

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

**Minutes
July 22, 2014
1:30 pm**

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Tuesday, July 22, 2014, in Nashville, Tennessee at 1:30 pm. Although Commissioner Jones was not present, a quorum was present with Chairperson Mary McDaniel and Bryan Kaegi and the meeting was conducted. Director Keith Bell, Assistant Director Ginna Winfree, CLEO Mark Hutchens, and Staff Attorney Joshua Stepp were present.

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1. **Approval of June 24, 2014 Commission Meeting Minutes – Commissioner Kaegi moved to approve the minutes, and Commissioner McDaniel seconded the motion; the motion passed with 2 ayes.**

2. **RETAIL**

- A. **New Business**

1. **CROWN WINE & SPIRITS
COOKEVILLE, TENNESSEE (PUTNAM COUNTY)**

Applicant: Inderjit Kaur Heer, sole proprietor

Before the Commission is a request for expansion of the retail store located at 1030 N. Washington Avenue in Cookeville, Tennessee. The applicant, Inderjit Kaur Heer, intends to use the area for non-alcoholic items, refrigerators, and additional storage space. The original lease agreement between applicant and William E. Walker Testamentary Trust was amended in July 2014 to include the 3,000 square foot expansion, increasing the square footage from 4,200 sq. ft. to 7,200 sq. feet. Applicant will pay \$5,800 monthly as rental for the remainder of the lease term. Please note the Applicant's name change from Inderjit Kaur to Inderjit Kaur Heer does not reflect a change in ownership. The TABC staff **recommends conditional approval** of this request pending an **ABC final inspection** and issuance of a **Certificate of Occupancy**.

Discussion/Action Taken: Commissioner Kaegi moved to approve, conditional on receipt of missing items; motion passed with 2 ayes.

2. **R & B LIQUORS
NOLENSVILLE, TENNESSEE (WILLIAMSON COUNTY)**

Applicant: Yang's Investment, Inc.

Before the Commission is a request for expansion of the retail store located at 7175 Nolensville Road in Nolensville, Tennessee. Applicant is seeking approval to utilize existing second floor space as storage. Applicant has provided a letter from engineer, Ahmad Azimipour, stating the area can withstand 90 pounds per square feet. The TABC staff **recommends conditional approval** of this request pending an **ABC final inspection** and **compliance with local/state building and structural restrictions**.

Discussion/Action Taken: Commissioner Kaegi moved to approve pending receipt of missing items and Chairperson McDaniel seconded the motion; the motion passed with 2 ayes.

3. **RIVERSIDE WINE & SPIRITS
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

Applicant: Gamgee Enterprises, LLC

Before the Commission is a request for expansion of the retail store located at 600 Manufacturers Road in Chattanooga, Tennessee; 37405. Applicant, LLC, owns the adjacent beer store and will incorporate this space as part of Riverside Wine & Spirits. Applicant plans to close the beer store upon completion of the renovation and approval by the Commission. The TABC staff recommends conditional approval of this request pending an ABC final inspection and issuance of Certificate of Occupancy.

Discussion/Action Taken: Commissioner Kaegi moved to approve pending receipt of missing items, and Chairperson McDaniel seconded the motion; the motion passed with 2 ayes.

**4. COOL SPRINGS WINES & SPIRITS
FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)**

Applicant: Cool Springs Wines & Spirits, Inc.

Before the Commission is a request for expansion of the retail store located at 1935 Mallory Lane in Franklin, Tennessee. Applicant plans to remove stairs and walls, reposition existing cooler space, convert existing space within the building to warehouse space, and will construct an enclosed bridge connecting one warehouse space to the other. The TABC staff recommends conditional approval of this request pending ABC inspection and issuance of a Certificate of Occupancy. **Discussion/Action Taken:** Commissioner Kaegi motioned for conditional approval pending receipt of missing items and Chairperson McDaniel seconded the motion; the motion passed with 2 ayes.

**5. FRUGAL MAC DOOGAL WINE & LIQUOR WAREHOUSE
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: AL'S LIQUOR STORE, INC.

Before the Commission is a request for an expansion of the premises for the retail store located at 701 Division Street in Nashville, Tennessee. The applicant owns the beer market next door and plans to remove a glass partition separating the two. Under the new layout, liquor, wine, and beer would be sold in one store and have a single entrance. The TABC staff recommends conditional approval of this request pending a TABC final inspection and issuance of a Certificate of Occupancy. **Discussion/Action Taken:** Commissioner Kaegi moved to approve pending receipt of missing items and Chairperson McDaniel seconded the motion; the motion passed with 2 ayes.

