



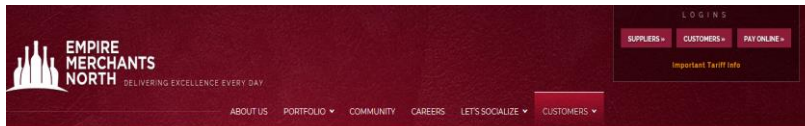
Customer Service and Accounts Receivable Policy and Procedures

July 2022



Accessing Policy/Procedure Information

- ❑ Empire Merchants North policy and procedure information can be accessed from www.empirenorth.com by selecting the “Customer” tab
 - - New Customer Information
 - - Policies and Announcements
 - - Service Forms
 - - Pay Online



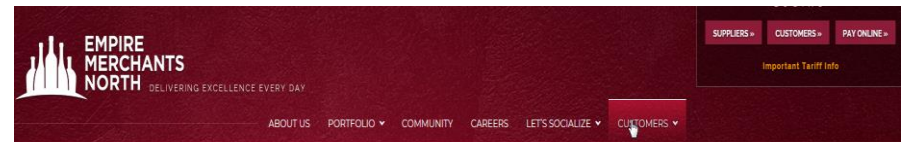
HOME > CUSTOMERS FOR IMMEDIATE ASSISTANCE: (800) 724-3566 | INFO@EMPIRENORTH.COM



EMPIRE MERCHANTS NORTH CUSTOMERS

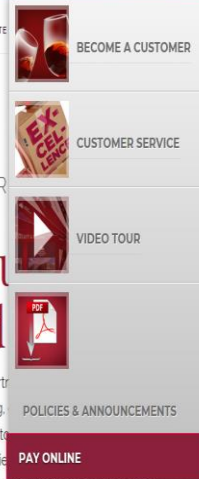
The Support You Need, When You Need It

Our Customer Care and Accounts Receivable departments provide world-class service to all our customers. We do this by actively listening, ensuring that customer orders are taken accurately and efficiently. While assisting customers, we provide consultative support and recommendations, ensuring that inquiries are successfully resolved. We always process incoming orders and handle customer requests in a courteous and professional manner. We suggest alternatives should an item be out of stock or limited in quantity, and inform customers of all pricing.



HOME > CUSTOMERS

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Key Contact Numbers

Customer Orders and Delivery Inquiries	1-800-724-3960 ext. 1
Account Balance, Invoice Questions, Payments Due or Pending Credit	1-800-724-3960 ext. 3
Payment by Phone	1-800-724-3960 ext. 4

Policy and Procedures Topics*

- ❑ Customer Orders
- ❑ Customer Service
- ❑ Credit
- ❑ Credit on Delivery (COD)

* The Policies and Procedures set forth herein are subject to the laws and regulations of the NYSLA and any other authority having appropriate jurisdiction over Empire Merchants North, LLC;

* Empire Merchants North policies change from time to time. Please check with your Sales Representative as the most current information may not be reflected in this document.

Customer Orders

❑ **Placing of Orders**

- Orders can be placed through Customer Service or your Sales Representative

❑ **Acceptance of Delivery**

- Customer is required to sign a receipt/invoice acknowledging item, quantity and pricing at the time of delivery

❑ **Delivery Charges**

- Empire Merchants North, LLC will charge a delivery fee on all sales orders per the following rate schedule:
 - ❑ For all sales orders equal to or over \$750, a \$3.00 delivery fee will be assessed.
 - ❑ All sales orders less than \$750 will incur the current \$15.00 delivery charge.
- The charge will appear on the invoices as a separate line item titled “Delivery Charge”
- In accordance with NYS law, an account that does not pay the delivery charges will be put on the Delinquent List with the NYSLA.
- Only regular sales orders are used to see if the \$750 limit has been reached

Customer Orders: Customer Storage Fees

▣ Rates

- Storage charges will be billed at 40¢ per case per month based on the ending inventory in storage on the 15th day of every month.
- The initial storage fee is 40¢ per case, assessed when goods are initially put into storage.
- EMN's policy requires customers to accept delivery of any and all product orders that has remained in EMN's possession for a period of eighteen (18) months from the date of the acceptance of the order.

