

THE STATE OF SOUTH CAROLINA
In The Supreme Court

RECEIVED

DEC 30 2014

S.C. Supreme Court

APPEAL FROM AIKEN COUNTY
Court of Common Pleas

Doyet A. Early, III, Circuit Court Judge

Case No. 2014-CP-02-00259

Retail Services & Systems, Inc., dba Total Wine & More, Appellant,

v.

South Carolina Department of Revenue and ABC Stores of South Carolina, Respondents.

NOTICE OF APPEAL

Pursuant to Rule 203 of the South Carolina Appellate Court Rules, Appellant Retail Services & Systems, Inc., dba Total Wine & More (“Appellant”) appeals the order of the Honorable Doyet A. Early, III granting summary judgment in favor of Respondents South Carolina Department of Revenue and ABC Stores of South Carolina (“Respondents”) and denying Appellant’s motion for summary judgment and the order denying Appellant’s related Rule 59(e), SCRCP, motion. Judge Early’s order denying Appellant’s Rule 59(e), SCRCP, motion was entered on December 22, 2014, and Appellants received notice of the signed order on December 22, 2014. Copies of the appealed orders are attached hereto as Exhibits A and B.

[SIGNATURE ON FOLLOWING PAGE]

NELSON MULLINS RILEY & SCARBOROUGH LLP

By: Brian M. Barnwell
Dwight F. Drake
SC Bar No. 001745
E-Mail: dwight.drake@nelsonmullins.com
Brian M. Barnwell
SC Bar No. 78249
E-Mail: brian.barnwell@nelsonmullins.com
1320 Main Street / 17th Floor
Post Office Box 11070 (29211-1070)
Columbia, SC 29201
(803) 799-2000

BAYLEN T. MOORE ATTORNEY AT LAW, LLC

Baylen T. Moore
SC Bar No. 16703
7001 Saint Andrews Rd, Ste 316
Columbia, SC 29212
(803) 513-2619
baylenmoore@bellsouth.net

*Attorneys for Retail Services & Systems, Inc., dba
Total Wine & More*

Columbia, South Carolina

December 30, 2014

Other Counsel of Record:

Carol I. McMahan, Esq.
Milton G. Kimpson, Esq.
PO Box 12265
Columbia, SC 29211
803-898-5130

Burnet R. Maybank, III, Esq.
Brian A. Autry, Esq.
Jim Rourke, Esq.
NEXSEN PRUETT, LLC
P.O. Box 2426
Columbia, SC 29202
803-771-8900

*Counsel for Respondent South Carolina
Department of Revenue*

*Counsel for Respondent ABC Stores
of South Carolina*

THE STATE OF SOUTH CAROLINA
In The Supreme Court

APPEAL FROM AIKEN COUNTY
Court of Common Pleas

Doyet A. Early, III, Circuit Court Judge

Case No. 2014-CP-02-00259

Retail Services & Systems, Inc., dba Total Wine & More, Appellant,

v.

South Carolina Department of Revenue and ABC Stores of South Carolina, Respondents.

PROOF OF SERVICE

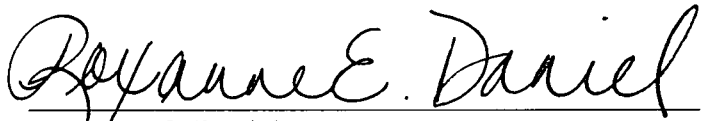
I, the undersigned Administrative Assistant of the law offices of Nelson Mullins Riley & Scarborough LLP, attorneys for Appellant, Retail Services & Systems, Inc., dba Total Wine & More, do hereby certify that they have served all counsel in this action with a copy of the pleading(s) hereinbelow specified by mailing a copy of the same United States Mail, prepaid, to the following address(es):

Pleadings: NOTICE OF APPEAL

Counsel Served:

Carol I. McMahan, Esquire
State of SC Dept. of Revenue
P.O. Box 12265
Columbia, SC 29211

Burnett R. Maybank, III, Esquire
Nexsen Pruet, LLC
1230 Main Street
Columbia, SC 29201



Roxanne E. Daniel
Administrative Assistant

December 30, 2014

EXHIBIT A

42932.1500
12.1.14

STATE OF SOUTH CAROLINA

COUNTY OF AIKEN

Retail Services & Systems, Inc., dba
Total Wine & More

Plaintiff,

vs.

