

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

**Minutes
June 24, 2014
1:30 pm**

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Tuesday, June 24, 2014 in Nashville, Tennessee at 1:30 pm. Chairperson Mary McDaniel, Commissioner John Jones, and Commissioner Bryan Kaegi were present. Director Keith Bell, Assistant Director Ginna Winfree, Attorney Joshua Stepp, and CLEO Mark Hutchens were in attendance.

I. Approval of May, 2014 Commission Meeting Minutes

Discussion/Action Taken: Commissioner Kaegi motioned for approval, Commissioner Jones seconded the motion. The motion was approved.

2. RETAIL

A. NEW BUSINESS

**I. CORNER LIQUORS, INC.
GREENBRIER, TENNESSEE (ROBERTSON COUNTY)**

Applicant: Corner Liquors, Inc.
d/b/a: Corner Liquors Inc.

Before the Commission is a request for approval of additional storage space in the existing retail store located at 2563 HWY. 41 in Greenbrier, Tennessee; 37073. Specifically, the Applicant is requesting approval to use attic space, approximately 865 square feet, as storage. The space is accessible only by pull-down stairs in the main storage room ceiling.

All required documentation has been submitted and the TABC staff **recommends approval** of this request.

Discussion/Action Taken: Director Bell reviewed the matter to the Commission and recommended approval of the request. Commissioner Kaegi motioned for approval, Commissioner Jones seconded the motion. The motion passed with three ayes.

**2. WEST MAIN STREET LIQUORS
FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)**

Applicant: Jose A. Arredondo, sole proprietor
d/b/a: West Main Street Liquor

Before the Commission is a request for a new liquor store to be located at 1326 W. Main Street in Franklin, Tennessee; 37604. The Applicant, sole proprietor, is investing \$30,000 of personal funds, as verified by TABC staff. Mr. Arredondo has entered into a lease with the owner of the real property, Agustin Romero (landlord), based on the following terms: the lease commenced on January 1, 2014 and will end on the same date in 2018, with the option to renew, rental will be \$900.00 paid monthly until December 31, 2014 – and will be \$1,000.00 monthly from January 2015 through the remainder of the lease.

The TABC staff **recommends conditional approval** of this request subject to receipt of the following:

- a. \$850.00 License Fee
- b. TABC Inspection
- c. Acknowledgement of TABC Rules and Regulations

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval, and Commissioner Jones seconded the motion. Motion for conditional approval pending receipt of missing items passed with three ayes. **Update – License # 3943 Issued 7-2-14**

3. **SOMI LIQUOR
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: Modupe and Ruth Osaro, partnership (informal)
d/b/a: Somi Liquor

Before the Commission is a request for a new retail liquor store to be located at 2422 N. Central Street in Knoxville, Tennessee 37917. Applicants, Husband and Wife, will each be investing \$40,000 into the business using savings, home equity, and a business credit card (to purchase stock). They will be leasing the premises for the liquor store from William and Allison Keith (Landlord) for a term of one year beginning June 1, 2014 and will pay a monthly rental of \$650.00. Lessee will also maintain a public liability insurance policy. Provided that the tenants do not default in the performance of the lease, there will be an option to renew at the end of the current term.

The TABC staff **recommends conditional approval** of this application pending receipt of the following items:

- a. Certificate of Occupancy
- b. \$850.00 License Fee

Discussion/Action Taken: Director Bell reviewed the matter to the Commission and recommended conditional approval. Commissioner Jones motioned for conditional approval subject to receipt of missing items, and Commissioner Kaegi seconded the motion; the motion was conditionally approved with three ayes. **Update – License # 3944 Issued 7-3-14**

4. **LIQUOR AND WINE OF THE SMOKIES
GATLINBURG, TENNESSEE (SEVIER COUNTY)**

Applicant: McIntosh Package Co.
d/b/a: Liquor and Wine of the Smokies
Shareholder(s): James H. McIntosh 100%

