March 5th, 2024 SB 511 Proponent Jake King Owner/CEO The Tee Box

Chairman Thompson and Members of the Committee,

My name is Jake King and I am one of the owners of The Tee Box in Downtown Topeka, KS. The Tee Box is an Indoor Golf Bar & Restaurant and has been open for 2-1/2 years. We pride ourselves on providing an upscale, unique and fun environment.

Our bar and restaurant may be small, but we have always been intentional with our business in order to stand out among the best in our local industry. We do this by being very selective with every service, ingredient, and/or product we bring in and provide to our customers; from our technology, craft kitchen items, allocated spirits, handcrafted cocktails, and most related to this conversation...Craft Beers.

As you can imagine, in order to bring the best options to our customers, a lot of thought and planning and research goes into each craft beer option we want to provide. Below are 2 situations that we experienced last year that hindered our small business from being able to provide the best for our customers and resulting to writing this testimony:

- 1. Willcott Brewing Octoberfest
  - In the summer of 2023, we ordered a ½ barrel keg of Willcott's Octoberfest. We had it the previous year, really enjoyed it and it was a good seller for us, so we wanted to bring it back. After multiple follow ups with our reps and being told by those reps it was being picked up and keyed into the system, we never received the keg we ordered. We never felt like we were given an answer as to why we didn't receive it either. This is very frustrating as a business owner because we were relying on that keg to fill a spot on our frequently updated tap line. We have to plan ahead with our craft beer, and we advertise to the public which beers are coming up next. Not only did our customers miss out on a great seasonal beer, but we had to spend additional labor to source a different craft beer, as well as handle the residual effects of it not showing up after already marketing to customers it was coming.
  - I, Jake King, met with Sean Willcott, at their Leavenworth Taproom, on October 27<sup>th</sup> to discuss an unrelated project we were potentially

partnering on. During our conversations it was brought up that we never received the keg of Octoberfest we ordered. Sean's reaction was a surprise to me as he told me that he had plenty of beer in stock and that it was "sitting right there". I felt it necessary to notify Sean that the online ordering platform the distributor used showed that product as "Out of Stock". At this point, we both realized neither of us were getting the real information on what was going on at the distributor level.

- 2. Toppling Goliath
  - Shortly after we opened, we found Toppling Goliath Brewing Company and quickly fell in love with their products and so did our customers. TG is one of the best- and well-known breweries, not only in the United States but in the world. Their beer and seltzers were a perfect fit for us at The Tee Box!
    - Check out the link to see their awards! <u>Awards Toppling</u> <u>Goliath Brewing Co. (tgbrews.com)</u>
  - We had a great relationship with our TG rep and our distributing rep. We had opportunities for special releases and were able to keep TG on tap as much as we wanted. The distribution company that had TG's account dissolved and TG was bought/traded/moved to another local distributor. We were not able to purchase any TG products for months while the changeover and accounts were set up. Once it became available, we quickly learned that the distributor would not be bringing in the majority of the products we were previously purchasing. I personally had conversations with the sales team of the distributor asking them why the products weren't available and why we couldn't get them. I told them that we would order "X" amount and purchase it all, so they were not stuck with inventory. If my memory serves me correctly, I was told that it wasn't worth their time to set it up in their system and that some of the products we wanted were direct competitors of other major brands they prefer to sell and that's why it would not be available. I/we have a very sour attitude about this because we, and our customers, are missing out on some of the best beers in the world. Our business was known for having this brewery on tap and customers came in specifically for their beer and now we can only offer what the distributor allows us to buy that doesn't conflict with other major brands they sell. Why would a distributor take on an account that competes with another brand and just not sell it?

As business owners we understand there are times where you have to do what is best for your business and that may not always align with what the customer wants. However, we are also customers. Customers that, because of the currently laws, ONLY have the option to purchase from or through the distributors. Distributors that have the ability to pick and choose what products we have the "permission" to provide to our customers. Essentially controlling the market to what benefits them most. How can a distributor have an account, by contract, and intentionally not sell the product? Even when customers are asking for it! We are a small family-owned business that makes up a tiny fraction of a percent, but we feel our hands are tied in what we can offer to our customers. We would love the opportunity to purchase directly from breweries to continue and grow our business model and culture while also supporting our local friends, family and other small businesses.

Thank you for the opportunity to share our experiences with you in the hopes you'll help support both ours and other small businesses like ours that want the opportunity to choose quality products for our loyal customers.

Best Regards, Jake King – Owner/CEO The Tee Box Group, LLC 906 S Kansas Ave., Ste 100 Topeka, KS 66612 B 785-329-2519 C 785-633-3132 The Tee Box (theteeboxgroup.com)