**6. RED SPIRITS AND WINE
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Bellevue Wine & Spirits, LLC

Before the Commission is a request for expansion of the premises of the retail store located at 7066 Highway 70 South in Nashville, Tennessee. Applicant, LLC plans to install a walk-in cooler, covering an area of 95 square feet. In July, 2014 the applicant and Landlord, BSM Belle Forest, LLC, modified the original lease agreement to include the walk-in cooler, but this amendment does not include a change in rental amount. The TABC staff recommends conditional approval of this request pending receipt of an ABC final inspection and issuance of a Certificate of Occupancy. **Discussion/Action Taken:** Commissioner Kaegi moved to approve pending receipt of missing items and Chairperson McDaniel seconded the motion; the motion passed with 2 ayes.

**7. GRUNDY LIQUOR
TRACY CITY, TENNESSEE (GRUNDY COUNTY)**

Applicant: Bansu, Inc.

Stockholders: Sharmista S. Patel, President

50%

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Satishkumar K. Patel, Vice President 50%

Before the Commission is a request for licensing of a new retail store to be located at 122 Colyar Street in Tracy City, Tennessee; 37387. The owners are investing \$150,000 in the business using personal funds in addition to a bank loan in the amount of \$100,000 at 5.750% interest per annum. Applicant entered into an agreement with property owner, Dahiba Inc., to lease the premises for \$1,800 per month.

The TABC recommends approval of this application.

Discussion/Action Taken: Commissioner Kaegi moved to approve and Chairperson McDaniel seconded the motion; motion passed with 2 ayes. – **Update - License #3948 issued 07/23/2014**

8. **FLAG CITY LIQUORS
MILLINGTON, TENNESSEE (SHELBY COUNTY)**

**Applicant: Howard Retailers, LLC
Member(s): William Stuart Howard Jr. 100 %**

Before the Commission is a request for approval of a change in ownership in the business located at 8580 Highway 51 North in Millington, Tennessee; 38053. Applicant, LLC, plans to use personal savings to purchase the business from Danny Jack Fly Jr., d/b/a Fly Wine and Spirits, for a price of \$265,000. In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement. Applicant will lease approximately 1,440 square feet for \$1,200 a month from Freedom Storage/HK LLC. The TABC staff recommends conditional approval of this application pending issuance of a Certificate of Occupancy, TABC Agent's verification of finances and report, TABC inspection, a Tennessee sales tax number, and an \$850.00 license fee.

Discussion/Action Taken: Commissioner Kaegi motioned to approve pending receipt of Certificate of Occupancy, TABC Inspection, and \$850.00 license fee. – **Update: License issued 8-1-2014, Permit # 3951**

9. **SUMAC LIQUORS
DICKSON, TENNESSEE (DICKSON COUNTY)**

Applicant: Randy L. Reed and Karen A. Reed, informal partnership

**Current Owner: Sue Archer, sole proprietor
Proposed: Randy L. Reed and Karen A. Reed**

Before the Commission is a request for approval of a transfer of ownership of Sumac Liquors, sole proprietorship owned by Sue Archer, to her son and daughter-in-law, Randy and Karen Reed. The Reeds are each investing \$15,000 in the business and will be purchasing the business for \$200,000 with a promissory note at 3% interest payable over ten years. In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement. The applicant is leasing the premises from C & H Properties, a Tennessee general partnership, for \$2,600 a month, with an option to renew the lease for four additional one year terms. The TABC staff recommends conditional approval of this application pending a final TABC inspection, acknowledgement of TABC rules/regulations, and payment of an \$850 license fee.

Discussion/Action Taken: Commissioner Kaegi moved to approve pending receipt of missing items; Chairperson McDaniel seconded the motion. The motion passed with two ayes. - **Update- License #3949 Issued 07/24/2014**

10. **EAST END LIQUOR SHOPPE
KNOXVILLE, TENNESSEE (KNOX COUNTY)
5406 Asheville Highway**

Applicant: East End Spirits, Inc.

