

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION



MINUTES October 26, 2011 1:30 pm

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Wednesday, September 28, 2011, in Nashville, Tennessee at 1:30 p.m. Chairperson Mary McDaniel, Commissioner John Jones and Commissioner Bryan Kaegi were present. Executive Director Danielle Elks, Assistant Director Keith Bell, CLEO Mark Hutchens and SAC Brad Allison were present.

1. **The Minutes for September 28, 2011 Commission Meeting were approved.**

2. **RETAIL MATTERS**

A. **LAUDERDALE LIQUORS
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Licensee/Seller: RDG CORPORATION
Stockholder: Risa Glankler
Applicant/Buyer: Happy Bear, LLC
Member: Reena Khiraya

Before the Commission is a request for a change of ownership of the retail store located at 1502 South Lauderdale in Memphis, Tennessee. Total purchase price for the business, assets and property is \$300,000 (\$50,000 for the property). Financing is based upon promissory notes with the seller. Happy Bear, LLC will apparently own the property. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgement of the rules/regulations;
- c. Use and Occupancy permit;
- d. Deed to Happy Bear, LLC (or deed to Ms. Khiraya with a lease to Happy Bear, LLC)

Discussion/Action Taken:

Director Elks reviewed the matter to the Commission. Director Elks recommended approval upon submission of the items listed on the agenda.

Commissioner Jones made a motion to approve subject to the receipt of the requested items. Chairperson McDaniel seconded the motion and it passed with 3 ayes.

**B. EPI'S FINE WINE AND SPIRITS
GATLINBURG, TENNESSEE (SEVIER COUNTY)**

Seller/Licensee: EB, Inc.
Stockholder: Epifanio Bordes
Buyer/Applicant: A.E. Farmer, Inc.
Stockholders: Andrew Farmer

Before the Commission is a request for a change in ownership of the retail store located at 1359 East Parkway in Gatlinburg, Tennessee. In exchange for assuming all debts of the business totaling \$290,662.25, Mr. Farmer will purchase the business. Mr. Farmer would be 100% owner. A.E. Farmer, Inc. is assuming the lease of EB, Inc. The monthly rent will begin in year 5 at \$6887.50/month and increase to \$7825 over the remaining 4 years of the lease. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgment of the rules/regulations;
- c. Certificate of Compliance to reference Mr. Farmer as an individual;
- d. Explanation of property involved with reverse mortgage as referenced in financing.

Discussion/Action Taken:

Andrew Farmer was present the meeting. Director Elks reviewed the matter to the Commission. Director Elks recommended approval upon submission of the requested items.

Commissioner Jones made a motion to approve subject to the receipt of the requested items. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

**C. DISCOUNT LIQUOR AND WINE
LEBANON, TENNESSEE (WILSON COUNTY)**

Applicant: Shayona, Inc.
Stockholder: Manprabodh Patel

Before the Commission is a request for a new retail store to be located at 1418 West Main Street in Lebanon, Tennessee. Mr. Patel wishes to initially invest \$50,250 to operate the business. Financing is based upon a loan from Rita Patel. Shayona, Inc. will be leasing the property from 1416-1418 West Main Street Holdings, LLC on a year-to-year lease, with monthly rent at \$3285. All documentation has been submitted with the exception of the following:

- a. TABC inspection;
- b. Acknowledgement of the rules and regulations;
- c. Permanent Use and Occupancy when obtain;
- d. Deed to 1416-1418 West Main Street Holdings, LLC
- e. Financial and background check, with questionnaire, on Rita Patel.

Discussion/Action Taken:

Manprabodh Patel was present the meeting. Director Elks reviewed the matter to the Commission. Director Elks recommended approval upon submission of the following information:

- a. TABC inspection;
- b. Acknowledgement of the rules and regulations;
- c. Permanent Use and Occupancy when obtain;
- d. Questionnaire and background check on Rita Patel

Commissioner Kaegi made a motion to approve subject to the receipt of the requested items. Commissioner Jones seconded the motion and it passed with 3 ayes.

