

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

**MINUTES
November 17, 2015
1:30 pm**

Chairperson McDaniel was not present but Commissioner Jones and Commissioner Kaegi were in attendance. Commissioner Kaegi was the acting Chairman. The presence of two commissioners constituted a quorum and the meeting was conducted. Executive Director, Keith Bell, Assistant Director, Ginna Winfree, Staff Attorney, Joshua Stepp, and CLEO, Mark Hutchens were present.

1. APPROVAL OF THE OCTOBER 20, 2015 COMMISSION MEETING MINUTES-

Discussion/Action Taken: Commissioner Jones motioned for approval and Commissioner Kaegi seconded the motion; the motion passed with 2 ayes.

2. RETAIL MATTERS

A. NEW BUSINESS

**1. BROADWAY WINE & LIQUOR
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: SRJ, LLC
Member(s): Savan Patel 100 %

Current: EZ In & Out Liquor, LLC (Angelia D. Crowley, 100%), D/b/a
Broadway Wine and Liquor
Proposed: SRJ, LLC, d/b/a Broadway Wine & Liquor

Before the Commission is a request for a transfer of ownership regarding the retail package store located at 4425 N. Broadway, Knoxville, Tennessee 37917. Mr. Patel is investing \$150k (gift from father) into the business, and the applicant will purchase the business from the current owner for approximately \$123,000 (including inventory).¹ Landlord, William Monday III, is leasing the premises to the applicant for an initial term of one year, at a monthly rental rate of \$1,250.² The TABC staff recommends conditional approval of this request, subject to receipt of the following:

- a. ~~Certificate of Compliance~~ received 11.02.2015
- b. ~~License Fee~~ received 11.04.2015

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.

² The lease includes an automatic extension of (1) one (5) five year term unless Tenant cancels the lease. Monthly rent will increase to \$1,700 by year five.

DISCUSSION/ACTION TAKEN: The Director requested this item be continued to the December agenda in light of issues that arose after the agenda was published. Commissioner Kaegi motioned to continue to the matter to the next month's meeting and Commissioner Jones seconded the motion. The motion to continue passed with 2 ayes.

**2. DISCOUNT LIQUORS (LICENSE NO. 3972)
PULASKI, TENNESSEE (GILES COUNTY)**

Applicant: Discount Liquors Acquisition, LLC

Member(s): David R. Harris (1/3), Holley H. Lawson (1/3), & Jace A. Harris (1/3)

Current Location: 992 Mill Street, Pulaski, Tennessee 38478

Proposed Location: 810 Mill Street, Pulaski, Tennessee 38478

Before the Commission is a request for the retail package store licensee (license no. 3972) to transfer locations as specified above. This transfer will reduce rental cost and increase retail floor space. The applicant will lease the premises from landlord, David Dwight Harris, for an initial term of five years at a monthly rental rate of \$800.00. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection of new location

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing item(s) and Commissioner Jones seconded the motion; the motion passed with 2 ayes.

**3. IMBIBE WINE SPIRITS & BEER (LICENSE NO. 4034)
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

Applicant: Imbibe, LLC

Member(s): Joshua Carter (25%); Stephen Ryan Dillard (25%); David Yann (25%); Kevin Boehm (25%)

The retail package store licensee doing business at 1616 Broad St. in Chattanooga is requesting permission from the Commission to utilize the second floor of the premises as inventory storage.³ The TABC staff recommends approval of this request.

³ The second floor has no outside access and no windows.

Discussion/Action Taken: Commissioner Kaegi motioned for approval, and Commissioner Jones seconded the motion; the motion passed with 2 ayes.

**4. HAPPY HOUR WINE & LIQUOR
COOKEVILLE, TENNESSEE (PUTNAM COUNTY)**

Applicant: KDR1, Inc.⁴
Current d/b/a: Jefferson Wine & Liquor
Proposed d/b/a: Happy Hour Wine & Liquor
Current Location: 620 South Jefferson Ave., Suite 108, Cookeville, TN 38501
Proposed Location: 601 South Jefferson Ave., Cookeville, TN 38501

Before the Commission are two requests: the first is a request for a d/b/a name change and the second is a request for a transfer of location. The applicant will lease the premises of the new location from VSH, Inc., for an initial term of five years at a monthly rental rate of \$10,000.⁵ The TABC staff recommends conditional approval of the requests for d/b/a name change & transfer of location, subject to receipt of the following:

- a. TABC inspection after move

Discussion/Action Taken: (1st) dba change: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing item(s) and Commissioner Jones seconded the motion; the motion passed with 2 ayes. **Database updated with new location & new d/b/a.**

(2nd) transfer of location: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing item(s) and Commissioner Jones seconded the motion; the motion passed with 2 ayes.

