

# TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

**Minutes**  
**May 21, 2009**  
**1:30 p.m.**

---

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Thursday, February 19, 2009 in Nashville, Tennessee at 1:30 p.m. Chairman Jones, Commissioner Harlan Mathews and Commissioner Cynthia Bond were present. Executive Director Danielle Elks, Assistant Director Carolyn Smith and SAC Mike Cawthon were present.

---

**1. The Minutes for April 23, 2009 Commission Meeting were approved.**

**2. RETAIL**

**A. THE GROVE  
LOUDON, TENNESSEE (LOUDON COUNTY)**

**Applicant: James Purdy**

Before the Commission is a request for a new retail store to be located at 403 Grove Street in Loudon, Tennessee. Mr. Purdy intends to initially invest \$500,000 from personal savings to operate the business. Mr. Purdy is leasing the property from Family Pride Corporation for a period of ten years at \$2400/month. All documentation has been submitted.

**Discussion/Action Taken:**

Director Elks reviewed the application to the Commissioners and recommended approval. Chairman Jones made a motion to approve and Commissioner Bond seconded the motion and it passed with 3 ayes.

**B. PEAVINE WINE AND SPIRITS  
CROSSVILLE, TENNESSEE (CUMBERLAND COUNTY)**

**Applicant: Stanley Roger York**

Before the Commission is a request for a new retail store to be located at 745 Peavine Road, in Crossville, Tennessee. Mr. York intends to initially invest approximately \$400,000 to operate the business. Financing is based upon personal funds and a line of credit with Cumberland County Bank. The property is owned by Mr. and Mrs. York, who are leasing the property to Mr. York for a period of three years at \$6500/month. All documentation has been submitted.

**Discussion/Action Taken:**

Mr. Stanley Roger York was present at the meeting. Director Elks reviewed the application to the Commissioners and recommended approval. Commissioner Mathews made a motion to approve and Commissioner Bond seconded the motion and it passed with 3 ayes.

**C. BRUCETON WINE AND SPIRITS  
BRUCETON, TENNESSEE (CARROLL COUNTY)**

**Applicant: Jack Aaron Leonard**

Before the Commission is a request for a new retail store to be located at 30410 Broad Street in Bruceton, Tennessee. Mr. Leonard intends to initially invest approximately \$100,000 to operate the business. Financing is based upon a \$100,000 gift from his father, Terry Leonard, as well as a \$50,000 line of credit with First Bank in Camden, Tennessee. Jack Leonard is leasing the property from his father for a period of five years for \$500/month. It should be noted that Terry Leonard is the owner of Country Club Bar and Grill, an on-premise consumption licensee in Benton, Tennessee. TABC Rule 0100-1-.03(12) sets forth the following:

Dual Interests Prohibited.

- (a) No licensee hereunder and no person owning an interest financial or otherwise in a partnership or corporation holding the license hereunder [on-premise consumption licensee], shall have any interest in any business licensed under the provisions of T.C.A. §57-3-202, 57-3-203 or 57-3-204.
- (b) No person having any interest financial or otherwise in any business licensed under the provisions of T.C.A. §57-3-202, 57-3-203, or 57-3-204, shall have any interest in any business licensed hereunder.

Issue: Does the financing for the retail store provided by Terry Leonard, an on-premise consumption licensee violate the provisions of TABC Rule 0100-1-.03(12)?

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

- a) Line of Credit document with bank;
- b) Questionnaire for Terry Leonard;
- c) Financial information on Terry Leonard, including the bank check verification.
- d) Use and Occupancy permit.

**Discussion/Action Taken:**

Director Elks reviewed the application to the Commissioners. The Commission determined that a financial gift from a family member owning an on-premise consumption license does not constitute a direct or indirect interest in violation of TABC Rule #0100-1-.03(12) if such family member does not share in the profits or otherwise make decisions in the conducting of business. Thereupon, Director Elks recommended approval upon submission of the following documentation:

- e) Line of Credit document with bank;
- f) Questionnaire for Terry Leonard;
- g) Financial information on Terry Leonard, including the bank credit check verification.
- h) 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 3 ayes.