Before the Commission is a request for a transfer of ownership of an existing retail store and the licensing of the retail store located at 115 N. Mountain Trail in Gatlinburg, Tennessee 37738. James H. McIntosh is the sole shareholder of the applicant/corporation and in January of 2014 agreed to purchase the business from Marsha and Tanya, LLC, sellers, for \$220,000.00. Mr. McIntosh agreed to pay \$20,000 at closing, with the remaining \$200,000 to be paid in equal monthly installments to the sellers over a 20 year period at 6% interest. Sellers will have a lien on the leasehold interest until the indebtedness is satisfied. In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

Mr. McIntosh is investing \$65,000 of personal funds in the business, as verified by TABC staff. Ted G. Hercutt owns the real property where the establishment is located and, in January of 2014, entered into a lease agreement with the Applicant for the following terms: lease period of five years ending January of 2019, an option to extend the lease until January of 2024.

The TABC staff **recommends conditional approval** of this application pending receipt of following items and requirements:

- a. ~~James H. McIntosh must relinquish his manufacturer's employee card, if any~~
- b. Copy of Lease between Applicant and T. Hercutt signed January of 2014
- c. \$850.00 License Fee

Discussion/Action Taken: Director Bell reviewed the matter to the Commission and recommended conditional approval. Commissioner Jones motioned for conditional approval pending receipt of items b. and c., and Commissioner Kaegi seconded the motion; the motion was conditionally approved. **Update – License # 3942 issued 7-1-2014**

5. **518 LIQUOR & WINE
ROCKWOOD TENNESSEE (ROANE COUNTY)**

Applicant: 518 Liquor & Wine, LLC
d/b/a: 518 Liquor & Wine

Currently: Janet Manuel (51%)
 Mike Hill (49%)

Proposed: Mike Hill (100%)

Before the Commission is a request for a transfer of LLC membership interest in the retail store located at 518 N. Gateway Avenue in Rockwood, Tennessee 37854. Mike Hill currently holds 49% membership interest in the LLC, and upon approval, requests to purchase Janet Manuel's interest, leaving Mr. Hill with 100% ownership interest. Mr. Hill has been approved for a loan from the First Bank of Tennessee, and will use the funds to purchase Janet Manuel's 51% ownership interest for \$250,000.

All documentation has been provided and TABC staff **recommends approval** of this request.

Discussion/Action Taken: Director Bell reviewed the matter to the Commission and recommended approval of the request. Commissioner Jones motioned for approval of the request, and Commissioner Kaegi seconded the motion; the motion passed with three ayes.

6. **HILLBILLY LIQUORS AND WINES
 HOHENWALD, TENNESSEE (LEWIS COUNTY)**

Applicant: Paul A. Rawdon
d/b/a: Hillbilly Liquors and Wines

Before the Commission is a request for expansion of the retail space within the establishment located at 680 East Main Street in Hohenwald, Tennessee 38462. In anticipation of the new law allowing retail package stores to sell additional items, the Applicant plans to make renovations within the existing structure of the building. The proposed changes will expand the sales floor area by removing a wall dividing the sales floor and storage area.

The TABC staff **recommends conditional approval** of this request pending the following:

- a. Follow-up TABC inspection upon completion of expansion

Discussion/Action Taken: Director Bell reviewed the matter to the Commission and recommended conditional approval pending follow-up inspection and Certificate of Occupancy, if applicable. Commissioner Kaegi motioned for approval pending ABC inspection and Commissioner Jones seconded the motion; the motion passed with three ayes.