**5. WINE & SPIRITS OF HALLS (LICENSE NO. 3593)
HALLS, TENNESSEE (LAUDERDALE COUNTY)**

Applicant: Rebecca C. McWilliams, Sole Proprietor
Current Location: 11722 Hwy. 51 N., Suite 4, Halls, TN 38040
Proposed Location: 11722 Hwy. 51 N., Suite 1, Halls, TN 38040

Before the Commission is a request for a transfer of location as specified above. The applicant will lease the premises of the new location from Grassy Hill Properties, Inc., for a monthly rental rate of \$1,000. The TABC staff recommends conditional approval of this request, subject to receipt of the following:

⁴ Shareholders: Dipti Patel (33.34%), Rekha Patel (33.33%), Chirag Shah (33.33%)

⁵ The lease includes an option to renew for two additional five year terms; rent would increase by 5% for each term.

a. TABC Inspection after transfer of location

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing item(s) and Commissioner Jones seconded the motion; the motion passed with 2 ayes.

6. **ROBERT’S PACKAGE STORE (LICENSE NO. 3922)
HUMBOLDT, TENNESSEE (GIBSON COUNTY)**

Applicant: Robert’s Center Inc.
 Shareholder(s): Barbara Graves, President & Secretary 100 %
 Bryan Borders, V.P. 0 %

Current Shareholders		Proposed Shareholders	
Barbara Graves	50 %	Barbara Graves	100 %
Bryan Borders	0 %	Bryan Borders	0 %
Robert Graves	50 %		

Before the Commission is a request for approval of a change in shareholders and shareholder interest regarding the retail package store licensee doing business at 3035 East End Dr., Humboldt, Tennessee 38343. Robert Graves is now deceased and his wife, Barbara Graves, took ownership of his shares per Gibson County Probate Court. The TABC staff recommends approval of this request.

Discussion/Action Taken: Commissioner Kaegi motioned for approval and Commissioner Jones seconded the motioned. The motion was approved with 2 ayes

7. **UNIVERSAL WINE AND SPIRITS BEVERAGE WAREHOUSE
JOHNSON CITY, TENNESSEE (WASHINGTON COUNTY)**

Applicant: Universal Wine and Spirits, LLC⁶
 Current D/b/a: Happy Hour Liquor & Wine
 Proposed D/b/a: Universal Wine and Spirits Beverage Warehouse

The licensee (license no. 4032) doing business at 2815 W. Market St., Johnson City, Tennessee 37604 is requesting approval of a d/b/a name change as specified above. The TABC staff recommends conditional approval of this request, subject to receipt of the following item:

a. ~~Proof of filing w/ TN Sec. of State of assumed name (d/b/a)~~

Discussion/Action Taken: Item (a) was received prior to the meeting. Commissioner Kaegi motioned for approval and Commissioner Jones seconded the motion; the motion passed with 2 ayes. **Database updated with new d/b/a.**

⁶ Shane Abraham, 50%; Jamie Abraham, 50%

**8. FIVE STAR LIQUOR & WINE
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Sahjanand, Inc.
Shareholder(s): Shilpa S. Patel, President 100%

Current: Benyam T. Kassaye, d/b/a Five Star Liquor & Wine (License no. 3879)

Proposed: Sahjanand, Inc., d/b/a Five Star Liquor & Wine

Before the Commission is a request for approval of a change in ownership regarding the retail package store located at 2821 N. Houston Levee, Suite 105, Memphis, TN 38016. Ms. Patel is investing \$200k (personal funds and HELOC) into the business, and if approved, the applicant will purchase the business from the current owner for \$134k (including inventory⁷). The applicant is leasing the premises from Houston Levee Investments, LLC for an initial term of 24 months at a monthly rental rate of approximately \$2,400.⁸ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. ~~TABC Agent Report~~ received 11.4.15
- b. TABC Inspection
- c. Acknowledgement of TABC Rules & Regulations
- d. License Fee

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing item(s) and Commissioner Jones seconded the motion; the motion passed with 2 ayes. **Update: License 4046 issued 11.23.15; effective 11.24.15**

**9. HERMITAGE LIQUORS
OLD HICKORY, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Hermitage Liquor Store, LLC
Member(s): Jimmy Patel, President/Secretary 100 %

Current: Hermitage Liquors Inc., (Linda Smith, 100%; Andrew Smith, 0%)
d/b/a Hermitage Liquors (License no. 0592)

Proposed: Hermitage Liquor Store, LLC, d/b/a Hermitage Liquors

Before the Commission is a request for a transfer of ownership regarding the retail package store located at 2811 Old Hickory Boulevard, Old Hickory,

⁷ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement. Price of inventory may be adjusted at closing.

