



MINUTES FOR THE AUGUST 22, 2017 COMMISSION MEETING

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

MINUTES

TUESDAY, AUGUST 22, 2017

1:30 p.m.

The meeting was held on August 22, 2017, in Nashville, Tennessee. Commissioner Kaegi, Commissioner Jones, and Commissioner Skiles were present. Commissioner Kaegi sat as the acting Chairman of the meeting. Director Byrd, Assistant Director Blair, Commission Counsel Stepp, Commission Counsel Hollingshead-Cook, CLEO Tubbs, and Mark Reineke were present on behalf of staff.

1. REVIEW/APPROVAL OF THE JULY 25, 2017 COMMISSION MEETING MINUTES

Discussion/Action Taken: Commissioner Jones motioned for approval of the minutes as presented and Commissioner Skiles seconded the motion; it passed with three ayes.

2. RETAIL MATTERS

A. OLD BUSINESS

B. NEW BUSINESS

**1. WAREHOUSE LIQUORS
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: Warehouse Liquors Inc.
Shareholder(s): Lloyd Davis Jr., 100%

Current: Lloyd Davis Jr. (sole proprietor) d/b/a Warehouse Liquors
(license no. 0969)

Proposed: Warehouse Liquors Inc. (Lloyd Davis Jr., 100%)

The package store doing business at 7587 Northshore Drive, Knoxville, Tennessee 37919, is currently licensed a sole proprietorship, but is now before the Commission to request approval for licensing a corporation. Mr. Davis, the current sole proprietor owner, is the 100% shareholder in the corporate applicant, Warehouse Liquors Inc. The TABC staff recommends conditional approval of this request, subject to receipt of the license fee.



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Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended approval. Commissioner Skiles motioned to accept staff's recommendation and Commissioner Jones seconded the motion. The motion passed with three ayes.

**2. MCMINNVILLE LIQUOR STORE
MCMINNVILLE, TENNESSEE (WARREN COUNTY)**

Applicant: McMinnville Liquor Store, LLC
Member(s): Parul Patel, 100%

Before the Commission is a request for licensing of a new package store to be located at 719 N. Chancery St., Ste. 1, McMinnville, Tennessee 37110. Applicant will lease the premises from landlord, P.M. LLC. The TABC staff recommends conditional approval of the request, subject to receipt of the following items:

- a. TABC agent report
- b. TABC inspection
- c. acknowledgment of TABC rules & regulations
- d. certificate of occupancy
- e. license fee

Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of the conditional items. Commissioner Jones motioned to approve as presented and Commissioner Skiles seconded the motion. The motion for conditional approval passed with three ayes.

**3. J AND L LIQUORS
WHITE HOUSE, TENNESSEE (ROBERTSON COUNTY)**

Applicant: J and L Liquors One Inc.
Member(s): Aruna Meraiya, 100%

Current: J and L Liquors, LLC (J. Ragland, 100%) d/b/a J & L Liquors
(license no. 4068)

Proposed: J and Liquors One Inc. d/b/a J and L Liquors

Before the Commission is a request for approval of a complete transfer of ownership of the retail package store located at 322 Hester Drive, White House,



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Tennessee 37188. Applicant is purchasing the business from the current owner¹ and will lease the premises from Double Star Inc. Double Star Inc. is in the process of acquiring the real property where the store is located. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. deed after closing
- b. TABC agent report
- c. TABC inspection
- d. acknowledgment of TABC rules & regulations
- e. license fee

Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended conditional approval. Commissioner Skiles motioned to accept staff's recommendation and Commissioner Jones seconded the motion. The motion passed with three ayes.

4. THE LIBRARY FINE WINE AND SPIRITS (LICENSE NO. 4142) NASHVILLE, TENNESSEE (DAVIDSON COUNTY)

Applicant: Frugal's Express Wine and Liquors, LLC

Current member(s): Andrea Maddox, 100%

Proposed member(s): Andrea Maddox, 50%

Sherry Myers, 50%

The retail package store licensee doing business at 202 6th Avenue North, Nashville, Tennessee 37243 is requesting approval for a change in LLC members and membership interest. Sherry Myers will acquire 50% of the interest currently held by Andrea Maddox. The TABC staff recommends approval of this request.

Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended approval of the request. Commissioner Jones motioned to approve and Commissioner Skiles seconded the motion; it passed with three ayes

5. CORK AND KEG MORRISTOWN, TENNESSEE (HAMBLLEN COUNTY)

¹ In accordance with Tennessee law, sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.



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Applicant: Cork & Keg LLC
Member(s): Ashish R. Patel, 100%

Current licensee: Morristown Beverage Assoc. Inc. d/b/a Cork & Keg
Package Store² (license no. 2095)
Proposed licensee: Cork and Keg LLC d/b/a Cork and Keg

Before the Commission is a request for approval of a complete transfer of ownership of the retail package store located at 2304 Morningside Drive, Morristown, Tennessee 37814. Applicant is purchasing the business from the current owner³ and is also purchasing the real property. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. deed after closing
- b. lease
- c. TABC inspection
- d. acknowledgment of TABC rules & regulations
- e. TABC agent report
- f. license fee

Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of the conditional items. Commissioner Jones motioned for approval subject to receipt of the items as stated, and Commissioner Skiles seconded the motion. The motion passed with three ayes.

**6. RIVERMONT WINE & SPIRITS
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

Applicant: Ankurkumar Patel & Dharmeshku Patel⁴

Current: Rivermont Wine & Spirits, LLC (R. Brown and A. Lynch) d/b/a
Rivermont Wine & Spirits (license no. 3370)

² On April 25, 2017, the Commission conditionally approved the purchase of the business to allow Bartley Scott Thornton to become the licensee at this location; however, the conditions were not satisfied and the license was never issued. The conditional approval granted to Mr. Thornton expired in late July. Mr. Thornton did not submit a request for an extension.

³ In accordance with Tennessee law, sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

⁴ Ankurkumar Patel and Dharmeshku Patel are the owners of North Gate Liquor (retail package store license no. 4047) located at 5421 Hwy. 153, Chattanooga, Tennessee 37343.



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Proposed: Ankurkumar Patel & Dharmeshku Patel d/b/a Rivermont Wine & Spirits

Before the Commission is a request for approval of a complete transfer of ownership of the retail package store located at 3600 Hixson Pike, Chattanooga, Tennessee 37415. Applicant is purchasing the business from the current owner⁵ and the landlord, JS Rivermont LLC, has consented to the assignment of the current owner's lease to the applicant. The TABC staff recommends conditional approval of the request, subject to receipt of the following items:

- a. TABC inspection
- b. TABC agent report
- c. acknowledgment of TABC rules & regulations
- d. license fee

Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of conditional items. Commissioner Skiles motioned to accept staff's recommendation and Commissioner Jones seconded the motion. The motion passed with three ayes.

**7. MADISON SOUTH LIQUOR & WINE
JACKSON, TENNESSEE (MADISON COUNTY)**

Applicant: Loya Inc.
Shareholder(s): Sureshbhai K. Patel, 100%

Current: South Highland Package Store, Inc. d/b/a Madison South Liquor and Wine (license no. 3317)

Proposed: Loya, Inc. d/b/a Madison South Liquor & Wine

Before the Commission is a request for approval of a complete transfer of ownership of the retail package store located at 1725 S. Highland Avenue, Ste. G, Jackson, Tennessee 38301. The applicant is purchasing the business from the existing owner⁶ and the existing owner will assign its lease to the applicant. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

⁵ In accordance with Tennessee law, sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

⁶ In accordance with Tennessee law, sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.



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- a. TABC inspection
- b. acknowledgment of TABC rules & regulations
- c. license fee

Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of conditional items. Commissioner Skiles motioned to accept staff's recommendation and Commissioner Jones seconded the motion. The motion passed with three ayes.

