presence of Attorney O'Connell.

Investigator Wilichoski again asked Corthell to explain the terms brand allocation, marketing support and menu programing, which are the terms observed by Investigators on the invoice supplied by Paquette. Corthell stated to Investigators that menu programing, brand allocation and marketing support are interchangeable terms and that they all mean the same thing. Corthell stated to Investigators that it is related to the printing of menus. Investigator Wilichoski asked if Craft prints menus. Corthell stated that Craft does not print menus.

After further questioning, Corthell stated to Investigators that Craft is paying Briar for marketing support to have Craft brands on their menu and that they have been doing it twice a year for three years.

In the documents provided by DiCristofaro, Investigators observed an invoice for \$4700 dollars for marketing support that was addressed from Briar to Craft. The invoice provided documentation of Briar associated licensees with itemization, per licensee, of beer brands and the number of units sold, as well as an indication of a rebate of \$20 per keg. Corthell stated that Briar was charging Craft a \$20 dollar "kickback" per keg. He then stated the \$20 kickback is then billed from Craft to the brewers or suppliers of the beer.

Investigator Wilichoski then asked Corthell if the \$20 per keg kickback resulted in the brewers having a committed tap line. Corthell responded yes, that once the money is paid to Briar the brewer would have a committed tap line.

On, Monday, October 20, 2014 at approximately 10:00am Investigators Wilichoski & Velez and Chief Investigator Mahony arrived at the licensed premises of Craft to conduct an Interview with Sales Representatives Dan Cronin, Mike Maccure and Pat McCoy. Attorneys Joshua Segal and Caroline O'Connell were present for the licensee. Attorneys Segal and O'Connell provided Investigators with documentation previously requested.

Maccure stated that he started with Craft in January 2014 and that one of his accounts is Wilcox licensee Bukowski Tavern and that Bukowski had approximately twenty tap lines; six to twelve of which were for Craft products.

Cronin stated to Investigators that he has been with Craft for three years and that Wilcox licensee Lower Depths Tap Room is one of his accounts. Cronin stated to Investigators that Lower Depths had twelve tap lines, of which five to six of which were for Craft products and that Craft supplied 80% of Lower Depths bottled beer.

McCoy stated to Investigators that he has been with Craft for three years as the director of on premises sales and his immediate supervisors are Craig Corthell and Mike Bernfield.

Chief Mahony asked McCoy to describe Craft's relationship with Wilcox. McCoy stated that the 2013 agreement was for Craft to spend \$20,000.00 during the year for marketing support. McCoy stated that Wilcox invoiced Craft two times in 2013 for \$10,000.00 each.

McCoy stated that in 2014 Gordon Wilcox from Wilcox Hospitality Group, Inc. wanted 10% for all dollars spent with Craft. McCoy stated that such a deal would amount to approximately \$50,000.00 if Craft committed to that deal. McCoy stated that Craft did not agree to the deal and that Wilcox consequently did not do business with Craft.

Chief Mahony asked McCoy to describe Craft's relationship with Briar. McCoy stated that his direct contact was Dessie Kerins who was in charge of liquor purchases for Briar. McCoy stated that Kerins required Craft to pay \$20.00 per keg to support a rotational draft program. McCoy further stated payments were made by Craft to Briar twice a year.

Chief Mahony asked McCoy to describe Craft's relationship with 5th Ave Productions and Remy's Fenway Group, LLC. McCoy stated that this company was the marketing company for Jerry Remy's Restaurant on Boylston Street. McCoy stated that he believed that Craft paid 5th Ave Productions approximately \$2,000.00 per draft brand, per year and that Remy's had four draft lines for an equivalent value of \$8,000.00 per year.

On, November 18, 2014 at approximately 11:45am Chief Mahony, Investigators Wilichoski and Velez again interviewed McCoy, where they requested him to provide clarification of the documents that were provided by Craft. McCoy was represented by Attorney Caroline O'Connell.

Investigator Wilichoski asked McCoy to provide an explanation of an invoice from Bank On It to Craft in the amount of \$7,000.00, numbered 436 and dated 6/10/2013. McCoy stated that he and Lyons Group Ltd. (Lyons) Vice President of Operations Steven Coyle made an agreement for a payment of \$1,000.00 per draft line, which resulted in the \$7,000.00 invoice. McCoy stated that \$7,000.00 was paid to have Craft brands placed at Lyons Restaurants, that he started dealing with Coyle in 2013 and that he delivered the \$7,000.00 check to Coyle.

Investigator Wilichoski asked McCoy to provide an explanation of an invoice from Bank On It to Craft in the amount of \$12,000.00, numbered 391 and dated April 28, 2013. McCoy stated that the \$12,000.00 was paid to have the Craft brand "Yuengling" placed at Lyons Restaurants. McCoy stated that he and Coyle made an agreement for a payment of \$1,500.00 to \$1,800.00 per draft line.

Investigator Wilichoski asked McCoy to provide an explanation of an invoice from Bank On It to Craft in the amount of \$3,345.00, numbered 802 and dated July 3, 2014. McCoy stated that Craft paid Lyons a fee of \$15.00 per barrel of beer sold in Lyons restaurants.

Investigator Wilichoski asked McCoy to provide an explanation of invoices from Wilcox to Craft. The first in the amount of \$10,000.00, dated 5/29/2013 and indicating Marketing Services for the period of January 1, 2013 thru March 31, 2013 and April 1, 2013 thru June 30, 2013. The second in the amount of \$10,000.00, dated 11/21/2013 and indicating Marketing Services for the periods of July 1, 2013 thru September 31, 2013 and October 1, 2013 thru December 31, 2013.

McCoy stated that Craft and Wilcox had an agreement whereby Craft would pay Wilcox up to \$20,000 in 2013 in return for 20 committed draft lines (\$1000.00 a draft line). McCoy stated that he delivered the \$10,000.00 check(s) to Manager Chris Sheridan at the Rattlesnake Bar & Grille, which is a Wilcox restaurant.