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Shareholders: Carl H. Daugherty 50%
Christopher and Cortney Pierce 50%

Before the Commission is a request for approval of a transfer of ownership from one corporate entity to another corporate entity, and the new licensing of the successor corporate owner. To purchase the business and land, Applicant has agreed to pay current owner, Camrie Hankins, \$750,000 at 5% interest, payable over 520 weekly installments of approximately \$1,800 each. In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement. Applicant's lease will commence August 1, 2014 and will require monthly payments of \$10,105.00 for an initial five year term with an option to renew for two additional five year terms. **The TABC staff recommends conditional approval pending receipt of the following items: Certificate of Compliance and an \$850 license fee.**

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval pending receipt of missing items and Chairperson McDaniel seconded the motion; the motion passed with 2 ayes. – **Update: License issued 8-1-2014, License # 3950**

11. **HILLSBORO & VINE**
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)

Applicant: Hillsboro & Vine, LLC
Shareholder(s): Coat Door, LLC
Marina S. P. Talmadge, 100%

Before the Commission is a request for licensing of a retail establishment to be located at 2006 Belcourt Avenue in Nashville, Tennessee. Applicant, LLC plans to invest up to \$250,000 using a home equity line of credit. Applicant is leasing the premises from Hung Ming Chen for \$5,536 per month, and rent will increase by 3% each year. The TABC staff **recommends conditional approval** of this request pending receipt of an **\$850 license fee, TABC Agent report, TABC inspection, and Acknowledgment of Rules and Regulations, and an updated Questionnaire from Marina Talmadge.**

Discussion/Action Taken: Commissioner Kaegi motioned for approval pending receipt of \$850 license fee, TABC inspection, and Acknowledgement of Rules/Regulations. Chairperson McDaniel seconded the motion and it passed with 2 ayes.

3. **WINERIES**

A. **New Business**

1. **SEVEN SPRINGS WINERY & VINEYARD**
MAYNARDVILLE, TENNESSEE (UNION COUNTY)

Applicant: James R. Riddle, sole proprietor

Before the Commission is a request for a new winery to be located at 1474 Highway 61 E in Maynardville, Tennessee; 37807. The applicant, sole proprietor, is investing \$525,000 in the business using personal funds including a \$325,000 loan from Farm Credit of Mid-America. The applicant owns the real property with his wife but she has provided a letter of no-interest to the staff. **The TABC recommends conditional approval of this application pending TABC final inspection.**

Discussion/Action Taken: Commissioner Kaegi motioned for approval pending TABC final inspection, and Chairperson McDaniel seconded the motion; the motion passed with 2 ayes.

4. **FARM WINERIES – None**

5. **WHOLESALEERS**

A. NEW BUSINESS

1. MID-SOUTH DISTRIBUTING

TULLAHOMA, TENNESSEE (COFFEE COUNTY)

Applicant:	RMG, Inc.	
Stockholders/Officers:	Richard M. Gerwe, CEO	52.46 %
	Molly Gerwe King, Vice-President	00.32 %
	Ottis Phillips, President	42.00 %
	James H. Jones III, Vice President	1.466 %
	Virginia Jones,	1.444 %
	Jennifer Jones-Dowdney	2.600 %
	Jodi Bradford, Treasurer	0.00 %

Before the Commission is a request for licensing of the establishment located at 400 S. Anderson St. in Tullahoma, Tennessee; 37388. The applicant plans to consolidate its wholesale business, currently licensed as Quality Brands Inc., with its beer wholesale distributorship, RMG Inc., d/b/a Mid-South Distributing located in Tullahoma. The owners are investing approximately \$800,000 of personal funds in the business. CEO, Richard Gerwe, and Wife are leasing the premises to the applicant based on an initial term of two years beginning November 3, 2013, at a rental of \$19,600 per month. The agreement provides for automatic renewal upon expiration of the initial term for an additional two-year term. The TABC recommends conditional approval of this request pending an ABC final inspection, letter of no interest from Wife, and payment of \$3,000 license fee.

