

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

MINUTES
June 25, 2013
1:30 pm

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Tuesday, June 25, 2013 in Nashville, Tennessee at 1:30 p.m. Chairperson Mary McDaniel, Commissioner John Jones and Commissioner Bryan Kaegi were present. Executive Director E. Keith Bell, Attorney Ginna Winfree, CLEO Mark Hutchins were present.

1. The Minutes for May 21, 2013 Commission Meeting were approved.

2. RETAIL

A. NEW BUSINESS

1. BLUE RIDGE PACKAGE
ROGERSVILLE, TENNESSEE (HAWKINS COUNTY)

Applicant: Cherokee Management Group, LLC
d/b/a Blue Ridge Package
Member(s): Ryon Grubbs (50% Partner)
James Martin Gott II (50% Partner)

Before the Commission is a request for a new retail store located at 4017 Hwy. 66 South, Suite A, Rogersville, Tennessee. Ryon Grubbs and James Martin Gott, II will be investing an adequate sum of monies to operate the store based on personal funds as verified by the TABC staff. The lease is written between Cherokee Management Group, LLC and William M. Sharp. The terms of the lease are \$1,400.00/mo for three (3) years. After the initial three (3) years there is an option of nine (9) more years at \$1,400.00/mo with a \$2,800.00 fee due at the time of the extension. All documentation and agency requirements have been submitted. The TABC staff recommends approval of this application.

Discussion/Action Taken:

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

UPDATE: Their retail license was issued 6/27/13.

**2. HARPETH LIQUORS
FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)**

Licensee: Harpeth Liquors Inc.
Stockholders: Satish Patel, President (100%)

Before the Commission is a request for a transfer of location for the retail store currently located at 1203 Murfreesboro Road, Suite 405, Franklin, Tennessee to 1203 Murfreesboro Road, Suite 503, Franklin, Tennessee. Mr. Patel wishes to move to 1203 Murfreesboro Road, Suite 503, Franklin, Tennessee based upon the new Kroger Store taking their old space. Harpeth Liquors, Inc. will be leasing the new space from Cooke & Cooke Properties under the same terms of their previous lease at a monthly based rent of \$6,246.00/mo for a period of two years beginning August 1, 2012 and expiring July 31, 2014.

The transfer was previously granted by the Commissioners on 11/26/12. Per TABC Rule 0100-03-.18, the transfer must be completed within 90 days. The 90 days expired 2/24/13, an additional 30 days was requested and granted by the TABC Staff per TABC Rules and policy on 2/20/13, which expired on 3/26/13. Mr. Patel then requested from the full Commission an additional 30 day extension that was granted; this extension expired April 26, 2013. Harpeth Liquors did not meet the extension deadline and per TABC Rules was required to re-apply.

All documentation has been submitted. The TABC staff recommends approval of this application.

Discussion/Action Taken:

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

UPDATE: Their retail license for the new location was issued 6/26/13.

**3. MARY'S SPIRIT & FINE WINES, INC.
ROGERSVILLE, TENNESSEE (HAWKINS COUNTY)**

Applicant: Mary's Spirit & Fine Wines
Stockholder(s): Leanne Watson, President
David Watson, Secretary

Before the Commission is a request for a new retail store located at 212 E. Washington Street, Rogersville, Tennessee. Both applicants will be investing an adequate sum of monies to operate the store based on a 2nd mortgage on their home with

Eastman Credit Union. A second loan has been taken out with Highlands Union Bank as verified by the TABC staff. The lease is between the applicant, Mary's Spirit & Fine Wines and James Egbert and wife, Earline Egbert. The terms of the lease are \$550.00/mo for one (1) year. After the initial one (1) year there is an option to extend the lease for another year with the tenant paying \$1,100.00 at the time of the extension, which represents the first and last months' rent. The tenant will continue to pay \$550.00/mo for the extension period. All documentation has been provided. The TABC staff recommends approval of this application.

Discussion/Action Taken:

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

UPDATE: Their retail license was issued 6/27/13.