**D. SIMPLY WINE AND SPIRITS, LLC
MADISONVILLE, TENNESSEE (MONROE COUNTY)**

Applicant: Simply Wine and Spirits, LLC

Members: James Russell, Rhonda Russell, and Elizabeth Plemons

Before the Commission is a request for a new retail store to be located at 3926 Highway 411 in Sweetwater, Tennessee. James and Rhonda Russell and Elizabeth Plemons wish to initially invest \$100,000 each for a total investment of \$300,000. Financing is based upon a loan for \$200,000 from Peoples Bank of East Tennessee for James and Rhonda Russell, and a loan for \$100,000 from Citizens National Bank for Elizabeth Plemons. Each member will have a one third interest. The applicant will be leasing the property from Ideal Land Holdings, LLC for a period of ten years at \$1800/month. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgment of the rules and regulations.

Discussion/Action Taken:

Director Elks reviewed the matter to the Commission subject to the TABC inspection and the receipt of acknowledgement of the rules and regulations. Director Elks recommended approval.

Commissioner Jones made a motion to approve subject to the receipt of the requested documentation. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

**E. 68 WINE AND SPIRITS, LLC
SWEETWATER, TENNESSEE (MONROE COUNTY)**

Applicant: 68 Wine and Spirits, LLC

Members: David Bryan

Before the Commission is a request for a new retail store to be located at 660 Highway 68 in Sweetwater, Tennessee. David Bryan intends to initially invest approximately \$200,000. Financing is based upon a loan with FSG Bank in the amount of \$175,000 and existing personal funds. The applicant is leasing the property from Cherokee Commercial Properties, LLC for a period of five years at \$3500/month. It should be noted that the proposed manager of the business, William Spivey, currently works at 72 Wine and Spirits. Mr. Spivey will be required to resign from 72 Wine and

Spirits prior to being employed at 68 Wine and Spirits due to the prohibition of working at two retail liquor stores. Additionally, Johnny James is 50% owner of the property through Cherokee Commercial Properties. Mr. James is also owner of 72 Wine and Spirits. Because the lease is a fixed monthly rent, this is not considered a statutory conflict or prohibition. All documentation has been submitted with the exception of the following:

- a. Certificate of Compliance to reference Mr. Bryan as an individual;
- b. Ms. Brenda Bryan must either be added as a member of 68 Wine and Spirits, LLC, or be removed from the loan. (She is listed as co-signer on the loan.)

Discussion/Action Taken:

David Bryan was present the meeting. Director Elks reviewed the matter to the Commission. She indicated that TABC staff had received anonymous information that Mr. Johnny James was the actual owner of 68 Wine and Spirits. She stated that an investigation was conducted; however, no evidence of such existed. She then asked Mr. Bryan if he was the sole owner of the business, and he stated that he was. Director Elks stated to Mr. Bryan that the businesses must be maintained and operated separately and distinctly, and that if evidence to the contrary arose in the future, then an administrative hearing would be held to revoke the license. Mr. Bryan indicated that he understood. Director Elks recommended approval upon submission of Ms. Brenda Bryan as being added as a member or be removed from the loan.

Commissioner Jones made a motion to approve. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

**F. WASHINGTON STREET WINE AND SPIRITS
RIPLEY, TENNESSEE (LAUDERDALE COUNTY)**

Seller/Licensee: Washington Street Wine and Liquor, Inc.
Stockholders: Ramesh Patel
Buyer/Applicant: Washington Street Wine, Inc.
Stockholder: Sejal Patel

Before the Commission is a request for a change in ownership of the retail store located at 282 S. Washington in Ripley, Tennessee. Sejal Patel wishes to purchase the business for \$90,000. Financing is based upon existing personal funds. Mr. Patel owns the property where the business is

located. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgement of the rules and regulations;
- c. Lease to the corporation;
- d. Use and Occupancy for the building—not for zoning

Discussion/Action Taken:

Director Elks reviewed the matter to the Commission. Director Elks recommended approval upon submission of the Use and Occupancy for the building and the remaining documentation.

Commissioner Kaegi made a motion to approve subject to the receipt of the requested documents. Commissioner Jones seconded the motion and it passed with 3 ayes.

