

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

MINUTES
January 22, 2013
1:30 pm

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Tuesday, January 22, 2013, in Nashville, Tennessee at 1:30 p.m. Chairperson Mary McDaniel, Commissioner John Jones and Commissioner Bryan Kaegi were present. Interim Director Keith Bell, CLEO Mark Hutchens and Attorney Ginna Winfree were present.

1. **The Minutes for January 22, 2013 Commission Meeting were approved.**

2. **RETAIL**

A. **NEW BUSINESS**

1. **IROQUOIS WINE & SPIRITS
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: CCL PARTNERS LLC
Members: Robert Craige Hoover
Thomas Land Deleot, Jr.

Before the Commission is a request for a new retail store located at 7063 Highway 70 South, Suite J & K, Nashville, Tennessee. The members are purchasing PPT Enterprises, LLC d/b/a Iroquois Wine and Spirits for the purchase price of \$685,000. This purchase will include all inventories. The two members of this LLC will each be contributing \$37,500 in personal funds for a total of \$75,000. Financing for the remaining balance is based upon a secured loan with First State Bank in the amount of \$635,000. The applicant will be leasing the property from Bellevue Properties, LP for a period of three years. Annual rent is set at \$5,446.47/mo, increasing at a rate of 4% each year there after. The applicant has two 5 year options to extend this lease. All documentation has been provided with the exception of the following items post:

- a. TABC Inspection; - **received**
- b. Acknowledgment of TABC Rules & Regulations - **received**
- c. Certificate of Occupancy; - **received**
- d. Verification of Financial Background; - **received**
- e. \$850 License Fee - **received**
- f. Federal Basic Permit - **received**

Discussion/Action Taken:

Noted corrected to address, 705 should be 70 South. Robert Craige Hoover was in attendance for Iroquois Wine & Spirits. Interim Director Bell reviewed the matter to the Commission and recommended approval upon submission of the missing documentation. – License Issued 2/4/13

Commissioner Kaegi made a motion to approve pending receipts of missing items. Commissioner Jones seconded the motion and it passed with 3 ayes.

**2. CRAFT BREWED HIGH ALC, LLC
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Craft Brewed High ALC, LLC
Members: Charles Devier, IV

Before the Commission is a request for a new retail store to be located at 2502 Franklin Pike, Nashville, TN. Mr. Devier, III wishes to invest personal funds in the amount of \$75,000 to operate the store. The applicant LLC will be leasing the property from Franklin Road Partners for a period of five years at a monthly rate of \$4525.00/mo for the first 36 months, increasing to \$5525.00 for the remaining term of the lease with an option to renew lease for one, five year period. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgment of TABC Rules & Regulations;
- c. Verification of financial background check; -
received
- d. ATF form - received
- e. \$850 License Fee
- f. Federal Basic Permit

Discussion/Action Taken:

Charles Devier, IV was in attendance for Craft Brewed High ALC, LLC. Interim Director Bell reviewed the matter to the Commission and recommended approval upon submission of the missing documentation.

Commissioner Kaegi made a motion to approve pending receipts of missing items. Commissioner Jones seconded the motion and it passed with 3 ayes.

**3. RUSSELL HOLDINGS INC.
BROWNSVILLE, TENNESSEE (HAYWOOD COUNTY)**

**Applicant: Russell Holdings Inc.
d/b/a Uncorked Wine and Spirits**
**Stockholders: Thomas D. Russell, IV
Alicia Russell**

Before the Commission is a request for a new retail store to be located at 156 South Dupree Street, Brownsville, Tennessee. The stockholders are investing an initial amount of \$225,000 to operate the store based upon financing through First State Bank (unverified). The Mr. Thomas Russell, IV and Ms. Alicia Russell will be leasing the property from Brownsville Place Partners, LTD for an unknown term, lease incomplete. All documents submitted with the exception of:

- a. TABC Inspection; - **received**
- b. Acknowledgment of TABC Rules & Regulations; - **received**
- c. Completed Lease Agreement; - **received**
- d. Sales & Use Tax Certificate - **received**
- e. Verification of Financing - **received**
- f. \$850.00 License Fee - **received**

Discussion/Action Taken:

Interim Director Bell reviewed the matter to the Commission and recommended approval upon submission of the missing documentation.
– **License Issued 1/29/13**

Commissioner Kaegi made a motion to approve pending receipts of missing items. Commissioner Jones seconded the motion and it passed with 3 ayes.