**4. MILLINGTON LIQUOR STORE
MILLINGTON, TENNESSEE (SHELBY COUNTY)**

Applicant: U & J Inc.
d/b/a Millington Liquor Store
Stockholders: Ushaben Patel, President (100%)

Before the Commission is a request for a transfer of ownership of Millington Liquor Store located at 5073 Navy Road, Millington, Tennessee. Ushaben Patel will be purchasing the retail store from Bharatbhai P. Patel for an adequate sum of monies based on personal funds with Regions Bank and First Tennessee Bank and a commercial loan with Renasant Bank as verified by TABC agents. The property lease is between Shivam Real Estate, LLC and the applicant, U & J, Inc. for a term of 10 years commencing on the 1st day of June, 2013, and terminating on the 31st day of May, 2023 at a rate of \$3,100.00/mo with a \$2,000.00 security deposit payable at the time of execution. The Lessee has an option to renew this lease for a period of five (5) years after the expiration of the terms of this lease at a 5% increase of monthly rent. All documentation has been provided with the exception of the following:

- a. Acknowledgment of TABC Rules & Regs - RECEIVED
- b. Letter from Bharatbhai Patel verifying "Bharatbhai will not receive proceeds of sales of alcoholic beverages" - RECEIVED
- c. \$ 850.00 License Fee

The TABC staff recommends approval of this application upon receipt of the missing documents and the license fee.

Discussion/Action Taken:

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

UPDATE: This retail license was issued 7/16/13.

**5. ONE STOP DISCOUNT WINES & LIQUORS
JOHNSON CITY, TENNESSEE (WASHINGTON COUNTY)**

Applicant: One Stop Discount Wines & Liquors, Inc.
Stockholders: Phil Schartstein, President
Benjamin Schartsein, Jr., Sec/Treasurer
Melanie Bowman, Vice President

Before the Commission is a request for a transfer of location of a retail store located at 1914 S. Roan Street, Johnson City, Tennessee to 1735 W. State of Franklin Road, Johnson City, Tennessee. The owner(s) are requesting the change of location because of the resent adding of retail sales in the cities of Elizabethton and Town of Unicoi. Their current location is too close to both of these cities and they fear a loss of sales to these new cities. The lease for the property is between Cox Investments, GP and the licensee, One Stop Discount Wines and Liquors, Inc. for a term of five (5) years with a base rent of \$6,600.00/mo. There is an option to renew for two (2) additional terms of five (5) years. All documentation has been provided with the exception of the following:

- a. Certificate of Occupancy - received
- b. TABC Final Inspection - received

The TABC staff recommends approval of this application upon receipt of the missing documents.

Discussion/Action Taken:

Commissioner Kaegi made a motion to approve upon receipt of the missing documentation. Chairperson McDaniel seconded the motion and it passed with 2 ayes. Commission Jones abstained.

UPDATE: Their retail license was issued 7/17/13

**6. SOMERVILLE WINES AND SPIRITS
SOMERVILLE, TENNESSEE (FAYETTE COUNTY)**

Applicant: Somerville Wines & Spirits, LLC
Member(s): Glen Stewart, President (99%)
Wallace Johnson, Vice President (1%)

Before the Commission is a request for a transfer of location for Somerville Wines & Spirits currently located at 17503 Highway 64, Somerville, Tennessee. The applicant wishes to purchase a building located at 16990 Highway 64, Somerville, Tennessee. Glen Stewart and Wallace Johnson will be investing an adequate sum of monies to operate the store based on personal funds and a loan from Somerville Bank and Trust as verified by TABC Agents. All documentation has been provided with the exception of the following:

- a. TABC Inspection
- b. Deed
- c. Use of Occupancy

The TABC staff recommends approval of this application upon receipt of pending documentation.

CORRECTION - Somerville Wines and Spirits – The wrong language was referenced due to a system error.

Discussion/Action Taken:

Director Bell requested that the application submitted by Somerville Wines & Spirits, LLC for transfer of location be continued to the July commission meeting for reason of; missing documentation required for approval. Commissioner Jones made a motion to defer the application to the July meeting. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

**7. THE LIQUOR BARN
JOHNSON CITY, TENNESSEE (WASHINGTON COUNTY)**

Applicant: Boones Creek Beverage Inc.
d/b/a The Liquor Barn
Stockholder(s): Mickii Carter, President (100%)

Before the Commission is a request for a d/b/a name change and a transfer of location. Boones Creek Beverage Inc. d/b/a Boones Creek Liquor & Wines will change its d/b/a to The Liquor Barn. The package store is currently located at 2913 Boones Creek Rd. #9, Johnson City, Tennessee and is requesting to transfer to 2926 Boones Creek Rd., Johnson City, Tennessee.

