

**TENNESSEE ALCOHOLIC BEVERAGE COMMISSION**

**Minutes  
March 24, 2015  
1:30 pm**

**1. APPROVAL OF THE FEBRUARY 24, 2015 COMMISSION MEETING MINUTES**

**Discussion/Action Taken:** Commissioner Jones motioned for approval and Commissioner Kaegi seconded the motion. The motion passed with 3 ayes.

**2. RETAIL**

**A. NEW BUSINESS**

**1. DICKERSON PIKE DISCOUNT LIQUOR STORE  
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Dickerson Liquor Store, Inc.

Shareholder(s):	<u>Current</u>	<u>%</u>	<u>Proposed</u>	<u>%</u>
	Jimmy Patel	60	Jimmy Patel	100
	Bhavna Patel	40		

Before the Commission is a belated request for a transfer of ownership in the retail business located at 3006 Dickerson Pike, Suite B, Nashville, Tennessee. On January 31, 2015, Bhavna Patel sold his share of the business to Jimmy Patel for \$1,000, leaving Jimmy Patel with 100% of the business. A \$500 citation is to be issued and civil penalty paid by the applicant for the self-reported transfer that occurred without Commission approval. The TABC staff recommends approval of this request pending receipt of the civil penalty.

**Discussion/Action Taken:** Commissioner Kaegi motioned for conditional approval, subject to receipt of the civil penalty, and Commissioner Jones seconded the motion. The motion passed with three ayes. **Update: Citation paid 3/25/15; database updated 4/21/15**

**2. COLONEL STEVE'S WINE & LIQUOR  
JOHNSON CITY, TENNESSEE (WASHINGTON COUNTY)**

Applicant: Steve Taylor, Sole Proprietor

Current Location: 701 W. Market Street, Johnson City, Tennessee

Proposed Location: 800 W. Market Street, Johnson City, Tennessee

Current D/b/a: Colonel Steve's Wine & Liquor Warehouse

Proposed D/b/a: Colonel Steve's Wine & Liquor

Before the Commission are two requests: the first is for a transfer of location and the second request is for a d/b/a change as specified above. Mr. Taylor owns the real property where the new location is located and will lease the premises to the business on a month to month basis for \$2,000 per month. The TABC staff recommends approval of both requests.

**Discussion/Action Taken:** Commissioner Jones motioned for approval of the first request and Commissioner Kaegi seconded the motion; the motion passed with 3 ayes. Commissioner Jones motioned for approval of the second request and Commissioner Kaegi seconded the motion; the motion passed with 3 ayes.

**3. SHAMROCK SPIRITS  
ERIN, TENNESSEE (HOUSTON COUNTY)**

Applicant: Shamrock Spirit, LLC

Member(s): William Ray Paxton, President 50 %  
Elizabeth Dawn Luffman, VP/Treasurer 25 %  
Justin Daniel Luffman, VP/Secretary 25 %

Before the Commission is a request for licensing of a retailer to be located at 5927 East Main Street, Erin, Tennessee 37061. William Paxton will provide financing for the business using personal savings and a bank loan in amount of \$77,500.00, as verified by TABC staff. Traditions First Bank is leasing the premises to the applicant for an initial term of one year and the lessee will pay \$1,000.00 per month in rent. 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

**Discussion/Action Taken:** Commissioner Jones motioned for conditional approval, subject to receipt of missing items, and Commissioner Kaegi seconded the motion; the motion passed with 3 ayes. **Update: License #3990 issued 3/30/15**

**4. CAMPBELL STATION WINE & SPIRITS  
FARRAGUT, TENNESSE (KNOX COUNTY)**

Applicant: DSJJ, LLC

Members: David S. Stevens, President 100% **Correction 90%**  
Jared W. Jordan 90% **10%**

Applicant, LLC is requesting approval to expand the premises of the retail store located at 707 N. Campbell Station Rd., Farragut, Tennessee; 37934.<sup>1</sup> Mr. Stevens owns the real property where the business is located and the applicant will lease the premises for approximately \$9,000 in rent per month.<sup>2</sup> The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection (after build-out)
- b. Certificate of Occupancy (after build-out)

<sup>1</sup> The expansion includes an increase in the square footage by 1750 sq. feet.

<sup>2</sup> The three-year lease term will commence on May 1, 2015.

**Discussion/Action Taken:** Commissioner Jones motioned for conditional approval, subject to receipt of missing items, and Commissioner Kaegi seconded the motion. The motion passed with three ayes.