**4. CHAPEL HILL WINE AND SPIRITS
CHAPEL HILL, TENNESSEE (MARSHALL COUNTY)**

**Applicant: Stephen Michael Brewer
d/b/a Chapel Hill Wine and Spirits
Sole Proprietorship**

Before the Commission is a request for a new retail store to be located at 4640 Nashville Hwy, Suite A, Chapel Hill, Tennessee. Mr. Brewer is investing an initial amount of \$85,000 of personal funds to operate the store. Mr. Brewer will be leasing the property from Brayne Development for a term of one year at a lease price of \$1200/mo. There are two options of three years each to renew. All documents submitted with the exception of:

- a. TABC Inspection; - **received**
- b. Acknowledgment of TABC Rules & Regulations - **received**

Discussion/Action Taken:

Stephen Brewer was in attendance for Chapel Hill Wine and Spirits. Interim Director Bell reviewed the matter to the Commission and recommended approval upon submission of the missing documentation.
– **License Issued 2/1/13**

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

3. WINERIES

A. NEW BUSINESS

**1. REEDY CREEK CELLARS, INC.
KINGSPORT TENNESEE (SULLIVAN COUNTY)**

Applicant: Reedy Creek Cellars, Inc.
Stockholder: Michael J. Reedy

Before the Commission is a request for a transfer of ownership of 90 shares of common stock from Michael J. Reedy to the Reedy Family irrevocable trust which will represent the transfer 90% of the issued shares of this corporation. Kimberly D. Rhoton has been designated trustee.

All documentation has been provided with the exception of the following:

- a. Questionnaire of trustee, Kimberly D. Rhoton; - **received**

- b. Affidavit of Kimberly D. Rhoton that un-issued shares of corporation remain the possession of corporation -
received

Discussion/Action Taken:

Interim Director Bell reviewed the matter to the Commission and recommended approval upon submission of the missing documentation.
Transfer of Ownership completed 1/29/13

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

4. WHOLESALERS

A. NEW BUSINESS

**2. HARVEST BEVERAGE COMPANY, LLC
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Harvest Beverage Company, LLC
Members: Ralph E. Drury
Edmond Berkeley Nance, III
New Proposed Members: Ralph E. Drury
Ashley Roberts

Before the Commission is a request for a transfer of ownership from current members, Ralph E. Drury and Edmond Berkely Nance, III to new members, Ralph E. Drury and Ashley Roberts. All documentation has been received.

Discussion/Action Taken:

Interim Director Bell reviewed the matter to the Commission and recommended approval. **Transfer of Ownership completed 1/22/13**

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

B. OLD BUSINESS

**1. B.A.R. BEVERAGES, LLC
MURFREESBORO, TENNESSEE (DAVIDSON COUNTY)**

Applicant: B.A.R. Beverages, LLC (cont. from Oct. 26th)
Members: Robert Hennigan

Before the Commission is a request for a new wholesale business to be located at 1505 Sarah Court, Suite A in Murfreesboro, Tennessee. Mr. Hennigan wishes to initially invest \$20,000 to operate the business. The applicant LLC will be leasing the property from Charitable Remainder Unitrust for a period of one year at \$611.75/month. (Mr. Hennigan also owns L and H Distributing, a Budweiser distributor) in Tullahoma, Tennessee. All documentation has been submitted.

