

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

**Minutes
June 23, 2009
1:30 p.m.**

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Tuesday, June 23, 2009 in Nashville, Tennessee at 1:30 p.m. Commissioner Cynthia Bond and Commissioner Harlan Mathews were present. Although Chairman John Jones was not present, a quorum was present and the meeting was held. Executive Director Danielle Elks, Assistant Director Carolyn Smith and CLEO Mark Hutchens were present.

1. The Minutes for May 21, 2009 Commission Meeting were approved.

2. RETAIL

**A. TRE WINES & SPIRITS
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

**Applicant: Phoenix Entertainment, LLC
Member: Tracy Burris**

Before the Commission is a request for a new retail store to be located at 2181 Nolensville Road, Suite 202 in Nashville, Tennessee. Mr. Burris intends to initially invest \$80,000 from personal savings and 401(k) investments to operate the business. If approved, Mr. Burris will operate the business as a LLC. Mr. Burris is leasing the property from Emeco Properties, LLC for a period of one year with rent ranging from \$500/month to \$2000/month. An option to renew the lease for a three year term exists with terms to be renegotiated. All documentation has been submitted with the exception of the following:

- a. Lease to Phoenix Entertainment, LLC
- b. Newspaper Affidavit;
- c. Copies of savings account and 401(k) statements.

Discussion/Action Taken:

Tracy Burris was present at the meeting. Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the following documentation:

- a. Lease to Phoenix Entertainment, LLC
- b. Newspaper Affidavit;
- c. Copies of savings account and 401(k) statements.

Commissioner Mathews made a motion to approve upon submission of the pending documentation and Commissioner Bond seconded the motion and it passed with 2 ayes.

**B. MIDSTATE WINE & SPIRITS
BAXTER, TENNESSEE (PUTNAM COUNTY)**

Applicant: Chris Mabey

Before the Commission is a request for a new retail store to be located at 115 Fast Lane, in Baxter, Tennessee. Mr. Mabey intends to initially invest approximately \$250,000 to operate the business. Financing is based upon a promissory note with Greg Mabey. Mr. Mabey is leasing the property from Greg Mabey for a period of ten years at \$5500/month, with an option to renew. All documentation has been submitted with the exception of the following:

- a. Newspaper Affidavit
- b. TABC Inspection
- c. Acknowledgement of the rules/regulations;
- d. Use and Occupancy Permit.

Discussion/Action Taken:

Chris Mabey and Dan Haskell, attorney, were present at the meeting. Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the following documentation:

- a. TABC Inspection
- b. Acknowledgement of the rules/regulations
- c. Use and Occupancy Permit

Commissioner Mathews made a motion to approve upon submission of the pending documentation and Commissioner Bond seconded the motion and it passed with 2 ayes.

**C. LOOKOUT MOUNTAIN WINE AND SPIRITS
LOOKOUT MOUNTAIN, TENNESSEE (HAMILTON COUNTY)**

Applicant: Lookout Mountain Wine and Spirits, Inc.
Stockholders: H. Hugh Davis, Jr.

Before the Commission is a request for a new retail store to be located at 124 N. Watauga Lane, Suite C, in Lookout Mountain, Tennessee. Mr. Davis intends to initially invest approximately \$30,000 to operate the business. If

approved, Mr. Davis will operate the business as a corporation. Financing is based upon a loan from his brother-in-law, Hollin Williams. Mr. Davis is leasing the property from Mr. Williams for a period of two years at \$1500/month, with an option to renew for one year. All documentation has been submitted with the exception of the following:

- a. Question 15 on questionnaire
- b. Promissory note with Hollin Williams.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon answering Question 15 on the questionnaire.

Commissioner Mathews made a motion to approve upon answering question 15 on the questionnaire and Commissioner Bond seconded the motion and it passed with 2 ayes.

