

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

Minutes
March 15, 2007
1:30 p.m.

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Thursday, February 15, 2007 in Nashville, Tennessee at 1:00 p.m. Chairman John Jones, Commissioner Cynthia Bond and Commissioner Harlan Mathews were present. Executive Director Danielle Elks, CLEO Mark Hutchens, SAC Mike Cawthon, ASAC Andy Woodall, SA Al Watson, SA Brad Allison, SA Jason Poore, SA Amy Farmer and SA Debra Warren from the staff, were present.

1. The Minutes for February 15, 2007 Commission Meeting were approved

2. RETAIL PACKAGE STORES

**A. ALEX'S DISCOUNT
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Seller/Licensee: Gerald Alexander
Buyer/Applicant: MLD Investments, Inc.
Stockholder: Michael Deangelis

Before the Commission is a request for a transfer of ownership of the retail package store currently located at 5939 E. Shelby Drive, in Memphis, Tennessee. Mr. Michael Deangelis wishes to purchase the business from Gerald Alexander for \$850,000: \$600,000 for the business, assets, etc., and \$250,000 for inventory existing at closing. Financing is based upon personal funds and investment accounts. The corporate applicant is leasing the premises from Mai Pham for \$5600/month for a two year term. It should be noted that Mr. Deanglis was the previous owner of Lauderdale Liquors in Memphis. He sold the business to RDG Corporation in August, 2006. He remains the landlord to RDG Corporation. All documentation has been submitted with the exception of the following:

- a. TABC Inspection; and
- b. Questionnaire for Andrew Gipson.

Discussion/Action Taken:

Director Elks reviewed the application for the Commissioners. Director Elks stated that all documentation had been received and recommended approval. Commissioner Bond made a motion to approve. Commissioner Mathews seconded the motion and it passed with 3 ayes.

**B. BROADWAY LIQUORS
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Seller/Licensee: Rosa Ship Johnson
Buyer/Applicant: Srinivasa Rao Pedireddi

Before the Commission is a request for a transfer of ownership of the retail package store located at 909 8th Avenue North, in Nashville, Tennessee. Srinivasa Pedireddi intends to purchase the business from Rosa Johnson for approximately \$200,000: \$60,000 is for goodwill and assets of the business, with the remaining purchased related to inventory. Financing is based upon personal savings. **If approved, the Applicant would like to change the business name to Broadway Discount.** All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Bank statement indicating a balance of \$200,000;
- c. Acknowledgement of the rules and regulations;
- d. Use and Occupancy permit; and
- e. Lease and deed.

Discussion/Action Taken:

Director Elks stated that upon requesting information from the applicant, Srinivasa Rao Pedireddi had withdrawn his application. Director Elks stated that the staff had received a letter from his attorney stating that the applicant is withdrawing his application.

**C. HICKORY HILL WINE AND SPIRIT
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Seller/Licensee: Mattie Orr
Buyer/Applicant: Jan Johnson

Before the Commission is a request for a transfer of ownership of the retail store located at 3633 Hickory Hill in Memphis, Tennessee. Mr. Jan Johnson wishes to purchase the business from Mattie Orr for \$50,050. Financing is based on \$3,000 in personal funds at Bank of America, and a \$47,000 gift from Sylvia Thomas. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgement of the rules and regulations;
- c. Questionnaire and financial check on Sylvia Thomas;
- d. Lease from Orr to Johnson;
- e. Outstanding citations paid.

Discussion/Action Taken:

Director Elks reviewed the application for the Commissioners. Director Elks stated that all documentation had been received and all outstanding citations have been paid and she recommended approval. Commissioner Bond made a motion to approve. Commissioner Mathews seconded the motion and it passed with 3 ayes.

