

# TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

**Minutes**  
**August 22, 2012**  
**1:30 pm**

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The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Wednesday, August 22, 2012, in Nashville, Tennessee at 1:30 p.m. Chairperson Mary McDaniel, Commissioner John Jones and Commissioner Bryan Kaegi were present. Executive Director Danielle Elks, Assistant Director Keith Bell, CLEO Mark Hutchens and Ginna Winfree, Attorney 2, were present.

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**1. The Minutes for July 25, 2012 Commission Meeting were approved.**

**A. 2. RETAIL**

**A. OLD BUSINESS--UPDATES**

**1. ZIGGY'S PACKAGE STORE  
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

**Licensee/Seller: Estate of Ralph Zigner**  
**Applicant/Buyer: Ziggy's Package Store, LLC**  
**Member: Wanda Cagle**

Before the Commission is a request for a change in ownership of the retail business located at 607 Cherokee Boulevard in Chattanooga, Tennessee. Mr. Zigner passed away on November 26, 2010. (The license was transferred to the estate on April 21, 2011.) Prior to his death, Mr. Zigner entered into an agreement with Mr. Roy Williams to sell his personal property and the business for \$125,000. Mr. Williams had been providing Mr. Zigner personal loans, and Mr. Williams continued to pay the taxes and bills for the business after Mr. Williams' death and prior to the license being transferred to the estate. It was Mr. Zigner's desire that Mr. Williams be able to purchase the business, be reimbursed for any debts owed to Mr. Williams, and then have Mr. Williams sell the business to Ms. Cagle. This was disclosed to the Commission upon the transfer to the estate.

In a document dated March 16, 2012, Ms. Cagle, as Executrix of Mr. Zigner's estate, sells the business and personal property to Williams Development and Rentals, LLC. In a document dated May 1, 2012, Williams Development and Rentals apparently sells the business to Ms. Cagle for \$1, and allows her to rent the property for five years at \$700/month.

The issue before the Commission is to determine whether Mr. Williams should submit an application to obtain ownership interest prior to approving the sale to Ms. Cagle. All documentation has been submitted with the exception of the following:

- a. Verification that the purchase price is \$1 for the assets of the business, and the rent of \$700/month is not part of the purchase price;
- b. Signatures on lease;
- c. Payment of outstanding citations, if any.

**Discussion/Action Taken: (07/25/12)**

Director Elks reviewed the matter to the Commission and explained that Mr. Williams could not, at this point, sell Ms. Cagle the business because he had never submitted an application for ownership and never been approved to operate the business. Ms. Elks further explained that two options existed for this business: (1) Mr. Williams could make application for the transfer of ownership to his name, be approved and then sell the business to Ms. Cagle—subject to the Commission’s approval; or (2) The estate and Mr. Williams could repudiate the sale of the business (not to the property) to Mr. Williams, and the estate could sell the business to Ms. Cagle. Chairman McDaniel expressed concern that TABC staff was offering legal advice to the parties; however, Director Elks explained that staff would only present options available to the parties involved. Director Elks recommended the Commission defer the matter.

Commissioner Kaegi made a motion to continue pending discussion of the options with Ms. Cagle. Commissioner Jones seconded the motion and it passed with 3 ayes.

**Discussion/Action Taken: (08/22/12)**

Director Elks indicated that after speaking with their attorney, Mr. Williams decided to vacate his purchase of Ziggy’s Package Store and return the business to the estate. Ms. Cagle would purchase the business from the estate and therefore, the application is now properly before the Commission. Director Elks stated that Mr. Williams would own the property and lease it to the applicant LLC for \$700 a month. All documentation was submitted and she recommended approval.

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

**2. THE RESERVE, HOME OF FINE WINE & SPIRITS  
MARYVILLE, TENNESSEE (BLOUNT COUNTY)**

**Licensee: The Reserve Wine & Spirits, LLC**  
**Members: Kellie Calloway and Julia Hunt**  
**Proposed New Member: Emily Hunt**

Before the Commission is a request for a change in ownership of the retail store located at 2025 East Hunt Road in Maryville, Tennessee. Ms. Calloway and Julia Hunt each own 50% interest in the business. Julia Hunt wishes to sell her interest in the business to Emily Hunt for \$1, plus other consideration. Upon approval, Ms. Emily Hunt would own 50%, and Ms. Calloway would continue to own 50%. All documentation has been submitted with the exception of the following:

- a. Explanation of “other consideration”;
- b. Payment of any outstanding citations, if any.

**Discussion/Action Taken: (07/25/12)**

Director Elks reviewed the matter to the Commission and recommended approval upon submission of the explanation of “other consideration”. Director Elks indicated that she believed that this was a transaction between family members, but wanted to insure there was no other consideration.