McCoy further stated that early in 2014 he spoke with Gordon Wilcox of Wilcox Hospitality Group and that Wilcox, in 2014, wanted Craft to pay Wilcox 10% of all Craft brands purchased by Wilcox restaurants. McCoy estimated that Wilcox Hospitality Group restaurants purchase roughly \$600,000.00 a year from Craft and that 10% of sales would be approximately \$60,000.00 in 2014. McCoy stated that Craft declined to make this agreement.

Investigator Wilichoski asked McCoy to provide an explanation of an invoice(s) from Briar to Craft. The first in the amount of \$2,860.00, dated 12/15/2013 and indicating Marketing; the second in the amount of \$4,700.00, dated 7/2/2014 and indicating Marketing Support. McCoy confirmed, as Craig Corthell stated in an earlier interview, that the invoices were based on a \$20.00 per keg rebate. McCoy further stated he dealt with Desie Kerins at Briar and would hand deliver a check to Kerins. McCoy stated that these rebates were not posted or available for all retail licensees.

Investigator Wilichoski asked McCoy to provide an explanation of a third invoice from Briar to Craft in the amount of \$10,500.00, dated 3/24/2014 and indicating Marketing Support Yuengling. McCoy indicated that the \$10,500.00 was paid to have the Craft brand "Yuengling" placed at Briar Restaurants. McCoy stated that he believed the invoice was based on a fee of \$1,500.00 per draft line.

Chief Mahony asked McCoy if Craft had an agreement, such as those cited above, with the Glynn Group. McCoy stated that Craft does have such an agreement and the restaurant group's name is Glynnwood Hospitality Group. McCoy stated that Craft and Glynnwood had an agreement, whereby Craft would pay Glynnwood up to \$20,000, or \$1000.00 per draft line, in return for committed draft lines.

McCoy stated that his contact at Glynnwood Hospitality Group is Louis Luna and that Glynnwood provided him with a template invoice which Craft completed. McCoy further stated that he delivered checks to Luna at Dillon's Restaurant, which is a Glynnwood restaurant.

Investigator Wilichoski asked McCoy to provide an explanation of an invoice from Fifth Avenue Productions to Craft in the amount of \$10,000.00, numbered 0115, dated 09/10/2013 and indicating Jerry Remy's (Boylston St.) Marketing Services 2013, Menu programming for 2013 Baseball Season. Brooklyn (2), Cisco, Wachusett, Pretty Things.

McCoy stated that his contact at Jerry Remy's Restaurant on Boylston Street is John Mascia and that his agreement with Mascia was to pay Fifth Avenue Productions \$10,000.00 for draft brand placement at Jerry Remy's Restaurant on Boylston Street.

On, October 20, 2014 at approximately 2:10pm Investigators Wilichoski and Velez arrived at Briar to interview Dessie Kerins. Kerins stated to Investigators that he has been with the company for more than 20 years. Investigator Wilichoski asked Kerins to explain the terms brand allocation, marketing support and menu programming. Kerins did not directly answer the question and did not provide an explanation. Kerins did indicate that Craft had a committed tap line agreement with Briar.

On, October 20, 2014 at approximately 3:40pm Investigator Wilichoski called Kerins to ask Kerins who he dealt with at Craft. Kerins would not answer the question. Kerins stated that he forwarded all information to Austin O'Connor and that we would have the information that was requested of Briar by Tuesday. No further information was provided.

Secretary of the Commonwealth records indicate that the Briar Group, LLC managing member is Austin O'Connor. The Briar Group is the management company for the entities listed below that are licensed by this commission under §12:

Adare, Inc. dba: Ned Devine's

President, Treasurer, Secretary, Director: Austin M. O'Connor, Director: Margaret O'Connor

FHM Hospitality, Inc. dba: Anthem

President, Treasurer, Secretary, Director: Austin M O'Connor, Director: Margaret O'Connor

Galway, Inc. dba: The Harp

President, Treasurer, Secretary, Director: Austin M O'Connor, Director: Margaret O'Connor

Green Briar Tavern, Inc. dba: The Green Briar

President, Treasurer, Secretary, Director: Austin M O'Connor, Director: Margaret O'Connor

Dunboy, Inc. dba: MJ O'Connor's

President, Treasurer, Secretary, Director: Austin M O'Connor, Director: Margaret O'Connor

Northern Avenue Hospitality, Inc. dba: District Hall

President, Treasurer, Secretary, Director: Austin M O'Connor

Seaport Hospitality, Inc. (Weston Hotel)

President, Treasurer, Secretary, Director: Austin M O'Connor, Director: Margaret O'Connor

On January 07, 2015 at approximately 11:30 a.m. Investigators Wilichoski, Velez and Chief Investigator Mahony, interviewed Tom Shea the Chief Operating Officer and Dessie Kerins of The Briar Group, LLC, at the Boston Office of the ABCC. Shea and Kerins were represented by Attorney Steven Miller.

Shea stated to Investigators that The Briar Group, LLC is a management company responsible for all of the restaurant human resources, payroll and ordering of alcoholic beverages.

Kerins stated that his contact at Craft is Pat McCoy and that Craft, through McCoy, offered a rebate program of \$20 dollars per keg. Kerins stated that Craft would send a spreadsheet with the number of kegs sold to Briar every 6 months and that an invoice would then be created from Briar to Craft based on that spreadsheet. Kerins stated that McCoy instructed him to label the invoice for brand allocation, menu support or menu programing. Kerins further stated that Craft was offering this rebate program for approximately 3-4 years.

Kerins stated that Yuengling came on strong in the industry in early of 2014 and that McCoy wanted Briar to carry Yuengling in Briar restaurants. Mahony asked Kerins to provide an explanation of an invoice from Briar to Craft in the amount of \$10,500.00, dated 3/24/2014 and indicating Marketing Support for Yuengling. Kerins stated that the \$10,500.00 was paid to have Yuengling placed at Briar Restaurants. Kerins stated that he believed the invoice was based on a fee of \$1,200.00-\$1,500.00 per draft line.