The owner is requesting to relocate because they have outgrown their current location. The new location will provide a larger sales floor and storage area. The lease for the new location is for five (5) years at a base rent of \$2,900.00 for the first two (2) years. A 4% rent increase will occur at the end of the second year for the third and fourth years. There shall also be an additional increase of 4% for the fifth year of the lease. All documentation has been provided. The TABC staff recommends approval of this application.

Discussion/Action Taken:

Commissioner Jones made a motion to approve the request for a d/b/a name change. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

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

UPDATE: The retail license was issued 6/26/13 in the name of the new d/b/a and for the new location.

**8. WINE AND LIQUOR DEPOT, LLC
FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)**

Applicant: Wine and Liquor Depot, LLC
Formerly: Estella's Fine Wines & Liquor
Members(s): Sarah McCormick (95% - Managing Member)
Harold McCormick (5%)

Before the Commission is a request for a change of ownership of Estella's Fine Wines & Liquor currently located at 327 Independence Square, Franklin, Tennessee. Mrs. Sarah McCormick and her father-in-law, Mr. Harold McCormick wishes to purchase Estella's Fine Wines & Liquor. Upon approval, the package store will be under the business name Wine and Liquor Depot, LLC. Mrs. McCormick will be investing an adequate sum of monies to purchase the store and 100% of the inventory per TABC Rules and Policy, with a loan obtained from First Bank as verified by TABC agents. The lease for this location is by and between Cooke Properties and the applicant, Wine & Liquor Depot, LLC. The lease shall be for a term of two (2) years, commencing on May 1, 2013 at a monthly rate of \$1,512.00 for months one (1) through seven (7) and a monthly rate of \$1,625.00 for months eight (8) through twenty-four (24). All documentation has been provided with the exception of the following:

a. \$850.00 License Fee

The TABC staff recommends approval of this application upon receipt of the license fee.

Discussion/Action Taken:

Sarah McCormick was in attendance on behalf of Wine and Liquor Depot, LLC. Commissioner Kaegi made a motion to approve pending receipt of the license fee. Commissioner Jones seconded the motion and it passed with 3 ayes.

UPDATE: The \$850.00 license fee was received and the retail license was issued to Wine & Liquor Depot, LLC 6/27/13.

**9. DISCOUNT TOP SHELF LIQUOR
GREENBRIER, TENNESSEE (ROBERTSON COUNTY)**

Applicant: Sairam 10 Corp
d/b/a Discount Top Shelf Liquor
Stockholders(s): Jay V. Patel, President (100%)

Before the Commission is a request for a new retail store located at 2085 Highway 41 S., Greenbrier, Tennessee. Mr. Patel will be investing an adequate sum of monies to operate the store based on personal funds with First State Bank and a personal loan from his brother-in-law, Jitendra G. Patel as verified by the TABC staff. The lease is written between Swami 10 Corp and Sairam 10 Corp. The terms of the lease are \$2,000.00/mo for ten (10) years commencing on May 1, 2013 and ending on April 30, 2023. All documentation and agency requirements have been submitted with the exception of the following:

- a. \$850.00 License Fee
- b. TABC Final Inspection - received

The TABC staff recommends approval of this application upon receipt of the license fee and the Final Inspection.

Discussion/Action Taken:

Jay V. Patel and Attorney, Tucker Herndon, were in attendance on behalf of Discount Top Shelf Liquor. A concern was raised about an allegation that Mr. Patel was cited for Sale to a Minor at the convenience store next door; however Director Bell expressed to the commission that this allegation would not prevent Mr. Patel from obtaining approval to open a new retail package store in Greenbrier.

Commissioner Kaegi made a motion to approve pending receipt of the license fee. Commissioner Jones seconded the motion, Chairperson McDaniel abstained and it passed with 2 ayes.

UPDATE: The \$850.00 license fee was received and the retail license was issued to Discount Top Shelf Liquor 6/26/13.

