

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

MINUTES
May 19, 2015
1:30 pm

Chairperson Mary McDaniel, Commissioner John A. Jones, and Commissioner Bryan Kaegi were present. The Executive Director, Keith Bell, and Assistant Director, Ginna Winfree, were in attendance. Also in attendance were Staff Attorney, Joshua Stepp, and CLEO, Mark Hutchens.

1. **APPROVAL OF THE APRIL 28, 2015 COMMISSION MEETING MINUTES – DISCUSSION/ACTION TAKEN:** Commissioner Kaegi motioned for approval and Commissioner Jones seconded the motion; motion approved with 3 ayes

Commissioner Jones motioned to accept the addendum as part of the agenda; Commissioner Kaegi seconded the motion and it was approved with 3 ayes.

2. **RETAIL**

A. **NEW BUSINESS**

1. **VOLUNTEER SPIRITS
JEFFERSON CITY, TENNESSEE (JEFFERSON COUNTY)**

Applicant: 4W Enterprises, LLC

LLC Members: Shelia M. Wiggins (51% Owner)
John W. Wiggins (49% Owner)

Before the Commission is a request for licensing of a new retail store to be located at 921C North Hwy. 92, Jefferson City, Tennessee 37760. The two LLC Members (wife and husband) are investing a joint combined total of \$375,000.00 in the applicant LLC and in turn the applicant LLC is investing that amount in the business. Funds for the investment are \$50,000.00 from the personal savings of the joint Members and a \$325,000.00 SBA Loan originating with FSG Bank, NA, Jefferson City, TN, as verified by TABC staff. Applicant is leasing the proposed licensed premises (triple-net lease) from landlord, Pamela S. Murph for an initial term of two years beginning April 7, 2015 at a monthly lease rate of \$750.00 with the option to renew at the end of the initial term. After careful consideration and review of the application, supporting documents, agent's report of the physical premises, etc., the TABC staff recommends conditional approval of this request, pending receipt of the following items:

a.—License Fee received 5/14/15

Discussion/Action Taken: Commissioner Jones motioned for approval and Commissioner Kaegi seconded the motion. The motion passed with 3 ayes. **Update – License # 3999 issued 5/19/15; effective 5/20/15**

2. **MOSSY CREEK WINES & SPIRITS, LLC
JEFFERSON CITY, TENNESSEE (JEFFERSON COUNTY)**

Applicant: Mossy Creek Wines & Spirits, LLC

LLC Members: Russell G. Turner (51% Owner-Managing Member)
Julie L. Greene (49% Owner)

Before the Commission is a request for licensing of a new retail store to be located at 110 W. Broadway, Jefferson City, Tennessee 37760. Each of the LLC Members are investing \$90,000.00 for a combined total of an \$180,000.00 investment in the applicant LLC and in turn the applicant LLC is investing that amount in the business. Funds for Mr. Turner's investment of \$90,000.00 are secured through a loan from Civis Bank. Funds for Mrs. Greene's investment of \$90,000.00 are also secured through a loan from Civis Bank. Jeffery Greene, husband of LLC Member Julie L. Greene is a guarantor of her loan and has attested that he will have no ownership interest in the applicant/licensee, although he will be employed as store manager, all of which has been verified by TABC staff. Applicant is leasing the proposed licensed premises from landlord, Fulk Family Limited Partnership for an initial term of five years beginning April 1, 2015 at a monthly lease rate of \$1,620.00 with two, five year options to renew at the end of the initial term and first renewed term. After careful consideration, review and receipt of all request information including the application, supporting documents, agent's report of the physical premises, etc., the TABC staff recommends approval of this request for licensing, no additional items required.

Discussion/Action Taken: Commissioner Jones motioned for approval and Commissioner Kaegi seconded the motion; motion for approval passed with 3 ayes. **Update – License #4000 issued/effective 5/20/15**

3. **JC'S WINE & SPIRITS JEFFERSON CITY, TENNESSEE (JEFFERSON COUNTY)**

Applicant: JC's Wine & Spirits, LLC
f/k/a HHOJ, LLC

LLC Members: Aaron Allen Ogle (25% Owner)
Christopher Raymond Haynes (25% Owner)
William R. Kingery III (25% Owner)
Charles Scott Justice (25% Owner)

