

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

Minutes
December 18, 2012
1:30 pm

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Tuesday, December 18, 2012, in Nashville, Tennessee at 1:30 p.m. Chairperson Mary McDaniel, Commissioner John Jones and Commissioner Bryan Kaegi were present. Interim Director Keith Bell, CLEO Mark Hutchens and Attorney Ginna Winfree were present.

1. The Minutes for November 26, 2012 Commission Meeting were approved.

2. RETAIL

A. NEW BUSINESS

**1. CORKS WINE AND SPIRITS, INC.
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: Corks Wine and Spirits, Inc.
Stockholders: Patrick Ryan McElveen
Dana M. McElveen

Before the Commission is a request for a new retail store located at 11668 Parkside Drive, Knoxville, Tennessee. Mr. McElveen and Ms. McElveen wish to initially invest personal funds along with \$100,000.00 to operate the store. Financing is based upon a line of credit with Capital Bank. The corporate applicant will be leasing the property from Turkey Creek Land Partners, LLC for a period of five years. Annual rent is set at \$10,600/mo, increasing in the 2nd year to \$11,000/mo, and increasing approximately 4% during the remainder of the 5 year term. The applicant has two 5 year options to extend this lease. All documentation has been provided with the exception of the following items from the Knoxville Post:

- a. TABC Inspection;
- b. Certificate of Occupancy
- c. License fee of \$850.00;
- d. Tennessee Sales Certificate

Discussion/Action Taken:

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

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

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

Applicant: Gatlinburg Barrelhouse

Members: Virginia J. Baker

**New Proposed Members: Virginia Camille Cottongim;
Charles R. Edwards**

Before the Commission is a request to transfer 20% ownership interest in the Gatlinburg Barrelhouse, LLC to the two new members of the LLC, Charles R. Edwards and Virginia Cottongim from Virginia J. Baker. Ms. Baker currently owns 100% of the LLC. Mr. Edwards and Ms. Cottongim will each be receiving 10% ownership of the LLC. Ms. Baker will be gifting the 10% ownership to Mr. Edwards; Ms. Cottongim will be obtaining her 10% ownership for a sum of \$10,000.00. All documentation has been submitted with the exception of the following:

- a. Certificate of Compliance/Good Moral Character Certificate;
- b. Sworn statement from newspaper confirming the public notice

Discussion/Action Taken:

Interim Director Bell reviewed the matter to the Commission and recommended approval upon submission of the missing documentation:

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

**3. WELCOME LIQUOR
CHATANOOGA, TENNESSEE (HAMILTON COUNTY)**

Applicant: Devin and Christi Cho
Informal Partnership: husband/wife

Before the Commission is a request for a transfer of ownership of the retail store, Welcome Liquors, located at 2001 S. Market Street, Chattanooga, Tennessee from the current licensee, Ho S. Cho, a sole proprietorship, to his son, Devin Cho and daughter-in-law, Christi Cho. Mr. Cho, the current owner, is retiring and wishes to gift 100% of his ownership to his son and daughter-in-law. Mr. Devin Cho and Ms. Christi Cho will each own 50% of the business. Mr. Ho S. Cho will be leasing the property to Mr. Devin Cho and wife, Christi Cho. The terms of this lease are monthly commencing January 1, 2013 thru January 31, 2013 at a rate of \$3,000.00/mo. This lease will automatically renew monthly until either party decides to terminate. All documentation has been received.

Discussion/Action Taken:

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

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

2. WINERIES

A. NEW BUSINESS

**1. RICHLAND VINEYARDS
BLAINE, TENNESSEE (GRAINGER COUNTY)**

Applicant: Troy B. Perrin

Before the Commission is a request for a new FARM winery to be located at 1653 Indian Ridge Road, Blaine, Tennessee. Mr. Perrin wishes to invest \$2500.00 and will own 100% interest. Mr. Perrin currently owns the property where the FARM winery is located. The applicant has a custom crush agreement with Blue Slip Winery. All

documentation has been provided with the exception of the following:

- a. TABC Inspection; - **received**
- b. Acknowledgment of ABC Rules and Regulations - **received**

Discussion/Action Taken:

Interim Director Bell reviewed the matter to the Commission and recommended approval.