8. TREE CITY WINE & SPIRITS MCMINNVILLE, TENNESSEE (WARREN COUNTY)

Applicant: Tree City Wine & Spirits, Inc.
Shareholder(s): Keval Mahesh Sheth, 100%

Before the Commission is a request for licensing of a new retail package store to be located at 909 Sparta Street, McMinnville, Tennessee. Keval Sheth and Sheena Sheth own the real property where the store will be located and will lease the premises to the applicant. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC agent report
- b. TABC inspection
- c. acknowledgment of TABC rules & regulations
- d. certificate of occupancy
- e. license fee

Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of conditional items. Commissioner Jones motioned for approval subject to receipt of the items as stated and Commissioner Skiles seconded the motion. The motion passed with three ayes.

3. WINERY MATTERS - none

4. FARM WINERY MATTERS - none

5. WHOLESALE MATTERS



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B. NEW BUSINESS

**1. CENTRAL DISTRIBUTORS INC. (LICENSE NO. 46)
JACKSON, TENNESSEE (MADISON COUNTY)**

Applicant: Central Distributors Inc.

Current location: 361 Hwy 45 Bypass, Jackson, Tennessee 38301

Proposed location: 1876 Lager Lane, Jackson, Tennessee 38301

Wholesale licensee no. 46 is requesting approval to transfer its location from 361 Hwy 45 Bypass, Jackson, Tennessee 38301 to 1876 Lager Lane, Jackson, Tennessee 38310. The TABC staff recommends approval of this request.

Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended approval. Commissioner Jones motioned to approve and Commissioner Skiles seconded the motion. The motion passed with three ayes.

**2. PREMIER CRUSH LLC
PLEASANT VIEW, TENNESSEE (ROBERTSON COUNTY)**

Applicant: Premier Crush, LLC

Member(s): Tracie A. Hogan, 50%

David L. Hogan, 50%

Before the Commission is a request for licensing of a new wholesaler to be located at 7284 Highway 41-A, Pleasant View, Tennessee 37146. Applicant will lease the premises from landlord, Robert Richardson. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC agent report
- ~~b. TABC inspection~~
- ~~c. acknowledgment of TABC rules & regulations~~
- d. license fee

Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of



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conditional items. Director Byrd noted that conditional items (b) and (c) had been received. Commissioner Skiles motioned to accept staff's recommendation and Commissioner Jones seconded the motion. The motion passed with three ayes.

**3. TRIPLE "C" DISTRIBUTING COMPANY
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: Triple "C" Distributing Company Inc.

Shareholder(s):

	Before (%)	After (%)
Kimberly V. Lightholder	50	16.667
Kenneth W. Christenberry Jr.	12	12
Irrevocable Trust of Kenneth W. Christenberry Jr. f/b/o Meredith Christenberry Kuester dated December 9, 2010	28	28
Irrevocable Trust of Kenneth W. Christenberry Jr. f/b/o Paige Christenberry Moncier dated November 29, 2016	10	10
Elizabeth H. Craig	----	16.667
Joseph Bruce Irrevocable Trust dated April 2, 2012	----	16.667

The wholesale licensee (no. 38) doing business at 6600 Deane Hill Dr., Knoxville, Tennessee 37919 is requesting approval for a change in shareholders and shareholder interest. If approved, Kimberly Lightholder will transfer a portion of her shares to Elizabeth Craig and the Joseph Bruce Irrevocable Trust dated April 2, 2012. The TABC staff recommends approval of this request.

Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended approval. Commissioner Jones motioned to approve and r and Commissioner Skiles seconded the motion. The motion passed with three ayes.

6. DISTILLERY/BREWERY

A. OLD BUSINESS – none

B. NEW BUSINESS



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**1. GEORGE A. DICKEL & COMPANY (LICENSE NO. 7)
TULLAHOMA, TENNESSEE (COFFEE COUNTY)**

Applicant: Diageo Americas Supply, Inc.
Member(s): Diageo North America, Inc., 100%

Location: 1950 Cascade Hollow Road, Tullahoma, Tennessee 37388

Licensee no. 7 is requesting Commission approval to expand its premises pursuant to Public Chapter No. 0295 authorizing a distillery to sell alcoholic beverages for consumption on the premises of the distillery, including any property owned or leased by the distillery that is contiguous to the distillery location.⁷ The distillery has identified a portion of its property to be used for tastings including fields, decks, and other surrounding areas and is seeking Commission approval to include such property as part of its licensed premises for the purpose of on premise consumption sales. The TABC staff recommends approval of this request.

Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended approval. Commissioner Skiles motioned to approve staff's recommendation and Commissioner Jones seconded the motion. The motion passed with three ayes.

**2. ELKMONT EXCHANGE BREWERY & EATING HOUSE
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: Elkmont Exchange, LLC
Member(s): Rob Petrone, 26.51%; Segal Drummond, 19.89%; Alex Violatte, 14.91%; Shane Templeton, 8.29%; Joe Fox, 5.71%; Brett

⁷ Public Chapter no. 295: SECTION 1. Tennessee Code Annotated, Section 57-3-202(i), is amended by adding the following language as a new subdivision (4):

(4)

(A) A distiller's license issued or renewed under this section authorizes a distillery to sell to any person of legal drinking age alcoholic beverages for consumption on the premises of the distillery, other than the bonded premises, where such consumption is also permitted by federal law. Distilled spirits sold under this subdivision (i)(4) must be manufactured on the premises of the distillery.

(B) As used in subdivision (i)(4)(A), "premises," for purposes of consumption on the premises:

(i) Means any and all of the real property owned or leased by a distillery upon which the distillery is operated, including any real property owned by the distillery contiguous thereto; and

(ii) Does not mean the bonded premises of a distillery.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it. <<http://publications.tnsosfiles.com/acts/110/pub/pc0295.pdf>>



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Honeycutt, 4.64%; Chris Farmand, 4.64%; George West, 3.31%; Bethany Lovato, 2.4%; Ryan Davenport, 2.4%; Tyler Fogarty, 2.32%; Mike Mangione, 1.66%; Blake Dockery, 1.66%; Jonathan Kerr, 1.66%

Before the Commission is a request for licensing of a new manufacturer of high gravity beer to be located at 741 and 751 N. Broadway, Knoxville, Tennessee 37917.⁸ Applicant is leasing the premises from landlord, SMJT LLC. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. certificate of occupancy
- b. TABC inspection
- c. acknowledgment of TABC rules & regulations
- d. license fee

Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of conditional items. Commissioner Jones motioned for approval subject to receipt of those items as stated. Commissioner Skiles seconded the motion and the motion passed with three ayes.

**3. SECRET CITY SPIRITS
OAK RIDGE, TENNESSEE (ANDERSON COUNTY)**

Applicant: Secret City Spirits Inc.

Shareholder(s): John T. Price, 29.4%; Eric B. Edwards, 29.4%; Nathan T. Edmonds, 29.4%; Michael A. Schrage, 11.8%

Before the Commission is a request for licensing of a new manufacturer to be located at 1990 B Oak Ridge Turnpike, Oak Ridge, Tennessee 37830. Applicant will lease the premises from landlord, West Side Plaza. The distillery does not intend to sell product at retail on the premises. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC inspection
- b. acknowledgment of TABC rules & regulations
- c. license fee

⁸ The applicant submitted a separate application for a liquor by the drink license at this location.



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Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of conditional items. Commissioner Skiles motioned to accept staff's recommendation and Commissioner Jones seconded the motion. The motion passed with three ayes.

**4. ELK RIVER DISTILLERY LLC
FRANKEWING, TENNESSEE (LINCOLN COUNTY)**

Applicant: Elk River Distillery, LLC
Member(s): Robert Lott, 100%

Before the Commission is a request for licensing of a new manufacturer licensee to be located at 192 McBurg Delrose Rd., Frankewing, Tennessee 38459. Robert Lott owns the real property where the distillery will be located and will lease the premises to the LLC. The distillery does not intend to make retail sales at the facility. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. certificate of occupancy
- b. TABC inspection
- c. acknowledgment of TABC rules & regulations
- d. agent report
- e. license fee

Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of conditional items. Commissioner Skiles motioned to accept staff's recommendation and Commissioner Jones seconded the motion. The motion passed with three ayes.

**5. TENN SOUTH DISTILLERY
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Tenn Nine Eight Distilleries LLC⁹
Member(s): Scott Borchetta, 97%
Platinum Edition LLC, 3%

Before the Commission is a request for licensing of a manufacturer to be located at 122 3rd Avenue South, Nashville, Tennessee 37203. The applicant will lease the

⁹ Tenn Nine Eight Distilleries LLC is the sole member of Tenn South Distillery LLC, TABC licensee no. 12 located at 1800 Abernathy Rd., Lynnville, Tennessee 38472.



