

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

**MINUTES
October 22, 2013
1:30 pm**

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Tuesday, October 22, 2013 in Nashville, Tennessee at 1:30 p.m. Chairperson Mary McDaniel, Commissioner John Jones and Commissioner Bryan Kaegi were present. Executive Director, E. Keith Bell, Assistant Director Ginna Winfree, CLEO, Mark Hutchens, and Staff Attorney, Joshua Stepp, were present.

1. **Minutes for October 22, 2013 Commission Meeting were approved.**
Commissioner Jones motioned to add the Addendum to the Agenda.
Commissioner Kaegi seconded the motion. It passed with 3 ayes.

- 2.

2. **RETAIL**

- A. **NEW BUSINESS**

1. **FOGGY MOUNTAIN LIQUORS
TRACY CITY, TENNESSEE (GRUNDY COUNTY)**

Applicant: NEIL E. PRICE
Sole Proprietorship

Before the Commission is a request for a new retail store located at 333 Railroad Ave., Tracy City, Tennessee. Mr. Price will be investing \$22,000.00 to operate the store based on \$7,000.00 in personal savings on deposit with Citizens Tri-County Bank in Tracy City and a Promissory Note in the amount of \$15,000.00 payable to his brother, Clarence W. Price, who has no interest in any TABC permits, as verified by the TABC staff. Neil E. Price d/b/a Foggy Mountain Liquors will be leasing the property from Clarence W. and Tina A. Price for an initial term of one (1) year at \$425.00 per month. There is an option to renew for an additional year with thirty (30) days' notice prior to the expiration of the lease. The rental rate for the additional year shall be negotiated upon notice of intent to renew. All documentation and agency requirements have been submitted with the exception of the following:

- a. TABC Agent Final Inspection - received
- b. \$850.00 License Fee - received

The TABC staff recommends approval of this application upon receipt of the final inspection and license fee.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended approval upon receipt of the missing item and license fee.

Commissioner Jones made a motion to approve upon receipt of the missing documentation and license fee. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

UPDATE: Retail License was issued 10/25/13.

**2. ALCOA HIGHWAY LIQUORS
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: Saadika, Inc.
d/b/a Alcoa Highway Liquors
Stockholder(s): Adnam Mohammad (Pres. 100%)

Before the Commission is a request for a transfer of ownership in an existing retail store located at 3105 Alcoa Highway, Knoxville, Tennessee 37920. Mr. Mohammad's corporation, Saadika, Inc. (Buyer) is seeking to purchase the assets of the business currently known as Alcoa Highway Liquors, Incorporated (Seller) from its 100% shareholder and president, Andrea Dykes Davis for the purchase price of \$50,000.00 plus the total value of the business' inventory. In accordance to Tennessee law, Seller is to transfer title and possession of the liquor inventory to the Business' wholesalers for credit from wholesalers to Seller. The business includes all racks, shelving, computers, POS software, coolers, furniture, decorations and signage. Buyer has previously paid seller, as earnest money, the sum of \$3,500.00 upon signing the purchase agreement as a deposit toward the purchase price, the remaining balance is payable upon approval of Buyer/applicant, Saadika, Inc.'s, d/b/a ALCOA HIGHWAY LIQUORS, liquor license. ADNAM MOHAMMAD will be investing \$200,000.00 to operate the store based on a \$28,492.00 personal loan with Regions Bank, a \$30,708.00 car loan with ORNL, a \$81,800.00 home equity line of credit with Home Federal Bank secured by the real property owned jointly as tenants by the entirety by ADNAM MOHAMMAD and his wife, SALIMA MOHAMMAD, a \$25,000.00 loan from ADNAM MOHAMMAD's Western Reserve Life Insurance Policy, SALIMA MOHAMMAD, primary beneficiary, a \$25,000.00

loan from uncle-in-law, Alauddin Bhimani, and a \$9,000.00 loan from father-in-law Abdul Rahim Bhimani as verified by the TABC staff. The property lease agreement will be between the applicant SAADIKA, INC., and Chu Brothers Partnership for a term of five (5) years three (3) months for \$2,000.00 per month. The terms shall commence on 10/01/2013 or the day the applicant is approved for their liquor license with the TABC whichever is later. This lease shall be renewable for additional periods of: 1st renewal period – five (5) years with a 10% increase; 2nd renewal – five (5) years with a 10% increase, unless written notice of termination is received no later than ninety (90) days prior to the end of the expiring period. All documentation has been provided, however, a violation of T.C.A. § 57-3-406(a) would exist if this application was approved in as much as SALIMA MOHAMMAD, sole member of Rajab, LLC d/b/a Merchants Liquor Store would have a direct interest in the retail liquor business of her husband, ADNAM MOHAMMAD, through secured loans, real property and business mailing address.

The TABC staff does not recommend approval of this application.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and did not recommend approval of the application.

Commissioner Jones made a motion to defer this application to the November 19, 2013 Commission Meeting, Commissioner Kaegi seconded this motion and it passed with 3 ayes.

