

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

Minutes
January 21, 2009
1:30 p.m.

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Wednesday, January 21, 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 CLEO Mark Hutchens were present.

1. The Minutes for December 17, 2008 Commission Meeting were approved.

2. RETAIL

**A. AIRPORT WINE & SPIRITS
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Michael Johnson

Before the Commission is a request for a new retail store to be located at 1911 E. Brooks Road in Memphis, Tennessee. Michael Johnson wishes to initially invest \$15,000: financing is based upon personal savings. If approved, Mr. Johnson will operate the business as a sole proprietorship. The applicant is leasing the property from Kyle Rice for a period of one year at \$650/month. All documentation has been submitted with the exception of the following:

- a. Sales Tax number;
- b. TABC Inspection;
- c. Use and Occupancy permit;
- d. Acknowledgement of the rules/regulations;
- e. Question 10 on application.

Discussion/Action Taken:

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

- a. Sales Tax number;
- b. TABC Inspection;
- c. Use and Occupancy permit;
- d. Acknowledgement of the rules/regulations;
- e. Question 10 on application.

Commissioner Bond made a motion to approve upon submission of the pending documentation. Commissioner Mathews seconded the motion and it was approved with 3 ayes.

**B. CENTRAL AVENUE LIQUORS
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Licensee: Charles and Rose Finley

Before the Commission is a request for a transfer of location from 2159 Central Avenue to 2847 Poplar Pike, Suite 103 in Memphis, Tennessee. This request is because the current landlord will not renew the lease. At the new location, the Finleys will be leasing from Poplar Center for a period of three years at \$1200/month. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Licensee's signature on lease.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the TABC Inspection and the licensee's signature on the lease. Commissioner Bond made a motion to approve upon submission of the pending documentation. Commissioner Mathews seconded the motion and it was approved with 3 ayes.

**C. COVINGTON LIQUOR STORE
COVINGTON, TENNESSEE (TIPTON COUNTY)**

Seller/Licensee: James C. Hill, Jr. and Jack Oates
Buyer/Applicant: James C. Hill, Jr. and David Scott Oates

Before the Commission is a request for a partial transfer of ownership of the retail store located at 735 Highway 51 in Covington, Tennessee. David Scott Oates wishes to purchase Jack Oates' half interest in the business and a quarter interest in the property for \$150,000. Financing is based upon a promissory note between Jack Oates and David Oates. If approved, Mr. Hill and David Oates would each own 50% of the business. All documentation has been submitted.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval. Commissioner Bond made a motion to approve. Commissioner Mathews seconded the motion and it was approved with 3 ayes.

**D. DOWNTOWN WINE AND SPIRITS, LLC
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Seller/Licensee: Downtown Wine & Spirits, LLC
Members: David Ewan and Trinity McDermott
Buyer: David Ewan

Before the Commission is a request for a transfer of ownership of the retail store located at 407 South Gay Street in Knoxville, Tennessee. David Ewan seeks approval of his purchase of Trinity McDermott's interest in the business. In January, 2006, the original application was approved with Mr. Ewan owning a 60% interest, and Ms. McDermott owning a 40% interest. In May, 2008, Mr. Ewan apparently purchased Ms. McDermott's 40% interest in the business for \$20,000 without approval by the Commission: Ewan is now 100% owner. A citation has been issued for failure to advise the Commission of true ownership. All documentation related to the transfer has been submitted.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon payment of the citation. Chairman Jones made a motion to approve upon payment of the citation. Commissioner Mathews seconded the motion and it was approved with 3 ayes.

**E. HICKORY HOLLOW WINE AND LIQUORS
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Seller/Licensee: MJO, Inc.
Stockholder: Michael Cull
Buyer/Applicant: E & S Wine and Liquor, LLC
Member: Emad Megaly

Before the Commission is a request for a transfer of ownership of the retail store located at 5306 Hickory Hollow Parkway in Nashville, Tennessee. Mr. Emad Megaly wishes to purchase the business from MJO, Inc. for the cost of the inventory of the business (approximately \$150,000). If approved, Mr. Megaly will operate the business as a LLC. Financing is based upon the sale of two businesses and personal

savings. The applicant is leasing the property from Reeves Property for a period of five years (with two, five year options) at a monthly rental of \$2500. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Use and Occupancy permit;
- c. Acknowledgement of the rules/regulations; and
- d. Signatures on the installment note.

