

**NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL  
COMMISSION MEETING MINUTES  
OCTOBER 13, 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 October 13, 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**

Commissioner Norman A. Mitchell, Sr. called the October 2021 Commission Meeting to order. Commissioner Mitchell welcomed those who were participating. Commissioner Mitchell introduced himself, Commissioner Karen L. Stout who was joining the meeting virtually and Deputy Commissioner Terrance L. Merriweather.

Commissioner Mitchell also welcomed Representative Shelley Willingham of Rocky Mount who was joining the meeting. Commissioner Mitchell recognized Rep. Willingham as the Vice-Chair of the ABC Committee in the House.

**MINUTES OF THE SEPTEMBER 22, 2021 COMMISSION MEETING**

Commissioner Mitchell requested a motion to waive the reading of the minutes of the September 22, 2021 Commission Meeting into the record. Commissioner Stout made the motion. Commissioner Mitchell seconded the motion. A vote was held, and the motion passed.

Commissioner Mitchell requested a motion to approve the minutes of the September 22, 2021 Commission Meeting. Commissioner Stout made the motion. Commissioner Mitchell seconded the motion. A vote was held, and the motion passed.

**CONFLICTS OF INTEREST**

As required by N.C.G.S. §138A-35, Other Rules of Conduct, Commissioner Mitchell 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. Commissioner Mitchell had reviewed the agenda and stated he found no conflicts of interest. Commissioner Stout had reviewed the agenda and stated she found no conflicts of interest.

**I. HEARING CASES AND OFFERS IN COMPROMISE – 41**

Commissioner Mitchell recognized Assistant General Counsel Renee Metz regarding the hearing of the cases on the agenda. Mrs. Metz stated there were no contested cases on the agenda and asked if anyone participating in the meeting wished to discuss an Offer in Compromise with the Commission. Mrs. Metz asked a second time if anyone wished to discuss an Offer in Compromise on the October

agenda. Ms. Cheryl Littlejohn of Legacy Event Center asked if she could speak regarding her case. Mrs. Metz explained the Commission planned to discuss her case following the cases on the October agenda. Mrs. Metz asked again if anyone wished to address the Commission regarding an agenda case and, as there was no response, Mrs. Metz stated staff recommended the ratification of the Offer in Compromise cases.

Commissioner Stout made a motion to approve and ratify the Offers in Compromise. Commissioner Mitchell seconded the motion. A vote was held, and the motion passed.

Mrs. Metz stated there were two matters from the September agenda for which there had been requests to reopen the cases. Mrs. Metz explained a motion was needed to approve the reopening of the cases and asked whether the Commission wished to open them together or separately.

Commissioner Stout made a motion to reopen both cases. Commissioner Mitchell seconded the motion. A vote was held, and the motion passed.

Mrs. Metz stated ABC case #25908 was assigned to Assistant Counsel Rachel Spears. Mrs. Metz explained the permittee, Cheryl Littlejohn wished to speak to the Commission regarding her business Legacy Event Center located in Gastonia, North Carolina. Ms. Metz explained Ms. Littlejohn had signed an Offer in Compromise but wished to request an adjustment to the suspension dates.

Ms. Littlejohn stated when she and her attorney Geraldine Sumter, who was unable to attend due to court, signed the Offer in Compromise in July but did not understand the ruling. Ms. Littlejohn stated she did not wish to appeal the penalty but realized she would be unable to allow her facility to be used by a nonprofit organization with a Special One-time permit while under suspension. Ms. Littlejohn explained as October is Breast Cancer Awareness month, she had already leased the facility to two organizations for fundraisers with Special One-Time permits. After a conversation with Ms. Spears, Ms. Littlejohn wished to request the suspension dates be adjusted so the suspension dates would fall in November. Ms. Littlejohn stated she would not have signed the Offer in Compromise if she had understood as the facility had already been leased for the events.