**D. CROSSROADS WINE AND SPIRITS  
BAXTER, TENNESSEE (PUTNAM COUNTY)**

**Applicant: Crossroads Wine and Spirits, LLC**  
**Members: Danny West and Millie Lee**

Before the Commission is a request for a new retail store to be located at 6099A Nashville Highway, in Baxter, Tennessee. Danny West and Millie Lee wish to initially invest approximately \$188,000 to operate the business. If approved, they would operate the business as a LLC. Financing is based upon a line of credit with Bank of Putnam County. The applicant is leasing the property from Danny West for a period of one year, with monthly rent of \$2000. If approved, Danny West will own 65%, and Millie Lee will own 35%. All documentation has been submitted with the exception of the following:

- a. Newspaper affidavit; and
- b. Loan agreement with Bank of Putnam County.

**Discussion/Action Taken:**

Ms. Millie Lee was present at the meeting. Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the newspaper affidavit. Commissioner Mathews made a motion to approve and Commissioner Bond seconded the motion and it passed with 3 ayes.

**E. SOUTH JACKSON WINE AND SPIRITS  
TULLAHOMA, TENNESSEE (COFFEE COUNTY)**

**Licensee/Seller: BCH Properties, LLC**  
**Members: Dan Barbeau; Phil Copeland, and Ricky Howland**  
**Applicant Members: Ricky Howland and Randy McCormick**

Before the Commission is a request for three things: (1) a partial transfer of ownership, (2) a transfer of location, and (3) a name change. Dan Barbeau, Phil Copeland, and Ricky Howland each currently own 33% of the licensee, BCH Properties, LLC—currently located at 1102 S. Jackson Street. Mr. Barbeau and Mr. Copeland wish to sell their 66% interest to current member, Ricky Howland, and to Randy McCormick. If approved, Mr. Howland and Mr. McCormick would each own 50%. Purchase price for the transfer is the assumption of all outstanding loans for the business—approximately \$100,000. Upon approval of the transfer, the new members wish to transfer location to 1962 N. Jackson Street in Tullahoma, Tennessee. Mr. Howland and Mr. McCormick has formed a new LLC, R & R Properties, and purchased the property for the new location. The new location is larger and commercially more advantageous. The term of the lease is 5 years. Further, the applicants wish to change the name to North Jackson Wine and Spirits. All documentation has been submitted with the exception of the following:

- a. Amount of lease;
- b. Signature on lease;
- c. Deed; and
- d. Use and Occupancy permit.

**Discussion/Action Taken:**

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

- a. Amount of lease;
- b. Signature on lease;
- c. Deed; and
- d. Use and Occupancy permit.

Commissioner Mathews made a motion to approve the transfer of ownership upon receipt of the following documentation:

- a. Amount of lease;
- b. Signature on lease;
- c. Deed; and
- d. Use and Occupancy permit.

Commissioner Bond seconded the motion and it passed with 3 ayes.

**Discussion/Action Taken:**

Commissioner Mathews made a motion to approve the transfer of location. Commissioner Bond seconded the motion and it passed with 3 ayes.

Commissioner Mathews made a motion to change the name. Commissioner Bond seconded the motion and it passed with 3 ayes.

**F. WHITE BLUFF WINE & SPIRITS, LLC  
WHITE BLUFF, TENNESSEE (CHEATHAM COUNTY)**

**Applicant: White Bluff Wine & Spirits, LLC**  
**Members: Chris Dotson**

Before the Commission is a request for a new license to be located at 4255 Highway 70 East in White Bluff, Tennessee. Mr. Dotson intends to initially invest \$75,000 to operate the business. Financing is based upon a promissory note with his father, Buford H. Dotson. Chris Dotson owns the property where the store will be located. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgment of the rules/regulations
- c. Questionnaire on Buford Dotson
- d. Financial check on Buford Dotson

**Discussion/Action Taken:**

Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the TABC inspection and acknowledgment of the rules/regulations. Commissioner Mathews made a motion to approve upon submission of the pending documentation. Commissioner Bond seconded the motion and it passed with 3 ayes.