**5. EASTGATE PACKAGE STORE  
JACKSON, TENNESSEE (MADISON COUNTY)**

Applicant: Whitehall Jackson Inc.  
 Shareholder(s): Narendrakumar Patel<sup>3</sup> 100 %  
 Current: Eastgate of Jackson, LLC, d/b/a Eastgate Package Store (Jerry Key, 50% and Michael V. Smith, 50%)  
 Proposed: Whitehall Jackson, Inc. (d/b/a Eastgate Package Store)

Before the Commission is a request for a transfer of ownership in the retail business located at 825 Whitehall Street, Jackson, Tennessee. The applicant is purchasing the assets and real property from current owner, Eastgate of Jackson, LLC, for a purchase price of \$625,000 (including inventory).<sup>4</sup> Mr. Patel is investing \$250,000 of personal funds into the business, and the applicant has secured a bank loan in the amount of \$375,000, as verified by TABC staff. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection
- b. TABC Acknowledgement of TABC Rules & Regulations
- c. Certificate of Occupancy
- d. License Fee
- e. ~~Copy of deed/lease~~ – received

**Discussion/Action Taken:** Commissioner Kaegi motioned for conditional approval, subject to receipt of missing items and Commissioner Jones seconded the motion; the motion was approved with three ayes. **Update: license #3989 issued 4/2/15**

**3. WINERIES**

**A. NEW BUSINESS**

**1. DAVIN WINERY  
SMYRNA, TENNESSEE (RUTHERFORD COUNTY)**

Applicant: Davin Winery, LLC  
 Members: Larry Dennis Davis, CEO/Owner 50 %  
 Heidi Kilimanjaro-Davis, COO/Owner 50 %

Before the Commission is a request for licensing of a winery to be located at 3545 Almaville Rd., Smyrna, Tennessee 37167. Financing for the winery will be through FSA and USDA loans totaling \$800,000, as verified by TABC staff. Mr. and Mrs. Davis own the real property

<sup>3</sup> Mr. Patel also owns 45 Package Store (License #3957) in Trenton, TN and Lynnwood Package Store (License #3919) in Jackson, Tennessee.

<sup>4</sup> In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

where the winery will be located and are leasing the premises to the business for a one year term and rent will be a single payment of \$24,000. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Agent Inspection
- b. Acknowledgement of TABC Rules & Regulations
- c. License Fee

**Update/Action Taken:** Commissioner Jones motioned for conditional approval, subject to receipt of missing items, and Commissioner Kaegi seconded the motion, and the motion was approved with three ayes.

**2. CITY WINERY NASHVILLE  
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: City Winery Nashville, LLC

Members: City Winery, LLC <sup>5</sup>	100 % voting; 85 % financial
Michael Dorf, President/Secretary	0 %
Other Investors (less than 5% each)	0 % voting; 15 % financial

Before the Commission is a request for licensing of a winery to be located at 609 Lafayette Street, Nashville, Tennessee 37203. As verified by TABC staff, financing for the winery will be from an escrow account, already established.<sup>6</sup> The applicant owns the real property where the winery will be located and the TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Agent Inspection
- b. Acknowledgement of TABC Rules & Regulations
- c. License Fee – received 3/17/15

**Update/Action Taken:** Commissioner Kaegi motioned for conditional approval, subject to receipt of missing items, Commissioner Jones seconded the motion; the motion passed with three ayes. **Update: License #W-100 issued 3/23/15; effective 4/14/15**

**4. FARM WINERIES – NONE**

**5. WHOLESALERS – NONE**

**6. DISTILLERY**

**A. NEW BUSINESS**

**1. HOOK & LADDER DISTILLERY, LLC  
KINGSPORT, TENNESSEE (SULLIVAN COUNTY)**

Applicant:	Hook & Ladder Distillery, LLC	
Member(s):	Kenneth A. Draper	50%

<sup>5</sup> City Winery, LLC members: Michael Dorf, 36.74 %; Steve Case, 11.74 %; James Flynn, 10.20 %; Joe Mansueto 7.65 %; other investors (each own less than 5% each), 33.67 %.

<sup>6</sup> City Winery Nashville, LLC (d/b/a City Winery Nashville) has an LBD license (license #105334) for the same address.

Kenneth A. Draper Jr. 50%

Before the Commission is a request for licensing of a distillery to be located at 316 Broad Street, Suite 100, Kingsport, Tennessee 37660. Kenneth Draper is investing \$40,000 into the business via a home equity line of credit and Kenneth Draper Jr., is investing \$1,000 into the business. The Applicant will lease the premises from Appalachian Properties, LLC/Urban Synergy for an initial term of 3 years, and will pay approximately \$700.00 per month in rent.<sup>7</sup> The TABC staff recommends conditional approval of this request, subject to receipt of the following:

- a. ~~License Fee received 3/20/15~~

**Update/Discussion Taken:** Commissioner Jones motioned for approval and Commissioner Kaegi seconded the motion; the motion was approved with 3 ayes. **Update: License #121 issued 3/30/15**

**2. COCKE COUNTY MOONSHINE DISTILLERY  
NEWPORT, TENNESSEE (COCKE COUNTY)**

Applicant: Arvis M. Keys, Sole Proprietor

Before the Commission is a request for licensing of a distillery to be located at 337 Old Knoxville Hwy., Newport, Tennessee 37821. Mr. Keys and his wife, Yvonne Keys, own the real property where the distillery will be located, and he is investing \$500,000 of personal funds into the business.<sup>8</sup> The TABC recommends conditional approval of this request, subject to receipt of the following items:

- a. Acknowledgment of TABC Rules & Regulations
- b. Certificate of Occupancy (Permanent)
- c. TABC Agent Report

**Update/Discussion Taken:** Commissioner Jones motioned for conditional approval, subject to receipt of missing items, and Commissioner Kaegi seconded the motion; the motion passed with three ayes.