Discussion/Action Taken: Commissioner Kaegi motioned for approval pending receipt of missing items and Chairperson McDaniel seconded the motion; the motion passed with 2 ayes. – **Update: License #108 Issued 07/28/2014**

2. TARVER DISTRIBUTING CO., INC.

CHARLESTON, TENNESSEE (BRADLEY COUNTY)

Applicant:	Tarver Distributing Co., Inc.	
Stockholders:	Rossman H. Tarver Sr., President/General Mgr.	52.14 %
	Billy W. Tarver II, Vice President/Sales Mgr.	23.57 %
	Trustee U/A Gloria H. Tarver	24.29 %

Before the Commission is a request for licensing of the wholesale business to be located at 8360 Hiwassee St. in Charleston, Tennessee; 37310. Tarver Distributing Co., Inc. is currently a low gravity beer distributor but is applying for a license to sell high gravity beer/liquor. The applicant is investing \$600,000 in the business using a line of credit from United Community Bank in the amount of \$1.5 million at an interest rate of 4.250 % per annum. There is no lease as the applicant owns the premises where the license will be issued. The TABC staff recommends conditional approval of the request pending receipt of the following items:

- a. Final TABC inspection
- b. \$3,000 license fee
- c. ~~Alcohol Dealer Registration – TTB F-5630.5d~~

Discussion/Action Taken: Commissioner Kaegi motioned for approval pending receipt of items (a.) and (b.), and Chairperson McDaniel seconded the motion. The motion passed with 2 ayes. – **Update: License #16 issued 08/01/2014**

3. K W WINE DISTRIBUTING

MEMPHIS, TENNESSEE (SHELBY COUNTY)

Applicant: Kenneth W. Neihott, sole proprietor

Before the Commission is a request for licensing of a wholesale business to be located at 5909 Shelby Oak Drive Ste. 242 in Memphis, Tennessee. The applicant, sole proprietor, is investing \$4,000 of personal funds in the business and has entered into an agreement with Belz Investco GP, to lease approximately 220 square feet for \$257.84 a month for a term of one year. The TABC staff recommends conditional approval of this application pending receipt of the following:

- a. \$3,000 license fee
- b. Final TABC inspection and Agent Report
- c. Acknowledgement of ABC Rules and Regulations
- d. Waiver of right to administrative hearing
- e. Personal financial statement

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval pending receipt of missing items and Chairperson McDaniel seconded the motion; the motion passed with 2 ayes. – **Update: License # 15 issued 07/31/2014**

**4. ATHENS DISTRIBUTING CO. OF CHATTANOOGA
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

Before the Commission is a request for a partial transfer of stock ownership from general partner Thomas H. White, Jr., father, to general partner Thomas H. White, III, son. The TABC staff recommends approval of this percentage change of family owned interest in wholesaler, Athens Distributing C. of Chattanooga, Tennessee. **Discussion/Action Taken:** Commissioner Kaegi motioned to approve the request and Chairperson McDaniel seconded the motion, the motion passed with 2 ayes.

**5. LIPMAN BROTHERS, LLC
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Lipman Brothers, LLC

Before the Commission is a request for approval of the restructuring, merger, and a conversion of Lipman Brothers, Inc., R.S. Lipman Company, Lipman Distribution, Inc. into the ultimate surviving entity Lipman Brothers, 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.

**6. TRIPLE "C" DISTRIBUTING COMPANY
KNOXVILLE, TENNESSEE (KNOX COUNTY)**

Applicant: Triple "C" Distributing Company

Before the Commission is a request for a transfer of ownership of 25 shares (50%) of the corporate licensee, Triple "C" Distributing Company from seller, Henry E. Christenberry III, to purchaser, Kimberly V. Lightholder for the total purchase price of ten million dollars. Ms. Lightholder is borrowing \$4.5 million at 3% interest from H.E. Christenberry, III; and \$5.5 million at 2% interest from Hand Partnership, LP. The TABC staff recommends approval of this request. **Discussion/Action Taken:** Commissioner Kaegi motioned to approve the request and Chairperson McDaniel seconded the motion; the motion passed with 2 ayes.