Discussion/Action Taken:

Rob Pinson, Attorney - Bone McAllester Norton, PLLC, was in attendance for B.A.R. Beverages, LLC. Interim Director Bell reviewed the matter to the Commission and recommended approval upon submission of the missing documentation. - License Issued 1/30/13

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

**2. TCD COMPANY (UNITED)
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Licensee: TCD, Company
Stockholder: Georgia Crown Distributing Company

- a. The request for a transfer of location of the wholesale business currently located at 4009 Air Park Cove in Memphis, Tennessee was approved by the Commission at its September commission meeting. Although the Regulations of the Commission place a deadline on effecting the transfer of location of a retail package store at Reg. 0100-3-.18(1)(c), there is no comparable rule governing the time in which a transfer of location must be accomplished. Notwithstanding this, within 90 days of the approval of the transfer, United Liquors requested and received staff approval to defer the time to effectuate the approved transfer of location. United Liquors is now

requesting an additional period of time (through March 1) within which to complete the transfer of location.

- b. At its September meeting, the Commission approved the transfer of the stock of Southwestern Distributing Co. to TCD Co., d/b/a United Liquors, authorizing Southwestern to become a wholly owned subsidiary of United Liquors. In an ongoing effort to consolidate its business operations, the Commission approved the transfer of location of United Liquors so that United's operations could be conducted from the same location as the operations of Southwestern, thus making the operations of the two businesses more efficient and less costly. All of this was with the intent of eventually consolidating the two operations. United Liquors is requesting a further extension of time to make undertake this rather substantial move.

Discussion/Action Taken:

Curtis Harrington, Attorney, was in attendance for TCD Company d/b/a United Liquors. Interim Director Bell reviewed the matter to the Commission and recommended approval of the request to a 30 day extension.

Commissioner Kaegi made a motion to approve an extension until March 1, 2013. Commissioner Jones seconded the motion and it passed with 3 ayes.

4. DISTILLERY

A. NEW BUSINESS

**1. VIKING ENTERPRISES, LLC
FRANKLIN, TENNESSEE (DAVIDSON COUNTY)**

**Applicant: Viking Enterprises, LLC
d/b/a Cool Springs Brewery**

**Members: Jane Hartland
Christopher Charles Hartland**

Before the Commission is a request for a new distillery to be located at 600A Frazier Drive, Suite 135, Franklin, Tennessee. Ms. Jane Hartland and Mr. Christopher Charles Hartland wishes to initially invest \$300,000 personal funds. All documentation

has been submitted. However there are some concerns, the commission needs reconciliation of the membership of the LLC. The operating agreement provided shows four members of the LLC, they being: Christopher Harland, Jane Hartland, Michael Hartland, and Jennifer Hartland. We also need reconciliation of the lease, said lease shows it doing business as Gwedo's New York Pizzeria.

Discussion/Action Taken:

Curtis Harrington, Attorney, was in attendance for Cool Springs Brewery. Interim Director Bell reviewed the matter to the Commission and recommended to continue to February 26, 2013 commission meeting.

Commissioner Kaegi made a motion to approve. Commissioner Jones seconded the motion. This item has been continued to February 26, 2013.

**2. SPEAKEASY SPIRITS LLC
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: SPEAKEASY SPIRITS

**Members: Jeff Pennington
Jenny Pennington
Laurie Pennington
Frank Walton
Sharon DeBolt
Cream Share, LLC
Nancy Inman**

**Proposed Additional Members: Michael Collins
Karen Collins
James Murphy, Jr.
Elizabeth Schenk
Lisa Renneke
James Weathers
Race Paquette
Michael Kuzma
Gail Kuzma
James Murphy, Sr.
Elizabeth Murphy
Jennifer Khazanov**

Before the Commission is a request for additional members to be approved as part of Speakeasy Spirits, LLC located at 900 44th Avenue North, Suite 100, Nashville, Tennessee. The existing members are Jeff Pennington and Jenny