On November 12, 2014 at approximately 10:00 a.m. Chief Mahony, Investigator Wilichoski and Investigator Velez interviewed Gordon Wilcox of the Wilcox Hospitality Group Inc. at the Boston Office of the ABCC, represented by Attorney James Byrne.

Secretary of the Commonwealth records indicate that the Wilcox Hospitality Group, Inc. (Wilcox) is as follows: President, Treasurer, Secretary, Director - Gordon Wilcox

Wilcox further indicated that Wilcox Hospitality Group, Inc. is the management company for the entities listed below that are licensed by this commission under §12:

Dot Boy, Inc. dba: The Lower Depths

President, Director: Gordon Wilcox, Treasurer, Director: Peter Cuplo, Secretary, Director: Suzanne Samowski

Montanus, Inc. dba: Bukowski Tavern

President, Director: Gordon Wilcox, Treasurer, Secretary, Director: Suzanne Samowski

Poe's Pub, Inc. dba: Estelle's

President, Treasurer, Secretary, Director: Gordon Wilcox

Tip Tap Room, Inc. dba: Tip Tap Room

President, Treasurer, Secretary, Director: Gordon Wilcox, Director: Josephe Priscella and Gary McDonough

Wilcox stated that he has 8 restaurants and had previously had 20 to 35 lines of Craft products in his establishments. Wilcox also stated that in previous years Craft offered 1 on 10 or 2 on 10 for keg beer discounts and that he found this to be problematic for his accounting purposes.

Wilcox stated that he spoke with Pat McCoy from Craft regarding a better system and that McCoy offered \$1,000 a line for up to 20 lines, but Craft wanted all 20 to 35 lines to be committed for said agreement. Wilcox stated that he informed McCoy that he wanted to control his lines and wanted 10% of sales.

Wilcox stated McCoy eventually counter offered with \$20,000 in 2013. Wilcox stated that he asked McCoy how he would get the \$20,000 and that McCoy told him to invoice Craft for Marketing.

Chief Mahony asked how Wilcox received the \$20,000 payment and Wilcox stated that the check was delivered to Chris Sheridan, the manager for the Rattlesnake bar and the beer manager for Wilcox Hospitality Group.

Wilcox further stated that in 2014 Craft wanted to pay approximately \$500 less per draft line and that a deal was never reached. Wilcox stated that he stopped carrying Craft beer, however because he had so many beers and draft lines he had to slowly reduce Craft products throughout 2014.

On November 18, 2014 at approximately 12:45 p.m. Investigators Wilichoski and Velez interviewed Edward Sparks and Vice President of Operations Steven Coyle of the Lyons Group LTD, who were represented by Attorney Steven Miller.

Secretary of the Commonwealth records indicate that the Lyons Group, LTD (Lyons) structure is as follows: President, Director-Patrick T. Lyons; Treasurer, Secretary, Director-Edward J. Sparks

Sparks stated to Investigators that Bank On It, Inc. is the Promotional/Marketing Company for the Lyons Group LTD. Secretary of the Commonwealth records indicate that Bank On It, Inc. corporate structure is as follows: President, Director: Patrick T. Lyons; Treasurer, Secretary, Director: Edward J. Sparks.

Sparks further indicated that Lyons Group, LTD is the management company for the entities listed below that are licensed by this commission under §12:

Game on Fenway, LLC d/b/a Game On
Managers: Edward Sparks and Patrick Lyons

Food for Thought Dining, LLC d/b/a Mass Ave. Tavern
Managers: Edward Sparks and Patrick Lyons

Newbury Fine Dining, Inc. d/b/a Sonsie
President, Director-Patrick Lyons; Treasurer, Secretary, Director-Edward Sparks

Hynes Fine Dining, LLC d/b/a Towne Stove & Spirits
Managers: Edward Sparks and Patrick Lyons

BB Social Club, LLC d/b/a Back Bay Social Club
Managers: Edward Sparks and Patrick Lyons

Concorde Entertainment, Inc. d/b/a Lansdowne Pub/Bill's Bar
President, Director-Patrick Lyons; Treasurer, Secretary, Director-Edward Sparks

Game on Airport, LLC d/b/a Game On Sports Café
Managers: Edward Sparks and Patrick Lyons

Bleacher Bar, LLC d/b/a Bleacher Bar
Managers: Edward Sparks and Patrick Lyons

Kings Bowl of Dedham, LLC d/b/a Kings
Managers: Edward Sparks, Patrick Lyons and LLC Management Company, LLC

Ipswich Entertainment, Inc. d/b/a La Verdad
President, Director-Patrick Lyons; Treasurer, Secretary, Director-Edward Sparks

Lucky's Airport, LLC d/b/a Lucky's
Managers: Edward Sparks and Patrick Lyons

Congress Fine Dining, LLC d/b/a Lucky's
Managers: Edward Sparks and Patrick Lyons

Investigator Wilichoski asked Sparks to provide an explanation of the business relationship between Bank On It and Lyons Group. Sparks stated that Bank On It is a corporation to conduct promotion, advertising, marketing and media buys for Lyons restaurants. Sparks further stated that Bank has no employees or payroll.

Investigator Wilichoski asked Sparks to identify who generated the Bank On It invoices to Craft. Sparks stated that Steven Coyle or an administrative assistant at Lyons generated the invoices.

Investigator Wilichoski asked Coyle to provide an explanation of an invoice from Bank On It to Craft in the amount of \$7,000.00, numbered 436 and dated 6/10/2013. Coyle stated it is for placement on the menu and for print development.

Investigator Wilichoski asked Coyle to provide an explanation of an invoice from Bank to Craft in the amount of \$12,000.00, numbered 391 and dated April 28, 2013. Coyle stated that when Yuengling entered the Massachusetts market, Yuengling wanted Lyons to place Yuengling products in Lyons restaurants. Coyle then stated that Craft was allowing a rebate for selling kegs of Yuengling.

