

Examples of Exemptions from Franchise Laws in Other States

State	Exemption for Beer	Exemption for Wine
Arkansas	15,000 barrels or less	N/A
Colorado	Less than 300,000 gallons(~9,677 barrels)	N/A
Nevada	Less than 2,000 barrels	Less than 2,000 cases (12-750ml bottles or equivalent)
Utah	Less than 60,000 barrels (up to 4% a.b.v.)	N/A
Washington	Less than 200,000 barrels	N/A

Examples of Fair Market Value Termination Provisions in Other States

State	FMV Termination Provision	Definition of FMV
Delaware	Supplier may terminate a franchise agreement without good cause upon payment to the wholesaler of reasonable compensation for the value of the wholesaler’s business related to the terminated or transferred brand or brands.	<ul style="list-style-type: none"> • “the inventory at laid-in cost of the terminated or transferred brand or brands and its associated good will.” • “Associated good will” equals the wholesaler’s average annual gross profits on the terminated or transferred brands for the last three fiscal years or lesser period during which the brands have been distributed by the wholesaler. • “Gross profits” means selling price less F.O.B., taxes, and freight.
New York	A brewer with an annual volume of less than 300,000 barrels whose sales to the wholesaler are 3% or less of the wholesaler’s total annual sales measured in sales of 24 12-ounce units may terminate an agreement without good cause provided that, prior to the effective date of the termination, the brewer pays the wholesaler the FMV of the distribution rights which will be lost or diminished by the termination.	“the amount a willing seller, under no compulsion to sell, would be willing to accept and a willing buyer, under no compulsion to purchase, would be willing to pay for the distribution rights”
North Carolina	In the absence of good cause, a small brewery that produces less than 25,000 barrels of beer may terminate a franchise agreement on 5 days’ notice and payment of fair market value.	“the highest dollar amount at which a seller would be willing to sell and a buyer willing to buy at the time the self-distribution rights revert back to the brewery, after each party has been provided all information relevant to the transaction”