

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

Minutes
November 26, 2012
1:30 pm

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Monday, November 26, 2012, in Nashville, Tennessee at 1:30 p.m. Chairperson Mary McDaniel, Commissioner John Jones and Commissioner Bryan Kaegi were present. Interim Director Keith Bell, CLEO Mark Hutchens and Attorney Ginna Winfree were present.

1. The Minutes for October 26, 2012 Commission Meeting were approved.

2. RETAIL

A. NEW BUSINESS

**1. CLINTON HIGHWAY WINE & SPIRITS
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: A to Z Inc.
d/b/a Clinton Highway Wine & Spirits
Stockholders: Puja Bhalodia

Before the Commission is a request for a new retail store located at 5801 Clinton Hwy, Suite 1, in Knoxville, Tennessee. Mrs. Bhalodia wishes to initially invest \$350,000.00 to operate the store. Financing is based upon promissory notes with First National bank as confirmed by its V.P., Jack Williams, Jr. The corporate applicant will be leasing the property from 3 in 1, LLC (landlord). Said LLC's (landlord) managing member being Bhavin Bhalodia, husband of the sole stockholder of applicant. Annual rent is set at \$2500/mo for a period of two years with option to renew for three consecutive terms of sixty months each. First renewal based rent at \$2500.00/mo, second renewal at \$2850.00/mo, and third renewal at \$3235.00/mo. All documentation has been provided with the exception of the following:

- a. Certificate of Occupancy;
- b. Questionnaire/NileshKumar Patel, personal guarantor of Ms. Bhalodia;
- c. License fee of \$850.00;
- d. Attachment 2 to all applicants. Compliance with PC 1061, (8 U.S.C. Sections 1611 *et seq.*).

Discussion/Action Taken:

Interim Director Bell reviewed the matter to the Commission and recommended approval upon submission of the following documentation:

- a. Certificate of Occupancy;
- b. Questionnaire/NileshKumar Patel, personal guarantor of Ms. Bhalodia; - *received*
- c. License fee of \$850.00; - *received*
- d. Attachment 2 to all applicants. Compliance with PC 1061, (8 U.S.C. Sections 1611 *et seq.*). - *received*

Commissioner Jones made a motion to approve upon receipt of the pending documentation. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

**2. PRIME TIME LIQUORS
BROWNSVILLE, TENNESSEE (HAYWOOD
COUNTY)**

Applicant: RABF Holdings II, LLC
d/b/a Prime Time Liquors

Members: Robert Allen

Before the Commission is a request for a new retail store located at 3796 Anderson Avenue, Brownsville, Tennessee. Mr. Allen intends to initially invest \$150,000 to operate the retail store. Financing is based upon existing personal funds. The applicant LLC will be leasing the property from S.P. Mart, Inc. for a period of five (5) years beginning September 5, 2012 at a monthly rate of \$1750.00/mo for the first two years, and then \$2000.00/mo for the remaining three (3) years. There are two renewal periods of five years each calling for a ten percent (10%) rent increase of the previous renewal period. All documentation has been submitted with the exception of the following:

- a. License fee of \$850.00;
- b. Attachment 2 to all applicants. Compliance with PC 1061, (8 U.S.C. Sections 1611 *et seq.*)

Discussion/Action Taken:

Interim Director Bell reviewed the matter to the Commission and recommended approval upon submission of the following documentation:

- a. License fee of \$850.00; - *received*
- b. Attachment 2 to all applicants. Compliance with PC 1061, (8 U.S.C. Sections 1611 *et seq.*) – *received*
License issued 11/28/12

Commissioner Jones made a motion to approve upon receipt of the pending documentation. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

**3. STATE STREET LIQUOR & WINE
BRISTOL, TENNESSEE (SULLIVAN COUNTY)**

Applicant: State Street Liquor & Wine
Stockholder: Alpesh Patel

Before the Commission is a request for a new retail store located at 1252 W. State Street in Bristol, Tennessee. Mr. Patel wishes to initially invest \$60,000.00 from his personal savings to operate the store. The applicant will be leasing the property from W. Roscoe Bownan for the sum of \$1500.00/mo for the first year and \$1800.00/mo for the second year. There is an option to purchase the property upon approval of the license by the TABC. The purchase price has been set for \$150,000.00.

