

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

**MINUTES
JANUARY 26, 2016
1:30 pm**

Commissioner Jones was absent but the presence of Chairperson McDaniel and Commissioner Kaegi constituted a quorum, and the meeting was conducted. The Executive Director, Assistant Director, Staff Attorney, and CLEO were in attendance.

1. APPROVAL OF THE DECEMBER 15, 2015 COMMISSION MEETING MINUTES –

DISCUSSION/ACTION TAKEN: Commissioner Kaegi motioned for approval and Chairperson McDaniel seconded the motion; the motion was approved with 2 ayes.

2. RETAIL MATTERS

A. OLD BUSINESS

B. NEW BUSINESS

**1. BERRY FARMS WINE & SPIRITS
FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)**

Applicant: Berry Farms Wine and Spirits, Inc.

Shareholder(s): Satish Kumar Patel, President 100 %

Location: 4000 Hughes Crossing, Suite 160, Franklin, Tennessee 37064

This applicant was conditionally approved for licensing at the September 22, 2015 Commission Meeting.¹ The Executive Director granted an initial 30 day extension and the applicant is now requesting a second 30 day extension, which must come before the full Commission.

DISCUSSION/ACTION TAKEN: Commissioner Kaegi motioned for conditional approval and Chairperson McDaniel seconded the motion; the motion passed with two ayes. **Update: license #4059 issued 2.12.16**

**2. PARTY MART LIQUORS & WINES
JACKSON, TENNESSEE (MADISON COUNTY)**

Applicant: Party Mart Group, LLC

Member(s): Tina M. Johns 50 %
Blair S. Myers 50 %

¹ Conditional approval was subject to receipt of the C/O (after build-out), TABC Inspection, Acknowledgment of TABC Rules & Regulations and the license fee.

Current: Party Mart Liquors & Wines, Inc. (Robert K. Stewart, 100%) d/b/a Party Mart Liquors & Wines (license no. 0771)
 Proposed: Party Mart Group, LLC d/b/a Party Mart Liquors & Wines

Before the Commission is a request for approval of a transfer of ownership regarding the retail package store located at 2841 Hwy. 45 Bypass, Jackson, Tennessee 38305. Financing for the purchase of the business has been verified by TABC staff and the applicant will purchase the business for approximately \$1.6 million². The applicant will lease the premises from MJM Holdings, LLC for a term of twenty-five years at \$3,000 per month. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. ~~TABC Inspection~~
- b. ~~Acknowledgement of TABC Rules & Regulations~~
- c. ~~Tax #~~
- d. ~~License Fee~~

DISCUSSION/ACTION TAKEN: Items a-d were received prior to the meeting. Commissioner Kaegi motioned for approval and Chairperson McDaniel seconded the motion; the motion was approved with 2 ayes. **Update: License no 4057 issued 2.1.16**

3. UNCORKED WINE & SPIRITS BROWNSVILLE, TENNESSEE (HAYWOOD COUNTY)

Applicant: KM Uncorked LLC
 Member(s): Kristine McCaslin, 100%

Current: Russell Holdings, Inc. (Thomas D. Russell, 50% & Alicia Russell, 50%) d/b/a Uncorked Wine and Spirits (license no. 3860)
 Proposed: KM Uncorked, LLC d/b/a Uncorked Wine & Spirits

Before the Commission is a request for a transfer of ownership regarding the retail store located at 156 S. Dupree Street, Brownsville, TN 38012. Financing for the business has been verified by TABC staff and if approved, the applicant will purchase the business from the current owner for \$225k, plus the cost of inventory.³ Landlord, Brownsville Place Partners, Ltd. has agreed for the assignment of the current owner's lease to the applicant.⁴ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. ~~Acknowledgement of TABC Rules & Regulations~~
- b. ~~License Fee~~

² In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

³ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

⁴ The initial term of the lease is for five years at \$2,100 per month; includes an option to extend for one, five year term at \$2,400 per month.