South Carolina Department of Revenue and
ABC Stores of South Carolina,

Defendants.

IN THE COURT OF COMMON PLEAS

SECOND JUDICIAL CIRCUIT

Case No. 2014-CP-02-00259

ORDER

FILED November 2nd 2014
Liz Godard
C.C.P. ASST.
John Comer
REPLY CLERK
12:55pm

I. INTRODUCTION

Retail Services initially sought an Order from this Court declaring S.C. Code Ann. Sections 61-6-140 and -150 (the "Statutes") unconstitutional, principally because they violate the Due Process and Equal Protection Clauses of the United States and South Carolina Constitutions. Plaintiff also alleges the statutes were not properly enacted within the scope of the state's police powers, and thus are unconstitutional pursuant to Art. VIII-A of the South Carolina Constitution.

Sections 61-6-140 and -150 are part of the Alcoholic Beverage Control Act (the "ABC Act"), and they limit to three the number of retail dealer licenses that the Defendant South Carolina Department of Revenue ("DOR") can issue to an individual or corporation.

All three parties in this case have moved for Summary Judgment. There is no fact in dispute. For the reasons stated below, I find that the statutes are constitutional, and were enacted pursuant to the state's police powers and thus rule in favor of the defendants' Motions for Summary Judgment.



JMG
th

STATE OF SOUTH CAROLINA
COUNTY OF AIKEN
I, Liz Godard, Clerk of Court of Common Pleas and General Sessions for Aiken County, South Carolina do hereby certify that the foregoing constitutes a true and correct copy of the original documents which have been filed in my office this 21st day of November 2014
Liz Godard
C.C.P. ASST. Aiken County, S.C.
John Comer
Reply Clerk

II. FINDINGS OF FACT

1. Retail Services owns the following three retail liquor stores in South Carolina: Columbia Fine Wine, Inc., Charleston Fine Wine, Inc., and Greenville Fine Wine, Inc.
2. Pursuant to the ABC Act, each of Retail Services' stores has a retail dealer license issued by the DOR to sell alcoholic liquors.
3. Retail Services would like to expand its business in South Carolina by opening more retail liquor stores.
4. Based on its market research, Retail Services intends to open a store in Aiken County.
5. The ABC Act prohibits Retail Services from obtaining another retail dealer license. Without another license, Retail Services cannot proceed with its plans to open a retail liquor store in Aiken County.

III. CONCLUSIONS OF LAW

A. ABC Constitution and Statutes

Article VIII-A of the South Carolina Constitution provides:

In the exercise of the police power, the General Assembly has the right to prohibit and to regulate the manufacture, sale, and retail of alcoholic liquors or beverages within the State. The General Assembly may license persons or corporations to manufacture, sell, and retail alcoholic liquors or beverages within the State under the rules and restrictions as it considers proper. The General Assembly may prohibit the manufacture, sale, and retail of alcoholic liquors and beverages within the State, and may authorize and empower state, county, and municipal officers, all or either, under the authority and in the name of the State, to buy in any market and retail within the State liquors and beverages in such packages and quantities, under such rules and regulations, as it considers expedient. (Emp. added.)

Pursuant to the police power referenced above, the General Assembly in Section 61-6-140 provided that "No more than three retail dealer licenses may be issued to one licensee...."



In Hon. John D. Geathers, *The Regulation of Alcoholic Beverages in South Carolina* (S.C. Bar) at page 135, the authors describe the regulation of the sale of alcoholic Liquors as follows:

In South Carolina, the retail sale of alcoholic liquors for off-premises consumption may only be made from stand-alone liquor stores. That is, bottles of liquor may not be sold from grocery stores, convenience stores, or other retail food and beverage outlets, but may only be sold from specialized liquor stores. And, perhaps somewhat unfairly, these liquor stores are subject to the most stringent regulations of South Carolina's alcoholic beverage laws.

