

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

**Minutes
October 28, 2014
1:30 pm**

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Tuesday, October 28, 2014 in Nashville, Tennessee at 1:30 pm. Chairperson Mary McDaniel, Commissioner John Jones, and Commissioner Bryan Kaegi were present. Director Keith Bell, Assistant Director Ginna Winfree and Staff Attorney Joshua Stepp were in attendance.

1. **Approval of September, 2014 Commission Meeting Minutes – Discussion/Action Taken:**
Commissioner Jones motioned for approval and Commissioner Kaegi seconded the motion. The motion passed with three ayes.

2. **RETAIL**

- A. **New Business**

1. **JJ'S LIQUOR STORE
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

Applicant: JJ Spirits, LLC
Member(s): Mehul K. Patel

Current: JJ's Liquor, LLC
Member(s): Vincent Campbell, 50%; Jeannine Campbell, 50%

Before the Commission is a request for licensing of the establishment located at 4204 Rossville Blvd. in Chattanooga, Tennessee. Applicant, LLC is purchasing the business from JJ's Liquor, LLC, for \$125,000.¹ Mr. Mehul K. Patel is investing \$125,000 into the business. Approximately half of the funds to be invested are personal funds, with the remaining half to be obtained through a bank loan. The Applicant will lease the premises from TRIDENTMDMZ, G.P., for an initial term of five years for \$7,000 per month. Mr. Patel owns 25% of TRIDENTMDMZ, G.P. The TABC staff recommends approval of this application, conditioned upon receipt of the following:

- a. **License Fee**

Discussion/Action Taken: Commissioner Jones motioned for conditional approval subject to receipt of any missing items and Commissioner Kaegi seconded the motion; the motion passed with three ayes. **Update:** **License #3961 issued 11/3/2014**

2. **UNICOI WINES & SPIRITS
UNICOI, TENNESSEE (UNICOI COUNTY)**

Applicant: Unicoi Wine & Spirits, LLC

Member(s): Stacey L. Collins 50%
David L. Edwards Jr. 50%

Current: Stacey L. Collins 100%

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.

Before the Commission is a request for a transfer of ownership in the retail establishment located at 100 Rocky Bottom Drive, Suite 5, in Unicoi, Tennessee 37692. Applicant members are siblings, and no monies will be exchanged for the transfer of stock ownership. The TABC staff recommends approval of this request.

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

**3. ROYAL LIQUORS
JACKSON, TENNESSEE (MADISON COUNTY)**

Applicant: Whitemarsh, Inc.

Proposed Stockholder(s):	Donna Frankland, President	50%
	Robert E. Frankland III	50%
	Leila M. Frankland, Secretary/Treasurer	0%
Current:	Donna Frankland, President	100%
	Leila Frankland, Secretary/Treasurer	0%

Before the Commission is a request for approval of a transfer of ownership in the retail establishment located at 215 S. Royal, Jackson, Tennessee 38301. No monies will be exchanged for this transfer between a wife and her husband. Robert Frankland holds a license for Barrel Wine & Spirits (permit #0752), also located in Jackson, Tennessee and with approval of this transfer will have less than the maximum fifty percent (50%) of the TABC retail licenses permitted by statute (TCA 57-3-406(a)) within the Jackson city jurisdiction. The TABC staff recommends approval of this request pending receipt of the following items:

- a. Copy of Newspaper Notice
- b. TABC Agent Report
- c. Acknowledgement of TABC Rules/Regulations

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..

**4. PARIS LIQUOR & WINE
PARIS, TENNESSEE (HENRY COUNTY)**

Applicant: Paris Liquor & Wine, LLC

Before the Commission is a request for approval of an expansion of the retail store located at 1417 Eastwood St., Paris, Tennessee 38242. Applicant, LLC is incorporating the space of their adjacent beer store into the retail business. The TABC staff recommends approval of this request conditioned upon receipt of the following:

- a. Certificate of Occupancy
- b. TABC Agent Inspection
- c. Payment of citation RI 4120