⁸ Shilpa Patel (lessee) assigned the lease to Sahjanand, Inc. The lease includes options to renew for two additional terms of five years each at monthly rental rates of approximately \$2,750.

Tennessee 37138. Mr. Jimmy Patel is investing approximately \$250k into the business plans to purchase the business from the current owner for \$225k, via seller financing (at 5% interest).⁹ The applicant is sub-leasing the premises from SPAB Management, LLC for an initial term of three years at a monthly rental rate of \$5,500.¹⁰ The TABC staff recommends conditional approval of this request, subject to receipt of the following:

a. License Fee

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing item(s) and Commissioner Jones seconded the motion; the motion passed with 2 ayes. **Update: License 4044 issued/effective 11.20.15**

**10. BRINKMANN’S WINE & SPIRITS
FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)**

Applicant:	Surati Retail Investments 3, LLC	
Member(s):	Hemel R. Surati	22.50 %
	Vrushank R. Surati	22.50 %
	Vikash R. Surati	13.50 %
	Ashesh A. Patel	13.50 %
	Dharmesh R. Surati	13.00 %
	Wyatt J. England	10.00 %
	Timir Y. Surati	5.00 %

Current: Vintage Pursuits, LLC (Timothy Brinkman, 50%; Ann Brinkman, 50%), d/b/a Brinkmann’s Wine and Spirits (License no. 3609)

Proposed: Surati Retail Investments 3, LLC, d/b/a Brinkmann’s Wine & Spirits

Before the Commission is a request for a transfer of ownership regarding the retail package store located at 103 International Drive, Franklin, Tennessee 37067. The applicant has a \$910k line of credit from Commerce Union Bank, and if approved plans to purchase the business from the current owner for \$750k (plus \$150k for inventory).¹¹ The applicant is leasing the premises from TSM Ventures Inc., for approximately \$10k per month until the term expires in 2023.¹² The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

a. TABC Agent Report

⁹ The liquor inventory is not included in the purchase price. Mr. Patel also has a \$200k line of credit to use to purchase the inventory.

¹⁰ Ashkar Properties, Inc. leases the premises to SPAB Management, LLC. The sub-lease includes two, five year options to renew.

¹¹ Inventory price may be adjusted, per the purchase agreement. In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers’ involvement.

¹² Seller agreed to assign the lease to the applicant. The assignment includes options to renew for two, five year terms at approximately \$12k per month; rent will have increase to \$13,700 per month by the end of the second renewal term.

- b. Certificate of Occupancy (or letter)
- e. ~~Assignment of lease signed by landlord received 11.12.15~~
- d. License Fee

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing item(s) and Commissioner Jones seconded the motion; the motion passed with 2 ayes. **Update: License 4045 issued/effective 11.23.15**

3. WINERY MATTERS

A. NEW BUSINESS

1. GRINDER'S SWITCH WINERY (LICENSE W-44) CENTERVILLE, TENNESSEE (HICKMAN COUNTY)

Applicant: Grinder's Switch Winery, Inc. (Joey Chessor, 50%; Gail Chessor, 50%)

Before the Commission is a request to expand the premises of the winery (License W-44) located at 2119 Hwy. 50 West Loop, Centerville, Tennessee 37033. Construction of the new addition should be completed by January of 2016¹³. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection after build-out
- b. Certificate of Occupancy after build-out
- c. TTB amended basic permit

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing item(s) and Commissioner Jones seconded the motion; the motion passed with 2 ayes.

4. FARM WINERY MATTERS -

5. WHOLESALE MATTERS

A. NEW BUSINESS

1. WEST TENNESSEE CROWN DISTRIBUTING CO. (LICENSE NO. 19) MEMPHIS, TENNESSEE (SHELBY COUNTY)

Applicant: West Tennessee Crown Distributing Co.
Shareholder(s): Georgia Crown Distributing Co., 100%
Keith Riggins, 0%
Susan E. Rich, 0%
John M. Tanzine III, 0%

¹³ Joey and Gail Chessor own the real property and lease the premises to Grinder's Switch Winery, Inc.

Current location: 7625 Appling Center Drive, Memphis, Tennessee 38133
 Proposed location: 3485 Tchulatech Drive, Memphis, Tennessee 38118

At the August 25, 2015 Commission meeting this applicant was conditionally approved to transfer locations¹⁴, as specified above; the applicant is now requesting an extension from the Commission to complete the location transfer on or before January 26, 2016. The TABC staff recommends conditional approval of the request for extension to become operational.