The authors at pages 137-38 describe the no more than three license statutes as follows:

The ABC Act also places strict restrictions on how many liquor stores a single licensee may own and operate. Specifically, a single retail liquor licensee, whether an individual or a corporation, may not be issued more than three retail dealer licenses, and these retail licenses may only be issued to one member of a single household. Beyond these restrictions upon formal licensure, the Act also prohibits a retail liquor license from holding a financial interest, either directly or indirectly, in more than three liquor stores. This type of regulation of the number of licenses that may be issued to one person is aimed at "controlling the tendency toward concentration of power in the liquor industry[,] preventing monopolies[,] avoiding practices such as indiscriminate price cutting and excessive advertising[,] and preserving the right of small, independent liquor dealers to do business," and *these restrictions have been held not to violate the due process or equal protection rights of liquor licensees.*

The authors at page 7 also note:

Laws regulating the manufacture, sale, and consumption of alcoholic beverages have been with South Carolina for as long as the states have had laws. Within the first four recorded acts of the colonial government, enacted on May 26, 1682, was "An Act for the suppression of Idle, Drunken and Swearing Persons, inhabiting within this Province," and, just over one year later, on September 25, 1683, South Carolina would enact its first law directly regulating the sale of alcoholic beverages in an act requiring licenses for taverns and "punch houses."

Handwritten signature and initials, possibly "JDC" and "HJ", in dark ink.

B. Due Process Standard of Review

Plaintiff's argue the statutory three store maximum violates their due process rights. In *R.L Jordan Company, Inc. v. Boardman Petroleum, Inc.*, 338 S.C. 475, 527 S.E.2d 763 (2000) the South Carolina Supreme Court adopted the current due process standard. The Court stated:

Until today, we have adhered to the traditional substantive due process analysis developed by the United States Supreme Court during the first third of the 20th century. Under this "Lochner Era" approach, statutes regulating private economic relationships, such as this price control statute, are subject to a unique constitutional test, which most fail to pass. 527 S.E.2d at 764.

The Court then declared the new due process standard as follows:

Only South Carolina and Georgia have continued to adhere to this traditional approach.

The modern rule gives great deference to legislative judgment on what is reasonable to promote the public welfare when reviewing economic and social welfare legislation. 2 Rotunda & Nowak, *Treatise on Constitutional Law*, § 15.4 (1992). *Legislation is not "overturned unless the law has no rational relationship to any legitimate interest of government."* Id. At p. 407. This is the same standard we apply when reviewing substantive due process challenges to other types of statutes. E.g., *State v. Kiser*, 288 S.C. 441, 343 S.E.2d 292 (1986). (Emp. added.)

Accordingly, we overrule our cases which apply the traditional approach, and adopt this standard for reviewing all substantive due process challenges to state statutes: "*Whether it bears a reasonable relationship to any legitimate interest of government.*" Id at 765. (Emp. added).

In *Treatment and Care of Luckabaugh*, 351 S.C. 122, 568 S.E.2d 338 (2002) the Supreme

Court further refined the test:

When an act is challenged under the due process clause, this "Court only requires the act to be reasonably designed to accomplish its purposes, unless some fundamental right or suspect class is implicated." *State v. Hornsby*, 326 S.C. 121, 125-26, 484 S.E.2d 869, 872 (1997). Legislation restricting or impairing a fundamental right "is subject to 'strict scrutiny' in determining its



constitutionality." *Hamilton v. Board of Trustees*, 282 S.C. 519, 523, 319 S.E.2d 717, 720 (Ct. App.1984). *Legislation that does not infringe on fundamental rights is subject only to a rational basis test*, 19 S.C. Juris. *Constitutional Law* § 74 (1993). Under either type of analysis, the one who attacks the law bears the burden of showing it is unconstitutional. See *State v. Hornsby*, *supra*. 568 S.E.2d at 347. (Emp. added).

Obviously the right to own a fourth liquor store in South Carolina is not a fundamental right. Accordingly, the rational basis test is used. The rational basis looks at whether the three store limit bears a reasonable relationship to any legitimate interest of government. The burden is on the Plaintiff to show it does not. As stated below Plaintiff has failed to meet its burden.

C. Equal Protection Standard of Review

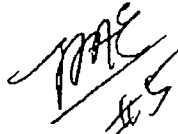
Plaintiff's Complaint alleges that the statutes violate the Equal Protection clauses found in the South Carolina and United States Constitutions, S.C. Const. Art. I, § 3, U.S. Const. Amend. XIV.