UPDATE: Let it be duly noted; this file was deferred to a date that was less than 30 days and the applicant understood and agreed. Continued to the November 19, 2013 Commission Meeting

**3. PARK MARKET LIQUOR & WINE
CHAPEL HILL, TENNESSEE (MARSHALL COUNTY)**

Applicant: Shree Ganesh Investment, Inc.
Stockholder(s): Mukeshkumar Chaudhary (100%)

Before the Commission is a request for a new retail store located at 4364 Nashville Highway, Chapel Hill, Tennessee. Mr. Chaudhary will be investing \$60,000.00 to operate the store based on personal funds on deposit with First Commerce Bank as verified by the TABC staff. Shree Ganesh Investment, Inc. will be leasing the property from Aari Investment, Inc. for an initial

term of five (5) years at \$3,000.00 per month. There will be an option to renew for two (2) five (5) year terms with a ninety (90) days' notice of intent to renew. For the first renewal term the rental rate shall be increased taking into consideration an increase in taxes and insurance, but not less than ten percent (10%). The same terms apply to the second renewal term. All documentation and agency requirements have been submitted with the exception of the following:

- a. \$850.00 License Fee

The TABC staff recommends approval of this application upon receipt of the license fee.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended approval upon receipt of the license fee.

Commissioner Kaegi made a motion to approve upon receipt of the license fee. Commissioner Jones seconded the motion and it passed with 3 ayes.

UPDATE: Retail license was issued 10/23/13.

**4. R & B LIQUORS
NOLENSVILLE, TENNESSEE (WILLIAMSON COUNTY)**

Applicant: Yang's Investment, Inc.
Stockholder(s): Chia-Chi Yang, President (50%)
Tzu-Yuan Huang, Secretary (50%)

Before the Commission is a request for a new retail store located at 7175 Nolensville Road, Suite 106 & 107, Nolensville, Tennessee. Mr. Chia-Chi Yang and his wife, Tzu-Yuan Huang, will be investing \$310,000.00 to operate the store based on \$260,000.00 in their joint personal savings account with SunTrust Bank and a Promissory Note in the amount of \$50,000.00 with First Tennessee Bank as verified by the TABC staff. The lease is by and between, Grandview Eight, G.P., ("landlord") and Yang's Investments, Inc. d/b/a R & B Liquors ("tenant"). The initial term of this lease is sixty (60) months with an option of renewing this lease for two (2) additional five (5) year terms with at least six (6) months written notice of the exercise of such option. This lease is contingent upon the tenant, Yang's Investment, Inc. d/b/a R & B Liquors ability to acquire all necessary licenses, including a liquor license. The minimum rent shall be as follows:

<u>Lease Term</u>	<u>MR/Rentable Sq. Ft. ("RSF")</u>	<u>Monthly Rate</u>
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Months 1-24	\$15.50 per RSF;	\$3,895.67
Months 25-60	\$16.00 per RSF;	\$4,021.34
Option Period(s) Minimum Rent to increase 2.5% annually commencing month 61		

This lease is intended to be a triple net lease (“NNN”). Tenant shall pay to Landlord, throughout the term of this lease as additional rent, its proportionate share of all real estate taxes, insurance and Governmental assessments. All documentation has been provided with the exception of the following:

- a. \$850.00 License Fee
- b. TABC Final Inspection
- c. Acknowledgment of the TABC Rules & Regs.
- d. Certificate of Occupancy (pending-site not built out)

The TABC staff recommends approval of this application upon receipt of license fee and missing documentation.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended approval upon receipt of the missing documentation and license fee.

Commissioner Kaegi made a motion to approve upon receipt of the license fee. Commissioner Jones seconded the motion and it passed with 3 ayes.

UPDATE: Retail license was issued 10/23/13.

**5. NORTHRIDGE PACKAGE STORE
JOHNSON CITY, TENNESSEE (WASHINGTON COUNTY)**

Applicant: Northridge Package Store, LLC
Member(s) Delilah M. Grunloh (100%)

Before the Commission is a request for a change in ownership of the existing retail store located at 2902 Bristol Highway, Johnson City, Tennessee. Northridge Package Store, Permit No. 643, has been in business for approximately 19 years and during that tenure has operated as a sole proprietorship by the owner, Delilah M. Grunloh. Ms. Grunloh, in an attempt to protect herself and business followed the advice of her accountant and changed to an LLC on or about January 7, 2011. Ms. Grunloh’s accountant advised her she did not have to change anything with the Department of Revenue for one year after the change of ownership. According to Ms. Grunloh she was therefore under the impression that since she was still the only member of the LLC, she did not need to notify the TABC of the

change. Ms. Grunloh did not attempt to hide the change of ownership from the TABC and she did subsequently advise the TABC staff completely of the change at the time she provided her renewal application to the TABC staff. The change of ownership was designed by the applicant's accountant in order to add a layer of protection to Ms. Grunloh, individually by organizing the business as a LLC. All documentation has been provided except:

- a. Payment of civil penalty of \$500.00

The TABC staff recommends approval of this application upon receipt of civil penalty of \$500.00.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended approval upon receipt of the \$500.00 civil penalty.

Commissioner Jones made a motion to approve upon receipt of the civil penalty fee. Commissioner Kaegi seconded the motion and it passed with 3 ayes.

UPDATE: Received payment for civil penalty, the retail license was issued 10/24/13.