6. **DISTILLERY**

A. **NEW BUSINESS**

1. **H. CLARK DISTILLING COMPANY, LLC
THOMPSON STATION, TENNESSEE (WILLIAMSON COUNTY)**

Applicant: H. Clark Distilling Company, LLC
Member: Heath A. Clark

Before the Commission is a request for licensing of a distillery to be located at 1557 Thompson's Station Road West. in Thompson's Station, Tennessee; 37179. Applicant, LLC is investing \$50,000 in the business using personal funds and a \$25,000 line of credit from Renasant Bank. The Applicant, LLC entered into a lease agreement with the Town of Thompson's Station, owner of the real property, for an initial term of five years beginning January 2014 at a monthly rental of \$100 for the first year; rent will increase to \$300 for the second year, \$500 for the third year, \$700 for the fourth year, and \$750 for the final year. The tenant will have an option to renew the lease for an additional three years at the end of the first term. The TABC staff **recommends conditional approval** of this request pending receipt of the following:

- a. Final ABC inspection
- b. \$1000 license fee
- c. Acknowledgement of ABC Rules and Regulations

Discussion/Action Taken: Commissioner Kaegi motioned for approval pending receipt of missing items and Chairperson McDaniel seconded the motion; motion passed with 2 ayes. – **Update: License #109 Issued 07/30/2014**

2. **OLE SMOKY DISTILLERY * Corrected for spelling**
PIGEON FORGE, TENNESSEE (SEVIER COUNTY)

Applicant: Ole Smoky Distillery, LLC
Shareholders/Officers: Ole Smoky Holdco, LLC 100%
John Cochran, President
Josh Rosenzweig, Secretary

Before the Commission is a request for licensing of a distillery to be located at 131 The Island Drive, Building I/Suites #9115 and 9116, in Pigeon Forge, Tennessee. Applicant, LLC, is leasing approximately 7,300 square feet from LeConte Village, LLC, for an initial term of five years, and an option to renew for five (5) year periods. Total annual base rent will be \$324,820, payable in monthly installments of \$27,068.00. The TABC staff **recommends conditional approval** of this application pending receipt of the following items: **Certificate of Occupancy, TABC final inspection, Acknowledgement of TABC Rules and Regulations, and a \$1,000 license fee.**

Discussion/Action Taken: Commissioner Kaegi motioned for conditional approval pending receipt of missing items, and Chairperson McDaniel seconded the motion; the motion passed with 2 ayes.

3. **OLE SMOKY DISTILLERY * Corrected for spelling**
PITTMAN CENTER, TENNESSEE (SEVIER COUNTY)

Applicant: Ole Smoky LLC
2470 East Parkway

Before the Commission is a request for approval of the Applicant's proposed TTB bonded and unbonded storage operations at their 611 Chelan Way location as permitted under T.C.A. § 57-2-104, which provides:

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It is lawful for the holder of a license issued pursuant to § 57-2-102, or the authorized agent of such licensee, to possess, store or transport the products of the manufacturing plant within, over and across the state; provided, that any alcoholic beverages or wine produced at a plant located within this state shall be stored by the licensee only within the county authorizing the operation or in a county adjacent to the county authorizing the manufacturing operation, and such possession shall be limited to storage facilities of such manufacturer; and further provided, that such licensee may also possess such alcoholic beverages or wine while being transported, whether within or outside of the state. It is lawful for common carriers to transport the products of such manufacturing plant only pursuant to an agreement or contract with a licensee under this title.

Applicant correctly concludes that the statute is intended to authorize Tennessee licensed distillers to store alcoholic beverage product, either finished or in the production process, in a distillery's home county or an adjacent county. The statute does not contemplate the requirement that the place of storage be licensed as a separate manufacturing plant. The Applicant submits that since (1) the Applicant has met all federal registration and permitting requirements for this non-contiguous location, (2) the Applicant is licensed under T.C.A. § 57-2-102 and (3) the Applicant desires to store its product within the same county (Sevier County) as the primary licensed distillery, the Commission should approve the storage of its product at the proposed location.

Summary

The Applicant has provided proof that the proposed location at 611 Chelan Way is properly approved by the TTB and this location and the Applicant meets all applicable requirements under Title 57 of the Tennessee Code Annotated. Therefore, the Applicant respectfully requests permission to operate this location as a non-contiguous storage premises pursuant to T.C.A. § 57-2-104.

The TABC staff **recommends approval** of this request.

Discussion/Action Taken: Commissioner Kaegi motioned for approval and Commissioner McDaniel seconded motion; the motion passed with 2 ayes.

