

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

Minutes
May 27, 2014
1:30 pm

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Tuesday, May 27, 2014, in Nashville, Tennessee at 1:30 pm. Chairperson Mary McDaniel and Commissioners John Jones and Bryan Kaegi were present. Director Keith Bell, Assistant Director Ginna Winfree, CLEO Mark Hutchens, and Attorney Joshua Stepp were present.

1. April, 2014 Commission Meeting Minutes were approved.

2. RETAIL

A. New Business

1. ROSSVILLE BOTTLE SHOP, INC.
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)

Applicant: Rossville Bottle Shop, Inc.
d/b/a: Bottle Shop

Before the Commission is a request for a new retail store to be located at 4409 Rossville, Blvd. in Chattanooga, Tennessee. Dhansukhbhai Patel will hold 100% interest in the business and will actively manage the business. TABC staff has verified that Mr. Patel is investing \$50,000 to operate the store based on a promissory note with Amin Jinnah at an interest rate of nine percent (9%) per annum. Rossville Bottle Shop, Inc. is leasing the property from Zarin Enterprises, Inc. & Hajiani Investments, Inc. at a base rental of \$2,500.00 per month through July 2015, and will increase during each successive twelve month period by market rate determined by the landlord.

TABC staff recommends **conditional approval** of this application pending receipt of the following items:

- a. License fee
- b. Alcohol Dealer Registration (TTB F 5630.5d)
- c. Credit Check for Amin Jinnah

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended conditional approval based on three missing items. Commissioner Jones motioned for approval subject to receipt of missing documents, Commissioner Kaegi seconded the motion. The motion for conditional approval passed. – **License #3938 issued 6/13/2014; effective 6/16/2014**

2. JACKSON LIQUORS, INC. – **continued from April Meeting**
ASHLAND CITY, TENNESSEE (CHEATHAM COUNTY)

Applicant: Jackson Liquors, Inc.
d/b/a: Jackson Liquors
Shareholder(s), Current: Linda D. Jackson (President, 100%)

Director Bell reviewed the matter to the Commission and recommended approval. Commissioner Jones motioned to approve and Commissioner Kaegi seconded the motion; the motion to approve passed.

**4. D & D LIQUOR SALES, LLC
CROSSVILLE, TENNESSEE (CUMBERLAND COUNTY)**

Applicant: D & D Liquor Sales, LLC
d/b/a: D & D Liquor Sales

Current LLC: D & D Liquor, LLC; d/b/a D & D Liquor
Current Members: Donald Haberman (50%)
 Dolores Haberman (50%)

Proposed: D & D Liquor Sales, LLC; d/b/a D & D Liquor Sales
Proposed Members: Bruce Wyatt (50%)
 Carmen Wyatt (50%)

Before the Commission is a request for a transfer of ownership from LLC to another LLC for a retail store located at 32 Crossings Way in Crossville, Tennessee, 38555. The current license is held by D & D Liquor, LLC (d/b/a D & D Liquor), with Donald and Delores Haberman each having 50% interest in the business. Upon approval, assets and ownership would transfer to D & D Liquor Sales, LLC (d/b/a D & D Liquor Sales), Bruce and Carmen Wyatt, members. As verified by TABC staff, the Wyatt's will be investing \$640,000, in D & D Liquor Sales, LLC, that will in turn purchase the current assets and inventory of D & D Liquor, LLC (d/b/a D & D Liquor). The purchase price is allocated as follows: equipment and fixtures - \$40,000, goodwill - \$400,000, and \$200,000 worth of inventory.

In accordance to Tennessee law, Seller is to transfer title and possession of the liquor inventory to the Business' wholesalers for credit from wholesalers to Seller. In April of 2014, the Haberman's, with approval of the landlord, Baruh Investment Partners - entered into an agreement to assign their lease to D & D Liquor Sales. Terms of the lease include a minimum rent of \$1,781.25 from 7/1/2013-6/30/2014 and \$1,812.00 for 7/1/2014 - 6/30/2015. Tenant will also be responsible for 2.4% of all expense charges, tax charges, and insurance charges.

The TABC staff recommends **conditional approval** of this application pending receipt of the following:

- a. ~~\$850.00 license fee~~ **received 5/27/14**
 - b. Final Inspection – **ready for inspection as of 5/28/14**
 - c. Acknowledgement of TABC Rules and Regulations
- Update: License Issued 06/16/2014; effective date of new license 06/27/2014**

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended conditional approval of the request pending receipt of three missing items/documentation. Commissioner Kaegi motioned for conditional approval and Commissioner Jones seconded the motion; the motion for conditional approval passed.

**5. 72 WINE & SPIRITS, LLC
LOUDON, TENNESSEE (LOUDON COUNTY)**

Applicant: 72 Wine & Spirits, LLC

Compliance on March 12, 2014, but has since rescinded it based on information that the location does not meet requirements of City Ordinances.