CONCERNS:

On December 20, 2010 Chirag Patel submitted an application for a retail license in the Johnson City area. Mr. Chirag Patel purchased AAA Package Store located in Johnson City. Upon investigation into that application it was found that Alpesh Patel (current applicant) was on the original 2010 lease for AAA Package Store-H&S Liquor, Inc. Because Alpesh Patel did not meet the residency requirement he was taken off all the paperwork for AAA Package Store-H&S Liquor, Inc. At the time of the AAA Package Store purchase and application Chirag Patel stated Alpesh was his cousin and business partner.

When Alpesh Patel turned in this application he was asked if he was related to Chirag Patel and he stated “no, not really”; he stated that Chirag is his “Dad’s cousin’s sister’s son”. He also added that Chirag owns the only “Indian” grocery store in the area and that’s how Alpesh knows Chirag. However, records show Chirag and Alpesh are business partners in Shri Ambe LLC and Maa Durga, LLC. According to the 2010 records; Chirag Patel used money from Shri Ambe LLC in which Alpesh Patel is a 5% owner. A statement was submitted by Alpesh Patel stating he had no interest in the business and would accept no income from the store owned by Chirag Patel. These businesses are reported to be convenience stores and hold off-premise beer permits. At no time during my interview with Alpesh did he mention that Chirag is his business partner and/or cousin.

On the 2012 renewal application for AAA Package Store, Chirag Patel reports that he is in a partnership with Hillbilly Food Store located at 1247 W. State Street, Bristol, VA. However, in reviewing TABC records provided by Alpesh Patel, he reports the same as Maa Durga, LLC located at 1247 W. State Street, Bristol, VA. Also on the manager questionnaire completed for the renewal application of AAA Package Store, Chirag Patel lists Alpesh Patel as a reference.

Another concern is that Alpesh has already started asking if his wife could own a package store down the road if this business is successful. He left her name off of this application to leave that possibility open.

With Chirag Patel, owner of AAA Package Store, and Alpesh Patel, current applicant, claiming to not only be related but owning several other businesses together; it seems likely that the package stores would also be tied together. Also, the property Alpesh has secured for the package store is across the street from the Hillbilly Food Store owned by both men and the building is very small lacking the storage a proper package store would need.

The TABC has requested current stockholder lists on all the businesses Alpesh Patel has claimed on his income tax returns, we received the information as of late Friday, November 16, 2012 (copies enclosed). All documentation has been submitted with the exception of the following:

- a. \$850.00 filing fee

- b. Attachment 2 to all applicants. Compliance with PC 1061, (8 U.S.C. Sections 1611 *et seq.*)

Discussion/Action Taken:

Interim Director Bell expressed the concerns with this establishment explaining that the TABC has no authority to deny the application based on the findings of the investigation. Commissioner Jones expressed concerns about not having the filing fee prior to the item going in front of the commission. Mr. Bell advised the commissioners that not having the filing fee prior to the commission meeting has occurred in the past; however we do collect the application fees. Interim Director Bell again reviewed the matter to the Commission and recommended approval upon submission of the following:

- a. \$850.00 filing fee - *received*
- b. Attachment 2 to all applicants. Compliance with PC 1061, (8 U.S.C. Sections 1611 *et seq.*) – *received*
License issued 12/4/12

Commissioner Jones made a motion to approve upon receipt of the pending documentation. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

**4. DIXIE LEE WINES & LIQUORS
FARRAGUT, TENNESSEE (KNOX COUNTY)**

Licensee: DIXIE LEE WINES & LIQUORS, INC.
**Stockholder: Linda Taylor; Sam Taylor, III; Ellen Jones;
Melanie Brown**

Before the Commission is a request for re-distribution of stock in the ownership of the retail licensee found at 13044 Kinston Pike, Farragut, Tennessee. This is a family-owned business. Ms. Taylor currently owns 85.24% of the business, and Ellen Jones, Melanie Brown and Sam Taylor, III. Each own 4.92%. As part of her estate planning, Mrs. Taylor proposes to make a gift of 34.26% of the business to her three children. Each child would possess 16.34% of the business. The re-distribution of the stock would result in the following: Linda Taylor (50.98%); Sam Taylor, III (16.34%); Ellen Jones (16.34%); and Melanie Brown (16.34%). All documentation has been submitted with the exception of the following:

- a. Stock transfer documentation; - *received without signature*
- b. Attachment 2 to all applicants. Compliance with PC 1061, (8 U.S.C. Sections 1611 *et seq.*). – *received without signature*

Discussion/Action Taken:

Interim Director Bell reviewed the matter to the Commission and recommended approval.