DISCUSSION/ACTION TAKEN: Items a and b were received prior to the meeting. Commissioner Kaegi motioned for approval and Chairperson McDaniel seconded the motion; the motion was approved with 2 ayes. **Update: License no. 4055 issued 2.3.16**

**4. POPLAR PIKE WINES AND LIQUORS
GERMANTOWN, TENNESSEE (SHELBY COUNTY)**

Applicant: Poplar Pike Wines and Liquors, LLC
 Member(s): Frank Wesley Truett 92 %
 Ed Truett 4 %
 Anne Truett 4 %

Current: Joan Jekels (sole proprietor) d/b/a Poplar Pike Wines (license no. 3081)
 Proposed: Poplar Pike Wines and Liquors, LLC d/b/a Poplar Pike Wine and Liquors

Before the Commission is a request for a transfer of ownership regarding the retail store located at 9330 Poplar Pike, Germantown, Tennessee 38139. Financing for the business has been verified by TABC staff and if approved, intends to purchase the business and real property from the current owner for approximately \$1.9 million.⁵ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. Copy of executed contract between buyers and seller
- b. TABC Agent Inspection
- c. Acknowledgment of TABC Rules & Regulations
- d. Certificate of Occupancy (or letter from city)
- e. Certificate of Existence
- f. License Fee

DISCUSSION/ACTION TAKEN: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing items, and Chairperson McDaniel seconded the motion; the motion was approved with 2 ayes. **Update: license not issued as of 2.18.16**

**5. IN & OUT TOBACCO & BEER
MURFREESBORO, TENNESSEE (RUTHERFORD COUNTY)**

Applicant: JJG Enterprises, LLC
 Member(s): Grant Apanowicz 33.34 %
 Joye Apanowicz 33.33 %
 Jeff Apanowicz 33.33 %

Before the Commission is a request for licensing of a retail package store to be located at 225 N. Rutherford Blvd., Suite H, Murfreesboro, TN 37130. This is already an existing business that

⁵ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

now wishes to sell liquor and wine. Financing for the business has been verified by TABC staff. The applicant is leasing the premises from Karina, LLC for approximately \$3000 per month.⁶ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. Acknowledgment of TABC Rules & Regulations
- b. License Fee

DISCUSSION/ACTION TAKEN: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing items, and Chairperson McDaniel seconded the motion; the motion was approved with 2 ayes. **Update: License no. 4058 issued 2.8.16**

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

Applicant:	RODI, Inc.	
Shareholder(s):	Rohitkumar Ardeshta	100 %
Current:	Alcoa Highway Liquors, Inc. (Hailey D. Trelkeld, as Personal Representative of Andrea D. Davis, 100%), Alcoa Highway Liquors (License no. 3472)	
Proposed:	Rodi Inc., d/b/a Alcoa Highway Liquors	

Before the Commission is a request for a transfer of ownership regarding the retail store to located at 3105 Alcoa Highway, Knoxville, Tennessee 37920. As verified by TABC staff, Mr. Ardeshta plans to invest \$200k of personal funds into the business and if approved, will purchase the business from the current owner for \$50k, plus inventory.⁷ The applicant will lease the premises from Chu Brothers Partnership for an initial term of five years at \$1,500 per month.⁸ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- ~~a. Certificate of Occupancy~~
- ~~b. Certification of authority of estate or corporation to sell business & inventory~~
- c. License Fee

DISCUSSION/ACTION TAKEN: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing items, and Chairperson McDaniel seconded the motion; the motion was approved with 2 ayes. **Update: License no. 4056 issued 2.1.16**

**7. LEBANON WINE & SPIRITS
LEBANON, TENNESSEE (WILSON COUNTY)**

⁶ The lease includes options to renew for two additional five year terms.

⁷ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

⁸ The lease includes 3 options to renew at five years each.