**D. MILL CREEK
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Seller/Licensee: Shiv, LLC
Member: Arvind Patel
Buyer/Applicant: Jilu, Inc.
Stockholders: Nayana Patel

Before the Commission is a request for a transfer of ownership of the retail store located at 1664 Antioch Pike in Nashville, Tennessee. Ms. Nayana Patel wishes to purchase the business from Shiv, LLC for \$35,000. Financing is based personal funds at Bancorp South. The corporate applicant will be leasing the premises from Kathryn Bubis for five years, and the rental amount is initially \$2800.00/month. All documentation has been submitted with the exception of the following:

- a. Federal Tax Stamp in corporate name;
- b. Sales Tax number;
- c. Copy of the newspaper notice;
- d. TABC Inspection;
- e. Acknowledgement of the Rules and Regulations;
- f. Source of the \$35,000; and
- g. What interest do Vesav Patel and Chetau Kumar Patel have in the business?

Discussion/Action Taken:

Nayana Patel and Jimmy Watson, Attorney, were present for the meeting. Director Elks reviewed the application for the Commissioners. Director Elks stated that Vesav Patel and Chetau Kumar Patel are listed as being on her checking account and asked Nayana Patel what interest they have in the business. Nayana Patel stated that they manage the business. Director Elks asked Nayana Patel to provide the source of the \$35,000. Nayana Patel stated that it is already in the bank as of today's date. Director Elks asked Nayana Patel where she obtained the \$35,000. Director Elks asked Nayana Patel whether it was a bank loan or from an individual. Nayana Patel stated it was from friends as gifts and other sources that

she had collected, which is out of state relatives. Director Elks stated that the staff would need documentation of any gifts from each of any individuals and will need to verify through a financial background check on those individuals. Chairman Jones asked Nayana Patel if she understood what Director Elks was requesting. Nayana Patel stated that she understood. Director Elks recommended approval subject to the receipt and review of the documentation. Commissioner Mathews made a motion to approve. Commissioner Bond seconded the motion, and it passed with 3 ayes.

**E. 96 LIQUOR AND WINES
MURFREESBORO, TENNESSEE (RUTHERFORD COUNTY)**

Licensee: Delta, Inc.
Stockholder: Gauttam Patel and Igbal Kallon
New Stockholder: Jaswantlal Patel

Before the Commission is a request to transfer stock from existing stockholders to a new stockholder. Currently, Gauttam Patel and Igbal Kallon each own 50% of the stock. They wish to each transfer 20% of their stock to Jaswantlal Patel for a total price of \$70,000. Jaswantlal Patel would then own 40% of the stock, with 30% each to Mr. Patel and Mr. Kallon. Financing is based upon a loan from Gauttam Patel to Jaswantlal Patel. All documentation has been submitted with the exception of the following:

- a. Bill of Sale;
- b. Loan Agreement.

Discussion/Action Taken:

Director Elks reviewed the application for the Commissioners. Director Elks recommended approval upon receipt of the Bill of Sale and a copy of the Loan Agreement. Commissioner Mathews made a motion to approve. Commissioner Bond seconded the motion and it passed with 3 ayes.

**F. HARVEST TOWNE WINE AND SPIRITS
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Licensee: Two G's, Inc.
**Stockholders: Chris Gettelfinger, Nancy Gettelfinger, and
Frances Gettelfinger**

Before the Commission is a request to transfer stock from existing stockholders. Currently, Chris Gettelfinger owns 60% of Two G's, Inc., and Nancy and Frances Gettelfinger each own 20%. Chris Gettelfinger wishes to purchase Nancy Gettelfinger's 20% for \$100,000 and assumption of 20% interest in the First Tennessee Bank line of credit. If approved, Chris Gettelfinger would own 80% of the existing stock, and Frances Gettelfinger would own 20%. All documentation has been submitted.

