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Judge Clears RNDC Liquidation to Proceed in Bankruptcy Case

The ruling advances a Reyes-linked wind-down that could redraw supplier and retailer ties across the U.S. alcohol market.

Thursday, September 17, 2026



Republic National Distributing Co.’s bankruptcy case moved ahead this week after a judge authorized the next phase of a liquidation process involving Reyes, according to Beer Business Daily, a step that pushes one of the biggest recent changes in the U.S. alcohol distribution system closer to reality.

The development follows RNDC’s decision to seek protection under Chapter 11, the section of U.S. bankruptcy law commonly used to reorganize debts while a company tries to sell assets, wind down operations, or preserve parts of the business. In RNDC’s

case, the process is now advancing toward closure, with court approval allowing the liquidation effort tied to Reyes to continue.

The court action matters because RNDC has been a major distributor in the three-tier alcohol system, the structure that separates producers, distributors, and retailers in the United States. When a large wholesaler enters bankruptcy and moves into liquidation, the effects can spread well beyond the company itself. Suppliers may need new routes to market, retailers may face changes in ordering and delivery patterns, and brand assignments can shift as competitors move to pick up business left behind.

Beer Business Daily reported that the judge’s ruling keeps the process rolling forward, signaling that the company’s shutdown is no longer only a financial restructuring issue but also an operational change that is already reshaping distribution relationships. The approval gives more legal certainty to the liquidation path and reduces some of the immediate doubt over whether the process could stall in court.

RNDC has long been a large presence in the wine and spirits business and has also touched beer distribution through the broader beverage supply chain. That is why the case is drawing attention across the industry, not just among creditors and bankruptcy lawyers. A distributor of that size sits between suppliers and thousands of stores, restaurants, and bars. If its network is dismantled or transferred, producers must secure replacement partners quickly to avoid losing shelf space and sales.

The practical concern for the beverage sector is that a bankruptcy of this scale can disrupt the normal flow of products through the market, even if only temporarily. Retailers and on-premise accounts often depend on established ordering schedules, warehouse inventories, and sales support teams. A liquidation can interrupt those routines. In some states, suppliers may have to move brands to different wholesalers, while in others they may need regulatory approval or new commercial agreements before those changes are complete.

That creates a period of uncertainty for wine, spirits, and beer companies that relied on RNDC in affected territories. Some may see only limited disruption if brands are reassigned quickly. Others could face delays in deliveries, changes in local sales coverage, or temporary gaps in availability, depending on how fast the market absorbs

RNDC’s former business. Those outcomes are still potential effects, not confirmed nationwide results, but industry participants are closely watching the process because of how central distribution is to sales execution in the U.S. alcohol business.

The mention of Reyes is also significant because it points to where pieces of the business or the liquidation work may be headed as the market adjusts. While the details available from the monitor summary are limited, the fact that a judge approved a liquidation process connected to Reyes suggests the restructuring is moving from broad bankruptcy protection into more concrete handling of assets, operations, and market responsibilities.

Chapter 11 cases often begin with an effort to stabilize a company and preserve value. Over time, they can shift toward asset sales or an orderly shutdown if a full recovery is no longer realistic. The latest court approval indicates RNDC’s case is now firmly in that later stage. For creditors, that means the legal process of recovering value continues under court oversight. For suppliers and retailers, it means planning for a post-RNDC market can move ahead with fewer questions about whether the company might remain intact.

The wider alcohol industry has already been dealing with pressure from slower consumer demand in some categories, high operating costs, and changes in distributor economics. Against that backdrop, the loss of a large intermediary adds another layer of strain. Companies that depend on broad national or multistate distribution networks may need to renegotiate territory coverage, rework logistics, and rebuild relationships with replacement wholesalers. Smaller brands can be especially exposed if they lack leverage in a fast-moving reassignment process.

The case is also a reminder of how concentrated parts of the distribution business have become. When a major player enters bankruptcy, the consequences are not limited to one corporate balance sheet. They can affect pricing discussions, route density, warehouse planning, sales representation, and the ability of brands to stay visible in stores and restaurants. That is one reason the industry is paying close attention to the court process even before all of its commercial effects are fully known.

For now, the key fact is that the bankruptcy is moving forward rather than pausing. With a judge having authorized the liquidation process involving Reyes, RNDC’s wind-down is continuing under court supervision, and the reordering of distribution ties across parts of the U.S. beverage market is likely to accelerate as suppliers, retailers, and rival wholesalers respond.