Pennington, husband and wife with 40.0508% interest; Laurie Pennington with 3.8584% interest; Frank Walton and Sharon DeBolt, husband and wife with 10.89% interest; Cream Share, LLC with 6.7560% interest; Nancy Inman with 1.1024% interest. With approval of the commission the additional members will obtain the following: Michael Collins and Karen Collins, husband and wife, will invest \$142,000.00 for 11.3600% interest; James Murphy, Jr. will invest \$115,000.00 for 9.5000% interest; Elizabeth Schenk will invest \$5,000.00 for 0.5000% interest; Lisa Renneke will invest \$50,000.00 for 4.000% interest; James Weathers will invest \$50,000.00 for 4.000% interest; Race Paquette will invest \$8,000.00 for 1.1024% interest; Michael and Gail Kuzma, husband and wife, will invest \$25,000.00 for 2.0000% interest; James Murphy, Sr. and Elizabeth Murphy, husband and wife, will invest \$25,000.00 for 2.0000% interest; and Jennifer Khazanov will invest \$36,000.00 for 2.8800% interest. All documentation has been received.

Discussion/Action Taken:

Noted, correction made to suite number from 101 to 100. Mike Dolen, Attorney, was in attendance for Speak Easy Spirits. Interim Director Bell reviewed the matter to the Commission and had concerns pertaining to one of the proposed new members, Race Paquette. There is a conflict of interest; Mr. Paquette holds a TABC Server Permit and a Retail Permit and does not qualify to be a 5% investor. Mr. Dolen proposes withdrawing Mr. Paquette from the list of proposed new members. Interim Director Bell recommended a continuance to February 26, 2013 to complete a full investigation.

6. **BUDGET** – Discussed new system software.
7. **CONSENT ORDERS** – This line item will be removed from future agendas.
8. **PENDING MATTERS LIST**
 - A. **Commission Meeting Dates for the 2013 calendar year**
9. **PERSONNEL** – Addition of Account Clerk, Addition of 4 Special Agents
10. **MISCELLANEOUS**
 - A. **Monthly Summary of TABC Activity**

B. Discussion – Pigeon Forge Liquor Referendum

11. **DATE OF NEXT MEETING** - The date of the next meeting is set for Tuesday, February 26, 2013 at 1:30 p.m., deadline for submission of agenda matters, February 15, 2013. The date of the March meeting was also set for Tuesday, March 26, 2013 at 1:30 p.m., deadline for submission of agenda matters, March 15, 2013.



Mary McDaniel
Chairperson



E. Keith Bell
Interim Director

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

MINUTES - ADDENDUM

January 22, 2013

1:30 p.m.

Interim Director Bell makes request to Chairperson McDaniel to approve the addendum. Commissioner Jones moves to add the addendum to the agenda, Commissioner Kaegi seconded.

1. WHOLESALE APPLICATIONS

A. BEVERAGE CONTROL INC. KNOXVILLE, TENNESSEE (KNOX COUNTY)

Applicant: Beverage Control

Stockholders: Andrew P. Johnson, Lisa L. Bunch, Jennifer S. Johnson, Elizabeth S. Scinta
Michael T. Scruggs, Trust A.UWO, Trustee William A. Scruggs


Before the Commission is a request for a transfer of location of Beverage Control. Beverage Control, Inc., ("BCI"), a wholesaler authorized to sell and distribute wine and - alcoholic beverages at wholesale pursuant to Tenn. Code Ann. § 57-3-203, respectfully requests approval of the Alcoholic Beverage Commission for a transfer of its location from its current address at 4433 Eddington Road, Knoxville, Tennessee, to a new address, 2331 News Sentinel Drive, Knoxville, Tennessee. BCI is undertaking a significant upgrade and improvement of its wholesale and distribution facilities to improve its ability to serve its customers, distribute wine and alcoholic beverages in a secure, efficient and safe manner. The proposed new location consists of three separate parcels of real estate and the owner of the real estate is BCI. Accordingly, there is not a lease agreement between BCI and the owner of the real estate, nor is there a monthly rent payment. All documents have been provided with the exception of the following:


- a. TABC Inspection

Discussion/Action Taken:

Noted, correction to address 4433 should be 4333 Eddington Road. Curtis Harrington, Attorney, was in attendance for Beverage Control Inc. Interim Director Bell reviewed the matter to the Commission and recommended approval.

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


Mary McDaniel
Chairperson


E. Keith Bell
Interim Director