



## TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

### MINUTES

TUESDAY, NOVEMBER 28, 2017

1:30 p.m.

The meeting was held on November 28, 2017, in Nashville, Tennessee. Commissioner Bryan Kaegi, Commissioner Richard Skiles, and Commissioner John A. Jones were present. Commissioner Kaegi sat as acting Chairman of the meeting. Present of behalf of staff were the following: Director Byrd, Assistant Director Blair, Commission Counsel Stepp, Commission Counsel Hollingshead-Cook, Mark Reineke, Nancy Townsend, Chris Dowell, Derrick Dalton, and CLEO Tubbs

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#### 1. REVIEW/APPROVAL OF THE OCTOBER 24, 2017 COMMISSION MEETING MINUTES

**Discussion/Action Taken:** Commissioner Jones made a motion to accept the minutes as presented and Commissioner Skiles seconded the motion. The motion passed with three ayes.

**Discussion/Action Taken:** Director Byrd noted that a request had been made to take the proposed rule agenda item out of order due to a scheduling conflict. The proposed rule item listed on page 4 of the agenda was heard out of order. See page 4.

#### 2. RETAIL MATTERS

**A. OLD BUSINESS** - none

#### **B. NEW BUSINESS**

##### 1. HARRISON WINE & SPIRITS (LICENSE NO. 3933) HARRISON, TENNESSEE (HAMILTON COUNTY)

Applicant: NANA 826 LLC

Current Members:

Keyur K. Patel, 34%

Denishkumar M. Patel, 33%

Kanti T. Patel, 33%

Proposed Members:

Keyur K. Patel, 34%

Denishkumar M. Patel, 33%

Vipul D. Patel, 33%

The package store licensee (no. 3933) located at 5940 Hwy. 58, Ste. A1, is requesting approval for a change in membership in Nana 826 LLC. Vipul D. Patel



is acquiring the membership interest held by Kanti T. Patel. 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. PLANTATION FINE WINE AND SPIRITS (LICENSE NO. 3962)  
GALLATIN, TENNESSEE (SUMNER COUNTY)**

Applicant: Plantation Fine Wine and Spirits Inc.

Current shareholders  
Rupal Amin, 100%

Proposed Shareholders  
Rupal Amin, 50%  
Monarch M. Desai, 50%

The package store licensee (no. 3962) doing business at 940 Memory Lane, Ste. 101, Gallatin, Tennessee 37066, is requesting approval for Monarch Desai to acquire 50% of the ownership interest in the corporation. The TABC staff recommends approval of this request.

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended approval. Attorney Will Cheek was present on behalf of the applicant. Commissioner Skiles motioned to approve and Commissioner Jones seconded the motion. It passed with three ayes.

**3. R & A LIQUORS  
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Antress Bush

Before the Commission is a request for licensing of a new package store to be located at 5308 S. 3<sup>rd</sup> St. #101, Memphis, Tennessee 38109. Applicant is leasing the premises from landlord, Beruk Properties. The TABC staff recommends conditional approval of the request, subject to receipt of the following items:

- a. license fee
- b. responsible vendor certification



**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and noted that conditional item (a) and (b) had been received. Director Byrd recommended approval. Commissioner Skiles motioned to approve and Commissioner Jones seconded the motion. The motion passed with three ayes.

**4. FRUGAL MACDOOGAL'S SUPERSTORE  
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: Frugal MacDoogal Knoxville LLC  
Member(s): Dan Maddox (47%), Charles Sonnenberg (47%), Alexel Khlmenko (3%), and Margaret Maguire Wilson (3%)

On July 25, 2017, the applicant received conditional approval for licensing at 240 N. Peters Rd., Knoxville, Tennessee 37293. Due to construction delays the applicant requested and received an initial thirty day extension from TABC staff. Applicant is now before the Commission to request a final thirty day extension. The TABC staff recommends approval of this request.

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission. Danielle Elks was present on behalf of the applicant. In response to a question from the Commission, Attorney Elks commented that the applicant informed her of an issue with the property but that she did not know the exact issue with the construction. Commissioner Jones motioned to approve and Commissioner Skiles seconded the motion. The motion passed with three ayes.

**5. SOMERVILLE WINES AND SPIRITS LLC (LICENSE NO. 3747)  
SOMERVILLE, TENNESSEE (FAYETTE COUNTY)**

Applicant: Somerville Wines and Spirits LLC

Member(s):	<u>Before</u>	<u>After</u>
	Glenn Stewart, 99%	Glenn Stewart, 100%
	Donald Johnson, 1%	----

Retail package store licensee no. 3747, located at 16990 Highway 64, Somerville, Tennessee 38068 is requesting Commission approval for a change in LLC members and member interest. Glenn Stewart acquired Donald Johnson's ownership interest in the company, leaving Glenn Stewart as the sole member of the LLC. The TABC staff recommends approval of this request.