Commissioner Jones made a motion to approve. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

**5. JACKSON DOWNS LIQUORS
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Licensee: I-40 LIQUORS, INC.
**Stockholders: Elizabeth S. Hobbs (510 shares),
John C. Hobbs (490 shares)**

Before the Commission is a request for a change of ownership of the retail store currently located at 3183 Lebanon Road, Nashville, Tennessee. Ms. Hobbs is gifting her 510 shares of stock to John C. Hobbs. John C. Hobbs will then own 100% shares of the business. All documentation has been submitted with the exception of the following:

- a. Stock transfer documents;
- b. Attachment 2 to all applicants. Compliance with PC 1061, (8 U.S.C. Sections 1611 *et seq.*).

Discussion/Action Taken:

Interim Director Bell reviewed the matter to the Commission and recommended approval upon the submission of the following:

- a. Stock transfer documents; – *received*
- b. Attachment 2 to all applicants. Compliance with PC 1061, (8 U.S.C. Sections 1611 *et seq.*). – *received*
Transfer now complete – 12/12/12

Commissioner Kaegi made a motion to approve subject to the receipt of the missing documentation. Commissioner Jones seconded the motion and it passed with 3 ayes.

**6. HARPETH LIQUORS
FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)**

**Licensee: Harpeth Liquors Inc.
Stockholders: Satish Patel**

Before the Commission is a request for a transfer of location for the retail store currently located at 1203 Murfreesboro Road, Suite 405, Franklin, Tennessee to 1203 Murfreesboro Road, Suite 503, Franklin, Tennessee. Mr. Patel wishes to move to 1203 Murfreesboro Road, Suite 503, Franklin, Tennessee based upon the new Kroger Store taking their old space. Harpeth Liquors, Inc. will be leasing the new space from Cooke & Cooke Properties under the same terms of their previous lease which states: monthly based rent of \$6246.00/mo for a period of two years beginning August 1, 2012. All documentation has been submitted with the exception of the following:

- a. Certificate of Occupancy;
- b. TABC Inspection;
- c. Acknowledgment of TABC Rules & Regulations;
- d. Attachment 2 to all applicants. Compliance with PC 1061, (8 U.S.C. Sections 1611 *et seq.*).

Discussion/Action Taken:

Interim Director Bell informed the commission that the new space is being built out and should be finished at the end of the week. Upon completion the TABC will send a special agent to the premises to do the inspection. Also, upon completion of the build, Harpeth Liquors will be able to submit their Certificate of Occupancy. Interim Director Bell reviewed the matter to the Commission and recommended approval upon the submission of the following:

- a. Certificate of Occupancy;
- b. TABC Inspection;
- c. Acknowledgment of TABC Rules & Regulations;

- d. Attachment 2 to all applicants. Compliance with PC 1061, (8 U.S.C. Sections 1611 *et seq.*) – *12/12/12 build out not complete*

Commissioner Kaegi made a motion to approve subject to the receipt of the missing documentation. Commissioner Jones seconded the motion and it passed with 3 ayes.

3. **WINERIES – no matters on the agenda**
4. **WHOLESALEERS – no matters on the agenda**
5. **DISTILLERY – no matters on the agenda**
6. **BUDGET**
7. **CONSENT ORDERS**
8. **PENDING MATTERS LIST – 2013 Commission Dates**
9. **PERSONNEL – addition of a temporary employee**
10. **MISCELLANEOUS**
 - A. **Monthly Summary of TABC Activity**
 - B. **Presentation from NIC related to new software application for Server Training program. Discussion included concerns that the commission expressed at the last meeting. NIC provided documentation for the commissioners to review.**
11. **DATE OF NEXT MEETING – The date of the next meeting is set for Tuesday, December 18, 2012 at 1:30 p.m., deadline for submission of agenda matters, December 7, 2012. The date of the January meeting was also set for Tuesday, January 22, 2012 at 1:30 p.m., deadline for submission of agenda matters, January 11, 2013.**

Mary McDaniel
Chairperson

E. Keith Bell
Interim Director