7. **PRIVATE CLUBS - None**

8. **ALJ INITIAL ORDER TO BE REVIEWED BY COMMISSION-CONTINUED TO AUGUST 26, 2014, AT THE REQUEST OF THE RESPONDENT. Discussion/Action Taken:** Chairperson McDaniel motioned to continue to August 26, 2014; the **motion to continue passed with 2 ayes.**

1. **IN THE MATTER OF: TENNESSEE ALCOHOLIC BEVERAGE COMMISSION V. UNIVERSITY LIQUOR, INC., D/B/A UNIVERSITY PACKAGE WINE AND LIQUOR WAREHOUSE**

DOCKET NO: 33.02-12355J

The matter was heard by Administrative Judge Marion Wall on April 10, 2014, upon the charges filed by the State on November 12, 2013. Joshua Stepp, Staff Attorney, represented the Tennessee Alcoholic Beverage Commission, and Attorney David Briley represented the Respondent. On June 11, 2014, an Initial Order was issued revoking license number 3050 based on a preponderance of the evidence that Respondent violated Tenn. Comp. R & Reg. 0100-03-.13, T.C.A. § 39-14-114, 39-16-301, and 39-14-120. On June 26, 2014, Respondent filed a Petition for Appeal with the Administrative Procedures Division requesting a hearing with oral argument before the Commission.

9. **MISCELLANEOUS**

A. APPROVAL OF PERMISSIBLE METHODS OF PAYMENT PURSUANT TO P.C. 1015, 2014- Decision Continued until August or until such time as Commissioner Jones can be present

Final consideration and approval by the Commission of permissible methods of payments allowed pursuant to Public Chapter 1015, 2014; effective May 24, 2014. At the May 27th Commission meeting there was discussions and presentations

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regarding HB2027 (Public Chapter 1015). This public chapter (at Section 10) amends T.C.A. Section 57-4-203 and now states:

(n) In order to facilitate the prompt payment of state taxes imposed upon wholesalers, payment for all sales to any licensee holding a license under this chapter by a wholesaler shall be made upon delivery of the product and shall be made by electronic funds transfer, credit card, debit card, or such other method as approved by the commission that will facilitate full payment at or near the time of delivery.

The Commission was charged in this Public Chapter 1015 by the General Assembly to approve other permissible methods of payments allowed under this amended statute and the TABC staff recommends to the Commissioners the following as permissible methods of payment:

- Check
- Certified funds
- Electronic Funds Transfer
- Automated Clearing House
- Fintech System (or similar payment system)
- Currency
- Escrow payment
- Credit card
- Debit card

Discussion/Action Taken: Director Bell reviewed the matter to the Commission and acknowledged there were members of the public present to discuss the issue, but recommended a decision be delayed until such time as Commissioner Jones could be present. Chairperson McDaniel invited comments from any attendees wishing to speak; those comments are summarized as follows:

Three individuals addressed the Commission on this matter: Matt Scanlan, representing the Tennessee Hospitality Tourism Association, Henry Hildebrand, wholesaler representative, and Will Cheek of Bone McAllester, & Norton PLLC.

Mr. Scanlan expressed members' satisfaction with the TABC staff's list of recommended methods of payment, but also noted a desire for any additional flexibility that would be helpful to hotels and restaurants operating on a tight margin. He emphasized the need for a credit card option and opined that distributors would accept credit card payments if the Commission approved it as a permissible method.

According to wholesaler representative, Henry Hildebrand, the "statute makes the rule applicable to nobody but a wholesaler" - that it is, in essence, a "prohibition of a wholesaler's extension of credit beyond the delivery date." The variety of options of payment methods, Hildebrand noted, are options available to the entity making the sale, and as such, a wholesaler could choose not to accept credit cards etc..., as long as payment is made in one of the permissible methods.

Will Cheek, also "looking for a little more flexibility" - suggested it would not exceed the Commission's authority to authorize 72 hours/3 business days - or something similar - to allow large companies to send payment overnight.

Secondly, because certain brands are available exclusively from a single distributor, it would be unfair, Cheek noted, for a distributor to require payment in a method impractical for the purchaser, and as such, Cheek requested that this scenario be considered by the Commission

- 10. DATE OF NEXT MEETING - August 26, 2014
- 11. UPCOMING MEETINGS - September 23, 2014.

Discussion:

October 28, 2014 – tentative date; to be confirmed/changed at August 26, 2014 Commission Meeting.

APPROVED FOR ENTRY UPON THE MINUTE BOOKS OF THE TENNESSEE ALCOHOLIC BEVERAGE COMMISSION THIS THE 26th DAY OF AUGUST, 2014.


Mary McDaniel
Chairperson


Keith Bell
Executive Director