**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission. Danielle Elks was present on behalf of the applicant. Commissioner Skiles motioned to approve and Commissioner Jones seconded the motion. The motion passed with three ayes.

**3. WINERY MATTERS** - none

**4. FARM WINERY MATTERS** – none

**5. WHOLESALE MATTERS** - none

**6. DISTILLERY/BREWERY**

**A. OLD BUSINESS** – none

**B. NEW BUSINESS**

**1. COCKE COUNTY DISTILLERY  
NEWPORT, TENNESSEE (COCKE COUNTY)**

Applicant: Arvis Keys

Before the Commission is a request for approval of a manufacturer license to do business at 827 Cosby Highway, Newport, Tennessee 37821. Applicant is leasing the premises from landlord, Forrest Clevenger. This will be the second manufacturer's license for Mr. Keys.<sup>1</sup> Applicant is to provide a local distance letter prior to conducting retail sales. The TABC staff recommends conditional approval of the request, subject to receipt of the following items:

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

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission. Commission Counsel Joshua Stepp also addressed the Commission and a brief discussion was held concerning the document required for a licensee to be authorized to conduct retail sales and Director Byrd and Commission Counsel Stepp clarified that the distance letter was not a

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<sup>1</sup> Mr. Keys already holds a manufacturer license (no.123) doing business as Cocke County Moonshine Distillery doing business at 337 Old Knoxville Hwy. Newport, Tennessee 37821.



requirement for licensure but that licensure does not entitle the licensee to conduct retail sales – to conduct retail sales would require additional documentation to be submitted. Director Byrd recommended conditional approval of the manufacturing license subject to receipt of the listed items. Commissioner Jones moved to approve the request as stated by Director Byrd and Commissioner Skiles seconded the motion. The motion passed with three ayes.

## 2. LYNCHBURG DISTILLERY LYNCHBURG, TENNESSEE (MOORE COUNTY)

Applicant: Lynchburg Distillery, a Tucker-Manis Corporation<sup>2</sup>

Shareholder(s): John Ronald Manis, 50%  
Harold Ray Tucker, 50%

Before the Commission is a request for licensing of a manufacturer to be located at 30 Hiles Street, Lynchburg, Tennessee 37352. Applicant is to provide a local distance letter prior to conducting retail sales. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. certificate of occupancy
- b. agent report
- c. inspection & acknowledgment of rules & regulations
- d. license fee
- e. adequate documentation of local option referendum (condition added during meeting)

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission. Attorney Danielle Elks was present on behalf of the applicant and addressed the Commission. A discussion was held concerning the reason for the addition of conditional item (e). Conditional item (e) was added during the meeting. Director Byrd recommended conditional approval subject to receipt of the certificate of occupancy, agent report, inspection & acknowledgment of rules & regulations, license fee, and adequate documentation of local option referendum. Commissioner Skiles moved to accept the recommendation of staff and Commissioner Jones seconded the motion. The motion was approved with three ayes.

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<sup>2</sup> Mr. Manis and Mr. Tucker are also owners of the Tucker-Manis Corporation d/b/a Lynchburg Winery (W-103) located at 34 Hiles Street, Lynchburg, Tennessee 37352.



**3. SECRET CITY SPIRITS (LICENSE NO. 173)  
OAK RIDGE, TENNESSEE (ANDERSON COUNTY)**

Applicant: Secret City Spirits Inc.

Shareholder(s):	<u>Current:</u>	<u>Proposed:</u>
	John T. Price, 29.4%	John T. Price, 26.31%
	Eric B. Edmonds, 29.4%	Eric B. Edmonds, 26.31%
	Nathan T. Edmonds, 29.4%	Nathan T. Edmonds, 26.31%
	Michael A. Schrage, 11.8%	Michael A. Schrage, 10.53%
	----	Paul D. Mandel, 5.26%
	----	James K. Price, 5.26%

Licensee no. 173 doing business at 1990B Oak Ridge Turnpike, Oak Ridge, Tennessee, 37830 is requesting approval for a change in shareholders and shareholder interest in Secret City Spirits Inc. Paul Mandel and James Price are being added as shareholders. The TABC staff recommends approval of the changes.

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

**7. PRIVATE CLUBS** - none

**8. RETAIL FOOD STORES** - list of licenses available on request

**9. INITIAL ORDERS TO BE REVIEWED BY THE COMMISSION** - none

**10. MISCELLANEOUS**

**A. RULES**

**Proposed Amendments to 0100-01 Relating to Airport Terminals**

[https://www.tn.gov/assets/entities/abc/attachments/RuleAmendments\\_AirportTerminals\\_11202017.pdf](https://www.tn.gov/assets/entities/abc/attachments/RuleAmendments_AirportTerminals_11202017.pdf)

This item was addressed out the order listed on the agenda and before the Commission voted to accept the minutes.