7. **THE COPPER STILL WINE & SPIRITS
 GALLATIN, TENNESSEE (SUMNER COUNTY)**

Applicant – Z-Grape, LLC
d/b/a – The Copper Still Wine & Spirits

Owners/Officers – Louis M. Zinser 50%
Barbara L. Zinser 50%

Manager: Adam Zinser

Before the Commission is a request for Applicant to purchase assets and ownership in the retail store located at 1176 Long Hollow Pike, in Gallatin, Tennessee 37066. Louis and Barbara Zinser are each investing \$150,000 of personal funds, as verified by TABC staff. Mr. and Mrs. Zinser intend to purchase, from K. Clay Haynes, the business assets and ownership for a purchase price of \$242,800. In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement. Oak Tree Partners, LLC (Landlord) entered into a five year (60 month) lease agreement with the Applicant based on the following monthly rental amounts: \$500.00 for months 1 – 6, \$1,000 for months 7 – 12, \$1,500 for months 13 -24, \$1,750 for months 25 – 36, and \$2,000 for months 37 – 60. In addition, there will be two 5-year options for renewal. Adam Zinser is proposed as the manager of the retail

store, but Mr. Zinser must surrender his wholesale card and provide proof of separation from his current employer, Best Brands, a wholesaler.

The TABC staff recommends conditional approval of this application, subject to receipt of the following items:

- a. TABC final inspection
- b. Acknowledgement of TABC Rules & Regulations
- c. ~~Adam Zinser's surrender of his wholesaler card and proof of separation from Best Brands.~~
- d. \$850.00 license fee.
- e. Buy/Sell Agreement

Discussion/Action Taken: Director Bell reviewed the matter to the Commission and recommended conditional approval. Commissioner Kaegi motioned for conditional approval, and Commissioner Jones seconded the motion. The motion for conditional approval pending receipt of four missing items passed with three ayes. **Update – License # 3945 effective 7-15-14, issued 7-7-14**

8. **QUEEN CITY LIQUORS
CLARKSVILLE, TENNESSEE (MONTGOMERY COUNTY)**

Applicant: Queen City Liquors, Inc.
d/b/a: Queen City Liquors, Inc.

Current: Sole Proprietor
Proposed: Corporation

Stockholders: Rajan Daswani – 100%

Before the Commission is a request for an existing business, Queen City Liquor, located at 1232 Tyler Town Road in Clarksville, to change from a sole proprietorship to a corporation. Mr. Daswani is the active manager and will have 100% ownership interest in the business. In 2007, Mr. Daswani entered into a commercial lease agreement with Favourite, Inc., and in 2012, renewed the lease until August 8, 2017. Rent is paid monthly in the amount of \$2,250.00. Mr. Daswani's wife, Sumitra Daswani provided a letter stating she has no ownership in the business.

The TABC staff recommends **conditional approval** of this request pending receipt of the following:

- a. Acknowledgement of TABC Rules and Regulations
- b. TABC Inspection

Discussion/Action Taken: Director Bell reviewed the matter to the Commission and recommended conditional approval of the request. Commissioner Kaegi motioned for conditional approval pending receipt of missing items, and Commissioner Jones seconded the motion; the motion passed with three ayes. **Update – Requested Inspection 7-2-14; License # 3946 issued 7-11-2014**

9. **TOAST WINE & SPIRITS
JONESBOROUGH, TENNESSEE (WASHINGTON COUNTY)**

Applicant: Tortoise Race II, LLC
d/b/a: Toast Wine & Spirits

Toni Davenport Lorio – 50%
Matthew Edwards – 50%

Before the Commission is a request for a change of ownership and a new license to be issued for Tortoise Race II, LLC, a retail store to be located at 1537 E. Jackson Blvd., in Jonesborough, Tennessee. The current licensed establishment operating at this location is 11-E Wine & Spirits, owned by Don Price, Inc. Applicant, Tortoise Race II, LLC, wishes to acquire the business assets of 11-E Wine & Spirits for a purchase price of \$190,000. In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement. The Applicant, Tortoise Race II, LLC, is comprised of Toni Davenport, LLC (50%) and Briggs-Elliott, LLC (50%); however, both of these LLC's have assigned its respective interest to Toni Lorio, individually, and Matthew Edwards, individually, all their

respective right, title, and interest in Tortoise Race II, LLC. Mr. Lorio and Mr. Edwards are each investing \$100,000 of personal funds, as verified by TABC staff.

