

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION



AGENDA June 15, 2011 1:30 pm

1. **Approval of Minutes for May 25, 2011 Commission Meeting**
2. **CONTINUED RETAIL MATTERS FROM MAY 25, 2011 MEETING**
 - A. **141 WINE AND SPIRITS
CARYVILLE, TENNESSEE (CAMPBELL COUNTY)**

Applicant: 141 Wine and Spirits, LLC
Members: Mark L. Hoskins and Jeff Hoskins

Before the Commission is a request for a new retail store to be located at 295 Howard Baker Highway in Pioneer, Tennessee. Mark Hoskins and Jeff Hoskins wish to initially invest \$100,000 each. Financing is based upon a line of credit from American Trust Bank and existing personal funds. If approved, each would own 50% of the business. The applicant LLC is leasing the property from Legacy Land Company, LLC for a period of five years at \$3000/month. (Jeff Hoskins is the sole member of Legacy Land Company, LLC.) Although the applicant did submit a copy of the newspaper notice, the notice was published only once—as opposed to the required publication in three consecutive issues. However, it should be noted that it was the City of Caryville that published the notice—not the applicant. Further, on this notice, all possible applicants for a certificate of compliance—including the current applicant—were listed in the published notice. All documentation has been submitted with the exception of the following:

- a. Use and Occupancy permit;
- b. Actual loan agreements.

Discussion/Action Taken:

Director Elks reviewed the matter to the Commissioners and stated that one of the requirements to obtain a retail package store license was the publication of the newspaper notice in three consecutive issues of a local newspaper. Director Elks stated that the newspaper ad was only run once in the local newspaper by the City of Caryville indicating all applicants for retail stores in Caryville. The city issued the Certificate of Compliance. Director Elks stated that the newspaper will need to be published twice more in the newspaper and the City of Caryville will need to reissue the Certificate of Compliance. She also stated that the Use and Occupancy will

need to be submitted. Director Elks recommended that this matter be continued to the June Commission meeting.

Commissioner Jones made a motion to continue this matter to the June Commission meeting. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

**B. IROQUOIS WINE AND SPIRITS
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: PPT Enterprises, LLC

Stockholder: Mary Thomas

Before the Commission is a request for a new retail store to be located at 7063 Highway 70 in Nashville, Tennessee. Ms. Thomas wishes to initially invest \$100,000 to operate the business. Financing is based upon a loan from her father, Al Thomas. The applicant LLC is leasing the property from Bellevue Properties, LP for a period of five years, with two five-year options to renew. Monthly rent begins at \$5133.33/month and increases to \$5780.13/month, plus an additional \$1781.27/month for common area maintenance, property tax and insurance. Tennessee statutes prohibit an individual having an interest, directly or indirectly, in a on-premise consumption license (LBD) if one has an interest, directly or indirectly, with a off-premise consumption license (retail package store)—and visa versa. It should be noted that Mr. Thomas is the owner of the restaurant licensee, Sperry's. Further, Ms. Thomas's mother, Patricia, was the original applicant for this store; however, when advised that she could not qualify for a license, the applicant was changed to Mary Thomas. All documentation has been submitted with the exception of the following:

- a. Certificate of Compliance;
- b. TABC Inspection;
- c. Acknowledgement of the rules/regulations;
- d. Sales tax registration in applicant's name;
- e. Explanation of joint checking account;
- f. Loan agreement;
- g. Financial and bank check on Al Thomas.

Discussion/Action Taken:

Director Elks stated that the attorney, Adam Dread, has requested that this matter be continued to the June Commission meeting in order to obtain the Certificate of Compliance.

Since the May 25, 2011 Commission meeting and after discussion with the applicant's attorney, Ms. Thomas has obtained independent

financing from her grandfather and is no longer borrowing money from her father.

**C. CORNER WINE AND SPIRITS
FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)**

Licensee/Seller: Elizabeth Ward
Applicant/Buyer: Jai Guru Development of Franklin, LLC
Members: Krishna Patel and Vrushank Surati

Before the Commission is a request for a change in ownership of the retail store located at 1110 Hillsboro Road, Suite 120, in Franklin, Tennessee. Mr. Patel and Mr. Surati wish to purchase the business from Ms. Ward for \$650,000, which includes the inventory. Financing is based upon a loan in the amount of \$480,000 from American Security Bank and Trust, and the remainder upon a loan in the amount of \$107,500 from Manharbhai Patel, Krishna Patel's father. If approved, Krishna Patel will own 51% of the business, and Mr. Surati will own 49%. The applicant LLC will be leasing the property from Harpeth Village Retail Partners for a period of 10 years, with monthly rent beginning at \$7027.25 and increasing to \$8398.22 over the term of the lease. All documentation has been submitted with the exception of the following:

- a. Original questionnaire for Mr. Surati;
- b. Questionnaire for Manharbhai Patel;
- c. Amend application to reflect LLC;
- d. Deed to Harpeth Village Retail Partners;
- e. Certificate of Compliance for Krishna Patel;
- f. Newspaper Notice and Affidavit for Krishna Patel;
- g. Actual loan agreement with American Security Bank and Trust;
- h. Financial and Bank check, including verification of funds, for Manharbhai Patel.