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

**5. CORKS WINE AND SPIRITS
GERMANTOWN, TENNESSEE (SHELBY COUNTY)**

Applicant: Bradley Cross, Sole Proprietor

Before the Commission is a request for licensing of a retail business to be located at 3078 Village Shops Drive, Germantown, Tennessee; 38138. Mr. Cross will finance the business using personal funds and a \$400,000 (0.38% rate) loan from his mother, Debbie Cross, as confirmed by TABC staff. The Applicant will lease the premises from BIC-MTS Partners based on an initial term of 15 years and 3 months for approximately \$8,000 per month. The TABC staff recommends conditional approval of this request pending receipt of the following items:

- a. ~~TABC Inspection and Report~~
- b. ~~Acknowledgement of TABC Rules & Regulations~~
- c. Certificate of Occupancy – received October 28, 2014

- d.—Tax Number
- e.—License Fee

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval subject to receipt of missing item, and Commissioner Jones seconded the motion; motion passed with three ayes. **Update:** License # 3960 issued 10/29/2014

**6. DOC'S WINE SPIRITS & MORE
GERMANTOWN, TENNESSEE (SHELBY COUNTY)**

Applicant: Pamacorp, LLC
 Member(s): Audrey M. Page, President 55%
 Altus Keith May 45%

Before the Commission is a request for licensing of the retail store to be located at 6685 Poplar Ave. #101, Germantown, Tennessee 38138. A total of \$770,000 (bank loan) will be invested into the business, as verified by the TABC staff. Applicant, LLC will lease the premises from Sheriff, LLC for an initial five year term based on a monthly rental of \$12,000, to increase to \$13,500 by year three of the lease. The TABC staff recommends conditional approval of this application pending receipt of the following:

- a. TABC Agent Inspection
- 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; motion passed with three ayes.

**7. LIQUOR BARN
JOHNSON CITY, TENNESSEE (WASHINGTON COUNTY)**

Applicant: Libations2, LLC
 Member(s): Peter J. Nickel, 100%

Before the Commission is a request for licensing of the retail store to be located at 2926 Boones Creek Rd., Johnson City, Tennessee. Applicant, LLC is purchasing the business from Boones Creek Beverage, Inc. (d/b/a The Liquor Barn), for \$150,000, plus inventory (valued at approximately \$370,000).² Applicant, LLC will finance the purchase with a \$500,000 line of credit, as verified by TABC staff. The Applicant will lease the premises from Allison Coven for an initial 5 year term for approximately \$3000 per month. Mr. Nickels also holds a license (#3478) for Plaza Package Store located at 4471 N. Roan St., Unit #2, Johnson City, Tennessee and with approval of this transfer applicant will have less than the maximum fifty percent (50%) of the TABC retail licenses permitted by statute (TCA 57-3-406(a)) within the Johnson City city jurisdiction. The TABC staff recommends conditional approval of this request pending receipt of the following:

- a.—License Fee—received

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

**8. 12TH & PINE BEVERAGE COMPANY
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Vinspiration Holdings, LLC
 Member(s): Virginia E. Fryer, President/Secretary, 100%

Before the Commission is a request for licensing of a retail business to be located at 315 12th Ave. S., Nashville, Tennessee. Ms. Fryer plans to invest \$50,000 into the business using a Home Equity Line of Credit. Applicant, LLC will lease the premises from Nashville Urban Partners 2010, LLC for an initial 5 year term for approximately \$4,000 per month. The TABC staff recommends conditional approval of this application pending receipt of the following:

² In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

- a. TABC Final Inspection
- b. Acknowledgment of TABC Rules & Regulations
- e. ~~License Fee received~~

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

**9. WEST NASHVILLE WINE AND LIQUOR
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Maddox Enterprises, LLC
 Member(s): Dan W. Maddox, President 50%
 James N. Maddox, Secretary 50%

Current DBA: M.E. Wine & Liquors
 Proposed DBA: West Nashville Wine and Liquors

Applicant, LLC is requesting approval for a d/b/a name change of the retail store located at 6670 Charlotte Pike, Nashville, Tennessee. The TABC staff recommends approval of this request.