Applicant: Ryan Spirits, LLC
 Member(s): Michael A. Ryan 100 %

This applicant was conditionally approved at the August 25, 2015 Commission meeting; however, that application was later withdrawn due to construction delays, and the applicant is now reapplying for licensing.

Before the Commission is a request for licensing of a new retail package store to be located at 111 South Hartman Dr., Lebanon, Tennessee 37087. As verified by TABC staff, Mr. Ryan is investing approximately \$100k into the business using personal funds, a line of credit, and operating funds obtained from CH Ryan, LLC.⁹ The applicant will lease the premises from Retail Development Solutions, LLC at a monthly rental rate of approximately \$6,000; the lease terminates in 2022.¹⁰ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection (after build-out)
- b. Acknowledgement of TABC Rules & Regulations
- c. Certificate of Occupancy
- d. License Fee

DISCUSSION/ACTION TAKEN: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing items, and Chairperson McDaniel seconded the motion; the motion was approved with 2 ayes. **Update: License not issued as of 2.18.16**

8. SPARTA DISCOUNT LIQUOR SPARTA, TENNESSEE (WHITE COUNTY)

Applicant: SWAMI Management Inc.
 Shareholder(s): Visnu Patel, 100%

Before the Commission is a request for licensing of a new retail package store to be located at 439 W. Bockman Way, Sparta, Tennessee 38583. As verified by TABC staff, Mr. Patel is investing \$60k into the business using savings and a bank loan. The applicant will lease the premises from Carolyn Acuff (conservator for Karyl Howell) for an initial term of two years at \$1,500 per month.¹¹ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection (after build-out)
- b. Certificate of Occupancy (after build-out)
- c. Acknowledgement of TABC Rules & Regulations
- d. License Fee

DISCUSSION/ACTION TAKEN: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing items, and Chairperson McDaniel seconded the motion; the motion was approved with 2 ayes. **Update: license not issued as of 2.18.16**

⁹ Mr. Ryan is a member of CH Ryan, LLC, d/b/a Mt. Juliet Beer Company

¹⁰ The lease includes options to renew for five (5) additional terms of five (5) years each.

¹¹ The lease includes two options to renew.

**9. CASTLE HEIGHTS WINE & SPIRITS
LEBANON, TENNESSEE (WILSON COUNTY)**

Applicant: Prayam, LLC
 Member(s): Ravindra Patel 100 %

Pre-transfer: Yogibapa, Inc. (Sanjaykumar Patel, 100%) d/b/a Castle Heights Wine and Spirits (License no. 3663)

Post-transfer: Prayam, LLC d/b/a Castle Heights Wine & Spirits

Before the Commission is a request for approval of a transfer of ownership regarding the retail package store located at 1123 N. Castle Heights Avenue, Suites A B, Lebanon, Tennessee 37087. If approved, the applicant will purchase the business from the current owner for \$48,000.¹² The applicant will lease the premises from Greg Dugale Properties¹³ for an initial term of five years at a monthly rental rate of \$3,000.¹⁴ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection
- b. Acknowledgement of TABC Rules & Regulations
- c. TABC Agent Report
- d. New certificate of existence
- e. License Fee

DISCUSSION/ACTION TAKEN: Director Bell reviewed the matter to the Commission and noted a need for clarification on a few issues (including review of the applicant’s financials) but recommended conditional approval. Attorney Matt Scanlan addressed the Commission and relayed that he and his client will provide any needed clarification. Commissioner Kaegi motioned for conditional approval, subject to receipt of missing items and clarification of any financial issues, and Chairperson McDaniel seconded the motion; the motion for conditional approval was approved with 2 ayes. **Update: license not issued as of 2.18.16**

3. WINERY MATTERS - none

4. FARM WINERY MATTERS - none

5. WHOLESALE MATTERS

A. NEW BUSINESS

**1. HARVEST BEVERAGE COMPANY (WHOLESALE LICENSE NO. 91)
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Harvest Beverage Company, LLC

¹² In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers’ involvement.