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premises from landlord, Third Ave South 120/122, LLC. The TABC staff recommends conditional approval, subject to receipt of the following items:

- a. TABC agent report
- ~~b. certificate of occupancy~~
- c. TABC inspection
- d. acknowledgment of TABC rules & regulations
- e. license fee

Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of conditional items. Director Byrd noted that conditional item (b) had been received. Ginna Winfree was present on behalf of the applicant. Commissioner Skiles motioned to accept staff's recommendation and Commissioner Jones seconded the motion. The motion passed with three ayes.

6. QUEST BRANDS CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)

Applicant: Keeper's Quest Inc.¹⁰
Shareholder(s): Lynn B. Kohl, 100%

Before the Commission is a request for licensing of a new manufacturer to be located at 4295 Cromwell Rd., Ste. 421, Chattanooga, Tennessee 37421. Applicant is leasing the premises from landlord, Josephine Baker Holdings LLC. Retail sales will not be conducted at the location. The TABC staff recommends conditional approval of this request, subject to receipt of the following item(s):

- a. certificate of occupancy
- b. TABC inspection
- c. acknowledgment of TABC rules & regulations
- d. TABC agent report
- e. license fee

Discussion/Action Taken: Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to receipt of conditional items. Commissioner Skiles motioned to accept staff's recommendation and Commissioner Jones seconded the motion. The motion passed with three ayes.

¹⁰ Keeper's Quest Inc. d/b/a Quest Brands holds a TABC non-resident sellers permit (no. N-3541) at 3501 Bent Wood Ct., Antioch, Tennessee 37013.



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7. PRIVATE CLUBS - none

8. RETAIL FOOD STORES

A. UPDATE

- **Five new licenses have been issued since the previous agenda was posted:**

INGLES 87	4629 HWY 411	MADISONVILLE	37354
SPROUTS 582	7260 HWY 70 S	NASHVILLE	37221
TIETGENS MCMINNVILLE SUPER RAMA	313 W MORFORD ST	MCMINNVILLE	37110
SCOTCHMAN 3402	2901 WEST STATE ST.	BRISTOL	37620
SCOTCHMAN 3403	1290 VOLUNTEER PKWY	BRISTOL	37620

- **Please send an email to Coty.Shadowens@tn.gov for a cumulative list of retail food store licenses**

B. DELEGATION OF AUTHORITY TO EXECUTIVE DIRECTOR

Discussion/Action Taken: Director Byrd introduced the matter. Audience members, Matt Scanlan and Alan Steen, commented that they were in support of the delegation. Commissioner Jones motioned to adopt the order of delegation as presented by Director Byrd and Commissioner Skiles seconded the motion. The motion passed with three ayes. See signed order below.



**ORDER OF DELEGATION OF AUTHORITY TO EXECUTIVE DIRECTOR
PURSUANT TO T.C.A. § 57-3-803**

The Tennessee Alcoholic Beverage Commission hereby delegates to the Executive Director of the Tennessee Alcoholic Beverage Commission all licensing authority related to retail food stores. This authority includes, but is not limited to, the initial issuance of licenses, renewal of licenses, and transfers of ownership in licensed entities.

In addition, the Executive Director of the Tennessee Alcoholic Beverage Commission shall also be given the authority to determine if cause exists to contest the issuance of the license pursuant to T.C.A. § 57-3-803 and to take all necessary measures accordingly pursuant to law.

It is so ORDERED.

[Signature]
COMMISSIONER

[Signature]
COMMISSIONER

[Signature]
COMMISSIONER

9. INITIAL ORDERS TO BE REVIEWED BY THE COMMISSION – none

10. SERVER APPEALS – none

11. MISCELLANEOUS



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A. UPDATE - RULE FILINGS AMENDING RULE 0100-11-.02 AND RULE 0100-11-.03 APPROVED BY ATTORNEY GENERAL'S OFFICE AND SUBMITTED TO SECRETARY OF STATE'S OFFICE

Discussion/Action Taken: Director Byrd commented that staff will place a link on its website and distribute an email notification to the email list once the filing is posted on the Secretary of State website with an official filing date.