3. WINERIES

**1. TENNESSEE VALLEY WINERY
LOUDON, TENNESSEE (LOUDON COUNTY)**

Applicant: Tennessee Valley Winery Corporation
Stockholder(s): John Henry Smook, President (100%)

Before the Commission is a request for a transfer in stock ownership of Tennessee Valley Winery Corporation located at 15606 Hotchkiss Valley Road East, Loudon, Tennessee. Jerry K. Reed currently owns 275 shares of stock and wishes to sell and transfer his entire outstanding stock ownership to the corporation. Cameran Ann Birkholz currently owns 264 shares of stock and wishes to sell and transfer his entire outstanding stock ownership to the corporation. Once this transfer is complete, John Henry Smook will be the sole individual shareholder; he will own 100% of stock ownership in Tennessee Valley Winery Corporation. This transfer of stock is subject to approval by the TABC. All documentation has been provided. The TABC staff recommends approval of this application.

Discussion/Action Taken:

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

UPDATE: The approved changes went into effect, 6/27/13.

**2. LONG HOLLOW WINERY, INC.
GOODLETTSVILLE, TENNESSEE (SUMNER COUNTY)**

Applicant: Long Hollow Winery, Inc.
d/b/a Long Hollow Winery
Member(s): Joel Phillips, President (51%)
Benita Phillips, Secretary (49%)

Before the Commission is a request for a transfer in stock ownership of Long Hollow Winery, Inc. located at 665 Long Hollow Pike, Goodlettsville, Tennessee. Long Hollow Winery, Inc. sells, assigns, and transfers to Joel Phillips 51 shares and to Benita L. Phillips 49 shares of stock being all the capital stock of

the company. At the conclusion of the transfer, Joel Phillips will be President and own 51% of stock ownership and Benita Phillips will be Secretary and own 49% for a combined total of 100% stock ownership in Long Hollow Winery. The lease is written between Long Hollow 665, LLC and the applicant, Long Hollow Winery, Inc. for a term of five (5) years at rental rate of \$3,000.00/mo. The applicant has the option to renew the lease for four (4) extended terms of five (5) years. All documentation has been provided. The TABC staff recommends approval of this application.

Discussion/Action Taken:

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

UPDATE: The approved changes went into effect, 6/28/13.

4. WHOLESALERS

**1. QUALITY BRANDS INC.
MURFREESBORO, TENNESSEE (RUTHERFORD COUNTY)**

Applicant: Quality Brands Inc.
Stockholder(s): Richard M. Gerwe, President
Molly King, Vice President
James H. Jones III, Vice President

Before the Commission is a request for a transfer of location of Quality Brands Inc. located at 730-A Middle Tennessee Boulevard, Suite 11, Murfreesboro, Tennessee. Quality Brands Inc. would like to relocate to 801 Park Ave, Murfreesboro, Tennessee effective July 1, 2013. The lease agreement is by and between, J. Smythe Leasing and the licensee, Quality Brands Inc. The lease is for a period of one (1) year beginning on July 1, 2013 and ending June 30, 2014 at a monthly rental of \$800.00/mo. Lessee shall have three (3), one (1) year renewal options at the same rental rate of \$800.00/mo. All documentation has been provided with the exception of the following:

- a. DOR Approval of Bond Rider - received
- b. Updated TTB w/new address - received
- c. Acknowledgement of Rules & Regulations - received

The TABC staff recommends approval of this application upon receipt of the missing documentation.

Discussion/Action Taken:

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

UPDATE: Correction made to the lease ending date. Previously referenced as June 20, 2014, should be June 30, 2014. The transfer of location is complete and the license was issued 6/27/13.

5. DISTILLERY

**1. BEECHTREE DISTILLERY LLC
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Beechtree Distillery LLC
Members: Steven R. Skelton, Jr., President

Before the Commission is a request for a new distillery to be located at 3628 Trousdale Drive, Nashville, Tennessee. Steven R. Skelton, Jr. will be investing an adequate sum of monies to operate the distillery based on personal funds as verified by TABC agents. The lease for the property is by and between GBD, LLC and the applicant, Beechtree Distillery, LLC for a term of one (1) year at a rental rate of \$1,450.00/mo with an option to renew the lease for three (3) one (1) year periods by providing sixty (60) days prior written notice of intent to renew. The rental rate for the first renewal year shall be \$1,450.00/mo, the second year \$1,500.00/mo, and the third year \$1,550.00/mo. All documentation has been submitted with the exception of the following:

- a. License Fee - received

The TABC staff recommends approval of this application upon receipt of the license fee.