Commissioner Jones made a motion to approve upon submission of the pending documentation. Chairperson McDaniel passed on the vote. Commissioner Kaegi seconded the motion. The motion passed with 2 ayes.

**Discussion/Action Taken: (8/22/12)**

Director Elks reviewed the matter to the Commission and stated that no action was necessary. However, as a follow up, she confirmed that the transaction between Julia Hunt and Emily Hunt as between sisters, and the “other consideration” was love and family devotion.

**B. NEW BUSINESS**

- 1. LOUIE’S LIQUOR COMPANY**  
**Proposed New Name: DISCOUNT LIQUORS**  
**CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

**Licensee/Seller:** David Treadway  
**Applicant/Buyer:** Siddhi Enterprises Corp.  
**Stockholders:** Dinesh Patel

Before the Commission is a request for change in ownership of the retail store located at 7703 Lee Highway in Chattanooga, Tennessee. Mr. Patel wishes to purchase the business and the property for \$425,000. Financing is based upon a loan from First Bank of Tennessee and existing personal funds. As indicated, Mr. Patel has also purchased the property. **Mr. Patel wishes to change the business name to Discount Liquors.** All documentation has been provided with the exception of the following:

- a. Loan Agreement with First Bank of Tennessee;
- b. Verification that existing hotels do not have TABC license;
- c. Affidavit stating understanding cannot have interest in any other TABC licensed establishment;
- d. Deed;
- e. Bank statement indicating \$100,000 in bank.
- f. Payment of outstanding citations, if any.

**Discussion/Action Taken:**

Director Elks reviewed the matter to the Commission and recommended approval upon submission of the Deed.

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

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

**2. EZ IN & OUT WINE AND LIQUOR  
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

**Applicant:** EZ In & Out Liquor, LLC  
**Members:** Angela Crowley

Before the Commission is a request for a new retail store to be located at 6203 Chapman Highway in Knoxville, Tennessee. Angela Crowley wishes to initially invest \$50,000 to operate the business as a LLC. Financing is based upon existing personal funds. The applicant LLC owns the property where the proposed store will

be located. It should be noted Ms. Crowley's husband, Chester Crowley, owns MC's Package store in Knoxville. All documentation has been submitted with the exception of the following:

- a. Use and Occupancy permit;
- b. Affidavit will not operate business in conjunction with any other business, including but not limited to MC's Package Store.

**Discussion/Action Taken:**

Angela Crowley was present. Director Elks reviewed the matter to the Commission and recommended approval. Ms. Crowley confirmed that she understood the two businesses must be operated separately.

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

**3. ZIPS LIQUOR  
LEBANON, TENNESSEE (WILSON COUNTY)**

**Licensee: Zips Liquor, LLC**  
**Member: Danny Sandhu**  
**Proposed New Member: Amandeep Kaur**

Before the Commission is a request for a transfer of member ownership of the current licensee located at 1137 Castle Heights Avenue, North in Lebanon, Tennessee. The LLC will continue to hold the license. Mr. Sandhu is currently owns 100% of the ownership interest. Mr. Sandhu wishes to transfer all stock to Amandeep Kaur as a gift. Ms. Kaur has entered into a new lease with the landlord for a period of ten years at \$1600/month. All documentation has been submitted with the exception of the following:

- a. Deed to Sri Gajajan, Inc.
- b. Assignment of lease to LLC.

**Discussion/Action Taken:**

Director Elks reviewed the matter to the Commission and recommended approval upon submission of the following documentation:

- a. Deed to Sri Gajajan, Inc.
- b. Assignment of lease to LLC.
- c. Payment of any outstanding citations.

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

**4. BUCCANEERS IMPORTED WINE AND SPIRITS  
PORTLAND, TENNESSEE (SUMNER COUNTY)**

**Licensee: BCAL, INC.**  
**Stockholders: Howard Austin and Jerry Johns**

Before the Commission is a request for a transfer of stock ownership of the retail store located at 6074 Highway 31 West in Portland, Tennessee. Currently, Mr. Austin owns 45 shares of stock of the corporate licensee, while Mr. Johns owns 55 shares of stock. Mr. Johns wishes to purchase Mr. Austin's 45 shares so that he will be the sole stockholder of the corporation. Mr. Austin owes Mr. Johns \$80,000. For the purchase of the 45 shares of stock, Mr. Johns will forgive the \$80,000 note and accept an additional payment of \$10,500 from Mr. Austin. All documentation has been submitted with the exception of the following:

- a. Signed copy of Bill of Sale.