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

4. WHOLESALERS

A. NEW BUSINESS

**1. BEST BRANDS, INC.
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Best Brands, Inc.
**Stockholders: Robert M. Moses; Seth Joseph Eskind
Marlene Eskind Moses**

Before the Commission is a request for a partial transfer of ownership of the licensee's stock to two family trusts. The current ownership of Best Brands reflects that there are 100 shares of voting stock and 9,900 shares of nonvoting stock. Robert M. Moses owns 40 shares of voting stock and 5,920 shares of nonvoting stock, his spouse; Marlene Eskind Moses owns 40 shares of voting stock, and Seth Joseph Eskind owns 20 shares voting stock and 3,980 shares of nonvoting stock. Robert M. Moses created an irrevocable family trust, "The Moses Family Trust Agreement" for purposes of estate planning. Marlene Eskind Moses is the Trustee and a beneficiary of the Trust along with their three children, Marissa Moses Russ, Caroline Ruth Moses, and Ryan Manual Moses. To date this Trust is unfunded. Robert M. Moses proposes to transfer his 40 shares of voting stock and his 5,920 shares of nonvoting stock to the Moses Family Trust. This transfer would be effective upon ABC approval and prior to the end of calendar year 2012.

Seth Joseph Eskind currently owns 20% (20 shares) of the voting stock and 3,980 shares of nonvoting stock in Best

Brands. In a manner similar to that of Mr. Moses, Mr. Eskind proposes to transfer only his non-voting stock to the Eskind Family Trust. The total of non-voting stock Seth Joseph Eskind will be transferring would be 3,980. Mr. Eskind does not propose to transfer any of his current voting stock in best Brands. Pursuant to the Eskind Family Trust Agreement, the Trustee is Judy Kay Eskind, Mr. Eskind's spouse. The beneficiaries of the Eskind Family Trust are Judy Kay Eskind, and their two children, Jason Morris Eskind and Aaron Christopher Eskind. The Eskind Family Trust is currently unfunded. Upon approval of the ABC this transfer will commence no later than the end of the 2012 calendar year. All documentation has been provided with the exception of the following:

- a. Trust Agreements – **received**

Discussion/Action Taken:

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

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

**2. STAR DISTRIBUTING INC.
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Star Distributing
Stockholders: Al LaRocca; Carol LaRocca

Before the Commission is a request for a transfer of stock ownership. Currently Al LaRocca owns 50% and Carol LaRocca owns 50% of the voting stock of the corporation. David Benson, a long-time employee of Star Distributing desires to purchase Mr. & Mrs. LaRocca's stock ownership in the corporation. Mr. Benson will agree to purchase the stock over a period of time, financed by a bank loan and financed by seller financing, subject to obtaining additional financing to "take out" the owner financing component within the next several months. The parties desire to affect the transfer of the stock prior to the conclusion of the 2012 calendar year to avoid potential harmful tax consequences that would result from a delay in the transfer. The LaRoccas would initially transfer a portion of their stock to Mr. Benson in exchange for a cash down payment and a note for the balance of the purchase price. Upon the initial payment of funds, Mr. Benson will own 40%, Mr. LaRocca will own 30%, and Mrs. LaRocca will own the remaining 30%. Upon receipt of the

final payment, Mr. Benson would become 100% owner of the stock in Star Distributing. All documentation has been provided with the exception of the following:

- a. Stock Transfer Documentation
- b. Financial Agreement

Discussion/Action Taken:

Interim Director Bell reviewed the matter to the Commission and recommended to continue to February agenda.

Chairperson McDaniel made a motion to continue to February's agenda with the understanding that should the TABC receive the missing documentation prior to the January commission meeting cut-off date of January 11, 2013, the item can be set for the January meeting.

5. DISTILLERY

A. NEW BUSINESS

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

Applicant: Gatlinburg Barrelhouse

Members: Virginia J. Baker

**New Proposed Members: Virginia Camille Cottongim;
Charles R. Edwards**

Before the Commission is a request to transfer 20% ownership interest in the Gatlinburg Barrelhouse, LLC to the two new members of the LLC, Charles R. Edwards and Virginia Cottongim from Virginia J. Baker. Ms. Baker currently owns 100% of the LLC. Mr. Edwards and Ms. Cottongim will each be receiving 10% ownership of the LLC. Ms. Baker will be gifting the 10% ownership to Mr. Edwards; Ms. Cottongim will be obtaining her 10% ownership for a sum of \$10,000.00. All documentation has been submitted with the exception of the following:

- a. Certificate of Compliance/Good Moral Character Certificate; - **received**
- b. Sworn statement from newspaper confirming its public notice. - **received**

Discussion/Action Taken:

Interim 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.

6. BUDGET

7. CONSENT ORDERS

8. PENDING MATTERS LIST – 2013 Commission Dates

9. PERSONNEL

10. MISCELLANEOUS

A. Monthly Summary of TABC Activity

11. DATE OF NEXT MEETING – The date of the next meeting is set for Tuesday, February 26, 2013. The deadline for submission of agenda matters, February 15, 2013.

Mary McDaniel
Chairperson

E. Keith Bell
Interim Director