Investigator Wilichoski asked Coyle to provide an explanation of an invoice from Bank On It to Craft in the amount of \$3,345.00, numbered 802 and dated July 3, 2014. Coyle stated that Craft offered Lyons a \$15 per barrel rebate in exchange for Lyons placing Lagunitas, Smuttynose, Wachusett, Cisco and Magic Hat (as a combination) in Lyons restaurants. Coyle stated that they billed Craft quarterly or every six months. These rebates were not posted or available for all retail licensees.

Investigator Wilichoski asked Coyle to identify how this practice of invoicing Craft for Marketing originated. Coyle stated Pat McCoy offered the program to Lyons.

On January 07, 2015 at approximately 2:00 p.m. Chief Investigator Mahony and Velez again interviewed Vice President of Operations Steven Coyle of the Lyons Group LTD, who was represented by Attorney Steven Miller.

Coyle stated that his contact at Craft is Pat McCoy. Coyle stated that Craft, through McCoy, offered a \$20 rebate program per keg in exchange for Lyons placing Lagunitas, Smuttynose, Wachusett, Cisco and Magic Hat (as a combination) in Lyons restaurants. Coyle stated that an invoice would be created to Craft and that McCoy told him to invoice for menu development or menu placement. Chief Mahony asked Coyle if the invoice was in fact for rebates on the number of kegs sold. Coyle replied yes. Coyle stated that Craft is the only company that has provided such rebates for beer purchased.

Mahony asked Coyle to provide an explanation of the relationship between Lyons and Yuengling. Coyle stated that McCoy came in to meet with him multiple times before Yuengling came into the state and that McCoy wanted Lyons to carry Yuengling.

Mahony asked Coyle to provide an explanation for an invoice dated April 28, 2013 and numbered 391, in the amount of \$12,000.00; from Bank to Craft, indicating that the invoice was for Yuengling Support, Entertainment and Menu Support for Landsdowne Pub, Game On (Kenmore), Game On (Airport), Mass Ave Tavern, Bleacher Bar, Kings, Back Bay Social Club, La Verdad (new location), Bill's Bar, Lucky's (Airport) and Lucky's (S. Boston). Coyle stated that the \$12,000.00 was based on a rebate program for the number of kegs purchased. Mahony asked Coyle to identify the amount of the rebate per keg. Coyle stated that he did not know.

Chief Mahony asked Coyle how many Lyons locations carry Yuengling products. Coyle stated that there are 12 restaurants that carry Yuengling. Mahony asked Coyle if the \$12,000.00 was based on a fixed dollar amount per draft line. Coyle stated no, that it was a rebate program. Chief Mahony again asked Coyle if the \$12,000.00 was based on a fixed dollar amount per draft line. Coyle stated no it was based on a rebate program for the number of kegs purchased.

On February 24, 2015 at approximately 10:00 a.m. Chief Investigator Mahony and Investigator Velez interviewed John O'Rourke and Corey Bubb of the Remy's Fenway Group, LLC, who was represented by Attorney Albert DeNapoli. Investigators also interviewed John Mascia former Manager of Remy's Fenway Group, LLC who was represented by Attorney Mark Evlogiadis.

Secretary of the Commonwealth records indicate that the Remy's Fenway Group LLC structure is as follows: SOC Signatory: Jerry Remy; SOC Signatory: John O'Rourke; SOC Signatory: Larry Garnick; SOC Signatory: John Mascia

Secretary of the Commonwealth records indicate that the Remy's Management, LLC structure is as follows: SOC Signatory: Jerry Remy; SOC Signatory: John O'Rourke; SOC Signatory: Larry Garnick; SOC Signatory: John Mascia

Secretary of the Commonwealth records indicate that there is, and has not been, a corporation or LLC known as 5th Avenue Productions, registered with the state of Massachusetts.

Mascia stated that 5th Avenue Productions is his company, that he was the sole officer of the corporation and that the function of the 5th Avenue Productions is restaurant consulting, marketing and startup operations of restaurants. Mascia stated his company has no employees and generates no payroll.

Mahony asked Mascia to provide an explanation of an invoice from Fifth Avenue Productions to Craft in the amount of \$10,000.00, dated 9/10/13 and indicating Marketing Services 2013 Jerry Remy's (Boylston St.). Mascia stated the \$10,000.00 was for marketing support and was utilized to pay Remy's servers to pass out flyers during baseball games. Mascia stated that the employees were paid in cash.

Mascia maintained that the \$10,000.00 was not in return for placing draft lines at Remy's because the draft lines were already in place. Chief Mahony informed Mascia that Craft representatives had informed Investigators that the \$10,000.00 was paid in return for existing Craft draft lines to remain in place at Remy's. Mascia stated that the agreement may have been for draft lines to stay, however, he didn't recall. Chief Mahony asked who initiated the discussion regarding the \$10,000.00 payment. Mascia stated that he initiated it, established the amount and that McCoy agreed.

Chief Mahony asked O'Rourke if he had any knowledge of the \$10,000.00 payment to Fifth Avenue Productions in return for the draft lines being maintained at Remy's. O'Rourke stated that he did not.

On February 5, 2015 at approximately 10:30 a.m. Chief Investigator Mahony and Investigator Velez interviewed Michael Glynn of The Glynn Hospitality Group, Inc., who was represented by Attorney Louis Cassis.

Secretary of the Commonwealth records indicate that the Glynn Hospitality Group structure is as follows: President, Director Christine M. Freeman; Treasurer Michael T. Glynn; Secretary Neil Glynn

Michael Glynn indicated that Glynn Hospitality Group is the management company for the entities listed below, which are licensed by this commission under §12:

995, LLC d/b/a Dillion's: Manager Neil Gerard Glynn; SOC Signatory: Neil G. Glynn; SOC Signatory: Christine Marie Freeman; SOC Signatory: Thomas J. Moylan

Friar Ventures, LLC d/b/a Hurricane O'Reilly's: Manager: Kelly G. Laurence; SOC Signatory: Thomas J. Moylan, Esq; SOC Signatory. Kelly G. Laurence Real Property Kelly G. Laurence Real Property; Michael T. Glynn Real Property; Thomas J. Moylan.