Before the Commission is a request for licensing of a new retail store to be located at 472 East Broadway Blvd., Jefferson City, Tennessee 37760. The four LLC Members are investing a combined total of \$150,000.00 in the applicant LLC and in turn the applicant LLC is investing that amount in the business. Funds for the investment are \$25,000.00 from the personal savings of Mr. Kingery, and \$5,000.00 from the personal savings of Mr. Haynes and a joint \$120,000.00 loan originating with Regions Bank, NA,. Source of funds were unverified by TABC staff at the time of preparation of this agenda and satisfactory verification by TABC's agent investigative report is made a condition to licensing. Applicant is leasing the proposed licensed premises (triple-net lease) from landlord, Mark & Lisa Sawyer for an initial term of two years beginning May 1, 2015 at a monthly lease rate of \$850.00 with the option to renew at the end of the initial term for a period of five years and a second renewal option following the first for five additional years. After careful consideration and review of the application, supporting documents, agent's report of the physical premises, etc., the TABC staff recommends conditional approval of this request, pending receipt of the following items:

- a. License Fee
- b. Agent Investigative Report
- c. Loan Docs and Verification of Funds

Discussion/Action Taken: Commissioner Jones motioned for conditional approval, subject to receipt of missing items, and Commissioner Kaegi seconded the motion; motion passed with 3 ayes

**4. BEST CELLARS OF NEAPOLIS
COLUMBIA, TENNESSEE (MAURY COUNTY)**

Applicant: William Drake Colley
Sole Proprietorship (100% Owner)

Before the Commission is a request for licensing of a new retail store to be located at 2504 Hospitality Drive, Columbia, Tennessee 38401. The applicant is investing the sum of \$120,000.00 in this retail business. Funds for this investment come from the bank account Mr. Colley holds separate from his spouse but for which she is a co-signer. The wife, Susan G. Colley, has attested that she does not and will not have an ownership interest in her husband's business. The investment funds and Mrs. Colley's disclaimed of interest have been verified by TABC agents and staff. Applicant is leasing the proposed licensed premises (triple-net lease) from landlord, Robin L. McFarlane for an initial term of two years beginning May 1, 2015 at a monthly lease rate of \$2,400.00 with one, five year option to renew at the end of the initial term. The City of Columbia authorizes not more than seven (7) off-premises retailers to be located within its jurisdiction. This applicant, Mr. Colley, is the sole proprietor of one other retail store in Columbia, Crown Liquors, and if approved will not own in excess of 50% of the authorized retail stores within this jurisdiction. Additionally, this applicant retail store is not within 1500 feet of an existing retail store. After careful consideration, review and receipt of all request information including the application, supporting documents, agent's report of the physical premises, agents investigative report, etc., the TABC staff recommends approval of this request for licensing, pending receipt of the following items:

- a. Certificate of Occupancy (or letter)
- b. TABC Agent Inspection Report
- c. Acknowledgement of TABC Rules & Regulations
- d. ~~License Fee~~ received 5/27/15

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

**5. POSSUM'S HIDEOUT
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Possum Holler, LLC
Member(s): No Show Holdco, LLC 100%
Nancy Jones, President 0%

*Nancy Jones is the president and member (100%) of No Show Holdco, LLC

Before the Commission is a request for licensing of a retail establishment to be located at 128 2nd Avenue North, Nashville, Tennessee 37201. LBD licensee, Possum Holler, LLC, d/b/a Possum Holler Restaurant (license no. 105395) is located at this address. Possum Legend, LLC is leasing the premises to the applicant for approximately \$1,500 per month. The TABC staff recommends conditional approval of this request, pending receipt of the following items:

- a. TABC Agent Report
- b. TABC inspection after build-out
- c. Acknowledgement of TABC Rules/Regulations
- d. Certificate of Occupancy (after build-out)
- e. \$850 license fee
- f. ~~SB-0528/HB-0542 signed by Governor¹~~

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval subject to receipt of missing items, and Commissioner Jones seconded the motion. The motion passed with three ayes. **Update – License # 3998 issued/effective 5/20/15**

**6. LAURDEDALE LIQUORS (License No. 3817)
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Happy Bear, LLC
 Members: Reena Khiraya 98 %
 Mayur Khiraya 2 %

Before the Commission is a request for the applicant to expand the premises of the retail business located at 1502 S Lauderdale St., Memphis, Tennessee. LLC member, Reena Khiraya, owns the real property being expanded into and will remove a wall to combine the spaces. The TABC staff recommends conditional approval of this request, pending receipt of the following items:

- a. Copy of the amended lease
- b. Certificate of Occupancy (or letter) after build-out/renovations
- c. TABC Inspection (after build-out)

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval subject to receipt of missing items and Commissioner Jones seconded the motion; the motion passed with 3 ayes.