**G. PLAZA PACKAGE STORE  
JOHNSON CITY, TENNESSEE (WASHINGTON COUNTY)**

**Seller/Licensee: Libations, LLC**  
**Member: Peter L. Nickels**  
**Buyer/Applicant: Libations, LLC**  
**Member: Peter J. Nickels**

Before the Commission is a request for a transfer of ownership of the retail store located at 4471 N. Roan Street, #2 in Johnson City. Mr. Peter J. Nickels wishes to purchase the business from his father for \$400,000. Financing is based

upon a loan agreement with his father. The lease remains in effect. All documentation has been submitted.

**Discussion/Action Taken:**

Director Elks reviewed the application to the Commissioners and recommended approval. Chairman Jones made a motion to approve. Commissioner Mathews seconded the motion and it passed with 3 ayes.

**3. ADMINISTRATIVE CITATIONS**

- **ASHLEY ANNE STAFFORD**

On February 9, 2009, TABC Agent Mike Cawthon observed the Respondent sell an alcoholic beverage to the nineteen year-old confidential operative at establishment doing business as Music City Event Center, in Nashville, Tennessee. An administrative citation was issued, and remains unresolved at the time of this agenda.

**Discussion/Action Taken:**

Ashley Anne Stafford was present at the meeting. Assistant Director Carolyn Smith stated that Ms. Stafford was issued an administrative citation for the sale of alcohol to a minor on February 9, 2009. TABC SAC Cawthon testified to the events that led up to the issuance of this administrative citation. SAC Cawthon testified that he accompanied the Metropolitan Nashville Police Department to a club on 8<sup>th</sup> Avenue South in Nashville known as Nocturnal. SAC Cawthon stated that there was a Vanderbilt fraternity club at the Nocturnal Club. He testified that upon entering the club, there appeared to be numerous individuals with possession of beer and/or liquor who appeared to be under aged. He testified that he started checking ID's, and subsequently arrested approximately 15 at the club for possession of alcohol while being underage. After purchasing of a beer from Ms. Ashley Stafford, SAC Cawthon testified that he requested to see Mr. Benjamin Crain's ID who presented a counterfeit ID from Maine. SAC Cawthon stated that he then took Ms. Stafford and Mr. Crain outside and issued Ms. Stafford an administrative citation for selling alcohol to a minor. SAC Cawthon asked Ms. Stafford why she did not check Mr. Crain's ID and she stated that was the responsibility of the security personnel at the front entrance. SAC Cawthon testified that he told Ms. Stafford that was not the security personnel's job and it was her responsibility to make sure that the customers she was serving was of age.

Assistant Director requested that the Commission uphold the administrative citation that was issued to Ms. Stafford.

Chairman Jones and Commissioner Mathews expressed concern that the licensee had apparently instructed bar staff that door security would be responsible for checking ID's. Chairman Jones stated that he wants the establishments to be responsible for the sales to minors and more of the burden of responsibility to be placed on the establishment. Director Elks stated that there will be administrative action taken against the licensee. Director Elks stated that the charges have not been brought against the licensee as yet, because additional investigations are being conducted for other violations of the law.

Chairman Jones asked Ms. Stafford if she was aware that this is an administrative citation and that she can pay the citation and not risk losing her server permit.

Director Elks stated that if a payment of \$250 was made, then this matter would be considered closed. Director Elks stated that there were no pending criminal charges against Ms. Stafford and that none were anticipated being filed. She reminded the Commissioners of a similar situation several years ago where the Commission upheld a denial of a server permit where the bartender sold alcohol to a minor, but the security staff was responsible for checking ID's.

Director Elks respectfully disagreed with the Commission that the server not be charged for a sale to a minor and that the TABC Agents be upheld.

Director Elks stated that when there is an administrative citation issued against a server, there is a citation issued to the licensee for a fine of \$1500.

Commissioner Mathews made a motion to defer this matter to the July Commission meeting. Chairman Jones seconded the motion and it passed with 3 ayes.

**4. BUDGET**

**5. CONSENT ORDERS**

**6. PENDING MATTERS LIST**

**7. MISCELLANEOUS**

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

The Rulemaking Hearing was postponed to the June TABC Commission meeting.

- 8. DATE OF NEXT MEETING** – Tuesday, June 23 and Tuesday, July 21, 2009 at 1:30 p.m.

---

John A. Jones  
Chairman

---

Shari Danielle Elks  
Executive Director