

# TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

**Minutes**  
**February 22, 2012**  
**1:30 pm**

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The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Wednesday, February 22, 2012, in Nashville, Tennessee at 1:30 p.m. Chairperson Mary McDaniel, Commissioner John Jones and Commissioner Bryan Kaegi were present. Executive Director Danielle Elks and CLEO Mark Hutchens were present.

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**1. The Minutes for January 25, 2011 Commission Meeting were approved.**

**2. NEW BUSINESS--RETAIL**

**A. 1. AMNICOLA WINE AND SPIRITS  
HIXSON, TENNESSEE (HAMILTON COUNTY)**

**Applicant: Millo, Inc.**  
**Members: Bradley Whalen**

Before the Commission is a request for a new retail store to be located at 1510 Riverside Drive, in Hixson, Tennessee. Mr. Whalen intends to initially invest \$150,000 to operate the business as a LLC. Financing is based the sale of his interest in Bailey's, LLC d/b/a Ooltewah Discount Liquors). The applicant corporation is leasing the property from Bettye Ficken for a period of two years at \$2300. If approved, Mr. Whalen will hold 100% interest. All documentation has been submitted with the exception of the following:

a. Bill of sale of stock in Bailey's, LLC;

**Discussion/Action Taken:**

Bradley Whalen was present at the meeting. Director Elks stated that Mr. Bradley Whalen has sold his share of the stock of Ooltewah Discount Liquors and is no longer an owner in the retail package store. Therefore, Director Elks recommended approval.

Commissioner Jones made a motion to approve. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

**B. DIXIE LEE WINES & LIQUORS  
FARRAGUT, TENNESSEE (KNOX COUNTY)**

**Licensee:** Dixie Lee Wines and Liquors, Inc.  
**Stockholders:** Linda Taylor; Sam Taylor, III; Ellen Jones;  
Melanie Brown

Before the Commission is a request for a re-distribution of stock in the ownership of the retail licensee found at 13044 Kinston Pike, Farragut, Tennessee. This is a family-owned business. Mrs. Taylor wishes to sell some her interest in the business to her children. The current distribution of stock is as follows: Linda Taylor (91.6%); Sam Taylor, III (2.8%); Ellen Jones (2.8%) and Melanie Brown (2.8). Each child would purchase 1.11% of Mrs. Taylor's stock for \$10,000 each. The re-distribution of stock would result in the following: Linda Taylor (88.27); Sam Taylor, III (3.91); Ellen Jones (3.91) and Melanie Brown (3.91). All documentation has been submitted with the exception of the following:

- a. Verification of the date of transfer of stock.

**Discussion/Action Taken:**

Director Elks stated that Linda Taylor, as part of her estate planning, wishes to re-distribute her interest in the business each year until her children eventually own all of the interest in the business. Director Elks stated that last year there was a fine of \$750.00 paid because the transfer of the stock took place to the children prior to the approval of the Commission. Director Elks stated that the staff had requested verification of the date of the transfer of stock to determine if there would be another citation issued for the same issue. Director Elks stated that she would recommend approval of the redistribution of the stock to the children after she talks to the attorney and verify the date of the re-distribution to see if a citation is forthcoming.

Commissioner Jones made a motion to approve pending the receipt of this item and the resolution of this issue. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

**C. SOUTHERN WINE (CURRENTLY D/B/A BROADWAY LIQUORS)  
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

**Licensee:** Maa, LLC  
**Members:** Kirtiba Chudasama

Before the Commission is a request for a transfer of location of the retail store located at 909 Rosa Parks Boulevard in Nashville, Tennessee. In May, 2010, this location was flooded and did not re-open; however, the

licensee maintained its license seeking a new location. A proposed new location has been found and is for review: 4124 Nolensville Road in Nashville, Tennessee. It is anticipated that re-modeling of the proposed location will occur upon approval. **If approved, the licensee requests permission to change the business name to Southern Wine.** All documentation has been submitted with the exception of the following:

- a. TABC Inspection after re-modeling.
- b. List of members.

**Discussion/Action Taken:**

Director Elks reviewed the matter to the Commission and recommended approval upon submission of the pending documentation.

Commissioner Kaegi made a motion to approve upon submission of the pending documentation. Commissioner Jones seconded the motion and it passed with 3 ayes.

**D. MAURY PACKAGE STORE  
COLUMBIA, TENNESSEE (MAURY COUNTY)**

**Licensee/Seller: Maury Package Store Corporation**  
**Stockholder: Gay Bobo**  
**Applicant/Buyer: James Beard**

Before the Commission is a request for a transfer of ownership of the retail store located at 2002-A Carmack Boulevard in Columbia, Tennessee. Mr. James Beard wishes to purchase the business for \$40,000. Financing is based upon Tennessee lottery winnings. Mr. Beard is leasing the property from Mr. Marty Erwin for a period of five years at \$1500/month. **Issue: Mr. Beard is employed by the Williamson County Government as a truck driver in waste management. He has indicated during interviews that he has two and one half years before retirement, and he will not retire or quit his employment until such time.** T.C.A. §57-3-210(b)(1) and (2) sets forth the following:

- (1) No...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...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;

- (2) The foregoing shall not apply to uncompensated appointees to municipal boards and commissions where the boards or commission on which such appointees serve have no duty to vote for, overlook or in any manner superintend the sale of alcoholic beverages.