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

**10. PROVIDENCE WINE & SPIRITS
MT. JULIET, TENNESSEE (WILSON COUNTY)**

Applicant: Providence Wines & Spirits, LLC

Before the Commission is a request for approval of an expansion of the retail store located at 1986 Providence West Boulevard, Nashville, Tennessee. The Applicant owns an adjoining beer store and plans to incorporate that area as part of the retail store. Applicant, LLC is leasing the premises from South Mt. Juliet Holdings, LLC –Series 12A. According to the amended lease, rent will be approximately \$7,000 monthly. The TABC staff recommends approval of this request pending receipt of the following items:

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

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.

**11. PLANTATION FINE WINE AND SPIRITS
GALLATIN, TENNESSEE (SUMNER COUNTY)**

Applicant: Plantation Fine Wine and Spirits, Inc.
 Shareholder(s): Rupal Amin, 100%

Current Licensee/Business Name: Bonita Parker, d/b/a Plantation Fine Wines & Spirits
 Proposed Licensee/Business Name: Plantation Fine Wine and Spirits, Inc., d/b/a Plantation Fine Wine and Spirits (Rupal Amin, 100% Shareholder)

Before the Commission is a request for a transfer of ownership in the retail business located at 940 Memory Lane, Suite 101, Gallatin, Tennessee; 37066. This will be the second liquor store in Gallatin for Ms. Amin.³ With approval of this transfer Ms. Amin will have less than the maximum fifty percent (50%) of the TABC retail licenses permitted by statute (TCA 57-3-406(a)) within the Gallatin city jurisdiction. Ms. Amin is investing \$65,000 into the business and the applicant is also borrowing \$60,000 from Jay Ram, Inc. (at 5.5% interest per annum). The applicant has a separate loan for \$125,000 (6% interest per annum) from Mahendra Desai.

³ Ms. Rupal Amin also holds a license (#3662) for Liquor World, 136 N. Belvedere Dr., Gallatin, Tennessee.

The Applicant plans to purchase the business through seller-financing (5.5% interest, for 5 years) from Bonita Parker for \$375,000 (plus approximately \$250,000 worth of inventory⁴). If approved by the Commission, Woods Commons Inc. will purchase the real property from Bonita Parker and Larry M. Parker (Trustee of the Steve M. Parker Family Trust) for \$1.6 million, and will lease the premises to the applicant for \$7,000 per month. The TABC staff recommends conditional approval of this application pending receipt of the following items:

- a. TABC Inspection
- b. Acknowledgement of TABC Rules & Regulations
- c. ~~Deed~~-received
- d. ~~Lease~~-received

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

Update: License # 3962 will be effective 11-21-14

B. Old Business

**1. RIVERSTONE WINE & SPIRITS
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: James Paul Little

This matter was continued from the September 2014 Commission Meeting, in order to allow for additional investigation. The TABC staff does not recommend approval of this application based on the information gathered during its investigation that is to be presented before the full commission.

Discussion/Action Taken: Director Bell reviewed the matter and did not recommend approval of the application based on the following reasons: financial viability of applicant, Mr. Little's history, and Mr. Little's lack of truthfulness to the TABC. TABC Agent, Vincent Marsanico presented the findings of his report to the Commission. Mr. Little was present with attorney Danielle Elks. Commissioner Kaegi motioned for denial and Commission Jones seconded the motion; the motion for denial was approved with three ayes.

3. WINERIES

A. New Business

**1. BLUE SLIP WINERY
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: Blue Slip Winery LLC

Current:	Jeff Gaylon	45%	Proposed:	Linn Slocum	40%
	Linn Slocum	45%		Jess Gaylon	40%
	Marvin House	10%		Marvin House	10%
				The Southern Station of TN, LLC	10%

Before the Commission is a request for approval of a transfer of ownership in the business located at 300 W. Depot Street in Knoxville, Tennessee. If approved, 10% of the ownership interest would transfer to The Southern Station of TN, LLC. Its members are as follows: L. Slocum, 10%; J. Gaylon, 10%; M. House, 10%; and 6 non-voting members will hold 5% each. The TABC staff recommends approval of this request.