One Hundred Seventy-Three Milk St., Inc. d/b/a Coogan's Bluff: President Christine M. Freeman; Treasurer, Director Michael Glynn; Secretary, Director Neil Glynn

A.T.G., Inc. d/b/a Cleary's: President, Treasurer Christine Freeman; Treasurer Patrick Joseph Glynn; Secretary Anne T. Glynn

The Black Rose, Inc. d/b/a The Black Rose: President, Treasurer, Director Christine Freeman; Secretary Anne T. Glynn

111, LLC d/b/a Brownstone: Manager Michael T. Glynn; SOC Signatory: Thomas J. Moylan; SOC Signatory: Michael T. Glynn

Chief Mahony asked Glynn to describe Glynn's relationship with Craft. Michael Glynn stated that Louis Luna, an employee of Glynn, is the primary individual assigned to work with Pat McCoy of Craft and that Michael Glynn has occasionally had communications with McCoy. Glynn stated that he could not answer questions that were asked of him relative to the invoices from Glynn to Craft and would have to consult with Luna to provide the Investigators with that information.

In a subsequent email from Attorney Cassis to Investigator Velez, Glynn provided the following information based on statements from Luna:

- In calendar year 2013, Craft offered Glynn Hospitality \$27,000 in promotional money to market Craft beers. As part of the promotion, Glynn placed 22 Craft brands on various beer menus and the same corresponding beers on their draft lines. Over the course of the year some brand items were swapped out for others.

- There was no fixed amount for any draft line; however, if you divide the \$27,000 by 22 you could assume that it came to roughly \$1200 dollars a line. Some brand items were more established and did not require very much promotion and others were newer and unknown and required some promotion.
- Glynn provided Craft with blank invoices with the Glynn logo and Craft filled them in.

On April 7, 2015 Chief Mahony, Investigators Wilichoski and Velez interviewed Craft General Manager Mike Bernfeld and Sales Manager Craig Corthell, who were represented by Attorney Caroline O'Connell.

Corthell stated that he supervises approximately 70 sales persons and reports to Bernfeld on a daily basis. Bernfeld stated that he reports to the Craft Vice President Tim Sheehan. Corthell further stated that Pat McCoy reports to him on a weekly basis regarding new accounts, competition in the market place, sales objectives and credit problems.

Corthell stated that McCoy and other area managers complete the check request forms and that he authorizes them, with Bernfeld issuing final approval as well as signing all checks. Bernfeld confirmed this.

Mahony asked Bernfeld to explain an invoice from Bank On It to Craft in the amount of \$12,000.00, numbered 391 and dated April 28, 2013 indicating Yuengling Support. Bernfeld stated that it was for entertainment and menu support. Chief Mahony asked them to provide an explanation of menu support. Bernfeld and Corthell both stated that it was for Yuengling product to be poured at Lyons locations. Mahony asked how the \$12,000.00 figure was agreed upon. Bernfeld stated that he did not know, but that his understanding from staff was that the going rate was \$1,200 to \$1,500 per draft line.

Mahony asked Bernfeld to explain an invoice from Briar to Craft in the amount of \$10,500.00, dated 3/24/2014 and indicating Marketing Support Yuengling. Bernfeld and Corthell indicated that the invoice was for payment to Briar in return for Briar carrying the Yuengling brand in Briar retail locations.

Mahony asked Bernfeld and Corthell if they were aware that such payment is considered an inducement and is in violation of ABCC regulations. Both indicated that they were aware that it is in violation.

Bernfeld and Corthell indicated that Craft's contacts at Yuengling are or were Bob McDermott and Tom Genou, as well as local representative Jim Lowe.

Bernfeld stated that when the Craft - Yuengling business relationship was established, a depletion account was also established whereby Craft would contribute \$2.50 cents per case sold toward marketing the Yuengling brand. Bernfeld further stated that Craft Branch Manager Rich Buckley sends monthly detailed reports to Yuengling indicating how the funds in this account had been spent and to whom the funds were paid.

In the course of this investigation, Investigators observed the following documentation indicating that Craft delivered a monetary inducement to retailers in exchange for the purchase of Craft products:

An invoice, dated 6/10/2013 and numbered 436, in the amount of \$7,000.00; from Bank On It to Craft, indicating that the invoice was for Menu Development & Support; the invoice further indicated (for Game On, Mass Avenue Tavern, Sonsie, Towne Stove & Spirits, Back Bay Social Club, Lansdowne Pub)

A "Check Request Form" produced by Craft, indicating that a check should be issued to Bank for \$7,000.00. This form had further markings indicating the following: \$5,500.00 "Magic Hat participation menu" \$1,000.00 "Lagunitas participation menu", \$500.00 "Cisco participation menu."

A check numbered 210971 in the amount of \$7,000.00 issued by Craft to Bank and dated 6/26/2013. The back of the check has markings indicating "For Deposit Only" and dated 6/27/2013.

An invoice, dated April 28, 2013 and numbered 391, in the amount of \$12,000.00; from Bank On It to Craft, indicating that the invoice was for Yuengling Support, Entertainment and Menu Support for (Landsdowne Pub, Game On (Kenmore), Game On (Airport), Mass Ave Tavern, Bleacher Bar, Kings, Back Bay Social Club, La Verdad (new location), Bills Bar, Lucky's (Airport) and Lucy's (S. Boston). A hand written note on the invoice states "[REDACTED] 4/28/14, sales"

A check numbered 013688 in the amount of \$12,000.00 issued by Craft to Bank and dated 05/01/14. The back of the check has markings indicated "For Deposit Only", and dated 05/09/14.

An invoice, dated July 3, 2014 and numbered 802, in the amount of \$3,345.00; from Bank On It to Craft, indicating that the invoice was for Menu Support for a period of January-June 2014 for BBL Rebate Program-Menu Support.