Discussion/Action Taken:

Director Elks reviewed the application for the Commissioners. Director Elks stated that the Gettelfingers are a family in Knoxville with many family members having interests in various retail stores in the Knoxville area. Complaints/allegations have been made over the years that the stores and resources are co-mingled. Director Elks stated that ultimately what is to happen is that Chris Gettelfinger, if approved, will be out of all of the retail stores. Jill and Nancy Gettelfinger will ultimately be out of the retail package store. Director Elks stated that there would be three (3) Gettelfingers left in two stores and another store will be out of the Gettelfinger family. Director Elks stated that Harvest Towne involves the first transfer with Chris Gettelfinger eventually obtaining 80% of the stock. First, Director Elks that Harvest Towne is currently owned by Chris Gettelfinger with 60%, and Nancy Gettelfinger and Frances Gettelfinger each with 20%. Chris Gettelfinger wants to purchase Nancy Gettelfinger's 20% so that he would own 80% of the stock, along with his uncle, Frances Gettelfinger. Frances Gettelfinger would continue to own 20%. Director Elks stated that is the request on the agenda. Director Elks stated that all documentation has been submitted and is in order and she would recommend approval. Chairman Jones made a motion to approve. Commissioner Mathews seconded the motion and it passed with 3 ayes.

**G. TURKEY CREEK WINE AND SPIRITS
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Licensee: Turkey Creek Wine and Spirits, LLC
Members: Steven Gettelfinger and Herman Gettelfinger

Before the Commission is a request to transfer stock between existing stockholders. Currently, Steven Gettelfinger owns 60%, and Herman Gettelfinger owns 40% of the stock of Turkey Creek Wine and Spirits, LLC. Herman Gettelfinger wishes to purchase Steven Gettelfinger's 60% interest for \$800,000. If approved, Herman Gettelfinger would be 100% owner of the business. All documentation has been submitted.

Discussion/Action Taken:

Director Elks stated that Turkey Creek is currently owned by Steven Gettelfinger and Herman Gettelfinger. Steven Gettelfinger owns 60% of the stock and Herman Gettelfinger owns 40% of the stock. Director Elks stated that if approved, Herman Gettelfinger will own 100% and be the sole stockholder of Turkey Creek. Director Elks stated that all documentation had been submitted and she recommends approval. Chairman Jones made a motion to approve. Commissioner Bond seconded the motion and it passed with 3 ayes.

**H. HARVEST TOWN WINE AND SPIRITS (2)
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Licensee: Two G's, Inc.
Stockholders: Chris Gettlefinger and Frances Gettelfinger (if approved above)

New Stockholder: Steven Gettlefinger

***CONTINGENT UPON APPROVAL OF STOCK TRANSFERS
ABOVE (F and G).***

Before the Commission is a request to transfer stock between assumed stockholder Chris Gettlefinger and new stockholder, Steven Gettlefinger. If Chris Gettlefinger has been approved for assuming 80% of the stock of Two G's, Inc in a previous transaction, and if Herman Gettlefinger has been approved to assume 100% of the stock of Turkey Creek Wine and Spirits, Inc., then Steven Gettlefinger desires to purchase Chris's 80% of Two G's, for \$400,000. If approved, Steven Gettlefinger would own 80% of Two G's, Inc., and Frances Gettelfinger would own 20%. All documentation has been submitted.

Discussion/Action Taken:

Director Elks requested that this matter be continued to the April Commission meeting. Director Elks stated that notwithstanding what is on the agenda, there are documents that are still needed on the transfer. Chairman Jones made a motion to continue to the April Commission meeting. Commissioner Mathews seconded the motion and it passed with 3 ayes.

I. SMOKY MOUNTAIN WINE AND SPIRITS (1)

Licensee: Smoky Mountain Wine and Spirits, LLC

Members: Jill Gettelfinger and Randy Massey

Before the Commission is a request to transfer stock between existing stockholders Jill Gettelfinger and Randy Massey. Currently, Jill Gettelfinger owns 60% of the existing stock, and Randy Massey owns 40%. Randy Massey wishes to sell his 40% of stock to Jill Gettelfinger, making her 100% owner of the business. The purchase price is \$150,000, assumption of existing loans, two cases of “Seven Deadly Zins” and Red and Green Zinfandel; and Seller has the right of refusal to purchase 100% of the stock for \$720,000 for one year from date of closing. All documentation has been submitted.