Discussion/Action Taken:

Steven R. Skelton was present on behalf of Beechtree Distillery, LLC. Commissioner Kaegi made a motion to approve, Commissioner Jones seconded the motion and it passed with 3 ayes.

UPDATE: CORRECTION: The city previously referenced was Franklin and should have been Nashville. The license was issued 6/28/13.

6. ADMINISTRATIVE HEARINGS

A. INITIAL ORDERS TO BE REVIEWED TO COMMISSION

1. **Brinson's Banquets, LLC** **Permit No. 82022**
Docket No. 33.01116200J

Administrative Law Judge, Ann Johnson, found Brinson's Banquets, LLC in default pursuant to T.C.A. § 4-5-101 *et seq.* for failure to appear at a hearing that was previously scheduled for May 15, 2012 at the Tennessee Alcoholic Beverage Commission. *"IT IS ORDERED that Brinson's Banquets, LLC is in default for the amount of \$600.00 civil penalty, plus \$200.00 for an administrative file fee pursuant to T.C.A. § 57-1-201(b)(1)(B), § 57-4-201, § 57-4-201(a)(s), and § 57-3-213(a)."*

Discussion/Action Taken:

Commissioner Jones made a motion to uphold the Administrative Law Judge's opinion, Commissioner Kaegi seconded the motion and it passed with 3 ayes.

2. **Black Magic Entertainment** **Permit No. 52367**
d/b/a Sensations Restaurant and Lounge
Docket No. 33.01-116106J

Administrative Law Judge, Ann Johnson, found Black Magic Entertainment d/b/a Sensations Restaurant and Lounge in default pursuant to T.C.A. § 4-5-101 *et seq.* for failure to appear at a hearing that was previously scheduled for May 15, 2012 at the Tennessee Alcoholic Beverage Commission. *"IT IS ORDERED that Black Magic Entertainment is in default for the amount of \$250.00 civil penalty, plus \$200.00 for an administrative file fee pursuant to T.C.A. § 57-1-201(b)(1)(B), § 57-4-201, § 57-4-203(e), and TABC Rule 0100-01-.03(15)(a)."*

Discussion/Action Taken:

Commissioner Jones made a motion to uphold the Administrative Law Judge's opinion, Commissioner Kaegi seconded the motion and it passed with 3 ayes.

8. **PRIVATE CLUB** – There were no Private Club matters to be heard by the Commission.
9. **BUDGET** – Discussed TABC monthly budget
10. **PENDING MATTERS LIST** – Director Bell advised the Commission that the TABC will hold an Audit Committee meeting in August.

11. **PERSONNEL**

- A. Discussion, consideration and appointment of TABC Assistant Director**
Director Bell recommended Staff Attorney, Ginna Winfree, for the position of Assistant Director. Commissioner Kaegi moves to approve the appointment of Ginna Winfree to Assistant Director, Commissioner Jones seconded the motion and it passed with 3 ayes.

Ginna Winfree has been appointed as the TABC Assistant Director. Congratulations Assistant Director Winfree.

12. **MISCELLANEOUS** – There were no miscellaneous matters to be heard by the commission.

13. **DATE OF NEXT MEETING** - The date of the next commission meeting is set for Tuesday, July 23, 2013 at 1:30 p.m., the deadline for submitting commission matters is Friday, July 12, 2013.

The August commission meeting will be held Tuesday, August 27, 2013 at 1:30 p.m., the deadline for submitting commission matters is Friday, August 16, 2013.

The September commission meeting will be held Tuesday, September 24, 2013 at 1:30 p.m., the deadline for submitting commission matters is Friday, September 13, 2013.

Mary McDaniel
Chairperson

By: *Bryan Kaegi*
Acting Chair

E. Keith Bell

E. Keith Bell
Executive Director