Discussion/Action Taken:

Director Elks reviewed the matter to the Commissioners and recommended that this matter be continued to the June Commission meeting due to Certificate of Compliance issues for one of the two individuals.

Commissioner Jones made a motion to continue to the June Commission meeting. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

3. RETAIL NEW MATTERS

**A. FUZZY DUCK LIQUORS
COLUMBIA, TENNESSEE (MAURY COUNTY)**

Licensee/Seller: John Totty
Applicant/Buyer: Fuzzy Duck Enterprises, Inc.
Stockholder: Sabrina Parker

Before the Commission is a request for a transfer of ownership of the retail store located at 203 West 6th Street, in Columbia, Tennessee. Sabrina Parker wishes to purchase the business for \$270,000 plus inventory. Financing is based upon personal loans with LeRoy Martin (\$150,000) and Michael Prickett (\$135,000), as well as a security note with the current licensee, John Totty (\$135,000). The applicant corporation is leasing the property from John and Debra Totty for a period of five years at \$1850/month. All documentation has been submitted with the exception of the following:

- a. TABC Inspection
- b. Acknowledgement of the rules and regulations;
- c. Signature pages on loans with Prickett and Totty and the Bill of Sale;
- d. Questionnaires for Mr. Totty, Mr. Prickett; and Mr. Martin;
- e. Bank credit check on Ms. Parker; and
- f. Loan agreement with Mr. Martin.

**B. JAX LIQUOR STORE
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

Licensee: Steve and Peggie Andrews
Applicant: Steve Andrews

Before the Commission is a request for a transfer of ownership of the retail store located at 216 Market Street in Chattanooga, Tennessee. Mrs. Andrews passed away in January, 2010 without a will. Because Mrs. Andrews had been in poor health in the recent years, Mr. Andrews became the predominant partner in the running of the business. He is now requesting the license be placed in his name as a sole proprietorship. He is leasing the property from himself and his wife for a period of one year at \$3000/month. All documentation has been submitted with the exception of the following:

- a. Use and Occupancy permit;
- b. Certificate of Compliance;
- c. Newspaper Notice and affidavit.

3. WINERY MATTERS

**A. BOOTLEGGER’S HOMEMADE WINE, LLC
GATLINBURG, TENNESSEE (SEVIER COUNTY)**

Applicant: Bootlegger’s Homemade Wine, LLC
Members: Margaret Edwards and Virginia Baker

Before the Commission is a request for a new winery to be located at 903 Parkway, Suite 108, in Gatlinburg, Tennessee. Ms. Edwards and Ms. Baker wish to initially invest \$86,000 to operate the business, and if approved, will operate as a LLC. If approved, Ms. Edwards will own 30% and Ms. Baker will own 70%. Financing is based upon a loan with Joseph Baker. They are sub-leasing the property from Ole Smoky Distillery, LLC for a period of ten years with the monthly rent ranging from \$1261.67 to \$2,379.50. All documentation has been submitted with the exception of the following:

- a. Department of Agriculture certification;
- b. Written verification that business will be separate and distinct from distillery.

4. DISTILLERY/MANUFACTURER MATTERS

A. BLUES CITY BREWERY

Applicant: Blues City Brewery, LLC
Members: Sabina Bossard, Kurt Bosshard, George Parke, III,
William Bosshard, John Bosshard, III, Ralfph Morello

Before the Commission is a request for a new manufacturer to be located at 5151 East Raines Road in Memphis, Tennessee. If approved, the business will be operated as a LLC. During the recent legislative session, a bill was passed (HB 986/ SB 1224) which clarified that a manufacturer licensed by the TABC would be able to brew high alcoholic content beer (beer containing greater than 5% alcoholic content by weight). This bill further allows such manufacturer to sell the product at retail and be licensed as a restaurant. The applicant will be manufacturing both regular beer and high alcoholic content beer. The applicant is leasing the property from the Industrial Development Board of the City of Memphis and the County of Shelby, Tennessee. The LLC is investing \$35,000,000 to operate the business. All documentation has been submitted with the exception of the following:

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

4. BUDGET
5. CONSENT ORDERS
6. PENDING MATTERS LIST
7. MISCELLANEOUS
 - A. Monthly Summary of TABC Activity
 - B. Discussion on HB 986/SB 1224
 - C. Discussion on recent AG Opinion regarding ownership of wholesale business
8. DATE OF NEXT MEETING