

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION MINUTES THURSDAY, JANUARY 23 1:00 p.m.

The January 2020 meeting was held on January 23, 2020 at 1:00 p.m. in Nashville, TN. Chairman Skiles, Commissioner Roberts, and Commissioner Tomita were present. In attendance on behalf of TABC staff were the following: Director Thomas, Assistant Director Blackwell, Commission Counsel Stepp, Commission Counsel Mercurio, CLEO Tubbs, Deputy Chief Brent Clayton, Aaron Rummage, Chris Dowell, and Scott Wolfe.

Pursuant to T.C.A. §8-44-108, meetings may be conducted permitting participation of electronic or other means of communication.

1. REVIEW/APPROVAL OF THE DECEMBER 17, 2019, COMMISSION MEETING MINUTES

<u>Discussion/Action Taken</u>: Commissioner Tomita moved to approve the minutes and the motion was seconded. The motion passed with three ayes.

2. REVIEW/APPROVAL OF THE JULY 2019 AUDIT MEETING MINUTES

<u>Discussion/Action Taken</u>: Commissioner Roberts moved to approve the minutes and the motion was seconded. The motion passed with three ayes.

3. REVIEW/APPROVAL OF THE DECEMBER 2019 AUDIT MEETING MINUTES

<u>Discussion/Action Taken</u>: Commissioner Tomita moved to approve the minutes and the motion was seconded. The motion passed with three ayes.

4. RETAIL MATTERS

 CHUCK'S PACKAGE STORE MORRISTOWN, TENNESSEE (HAMBLEN COUNTY)

Applicant:

2MK, LLC

Member(s):

Scott B. Kanipe (33.3%), John F. McGuffin (33.3%)

George P. McGuffin (33.3%)

Current licensee:

Cynthia H. Shoun and Charles M Hodge d/b/a Chuck's

Package Store¹

Proposed licensee:

2MK, LLC d/b/a Chuck's Package Store

¹ License no. RTLRPS-HMB-1904859



Before the Commission is a request for approval of a retail package store licensee to be located at 3401 W Andrew Johnson Hwy, Morristown, TN 37814. The applicant is acquiring the package store from the existing licensee owned by general partners Cynthia H. Shoun and Charles M Hodge². The TABC staff recommends conditional approval of the license subject to:

- a. deed after closing
- b. inspection which includes an acknowledgment of TABC rules & regulations
- c. agent report
- d. license fee

<u>Discussion/Action Taken</u>: Director Thomas summarized the request and recommended conditional approval subject to the deed after closing, inspection, agent report, and license fee. Commissioner Roberts moved approval subject to the deed after closing, inspection, agent report, and license fee and the motion was seconded. The motion passed with three ayes.

2. LIQUOR WORLD OF JOHNSON CITY JOHNSON CITY, TENNESSEE (WASHINGTON COUNTY)

Applicant:

Astron Inc.

Member(s):

Dhruv Patel (100%)

Current licensee:

Dhruv Patel d/b/a Liquor World of Johnson City

Proposed licensee:

Astron Inc. d/b/a Liquor World of Johnson City

Before the Commission is a request for approval of a retail package store licensee to be located at 308 N Broadway St., Johnson City, TN 37601. The applicant is the current license holder for this location and is switching from a sole proprietorship to an incorporated business. The TABC staff recommends conditional approval of the license subject to:

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. inspection which includes an acknowledgment of TABC rules & regulations
- b. agent report
- c. license fee

Discussion/Action Taken: Director Thomas summarized the request and recommended conditional approval subject to the inspection, agent report, and license fee. Commissioner Tomita moved approval subject to the inspection, agent report, and license fee and the motion was seconded. The motion passed with three ayes.

3. CJ'S LIQUOR HIXSON, TENNESSEE (HAMILTON COUNTY)

Applicant:

Jai Meldi Mata, Inc.

Member(s):

Pravin Patel (70%), Fenil Patel (30%)

Current licensee:

Hixsonliquor Inc d/b/a Cl's Liquor³

Proposed licensee: Jai Meldi Mata, Inc. d/b/a CJ's Liquor

Before the Commission is a request for approval of a retail package store licensee to be located at 6401 Hixson Pike, Suite A, Hixson, TN 37343. The applicant is acquiring the package store from the existing licensee owned by Hixsonliquor Inc.⁴. The TABC staff recommends conditional approval of the license subject to payment of the license fee.