▣ Customer Storage Release Fee: Effective August 1, 2019

- A \$3.00 delivery fee will be charged when goods are released from Customer Storage only if there are no other regular deliveries to the same location on the same day.
- This fee will be shown on your monthly Customer Storage invoice and will reference the date of the Customer Storage deliveries

Customer Orders: Releasing Customer Storage Orders

- ❑ Releases may be in any full case quantity
- ❑ Sales reps can release Customer Storage orders through iPad or by calling Customer Service
- ❑ Customers can release Customer Storage goods by calling the Customer Service or their Sales Rep
- ❑ Refusals and short shipments at time of delivery will be added back to the Customer Storage inventory (full cases only).
- ❑ Credit will be issued for bottles broken, unsaleable or short at the time of delivery

Customer Orders: Next Months Orders

- ❑ Regular Sales Orders can be placed either by the Sales Rep (using iPad) beginning at 7:00p.m. on the day before the last ship day of the month, or by calling Customer Service between 8:30 a.m. and 5:30 p.m. on the last business day of the month
 - Only one customer's order will be taken on each phone call

- ❑ Changes to these dates are made known via a Monthly Calendar on EMN's website under Customers Log In/Customer Dashboard/LA Ordering

- ❑ The notice of monthly Limited Availability (LA) allocated items and available order day(s) are provided on EMN's website

Customer Service Overview

- ❑ General Information
- ❑ Pickups & Exchanges
- ❑ Quantity Discounts
- ❑ Invoice & Credit Memo Disputes
- ❑ Website Overview
- ❑ Customer Service Forms
- ❑ Bill to/Ship to
- ❑ Limited Availability (LA) Items

Customer Service: General Information

- ❑ Customer Service Inquires
 - Telephone number 1-800-724-3960
 - Email EMNcustomerorders@empirenorth.com
 - Website: www.empirenorth.com/customers/customer_service/service_form
- ❑ Standard information required for all Customer Service inquiries
 - ✓ Customer Number
 - ✓ Invoice Number
 - ✓ Date of Invoice
 - ✓ Item number(s)

Customer Service: Pickups and Exchanges

- ❑ Merchandise Picked Up for Credit
 - Request must be submitted within 14 calendar days of date of delivery for a valid reason that will be documented.
- ❑ Exchange for breakage upon delivery
 - Full cases will be replaced
 - Bottles are credited
- ❑ Exchanges for un-saleable items at time of delivery
 - Must be called in as soon as possible but no later than 4 months. Closeout items cannot be picked up or exchanged (Final Sale)

Customer Service - Pickups & Exchanges (cont.)

- “Mis-picked Item”
 - Merchandise to be exchanged when the customer is billed for one item but received another item
 - Must be called in immediately
 - In addition to the standard information that is needed, Customer Service must be provided with the mis-picked item
 - Confirmation is not given from the Customer Service Rep as the Inventory Control Department will need to investigate the situation. Customer Service will follow-up with the Customer

Customer Service - Quantity Discounts

- ❑ Quantity discounts must be on one invoice
- ❑ If an item is short shipped on the invoice, un-saleable, repacked and/or broken on delivery, item will be reordered to replace case(s) for the quantity it returned of the item automatically.
- ❑ In the event, an item is refused, the quantity discount will be re-calculated

Customer Service Disputes

Invoice and Credit Memo Disputes

- ❑ If a Customer claims to have not received an item on the invoice,
Customer Service must be provided with the standard information required for Customer Service inquiries
- ❑ If a credit memo is being disputed, Customer Service must be contacted with the standard information and credit memo. An investigation will be launched

Empire North's Website: Customer Service Forms

- ❑ Customers and Sales Representatives are encouraged to request all types of Customer Service inquiries online

- ❑ Go to www.empirenorth.com
 - ❑ Select the “Customer” tab, click on “Customer Service” and then select “Service Forms” to fill out the necessary fields

 - ❑ Policy FAQs are available on the website for future reference under “Policy and Announcements”

Customer Service - Service Forms

❑ You can choose the problem you need corrected from a drop-down menu

❑ Problems include...

- Invoice Dispute
- Ordered wrong item
- Short on truck

- Unsaleable
- Quantity Discount Credit
- Mis-priced item

❑ You can choose the action you want taken from a drop down menu and complete all required fields

QUESTIONS OR CONCERNS?