Director Byrd reviewed the matter to the Commission. Attorney Will Cheek and Rebecca Ramsey of the Nashville Airport Authority addressed the Commission in support of the



proposals. After discussion, Commissioner Skiles moved to accept the rules and Commissioner Jones seconded the motion. The motion passed with three ayes.

**B. OTHER**

Director Byrd updated the Commission on the RLPS project and noted that the “go-live” date was on schedule for January 22, 2018. Director Byrd also commented on potential changes to application procedures once the new online licensing system is implemented.

Director Byrd introduced Derrick Dalton as the new Director of Training.

**11. BUDGET** - none

**12. NEXT MEETING** - Tuesday, December 19, 2017 at 1:30 p.m.

**13. UPCOMING MEETINGS**

- Tuesday, December 19, 2017 at 1:30 p.m.
- A discussion was held relating to moving the Commission meeting days to Thursday’s during the legislative session. Commissioner Jones commented he was uncomfortable moving the meeting days for the entire year and Director Byrd clarified that the only conflict for staff for Tuesday meeting dates was during the legislative session.
- The Commission set the January meeting date for Thursday, January 25, 2018

**APPROVED FOR ENTRY UPON THE MINUTE BOOKS OF THE TENNESSEE  
ALCOHOLIC BEVERAGE COMMISSION THIS THE 19th DAY OF DECEMBER, 2017**

  
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**COMMISSIONER**

  
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**CLAYTON BYRD, DIRECTOR**



## **RULE AMENDMENTS TO BE CONSIDERED FOR ADOPTION BY THE COMMISSION AT THE NOVEMBER 28, 2017 TABC MEETING**

Rule 0100-01-.03 Conduct of Business, paragraph (2) is amended by deleting the present language in its entirety and replacing it with the following:

- (2) Consumption on Licensed Premises. Except as provided for in 0100-01-.08 below, No licensee shall permit alcoholic or malt beverages to be consumed and/or sold on the licensed premises between the hours of 3 a.m. and 8 a.m. on Monday through Saturday or between the hours of 3 a.m. and 10 a.m. on Sunday unless the local jurisdiction has opted out of the expanded hours. If such is the case, then the consumption and/or sale of alcoholic beverages may begin at 12 noon on Sunday.

Authority: T.C.A. §§ 4-58-103, 57-1-207, 57-3-104, 57-3-406, 57-3-704, 57-3-710, 57-4-101, 57-4-102, 57-4-201 and 57-4-203.

Rule 0100-01 Rules for the Sale of Liquor by the Drink is amended by adding the following as a new separate section:

### Chapter 0100-01-.08 Terminal Building of a Commercial Air Carrier

- (1) Hours of Sale. Notwithstanding subsection 0100-01-.03(2), any establishment that holds a license as a terminal building of a commercial air carrier airport under Tenn. Code Ann. §57-4-102(36), any establishment that holds a license as a commercial airline travel club under Tenn. Code Ann. § 57-4-102(10), or a concessionaire that holds a liquor-by-the-drink license and is located in a terminal building of a commercial air carrier airport, shall be permitted to allow alcoholic or malt beverages to be consumed and/or sold on the licensed premises during the hours that the terminal building of the commercial carrier airport is open to the public, unless the local jurisdiction has opted out of these expanded hours.
- (2) Privilege Tax. Establishment, as the term is used in Tenn. Code Ann. § 57-4-301(b)(1)(L), shall mean the license holder. Only one license fee or privilege tax shall be due from each holder of a license for a terminal building of a commercial air carrier airport, regardless of the number of points of sale the entity may operate under the license.
- (3) Establishment.
- (a) A terminal building of a commercial air carrier airport license may be issued either to the entity having contractual, jurisdictional or other such authority to operate the airport, or, in the entity's discretion, to another entity or entities as are contractually authorized to operate within the airport. All such entities shall be considered an establishment for purposes of Tenn. Code Ann. § 57-4-301(b)(1)(L) and shall file an addendum with each renewal application identifying each point of sale within the airport.
- (b) The holder of a license for a terminal building of a commercial air carrier airport may contractually authorize a separate entity to operate under the terminal building of a commercial air carrier airport license, and such contractually authorized entity shall not be required to obtain its own license; provided that prior notice and disclosures shall be given to the commission, on such forms or in such manner as may be prescribed by the commission. The license holder shall ultimately be responsible for any violation or sanction issued by the commission.
- (4) Enforcement. The commission may, in its discretion, treat each point of sale at the terminal building of a commercial air carrier separately for enforcement purposes.

Authority: T.C.A. §§ 57-3-204(i), 57-4-101, 57-4-102, 57-4-201, 57-4-203, and 57-4-301.