**3. DOC COLLIER MOONSHINE  
GATLINBURG, TENNESSEE (SEVIER COUNTY)**

Applicant: Great Smoky Mtn. Distillery, Inc.

Shareholders:	Current %	Proposed %
Phillip Don Collier	16.67	0
Kay Collier-Pittman	16.67	0
Ashley Rawles Collier	66.66	100

Before the Commission is a request for a transfer of 33.34 % of stock to current majority owner Ashely Rawles Collier, leaving her with 100% ownership of the business.<sup>9</sup> The TABC staff recommends approval of this request. Update: database updated 3/30/15

<sup>7</sup> Monthly rent will increase to \$1,000 on May 1, 2015; rent will increase to \$1,500 on May 1, 2016.

<sup>8</sup> Yvonne Keys (wife) has provided a letter stating she will not have any interest in the business.

<sup>9</sup> The transfer of shares was for the consideration of "any and all debt relief and right to use the name Doc Collier on a future project."

**Discussion/ Action Taken:** Commissioner Jones motioned for approval and Commissioner Kaegi seconded the motion; the motion passed with three ayes.

**4. CORSAIR ARTISAN LLC  
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Corsair Artisan LLC

Members:	Darek Bell, Chairman	55.5 %
	Andrew Webber, CEO	35.5 %
	Amy Bell	9.0 %

Address: 601 Merritt Avenue, Nashville, Tennessee

Applicant, LLC is requesting an additional thirty (30) day extension before becoming operational. On November 18, 2014 the Commission conditionally approved the applicant for licensing, and on February 6, 2015 the applicant requested a 30 day extension.<sup>10</sup> On March 9, 2015 the applicant requested a second 30 day extension, which must come before the full Commission for consideration. The TABC staff recommends approval of the request, it being the last 30 day extension available to the applicant.

**Discussion/Action Taken:** Commissioner Kaegi motioned for approval and Commissioner Jones seconded the motion. The motion passed with three ayes. **Update: License 120 issued 3/19/15**

**B. OLD BUSINESS- none**

7. PRIVATE CLUBS - NONE

8. ALJ INITIAL ORDER TO BE REVIEWED BY COMMISSION- NONE

9. MISC –

**A. LETTER FROM CITY OF MEMPHIS REVOKING CERTIFICATE OF COMPLIANCE RE: GAGLIANO’S LIQUOR, INC., D/B/A THE BOTTLE SHOPPE (Permit #3959)**

Address: 3933 Park Avenue, Memphis, Tennessee 38111

Gagliano’s Liquor, Inc., d/b/a The Bottle Shoppe was conditionally approved for licensing by the Commission on August 26, 2014, and on October 20, 2014, license #3959 was issued. On February 11, 2015, Mayor Wharton issued a letter revoking his approval of the City of Memphis’ Certificate of Compliance (dated July 31, 2014) for this location based on allegations of the site being too close to two churches and a residential community. The Commission is tasked with determining what recommendation to make to TABC staff regarding the action of the City of Memphis, including, but not limited to, having the issue set for TABC revocation before a state administrative law judge.

**Discussion/Action Taken:** Commissioner Jones made a motion for the TABC staff not to file a Petition for Revocation and to uphold the TABC's 2014 issuance of the off-premises license for Gagliano’s Liquor, Inc. The TABC had properly relied upon the City of

<sup>10</sup> The initial 90 day period ended February 16, 2015.

Memphis' 2014 issued Certificate of Compliance in issuing said TABC off-premises license. Commissioner Kaegi agreed, adding "as far as we're concerned the license is good for two years," and thus confirming the interpretation of the Commission's legal staff that a municipality is limited by statute to either granting, denying or taking no action upon an application for a Certificate of Compliance and a municipality lacks the statutory authority to rescind a Certificate of Compliance and additionally the TABC lacks the statutory authority to revoke a license except for cause as set out in the Tennessee Code. Commissioner Kaegi seconded the motion and the motion passed with three ayes.

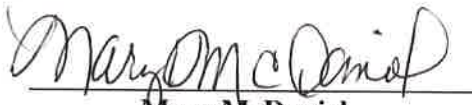
10. **DATE OF NEXT MEETING – April 28, 2015**

11. **UPCOMING MEETINGS – April 28, 2015**

**May 19, 2015 – set at the March meeting**

**June 23, 2015 – set at the March meeting**

**APPROVED FOR ENTRY UPON THE MINUTE BOOKS OF THE TENNESSEE ALCOHOLIC BEVERAGE COMMISSION THIS THE 28<sup>th</sup> DAY OF APRIL, 2015.**



**Mary McDaniel**

**Chairperson**



**Keith Bell**

**Executive Director**