**D. A-1 LIQUOR
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Adaweh Ali

Before the Commission is a request for a new retail store to be located at 3450 Winchester Road in Memphis, Tennessee. Mr. Ali wishes to initially invest approximately \$50,000 to operate the business. Financing is based upon personal funds. Mr. Ali owns the property where the store will be located. All documentation has been submitted with the exception of the following:

- a. TABC Inspection
- b. Acknowledgement of the rules/regulations;
- c. Written acknowledgement that grocery store may not be operated in conjunction with retail store;
- d. Different tax stamp from grocery store.
- e.

Discussion/Action Taken:

Mr. Adaweh Ali was present at the meeting. Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the TABC Inspection and acknowledgement of the rules/regulations.

Commissioner Mathews made a motion to approve upon submission of the pending documentation and Commissioner Bond seconded the motion and it passed with 2 ayes.

**E. CARL'S WINES AND LIQUOR
BARTLETT, TENNESSEE (SHELBY COUNTY)**

Licensee: Carl Reiter

Before the Commission is a request for a transfer of location for the retail store located at 6005-26 Stage Road to 5975-10 Stage Road in Bartlett, Tennessee. Mr. Reiter wishes to transfer location because the current landlord, Weingarten Realty is allowing the adjacent business (Kroger Grocery) to expand their store. Mr. Reiter will be leasing from Weingarten Nostat, Inc. for a period of five years with rent beginning at \$1750/month and increasing to \$2030/month during the pendency of the lease. All documentation has been submitted with the exception of the following:

- a. TABC Inspection

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the TABC Inspection.

Commissioner Bond made a motion to approve upon submission of the TABC Inspection and Commissioner Mathews seconded the motion and it passed with 2 ayes.

**F. GATEWAY SPIRITS, LLC
ROCKWOOD, TENNESSEE (ROANE COUNTY)**

Applicant: Gateway Spirits, LLC

Members: Howard DeVaney; James Gregory Williams; Mark Anthony Oliphant

Before the Commission is a request for a new license to be located 412 N. Gateway Avenue, in Rockwood, Tennessee. Mr. DeVaney, Mr. Williams, and Mr. Oliphant intend to initially invest \$200,000 total to operate the business. Financing is based upon a loan with the Bank of Camden. If approved, Mr. DeVaney will own 51%; Mr. Williams, 25%; and Mr. Oliphant, 24%. The applicant will be leasing the property from Calvin and Linda Cheek for a period of three years, with rent ranging from \$1200-\$1500/month. All documentation has been submitted.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval.

Commissioner Bond made a motion to approve and Commissioner Mathews seconded the motion and it passed with 2 ayes.

**G. HAPPY HOUR LIQUOR & WINES, LLC
JOHNSON CITY, TENNESSEE (WASHINGTON COUNTY)**

Licensee/Seller: Austin Rose Holdings, LLC
Members: John and Deanna Julian
Applicant/Buyer: Happy Hour Liquor & Wines, LLC
Member: Ryan Wagner

Before the Commission is a request for a transfer of ownership of the retail store currently located at 3101 Browns Mill Road, Suite 3 in Johnson City. Mr. Wagner wishes to purchase the business for \$175,000, if approved, operate the business as a LLC. Financing is based upon personal savings and the sale of stock. Once approved, Mr. Wagner wishes to transfer location to 2815 West Market Street—also in Johnson City. All documentation submitted has been referenced for the new location. The applicant is leasing the property from Edwin and Virginia McClure for a period of two years at \$4,333.34/month. All documentation has been submitted with the exception of the following:

- a. Signatures on the bill of sale;
- b. Ryan Wagner's name on the Certificate of Compliance;
- c. Use and Occupancy permit;
- d. Acknowledgement of the rules/regulations.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval of ownership upon submission of the following documentation:

- a. Signatures on the bill of sale;
- b. Use and Occupancy permit;
- c. Acknowledgement of the rules/regulations.

Commissioner Bond made a motion to approve transfer of ownership and Commissioner Mathews seconded the motion and it passed with 2 ayes.

Commissioner Bond made a motion to approve transfer of location and Commissioner Mathews seconded the motion and it passed with 2 ayes.