**6. MONTEAGLE WINE AND SPIRITS
MONTEAGLE, TENNESSEE (MARION COUNTY)**

Applicant: Nilkhant, Inc.
Stockholder(s) Ronak K. Patel (100%)

Before the Commission is a request for a transfer of ownership in an existing retail store located at 507 W. Main Street, Monteagle, Tennessee. Mr. Patel will be purchasing the business currently known as Eagle Liquors from H. Guinn Nixon for the cash price of \$70,000.00. The business includes all racks, shelving, computers, POS software, coolers, ATM, furniture, decorations and signage. The business and all items listed are sold, as is, without warranty. Mr. Patel has previously paid Mr. Nixon a sum of \$10,000.00 upon signing the purchase agreement as a deposit toward the purchase price, the remaining \$60,000.00 is payable upon approval of Nilkhant, Inc. d/b/a Monteagle Wine and Spirits liquor license. Mr. Patel will also purchase the inventory (from representative wholesalers) at the time of transfer which is separate from the purchase price of the business. Ronak K. Patel will be investing \$150,000.00 to operate the store based on a \$100,000.00 gift from his uncle, Vinubhai Patel and \$50,000.00 with Mountain Valley Bank as verified by the TABC

staff. The property lease agreement will be between the applicant, Nilkhant, Inc., and Helen J. Nixon for a term of two (2) years for \$1,500.00 per month. The terms shall commence on the day the applicant is approved for their liquor license with the TABC. This lease shall automatically renew for additional periods of: 1st renewal period – three (3) years; 2nd renewal – five (5) years, 3rd renewal – five (5) years, unless written notice of termination is received no later than sixty days prior to the end of the expiring period. All documentation has been provided with the exception of the following:

- a. Sworn statement from Aunt, Mina V. Patel that no re-payment required. - **received**
- b. TABC Questionnaire, Mina V. Patel - **received**
- c. Affidavit from Ronak K. Patel that he is not one and the same Ronak Patel convicted in Columbia County, GA of a sale to a minor - **received**

The TABC staff recommends approval of this application upon receipt of the missing documents.

Discussion/Action Taken:

Director Bell 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.

UPDATE: Retail license was issued 10/23/13.

**7. DISCOUNT LIQUOR & WINE
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant:	N & K, Inc.
Stockholder(s)	Currently: Hitesh Amrutlal Patel (100%)
	Proposed: Hitesh Amrutlal Patel (40%) Azka Patel (60%)

Before the Commission is a request for approval of a previous and unapproved transfer of stock ownership of the corporate licensee of the retail store located at 2617 Franklin Pike, Nashville, Tennessee and approval of the renewal of said off-premises alcoholic beverage permit of the corporate licensee. In January 2011, Mr. Azka Patel purchased sixty (60) shares of the capital stock (representing sixty percent [60%] of the

ownership interest in the corporate licensee) of the corporate licensee for the sum of \$140,000.00. The remaining ownership interest (forty percent [40%]) in the off-premises retail licensee remained with Hitesh Amrutlal Patel. The parties to this previous unapproved transfer, through their attorney subsequently realized that transfer approval was necessary and filed this application for transfer of stock ownership of the corporate licensee. Mr. Hitesh Amrutlal Patel and his attorney were advised that a citation imposing a civil penalty of \$500.00 will be issued for conducting this transfer without the prior approval of the TABC Commission. All documentation has been provided with the exception of the following:

- a. TABC Inspection - completed
- b. Acknowledgement of TABC Rules & Regs. - received
- c. Corrected lease indicating N & K, Inc. as tenant
- d. Payment of civil penalty of \$500.00

The TABC staff recommends approval of this application upon receipt of the missing documentation.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended approval upon receipt of the missing documentation and payment of \$500.00 civil penalty.

Commissioner Kaegi made a motion to approve upon receipt of the missing items. Commissioner Jones seconded the motion and it passed with 3 ayes.

UPDATE: PENDING – still waiting on corrected lease and payment of the civil penalty.

**8. LAVERTE’S LIQUOR
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: TM Ventures, Corporation
Stockholder(s): Michele L. Bouton (Pres 73.2%)
Terry W. Surgener (Sec 26.8%)

Before the Commission is a request for a transfer of ownership in an existing retail store located at 1313 51st Avenue North, Nashville, Tennessee. Michele L. Bouton, President and 73.2% owner of TM Ventures, Corp., and Terry W. Surgener, Secretary and 26.8% owner of TM Ventures, Corp., are purchasing the retail store business known as, Laverte’s Liquor; to include the assets of the business, described as follows,

including all equipment, assets on the balance sheet, fixtures, goodwill, inventory and other intangible assets for a purchase price of \$25,000.00 plus the cost of inventory at wholesale. Michele Bouton and Terry Sugener plan to invest \$125,000.00 to operate the store based on a personal IRA transfer to TM Ventures, Corp. bank account with Bank of America as verified by the TABC staff. The lease is by and between Mary M. Sigler (“landlord”) and TM Ventures Corp. (“tenant”) for a term of four (4) years at \$1,000.00 per month. The rent specified shall be strictly triple net to the landlord during the term of this lease. The initial lease term shall run from September 1, 2013 to September 1, 2017 or from the date the tenant obtains Liquor License until four (4) years from that same date. There shall be two (2) options to renew the lease for the (3) years each. The rental rate for the first option to renew will be \$1,020.00 per month for the three (3) year term, the rental rate for the second option to renew will be \$1040.40 per month for the three (3) year term. To exercise each option, the tenant must notify the landlord no less than ninety (90) days prior to the expiration of the existing lease term. All documentation has been provided with the exception of the following.

- a. \$850.00 License Fee - **received**
- b. Executed Closing Statement - **received**
- c. TABC Final Inspection - **received**
- d. Acknowledgment of TABC Rules & Regs. - **received**

The TABC staff recommends approval of this application upon receipt of the license fee and the missing documentation.