Discussion/Action Taken:

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

- a. TABC Inspection;
- b. Use and Occupancy permit;
- c. Acknowledgement of the rules/regulations; and
- d. Signatures on the installment note.

Chairman Mathews made a motion to approve upon submission of the pending documentation. Commissioner Bond seconded the motion and it was approved with 3 ayes.

**F. LIQUOR CABINET
DYERSBURG, TENNESSEE (DYER COUNTY)**

Applicant: Jon Jai Baker and Edgar Parker

Before the Commission is a request for a new retail store to be located at 865 Highway 51 Bypass in Dyersburg, Tennessee. Jon Baker and Edgar Parker intend to initially invest \$75,000, and if approved, operate the business as a general partnership. Financing is based upon a loan with Bancorp South. They are leasing the property from Jere Ellis for a period of five years at \$3000/month. All documentation will be submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgment of the rules and regulations;
- c. Sales tax number;
- d. Actual loan agreement.

Discussion/Action Taken:

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

- a. TABC Inspection;
- b. Acknowledgment of the rules and regulations;
- c. Sales tax number;
- d. Actual loan agreement.

Commissioner Bond made a motion to approve upon submission of the pending documentation. Commissioner Mathews seconded the motion and it was approved with 3 ayes.

**G. MURRY’S DISCOUNT LIQUORS
SAVANNAH, TENNESSEE (HARDIN COUNTY)**

Seller/Licensee: Irene Howell
Buyer/Applicant: Jetta Austin Conway

Before the Commission is a request for a new retail store to be located at 335 Pickwick Street in Savannah, Tennessee. If approved, Jetta Conway intends to purchase the business for \$125,000 and operate the business as a sole proprietorship. Financing is based upon a loan with Hardin County Bank. The applicant is leasing the property from Tommy Smith for a period of one year at \$900/month. All documentation has been submitted with the exception of the following:

- a. Schedule A to bill of sale;
- b. Terry Conway’s interest in a license;
- c. Loan agreement with Hardin county Bank.

Discussion/Action Taken:

Jetta Austin Conway was present at the meeting. Director Elks reviewed the application to the Commissioners and recommended approval. Commissioner Bond made a motion to approve. Commissioner Mathews seconded the motion and it was approved with 3 ayes.

**H. RED CARPET
GALLATIN, TENNESSEE (SUMNER COUNTY)**

Seller/Licensee: Scarlett Enterprises, Inc.
Stockholders: Charlotte Holt
Buyer/Applicant: Chapelle Enterprises, LLC
Members: Ron Wills

Before the Commission is a request for a transfer of ownership of the retail store located at 226 North Locust Avenue, in Gallatin, Tennessee. Ron Wills wishes to purchase the business for \$52,500, plus inventory, and if approved, operate the business as a LLC. Financing is based upon existing personal funds. The applicant is leasing the property from Charlotte Holt for a period of 3 years at \$1000.month with two 5 year options. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgement of the rules/regulations;
- c. Use and Occupancy permit.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the TABC Inspection, Acknowledgement of the rules/regulations and Use and Occupancy Permit. Commissioner Mathews made a motion to approve upon submission of the pending documentation. Commissioner Bond seconded the motion and it was approved with 3 ayes.

**I. TOWNE PACKAGE STORE
GREENEVILLE, TENNESSEE (GREENE COUNTY)**

Seller/Licensee: Towne Square Package Store, Inc.
**Stockholders: Sven Hadjopoulos; Mary Lou Hadjopoulos and
Josh Hadjopoulos**

Before the Commission is a request for a transfer of stock ownership between the current stockholders. Sven and Mary Lou Hadjopoulos currently own 40% of the stock, and their son, Josh, owns 20%. The parents now wish to transfer 5% of their stock—each—to Josh, so that the ownership percentage would be 35% each for Sven and Mary Lou Hadjopoulos and Josh Hadjopoulos would own 30%. 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 was approved with 3 ayes.