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

2. THE CROWN WINERY

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

MEMPHIS, TENNESSEE (SHELBY COUNTY)

Applicant: The Crown Winery, LLC
 Business Address: 3638 E. Mitchell Street, Humboldt, TN 38343

Applicant, LLC is requesting approval to operate a satellite facility at 410 S. Main St. in Memphis, Tennessee, as allowed under Public Chapter No. 1015, codified as T.C.A. § 57-3-207.⁵ Applicant, LLC plans to lease the premises for the satellite facility from Art Village Gallery for an initial term of one year, for \$750, payable per month. The TABC staff recommends approval of this application.

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

4. FARM WINERIES – None

5. WHOLESALERS

A. New Business

**1. DET DISTRIBUTING COMPANY
 NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant:	DET Distributing Company	
Shareholder(s):	George Fred Detwiller, President	100%
	Victoria A. Victory, Secretary/Treasurer	0%

Before the Commission is a request for licensing of the business located at 301 Great Circle Road in Nashville, Tennessee. No funds will be invested as the business is already established. Mr. Dettwiller owns the premises where the distribution center is to be located and is leasing the premises to the Applicant for approximately \$44,000 per month. The TABC staff recommends approval of this request pending receipt of the following items:

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

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

**2. STAR DISTRIBUTORS LLC
 MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Star Distributors, LLC

Main Location: 6290 Shelby View Drive, Memphis, Tennessee

Before the Commission is a request for Applicant, LLC to store its products at 6423 Shelby View, Memphis, Tennessee. Applicant will lease the premises from Belz Devco GP for an initial 6 month term for \$5,000 per month. The TABC staff recommends conditional approval of this request, subject to issuance of an amended TTB Permit.⁶

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

**3. CENTRAL DISTRIBUTORS, INC.
 JACKSON, TENNESSEE (MADISON COUNTY)**

⁵ Pursuant to Public Chapter No. 1015, “[a] winery [at its satellite location] may conduct any business that is authorized at the licensed winery, except for the manufacturing and bottling of wine.”

⁶ 27 C.F.R. § 1.29 - An application for a basic permit must be filed, and permit issued, to cover each individual plant or premises where any of the businesses specified in section 103 of the Act is engaged in.

Applicant:	Central Distributors, Inc.		
Shareholder(s):	Volunteer Distributing, Inc.	15%	
	Russel Clarkson		5%
	McWherter Holdings, Inc.		80%
	<u>Volunteer Distributing Co., Inc.</u>		<u>McWherter Holdings, Inc.</u>
	Michael McWherter,	50%	Michael R. McWherter
	Clifford R. Gregory,	5%	Estate of Ned McWherter
	Madelyn B. Pritchett,	0%	Ned R. McWherter Trust
	Estate of Ned McWherter,	44%	

Before the Commission is a request for licensing of a wholesale business located at 361 HWY 45 BYP, Jackson, Tennessee 38302. Michael McWherter plans to invest \$50,000 of personal funds into the business. A lease is not required as the Applicant owns the real property. The TABC staff recommends conditional approval of this application pending receipt of the following:

- a. TABC Agent Report
- b. TABC Inspection
- c. Acknowledgement of TAB Rules & Regulations
- d. ~~Credit Check~~
- e. ~~Financial Disclosure Statement~~
- f. ~~Waiver of Administrative Hearing~~
- g. ~~License Fee~~
- h. ~~Amended TTB Permit to Include Distilled Spirits~~

Discussion/Action Taken: Commissioner Jones noted that he was appointed to the Commission by Mr. McWherter initially, but Mr. Jones has since been appointed by the current Governor, thus no conflict of interest exists. Director Bell reviewed he matter to the Commission and recommended conditional approval. Commissioner Kaegi motioned for conditional approval subject to receipt of any missing items (items a-c), and Commissioner Jones seconded the motion; motion passed with three ayes. **Update: License # 46 issued 10/29/2014**

**4. VOLUNTEER BEER DISTRIBUTING CO.
DRESDEN, TENNESSEE (WEAKLEY COUNTY)**

Applicant:	Volunteer Beer Distributing Co., Inc.		
Shareholders:	Michael R. McWherter, President		51%
	Clifford R. Gregory, General Manager		5%
	Madelyn B. Pritchett, Secretary		0%
	Estate of Ned McWherter		44%