Discussion/Action Taken:

Terry Surgener was in attendance. Director Bell reviewed the matter to the Commission and recommended approval upon receipt of the license fee.

Commissioner Kaegi made a motion to approve upon receipt of the license fee. Commissioner Jones seconded the motion and it passed with 3 ayes.

UPDATE: Retail license was issued 10/23/13.

**9. KNOXVILLE WINE & SPIRITS
FARRAGUT, TENNESSEE (KNOX COUNTY)**

Applicant: Turkey Creek Partners, a General Partnership

Member(s): **Currently:**

Tommye M. Working – 40%

Amelia D. Maddox – 40%

James L. Turner – 10%

Stanley R. Griffin – 10%

Proposed:

Tommye M. Working – 40%

Amelia D. Maddox – 40%

Turner & Griffin, LLC – 20%

Before the Commission is a request for a change in ownership of an existing retail liquor store located at 10741 Kingston Pike, Farragut, Tennessee. Two of the current owners, James L. Turner and Stanley R. Griffin, wish to put their collective 20% ownership interest in the general partnership into a limited liability company—Turner & Griffin, LLC—which they will own 50% percent each. There is no consideration for this change. There are no new individual owners pursuant to this application. All other aspects of the general partnership and this store remain the same. All documentation has been submitted with the exception of the following:

- a. Executed Assignment of Membership Interests - **received**
- b. Affidavit and proof of publication of newspaper notice - **received**
- c. TABC Inspection – **received**
- d. Acknowledgement of ABC Rules & Regs. - **received**

The TABC staff recommends approval of this application upon receipt of the missing documentation.

Discussion/Action Taken:

Attorney Rob Pinson was in attendance. Director Bell reviewed the matter to the Commission and recommended approval upon receipt of the missing documentation.

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

UPDATE: All documentation received, changes updated in TABC database.

**10. RIVERMONT WINE & SPIRITS
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

Applicant: Rivermont Wine & Spirits, LLC

Member(s): Rogne A. Brown, Jr. (100%)

Proposed:

Rogne A. Brown, Jr. (50%)

Angelia D. Lynch (50%)

Before the Commission is a request for a change in ownership of an existing retail liquor store located at 3600 Hixson Pike, Ste. 122, Chattanooga, Tennessee. Rogne Brown, 100% owner of Rivermont Wine & Spirits wishes to give his wife 50% of the LLC. All documentation has been submitted; the TABC staff recommends approval of this application.

Discussion/Action Taken:

Director Bell 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.

UPDATE: Retail license was issued 10/23/13.

**11. CITY LIQUORS, INC.
DYERSBURG, TENNESSEE (DYER COUNTY)**

Applicant: City Liquors, Inc.

Member(s): Burton Chandler (100%)

Proposed:

Burton Chandler (50%)

John D. Gardner Roth IRA (50%)

Before the Commission is a request by the corporate licensee to transfer fifty percent of its outstanding shares of stock to the "John D. Gardner Roth IRA", c/o First Citizens National Bank of Dyersburg, Tennessee, N.A., Trustee. If approved, City Liquors, Inc. will amend its charter to provide two classes of Common Stock, Common Stock Class A and Common Stock Class B. The one thousand shares of common stock (representing 100% of the outstanding shares of common stock of the corporation presently owned by Burton Chandler) will be designated and re-issued as one thousand shares of Common Stock Class A shares. The John D. Gardner Roth IRA will purchase one thousand shares of Common Stock Class B shares

for the purchase price of \$105,000.00. Burton will continue to serve as president of City Liquors, Inc., with sole responsibility for the day to day management of the corporation. Additionally, applicant requests approval of the change of the store address on all official TABC documents and data bases as it has been changed by local 911 authorities from 2410 Lake Road, Suite H to 2450 Lake Road, Suite H. All documentation has been submitted with the exception of the following:

- a. Executed Amendments to Corporate By-Laws -
received

The TABC staff recommends approval of this application upon receipt of the missing documentation and the application fee.

NOTE: application fee received 10/21/13

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended approval upon receipt of the missing documentation.

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

UPDATE: The address of the establishment was changed per the local 911 authorities from 2410 Lake Road, Suite H to 2450 Lake Road, Suite H. All documentation has been received, all changes updated.

3. WHOLESALERS

A. NEW BUSINESS

**1. QUALITY BRANDS, INC.
MURFREESBORO, TENNESSEE (RUTHERFORD COUNTY)**

Applicant: Quality Brands, Inc.

Stockholder(s): **Currently:**
Richard M. Gerwe (Pres/Treas 31%)
Molly G. King (Sec 60%)
James H. Jones III (9%)

Proposed:
Richard M. Gerwe (Chairman/CEO 17.98%)
Molly G. King (VP 34.80%)
James H. Jones III (VP 5.22%)
Ottis H. Phillips, Jr. (President 42%)

Before the Commission is a request to change ownership/stockholders for an existing licensed wholesale distributor located at 801 Park Avenue, Murfreesboro, Tennessee. Mr. Ottis H. Phillips, Jr. will acquire an ownership interest in Quality Brands, Inc. for a sum to be determined upon the conclusion of a stock appraisal. Mr. Phillips currently owns SEC Enterprises, Inc. (beer distributor) and Better Beverages permit no. 84, Cookeville, Tennessee. All documentation has been provided; the TABC staff recommends approval of this application.