Ms. Spears stated she did not have an objection to moving the suspension dates to November. Mrs. Metz requested a motion to move the case to the October agenda, so the penalty compliance dates would be in November and accommodate Ms. Littlejohn's goals.

Commissioner Stout made a motion to move the case to the October agenda. Commissioner Mitchell seconded the motion. A vote was held, and the motion passed.

Mrs. Metz stated the second matter from the September agenda was case #26247, Hot Spot Mart, which was assigned to Assistant Counsel Seth Kandl. Mrs. Metz stated Mr. Kandl had requested the case be reopened as the permittee had taken the initiative to take training but was not given credit for it in the Offer in Compromise. Mr. Kandl stated the permittee had completed training as they had negotiated, and it had not been reflected in a revised Offer in Compromise. Mr. Kandl explained he would like to adjust the penalty by the standard \$200.00 for the completion of the training, reducing the penalty from \$2,000.00 to \$1,800.00. Mrs. Metz requested a motion to reduce the penalty.

Commissioner Stout made a motion to reduce the penalty based upon the staff recommendation. Commissioner Mitchell seconded the motion. A vote was held, and the motion passed.

**II. EXEMPTION REQUEST PURSUANT TO N.C.G.S. §18B – 1116(b) – JOHN R. HOBSON; NEW MOON BREW, LLC; AND SANDBAR MARINA & GRILL, LLC**

Commissioner Mitchell recognized Mrs. Metz regarding the exemption request. Mrs. Metz explained John Hobson wished to open two breweries and he also has a restaurant for which he will be applying for permits. Mrs. Metz stated attorney Glenn Lassiter was present on behalf of his client. Mr. Lassiter explained Mr. Hobson owns a manufacturing business and had been given the opportunity to invest in two small breweries in Clemmons and Jamestown. Mr. Lassiter stated both breweries have temporary brewery, malt beverage wholesaler and malt beverage special event permits and neither has a retail location. Mr. Lassiter stated Mr. Hobson recently acquired a marina in Taylorsville in Alexander County. Mr. Lassiter explained the breweries were small and would only produce 36 barrels monthly. Additionally, this was an investment opportunity for Mr. Hobson and he would not be involved in the operation of the breweries.

Mr. Lassiter stated there was a grill at the marina for which Mr. Hobson applied for on premise malt beverage and unfortified wine permits and a mixed beverages restaurant permit. Mr. Lassiter stated they were not sure if the grill would meet the 30% non-alcohol gross receipts requirement necessary for the mixed beverages restaurant permits. Mr. Lassiter explained, if the grill was unable to meet the requirement, they would either change to a mixed beverages private bar permit or offer beer and wine only.

Mr. Lassiter stated the request was for the standard exemption and Mr. Hobson would not be involved with the day-to-day operations. An independent person would make the brand selections for the retail location and there would be no requirement for it to sell the brewery products. Mr. Lassiter added he was not sure if the brewery would be able to make enough product to satisfy additional demand. Mr. Lassiter asked that the Commission approve the exemption request as it is consistent exemption requests granted in the past. Mr. Lassiter also requested the exemption allow for beer, wine and a mixed beverages permits without specifying restaurant, as they were not yet sure if it might need to be changed to a private bar permit.

Mrs. Metz stated staff recommended approval of the request based on the conditions Mr. Lassiter mentioned, including Mr. Hobson would not have direct day-to-day management or decision-making regarding the ordering of alcoholic beverage products.

Commissioner Stout made a motion to approve the exemption request. Commissioner Mitchell seconded the motion. A vote was held, and the motion passed.

**III. EXEMPTION REQUEST PURSUANT TO N.C.G.S. §18B – 1116(b) – UNCORKED SMOKE, LLC T/A UNCORKED SMOKE; ONYX ZEALOT DISTRIBUTOR, LLC T/A ONYX ZEALOT DISTRIBUTOR; AND YOLANDA HOLLIDAY**

Mrs. Metz stated this exemption request had been submitted prematurely. Mrs. Metz explained the petitioner did not yet have physical locations to which to assign the exemption. Mrs. Metz explained the legal staff would continue to work with the petitioner and the request would be resubmitted at the appropriate time. Mrs. Metz asked the exemption request be removed from the agenda.