¹³ Mr. Dugdale is the property manager. The deed is held by DAB Partnership, a Tennessee general partnership.

¹⁴ The lease includes two options for renewal.

LLC Members:	Before (%)	Proposed (%)
Ralph Drury	80	100
Ashley W. Roberts	20	---

The applicant is requesting approval from the Commission for a transfer of membership interest in the licensee doing business at 3641 Trousdale Drive, suite 200, Nashville, Tennessee 37204. Mr. Drury will now have 100% of the membership interest in the LLC. The TABC staff recommends approval of this request.

DISCUSSION/ACTION TAKEN: Commissioner Kaegi motioned for approval and Chairperson McDaniel seconded the motion; the motion passed with 2 ayes. **Database updated.**

**2. CHEROKEE DISTRIBUTING COMPANY INC.
ALGOOD, TENNESSEE (PUTNAM COUNTY)**

Applicant: Cherokee Distributing Company, Inc.

Shareholder(s):	George B. Sampson	29.29 %
	Mary Ellen Sampson Brewington	33.33 %
	Will James Pugh, Jr., V.P.,C.F.O	0.00 %
	Jeffrey Knight, V.P., GM	0.00 %
	Other non-voting shareholders	less than 5% each

Before the Commission is a request for the applicant to be issued a wholesale license to do business at 2128 Burton Branch Rd., Algood, Tennessee 38501. This is an existing corporation and the applicant is already a TABC licensed wholesaler.¹⁵ The applicant will lease the premises from Phillip Properties Partnership for an initial term of thirty-six months (including two options to renew) and will have an option to purchase the real property. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection
- b. Acknowledgment of TABC Rules & Regulation
- c. C/O (or letter)
- d. License Fee

DISCUSSION/ACTION TAKEN: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing items, and Chairperson McDaniel seconded the motion; the motion was approved with 2 ayes. **Update: license not issued as of 2.18.16**

**3. CHEROKEE DISTRIBUTING COMPANY INC.
TULLAHOMA, TENNESSEE (COFFEE COUNTY)**

Applicant: Cherokee Distributing Company, Inc.

Shareholder(s):	George B. Sampson	29.29 %
	Mary Ellen Sampson Brewington	33.33 %
	Will James Pugh, Jr., V.P.,C.F.O	0.00 %

¹⁵ Cherokee Distributing Company, Inc. (license no 122) doing business at 200 Miller Main Circle in Knoxville, TN 37919.

Jeffrey Knight, V.P., GM 0.00 %
 Other non-voting shareholders less than 5% each

Current: RMG Inc., d/b/a Mid-South Distributing (License #108)
 Proposed: Cherokee Distributing Company, Inc. d/b/a Cherokee Distributing Company, Inc.

Before the Commission is a request for approval of a transfer of ownership regarding the wholesaler doing business at 400 South Anderson Street, Tullahoma, Tennessee 37388. If approved, the applicant (already a TABC licensed wholesaler) will acquire the assets of the current owner. The applicant will assume all leases¹⁶ and will have an option to purchase the real property. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. Acknowledgment of TABC Rules & Regulations
- b. ~~C/O (or letter)~~ received prior to meeting
- c. License Fee

DISCUSSION/ACTION TAKEN: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing items, and Chairperson McDaniel seconded the motion; the motion was approved with 2 ayes. **Update: license not issued as of 2.18.16**

6. DISTILLERY/BREWERY

A. NEW BUSINESS

1. SCHULZ BRAU BREWING COMPANY KNOXVILLE, TENNESSEE (KNOX COUNTY)

Applicant: Schulz Brau Brewing, LLC
 Member(s): Nico Schulz, Head Brewer
 Wolfgang Schulz, Operations Mgr.
 Ilona Schulz, Financial Mgr.

This applicant was conditionally approved for licensing at the Aug 25, 2015 Commission meeting.¹⁷ The Director granted an initial 30 day extension and the applicant is now requesting a second 30 day extension, which must come before the full Commission.