Discussion/Action Taken:

Director Bell 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.

UPDATE: Changes updated in TABC database.

**2. LIPMAN BROS., INC.
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: Lipman Bros., Inc.
Stockholder(s): Robert S. Lipman (Pres. 55%)
Ernest Berry Holt, trustee of both trusts (45%)

Before the Commission is a request to change the location of an existing licensed wholesale distributor currently located at 6217 Enterprise Drive, Knoxville, Tennessee. Lipman Bros., Inc. wishes to move their location to 1487 Amherst Road, Suite B, Knoxville, Tennessee. The lease for the new location will be by and between J.P. Baker & the Lenoir City Company and Lipman Distribution, Inc. for an initial term of two (2) years commencing September 1, 2013, and terminating August 31, 2015 at a lease rate of \$4,220.00/month plus an additional \$1,338.00 monthly which represents the estimated pro-rata share of the expenses (property taxes and insurance). Rent will begin November 1, 2013 with \$0 due September and October allowing the applicant to make any improvements necessary to the premises. All documentation has been provided with the exception of the following:

- a. Certificate of Occupancy - received

The TABC staff recommends approval of this application upon receipt of the missing documentation.

Discussion/Action Taken:

Attorney Hank Hildebrand was in attendance. Director Bell reviewed the matter to the Commission and recommended approval.

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

UPDATE: All documentation received, changes updated in TABC database.

4. DISTILLERY

A. NEW BUSINESS

**1. SUGARLANDS DISTILLING COMPANY
GATLINBURG, TENNESSEE (SEVIER COUNTY)**

Applicant: Sugarlands Distilling Company, LLC
Member(s): Edward C. Vickers (Managing Member; 55%)
Douglas K. Swaggerty (Member; 40%)
R. David McMahan, Jr. (Member; 5%)
Gregory R. Eidam II (Secretary; 0%)

Before the Commission is a request for a new distillery located at 805 Parkway, Gatlinburg, Tennessee, 37738. The applicant, Sugarlands Distilling Company, LLC, will be investing an initial sum of \$1,918,584.00 per a loan agreement with Citizens National Bank, as verified by TABC staff. The real property will be sublet to the applicant from 805 Parkway Partners, a Tennessee partnership, for a period of 19 years and expiring January 31, 2032. For approximately the first 9 years rent shall be \$25,000.00 per month. On February 1, 2022, rent shall increase by ten percent (10%). The rent for each subsequent five (5) year period shall be equal to 1.10 times the rent paid in the immediately preceding five (5) years. All documentation has been submitted with the exception of the following:

- a. Certificate of Occupancy-expected at end October
- b. TABC Inspection - **received**
- c. Acknowledgement of TABC Rules and Regs. - **received**
- d. Receipt of licensing fee of \$1,000.00
- e. Distance approval by local government.

The TABC staff recommends approval of this application upon receipt of the missing documentation and license fee.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended approval upon receipt of the missing documentation and the license fee.

Commissioner Kaegi made a motion to approve upon receipt of the missing items. Commissioner Jones seconded the motion and it passed with 3 ayes.

UPDATE: Missing items still pending.

**2. OLE SMOKY DISTILLERY, LLC
GATLINBURG, TENNESSEE (SEVIER COUNTY)**

Applicant: Ole Smoky Distillery, LLC

Members: Currently:

Joseph A. Baker (President – 70%)
J. Cory Cottongim (Treasurer – 15%)
Tony W. Breeden (Secretary – 15%)

Proposed:

Joseph A. Baker (President – 65%)
J. Cory Cottongim (Treasurer – 17.5%)
Tony W. Breeden (Secretary – 17.5%)

Before the Commission is a request for a change in the percentage of ownership among the existing owners of an existing distillery located at 903 Parkway, Suites 127-129, Gatlinburg, Tennessee. The three owners are changing their respective ownership interests from 70%, 15% and 15% to the 65%, 17.5% and 17.5%. This change is being made pursuant to an agreement among the existing owners. There is no consideration for this change. There are no new owners pursuant to this application. All other aspects and operations of the Applicant and this distillery remain the same. All documentation has been submitted; the TABC staff recommends approval of this application.

Discussion/Action Taken:

Attorney Rob Pinson was in attendance. Director Bell 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.

UPDATE: The TABC database was updated to reflect the changes.

**3. OLE SMOKY DISTILLERY, LLC
GATLINBURG, TENNESSEE (SEVIER COUNTY)**

Applicant: Ole Smoky Distillery, LLC

Member(s): Currently:

Joseph A. Baker (President – 65%)

J. Cory Cottongim (Treasurer – 17.5%)

Tony W. Breeden (Secretary – 17.5%)

Proposed:

Ole Smoky Holdco, LLC – 100% member

(above LLC made up of Centerview OS, LLC, a Delaware LLC – 55% interest and the above-named current members a collective 45% interest.)