Discussion/Action Taken: Director Thomas summarized the request and recommended conditional approval subject to payment of the license fee. Commissioner Roberts moved approval subject to payment of the license fee and the motion was seconded. The motion passed with three ayes.

³ License no. RTLRPS-HAM-1921121

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.



4. COPPER STILL **GALLATIN, TENNESSEE (SUMNER COUNTY)**

Applicant:

On The Rocks 101, LLC

Member(s):

Jami Knight (100%)

Current licensee:

Z-Grape, LLC Inc d/b/a The Copper Still Wine & Spirits⁵

Proposed licensee: On The Rocks 101, LLC d/b/a Copper Still

Before the Commission is a request for approval of a retail package store licensee to be located at 1176 Long Hollow Pike, Gallatin, TN 37066. The applicant is acquiring the package store from the existing licensee owned by Z-Grape, LLC.6. The TABC staff recommends conditional approval of the license subject to:

a. loan documentation

b. lease assignment with landlord consent

c. license fee

Discussion/Action Taken: Director Thomas summarized the request and recommended conditional approval subject to the loan documentation, lease assignment, and license fee. Commissioner Roberts and Commissioner Tomita had questions and concerns about the loan documentation and financials involved since it was not provided before the meeting. While Director Thomas and Commission Counsel Stepp answered their questions, the Commissioners agreed to defer this matter to next month's agenda so that any concerns could be resolved between now and then. Commissioner Tomita moved to defer the matter to next month's meeting and the motion was seconded. The motion passed with three ayes.

⁵ License no. RTLRPS-SUM-1815066

⁶ In accordance with Tennessee law, sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.



5. **CNG WINE AND SPIRITS** MURFREESBORO, TENNESSEE (RUTHERFORD COUNTY)

Applicant:

Karan, Inc.

Shareholders: Current

Prajesh Patel, 75 %

Proposed

Prajesh Patel, 70% Gautam Patel, 30%

Gautam Patel, 25%

The retail package store doing business at 2750 S Rutherford Blvd., Murfreesboro, TN 37130 is requesting approval of a change in ownership due

to other interests. All members stay on board with just the percentages being changed. The TABC staff recommends approval of the change in ownership.

Discussion/Action Taken: Director Thomas summarized the request and recommended approval of the change in ownership. Commissioner Roberts moved approval and the motion was seconded. The motion passed with three ayes.

6. **RED CARPET LIQUORS GALLATIN, TENNESSEE (SUMNER COUNTY)**

Applicant:

Aarya Enterprises, LLC (Kunal Patel, 100%)

Current location:

226 North Locust Ave., Gallatin, TN 37066

Proposed location:

509 Garnet Court, Gallatin, TN 37066

Retail package store licensee no. RTLRPS-SUM-1822652 is requesting an extension after receiving prior approval from the Commissioners at the September 2019 TABC Commission Meeting. The package store still intends to transfer its location to 509 Garnet Court, Gallatin, TN 37066. The TABC staff recommends conditional approval of the change subject to the following:

- a. certificate of occupancy
- b. inspection which includes an acknowledgment of TABC rules & regulations



Discussion/Action Taken: Director Thomas summarized the request and recommended an extension after receiving prior approval from the Commissioners at the September 2019 TABC Commission Meeting. The Commissioners and Director Thomas agreed to extension of time to April 30, 2020 so that the certificate of occupancy and inspection could be provided to the TABC by then. Commissioner Roberts moved approval of the extension and the motion was seconded. The motion passed with three ayes.

3. WINERY MATTERS

1. SMOKY MOUNTAIN WINERY GATLINBURG, TENNESSEE (SEVIER COUNTY)

Applicant:

Smoky Mountain Winery, Inc.

Shareholders: Current

Proposed

Frank Fowler, 38.75 Linda Fowler, 40.25% Frank Fowler, 28% Linda Fowler, 28%

David Fowler, 12%

David Fowler, 44%

Sarah Fowler-Bettis, 9%

The winery licensee doing business at 450 Cherry St, Suite 2, Gatlinburg, TN 37738 is requesting approval of changes in ownership due to increased work responsibilities for one of its members, David Fowler. Current shares have been transferred to David, with one member giving all of their shares to Mr. Fowler (Sarah Fowler-Bettis). The TABC staff recommends approval of the change in ownership.

<u>Discussion/Action Taken</u>: Director Thomas summarized the request and recommended approval of the change in ownership. Commissioner Tomita moved approval and the motion was seconded. The motion passed with three ayes.