**H. ARTHUR'S WINE & LIQUOR
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Licensee/Seller: Cellarmasters, Ltd
Partners: Arthur Kahn; Louis Loeb; and Laurence Bloch
Applicant: HIS II, LLC
Member: Robert Hyde, Jr.

Before the Commission is a request for a transfer of ownership of the retail store located at 5475 Poplar Avenue, Suite 104 in Memphis, Tennessee. Mr. Hyde wishes to purchase the business for \$1,550,000, and if approved, operate the business as a LLC. Financing is based upon personal investments and a promissory note with Mr. Kahn for \$1,340,000. The lease has been assigned to the applicant, who will be paying \$9,723.00/month under the current lease. All documentation has been submitted with the exception of the following:

- a. Exhibits A, B and C to Bill of Sale;
- b. Bill of Sale signed by Mr. Hyde;
- c. Signatures on Asset Purchase Agreement;
- d. Use and Occupancy permit;
- e. TABC Inspection.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the following documentation:

- a. Exhibits A, B and C to Bill of Sale;
- b. Bill of Sale signed by Mr. Hyde;
- c. Signatures on Asset Purchase Agreement;
- d. Use and Occupancy permit;
- e. TABC Inspection.

Commissioner Bond made a motion to approve upon submission of the pending documentation and Commissioner Mathews seconded the motion and it passed with 2 ayes.

**I. SEQUATCHIE VALLEY WINE & SPIRITS
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

Applicant: Baines Group, LLC
Members: Michael Kelley; Alan Kelley; Wesley Kelley

Before the Commission is a request for a new retail store to be located at 36B Hickey Circle in Dunlap, Tennessee. Michael Kelley, Alan Kelley, and Wesley Kelley

wish to initially invest a total of \$100,000 to operate the business, and if approved, operate it as a LLC. Each will own 33 1/3%. Financing is based upon a line of credit with First Tennessee. The applicant, currently under an option to lease, will be leasing the property from Brenda and Rayburn Lambert for a period of five years with rent beginning at \$900/month, and increasing to \$1200/month. All documentation has been submitted with the exception of the following:

- a. Loan agreement with First Tennessee Bank.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the loan agreement with First Tennessee Bank.

Commissioner Mathews made a motion to approve upon submission of the loan agreement and Commissioner Bond seconded the motion and it passed with 2 ayes.

**J. SOUTHSIDE PACKAGE STORE
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Licensee: Estate of William Scates: Southside Package Store, Inc.

Before the Commission is a request for a transfer of location of the retail store currently located at 3223 Chapman Highway in Knoxville, Tennessee. The proposed location is 2315 Chapman Highway. The request is based upon the fact that the landlord at the current location has instituted a detainer action to remove the licensee from the premises. (Trial was set for June 15, 2009.) The new proposed location was actually a location that Mr. Scates was building out for the retail store before he died. All documentation has been submitted with the exception of the following:

- a. Use and Occupancy permit.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the Use and Occupancy permit.

Commissioner Mathews made a motion to approve upon submission of the Use and Occupancy permit and Commissioner Bond seconded the motion and it passed with 2 ayes.

**K. BIG AL'S LIQUORS
JACKSON, TENNESSEE (MADISON COUNTY)**

Licensee: EASTSIDE INC. OF JACKSON
Stockholder: Thomas Highfill
New Stockholder: Anna Louise Highfill

Before the Commission is a request to transfer ownership of the stock of the retail store located at 11 Cartmell Street in Jackson, Tennessee. The sole stockholder of Eastside Inc. of Jackson, Mr. Thomas Highfill, passed away on March 20, 2009. Pursuant to Mr. Highfill's will, Mrs. Highfill inherited all his property and belongings. The licensee will remain the same. All documentation has been submitted.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval.

Commissioner Bond made a motion to approve and Commissioner Mathews seconded the motion and it passed with 2 ayes.

