

**State Express '555' (Code #154)
(May 31, 1993)**

Trailers: 200 cases received June 10/92
200 cases received August 7/92

Now In Our Inventory: 211 cases & 11 units

Sold To Date: 188 cases & 39 units

AWE: Approx. 15 cases per month = 4 cases per week.

List of wholesalers who buy #154 are attached.

Quality Status: 80 cases unsalable
131 cases salable

On-Going Concern:

- Smuggled product retails at \$25 to \$30 vs \$56.
- Smuggled product purchased at \$20 to \$25 per carton being sold in singles for domestic prices \$5 to \$6.50, thus more profit.
- \$55 (smuggled product) being distributed in non-traditional retail manner, car trunk, back door, under counter.
- Have no method of determining amount of smuggled product.
- Retailers losing interest in brand distributed through regular channels.
- Have reduced 90 stores over 4 months. *Company has list from Dept of 4-80 list*
- Cooperation level of stores to maintain awareness displays, due to area of stores locations and clientele.
- Distribution of a majority of lower volume accounts which would not normally have monthly call coverage.

PROJECTUS .02

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SENT BY FAX TO: 88-2 -6 : 506 403000101 X040X.AB IN35

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