A "Check Request Form" produced by Craft, indicating that a check should be issued to Bank for \$3,345.00, as well as markings indicating that "Brand Allocation is listed on attached document" and hand written markings indicating "P. McCoy to hand deliver".

A spreadsheet indicated a total of 223 and multiplied by 15; equaling a total of \$3,345.00.

- 55 Lagunitas to Landsdowne; 30 Lagunitas to Harvard Gardens; 16 Lagunitas to BBSC; and 15 Lagunitas to Game On. This sheet indicated a total of 116 Lagunitas, multiplied by 15, with a total of \$1740.00.
- 6 Smutty to Landowne, multiplied by 15, with a total of \$90.00.
- 12 Wachusett to Harvard Gardens, multiplied by 15, with a total of \$180.00.
- 19 Cisco to BBSC and 6 Cisco to Game On for a total of 25, multiplied by 15, with a total of \$375.00.
- 39 Magic to Mass Ave, 13 Magic to Sonie and 12 Magic to Towne, for a total of 64, multiplied by 15, with a total of \$960.00.

A check numbered 014527 in the amount of \$ 3,345.00 issued by Craft to Bank On It and dated 07/10/14. The back of the check has markings indicated "For Deposit Only", and dated 07/16/14.

An invoice, dated 05-29-2013, in the amount of \$10,000.00 from Wilcox to Craft for Marketing Services January 1, 2013 thru March 31, 2013 \$5,000.00 and April 1, 2013 thru June 30, 2013 \$5,000.00. Hand written markings on the invoice indicate: Lagunitas \$7,000, Magic \$1,000, Trosage \$1,000, Smity \$1,000 with a total of \$10,000.

A "Check Request Form" produced by Craft, indicating that a check should be issued to Wilcox in the amount of \$10,000 and further indicating "Marketing/Menu Support, Allocation of Brand Support Listed." Hand written markings indicate "Magic Hat Trade Spend, \$1,000.00, 459943" and "P. McCoy to hand deliver".

A check, dated 06/20/13 and numbered 211001, in the amount of \$10,000.00 issued by Craft to Wilcox. The back of the check has marking indicating "For Deposit Only Sovereign Bank Wilcox Hospitality Group Acct# [REDACTED]" dated 06/28/2013.

An invoice, dated 11/21/2013, in the amount of \$10,000.00 from Wilcox to Craft for Marketing Services July 01, 2013 thru September 31, 2013 for \$5,000.00 and October 01, 2013 thru December 31, 2013 for \$5,000.00. Hand written markings have been blacked out.

A check dated 12/05/13 and numbered 011825, in the amount of \$10,000.00 issued by Craft to Wilcox. The back of the check has marking indicating "For Deposit Only Sovereign Bank Wilcox Hospitality Group Acct# [REDACTED]" dated 06/28/2013.

An invoice, dated July 2, 2014 in the amount of \$4,700.00, from Briar to Craft for Marketing Support.

A "Check Request Form" produced by Craft, indicating that a check should be issued to Briar for \$2,860. This form had further markings indicating: "Brand Allocation Attached Document." Hand written markings indicate "Lagunitas Trade Spend, 459957, \$570" and "P. McCoy to hand deliver".

A spreadsheet dated 7/2/2014 indicating a reporting period from 1/1/2014 thru 6/30/2014. The report was structured in columns labeled: Retail Accounts, Addresses, City's, States, Brands, Units Sold, Rebate and Total. The spreadsheet further indicated a total of 235.00 Units Sold; a "Rebate" of \$20.00 per unit; and a total of \$4,700.00.

The Retail Accounts and Address columns indicated:

- Gather/District Hall (75 Northern Ave),
- MJ O'Connor's (Waterfront) (425 Summer Street),
- The Harp (Boston) (85 Causeway Street),
- The Green Briar (304 Washington Street),
- Anthem (101 South Market Street),
- MJ O'Connor's (Park Plaza) (27 Columbus Avenue),
- Lenox Hotel/Solas (61 Exeter Street) and
- Ned Devine's (1 N. Market Street, Faneuil Hall).

The Brands column indicated:

- Gather/District Hall 88.00 units: 31.00 units Lagunitas DFT, 24.00 units Allagash DFT, 13.00 units Cisco DFT, 12.00 units Left Hand DFT, and 9.00 units Prettythings DFT
- MJ O'Connor's/Waterfront 57.00 units: 26.00 units Lagunitas DFT, 22.00 units Sierra Nev DFT and 9.00 units Cisco DFT.
- The Harp-Boston 23.00 units: 20.00 units Sierra Nev DFT, 3.00 units Cisco DFT
- The Green Briar 17.00 units: 8.00 units Sierra Nev DFT, 6.00 units Wachusett DFT, 3.00 units Magic Hat DFT
- Anthem 21.00 units: 15.00 Cisco DFT, 6.00 units Allagash DFT
- MJ O'Connor's/Park Plaza 16.00 units Sierra Nev DFT
- Lenox Hotels/Solas 13.00 units Wachusett DFT

Another spread sheet that also totaled \$4,700.00 and indicated:

- 31 Lagunitas to Gather and 26 Lagunitas to MJ (Westin) with a total of 57 multiplied by \$20 totaling \$1,140.00.
- 24 Allagash to Gather and 6 Allagash to Anthem with a total of 30 multiplied by \$20 totaling 600.00.
- 13 Cisco to Gather, 9 Cisco to MJ (Westin), 3 Cisco to Harp and 15 Cisco to Anthem with a total of 40 multiplied by \$20 totaling \$800.00.
- 12 Left Hand to Gather multiplied by \$20 totaling \$240.00.
- 8 Pretty Things to Gather multiplied by \$20 totaling 160.00.
- 22 Sierra to MJ (Westin), 20 Sierra to Harp, 8 Sierra to Green Briar and 16 Sierra to MJ (PP) with a total of 66 multiplied by \$20 totaling \$1,320.00
- 3 Magic at Green Briar multiplied by \$20 totaling \$60.00.
- 6 Wachusett at Green Briar and 13 Wachusett at Ned's with a total of 19 multiplied by \$20 totaling \$380.00

A check numbered 014723 in the amount of \$4,700.00 issued by Craft to Briar dated 07/24/14.