2. BELLE MEADE WINERY NASHVILLE, TENNESSEE (DAVIDSON COUNTY)

Applicant: The Winery at Belle Meade Plantation, Inc.

The winery licensee doing business at 5025 Harding Pike, Nashville, TN 37205 is requesting approval to expand its premises by adding a tasting room. The TABC staff recommends conditional approval of the change subject to an inspection, which includes an acknowledgment of TABC rules & regulations.

<u>Discussion/Action Taken</u>: Director Thomas summarized the request and recommended conditional approval subject to the inspection. Commissioner Roberts moved approval subject to the inspection and the motion was seconded. The motion passed with three ayes.

4. MANUFACTURER MATTERS

OLD FORGE DISTILLERY PIGEON FORGE, TENNESSEE (SEVIERCOUNTY)

Applicant:

Old Forge Distillery, LLC

The manufacturer doing business at 170 Old Mill Ave., Pigeon Forge, TN 37863 is requesting approval to expand its premises by adding an outdoor garden area/patio. The TABC staff recommends approval of the change subject to an inspection, which includes an acknowledgment of TABC rules & regulations.

<u>Discussion/Action Taken</u>: Director Thomas summarized the request and recommended conditional approval subject to the inspection. Commissioner Tomita moved approval subject to the inspection and the motion was seconded. The motion passed with three ayes.



2. **B.R. DISTILLING COMPANY** MEMPHIS, TENNESSEE (SHELBY COUNTY)

Applicant:

Big River Distilling Company, LLC

Shareholders: Current

Proposed

Headwater Holdings (45%)

Robert J. DelPriore (30%)

Headwater Holdings (43.08%) Robert J. DelPriore (28.93%)

Frank Watson Jr. Trust (15%)

Frank Watson Jr. Trust (17%)

Robert Williams (10%)

Robert Williams (10.09%)

Alexander Folk (.90%)

The manufacturer doing business at 802 Royal Ave., Memphis, TN 38107 is requesting approval of changes in ownership. In addition to Alexander Folk as a new shareholder, there are a couple of small changes with percentages amongst current shareholders. The TABC staff recommends approval of the change in ownership at the manufacturer.

Discussion/Action Taken: Director Thomas summarized the request and recommended approval of the change in ownership. Commissioner Roberts moved approval and the motion was seconded. The motion passed with three ayes.

3. KING'S FAMILY DISTILLERY SEVIERVILLE, TENNESSEE (SEVIER COUNTY)

Applicant:

King Consulting Group, LLC

Parent Company Conversion:

King's Family Distillery, Inc.

Shareholders: Current

Proposed

Cara King (100%)

Cara King (51%)

Samuel King (49%)



The manufacturer doing business at 1440 Upper Middle Creek, Suite 201, Sevierville, TN 37876 is requesting approval of a change in ownership and the parent company conversion. Samuel King will now own 49% of the manufacturer, which is also wanting to convert from a limited liability company to a corporation. The TABC staff recommends approval of the change in ownership and the parent company conversion at the manufacturer.

<u>Discussion/Action Taken</u>: Director Thomas summarized the request and recommended approval of the change in ownership. Commissioner Tomita moved approval and the motion was seconded. The motion passed with three ayes.

4. NELSON'S GREEN BRIER DISTILLERY NASHVILLE, TENNESSEE (DAVIDSON COUNTY)

Applicant:

Nelson's Green Brier Distillery, LLC

Officer:

Current

Proposed

David Klein

Robert Hanson

The manufacturer doing business at 1414 Clinton St., Nashville, TN 37203 is requesting approval of a change in ownership. Robert Hanson is replacing David Klein as an officer within the company. The TABC staff recommends approval of the change in ownership at the manufacturer.

<u>Discussion/Action Taken</u>: Director Thomas summarized the request and recommended approval of the change in ownership. Commissioner Roberts moved approval and the motion was seconded. The motion passed with three ayes.