Upon verification that Mr. Beard will not resign or otherwise cease employment with the Williamson County Government, it is anticipated that the TABC staff will not recommend approval of this application. Notwithstanding this statement, all documentation with the exception of the following has been submitted:

- a. Application in Mr. Beard's name;
- b. Copy of Newspaper ad;
- c. Deed to Mr. Erwin;
- d. TABC Inspection;
- e. Acknowledgement of the rules and regulations;
- f. Verification of lottery winnings.

**Discussion/Action Taken:**

James Beard was present at the meeting. Director Elks stated that Mr. James Beard works for Williamson County as a truck driver. Director Elks stated there is a statute that prohibits an individual from having any ownership interest in a retail package store that works for the State or the County and is drawing a paycheck. Director Elks stated that if Mr. Beard wants to continue to work for Williamson County that she will have to recommend to the Commission that the application not be approved.

Director Elks stated that if James Beard's wife was to make application, then she would have to be the true owner of the business. Director Elks stated that James Beard could not really own it or tell his wife how to operate the business. Director Elks also stated that his wife would also have to have her own financing.

James Beard requested to withdraw his application.

**E. ARTHUR'S WINE AND LIQUORS  
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

**Licensee/Seller:** HTS, LLC  
**Member:** Robert Hyde, Jr.  
**Applicant/Buyer:** Cellarmasters Partners  
**Partners:** Arthur Kahn and Louis Loeb

Before the Commission is a request for a transfer of ownership of the retail store located at 5475 Poplar Avenue in Memphis, Tennessee. In September, 2009, Mr. Hyde purchased the business from Cellarmasters Partners; financing was based upon a ten year promissory note with the sellers. Mr. Kahn has indicated that soon after the sale, Mr. Hyde defaulted on the promissory note. In August, 2011, HTS, LLC filed for Chapter 11 bankruptcy protection. Bankruptcy Court has ordered the sale of the business, and Cellarmasters Partners wishes to purchase the business pursuant to this sale. Questionnaires submitted in conjunction with this application indicate that Mr. Kahn and Mr. Loeb wish to invest \$430,000. Financing is based upon existing personal funds and investments. Cellarmasters Partners signed the original lease on November 12, 2003; this lease is still in effect. (While HTS, LLC was the licensee, Cellarmasters Partners sub-let the property to the licensee.) The term of the lease was for five years, with four, five year options to renew. Monthly rent is currently at \$9723/month and will increase to \$12,067 over the remaining term of the lease. All documentation has been submitted with the exception of the following:

- a. November 16, 2011 Asset Purchase Agreement

**Discussion/Action Taken:**

Director Elks reviewed the matter to the Commission and recommended approval upon submission of the November 16, 2011 Asset Purchase Agreement.

Commissioner Kaegi made a motion to approve upon submission of the pending documentation. Commissioner Jones seconded the motion and it passed with 3 ayes.

**3. WHOLESALE MATTERS**

**A. LIPMAN BROTHERS, INC.  
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

**Applicant: Lipman Brothers, Inc.**  
**Members: Robert Lipman, Robert Lipman irrevocable trust for Margaret Lipman; Robert Lipman irrevocable trust for Gracey Lipman**

Before the Commission is a request a new wholesale license to be located at 6217 Enterprise Drive in Knoxville, Tennessee. Mr. Lipman wishes to open another wholesale business in Knoxville to facilitate the delivery of alcoholic beverages/high alcoholic content beer to the Knoxville

areas—instead of delivery of these products from the Nashville location. The corporate applicant will be leasing the property from John Spry, Jr and Melissa Spry at \$1800/month for a period of one year, with three one-year options. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgement of the rules and regulations;
- c. Application fee.

**Discussion/Action Taken:**

Henry Hildebrand, III, attorney, was present at the meeting. Director Elks reviewed the matter to the Commission and recommended approval.

Commissioner Kaegi made a motion to approve. Commissioner Jones seconded the motion and it passed with 3 ayes.

**4. WINERY MATTERS**

**A. DeBARGE VINEYARDS AND WINERY  
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

**Applicant: DeBarge Vineyards, Inc.**  
**Stockholders: L. Raymond and Jane DeBarge**

Before the Commission is a request for a new winery to be located at 1617 Rossville Avenue in Chattanooga, Tennessee. Mr. and Mrs. DeBarge wishes to initially invest \$480,000 to operate the business. Financing is based upon existing personal funds and a loan to R & J Property Group, Inc.<sup>1</sup> (landlord for inventory and equipment). The corporate applicant is leasing the property from the R and J Property Group for a period of two years, with a monthly rent of \$3,600. If approved, each stockholder will own 50% of the stock. All documentation has been submitted with the exception of the following:

- a. Use and Occupancy permit

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<sup>1</sup> Stockholders for R & J Property Group, Inc. are Raymond and Jane DeBarge.