In *Fraternal Order of Police v. S.C. Department of Revenue*, 352 S.C. 420, 574 S.E.2d 717 (2002) the Supreme Court declared the Equal Protection test as follows:

The requirements of equal protection are satisfied as long as (1) the classification bears a reasonable relation to the legislative purpose sought to be effected; (2) the members of the class are treated alike under similar circumstances and conditions; and (3) the classification rests on some reasonable basis. *Id.* According to the United States Supreme Court, [u]nless a classification trammels fundamental personal rights or is drawn upon inherently suspect distinctions such as race, religion, or alienage, our decisions presume the constitutionality of the statutory discriminations and require only that the classification challenged be rationally related to a legitimate state interest. 574 S.E.2d at 722.

In *American Service Corp. of S.C. v. Hickie*, 312 S.C. 520, 435 S.E.2d 870 (1993) the Court similarly stated:

"In determining whether a statute violates the equal protection clauses of state and federal constitutions, we must give great deference to the classification passed by the legislature, and the



classification will be sustained against constitutional attack if it is not plainly arbitrary and there is 'any reasonable hypothesis' to support it." *Smith v. Smith*, 291 S.C. 420, 424, 354 S.E.2d 36, 39 (1987) [citing *Gary Concrete Products, Inc., v. Riley*, 285 S.C. 498, 331 S.E.2d 335 (1985)]. Equal protection is satisfied if: "(1) the classification bears a reasonable relation to the legislative purpose sought to be effected; (2) the members of the class are treated alike under similar circumstances and conditions; and (3) the classification rests on some reasonable basis." *Samson v. Greenville Hospital System*, 295 S.C. 359, 364, 368 S.E. 2d 665, 667 (1988).

A statute enacted pursuant to the legislature's powers is presumptively constitutional. 435 S.E.2d at 871.

In *Ed Robinson Laundry and Dry Cleaning, Inc. v. SC Department of Revenue*, 356 S.C. 120, 588 S.E. 2d 97, 99 (2003) the Court noted that the Plaintiff "must overcome this Court's mandate to sustain a legislative enactment if there is 'any reasonable hypothesis to support it.'"

Accordingly, for Plaintiff to prevail, this Court would have to find that (1) the three store limit does not bear a reasonable relation to the legislative purpose sought to be effected; (2) the members of the class are not treated alike; and (3) the classification does not rest on some reasonable basis. As stated below, the Court finds that (1) the three store limit does bear a reasonable relation to the legislative purpose sought to be effected; (2) the members of the class are treated alike; and (3) the classification does rest on some reasonable basis.



D. Due Process and Equal Protection Challenges to ABC Licensing Statutes

In 48 C.J.S. Intoxicating Liquors §62, the authors state, "A state legislature may provide for a licensing system for the granting or revocation of licenses for the sale of liquor and may limit the number of licenses which may be granted.... *The licensing of persons to sell liquor is not an exercise of the taxing power of the state to raise revenue, but rather of the police power.*" (Emp. added.)

The authors go on to state that "The legislature may limit the number of licenses, or the number of licenses for a particular species of liquor business which may be owned by the same person, group or organization, where the statutes are reasonable and not unduly discriminatory."

Id.

45 Am.Jur. 2d Intoxicating Liquor §102 similarly states:

As a general rule, a state may, without impairing constitutional rights, limit the number of liquor licenses that may be issued within a given area or political subdivision when the public good seems to so require. Placing a limitation on the number of licenses which will be issued for the sale of intoxicants within a municipality or within a given area is not in itself prohibitory, and is recognized as a legitimate regulation tending to promise public health, safety, and welfare within the police power, at least as long as the limitation is not carried to such an extreme as to amount to an absolute or practical prohibition. Such statutes have been upheld against attack on the grounds that they deny equal protection of the laws, create an illegal monopoly, discriminate in favor of a limited number of licensees, and amount to class legislation. They work no unlawful discrimination, since all have an equal right to apply for one until the maximum number of licenses are issued, and when the maximum is reached, all are equally excluded from applying. *The regulation of the number of licenses issued having as its aim controlling the tendency towards concentration of power in the liquor industry, preventing monopolies, avoiding practices such as indiscriminate price cutting and excessive advertising, and preserving the right of small, independent liquor dealers to do business is not discriminatory and does not violate equal protection principles.* (Emp. added.)