Discussion/Action Taken:

Director Elks stated that Smoky Mountain Wine and Spirits is currently owned by Jill Gettelfinger with 60% of the stock and Randy Massey with 40% of the stock. Director Elks stated that Jill Gettelfinger wants to purchase the 40% of Randy Massey’s stock and become the sole stockholder of Smoky Mountain Wine and Spirits, LLC. Director Elks stated that Randy Massey does have the right to purchase the 100% of the stock within one year within the date of closing. Director Elks recommended approval. Chairman Jones made the motion to approve. Commissioner Bond seconded the motion and it passed with 3 ayes.

Summary of Transactions:

Director Elks stated that in summary, Turkey Creek Wine and Spirits is owned by Herman Gettelfinger with 100% stock. Harvest Towne Wine and Spirits is owned by Chris Gettelfinger with 80% stock and Frances Gettelfinger with 20%. Smoky Mountain Wine and Spirits is owned 100% by Jill Gettelfinger. Director Elks stated that two of the retail package store matters will come before the Commission at the April meeting.

4. ADMINISTRATIVE CITATIONS and CONTESTED CASES

A. JEFFREY RUSSELL JOHNSON—CON’T FROM FEBRUARY, 2007

On January 26, 2007, Jeffrey Russell Johnson sold a bottle of Jack Daniels to a nineteen year-old confidential informant at Frugal MacDougals, in Nashville, Tennessee. TABC SA Brad Allison witnessed the transaction. To date, the Respondent has not paid the citation.

Discussion/Action Taken:

Jeffrey Russell Johnson was present at the meeting. Director Elks stated that this matter was continued from the February Commission meeting. Director Elks stated that there was an issue regarding the license that was provided to Mr. Johnson at the time of the sale. Director Elks stated that the minor and his license are present. Director Elks stated that SA Brad Allison is present pursuant to this matter.

Mr. Johnson testified that he had not seen the ID that he was told by SA Allison would be at the February Commission meeting. Mr. Johnson stated that the ID was not at the meeting. Mr. Johnson testified that when SA Allison brought the bottle to him and stated that he had sold to a minor and he told SA Allison that he believed that he had seen “1983” license. Mr. Johnson further stated that SA Allison told him that he had looked at the license for several seconds before selling to the minor. Mr. Johnson testified that SA Allison stated that it was a 1987 license and did not present him the license to make it clear that it was a 1987 license. Mr. Johnson testified that when they were in the office doing the paperwork and he requested to see the license, SA Allison told Mr. Johnson that it would be at the hearing and SA Allison did not allow Mr. Johnson to see the license. Mr. Johnson testified that when SA Allison did not present him the license and the license was not at the February Commission meeting and he felt that proper avenues had not been followed. Mr. Johnson testified that after reviewing the license, he is sure that the license said 1987. Mr. Johnson requested that in the future, that SA Allison present the evidence when it is requested.

Commissioner Mathews made a motion to uphold the administrative citation. Commissioner Bond seconded the motion and it passed with 3 ayes.

B. MICHAELA ANNE HUGOBOOM—CON’T FROM FEBRUARY, 2007

On December 28, 2006, Michaela Anne Hugoboom sold an alcoholic beverage to an eighteen year-old confidential informant at Michael’s in Knoxville, Tennessee. KPD Officer Matiak witnessed the transaction. To date, the Respondent has not paid the citation. The Respondent is represented by an attorney, Lawrence Ault, who has requested a continuance until the April, 2007 Commission meeting. Mr. Ault indicates that she has a health condition and also must appear in criminal court this month; further, he has a jury trial set for the third Thursday of March, 2007.

Discussion/Action Taken:

Director Elks stated that this matter has been continued to the April Commission meeting. Director Elks stated that she had it on the agenda to maintain consistency.

C. JAMIE NICOLE DAVENPORT

On February 9, 2007, Jamie Nicole Davenport sold an alcoholic beverage to an eighteen year-old confidential informant at the Hendersonville Family Fun Center, in Hendersonville, Tennessee. TABC SA Brad Allison witnessed the transaction. To date, the Respondent has not paid the citation.