Before the Commission is a request for licensing of a wholesale business located at One Volunteer Place, Dresden, Tennessee 38225. Mr. McWherter will be investing \$25,000 of personal funds into the business. No lease is required as Applicant owns the property. The TABC staff recommends conditional approval of this application pending receipt of the following:

- a. TABC Agent Report
- b. TABC Agent Inspection
- c. Background Information
- d. Credit Check OR Individual Financial Disclosure Form AND Certified Accountant's Statement
- e. Certified Accountant's Statement
- f. Waiver of Administrative Hearing
- g. License Fee

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval subject to receipt of any missing items and Commissioner Jones seconded the motion; motion passed with three ayes. **Update: License # 47 issued 11/6/2014**

B. Old Business

1. EVERSON COMPANIES, LLC

MEMPHIS, TENNESSEE (SHELBY COUNTY)

Applicant: Everson Companies, LLC
 Member(s): Peggy Everson

Before the Commission is a request for licensing of the wholesale business located at 468 N. Bellevue in Memphis, Tennessee. Applicant, LLC is leasing the premises from Corporate Air, Inc., for \$600.00 annually based on an initial one year term.

This matter was continued from the September 2014 Commission Meeting in order to allow Mr. David Everson the opportunity to resolve any disqualifying issues existing, if possible. The TABC staff had concerns with Mr. David Everson's eligibility to hold a license to sell alcoholic beverages at wholesale in Tennessee. Mr. Everson is employed as an accountant for the Shelby County Government. Pursuant to T.C.A. 57-3-210(b)(1)⁷ - no wholesaler's or retailer's license shall be issued to a person who is a holder of a public office. However, Mr. Everson transferred his interest to wife, Peggy Everson, to resolve this conflict. Mrs. Everson has provided the TABC staff with all additional documentation required, and the TABC staff recommends approval of this request.

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

6. DISTILLERIES

A. New Business

**1. THUNDER ROAD DISTILELRY
 KODAK, TENNESSEE (SEVIER COUNTY)**

Applicant: Dumplin Creek Distillery, LLC
 Members: Blalock Capital, LLC 80%
 Lori J. Gettelfinger 20%
 C. Kent Merritt, President 0%

Before the Commission is a request for licensing of a distillery to be located at 3605 Outdoor Sportsman's Place, Suite A in Kodak, Tennessee; 37764. Jonelda Blalock, sole member of Blalock Capital, LLC, is investing \$500,000 of personal savings into the business. Applicant, LLC will lease the premises from Pro Shops, LLC for an initial 5 year term, with a monthly rent of approximately \$9,000 (years 1-3) and \$10,000 (years 4-5). The TABC staff recommends conditional approval of this application pending receipt of the following:

- a. ~~Certificate of Occupancy~~
- b. ~~TABC Inspection~~
- c. ~~Acknowledgement of TABC Rules & Regulations~~
- d. ~~License Fee~~

Discussion/Action Taken: Commissioner Jones motioned for approval and Commissioner Kaegi seconded the motion; motion passed with three ayes. Approved. **Update: License # 115 issued 10/29/2014**

7. PRIVATE CLUBS - None

8. BUDGET

⁷ Tenn. Code Ann. §57-3-210(b)(1)- No wholesaler's or retailer's license shall be issued to a person who is a holder of a public office, either appointive or elective, or who is a public employee, either national, state, city or county. It is unlawful for any such person to have any interest in such wholesale or retail business, directly or indirectly, either proprietary or by means of any loan, mortgage, or lien, or to participate in the profits of any such business;

9. PENDING MATTERS LIST

10. PERSONNEL

11. DATE OF NEXT MEETING – November 18, 2014

12. UPCOMING MEETING DATES

- November 18, 2014
- December 16, 2014

APPROVED FOR ENTRY UPON THE MINUTE BOOKS OF THE TENNESSEE ALCOHOLIC BEVERAGE COMMISSION
THIS THE _____ DAY OF NOVEMBER, 2014.



Mary McDaniel
Chairperson



Keith Bell
Executive Director