B. RULES

BEFORE THE COMMISSION ARE PROPOSED RULE AMENDMENTS RELATIVE TO RETAIL PACKAGE STORES AND MANUFACTURERS TO BE CONSIDERED FOR ADOPTION AND APPROVAL TO MOVE FORWARD WITH PROMULGATION.

Red-line versions of the proposed amendments can be viewed at the link below:

http://www.tn.gov/assets/entities/abc/attachments/AnticipatedRuleAmend-RPS_Manufacturers-082017.pdf

Discussion/Action Taken:

Director Byrd introduced the matter to the Commission and recommended approval of the rule proposals. Several audience members addressed the Commission, including, Hank Hildebrand of the Wine and Spirits Wholesalers of Tennessee; RS Lipman, Mandy Young of the Distilled Spirits Council, Tony Thompson on behalf of The Wine Institute, Tom Hensley on behalf of the Wine and Spirits Wholesales of Tennessee, Ginna Winfree on behalf of the Tennessee Distiller's Guild, Robert Lipman, Matt Scanlan (on behalf of several clients), Jeff Pennington, and Dale Szyndrowski of the Distilled Spirits Council.

Those audience members who addressed the Commission thanked the staff for the transparency during the process and for the effort updating the rules. Mr. Hildebrand, Mr. Hensley, and Mr. Lipman expressed concerns with provisions of the proposed rules. It was stated that such provisions related to the distribution of advertising materials would allow for the "deterioration of the three tier system" and that there was not a problem with the system as is. Mr. Thompson requested that the matter be delayed to allow for staff to consider written comments submitted to staff before the meeting. Mr. Thompson expressed concerns with several provisions and noted that certain provisions may conflict with federal laws. Mr. Hildebrand also commented that the provision that prohibits a non-manufacturer, nonresident seller permit from having an interest in a wholesaler is inconsistent with state law and that the provision should be taken out.

Mandy Young, Ginna Winfree, Matt Scanlan, Jeff Pennington expressed support for the passage of the rule proposals. It was commented that the point of sale provisions would not be a diminution of the three tier system because 31 of 32 other states allow it. Ms. Young



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provided stats from other states and noted that DISCUS had asked for additional provisions that did not make it in the proposals. Mr. Pennington noted that the rule proposals provide clarity. Ms. Winfree noted that the distilleries believe they can distribute materials with greater attention than is currently being done by the wholesalers.

In response to a question from the Commission, Director Byrd stated that staff had not heard complaints about marketing materials. Director Byrd also commented that staff had reached out to NCSLA about the stats presented by Ms. Young but that staff did not yet have clarity on those points and that staff could get more information on those numbers. In response to a question from the Commission, Director Byrd commented on the purpose of the three tier system. Mr. Hildebrand and Mr. Scanlan also spoke on this topic.

The Commission members commented on the discussion. The Commission recommended that the staff take thirty days to answer the open-ended questions and seek consensus. There were no votes or motions made associated with the rule proposals.

C. OTHER

12. BUDGET - none

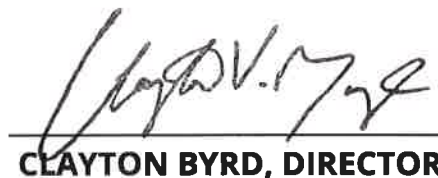
13. NEXT MEETING – Tuesday, September 26, 2017 at 1:30 p.m.

14. UPCOMING MEETINGS

- September 26, 2017 (confirmed)
- October TBD Tuesday, October 24th, 2017 (set at August meeting)
- November TBD- Tuesday, November 28th, 2017 (set at August meeting)

APPROVED FOR ENTRY UPON THE MINUTE BOOKS OF THE TENNESSEE ALCOHOLIC BEVERAGE COMMISSION THIS THE 26th DAY OF SEPTEMBER, 2017


COMMISSIONER


CLAYTON BYRD, DIRECTOR