**Discussion/Action Taken:**

Jerry Jones was present. Director Elks 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.

**5. VALUE AND VARIETY FINE WINE AND SPIRITS  
FAIRVIEW, TENNESSEE (WILLIAMSON COUNTY)**

**Applicant: Pramukh Raj Ventures, LLC**  
**Member: Kunal Patel**

Before the Commission is a request for a new retail store to be located at 7022 City Center Way in Fairview, Tennessee. Mr. Patel wishes to initially invest \$150,000 to operate the business. Financing is based upon lines of credit with existing properties and existing personal funds. The applicant LLC is leasing the property

from Bowie Commons, LLC for a period of 3 ½ years, (four 3-year options), with monthly rent ranging from \$5383.33 to \$6016.67. All documentation has been submitted with the exception of the following:

- a. Question 7 on application to be answered;
- b. Percentage of ownership interest for Usha Patel, if any (if yes, then certificate of compliance and newspaper notice for Usha Patel);
- c. Use and Occupancy permit;
- d. TABC Inspection;
- e. Acknowledgment of the rules and regulations.

**Discussion/Action Taken:**

Director Elks stated that Kunal Patel has requested that his application be withdrawn. No action is deemed necessary.

**6. THE BOTTLE SHOP AT McEWEN  
FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)**

**Applicant: QuillCo, LLC**

**Members: Nancy Quillman and Lisa Quillman Coviello**

Before the Commission is a request for a new retail store to be located at 1556 West McEwen Drive, Suite 102 in Franklin, Tennessee. Nancy Quillman (managing agent) and Lisa Coviello wish to initially invest a total of \$617,320 to operate the business. Lisa Coviello will have 100% of the ownership interest. Financing is based upon the following: personal funds, loan from David Coviello, loan from PEC Holdings, LLC; loan from Franklin Synergy Bank. The applicant LLC is leasing the property from AGL/SLC McEwen No. 4, LLC for a period of 124 months with monthly rent beginning at \$7956 and increasing to \$9605 over the term of the lease. 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;
- d. Loan with Franklin Synergy Bank.

**Discussion/Action Taken:**

Lisa Quillman Coviello and William Cheek, III, attorney, were present. Director Elks reviewed the matter to the Commission and recommended approval upon submission of the following documentation:

- a. TABC Inspection;
- b. Acknowledgement of the rules/regulations;
- c. Use and Occupancy permit;
- d. Loan with Franklin Synergy Bank.

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

**3. WINERIES**

**A. PICKERS CREEK WINERY  
LEWISBURG, TENNESSEE (MARSHALL COUNTY)**

**Applicant: Pickers Creek Winery, LLC**

**Members: Phillip and Lydia George**

Before the Commission is a request for a new winery to be located at 1986 New Columbia Highway in Lewisburg, Tennessee. Phillip and Lydia George wish to initially invest \$200,000. Each will own 50% interest. Phillip and Lydia George own the property where the winery will be located and are leasing the property to the applicant LLC for a period of three years at \$1000/month. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgement of the rules/regulations.

**Discussion/Action Taken:**

Phillip George and Lydia George were present. Director Elks 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.

**4. WHOLESALERS**

**A. HARVEST BEVERAGE COMPANY  
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

**Applicant: Harvest Beverage Company, LLC**  
**Members: Ralph Drury and E. Berkeley Nance, III**

Before the Commission is a request for a new wholesaler to be located at 3641 Trousdale Pike, Suite 200 in Nashville, Tennessee. Mr. Drury and Mr. Nance will initially be investing \$130,000 to operate the business. The applicant LLC will be leasing the property from Roy and Cynthia Jones for a period of one year at \$600/month. All documentation has been submitted with the exception of the following:

- a. Use and Occupancy permit;
- b. TABC Inspection;
- c. Acknowledgement of the rules and regulations;
- d. Sales Tax Number;
- e. TTB permit for new location;
- f. Deed to Roy and Cynthia Jones.

**Discussion/Action Taken:**

Ralph Drury was present. Director Elks reviewed the matter to the Commission and recommended approval upon submission of the TTB permit for the new location, the TABC Inspection and the acknowledgement of the rules and regulations.