Discussion/Action Taken: Commissioner Kaegi motioned for approval of the request for extension, Commissioner Jones seconded the motion; it passed with 2 ayes.

**2. B & T DISTRIBUTING COMPANY
 KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: B&T Distributing Company
 Shareholder(s): Kahn Ventures, Inc.¹⁵ 100 %
 David Henry, Pres. 0 %

Current Owner: B&T Distributing Company (Robert E. Petrone, James M. Petrone, Kathleen R. Petrone; 33.33333% each) d/b/a B&T Distributing Company (License no. 41)

Proposed Owner: B&T Distributing Company (Kahn Ventures, Inc., 100%; D. Henry, 0%)

Before the Commission is a request for a transfer of ownership regarding the wholesale licensee doing business at 6520 Baum Drive, Knoxville, Tennessee 37919. Kahn Ventures, Inc. will purchase all of the issued and outstanding shares of the company, and is requesting the issuance of a new license on or around January 4, 2016. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

1. Sales tax # (applicant is applying for a new sales tax #)
2. License Fee

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval, subject to receipt of any missing item(s) and Commissioner Jones seconded the motion; the motion passed with 2 ayes.

6. DISTILLERY/BREWERY

A. NEW BUSINESS

¹⁴ Approval was conditioned upon receipt of TABC Inspection and copy of executed lease for new location.

¹⁵ The sole stockholder of Kahn Ventures Inc., is McClane Company, Inc.; The sole stockholder of McClane Company Inc., is Berkshire Hathaway, Inc., a publicly traded corporation.

**1. LEIPER’S FORK DISTILLERY
FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)**

Applicant:	Leiper’s Fork Distillery, LLC	
Member(s):	L.L. Kennedy and Sons Distilling, LLC ¹⁶	70 %
	Kennedy Distilling Partners, LLC ¹⁷	25 %
	Locke Distilling Partners, LLC ¹⁸	5 %
	Lee Locke Kennedy	0 %
	Nick Locke	0 %
	Gayle Locke Kennedy	0 %
	Wesley Laine Kennedy	0 %

Before the Commission is a request for licensing of a new distillery to be located at 3381 Southall Rd., Franklin, Tennessee 37064. The applicant is investing approximately \$1.3 million dollars into the business (loan and personal funds) and will lease the premises from Southall Realty Holdings, LLC for an initial term of ten years at a monthly rental rate of \$5,000.¹⁹ If the applicant is not operational within 90 days from the date of approval, applicant will need to obtain approval (prior to the 90-day deadline) from the Director for a 30-day extension. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

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

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing item(s) and Commissioner Jones seconded the motion; the motion passed with 2 ayes

**2. SUGARLANDS DISTILLING COMPANY (LICENSE NO. 82)
GATLINBURG, TENNESSEE (SEVIER COUNTY)**

Applicant: Sugarlands Distilling Company, LLC

The licensee located at 805 Parkway, Gatlinburg, Tennessee 37738 is requesting approval to expand its premises. The new addition will be located on the same property and all distilled spirit production will remain in the original distillery building. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. Amended TTB Federal Basic Permit (to include new addition)

¹⁶ L.L. Kennedy and Sons Distilling, LLC (Lee Locke Kennedy, 100%)

¹⁷ Kennedy Distilling Partners, LLC (Gayle Locke Kennedy, 51%; Wesley Laine Kennedy, 49%)

¹⁸ Locke Distilling Partners, LLC (Nick Carter Locke, 100%)

¹⁹ The lease includes an option to renew for two, ten year terms.

- b. Certificate of Occupancy (after build-out)
- c. TABC Inspection after build-out
- d. Amended lease for new addition

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing item(s) and Commissioner Jones seconded the motion; the motion passed with 2 ayes.

7. PRIVATE CLUBS - none

8. INITIAL ORDERS TO BE REVIEWED BY THE COMMISSION – none

9. SERVER APPEALS - none

10. MISC – none

11. NEXT MEETING – Tuesday, December 15, 2015 at 1:30 p.m.

12. UPCOMING MEETINGS

- Tuesday, December 15, 2015
- The Commissioners decided on a ****TENTATIVE** January meeting date of January 26, 2016 (January date to be finalized at the December 15, 2015 Commission Meeting)
- February, 2016 – TBD

**APPROVED FOR ENTRY UPON THE MINUTE BOOKS OF THE TENNESSEE
ALCOHOLIC BEVERAGE COMMISSION THIS THE 15th DAY OF DECEMBER, 2015.**



Mary McDaniel
Chairperson



Keith Bell
Executive Director