Virtually every court which has examined limitations on the number of licenses against due process and equal protection claims has upheld them. See *Parks v. Allen*, 426 F.2d 610 (5th Cir. 1970) (2 licenses per family); *Peoples Super Liquor Stores, Inc. v. Jenkins*, 432 F.Supp.2nd 200 (2006) (3 licenses); *Johnson v. Martignetti*, 374 Mass. 784, 375 N.E.2d 290 (1978) (3 licenses); *Granite State Grocers Assoc. v. State Liquor Commission*, 112 N.H. 62, 289 A.2d 399 (1972) (2 licenses); and *The Grand Union Co. v. Sills*, 43 N.J. 390, 204 A.2d 853 (1964) (2 licenses). See also, *Maxwell's Pic-Pac, Inc. v. Dehner*, F.3d. 936 (Sixth Cir. 2013) (Kentucky statute which barred grocery and convenience stores from selling liquor while permitting drug stores and others from doing so did not violate due process); *Manuel v. State of Louisiana*, 982 So.2d 316 (2008) (three tier system didn't violate Sherman Act); *Massachusetts Food Assoc. v. Massachusetts Alcoholic Beverages Control Commission*, 197 F.3d. 560 (1st Cir. 1999) (3 License limitation does not violate Sherman Act.)

Several of the cases cite the public policy reasons for limiting the number of licenses which a person may hold. In *Johnson v. Martignetti, supra*, the Massachusetts Supreme Court stated:

First, many sound reasons have been advanced to support restrictions on the number of liquor licenses allowed any one business interest. Concentration of retailing in the hands of an economically powerful few has been thought to intensify the dangers of liquor sales stimulations, thereby threatening trade stability and promotion of temperance. Regulation of the number of licenses issued, therefore, aims at controlling the tendency toward concentration of power in the liquor industry; preventing monopolies; avoiding practices such as indiscriminate price cutting and excessive advertising; and preserving the right of small, independent liquor dealers to do business.



In *Granite State Grocers Assoc. v. State Liquor Commission, supra*, the New Hampshire

Supreme Court stated:

The obvious purpose of this well-rounded regulatory system is to supervise and to fractionalize the beverage industry....

The belief that concentration of control within the alcoholic beverage industry should be avoided is not unique to New Hampshire. At least twenty states similarly restrict the number of alcoholic beverage permits. Such statutes have been held constitutional as serving a public purpose in the two states where the question has been considered.

The issue here is whether the limitation confers a public benefit, not whether it also incidentally confers a private benefit.

Regulations against concentration in the alcoholic beverage business necessarily discriminate against chain stores.

Moreover, the only evidence suggesting that the limitation was intended as class legislation is that the smaller grocers were pleased with it. That a law is popular is insufficient to make it unconstitutional. 289 A.2d at 402.

In *The Grand Union Company v. Sills, supra*, the New Jersey Supreme Court stated:

In fixing its policy, the Legislature accepted widely held views as to sound liquor control. These include beliefs that the consumption of liquor is elastic rather than inelastic, that price cuttings and their advertisement, along with comparable practices, are undesirable in the liquor field as tending to stimulate consumption, and that absentee ownership or domination of retail establishments by distillers or other economically powerful interests, or the concentration of retaining in the hands of an economically powerful few, would intensify the dangers of sales stimulations and other abuses and would be inimical to temperance and trade stability. 204 A.2d at 859.

Handwritten signature
#9

The court also stated:

Similarly, it may not be said as a matter of law that the New Jersey Legislature's conclusion, that restricting multiple retail holdings would serve the interests and purposes of sound and effective liquor control, had no connection with the public health, safety, morals or general welfare. It may be that the acknowledged sales stimulating abilities and tendencies of the chain liquor store operation have thus far not been as inimical as in the tied house system. But the Legislature, being aware of the threatened growth of chain liquor stores, including those associated with well-known supermarkets and discount establishments, need not wait until the evils have become flagrant and the State's liquor control policy has been impaired. *Id.* at 862.