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

**B. SOUTHWESTERN DISTRIBUTING COMPANY  
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

**Licensee/Seller: Southwestern Wine and Liquor Company**  
**Stockholders: John Barzizza and Eugene Barzizza**  
**New Stockholder: TCD, Co.**  
**Stockholder: Georgia Crown Distributing Company**  
**Stockholders: Donald Leebern, Jr. and Donald Leebern, III**

Before the Commission is a request for a change in stock ownership of the wholesale business located at 7625 Appling Center Drive in Memphis, Tennessee. John and Eugene Barzizza wish to sell their 100% interest in Southwestern to TCD, Co., who is the licensee for United Liquors. Southwestern Wine and Liquor Company will remain the licensee. Crown Logistics, LLC will own the property and lease to Southwestern for a period of one year with monthly rent at \$29,100. All documentation has been submitted with the exception of the following:

- a. Deed to Crown Logistics, LLC
- b. Signed copies of the bill of sale.

**Discussion/Action Taken:**

John Barzizza, Donald Leebern, Jr. and Donald Leebern, III were present. Director Elks reviewed the matter to the Commission and recommended approval upon submission of the Deed to Crown Logistics, LLC and signed copies of the Bill of Sale.

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

**C. WEST TENNESSEE BEVERAGE  
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

**Applicant: West Tennessee Beverage, LLC**  
**Members: John and Eugene Barzizza**

Before the Commission is a request for a new wholesale business to be located at 7625 Appling Center Drive in Memphis, Tennessee. John and Eugene Barzizza wish to initially invest \$300,000 to operate the business. The applicant LLC will be leasing from Crown Logistics, LLC for a period of at least 90 days, with monthly rent to be determined. All documentation has been submitted with the exception of the following:

- a. Deed to Crown Logistics;
- b. Updated Use and Occupancy permit;
- c. TTB permit;
- d. TABC Inspection;
- e. Acknowledgement of the rules and regulations.

**Discussion/Action Taken:**

John Barzizza, Donald Leebern, Jr. and Donald Leebern, III were present. Director Elks reviewed the matter to the Commission and recommended approval upon submission of the following documentation:

- a. Deed to Crown Logistics;
- b. Updated Use and Occupancy permit;
- c. TTB permit;
- d. TABC Inspection;
- e. Acknowledgement of the rules and regulations.

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

**5. SERVER PERMIT DENIALS**

**A. Crystal Rainbolt**

Ms. Rainbolt was convicted of the felony, Conspiracy to Distribute and Possession with the Intent to Distribute 50 Grams or More of Methamphetamine, in violation of 21 U.S.C. §§ 846 and 841 (b)(1)(B) in 2005. She was denied the server permit based on T.C.A. § 57-3-704(2): "...An applicant...must meet... the following requirements:...(2) The applicant has not been convicted of any crime relating to the sale of alcoholic beverages, beer, schedules 1 and 2 controlled substances or any sex-related crime or embezzlement within the previous eight (8) years;..." Methamphetamine is a Schedule 2 drug.

**Discussion/Action Taken:**

Crystal Rainbolt was present at the meeting. Assistant Director Bell requested the Commission uphold the staff's denial of the server permit card for the eight year period.

Commissioner Jones made a motion to uphold the staff's denial of the server permit card for the eight year period. Chairperson McDaniel seconded the motion and it passed with 3 ayes.

**B. Landon C. Rushing**

Mr. Rushing was convicted on July 11, 2011, of two (2) counts of Aggravated Statutory Rape (D Felony), two (2) counts of Simple Assault (A misdemeanor), and two (2) counts of Attempted Sexual Battery (A misdemeanor.) TABC staff denied his application for a server permit based on T.C.A. § 57-3-704 (2): "...An applicant...must meet... the following requirements (2) The applicant has not been convicted of any crime relating to the sale of alcoholic beverages, beer, schedules 1 and 2 controlled substances or any sex-related crime or embezzlement within the previous eight (8) years;..."

**Discussion/Action Taken:**

Mr. Landon Rushing was present at the meeting. Assistant Director Bell requested the Commission uphold the staff's denial of the server permit card for the eight year period.

Commissioner Kaegi made a motion to uphold the staff's denial of the server permit card for the eight year period. Commissioner Jones seconded the motion and it passed with 3 ayes.

6. **BUDGET-** Director Elks stated that the projection for the TABC 2011-2012 Budget was to collect \$5,645,000; however, the actual amount collected was \$7,233,096. Thus, the TABC over-collected almost \$1.6 million dollars.

7. **CONSENT ORDERS**

8. **PENDING MATTERS LIST**

9. **MISCELLANEOUS**

A. **Monthly Summary of TABC Activity**

B. **Follow-up to 2009 Performance Audit**

The meeting was adjourned and the Commission entered into the Audit Committee meeting.

10. **DATE OF NEXT MEETING** – The date was previously set for Wednesday, September 26. The date was changed to Friday, September 21, 2012 at 1:30 p.m.

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Mary McDaniel  
Chairperson

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Shari Danielle Elks  
Executive Director