Jeffery Jones is the owner of the real property and is leasing the premises to Toni Davenport and Matthew Edwards, for a five year term, at a rental of \$3,200 per month. In April, 2014 Jeffery Jones signed an agreement allowing for Mr. Lorio and Mr. Edwards to sublease the premises to the current Applicant, Tortoise Race II, LLC, of which they are members.

The TABC **recommends conditional approval** of this application pending receipt of the following:

- a. Certificate of Occupancy
- b. \$850.00 License Fee
- c. Application – Question # 15 – Applicants must provide an unconditional answer on Question # 15

Discussion/Action Taken: Director Bell reviewed the matter to the Commission and recommended conditional approval of the request. Commissioner Jones motioned for conditional approval pending receipt of the missing items, and Commissioner Kaegi seconded the motion; the motion passed with three ayes. **Update -- License # 3941 Issued 7-1-14**

**10. BELLE MEADE WINE AND SPIRITS
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: CME, Inc.
d/b/a: Belle Meade Wine and Spirits

Stockholder(s)/Officers: Ella M. Chiripko (100%)

Before the Commission is a request for licensing of a retail store to be located at 4556 Harding Road in Nashville, Tennessee; 37205. The sole stockholder, Ella Chirpko is investing \$40,000 of personal funds in the business, as a verified by TABC staff. The Applicant entered into an agreement to lease the premises from the owner, BMP PARTNERSHIP 2, at a monthly rental of \$3,825.50. The lease commenced on May 1, 2014 and will expire on April 30, 2019.

The TABC recommends conditional approval of this application subject to receipt of the following:

- a. ABC Inspection
- b. Acknowledgement of ABC Rules and Regulations
- c. \$850.00 License Fee

Discussion/Action Taken: Director Bell reviewed the matter to the Commission and recommended conditional approval of the request. Commissioner Kaegi motioned for conditional approval pending receipt of missing items, and Commissioner Jones seconded the motion; the motion for conditional approval passed with three ayes. **Update -- Belle Meade requested inspection on 7-2-14; License # 3947 issued 7-11-2014**

B. Old Business

**1. JAY KRISHNA CORPORATION
COOKEVILLE, TENNESSEE (PUTNAM COUNTY)**

Applicant: Jay Krishna Corporation
d/b/a: Discount Wine & Liquor

This matter was continued from the May 2014 Commission Meeting. Since that time the TABC staff has been provided documentation alleviating the questions it had previously regarding the Applicant's compliance with T.C.A. § 57-3-204. As such, the original request is provided below for consideration.

Before the Commission is a request for licensing of a retail store to be located at 831 S. Jefferson Avenue, Suite C, in Cookeville, Tennessee; 38501. Ashok Patel and Subhadraben Patel would each own 50% interest in the business. Each plans to invest \$90,000 of personal funds in the business. The real property where the store is to be located is owned by OIIM NAMA Properties, of which Subhadraben Patel is an owner. The Applicant (Jay Krishna Corporation) entered into a lease agreement with the owner based on the following terms: rental of

\$4812.00 per month from November 30, 2013 - November 30, 2016; and the second term will be from 2016 – November 30, 2021.

Please note that a materialman's lien has been filed, of record, against the owner of the real property, for improvements upon the real property.