In *Parks v. Allen, supra*, the Fifth Circuit Court of Appeals adopted the District Court's Order upholding against due process and equal protection grounds an ordinance limiting two licenses per family. The District Court Order described the rationale for the limitation as follows:

Evidence produced at the hearing shows that there is no city regulation governing discrimination in pricing and/or brand preferences. But, in spite of state-prohibitions on the subject, there exist preferential pricing in favor of large retailers usually in the form of discounts or 'extras,' i.e. a 13th bottle to the case, etc. Also, scarce preferred brands are often 'paired' with volume purchases of common brands. Moreover, again in spite of state prohibitions to the contrary, 'split deliveries' exist wherein a discount is granted for large purchases delivered to two or more locations. Small single-location licensees have found it difficult to survive under such circumstances and, in some instances, have been driven out of business.

While 'bigness' itself can produce such abuses, the concentration of numbers of licenses in one family can and does create additional opportunities to nullify competition. Thus, volume could be built up by combined purchases between family licensees and 'split deliveries' could easily be arranged under such circumstances. Moreover, such concentration of licenses in one geographical area could itself facilitate retail price-fixing, even under a competitive system. 426 F.2d at 613.

The Court found the ordinance valid, stating:

Tested on the above principles, there is no hesitancy in concluding that the ordinance in question reasonably relates to the problem

JAC
8/10

sought to be controlled....Certainly, it cannot be said as a matter of law that the ordinances have no rational basis on which to rest. Their enforcement tends to increase competition and lessen the evils described of price discrimination and split deliveries.

Over and beyond such factual determination, however, the plaintiff contends that the ordinances per se are unconstitutional in that they penalize him unjustly. Thus, 'the condition of a man's birth or a matter over which he has no control cannot be made the basis of a rule restricting him from a license unless his condition is something that would make him unfit.' This claim that the ordinances are facially unconstitutional is likewise rejected. The argument presupposes that the sale of liquor is a right, rather than a privilege. And the test is the reasonableness of the ordinance as relates to the business licensed and not the reasonableness as it relates to a particular applicant. As seen, the ordinance is reasonably related to the control of abuses in the industry and plaintiff is on prior notice of its requirements. The mere fact that he does not qualify by virtue of birth is no bar, even though it might create a personal hardship. *Id.* at 614.

E. Valid Exercise of Police Power

Plaintiff contends that the 3 store limit statute is not a valid exercise of police power. In *The Regulation of Alcoholic Beverages in South Carolina, supra*, current Court of Appeals Judge Geathers states:

The regulation of alcoholic beverages in South Carolina is principally a matter reserved to state government, under the licensing system imposed by state law and administered by the South Carolina Department of Revenue. *This licensing system has been characterized as a "typical exercise of the police power of the State...designed for the comprehensive system of regulation that closely polices the commerce in alcoholic beverages. Id* at pg 11. (Emp. added.)

See *Davis v. Query*, 209 S.C. 41, 56, 39 S.E.2d 117, 124 (1946) (recognizing the "fundamental fact" that a liquor retailer "is not engaged in an ordinary business and has no vested right to operate, despite his license, in any manner other than that dictated by the state; his is a perilous business; there is probably no field in which legislative bodies, and the people themselves in referenda, have been more fickle").

Handwritten signature
#11

Judge Geathers also states:

By constitutional provision and by statute, the state holds nearly exclusive power over the regulation of the manufacture and sale of alcoholic beverages in South Carolina. Article VIII-A of the South Carolina Constitution authorizes the General Assembly, "[i]n the exercise of the police power," to address the sale of alcoholic liquors and beverages in one of three ways: it may (1) absolutely prohibit the manufacture and sale of alcoholic liquors and beverages within the state, (2) license persons or corporations to manufacture and retail such liquors and beverages "under such rules and restrictions it deems proper," or (3) restrict the sale of liquor to sales by designated governmental entities, as under the Dispensary system of the late-nineteenth and early-twentieth centuries. This Article further makes it clear that however this police power is exercised, licensing authority must remain with the state and may not be delegated to municipal governments. *Id at 25.*

The statutes in question were clearly enacted as part of the General Assembly's police power. The South Carolina Supreme Court has addressed a predecessor statute in *Pendarvis v. Berry*, 214 S.C. 363, 52 S.E.2d 705 (1949). At issue was the enforceability of a contract designed to circumvent or violate subsection (c)(9) of Section 4 of the ABC Act of 1945, which limited ownership to a single license. The action was brought for an accounting of a claimed partnership which was formed for the operation of a presumably illegal second liquor store. The Supreme Court held that the contract was unenforceable as it was designed to violate the single license requirement. The Court noted the Appellant's argument that the contract was nevertheless enforceable as follows:

The excellent brief of appellant is principally upon the contention that in view of the fact that the Act of 1945 contains no declaration that a contract in evasion of its terms is void and unenforceable and the Act is not designed to protect the public health and morals or to protect the public from imposition and fraud, a contract of evasion is not void but is enforceable in such a case as this. 52 S.E.2d at 706.

