

**NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL
COMMISSION MEETING MINUTES
FEBRUARY 10, 2021**

The following narrative summarizes the North Carolina Alcoholic Beverage Control Commission (hereinafter “Commission”) Meeting held via teleconference at 400 East Tryon Road in Raleigh, North Carolina on February 10, 2021, beginning at 10:00 AM. The meeting was recorded, and a copy of the recording is on file at the Commission within the Legal Section.

ROLL CALL

Chairman A.D. Zander Guy, Jr. welcomed those who were joining the teleconference for the February 2021 Commission Meeting and thanked them for participating. Chairman Guy called the February 2021 Commission Meeting to order.

Chairman Guy announced the March 2021 and April 2021 Commission Meetings would also be held virtually. Chairman Guy announced and welcomed the new employees in the Commission’s Legal Section. Chairman Guy explained attorney Bob Nauseef just joined the staff and attorney Seth Kandl recently joined the staff. Chairman Guy added they brought considerable experience to the Commission.

Chairman Guy greeted Rich Greene of the NC Craft Brewers Guild and Kris Gardner of the Beer and Wine Wholesalers Association who were participating in the virtual meeting. Chairman Guy expressed his appreciation to Kelton Brown for his work to ensure the virtual meetings ran smoothly and for his IT support. Chairman Guy stated the spirituous liquor listing meetings would soon begin. Chairman Guy explained the meetings would allow suppliers and brokers to show their products to the Commission for approval to sell in the ABC Stores, as well as, allow the Commission to evaluate the products currently offered at the ABC Stores and the performance of those products.

Chairman Guy greeted Commissioner Karen L. Stout and Commissioner Norman A. Mitchell, Sr. who were joining the meeting via teleconference. Chairman Guy stated the Commissioners did a wonderful job ensuring the business of the Commission was being carried out as it should. Chairman Guy also recognized the Commission employees, including General Counsel Stacey Carter-Coley, Deputy Commissioner Terrance Merriweather and Agnes C. Stevens. Chairman Guy expressed his gratitude for having such dedicated people to work with at the Commission. Chairman Guy thanked all the employees and stated, though some are working behind the scenes, all are working to provide great customer service.

MINUTES OF THE JANUARY 13, 2021 COMMISSION MEETING

Commissioner Stout made a motion to waive the reading of the minutes of the January 13, 2021 Commission Meeting into the record. Commissioner Mitchell seconded the motion. Motion passed.

Commissioner Mitchell made a motion to approve the minutes of the January 13, 2021 Commission Meeting. Commissioner Stout seconded the motion. Motion passed.

Chairman Guy also recognized General Manager Barry Lee of LB&B Associates who had joined the meeting. Chairman Guy explained LB&B is the contractor managing the ABC Warehouse services as a partner with the Commission.

CONFLICTS OF INTEREST

As required by N.C.G.S. §138A-35, Chairman Guy asked if there were any conflicts of interest or any conditions or facts which might create the appearance of a conflict of interest with respect to any matters on the agenda. Chairman Guy stated he found no conflicts of interest. Commissioner Stout stated she reviewed the agenda and found no conflicts of interest. Commissioner Mitchell stated he reviewed the agenda and though there were no conflicts of interest, one matter may have the appearance of a conflict. Commissioner Mitchell recused himself from item II on the agenda, an exemption request for the benefit of Seven Jars Products and Seven Jars Distillery.

Chairman Guy made a motion to recuse Commissioner Mitchell from item II on the agenda, the Seven Jars exemption request. Commissioner Stout seconded the motion. Motion passed.

I. CONTESTED CASES AND OFFERS IN COMPROMISE – 49

Chairman Guy recognized General Counsel Stacey Carter-Coley. Mrs. Carter-Coley requested agenda item IV, the review of the product registration denial for Sycamore Brewing, be removed from the agenda at the request of their attorney, Michael Boyer. Mrs. Carter-Coley requested it be added to the agenda of the March 2021 Commission Meeting.

Commissioner Stout made a motion to remove agenda item IV from the agenda and move it to the March agenda. Commissioner Mitchell seconded the motion. Motion passed.

Mrs. Carter-Coley stated there were forty-nine Offer in Compromise cases on the agenda and asked if anyone wished to speak to the Commission regarding a case and there were no responses. Chairman Guy asked again, if anyone wished to take the opportunity to speak to the Commission regarding a case. As there were no responses, Mrs. Carter-Coley stated staff recommends the ratification of the forty-nine Offers in Compromise.

Commissioner Mitchell made a motion to ratify the forty-nine Offers in Compromise. Commissioner Stout seconded the motion. Motion passed.