Customer Service Request Forms

Please fill out one of the forms below and your request will be directed to the correct department. Empire Merchants North will respond within two business days.

For immediate assistance call [\(800\) 724-3960](tel:800-724-3960).

The screenshot shows a web form titled "General Customer Service". The form contains several input fields: "Submitted By", "Email", "Customer Number", "Customer Phone Number", "Problem", and "Invoice Date". The "Problem" dropdown menu is open, showing a list of options: "Unsaleable", "Ordered Wrong Item", "Short on truck", "Quantity Discount Credit", "Mis-priced item", "Invoice Dispute", "Request Delivery Instructions", "Request copy of invoice", and "Request copy of statement". The "Unsaleable" option is highlighted.

Bill to /Ship to

- ❑ For customers that utilize their own warehouse to store goods
 - The Retailer must obtain a valid warehouse permit from the SLA in order for Empire North to deliver to the designated premise.
 - In general, warehouse permits expire on 12/31/2020 (every 3 years)
 - An authorized person from the retailer must be present to sign for the goods delivered

Limited Availability(LA) – Allocated Items

- ❑ Sales determines which items are allocated and the method of allocation
- ❑ Specific quantities of allocated items are loaded into SAP by Sales/Pricing
- ❑ Allocated items can be ordered through your Sales Representative (using iPad) or by calling Customer Service
- ❑ All Distributor Made and Supplier Made Combination Packages must be allocated and reported to the SLA
- ❑ Limited Availability Calendar is available at www.empirenorth.com/ltd_availability

Customer AR/Credit Department Overview

- ❑ Empire North Pay Online or Pay by Phone
- ❑ Payment Methods of Accounts Receivable
- ❑ Reporting to State Liquor Authority (SLA)
- ❑ Establishing Credit Terms for Customers
- ❑ Changing a Customer's Credit Status
- ❑ Outside Collection Agency Procedures



**EMPIRE
MERCHANTS
NORTH**

**Empire Merchants North
Pay Online or by Phone**

What is Empire North Pay Online?

- ❑ **Flexible web based tool that can provide**
 - ❑ Invoice Information
 - ❑ Ability to pay bills (for next day or scheduled dates)
 - ❑ Payment history

- ❑ **Secure website**
 - ❑ Email information from Empire North Pay Online will not be used for marketing purposes
 - ❑ Banking information does not need to be provided to view account/invoice information
 - ❑ If customer decides to opt into Paying Bills later – an additional enrollment form will need to be completed
 - ❑ Can be setup to allow one person or multiple users (at the account) to perform different functions

Why Should I use Empire North's Pay Online?

❑ **Convenience**

- ❑ Just requires internet access
- ❑ Easy to research invoice and payment history
- ❑ See what you owe and when it is due
- ❑ Self Service

❑ **Speed**

- ❑ No last minute overnight mail!
- ❑ Schedule multiple payments at one time

❑ **Simplicity**

- ❑ Straight forward to use

❑ **Value**

- ❑ A lot of functionality with no extra cost

What does Empire North's Pay Online provide?