**7. GERMANTOWN VILLAGE WINES AND LIQUOR (License No. 3937)
GERMANTOWN, TENNESSEE (SHELBY COUNTY)**

Applicant: Kardoush, LLC
 Member(s): Charles N. Kardoush 50 %
 Michael I. Kardoush 50 %

¹ This bill would allow a restaurant licensed by the commission pursuant to 57-4-101(a)(1) to also own, or operate, a separate retail license to permit off-premise consumption, subject to certain conditions. The bill may be found at the following web address: <http://www.legislature.state.tn.us/>

Address: 7730 Poplar Ave., #5, Germantown, Tennessee

Applicant, Kardoush, LLC, is requesting permission to use the upstairs area of the retail business for additional storage. This space is included in the existing lease. After reviewing all documentation, the TABC staff recommends conditional approval of this request, subject to approval by the city codes department.

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval subject to receipt of missing item (approval from city codes) and Commissioner Jones seconded the motion; the motion passed with 3 ayes.

**8. POPLAR WINE & SPIRITS (License No. 3041)
COLLIERVILLE, TENNESSEE (SHELBY COUNTY)**

Applicant: Anne C. Cole, Sole Proprietor

Address: 2136 W. Poplar Avenue, Suite #111, Collierville, Tennessee

The applicant is requesting permission to expand the premises of the retail establishment located at 2136 W. Poplar Avenue, Suite #111, Collierville, Tennessee.² Per the amended lease, the applicant will pay approximately \$8,000 per month to lease the premises (including the new expansion area) from landlord, X-L Service, Inc. The TABC staff recommends conditional approval of this request, pending receipt of the following items:

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

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 3 ayes.

**9. LIQUOR PLANET
MURFREESBORO, TENNESSEE (RUTHERFORD COUNTY)**

Applicant:	RISHI, Inc.	
Shareholder(s) ³ :	Prajesh N. Patel, President	30 %
	Bina Patel, Officer	30 %
	Dipakkumar I. Patel, Officer	25 %
	Kinnari G. Patel, Officer	15 %

Before the Commission is a request for licensing of a retail store to be located at 3508 Shelbyville, Pike, Murfreesboro, Tennessee 37127. As verified by TABC staff, the shareholders are jointly investing \$100k from savings into the business, and the applicant, Rishi, Inc., has secured a \$300k loan from Pinnacle Bank. Landlord, ARYA Joint Venture, will lease the premises to the applicant for an initial term of five years, at a

² The expansion will increase the store's square footage by approximately 1,200 sq. feet.

³ Bina Patel and Kinnari Patel are shareholders in Kanisha Inc. (35 % and 25 %), d/b/a Stones River Liquors (License No. 2077) located at 208-B N. Thompson Ln., Murfreesboro, Tennessee. Prajesh Patel owns 75% of the shares in Karan, Inc., d/b/a CNG Wine & Spirits (License No. 3389) located at 2750 S. Rutherford Blvd., Murfreesboro, Tennessee.

monthly lease rate of approximately \$12,000. The TABC staff recommends conditional approval of this request, pending receipt of the following items:

- a. TABC Inspection Report (after build-out)
- b. Acknowledgement of TABC Rules/Regulations
- c. Certificate of Occupancy
- d. License Fee

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 3 ayes.

**10. SAM'S PACKAGE STORE
KINGSPORT, TENNESSEE (SULLIVAN COUNTY)**

Applicant: The Porter G Company, LLC
Member(s): Kenneth W. Glass⁴ 100 %

Current: The Large Corporation (Charles Large, 50%; Phyllis B. Large, 50%)
d/b/a Sam's Package Store

Proposed: The Porter G Company, LLC, d/b/a Sam's Package Store

Before the Commission is a request for a transfer of ownership in the retail business located at 1304 E. Stone Dr., Kingsport, Tennessee 37660.⁵ If approved the applicant will purchase the business for \$500,000; \$400k will come from a bank loan, and Mr. Glass is using personal savings to make up the difference, bringing the total investment to \$500,000, as verified by TABC staff. The landlords, William and Delora Steadman, have agreed to assign the lease to the applicant at a monthly rental rate of approximately \$2,500. The TABC staff recommends conditional approval of this request, subject to receipt of the license fee.