The TABC staff makes no recommendations regarding the approval or disapproval of this application due to unresolved issues as to the financial viability of the applicant, the co-mingling of bank funds involving the applicant's principals with other family owned entities, the lack of involvement in the decision making process and lack of interaction of the applicant's principals with the TABC staff and the confusion that would be created in allowing the applicant's d/b/a name which is similar to the d/b/a name of another family owned retail store within the same jurisdiction. Should this application be approved the TABC staff recommends conditional approval of this application subject to receipt of the following:

- a. Acknowledgement of ABC Rules and Regulations
- b. ABC Inspection

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval pending receipt of missing items, and Commissioner Jones seconded the motion; the motion passed with three ayes. **Update – License # 3940 Issued 6-27-14**

C. NOTICE FOR ALL RETAIL APPLICANTS

Pursuant to Public Chapter 554, effective July 1, 2014:

In order for a retail package liquor store [retailer] currently licensed pursuant to T.C.A. 57-3-204 to begin selling on July 1, 2014 (or any date thereafter), the additional items, including low gravity beer and other malt beverages, as provided in T.C.A. 57-3-404(e) (Public Chapter 554, 2014), said retailer must provide proof to the TABC of **ONE of the following** conditions: **(1)** specific written permission allowing the sale of wine to all retail food stores located within 500 feet of the retailer's location and submit a copy to the TABC; **(2)** provide and submit to the TABC blanket written permission allowing the sale of wine to any and all retail food stores that may be within 500 feet of the retailer's location; **(3)** provide and submit to the TABC a certified survey from a licensed surveyor indicating no retail food stores are located within 500 feet of the retailer's location; or **(4)** provide and submit an affidavit to the TABC indicating no retail food stores are located within 500 feet of the retailer's location.

Discussion/Action Taken: Staff interpretation reviewed by Commissioners and the following information released and subsequently approved for posting on TABC website: For Information Purposes Only: Today, Friday, June 27, 2014, Commissioner and staff members of the Tennessee Alcoholic Beverage Commission meet with sponsors and members of the Tennessee General Assembly, their staff and representatives of Tennessee's retail liquor stores and Tennessee's food stores in order to discern the legislative intent of PC 554, 2014, the WIGS legislation. After considerable discussion, it was determined and concluded that: 1.TCA 57-3-404(e)(2) and TCA 57-3-404(e)(4), as amended in Section 10 of PC 554, 2014, effective July 1, 2014, authorizes an off-premises retailer, licensed pursuant to TCA 57-3-204, (retailer), to begin selling at retail, on Tuesday, July 1, 2014, beer and other malt beverages as well as merchandise and supplies related to special events or parties (as enumerated but not limited to the items noted in the amended TCA 57-3-404(e)(4)), without a requirement of the retailer granting permission to food stores located within 500 feet of the retailer to sell wine. 2.Please note that the amended TCA 57-3-404(e)(2) and TCA 57-3-404(e)(4) granting authorizations as noted above in number 1, DO NOT remove prohibitions in any lease an off-premises retailer, licensed pursuant to TCA 57-3-204, may have with their landlord. Generally, restrictive covenants between contracting tenants and landlords are valid and a breach of such restrictive covenant may prompt a civil action by the offended party. It was further determined that before any off-premises retailer, licensed pursuant to TCA 57-3-204, (retailer), may begin deliveries of alcoholic beverages that such retailers must comply with the requirements regarding transportation of alcoholic beverages within the State of Tennessee as enumerated at TCA 57-3-401 et seq.

3. WINERIES - NONE

4. FARM WINERIES

A. NEW BUSINESS

**1. BLUE GOOSE VINEYARDS, LLC
MARYVILLE, TENNESSEE (BLOUNT COUNTY)**

Applicant: Blue Goose Vineyards, LLC
d/b/a: Blue Goose Vineyards

Members: Mark Griffith - President, 50%
Beverly Griffith - Secretary/Treasurer, 50%

Jason Griffith - Vice-President
Catherine Griffith-Benson - Director of Marketing

Before the Commission is a request for licensing of a farm winery to be located at 3334 Old Niles Ferry Road in Maryville, Tennessee 37803. Mark and Beverly Griffith will each be investing \$20,000 of personal funds in the business, as verified by TABC staff. The Griffith's own the real property where the farm winery is to be located and entered a five year lease agreement with the Applicant in May of 2014, and the lease includes a monthly rental of \$300.00. The Griffith's are also leasing three acres from Richard and Carolyn Morris, but have supplied a statement of understanding that leased vineyard property will not be used as an additional selling location.