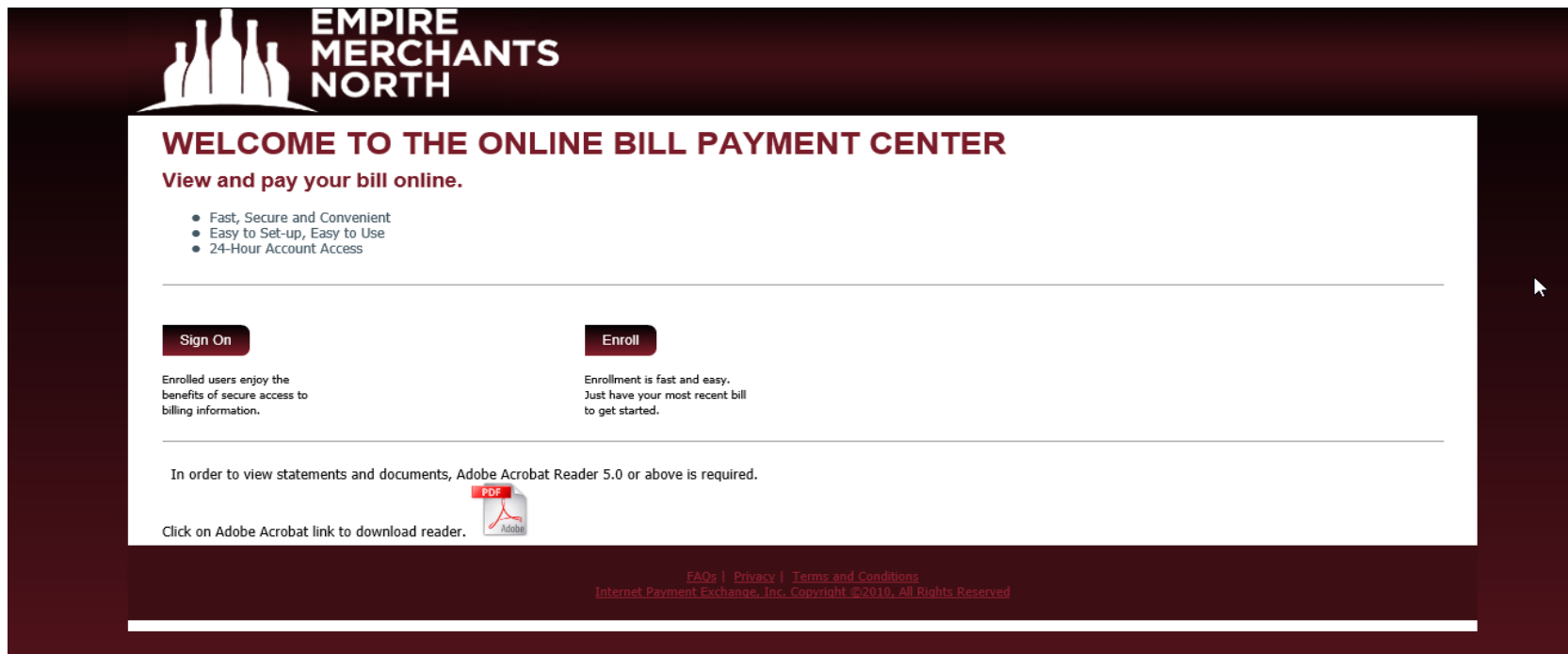
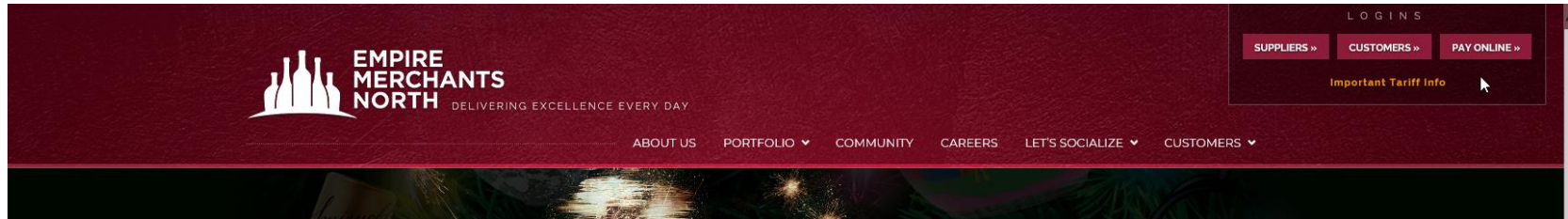
- ❑ **View Account Information:**
 - ❑ See what I owe and when it is due
 - ❑ See open invoices and credits
 - ❑ Review payment history
 - ❑ Details of open invoices

- ❑ **Pay bills:**
 - ❑ Pay open invoice, apply credits
 - ❑ Schedule future payments
 - ❑ Schedule auto payments
 - ❑ Make on account payments
 - ❑ Signed ACH and Enrollment Forms must be submitted

You can register to view your account information online without providing banking information

Empire North's Online Homepage

“Pay Online” can be accessed from www.empirenorth.com



Invoices can be paid by calling Customer AR

PAY BY PHONE



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“Thank you for calling Empire Merchants North, how can I help you?”