II. EXEMPTION REQUEST PURSUANT TO N.C.G.S. §18B – 1116(b) – FRANK O. RATCLIFFE; SEVEN JARS PRODUCTS, LLC; SEVEN JARS DISTILLERY, LLC; RATCLIFFE GOLF SERVICES, INC. AND PINNACLE GOLF PROPERTIES, LLC

Mrs. Carter-Coley yielded to Assistant General Counsel Renee Metz regarding the exemption requests. Mrs. Metz stated the exemption request was submitted by Seven Jars Products, Seven Jars Distillery and Ratcliffe Golf Services. Mrs. Metz explained, in 2015, an exemption was requested and granted due to the cross-ownership between Seven Jars, both Products and Distillery, and Ratcliffe Golf Services. Mrs. Metz stated they now wished to add Pinnacle Golf Properties. The 2015 exemption allowed the five Ratcliffe golf courses with retail ABC permits to be included. Mrs. Metz added the Seven Jars products have not

been sold in the five retail locations. Mrs. Metz explained the amendment to the exemption was being requested to add the golf courses operated by Pinnacle Golf Properties which hold ABC retail permits.

Mrs. Metz explained since the exemption was granted in 2015, a statute had been passed which limited the number of additional associated retail outlets allowed but grandfathered any previous exemptions and amendments thereto. Mrs. Metz stated the five previously allowed by exemption are still in existence. Therefore, the new Pinnacle golf courses would not be allowed to sell the Seven Jars malt beverage products. Mrs. Metz stated staff recommended the exemption be granted, continuing some of the conditions from the prior exemption, with the understanding that any new retailers, including Pinnacle Golf, would not be allowed to sell the malt beverage products produced by Seven Jars.

Chairman Guy asked if anyone had questions regarding the exemption. Ms. Metz stated attorney Hardy Lewis was present on behalf of his clients. Mr. Lewis thanked the Commission for hearing the exemption request and thanked Mrs. Metz for her assistance regarding the statute changes.

Chairman Guy made a motion to grant the exemption based upon the staff recommendation. Commissioner Stout seconded the motion. Motion passed.

Chairman Guy also thanked Mr. Lewis for the kind note he had sent to the Commission complimenting the staff, including Sally Blackmon who, with a few other staff members, would soon be retiring.

III. EXEMPTION REQUEST PURSUANT TO N.C.G.S. §18B - 1116(b) - CROWN IMPORTS, LLC; HORNETS BASKETBALL, LLC AND CHARLOTTE ARENA OPERATIONS, LLC

Mrs. Metz stated the next exemption request included Crown Imports, Hornets Basketball and Charlotte Arena Operations and was an extension to an exemption. Mrs. Metz explained the parties had previously been granted an exemption for a sponsorship agreement but the term of the contract between the supplier and the Hornets had recently expired. Mrs. Metz added a retailer holds ABC permits within the arena; however, the permits are not held by any of the three requesting parties. Mrs. Metz explained the concessions at the facility are managed by an independent third party concessionaire. Mrs. Metz stated staff recommended an extension of the exemption allowing for the renewed contract.

Commissioner Stout made a motion to approve the exemption request upon staff recommendation. Commissioner Mitchell seconded the motion. Motion passed.

IV. REVIEW OF PRODUCT REGISTRATION DENIAL – SYCAMORE BREWING

Moved to the March 2021 Commission Meeting agenda.

V. OTHER BUSINESS

Mrs. Carter-Coley requested the Commission consider dates for future Commission Meetings. Mrs. Carter-Coley proposed May 12, 2021, June 9, 2021 and July 14, 2021 for the Commission's consideration.

Chairman Guy explained the proposed meeting dates were the customary second Wednesday of each month. Commissioner Stout made a motion to accept the dates for the Commission Meetings. Commissioner Mitchell seconded the motion. Motion passed.

Chairman Guy asked if there was any other business. As there was no other business, Chairman Guy thanked the law enforcement community, including Director Bryan House, the Branch Head of ALE, for their work during the trying times caused by the pandemic. Chairman Guy also thanked the agencies within the NC Department of Public Safety; Secretary Hooks and his staff; Dr. Cohen and Governor Cooper for their leadership; and, those assisting with matters at the General Assembly. Chairman Guy also recognized the NC State Bureau of Investigation and the NC Highway Patrol.

Chairman Guy declared the February 2021 Commission Meeting adjourned. Commissioner Mitchell made a motion to close the meeting. Commissioner Stout seconded the motion. Motion passed.

Approved at the March 10, 2021 Commission Meeting

/S/ A.D. “Zander” Guy, Jr.
A.D. “Zander” Guy, Jr., Chairman
N.C. Alcoholic Beverage Control Commission

Respectfully submitted by,

/S/ Caroline Y. Washburn
Caroline Y. Washburn for the Legal Section