Before the Commission is a request for approval of a change in ownership for an existing distillery located at 903 Parkway, Suites 127-129, Gatlinburg, Tennessee. The three current members of Ole Smoky Distillery, LLC—Joseph A. Baker, J. Cory Cottongim and Tony W. Breeden—are transferring their ownership interest in the Applicant to Ole Smoky Holdco, LLC, a Delaware LLC. In exchange, the three owners will receive adequate consideration agreed upon by the parties and a collective 45% ownership interest in Ole Smoky Holdco, LLC, divided among the three owners based on their respective ownership interests in the Applicant prior to this transaction. (i.e. Baker-~~29.25%~~ 31%, Cottongim-7.875% and Breeden ~~7.875%~~ 6.125%). The parties believe closing will occur on or about October 31, 2013 and need TABC approval prior to closing. The three owners are remaining as officers of the Applicant and two other individuals—Colin A. Murphy and David M. Hooper—are being added as directors and managers of the Applicant.

All other aspects and operations of the Applicant and this distillery remain the same. All documentation has been submitted with the exception of the following:

- a. Copy of closing certificate/statement - received
- b. TABC Inspection - received
- c. Acknowledgement of ABC Rules & Regs. - received

The TABC staff recommends approval of this application upon receipt of the missing documentation ~~and license fee.~~

Discussion/Action Taken:

Attorney Rob Pinson and Attorney Will Cheek were in attendance. Director Bell reviewed the matter to the Commission and recommended approval upon receipt of the closing certificate/statement.

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

UPDATE: All documentation has been received. The TABC database was updated to reflect the changes. Also, note the corrections to the percentages previously referenced incorrectly.

**4. OLE SMOKY DISTILLERY, LLC
PITTMAN CENTER, TENNESSEE (SEVIER COUNTY)**

Applicant: Ole Smoky Distillery, LLC

Member(s): **Currently:**

Joseph A. Baker (President – 70%)
J. Cory Cottongim (Treasurer – 15%)
Tony W. Breeden (Secretary – 15%)

Proposed:

Joseph A. Baker (President – 65%)
J. Cory Cottongim (Treasurer – 17.5%)
Tony W. Breeden (Secretary – 17.5%)

Before the Commission is a request for a change in ownership among the existing owners of a new distillery located at 2470 East Parkway, Pittman Center, Tennessee. This distillery was approved at the September TABC meeting but has not yet received its license due to incomplete construction. The three owners are changing their respective ownership interests from 70%, 15% and 15% to the 65%, 17.5% and 17.5%. This change is being made pursuant to an agreement among the owners. There is no consideration for this change. There are no new owners pursuant to this application. All other aspects and operations of the Applicant and this distillery remain the same. All documentation has been submitted; the TABC staff recommends approval of this application.

Discussion/Action Taken:

Attorney Rob Pinson and Attorney Will Cheek were in attendance. Director Bell 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.

UPDATE: The TABC database was updated to reflect the changes.

**5. OLE SMOKY DISTILLERY, LLC
PITTMAN CENTER, TENNESSEE (SEVIER COUNTY)**

Applicant: Ole Smoky Distillery, LLC

Member(s): **Currently:**

Joseph A. Baker (President – 65%)

J. Cory Cottongim (Treasurer – 17.5%)

Tony W. Breeden (Secretary – 17.5%)

Proposed:

Ole Smoky Holdco, LLC – 100% member
(above LLC made up of Centerview OS,
LLC, a Delaware LLC – 55% interest and
the above-named current members a
collective 45% interest.)

Before the Commission is a request for a change in ownership among the existing owners of a new distillery located at 2470 East Parkway, Pittman Center, Tennessee. This distillery was approved at the September TABC meeting but has not yet received its license due to incomplete construction. The three current members of Ole Smoky Distillery, LLC—Joseph A. Baker, J. Cory Cottongim and Tony W. Breeden—are transferring their ownership interest in the Applicant to Ole Smoky Holdco, LLC, a Delaware LLC. In exchange, the three owners will receive adequate consideration agreed upon by the parties and a collective 45% ownership interest in Ole Smoky Holdco, LLC, divided among the three owners based on their respective ownership interests in the Applicant prior to this transaction. (i.e. Baker-29.25% **31%**, Cottongim-7.875% and Breeden-7.875% **6.125%**). The parties believe closing will occur on or about October 31, 2013 and need TABC approval prior to closing. The three owners are remaining as officers of the Applicant and two other individuals—Colin A. Murphy and David M. Hooper—are being added as directors and managers of the Applicant.

As noted this distillery was approved at the September TABC meeting but has not yet had its license issued due to incomplete construction. All other aspects and operations of the Applicant and this distillery remain the same. All documentation has been submitted with the exception of the following:

- a. Copy of closing certificate/statement - **received**
- b. TABC Inspection – **received**
- c. Acknowledgement of ABC Rules & Regs. - **received**

The TABC staff recommends approval of this application upon receipt of the missing documentation ~~and license fee~~.

Discussion/Action Taken:

Attorney Rob Pinson and Attorney Will Cheek were in attendance. Director Bell reviewed the matter to the Commission and recommended approval upon receipt of the closing certificate/statement.

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

UPDATE: All documentation has been received. The TABC database was updated to reflect the changes. Also, note the corrections to the percentages previously referenced incorrectly.