Pay by Phone

- ❑ **Allows Customers to pay their invoices over the phone**
 - ❑ Call the Customer Accounts Receivable (AR) Dept. at 1-800-724-3960 ext. 3
 - ❑ Customer can instruct the Customer AR rep to make a payment for the same day or to schedule a future payment
 - ❑ Can pay invoices as well as make on account payments

- ❑ **Secure process**
 - ❑ Banking information needs to be provided
 - ❑ Inbound phone calls are recorded to document transaction
 - ❑ Customer's PIN Code will need to be provided to validate identity
 - ❑ Customer must have a signed ACH enrollment form on file

Benefits of “pay by phone”

- ❑ **All the same benefits of Empire North’s “Pay Online”**
 - Convenience
 - Easy to use
 - No need for sales reps to pick up check
 - No last-minute overnight mail
 - Can schedule payments
 - Self Service

- ❑ **Retailers can pay invoices as needed over the phone up to 5:00pm**

Payment Methods at Empire Merchants North

- ❑ **Payments can be received via US Mail, overnight services, courier, directly from Sales Representatives or Drivers and electronically via Empire North Pay Online system:**
 - ✓ Empire North's Online website
 - ✓ Pay by Phone
 - ✓ Corporate Check
 - ✓ Bank Check
 - ✓ Money Order
- ❑ **All payments must have the same name as their liquor license. Third party payments are not accepted.**

NYSLA – Default Reporting

- ❑ It is the responsibility of the Customer AR Department to comply with **New York State Liquor Authority (NYSLA)** regulations.
- ❑ Customers will be reported to NYSLA under the following conditions:
 - Payment is not received for the invoice amount and delivery fees from any Customer according to the NYSLA credit calendar schedule. The type of reports issued are:
 - ❑ Delinquent report
 - ❑ Report in Dispute
 - Check/Electronic payment is returned unpaid.
 - ❑ Returned check will be subject to a \$30 fee
- ❑ Published interest and service charges will continue to be assessed on all delinquent balances.

NYSLA – Default Reporting (Continued)

- ❑ **If payment for an invoice is not received by the due date:**
 - Customer will be reported to the NYSLA as “Delinquent” as specified by the SLA.
 - Customer is put on COD credit status.
 - Payments for COD invoices must be received on the date the goods are delivered.

- ❑ **If payment is received but a small balance remains unpaid:**
 - Customer will automatically be considered “In Dispute”.
 - The Customer credit status will remain unchanged.
 - If the disputed amount is not resolved within 7 calendar days of the delivery date, the Customer will be reported as “Delinquent”.

SLA – Issuing Default Notices

Issuing Notices of Payment (on default balance) to NYSLA

- ❑ Payment is received for outstanding merchandise defaults, previously reported to the NYSLA.
- ❑ Notification is sent to the NYSLA informing them of payment.
- ❑ The NYSLA releases the Customer from default status when all of their outstanding reports (with all wholesalers) have been satisfied.
- ❑ Customer may then be considered for a change to Open Terms status.
- ❑ If the Customer status is COD and not listed in default by the NYSLA, the Customer can request to be placed on Open Terms status, however credit decisions will be made on a case by case basis by the Credit Department.

SLA Default Email Notification Program

SLA Advisory allows Retailers to receive email Default Notifications

- ❑ The email notification service is completely voluntary.
 - ✓ Customers may opt out and the Notice of Default will be sent via US Mail within 24 hours of the delinquency reporting.
- ❑ Customers who have signed up will receive two separate emails:
 - ✓ **1st Notice - Invoices due to be reported to the SLA on or before the final payment date.**
 - ✓ **2nd Notice - Notice of Default on the same day the Customer is reported “Delinquent” with SLA on its website.**
- ❑ Customers who participate in the email notification service will receive email notification in lieu of US Mail.

SLA Default Email Notification Program Benefits

- ❑ Customers must complete the required enrollment form to sign up for SLA Default Email Notification program. This form can be located at www.empirenorth.com.
- ❑ Customers will be notified of invoices coming due - **(1st Notice)**.
- ❑ Customers can then follow-up with their Sales Representative or the Customer AR Department if there are issues or questions.
- ❑ Customers will be notified the day they are reported by Empire Merchants North with the default amount - **(2nd Notice)**.
- ❑ Combined with Empire North Pay Online system, a Customer has a powerful way to resolve a delinquent SLA status quickly and efficiently.