An invoice, dated 12/15/13 in the amount of \$2,860.00, from Briar to Craft for Marketing.

A "Check Request Form" produced by Craft, indicating that a check should be issued to Briar for \$2,860.00 for programming for the period of July 1st -December 13th. This form had further markings indicating the following: "\$300 Ipswich, 1,220 Sierra, 100 Magic, 280 Lagunitas, 120 Allagash, 80 L. Hans, 120 Pretty Things and 640 Cisco." This form indicated a total of \$2,860. Hand written markings indicate "Pat McCoy to hand deliver".

A spreadsheet dated 12/16/2013 indicating a reporting period from 7/1/2013 thru 12/13/2013. The report was structured in columns labeled: Retail Accounts, Addresses, City's, States, Brands, Sum.

The Retail Accounts and Address columns indicated:

- MJ Connors (Weston) (425 Summer Street),
- The Harp (Boston) (85 Causeway Street),
- Anthem (101 South market Street),
- MJ Connors (Park Plaza) (27 Colombus Avenue),

- Green Briar (304-306 Washington Street),
- Ned Devine's (1 Faneuil Hall MKT.),
- Lenox Hotel/Solas (61 Exeter Street)
- Gather/District Hall (75 Northern Avenue).

A spreadsheet indicating that, from the period of 7/1/2013 thru 12/13/2013, a total of 143.00 units were purchased with a rebate of \$20.00 per unit totaling \$2,860.00.

The spreadsheet further indicated:

- MJ Connors (Westin) 33.00 units with a rebate of \$20.00 totaling \$660.00.
 - Sierra NEV DFT 17.00 units with a rebate of \$20.00 totaling \$340.00.
 - Cisco DFT 9.00 units with a rebate of \$20.00 totaling \$180.00.
 - Lagunitas DFT 6.00 units with a rebate of \$20.00 totaling \$120.00.
 - Ipswich DFT 1.00 unit with a rebate of \$20.00 totaling \$20.00.
- The Harp (Boston) 19.00 units with a rebate of \$20.00 totaling \$380.00.
 - Sierra NEV DFT 18.00 units with a rebate of \$20.00 totaling \$360.00.
 - Ipswich DFT 1.00 unit with a rebate of \$20.00 totaling \$20.00.
- Anthem 24.00 units with a rebate of \$20.00 totaling \$480.00.
 - Cisco DFT 18.00 units with a rebate of \$20.00 totaling \$360.00.
 - Pretty Things DFT 6.00 units with a rebate of \$20.00 totaling \$120.00.
- MJ Connors (Park Plaza) 19.00 units with a rebate of \$20.00 totaling \$380.00.
 - Sierra NEV DFT 17.00 units with a rebate of \$20.00 totaling \$340.00.
 - Ipswich DFT 2.00 units with a rebate of \$20.00 totaling \$40.00.
- Green Briar 15.00 units with a rebate of \$20.00 totaling \$300.00.
 - Sierra NEV DFT 9.00 units with a rebate of \$20.00 totaling \$180.00.
 - Magic Hat DFT 5.00 units with a rebate of \$20.00 totaling \$100.00.
 - Ipswich DFT 1.00 unit with a rebate of \$20.00 totaling \$20.00.
- Ned Devine's 3.00 units of Ipswich DFT with a rebate of \$20.00 totaling \$60.00.
- Lenox Hotel/Solas 7.00 units of Ipswich DFT with a rebate of \$20.00 totaling \$140.00.

A check dated 12/30/13 and numbered 012105, in the amount of \$2860.00 issued by Craft to Briar.

An invoice, dated March 24th, 2014 and numbered 03241050000, from Briar to Craft in the amount of \$10,500.00, indicating Marketing Support Yuengling. Hand written markings on the invoice indicate the following: "1 MJ (Park Plaza), 2 MJ (Westin), 3 Green Briar, 4 Ned Devines, 5 Harp, 6 Lenox/Solas, 7 Anthem."

A check, dated 04/15/2014 and numbered 013458, in the amount of \$10,500.00 issued by Craft to the Briar. The back of the check has marking indicating "Pay to the order of Sovereign Bank for Deposit Only Briar Group, LLC [REDACTED]"

An invoice, dated 09/10/2013 and numbered 0115, in the amount of \$10,000.00 from Fifth Avenue Productions to Craft for marketing services 2013. Hand markings on the invoice indicate Jerry Remy's (Boylston St.), Menu Programming for 2013 Baseball season, Brooklyn (2), Ommegang, Cisco, Wachusett and Pretty Things.

A "Check Request Form" produced by Craft, indicating that a check should be issued to Fifth Avenue Productions for \$10,000.00. This form had further markings indicating the following: "\$500.00 Brooklyn Sorachi Ace, \$500.00 Ommegang, \$3,000.00 Cisco Grey lady, \$3,000.00 Brooklyn Lager, \$2,500.00 Wachusett Green Monsta, \$250.00 Pretty Things, \$250.00 weihenstephaner, Menu programming 2013." Hand markings indicate, "plz mail directly to vendor."

A check, 09/19/2013 and numbered 010776, in the amount of \$10,000.00 issued by Craft to Fifth Avenue Productions. The back of the check was signed by an individual named John LKU.

An invoice, dated July 08, 2013 and numbered 111, in the amount of \$2,680.00 from Rebel Restaurant Group, Inc. to Craft for "Jerry Remy's Seaport: Marketing/ Menu Support January 2013 to June 2013."

A "Check Request Form" produced by Craft indicating that a check should be issued to Rebel Restaurant Group for \$2,680.00 for 1st half of 2013 programing. The form further indicated the following, "\$1,040.00 Wachusett, \$700.00 Cisco, \$660.00 Sierra, \$140.00 Brooklyn and \$140.00 Smuttynose" and "Pat McCoy to hand deliver".