**G. CHARLIE’S WINE AND SPIRITS
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Seller/Licensee: Charlie Garavelli
Buyer/Applicant: Black Investment Group, LLC
Member: Jason Black

Before the Commission is a request for a change in ownership of the retail store located at 2570 Kirby Whitten in Memphis, Tennessee. Mr. Black wishes to purchase the business for \$650,000. Financing is based upon a loan with the Pyeatt Family Limited Partnership. Jason Black, Robert Black and Sarah Black are currently sub-leasing the property from Charlie Garavelli. The lease will expire on May 31, 2013 and monthly rent will be \$5200/month. Additional information and explanations as referenced below must be submitted:

- a. Interest of Robert and Sarah Black in business;
- b. Question 8 on application to be answered;
- c. Lease must be assigned to LLC applicant;
- d. Use and Occupancy permit;
- e. Loan agreement with Pyeatt Family Limited Partnership;
- f. Financial and bank check on Pyeatt Family Limited Partnership with questionnaires on each partner;
- g. List of partners of the Pyeatt Family Ltd. Partnership;

Discussion/Action Taken:

Director Elks reviewed the matter to the Commission. Director Elks recommended approval.

Commissioner Kaegi made a motion to approve. Commissioner Jones seconded the motion and it passed with 3 ayes.

3. WINERY MATTERS

**A. BOOTLEGGERS HOMEMADE WINE
GATLINBURG, TENNESSEE (SEVIER COUNTY)**

Licensee: Bootlegger’s Homemade Wine, LLC
Members: Margaret Edwards and Virginia Baker
Proposed New Member: Charles Edwards

Before the Commission is a request for a partial change in ownership of the winery located at 903 Parkway, Suite 108, in Gatlinburg, Tennessee. Margaret Edwards owns 30% of the business and Virginia Baker owns 70%. They wish to transfer a total of 25% of the ownership to Charles Edwards, so that the ownership interests would be reflected as the following: Margaret Edwards, 10%; Virginia Baker, 65%; and Charles Edwards, 25%. Ms. Edwards and Ms. Baker are giving their partial respective percentages to Mr. Edwards in return for Mr. Edwards to run the business. All documentation has been submitted with the exception of the following:

- a. Ms. Edwards and Ms. Baker’s signature on letter of explanation.

Discussion/Action Taken:

Charles Edwards was present the meeting. Director Elks reviewed the matter to the Commission. Director Elks recommended approval.

Commissioner Jones made a motion to approve. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

4. DISTILLERY MATTERS

**A. SHORT MOUNTAIN DISTILLERY
WOODBURY, TENNESSEE (CANNON COUNTY)**

Applicant: Golden Rule Distilling Company
Stockholders: William Kaufman, David Kaufman and Benjamin Kaufman

Before the Commission is a request for a new distillery to be located at 119 Mountain Spirits Lane in Woodbury, Tennessee. William Kaufman, David Kaufman and Benjamin Kaufman wish to invest a total of \$600,000. If approved, William Kaufman will invest \$300,000 for 50% interest; David and Benjamin Kaufman will each invest \$150,000 for 25% interest each. Financing is based upon existing personal funds. William Kaufman owns the property where the distillery will be located. All documentation has been submitted with the exception of the following:

- a. Lease to Golden Rule Distillery Company;
- b. Certified copy of referendum allowing distilleries;
- c. TABC Inspection;
- d. Acknowledgement of rules/regulations;
- e. Use and Occupancy permit.

Discussion/Action Taken:

William Kaufman and Rob Pinson, attorney, were present at the meeting. Director Elks reviewed the matter to the Commission. Director Elks recommended approval upon submission of the following documentation:

- a. TABC Inspection;
- b. Acknowledgement of rules/regulations;
- c. Use and Occupancy permit.

Commissioner Kaegi made a motion to approve. Commissioner Jones seconded the motion and it passed with 3 ayes.

5. BUDGET

6. CONSENT ORDERS

7. PENDING MATTERS LIST

8. MISCELLANEOUS

A. Monthly Summary of TABC Activity

B. Possible move of TABC Nashville office – Director Elks stated that there is a move to have all state agencies that are not located in state office buildings, to be transferred to state office buildings. Director Elks stated that General Services would want this agency to be moved by the end of the year, but does not believe that will happen. The possible new location would be the third floor of the Tennessee Towers.

9. DATE OF NEXT MEETING - Tuesday, November 22 at 1:30 p.m. and
Wednesday, December 14 at 1:30 p.m., 2011.

Mary McDaniel
Chairperson

Shari Danielle Elks
Executive Director