**Discussion/Action Taken:**

Director Elks reviewed the matter to the Commission and recommended approval.

Commissioner Jones made a motion to approve. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

**B. BOOTLEGGERS HOMEMADE WINE  
GATLINBURG, TENNESSEE (SEVIER COUNTY)**

**Licensee: Bootlegger’s Homemade Wine, LLC**

**Members: Margaret Edwards, Virginia Baker, and Charles Baker**

**Proposed New Members: Mika Leatherwood and Baker Family Trust**

Before the Commission is a request for a partial transfer of ownership of the winery located at 903 Parkway, Suite 108 in Gatlinburg, Tennessee. In October, 2011, the Commission approved the partial transfer of ownership (25%) to Charles Baker from Margaret Edwards and Virginia Baker. Charles Baker now wishes to transfer/give his 25% ownership interest to his fiancée, Mika G. Leatherwood. Further, Ms. Virginia Baker wishes to transfer/give her interest in the business (65%) to the Baker Family Trust. The beneficiaries of this trust are her two minor children, Eleanor Jessup Baker and Joseph Andrew Baker, Jr. Ms. Leatherwood is the trustee of the Baker Family Trust. The resulting ownership would be as follows: Margaret Edwards (10%); Mika Leatherwood (25%) and Baker Family Trust (60%). All documentation has been submitted.

**Discussion/Action Taken:**

Director Elks reviewed the matter to the Commission and recommended approval.

Commissioner Jones made a motion to approve. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

**5. MANUFACTURER**

**A. SPEAKEASY SPIRITS/WHISPER CREEK  
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

**Applicant:** Speakeasy Spirits, LLC  
**Members:** Jefferson Pennington; Jenny Pennington; Laurie Pennington; Debra Paquette; Frank Walton DeBolt; Sharon DeBolt; Cream Share, LLC, Nancy Inman

Before the Commission is a request for a new manufacturer's license to be located at 900 44<sup>th</sup> Avenue North, Suite 101, in Nashville, Tennessee. The following individuals and entities wish to invest the noted amounts for ownership interest as indicated: Jeff and Jenny Pennington--\$130,000 (71.5%); Laurie Pennington--\$12,000 (7%); Debra Paquette--\$8,000 (2%); Frank and Sharon DeBolt--\$50,000 (12.5%); Cream Share, LLC--\$20,000 (5%), and Nancy Inman--\$8000 (2%). The applicant will be leasing the property from Ben Johnson d/b/a Big Ben, LLC, on a month-to-month lease at \$3000/month, with an option to convert the lease to up to four, five year terms. All documentation has been submitted with the exception of the following:

- a. Lease from Johnson to Big Ben, LLC;
- b. TABC Inspection;
- c. Use and Occupancy permit;
- d. Acknowledgment of the rules/regulations;
- e. Ashley Kuzman's resignation from Mafiaoza's;
- f. Written acknowledgement of Debra Paquette that she cannot be a consultant to a liquor-by-the-drink applicant or licensee;
- g. Charter and list of members indicating percentage of ownership—with questionnaires—for Cream Share, LLC

**Discussion/Action Taken:**

Jeff Pennington and Mike Dolen, attorney, were present at the meeting. Director Elks reviewed the matter to the Commission. Director Elks stated that there has been a change made since the agenda was written. Director Elks stated that Debra Paquette has requested to withdraw her questionnaire and relinquish her interest in the business. Director Elks stated that because Mr. Ben Johnson is the owner of the property, this matter is clarified and the lease from Johnson to Big Ben, LLC is no longer needed. Mike Dolen stated that the two owners of Cream Share, LLC is owned by Ashley Kuzman and Margaret Paulus. Mr. Dolen stated that neither individuals were owners in the retail package store. Director Elks recommended approval upon submission of the pending documentation.



Commissioner Kaegi made a motion to approve upon submission of the pending documentation. Commissioner Jones seconded the motion and it passed with 3 ayes.

6. **BUDGET** - Director Elks stated that TABC has had budget hearings before the House Finance Ways and Means Committee and the Senate State and Local Committee. The budget was approved by both the House and Senate Committee.
7. **CONSENT ORDERS**
8. **PENDING MATTERS LIST**
9. **MISCELLANEOUS**
  - A. **Monthly Summary of TABC Activity**

Director Elks stated that TABC is planning their annual in-service training in Murfreesboro. The in-service training will be held in April 30<sup>th</sup> to May 3, 2012.
10. **DATE OF NEXT MEETING** – Wednesday, March 28, 2012 and Wednesday, April 25, 2012 at 1:30 p.m.

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Mary McDaniel  
Chairperson

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Shari Danielle Elks  
Executive Director