**6. GATLINBURG BARRELHOUSE, LLC
GATLINBURG, TENNESSEE (SEVIER COUNTY)**

Applicant: Gatlinburg Barrelhouse, LLC

Member(s): **Currently:**

Virginia J. Baker (President – 80%)

Charles R. Edwards, III (Secretary – 10%)

Virginia C. Cottongim (Treasurer – 10%)

Proposed:

Virginia J. Baker (President – 70%)

Charles R. Edwards, III (Secretary – 20%)

Virginia C. Cottongim (Treasurer – 10%)

Before the Commission is a request for a change in ownership among the existing owners of an existing distillery located at 650 Parkway, Gatlinburg, Tennessee. The three owners are changing their respective ownership interests from 80%, 10% and 10% to the 70%, 20% and 10%. This change is being made pursuant to an agreement among the members and as a gift to Charles Edwards for his hard work and dedication to the Applicant. There is no monetary consideration for this transfer. There are no new owners pursuant to this application. All other aspects and operations of the Applicant and this distillery remain the same. All documentation has been submitted; the TABC staff recommends approval of this application.

**7. GATLINBURG BARRELHOUSE, LLC
GATLINBURG, TENNESSEE (SEVIER COUNTY)**

Applicant: Gatlinburg Barrelhouse, LLC

Member(s): **Currently:**

Virginia J. Baker (President – 70%)

Charles R. Edwards, III (Secretary – 20%)

Virginia C. Cottongim (Treasurer – 10%)

Proposed:

Ole Smoky Holdco, LLC – 60%
Virginia J. Baker – 28%
Charles R. Edwards, III – 8%
Virginia C. Cottongim – 4%

Before the Commission is a request for a change in ownership for an existing distillery located at 650 Parkway, Gatlinburg, Tennessee. The three owners who current own 100% of the Applicant—Virginia J. Baker, Charles R. Edwards, III and Virginia C. Cottongim—are each transferring a portion of their ownership interests in the Applicant to Ole Smoky Holdco, LLC. In exchange, the three owners will receive adequate consideration agreed upon by the parties. The parties believe closing will occur on or about October 31, 2013 and need TABC approval prior to closing. This application is related to the previous two applications involving Ole Smoky Distillery, LLC. Owner Charles R. Edwards, III is remaining as an officer of the Applicant and five other individuals—Joseph A. Baker, J. Cory Cottongim, Tony W. Breeden, Colin A. Murphy and David M. Hooper—are being added as officers, directors and/or managers of the Applicant.

All other aspects and operations of the Applicant and this distillery are remaining the same. All documentation has been submitted with the exception of the following:

- a. Copy of closing certificate/statement - **received**
- b. TABC Inspection - **received**
- c. Acknowledgement of ABC Rules & Regs. - **received**

The TABC staff recommends approval of this application upon receipt of the missing documentation and license fee.

Discussion/Action Taken:

Attorney Rob Pinson and Attorney Will Cheek were in attendance. Director Bell reviewed the matter to the Commission and recommended approval upon receipt of the closing certificate/statement.

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

UPDATE: The applicant also requested to add d/b/a Davy Crocketts Distillery to their name. This addition was motioned and approved by the commissioners. All documentation has been received. The TABC database was updated to reflect the changes. Also, note the corrections to the percentages referenced incorrectly.

**8. POPCORN SUTTON DISTILLING LLC
n/k/a DAVY CROCKETTS DISTILLERY
NEWPORT, TENNESSEE (COCKE COUNTY)**

Applicant: Popcorn Sutton Distilling LLC
Member(s): J&M Concepts LLC – 89.55%
Auspicious Systems, LLC – 5.95%
Creative Artists Agency, LLC – 2.5%
TeeTot, LLC – 2%

Before the Commission is a request for a new distillery located at 830 Highway 25-70, Newport, Tennessee. The Applicant has a \$1,000,000 line of credit and a \$3,077,000 term loan with Bank of America for construction and initial operation of this distillery. The property is being leased from Tennessee Tobacco Sales, Inc., a Tennessee corporation, for a term of five (5) years with a rental amount beginning at \$8,800 per month and increasing to \$10,271 a month during the last year of the initial term. The Applicant has one five (5) year renewal option with rent beginning in the renewal option at \$10,600 a month and increasing to \$11,931 a month during the last year of the renewal term. All documentation has been submitted with the exception of the following:

- a. Personal and financial disclosures of Hank Williams, Jr., sole member of TeeTot, LLC - **received**
- b. Certificate of Occupancy - **received**
- c. TABC Inspection - **received**
- d. Acknowledgement of ABC Rules & Regs. - **received**
- e. Distance approval by local government. - **received**
- f. \$1,000 License Fee - **received**

The TABC staff recommends approval of this application upon receipt of the missing documentation ~~and license fee~~.

**9. FULL THROTTLE SLOONSHINE
TRIMBLE, TENNESSEE (DYER COUNTY)**

Applicant: Full Throttle Sloon Shine, LLC
Member(s): Michael Ballard (President; 100% owner)

Before the Commission is a request for a new distillery located at 45 Gin Street, Trimble, Tennessee. Michael Ballard has invested adequate sums of money for construction and initial operation of this distillery. In addition, the Applicant has adequate operating revenue from product currently being contract

distilled and sold to distributors across the United States. The real property is being leased from Michael Ballard for a term of one (1) year with a rental amount of \$100 a month. The Applicant has two one (1) year renewal options. All documentation has been submitted with the exception of the following:

- a. Financial disclosures of Michael Ballard - **received**
- b. Letter from City of Trimble stating no Certificate of Occupancy available or required - **received**
- c. Agent investigation report - **received**
- d. Inspection - **completed**
- e. Distance approval by local government. - **received**
- f. \$1,000 License Fee - **received**

The TABC staff recommends approval of this application upon receipt of the missing documentation and license fee.