Discussion/Action Taken:

Director Elks stated that on February 9, SA Allison conducted a compliance check at Hendersonville Family Fun Center in Hendersonville, Tennessee. Director Elks stated that SA Allison had an 18 year old informant to enter the establishment where Jamie Nicole Davenport did sell alcoholic beverages to the minor. SA Allison witnessed the transaction. Director Elks stated that neither Assistant Director Carolyn Smith nor she have had any contact with Ms. Davenport. Commissioner Mathews made a motion to uphold the citation. Commissioner Bond seconded the motion and it passed with 3 ayes.

D. ROBERT HERSHEL KLIEM, JR

On January 25, 2007, Robert Hershel Kliem, Jr. sold an alcoholic beverage to an eighteen year-old confidential informant at Cork's Ribs and BBQ in Jackson,, Tennessee. TABC SA Jim Lawson witnessed the transaction. To date, the Respondent has not paid the citation.

Discussion/Action Taken:

Director Elks stated that the staff of the Memphis TABC office from Mr. Kleim's wife. Mr. Kleim is in the hospital but they indicated that Mr. Kleim wants to pay the administrative citation but had forgotten to pay the citation. Director Elks requested that the administrative citation be continued to the April Commission meeting to give Mr. Kleim an additional month to pay the administrative citation. If Mr. Kleim has not paid the administrative citation then the matter would come before the Commission at the April meeting. Commissioner Mathews made a motion to continue the matter to the April meeting. Commissioner Bond seconded the motion and it passed with 3 ayes.

E. JACQUELIN OLDHAM

On February 9, 2007, Jacquelin Oldham sold an alcoholic beverage to an under-aged confidential informant at The Red Lobster, in Nashville, Tennessee. TABC SA Debra Warren witnessed the transaction. Identification was checked. To date, the Respondent has not paid the citation.

Discussion/Action Taken:

Jacquelin Oldham was present at the meeting. Director Elks stated that on February 9, 2007, the agency conducted compliance checks at various establishments. SA Warren went with the underage informant to the Red Lobster in Nashville, Tennessee where he ordered an alcoholic beverage from Ms. Oldham and was able to purchase the alcoholic beverage. Ms. Oldham testified that she did sell the alcoholic beverage to the informant and she did ask for the informant's ID. Ms. Oldham testified that when she looked at the ID she thought she saw the year 1983. Ms. Oldham testified SA Warren that she thought the ID said 1983. Ms. Oldham testified that she did serve the informant an alcoholic beverage.

SA Warren stated that when Ms. Oldham and the manager of the restaurant requested to see the informant's ID, she contacted SA Allison to bring in the ID. SA Allison did bring the ID. SA Warren testified that the ID was clear and that the ID had not been switched. SA Warrant testified that the minor did not have any other ID on him. SA Warren testified that the agents follow procedures to be sure that the minor is not carrying any other form of ID, and check the minor's billfold. Agents will ask the minor if they have any other form of ID on them. SA Warren testified that they do not allow any other form of ID with the minor.

Ms. Oldham testified that she is not accusing the Tennessee Alcoholic Beverage Commission agents of sending a minor into an establishment with a fake ID to set anyone up or having the minors switch ID's. She requested that agents monitor the minor's ID in the establishment to eliminate questions regarding validity of the ID.

Commissioner Bond made a motion to uphold the administrative citation. Commissioner Mathews seconded the motion. Chairman Jones voted nay. The motion passed 2-1.

F. DREW ERIK STOCK

On February 9, 2007, Drew Erik Stock sold a beer to an underaged confidential informant at Ruby Tuesday, in Knoxville, Tennessee. A Knoxville police officer witnessed the transaction in conjunction with TABC Agent Jason Poore. To date, the Respondent has not paid the citation.

Discussion/Action Taken:

Drew Erick Stock was present at the meeting. SA Jason Poore was present at the meeting. Director Danielle Elks stated on February 9 that Mr. Stock sold to a 20 year old underage Knoxville Police Department Cadet at Ruby Tuesday in Knoxville, Tennessee. This compliance check was in conjunction with SA Jason Poore and the Knoxville Police Department.