Discussion/Action Taken: The license fee was received prior to the meeting (5/14/15). Commissioner Jones motioned for approval and Commissioner Kaegi seconded the motion; motion for approval passed with 3 ayes. **Update – License #4002 issued/effective 06/01/15**

**11. LIZZ'S WINE & SPIRITS
OAK RIDGE, TENNESSEE (ANDERSON COUNTY)**

Applicant: Old Vine Enterprises, Inc.
Shareholder(s): Aaron A. Wells, President 75 %
Vander J. Murray, Secretary 25 %

Current: Kenneth L. Montgomery, d/b/a Lizz's Wine and Spirits

⁴ Mr. Glass also owns Green Acres Package Store (License no. 3666) located at 1229 N. Eastman Rd., Ste. 220 & 225, in Kingsport, Tennessee.

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.

Before the Commission is a request for a transfer of ownership in the retail business located at 1505 Oak Ridge Turnpike, Oak Ridge, Tennessee 37830. If approved, the applicant will acquire the business from Kenneth L. Montgomery, for a purchase price of \$300,000.⁶ Mr. Wells is investing \$225k into the business (\$200k bank loan and gift of 25k from family), and Mr. Murray is investing \$75k via a bank loan. The applicant is leasing the premises from David Dunlap Sr., for \$1,600 per month.⁷ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. ~~TABC Agent Investigative Report~~
- b. ~~Loan Documentation~~
- e. ~~TABC Inspection~~
- d. ~~Acknowledgement of TABC Rules/Regulations~~
- e. ~~Certificate of Compliance~~
- f. License Fee

Discussion/Action Taken: Items a. – e. received on 5/14/15, leaving item f. - (license fee) the only remaining item yet to be received. Commissioner Jones motioned for conditional approval and Commissioner Kaegi seconded the motion; motion for conditional approval passed with 3 ayes. **Update – License # 4001 issued/effective 06/02/15**

**12. SMYRNA LIQUORS (license no. 3744)
SMYRNA, TENNESSEE (RUTHERFORD COUNTY)**

Applicant: Randal Smyrna, Inc.
 Shareholder(s): Bina Patel, President 45 %
 Chetankumar Mahendrabhai Patel, Secretary 55 %

Current: Randal Smyrna, Inc. (Bina Patel, 100%)
 Proposed: Randal Smyrna, Inc. (Bina Patel, 45%; Chetankumar Mahendrabhai Patel, 55 %)

Address: 1868 Almaville Rd.

Before the Commission is a request for Chetankumar Mahendrabhai Patel to acquire 55% of the outstanding shareholder interest in Randal Smyrna, Inc., for a purchase price of \$125,000. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. ~~Indication of where the purchase money is coming from~~ 5/12/15 – TABC staff verified the purchase money will come from Mr. Patel’s personal savings account
- b. Acknowledgment of Rules/Regulations (Chetankumar M. Patel)

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing item, and Commissioner Jones seconded the motion; the motion passed with three ayes. **Database updated 5/19/15**

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.

⁷ The initial term of the lease is for five years.

1st request – dba change: Commissioner Kaegi motioned for approval of dba name change and Commissioner Jones seconded the motion; the motion passed with 3 ayes. – dba name change updated in database
 2nd request – expansion: Commissioner Kaegi motioned for conditional approval (subject to receipt of missing items) and Commissioner Jones seconded the motion; the motion passed with 3 ayes.

3. WINERIES - NONE

4. FARM WINERIES - NONE

5. WHOLESALERS - NONE

6. DISTILLERY/BREWERY

**1. CRAFTY BASTARD BREWERY, INC.
 KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: Crafty Bastard Brewery, Inc.

Shareholder(s): Aaron McClain 51 %
 Charles S. Davis 49 %

Before the Commission is a request for licensing of a new brewery to be located at 6 Emory Place, Knoxville, Tennessee 37917. Charles Davis is investing \$85k into the business and the applicants are leasing the premises of the brewery from Emory Investments, Inc. and North Central Investments, Inc. The initial term of the lease is two years (option of two additional one year terms) with a monthly lease rate of \$1,000. The TABC staff recommends conditional approval, subject to receipt of the following items and determination by the Commission regarding the applicant’s use of the term “bastard” in its name (see item f.).