Commissioner Stout made a motion to remove the exemption request. Commissioner Mitchell seconded the motion. A vote was held, and the motion passed.

**IV. ABC STORE LOCATION – ORANGE COUNTY ABC BOARD**  
*(300 Market Street, Chapel Hill, NC)*

Commissioner Mitchell recognized Mr. Merriweather regarding the approval of an ABC Store location. Mr. Merriweather stated on August 25, 2021, the Orange County ABC Board requested approval from the Commission to lease and operate an ABC Store at 300 Market Street in Chapel Hill, North Carolina. On September 7, 2021, Audit Investigation Supervisor Darnay Barefoot visited the Orange County ABC Board and met with General Manager Tony DuBois. Mr. DuBois provided documents to Mr. Barefoot for the investigation and advised the proposed store would not replace an existing store in Orange County. If approved, the Board tentatively plans to open the new store in Spring 2022 and it would be the ninth ABC store for the Orange County ABC Board once opened.

Mr. Merriweather explained on September 7, 2021, Mr. Barefoot confirmed with the zoning department the property is zoned for commercial use and allows for an ABC Store. Mr. Merriweather stated the property is owned by S V Center, LLC. There are no relationships between the property owner and the Board members. Mr. Merriweather explained the proposed building is approximately 3,420 SF.

Mr. Merriweather stated the nearest school, Mary Scroggs Elementary, is located at 5001 Kildaire Farm Road in Chapel Hill and approximately .2 miles away. The next closest school, Culbreth Middle School, is located at 225 Culbreth Road in Chapel Hill and approximately 1.6 miles away. The nearest church, Christ United Methodist Church located at 800 Market Street in Chapel Hill, is approximately .2 miles away. Mr. Merriweather explained the nearest ABC Store is located approximately 4.4 miles away at 106 NC Hwy 54 in Carrboro.

Mr. Merriweather stated the required notice announcing the ABC Board's intention to open an ABC Store was properly posted on August 24, 2021, observed by Mr. Barefoot on September 7, 2021 and complied with Commission rules. Mr. Merriweather explained, as of September 24, 2021, the Board had received numerous objections and favorable communications concerning the proposed store. A spreadsheet was prepared for the 30-day period during which comments were received. Of those, 31 were in support of the store and 27 were not, citing traffic and concerns about opening an ABC store. Mr. Merriweather stated, based upon the investigative report, staff recommends approval of this proposed store.

Commissioner Mitchell asked if anyone from the Orange County ABC Board wished to speak with the Commission. General Manager Tony DuBois stated he was present and available to answer any questions.

As there were no questions, Commissioner Stout made a motion to approve the proposed store. Commissioner Mitchell seconded the motion. A vote was held, and the motion passed.

**V. OTHER BUSINESS**

Commissioner Mitchell asked Mrs. Metz and Mr. Merriweather if there was any additional business. They stated there was no additional business.

Commissioner Mitchell announced the next meeting would be held virtually on Wednesday, November 10, 2021.

Commissioner Mitchell thanked the staff for their professionalism and dedicated service during the difficult times. Commissioner Stout echoed Commissioner Mitchell stating the staff was doing a

great job during this time. Commissioner Stout added, as they were heading into the holiday season, the focus was getting the product into the stores for the retail customers and the Boards.

Commissioner Mitchell requested a motion to adjourn the October Commission Meeting. Commissioner Stout made a motion to adjourn. Commissioner Mitchell seconded the motion. A vote was held, and the motion passed.

Commissioner Mitchell thanked all the participants and wished everyone to have a good day.

*Approved at the November 10, 2021 Commission Meeting*

/S/ Norman A. Mitchell, Sr.  
Norman A. Mitchell, Sr., Commissioner  
N.C. Alcoholic Beverage Control Commission

Respectfully submitted by,

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