3. WHOLESALE MATTERS

**A. FIFTH CITY WINE AND SPIRITS
CLARKSVILLE, TENNESSEE (MONTGOMERY COUNTY)**

Applicant: Fifth City Wine and Spirits, LLC
Members: Mary Jane Sharpe Olson and Mark Olson

Before the Commission is a request for a new wholesale license to be located at 529 Franklin Street, in Clarksville, Tennessee. Mary Jane Sharpe Olson and Mark Olson wish to initially invest \$25,000, and if approved, operate the business as a LLC. Financing is based upon personal funds. If approved, Mary Jane Olson would own 51%, and Mark Olson would own 49%. It should be noted that both members of the LLC are an appointive city officials; however, the appointments are volunteer and unpaid positions. The Olsons own the property and will be leasing to the LLC for \$1000/month. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgment of the rules/regulations;
- c. Use and Occupancy permit.

Discussion/Action Taken:

Mark and Jane Olson were present at the meeting. Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the TABC Inspection, Acknowledgement of the rules/regulations and Use and Occupancy permit. Jane Olson stated that she and Mark Olson will be investing \$25,000 each for a total of \$50,000. Commissioner Mathews made a motion to approve upon submission of the pending documentation. Commissioner Bond seconded the motion and it was approved with 3 ayes.

4. ADMINISTRATIVE CITATIONS

A. LINDSEY AZOR

On November 20, 2008, TABC Agent Rosalyn Jackson observed the Respondent sell an alcoholic beverage to the nineteen year-old confidential operative at the retail establishment doing business as Azor's Liquors, in Memphis, Tennessee. The Respondent did check the minor's identification, but still sold the alcoholic beverage to the minor. An administrative citation was issued, and remains unresolved at the time of this agenda.

Discussion/Action Taken:

Assistant Director Smith stated that Lindsey Azor has paid the administrative citation; therefore, no action is necessary.

B. JENNIFER MICHELE JOHNSON

On December 20, 2008, TABC Agent Brad Allison observed the Respondent sell an alcoholic beverage to the eighteen year-old confidential operative at the liquor-by-the-drink establishment doing business as Nashville Deli, in Nashville, Tennessee. The Respondent did not check the minor's identification, but still sold the alcoholic beverage to the minor. An administrative citation was issued, and remains unresolved at the time of this agenda.

Discussion/Action Taken:

Assistant Director Smith stated that Jennifer Michelle Johnson has agreed to make payments on the administrative citation; therefore, no action is necessary.

5. BUDGET

6. CONSENT ORDERS

7. PENDING MATTERS LIST

8. MISCELLANEOUS – Confiscation of Jack Daniel's Alcoholic Beverages.

Commissioner Mathews stated that the TABC received ample publicity (not all favorable) regarding the confiscation of Jack Daniel's liquor that was confiscated in Moore County. Commissioner Mathews expressed concern over whether the investigation should have been conducted. Director Elks stated that it was her belief the agents were correct in conducting the investigation based upon information at the beginning. Director Elks stated that no statute exists allowing individuals to buy, sell, trade or be able to sell collectables because one would be selling alcoholic beverages without a license. Director Elks stated that the defendant pled guilty and received pre-trial diversion because he did not have a previous conviction. Director Elks stated that he acknowledged with the guilty plea that he was selling liquor without a license in violation of the law. Director Elks stated that the majority of the alcoholic beverages were not older bottles. Settlement in the matter included the forfeiture of several hundred bottles and assurances from the defendant that he would not sale any alcoholic beverages in Tennessee until such time as the law allowed.

- 9. DATE OF NEXT MEETING** – Thursday, February 19 and Thursday, March 19, 2009 at 1:30 p.m.

John A. Jones
Chairman

Shari Danielle Elks
Executive Director