Establishing Customer Credit Terms

- ❑ Customer credit terms are set when a Credit Application is submitted and approved by Customer AR Management.
- ❑ New On and Off Premise Customers requesting credit terms must fill out the New Account Application and an Empire North Personal Guaranty in the **exact legal business entity as registered with the NY Department of State** and archived on its website.
- ❑ ***The Personal Guarantor must be named on the NYSLA license.***
 - An Empire North Credit Application is required for all new accounts.
 - A credit report will be run on the individual(s) who signs the Personal Guaranty as they are taking responsibility for payment to Empire North. Upon receipt of a signed form that provides approval to Empire North to request a credit report, the credit report will be run.
 - This credit report will help determine credit status.
 - All credit information will be kept strictly confidential.
 - Accounts that refuse to provide a Personal Guaranty will be placed on COD for all deliveries.

Establishing Customer Credit Terms (Continued)

- ❑ ***On-Premise Customers only owned by the same individual*** may submit an “Also Owns” form to help establish Open Terms credit.
 - ✓ The “Also Owns” form shows the Customers that are owned by the same individual, and that they are all to be taken into consideration when determining credit status and/or credit limit.
 - ✓ Customers listed on the “Also Owns” form may, from date form is submitted, be considered linked for credit purposes, but obtaining individual Personal Guarantees for each entity is best practice.
- ❑ Personal Guaranty and “Also Owns” forms can be obtained by calling the Customer AR Department at 1-800-724-3960 ext. 3 or by going online to www.empirenorth.com.
- ❑ Personal Guarantees must be filled out completely and accurately, using the ***exact legal entity as registered with the NY Department of State*** - the original document must be signed and returned to the Credit Department.

Requesting Customer Credit Status Changes

Requesting Credit Status Change to Open Terms

- The Customer AR department reviews the SLA Delinquent list daily
- If a Customer is not reported “Delinquent” on the SLA website, has no open CODs outstanding, and is deemed credit worthy by Credit Management, the credit status may be changed to Open Terms based upon Credit Management review.
- **Ultimately the decision to put an account on Open Terms is determined by Credit Management**

Requesting Customer Credit Status Changes (Continued)

Requesting Credit Status Change to Open Terms

- Even if a Customer does not appear “Delinquent” with SLA, Open Terms credit status is not guaranteed.
- In order to remove Customers from “Delinquent” status with the SLA in a timely manner, Empire North requires all contact with NYSLA to go through the Customer AR Department
- If a solicitor wishes to check on a default filing, it should be directed through the Customer AR Department.
- Solicitors should not contact SLA directly.

COD Status and Collections

- ❑ Releasing COD: Money Order/Certified/Bank Check orders
- ❑ Requesting a COD: Money Order/Certified/Bank Check to COD status change
- ❑ Placing Customers with Outside Collection Agency

COD - Releasing Money Order/Certified Check Orders

- ❑ Sales Representative or Driver must have in hand, a certified/bank check or money order in the amount of the order.
 - **The Customer AR department does not accept cash.**
 - **Cash payments are not accepted by any department at Empire Merchants North.**

Requesting COD: Money Order/Certified Check to COD

- ❑ The decision to change COD Money Order/Certified/Bank Check terms to any other terms is determined by the Customer AR Department.
- ❑ **All open COD: Money Order/Certified Check orders must be paid in full to be considered for a credit status change.**
- ❑ If payment is not received on day of delivery, product will not be delivered
- ❑ If a Customer is constantly late paying CODs, bounces too many checks or is otherwise deemed unworthy of COD, the credit status **may remain COD: Money Order/Certified Check.**

Placing Customers with Outside Collection Agency

- ❑ When all Empire North Customer AR Department internal collection efforts on delinquent balances have been exhausted, it may be necessary to send a Customer to an outside collection agency.
- ❑ Customer receives a “10 Day Final Demand Notice” via US Mail.
- ❑ Sales Representative receives an email notification from the assigned Collection Agent that the demand letter has been sent.
- ❑ Once a Customer is turned over for collection, all correspondence and payments concerning past due amounts should be directed to:

The Commercial Collection Corporation of New York, Inc.

34 Seymour Street

Tonawanda, NY 14150

Phone Number 1-800-873-5212

Fax Number 1-800-873-5211