DISCUSSION/ACTION TAKEN: Commissioner Kaegi motioned for approval, and Chairperson McDaniel seconded the motion; the motion was approved with 2 ayes. **Update: license not issued as of 2.18.16**

2. SOUTHERN GRIST BREWING COMPANY NASHVILLE, TENNESSEE (DAVIDSON COUNTY)

¹⁶ Murick Inc. is the landlord.

¹⁷ The conditional approval for licensing was subject to receipt of the C/O, TABC Inspection, and license fee.

Applicant: Southern Grist Brewing Company, LLC

Member(s): Kevin Antoon 38.00 %
 Jamie Lee 33.25 %
 Jared Welch 23.75 %
 Chris Barbin 05.00 %

Before the Commission is a request for licensing of a new brewery to be located at 1201 Porter Rd., Nashville, Tennessee 37206. The applicant members are investing an adequate amount of monies into the business¹⁸ and landlord, Greenwood Partners Land Trust, has agreed to lease the premises to the applicant for an initial term of three years at approximately \$2,500 per month¹⁹. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection
- b. Acknowledgement of TABC Rules & Regulations
- c. License Fee

DISCUSSION/ACTION TAKEN: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing items, and Chairperson McDaniel seconded the motion; the motion was approved with 2 ayes. **Update: license no. 134 issued 2.4.16**

**3. CRAFTY BASTARD BREWERY, INC.
 KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: Crafty Bastard Brewery, Inc.

Shareholder(s): Aaron McClain 51 %
 Charles S. Davis 49 %

This applicant was conditionally approved (including the d/b/a name as presented) at the May 19, 2015 Commission Meeting, but there were delays in obtaining the C/O, their time to become operational expired. The applicant is now reapplying for licensing.

Before the Commission is a request for licensing of a new brewery to be located at 6 Emory Place, Knoxville, Tennessee 37917. Charles Davis is investing \$85k into the business and the applicants are leasing the premises of the brewery from Emory Investments, Inc. and North Central Investments, Inc. The initial term of the lease is two years (option of two additional one year terms) with a monthly lease rate of \$1,000. The TABC staff recommends conditional approval, subject to receipt of the following items:

- a. Certificate of Existence
- b. License Fee

DISCUSSION/ACTION TAKEN: Commissioner Kaegi motioned for conditional approval, subject to receipt of missing items, and Chairperson McDaniel seconded the motion; the motion was approved with 2 ayes. **Update: license not issued as of 2.18.16**

¹⁸ Applicant members are investing personal funds and the also has \$150k bank loan.

¹⁹ The lease will be renewed in two-three-year increments at 4% yearly increase in rent.

7. PRIVATE CLUBS - none

8. INITIAL ORDERS TO BE REVIEWED BY THE COMMISSION – none

9. SERVER APPEALS - none

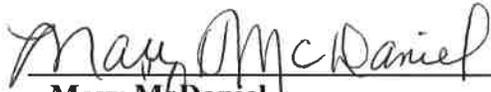
10. MISC – RLPS UPDATE Mr. Laurent Sorrentino of Accella gave a demonstration on the progress on the new permitting system

11. NEXT MEETING – ~~Tuesday, February 23, 2016~~ at 1:30 p.m.— ****The February Commission meeting date was moved to Thursday, February 25, 2016 (1:30 pm)

12. UPCOMING MEETINGS

- ~~Tuesday, February 23~~ Thursday, February 25, 2016 at 1:30 p.m.
- Tuesday, March 22, 2016 at 1:30 p.m.
- Tuesday, April 26, 2016 at 1:30 p.m.

APPROVED FOR ENTRY UPON THE MINUTE BOOKS OF THE TENNESSEE
ALCOHOLIC BEVERAGE COMMISSION THIS THE 25th DAY OF FEBRUARY, 2016.


Mary McDaniel
Chairperson


Keith Bell
Executive Director