The Court rejected the argument stating:

TOAC
12

A further obstacle to appellant's attempted distinction is that it overlooks or ignores the consideration that the Alcoholic Beverage Control Act of 1945 is a typical exercise of the police power of the State and is designed for the protection of the morals and welfare of the public. The universality of this conception of legislation looking to control of the liquor traffic was pointed out in *Davis v. Query*, 209 S.C. 41, 39 S.E.2d 117. It cannot be gainsaid that, while the Act of 1945 is also a revenue law, its principal purpose is the protection of the public health and morals. Liquor control legislation is generally of such purpose. *Id.* (Emp. added).

F. Conclusion

As the U.S. Supreme Court has repeatedly stated, "The Twenty-first Amendment grants the States virtually complete control over whether to permit importation or sale of liquor and how to structure the liquor distribution system." *Grenholm v. Heald*, 544 U.S. 460, 488 (2005).

"Because of its inherent evils, liquor has always been dealt with as a subject apart. ...Its sale may be prohibited entirely or permitted under severe restrictions." *The Grand Union Co. v. Sills*, *supra*, 204 A.2d at 857.

"The belief that concentration of control within the alcoholic beverage control industry should be avoided is not unique to New Hampshire. At least twenty states similarly restrict the number of alcoholic beverage permits." *Granite State Grocers Association v. State Liquor Commission*, *supra*, 289 A.2d at 402.

As stated above, many sound reasons have been advanced to support restrictions on the number of liquor licenses allowed any one business interest. Such restrictions have been upheld in virtually every case considering the issue.

The three store limitation bears a reasonable relationship to the legitimate interest of government.

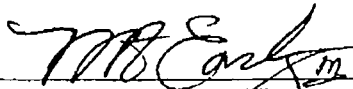
JOHN
#13

The court finds that (1) the three store limit does bear a reasonable relation to the legislative purpose sought to be effected; (2) the members of the class are treated alike; and (3) the classification does rest on some reasonable basis.

Lastly, Sections 61-6-140 and 150 were validly enacted as part of the state's police powers.

Defendants' Motions for Summary Judgment are hereby granted.

AND IT IS SO ORDERED.



Judge Doyet A. Early III
Judge Second Judicial Circuit

NOV 19, 2014

FORM 4

STATE OF SOUTH CAROLINA
 COUNTY OF AIKEN
 IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE
 CASE NUMBER 2014CP0200259

Retail Services & Systems Inc	Total Wine & More	Department Of Revenue South Carolina	Abc Stores Of South Carolina
-------------------------------	-------------------	--------------------------------------	------------------------------

PLAINTIFF(S)	DEFENDANT(S)
Submitted by:	Attorney for: <input type="checkbox"/> Plaintiff <input type="checkbox"/> Defendant <input type="checkbox"/> Self-Represented Litigant

DISPOSITION TYPE (CHECK ONE)

- JURY VERDICT. This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.
- DECISION BY THE COURT. This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered. See Page 2 for additional information.
- ACTION DISMISSED (CHECK REASON): Rule 12(b), SCRPC; Rule 41(a), SCRPC (Vol. Nonsuit);
 Rule 43(k), SCRPC (Settled); Other: _____
- ACTION STRICKEN (CHECK REASON): Rule 40(j) SCRPC; Bankruptcy; Other: _____
- Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award;
- DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX): Affirmed; Reversed; Remanded; Other: _____

FILED November 21 2014
Shirley Goodard
 S.C. CP & GS
W. L. Corral
 12:55pm

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED: See attached order; (formal order to follow) Statement of Judgment by the Court:

ORDER INFORMATION

This order ends does not end the case.
 Additional Information for the Clerk: _____