Mr. Stock testified that the cadet ordered two Coors Lights. The server checked the ID's. He made the mistake of misreading the ID. Mr. Stock testified that he does not dispute that the cadet was under the age of 21. Mr. Stock testified that the server asked him if he would go behind the bar and get the beers. Mr. Stock testified that he asked the server if he had checked their ID. The server said that he had checked their ID's. Mr. Stock testified that he then delivered the two beers to the cadets.

Chairman Jones made a motion to uphold the administrative citation. Commissioner Mathews seconded the motion and it passed with 3 ayes.

G. BARBARA WEAVER DAVENPORT

On February 9 12, 2007, Barbara Weaver Davenport sold an alcoholic beverage to an under-aged confidential informant at The Chop House, in Knoxville, Tennessee. A Knoxville police officer witnessed the transaction in conjunction with TABC Agent Jason Poore. To date, the Respondent has not paid the citation.

Discussion/Action Taken:

Director Danielle Elks stated that Barbara Weaver Davenport has paid the administrative citation; so therefore, no action is necessary.

H. MICHELE MIGNON GASTERLAND

On February 9, 2007, Michele Mignon Gasterland sold an alcoholic beverage to an eighteen year-old confidential informant at Calhoun's, in Madison, Tennessee. TABC SA Brad Allison witnessed the transaction. To date, the Respondent has not paid the citation.

Discussion/Action Taken:

Director Danielle Elks stated that Michele Mignon Gasterland has paid the administrative citation; so therefore, no action is necessary.

I. MOLLY REBECCA PARKER

On January 25, 2007, Molly Rebecca Parker sold an alcoholic beverage to an eighteen year-old confidential informant at The Downtown Tavern, in Jackson, Tennessee. TABC SA Bobbie Rogers witnessed the transaction. Identification was not checked. To date, the Respondent has not paid the citation.

Discussion/Action Taken:

Director Danielle Elks stated that Molly Rebecca Parker has paid the administrative citation; so therefore, no action is necessary.

J. ALLISON FROST

Ms. Frost has appealed the decision of TABC staff denying her application for a server permit, and has requested a hearing. TABC staff denied Ms. Frost's application for a permit based on felony convictions in 2005. T.C.A. §57-3-704 prohibits the issuance of a server permit to anyone who has been convicted of a felony within four years of the date of the application.

Discussion/Action Taken:

Allison Frost was present at the meeting. Director Elks stated that Allison Frost made application for a server permit on February 15, 2007. Director Elks stated that on Ms. Frost's application she indicated that in 2002 she was convicted of a felony for theft; in 2005 she was convicted of 5 felonies and 4 misdemeanors for drugs. Director Elks also stated that in 2005 she had 2 felonies--concealing her child contrary to a court order. Director Elks stated that Allison Frost had been convicted of 7 felonies in the past 2 years; 9 felonies in the past 5 years. Director Elks stated that pursuant to that the statute requires the denial of any server permit for any individual that has a felony conviction for 4 years prior to the date of the application. Therefore, the staff denied the application and Ms. Frost requested a hearing appealing the decision.

Chairman Jones made a motion to uphold the denial of the server permit application. Commissioner Bond seconded the motion and it passed with 3 ayes.

5. **SPECIAL OCCASION LICENSES**
6. **CONSUMER EDUCATION SEMINAR LICENSES**
7. **PERSONNEL**
8. **BUDGET**
9. **CONSENT ORDERS**

10. **PENDING MATTERS LIST**
11. **MISCELLANEOUS** – Director Elks stated that the TABC Agents’ Conference will be held on April 29 thru May 4, 2007 in Memphis, Tennessee.
12. **DATE OF NEXT MEETING** – April 19 at 1:30 p.m. & May 24, 2007 at 1:30 p.m.

There being no further business the meeting was adjourned.

Shari Danielle Elks
Executive Director

John A. Jones
Chairman