Discussion/Action Taken:

Attorney Rob Pinson was in attendance. Director Bell reviewed the matter to the Commission and recommended approval upon receipt of the missing documentation.

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

UPDATE: The Distillery License was issued 11/6/13

5. FARM WINERIES

A. NEW BUSINESS

**1. STILL WATERS FARM
CORRYTON, TENNESSEE (KNOX COUNTY)**

Applicant: Marvin E. and Margaret E. Adam
Partnership: Husband and Wife

Before the Commission is a request for a new farm winery located at 7004 Fairview Road, Corryton, Tennessee. Mr. & Mrs. Adam will be investing \$2,000.00 into the business based on personal funds with Home Federal Bank as verified by the TABC staff. The property of the farm winery is owned by the applicant, there is not a land lease required. All documentation has been provided with the exception of the following:

- a. \$150.00 License Fee - **received**

The TABC staff recommends approval of this application upon receipt of the license fee.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended approval upon receipt license fee.

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

UPDATE: Farm Winery License issued 10/24/13

6. PRIVATE CLUBS

A. NEW BUSINESS

**1. COLONIAL COUNTRY CLUB, INC.
CORDOVA, TENNESSEE (SHELBY COUNTY)**

Applicant: Colonial Country Club, Inc.
Stockholder(s): Private Club Membership

Proposed:
CC Club Holding, Inc. – Parent Company
James W. Russell, Jr. – President, Sole Shareholder

Before the Commission are the requests of the current holder of TABC Private Club Liquor by the Drink Permit No. 99371, Colonial Country Club, Inc., a Tennessee nonprofit corporation, located at 2736 Countrywood Parkway, Cordova, TN 38016 for (1) approval of the Agreement and Plan of Merger between said permittee, Colonial Country Club, Inc., and CC Club Acquisition Corp., a Tennessee for profit corporation in accordance with the applicable provisions of the Tennessee Business Corporation Act and the Tennessee Nonprofit Corporation Act. The permittee, Colonial Country Club, Inc., will merge with and into CC Club Acquisition Corp., the separate corporate existence of CC Club Acquisition Corp. will cease and the permittee, Colonial Country Club, Inc., will thereafter continue as the surviving corporation but as a for profit corporation. Prior to merger, CC Club Holding, Inc., a Tennessee for profit corporation, exists as the parent company of subsidiary, CC Club Acquisition Corp and therefore, after merger, the parent company of the surviving corporation, Colonial Country Club, Inc. For (2) approval of a TABC on premises liquor by the drink permit pursuant to T.C.A. § 57-4-102(8)(K). This organization, after merger, is a for-profit recreational club organized and existing under the laws of the state of Tennessee and has been in existence and operating for at least two (2) years prior to March 31, 2003. It is located in a county not having a metropolitan form of government and having a population of not less than five hundred

thousand (500,000), according to the 2000 federal census or any subsequent federal census, and further possesses the following characteristics:

- (a) Has at least two hundred twenty-five (225) members paying monthly or annual dues, or both, and does not discriminate against members or potential members or bona fide guests of the members on the basis of gender, race, religion or national origin;
 - (b) Is organized and operated exclusively for recreation and provides a regulation eighteen-hole golf course for the use of its members and guests, and may or may not also provide for the use of its members and guests a swimming pool and tennis facility;
 - (c) Has a clubhouse with not less than ten thousand square feet (10,000 sq. ft.) with suitable kitchen, dining facilities and equipment, serving at least one (1) meal daily, at least five (5) days a week;
 - (d) The club may not compensate or pay any officer, director, agent or employee any profits from the sale of alcoholic or malt beverages based on the volume of that beverage.
- (ii) It is the express intention of the general assembly that the law concerning the purchase or possession of alcoholic beverages by persons less than twenty-one (21) years of age be strictly enforced by the club;

All documentation has been provided with the exception of the following:

- a. TABC Inspection
- b. Acknowledgement of TABC Rules & Regs.
- c. Certificate of good moral character of alcoholic beverage manager.
- d. Copies of Properly Executed Articles of Merger and Closing documents.

The TABC staff recommends approval of this application upon receipt of the missing documentation.

Discussion/Action Taken:

Hank Hildebrand was in attendance. Director Bell reviewed the matter to the Commission and recommended approval upon receipt of the missing documentation.

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

UPDATE: The missing documentation is still pending. These changes are taking place in an attempt to save the club.

7. **BUDGET** - There are not any budget matters.

8. **PENDING MATTERS LIST**

A. **Commission Meeting Dates for the 2014 calendar year**

UPDATE: Continue to the November 19, 2013 meeting.

9. **PERSONNEL**

A. The TABC has the following vacancies post of the DOHR Employment site, this posting will be open October 16th through October 22, 2013.

a. ABC Assistant Special Agent in Charge, Chattanooga
Departmental Promotion

UPDATE: A current TABC employee has been chosen to fill the ABC Assistant Special Agent in Charge, Chattanooga position.


b. ABC Special Agent 1, Chattanooga
Appointment - **PENDING**

c. HR Analyst 1, Nashville
Departmental Promotion

UPDATE: A current TABC employee has been chosen to fill the HR Analyst 1, Nashville position.

10. **MISCELLANEOUS**

11. **DATE OF NEXT MEETING** – The December Commission Meeting date has already been set, it will take place on Tuesday, December 17, 2013 at 1:30 p.m.


Mary McDaniel
Chairperson


E. Keith Bell
Executive Director