INFORMATION FOR THE JUDGMENT INDEX		
Complete this section below when the judgment affects title to real or personal property or if any amount should be enrolled. If there is no judgment information, indicate "N/A" in one of the boxes below.		
Judgment in Favor of (List name(s) below)	Judgment Against (List name(s) below)	Judgment Amount To be Enrolled (List amount(s) below)

If applicable, describe the property, including tax map information and address, referenced in the order:

The judgment information above has been provided by the submitting party. Disputes concerning the amounts contained in this form may be addressed by way of motion pursuant to the SC Rules of Civil Procedure. Amounts to be computed such as interest or additional taxable costs not available at the time the form and final order are submitted to the judge may be provided to the clerk. **Note: Title abstractors and researchers should refer to the official court order for judgment details.**

Circuit Court Judge _____ Judge Code _____ Date _____

For Clerk of Court Office Use Only

This judgment was entered on **11-21-2014**, and a copy mailed first class or placed in the appropriate attorney's box on **11-24-2014**, to attorneys of record or to parties (when appearing pro se) as follows:

Brian Montgomery Barnwell
Meridian/17Th Floor
1320 Main Street Columbia, SC 29211

Burnet Rhett Maybank III
PO Drawer 2426 Columbia, SC 29202-2426
Carol I. McMahan
PO Box 12265 Columbia, SC 29211

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

Liz Godard by Lisa Comafca

Court Reporter

Liz Godard - Clerk of Court

ADDITIONAL INFORMATION REGARDING DECISION BY THE COURT AS REFERENCED ON PAGE 1.

This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

EXHIBIT B

Retail Services & Systems, Inc., d/b/a Total Wine & More

South Carolina Department of Revenue and ABC Stores
 of South Carolina

PLAINTIFF(S)

DEFENDANT(S)

Submitted by:	Attorney for : <input type="checkbox"/> Plaintiff <input type="checkbox"/> Defendant
	or
	<input type="checkbox"/> Self-Represented Litigant

DISPOSITION TYPE (CHECK ONE)

- JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.
- DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered. See Page 2 for additional information.
- ACTION DISMISSED (CHECK REASON):** Rule 12(b), SCRPC; Rule 41(a), SCRPC (Vol. Nonsuit); Rule 43(k), SCRPC (Settled); Other
- ACTION STRICKEN (CHECK REASON):** Rule 40(j), SCRPC; Bankruptcy; Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; Other
- DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):**
 Affirmed; Reversed; Remanded; Other

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED: See attached order (formal order to follow) Statement of Judgment by the Court: Plaintiff's Motion to Reconsider Order Granting Defendants' Motion for Summary Judgment is DENIED *12/22/14*

ORDER INFORMATION

This order ends does not end the case.
 Additional Information for the Clerk :

Liz Anderson
 12, CP & GS
Anita Simpson *12/35*
 Deputy Clerk

INFORMATION FOR THE JUDGMENT INDEX

Complete this section below when the judgment affects title to real or personal property or if any amount should be enrolled. If there is no judgment information, indicate "N/A" in one of the boxes below.

Judgment in Favor of (List name(s) below)	Judgment Against (List name(s) below)	Judgment Amount To be Enrolled (List amount(s) below)
		\$
		\$
		\$

If applicable, describe the property, including tax map information and address, referenced in the order:

The judgment information above has been provided by the submitting party. Disputes concerning the amounts contained in this form may be addressed by way of motion pursuant to the SC Rules of Civil Procedure. Amounts to be computed such as interest or additional taxable costs not available at the time the form and final order are submitted to the judge may be provided to the clerk. Note: Title abstractors and researchers should refer to the official court order for judgment details.

[Signature] _____ 0136 _____ 12/18/14
 Circuit Court Judge Judge Code Date



For Clerk of Court Office Use Only

This judgment was entered on the 22 day of Dec, 2014 and a copy mailed first class or placed in the appropriate attorney's box on this 22 day of Dec, 2014 to attorneys of record or to parties (when appearing pro se) as follows:

Brian M. Barnwell

Burnet R. Maybank III
Case McMahon

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

A. S. Edwards
CLERK OF COURT

Court Reporter:

ADDITIONAL INFORMATION REGARDING DECISION BY THE COURT AS REFERENCED ON PAGE 1.

This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

Lined area for additional information regarding the decision.