Specifically, the location is within 500 feet of Philadelphia Baptist Church, a violation of Memphis City Ordinance Section 4-5. Memphis Ordinances require a liquor store to be 1500 feet from a church, school, park, playground, library, or another liquor store.

Because the City of Memphis has rescinded the Certificate of Compliance, the TABC staff **recommends denial** of this application.

Discussion/ Action Taken:

Director Bell reviewed the matter to the Commission and recommended denial. Commissioner Jones motioned for denial and Commissioner Kaegi seconded the motion; the motion passed with three ayes.

**8. DEH, LLC
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

Applicant: DEH, LLC
d/b/a: Island Point Wine & Spirits

Before the Commission is a request for expansion of the retail space for Island Point Wine & Spirits located at 5987 Brainerd Road. The additional storage space measures 141.76 square feet and includes a door that will remain locked at all times. The Applicant provided an updated lease which commenced on November 1, 2013, and the lease includes a rental of \$2,250.00 per month until the lease terminates on October 31, 2015. All documentation has been submitted.

The TABC staff **recommends approval** of this application.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended approval of the request. Commissioner Kaegi moved to approve, and Commissioner Jones seconded the motion. The motion passed with three ayes.

**9. JAY KRISHNA CORPORATION
COOKEVILLE, TENNESSEE (PUTNAM COUNTY)**

Applicant: Jay Krishna Corporation
d/b/a: Discount Wine & Liquor

Before the Commission is a request for licensing of a retail store to be located at 831 S. Jefferson Avenue, Suite C, in Cookeville, Tennessee; 38501. Ashok Patel and Subhadraben Patel would each own 50% interest in the business. Each plans to invest \$90,000 of personal funds in the business. The real property where the store is to be located is owned by OHM NAMA Properties, of which Subhadraben Patel is an owner. The Applicant (Jay Krishna Corporation) entered into a lease agreement with the owner based on the following terms: rental of \$4812.00 per month from November 30, 2013 - November 30, 2016; and the second term will be from 2016 – November 30, 2021.

The TABC staff **recommends denial** of this application based on reasonable suspicions indicating that this Applicant is not and would not be in compliance with T.C.A. § 57-3-204. The Applicant corporation itself, does not have a bank account, instead there are multiple joint bank accounts linking family members which raises concerns about the intermingling of funds from other businesses and another retail package liquor store. Additionally, viewing the financials as provided to the TABC staff it would appear that potential ownership of the applicant has not been fully disclosed.

**1. CELLAR 53 WINERY
BRUSH CREEK, TENNESSEE (SMITH COUNTY)**

Applicants: Hickory Hills Farm, LLC
d/b/a Cellar 53 Winery

Members: Scott T. Paschal (50%)
Rebecca S. Paschal (50%)

Before the Commission is a request for a new winery to be located at 115 Oak View Drive East in Brush Creek, Tennessee; 38547. The Applicant, LLC is composed of two members – husband and wife – and each will invest \$50,000.00 of personal funds in the business. The Paschal's own the real property where the winery is to be located. A rental agreement between the Paschal's and Hickory Hills Farm, LLC, d/b/a Cellar 53 Winery include the following terms: a \$500.00 deposit, \$500.00 monthly rent, a rental period of twelve months and; barring a cancellation notice, the lease will be automatically renewed. The applicant did not submit a Certificate of Occupancy, but instead submitted a letter from the Smith County Planning Office explaining that the county does not require or issue Certificates of Occupancy.

The TABC **recommends conditional approval** of this application for a new winery pending receipt of the following:

- a. ABC Inspection
- b. Acknowledgement of Rules and Regulations
- c. \$150.00 License Fee

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended conditional approval pending receipt of missing items. Commissioner Kaegi motioned for conditional approval pending receipt of the missing items, and Commissioner Jones seconded the motion. The motion passed.

4. FARM WINERIES- None

5. WHOLESALERS

A. NEW BUSINESS

1. Ten Minute Presentation and Comments by Representative of Hospitality Group

Re: Opposition to HB2027 proposed amendment of T.C.A. § 57 - 4- 203 prohibiting Wholesalers from extending credit to LBD restaurants.

6. DISTILLERY – None

7. PRIVATE CLUBS

A. NEW BUSINESS

**1. STONE FORT INC.
HIXSON, TENNESSEE (HAMILTON COUNTY)**

Applicant: Stone Fort Inc.

10. **PENDING MATTERS LIST**

A. **Commission Meeting Dates for the 2014 calendar year**

June 24, 2014

11. **PERSONNEL-NONE**

12. **DATE OF NEXT MEETING - June 24, 2014**

APPROVED FOR ENTRY UPON THE MINUTE BOOKS OF THE TENNESSEE ALCOHOLIC BEVERAGE COMMISSION THIS THE 24th DAY OF JUNE, 2014.



**Mary McDaniel
Chairperson**



**Keith Bell
Executive Director**