A spreadsheet identifying Jerry Remy's (Northern Ave) and The Whiskey Priest for the period of 01/31/2013 thru 06/30/2013.

The Jerry Remy's spreadsheet indicated 120.00 total units with a rebate of \$20.00 totaling \$2,400.00:

- Wachusett DFT 52.00 units,
- Cisco DFT 35.00 units,
- Sierra Nev. DFT 33.00 units.

The Whiskey Priest spreadsheet indicated 14.00 total units with a rebate of \$20.00 totaling \$280.00:

- Brooklyn DFT 7.00 units
- Smuttynose DFT 7.00 units.

A check, dated 07/18/2013 and numbered 211443, in the amount of \$2,680.00 issued by Craft to Rebel. The back of the check has markings indicating, "Pay to the order of Sovereign Bank Boston, MA 02110, 011075150, for deposit only, Rebel Restaurant Group Inc., [REDACTED]"

An invoice, dated December 17, 2013 and numbered 112, in the amount of \$2,660.00; from Rebel to craft for "Jerry Remy's Seaport: Marketing/ Menu Support from July 1, 2013 to December 16, 2013."

A "Check Request Form" produced by Craft indicating that a check should be issued to Rebel for \$2,660.00 for July-Dec 16th 2013 programming. The form also indicated the following, "\$1,060.00 Wachusett, \$760.00 Cisco, \$420.00 Sierra, \$220.00 Brooklyn and \$200.00 Smuttynose".

A spreadsheet dated 12/17/2013 indicating a reporting period from 7/1/2013 thru 12/16/2013. The report was structured in columns labeled: Retail Accounts, Addresses, City's, State, Brands, and Total.

The Retail Account and Address columns indicated:

- Jerry Remy's (250 Northern Avenue),
- The Whiskey Priest (150 Northern Avenue)
- Atlantic Beer Garden (146 Seaport Boulevard).

The Jerry Remy's spreadsheet further indicated a total of 112.00 units with a rebate of \$20.00 totaling \$2,240.00:

- Wachusett DFT 53.00 units with a rebate of \$20.00 totaling \$1,060.00.
- Cisco DFT 38.00 units with a rebate of \$20.00 totaling 760.00.
- Sierra Nev DFT 21.00 units with a rebate of \$20.00 totaling \$420.00.

The Whiskey Priest spreadsheet further indicated a total of 21.00 units

- Brooklyn DFT 11.00 units with a rebate of \$20.00 totaling \$220.00.
- Smuttynose DFT 10.00 units with a rebate of \$20.00 totaling \$200.00.

A check, dated 12/30/2013 and numbered 012085, in the amount of \$2,660.00 issued by Craft to Rebel. The back of the check has markings indicating, "Pay to the order of Sovereign Bank Boston, MA 02110, 011075150, for deposit only, Rebel Restaurant Group Inc., [REDACTED]"

An invoice, dated July 2, 2014 and numbered 113, in the amount of \$3,080.00 from Rebel to Craft for "Jerry Remy's Seaport: Marketing/ Menu Support from January 1, 2014 to June 30, 2014."

A "Check Request Form" produced by Craft indicating that a check should be issued to Rebel for \$3,080.00. Hand markings on the form indicated the following: "\$1840 Wachusett Contribution, \$760.00 Cisco Contribution, \$280.00 Sierra Contribution and \$200.00 Brooklyn Contribution.

A check dated 12/30/2013 and numbered 014637, in the amount of \$3,080.00 issued by Craft to Rebel. The back of the check has markings indicating, "Pay to the order of Sovereign Bank Boston, MA 02110, 011075150, for deposit only, Rebel Restaurant Group Inc., [REDACTED]"

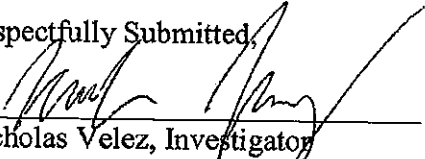
An invoice, dated 05/09/2013 with no invoice number from The Glynn Hospitality Group to Craft Brewers Guild Boston for menu support with a timeframe of January-June 2013. The form further indicated targeted locations of: Brownstone, Clery's, Dillions, Granary Tavern, Sterlings, Black Rose, Coogan's Hurricane's & Jose McIntyre's. The form indicated 1500 and 9 and a total of \$13,500.00. The form further indicated that it was approved by: Luis Luna on 05/9/2013.

An invoice, dated 10/24/2013 with no invoice number from The Glynn Hospitality Group to Craft Brewers Guild Boston for menu support with a timeframe of July-December 2013. The form further indicated targeted locations of: Brownstone, Clery's, Dillions, Granary Tavern, Sterlings, Black Rose, Coogan's Hurricane's & Jose McIntyre's. The form indicated 1500 and 8 for a total of \$12,000.00. The form further indicated that it was approved by: Luis Luna on 10/24/2013.

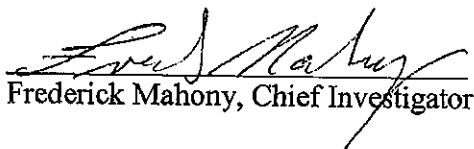
An invoice, dated 4/02/2014 from The Glynn Hospitality Group to Craft for menu support with a timeframe of 2014. The invoice further indicated targeted locations of: Brownstone, Clery's, Dillions, Brownstone & Coogan's. The invoice indicated 1500 and 9 for an amount of \$13,500.00. The invoice was approved by Luis Luna on 04/02/2014.

A "Check Request Form" produced by Craft indicated that a check should be issued to The Glynn Hospitality Group for \$13,500.00. Hand markings on the form indicated menu support 2014, Dillions, Clery's, Brownstone and Coogan's for the following: "\$4,500 Lagunitas, \$3,000 Oskar Blues, \$1,500 Wachusett, \$1,500 Cisco, \$1,500 Brooklyn and \$1,500.00 Magic Hat and "Pat McCoy to hand deliver".

Respectfully Submitted,



Nicholas Velez, Investigator



Frederick Mahony, Chief Investigator