The Applicant has a Custom Crush Agreement with Morris Vineyard & Tennessee Mountainview Winery, LLC, located in Charleston, Tennessee. According to the agreement, the Applicant will transfer their grapes to Morris Vineyard and Tennessee Mountainview Winery, LLC – there, the grapes will be processed and bottled before being transported back to Blue Goose Farm & Vineyard.

All documentation and agency requirements have been submitted and the TABC staff **recommends approval** of this request.

Discussion/Action Taken: Director Bell reviewed the matter to the Commission and recommended approval of the request. Commissioner Jones motioned for approval and Commissioner Kaegi seconded the motion; the motion passed with three ayes. **Update – License # FW-92 Issued 6-27-14**

5. WHOLESALERS

A. NEW BUSINESS

1. BONUS BEV NASHVILLE, TENNESSEE (DAVIDSON COUNTY)

Applicant: Bonus Bev, LLC
d/b/a: Bonus Bev

Before the Commission is a request for Bonus Bev to transfer from its location at 505 Ligon Drive, Suite B in Nashville, Tennessee to a new location – 2605 Grissom Drive, Nashville, Tennessee. The licensee will be leasing the real property from L.C. Anderson Living Trust for an initial term beginning June 15, 2015, and expiring in June of 2017. Rental will be paid in monthly installments as follows: \$3,500, year one; \$3750, year two; and \$4,000, year three.

The TABC staff recommends **conditional approval** of this application subject to receipt of the following missing items:

- a. ~~Certificate of Occupancy~~
- b. ~~TTB Federal Basic Permit~~
- c. ABC Inspection

Discussion/Action Taken: Director Bell reviewed the matter to the Commission and recommended conditional approval of the request. Commissioner Kaegi motioned for conditional approval pending ABC inspection (item c.) and Commissioner Jones seconded the motion; the motion passed with three ayes. **Update – Requested inspection of new location 7-7-14**

***typo- lease begins 2014, not 2015**

6. DISTILLERIES

A. New Business

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

Applicant: Nelson's Green Brier Distillery, LLC
d/b/a: Nelson's Green Brier Distillery

Before the Commission is a request for an additional thirty (30) day extension before becoming operational. At the February Commission Meeting, the Commission conditionally approved this Applicant's request for a new distillery license to be located at 1414 Clinton Street, Nashville, Tennessee; 37203. Near the end of the initial 90 day period, the Applicant requested from staff a 30 day extension, and the extension was granted on April 4, 2014 pursuant to TABC Rules. On June 9, 2014 the Applicant requested a second 30 day extension which must come before the full Commission for consideration. The TABC staff **recommends approval** of this request, it being the last 30 day extension available to the Applicant.

Discussion/Action Taken: Director Bell reviewed the matter to the Commission and recommended approval of the 30 day extension. Commissioner Kaegi motioned for approval of this request, and Commissioner Jones seconded the motion. The motion passed with three ayes. **Update – License # 107 issued 7-1-14**

7. **PRIVATE CLUBS - None**
8. **BUDGET- None**
9. **PENDING MATTERS LIST**
 - A. **Commission Meeting Dates for the 2014 calendar year**
 - June 24, 2014**
 - July 22, 2014**
 - August 26, 2014**
 - September 23, 2014**
10. **PERSONNEL-None**
11. **DATE OF NEXT MEETING – July 22**

APPROVED FOR ENTRY UPON THE MINUTE BOOKS OF THE TENNESSEE ALCOHOLIC BEVERAGE COMMISSION
THIS THE _____ DAY OF JULY, 2014.


Mary McDaniel
Chairperson


Keith Bell
Executive Director