**L. JACK'S LIQUORS
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Licensee/Seller: Terri Graham
Applicant/Buyer: Lordy Smith

Before the Commission is a request for a transfer of ownership of the retail store located at 940 EH Crump Boulevard in Memphis, Tennessee. Ms. Smith wishes to purchase the business for \$40,000. Financing is based upon retirement funds and a loan for \$20,300 with the Bank of America. Ms. Smith is leasing the property from Hai Thanh and Hana Hanh Pham for a period of three years at \$950/month. If approved, Ms. Smith wishes to change the business name to Lottie's Liquor Store. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgment of the rules/regulations;
- c. Loan agreement with Bank of America.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval of the transfer of ownership upon submission of the following documentation:

- a. TABC Inspection;
- b. Acknowledgment of the rules/regulations;
- c. Loan agreement with Bank of America.

Commissioner Bond made a motion to approve transfer of ownership upon submission of the pending documentation and Commissioner Mathews seconded the motion and it passed with 2 ayes.

Commissioner Bond made a motion to approve the name change and Commissioner Mathews seconded the motion and it passed with 2 ayes.

**K. PYRAMID LIQUORS
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Licensee/Seller: Estate of Richard Farwell, III and Richard Farwell IV
Applicant/Buyer: R & R Enterprises of Tennessee

Before the Commission is a request for a transfer of ownership of the retail store located at 120 Auction, Suite 101 in Memphis, Tennessee. Richard Farwell, IV, makes application to assume the ownership of the business, and if approved, operate the business as a corporation. Mr. Farwell's father passed away on April 4, 2008. His son is ready to make application. The applicant will be leasing the property from K & A Investment for a period of 15 years at \$3545.80/month. All documentation has been submitted with the exception of the following:

- a. Copy of Will or other transfer documentation.
- b. Payment of outstanding citations.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the copy of Will or other transfer documentation and payment of outstanding citation.

Commissioner Bond made a motion to approve upon submission of pending documentation and Commissioner Mathews seconded the motion and it passed with 2 ayes.

**L. MIDTOWN SPIRITS
DECHARD, TENNESSEE (FRANKLIN COUNTY)**

Licensee: BWL Enterprises, LLC
Member: Barry Lamb

Before the Commission is a request for a transfer of location of the retail store currently located at 1925 Decherd Boulevard, Dechard, Tennessee. The proposed location is 1929 Decherd Boulevard. The request for the transfer of location is based upon an opportunity to lease a larger space. The landlord remains the same (Crestview Group, LLC), and the licensee will rent the new space for a period of three years at \$1000/month and increasing to \$1200/month. All documentation has been submitted with the exception of the following:

- a. Use and Occupancy permit;
- b. Certificate of Compliance signed by Mayor.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the Use and Occupancy permit.

Commissioner Bond made a motion to approve upon submission of the pending documentation and Commissioner Mathews seconded the motion and it passed with 2 ayes.

3. WHOLESALE MATTERS

**A. ATHENS DISTRIBUTING COMPANY
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Licensee: Athens Distributing Company
Partners: John Aaron
New partners: John H. Aaron, Jr. and Michael Aaron

John Aaron owns 22.22% of the partnership, and wishes to transfer 4% of his ownership to his two sons, so that each 2% each. All documentation has been submitted.

Discussion/Action Taken:

Henry Hildebrand, attorney, was present at the meeting. Director Elks reviewed the application to the Commissioners and recommended approval.

Commissioner Bond made a motion to approve upon submission of the pending documentation and Commissioner Mathews seconded the motion and it passed with 2 ayes.

4. BUDGET

5. CONSENT ORDERS

6. **PENDING MATTERS LIST**

7. **MISCELLANEOUS**

- **RULEMAKING HEARING ON PROPOSED RULES UPDATING ENTIRE SET OF TABC RULES**

Discussion/Action Taken:

Commissioner Bond made a motion to approve and Commissioner Mathews seconded the motion and it passed with 2 ayes.

8. **DATE OF NEXT MEETING** – Tuesday, July 21 and Thursday, August 20, 2009 at 1:30 p.m.

John A. Jones
Chairman

Shari Danielle Elks
Executive Director