- a. TABC Agent Report
- b. TABC Agent Inspection
- c. Certificate of Occupancy
- d. TTBF 5130.10 (Brewer’s notice)
- e. License Fee
- f. Consideration of the applicant’s usage of the term “bastard” in its name. Pursuant to TABC Rule 0100-03-.01, an advertisement shall not contain “any statement, design, device, or representation which is obscene or indecent.”⁹ The staff yields to the Commissioners’ discretion as whether the name is to be considered obscene or indecent, and therefore a violation of TABC Rules.

Discussion/Action Taken: Commissioner Jones noted that while he found the name “a bit distasteful,” he did not find it obscene. It was also noted that there are products with similar names already being sold in stores (ex. “Arrogant Bastard Ale”). Commissioner Jones motioned for conditional approval of the license application as presented (Crafty Bastard Brewery, Inc.). Commissioner Kaegi seconded the motion, and the motion was approved with 3 ayes.

⁹ Pursuant to T.C.A § 57-3-104, the commission has the authority to regulate the advertising, signs and displays, posters or designs intended to advertise any alcoholic beverage or the place where the same is sold.

7. PRIVATE CLUBS - NONE

8. MISC - NONE

9. NEXT MEETING - TUESDAY, JUNE 23, 2015

10. UPCOMING MEETINGS –

a. SET JULY MEETING DATE

JULY MEETING DATE: Tuesday, July 21, 2015

End of Agenda

ADDENDUM

May 19, 2015

Tennessee Alcoholic Beverage Commission Meeting

**1. CHEROKEE DISTRIBUTING COMPANY, INC.
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: Cherokee Distributing Company, Inc.

Shareholder(s): George B. Sampson, Chairman/President/CEO, 29.29%¹⁰
 Mary Ellen Sampson Brewington, Secretary/Treasurer, 33.33%
 Trust U/W Neil L. Sampson FBO Neil Leigh Brewington (non-voting), 4.167%
 Trust U/W Neil L. Sampson FBO Nicholas Sampson Brewington (non-voting), 4.167%
 Trust U/W Neil L. Sampson FBO Steven Michael Brewington (non-voting), 4.167%
 Trust U/W Neil L. Sampson FBO George B. Sampson, Jr. (non-voting), 4.167%
 Trust U/W Neil L. Sampson FBA Lauren Brooks Sampson (non-voting), 4.167%
 Trust U/W Neil L. Sampson FBA Kristen Margaret Sampson (non-voting), 4.167%
 Trust U/W Neil L. Sampson FBA Steven Mitchell Sampson (non-voting), 4.167%
 The George B. Sampson Family Trust (non-voting), 4.044%
 Will James Pugh, Jr., Vice President/CFO, 0%
 Jeffrey Knight, Vice President/General Manager, 0%

Before the Commission is a request for licensing of a wholesale business located at 200 Miller Main Circle, Knoxville, Tennessee 37919. No funds are planned to be invested as the applicant is already established as a beer wholesaler. A lease is not required, as Cherokee Distributing Company Inc. has owned the real property where the business will be located since 1978. Cherokee Wine & Spirits, Inc., d/b/a Cherokee Wine & Spirits (wholesale license no. 76) is also


¹⁰ George B. Sampson and Mary E. S. Brewington also own interest (29.29% and 33.33%) in Cherokee Wine & Spirits, Inc.

located at this address.¹¹ It is anticipated that the two wholesale businesses will merge in the near future. The TABC staff recommends conditional approval of this request, subject to receipt of the following:

- a. License Fee
- b. TABC Agent Report
- c. Assurances of the separation of inventory, logistics, etc ... of the two wholesalers

Discussion/Action Taken: Commissioner Jones motioned for conditional approval, subject to receipt of missing items, and Commissioner Kaegi seconded the motion; the motion for conditional approval passed with 3 ayes. **Update – License #122 issued 05/20/15**

APPROVED FOR ENTRY UPON THE MINUTE BOOKS OF THE TENNESSEE ALCOHOLIC
BEVERAGE COMMISSION THIS THE 23rd DAY OF JUNE, 2015.



Mary McDaniel
Chairperson



Keith Bell
Executive Director