OLD TENNESSEE DISTILLING CO. KODAK, TENNESSEE (SEVIER COUNTY)



Applicant:

Dumplin Creek Distillery, LLC

Shareholders: Current

Carrent

<u>Proposed</u>

Blalock Capital, LLC (85%)

Blalock Capital, LLC (99%)

Distilled Holdings, LLC (7.5%)

Sidney Blalock Estate (1%)

Chris Gettelfinger (7.5%)

The manufacturer doing business at 3605 Outdoor Sportsman Place Dr., Suite 100, Kodak, TN 37764 is requesting approval of a change in ownership. Two of the shareholders are selling their interests to Blalock Capital, LLC. <u>The TABC staff recommends approval of the change in ownership at the manufacturer.</u>

Discussion/Action Taken: Director Thomas summarized the request and recommended approval of the change in ownership. Commissioner Tomita moved approval and the motion was seconded. The motion passed with three ayes.

5. WHOLESALER MATTERS

1. SAWYER REESE IMPORTS CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)

Applicant:

Sawyer Reese Imports, LLC

Members:

Harry Jones (83%), Sandra Kilpatrick (12.1%)

Dale Garner (4.9%)

Before the Commission is a request for approval of a wholesaler to be located at 3010 Williams St., Unit 102, Chattanooga, TN 37410. The applicant will lease the premises from Hickory Land Company, LLC. The TABC staff recommends conditional approval of the license subject to payment of the license fee.

<u>Discussion/Action Taken</u>: Director Thomas summarized the request and recommended conditional approval subject to payment of the license fee.



Commissioner Roberts moved approval subject to payment of the license fee and the motion was seconded. The motion passed with three ayes.

6. MISCELLANEOUS

Director's Update

Discussion/Action Taken: Director Thomas updated the Commission on a few items. First, with the legislative session started, the TABC will have some budget presentations soon with no major changes. A few Annual Reports are due early to the legislative committee with nothing significant changing. One report from various reports submitted by local beer boards has seen low participation in years past with anywhere from 20-40 submitted from around the state. However, this year the TABC has made a collective effort to get reports from all beer boards in the state with mailing, emails, and phone calls. As a result, the TABC has already received five times as many reports as it's ever received on an annual basis with more expected in the next few weeks. Second, Director Thomas mentioned that the Comptroller was coming next week to conduct their audit of the agency. Third, Director Thomas mentioned that two bills were submitted with one related to the Supreme Court case involving residency and the other one requesting the agency be added to the Human Trafficking Advisory Council. And finally, Director Thomas went over major updates being made to the TABC's online application system (RLPS), which will go offline the following weekend to make sure everything is properly working when the system relaunches on Monday, February 3.

Law Enforcement Update

<u>Discussion/Action Taken:</u> CLEO Tubbs updated the Commission on enforcement activity since the last meeting including statistics on the number of inspections conducted, citations issued, fine amounts, minor compliance checks and compliance rate, seizures, and personnel news; Tubbs also discussed the continued effort on investigating direct shippers. In law enforcement activity, Tubbs discussed a recent sting in Memphis involving a liquor listing on Craigslist. In personnel news, the TABC will swear in two new agents at the Knoxville and Memphis offices.





- 7. **NEXT MEETING** Thursday, February 27, 2020 @ 1:00PM CST
- 8. UPCOMING MEETINGS
 - Tuesday, March 31, 2020 @ 1:00PM CST



TENNESSEE ALCOHOLIC BEVERAGE COMMISSION AGENDA ADDENDUM THURSDAY, JANUARY 23 1:00 p.m.

Pursuant to T.C.A. §8-44-108, meetings may be conducted permitting participation of electronic or other means of communication.

1. SATELLITE FACILITY MATTERS

TRAZO MEADERY, INC. CLARKSVILLE, TENNESSEE (MONTGOMERY COUNTY)

Applicant:

The Free Range Honey Bee Apiary, Inc.

Shareholders:

Travis Powell (33%); Rebecca Powell (33%); and Patrick

Powell (33%)

Before the Commission is a request for approval of a satellite location to be located at 116 Franklin St., Clarksville, TN 37040. The applicant will lease the premises from Gary Hamm. The TABC staff recommends conditional approval of the license subject to:

- a. certificate of occupancy
- inspection which includes an acknowledgment of TABC rules & regulations
- c. license fee

Discussion/Action Taken: Director Thomas summarized the request and recommended conditional approval of the satellite facility subject to certificate of occupancy, inspection, and license fee. Commissioner Tomita moved approval subject to the certificate of occupancy, inspection, and license fee and the motion was seconded. The motion passed with three ayes.



APPROVED FOR ENTRY UPON THE MINUTE BOOKS OF THE TENNESSEE ALCOHOLIC BEVERAGE COMMISSION THIS THE 27th DAY OF FEBRUARY 2020.

Commissioner

Director