

**NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL
COMMISSION MEETING MINUTES
December 11, 2024**

The following narrative summarizes the North Carolina Alcoholic Beverage Control Commission (hereinafter "Commission") meeting held at 400 East Tryon Road in Raleigh, North Carolina, on December 11, 2024, beginning at 10:00 AM. The meeting was recorded, and a copy is on file at the Commission within the Legal Section.

ROLL CALL AND ANNOUNCEMENTS

Chairman Hank Bauer called the December 11, 2024, Commission meeting to order. Chairman Bauer opened the meeting with a moment of silence for the passing of Tim Kent, Executive director of the North Carolina Beer and Wine Wholesalers Association. Chairman Bauer expressed his sympathy and appreciation for Mr. Kent.

Chairman Bauer welcomed Commission La'Tanta (L.T.) McCrimmon and Commissioner David Sherlin.

CONFLICTS OF INTEREST

In compliance with N.C.G.S. §138A-35, Chairman Bauer asked if there were any conflicts of interest or any conditions or facts that might create the appearance of a conflict of interest concerning any matters on the agenda. Commissioner McCrimmon stated she had reviewed the agenda. Commissioner Sherlin stated he reviewed the agenda and did not have any conflicts. Chairman Bauer stated he also reviewed the agenda and that he would recuse himself from item #2 on the agenda because of a conflict.

DECEMBER 11, 2024, AGENDA

Chairman Bauer asked if there were any requests to make changes to the agenda. Hearing no requests for changes, it was moved and seconded to accept the agenda as presented. Chairman Bauer asked if there were any questions about the adoption of the motion to follow the agenda as presented. There were no questions. A vote was held, and the motion passed.

Chairman Bauer stated it would be an appropriate time to adopt the agenda for December 11, 2024. Commissioner McCrimmon made a motion to adopt the agenda as amended. Commissioner Sherlin seconded the motion. A vote was held, and the motion passed.

MINUTES OF THE NOVEMBER 13, 2024, COMMISSION MEETING

Chairman Bauer asked the Commissioners if they had received a copy of the November 13, 2024, Commission meeting minutes and if they had an opportunity to review them. Both stated they had received and reviewed the minutes. Chairman Bauer stated he had received a copy of the minutes and had reviewed them as well.

Chairman Bauer asked for a motion to waive the reading of the minutes. Commissioner Sherlin made a motion to waive the reading of the minutes of the November 13, 2024, meeting. Commissioner McCrimmon seconded the motion. A vote was held, and the motion passed.

Chairman Bauer asked for a motion to approve the minutes. Commissioner McCrimmon made a motion to approve the November 13, 2024, meeting minutes. Commissioner Sherlin seconded the motion. Chairman Bauer asked if there were any questions. Hearing none, a vote was held, and the motion passed.

I. HEARING CASES AND OFFERS IN COMPROMISE – 74

General Counsel Stacey Carter-Coley stated that there were 74 hearing cases on the agenda and asked if anyone would like to be heard regarding those cases. Hearing no one, Mrs. Carter-Coley instructed the Commission to consider ratifying the cases on the agenda as presented.

Commissioner Sherlin moved to ratify the 74 cases as presented. Commissioner McCrimmon seconded. A vote was held, and the motion passed.

II. AMEND EXEMPTION ORDER REQUEST PURSUANT TO N.C.G.S. §18B-1116(b)-BERKSHIRE HATHAWAY, INC., NATIONAL INDEMNITY COMPANY, EMPIRE DISTRIBUTORS OF NORTH CAROLINA, INC., AND PILOT TRAVEL CENTERS, LLC

Commissioner David Sherlin announced item #2 on the agenda, the Exemption Order request for Berkshire Hathaway, Inc., National Indemnity Company; Empire Distributors of North Carolina, and Pilot Travel Centers, LLC.

Assistant General Counsel Renee Metz thanked Commissioner Sherlin and stated the request is an amendment to an exemption issued in January 2018. Mrs. Metz noted the only change made was a corporate entity change due to a takeover or buyout. The name changed from PFJ to Pilot. Mrs. Metz stated the other conditions will remain the same.

Attorney Erin Mosley was present to address the Commission. Ms. Mosley stated she had nothing to add to Mrs. Metz's assessment of the request.

Commissioner Sherlin moved to approve the amendment. Commissioner McCrimmon seconded. Commissioner Sherlin asked if there were any questions. Hearing none, a vote was held, and the motion passed.

III. REVIEW OF HEARING OFFICER'S RECOMMENDED DECISION AND ISSUANCE OF FINAL AGENCY DECISION PURSUANT TO N.C.G.S. §18B-1205(d) AND N.C.G.S. §18B-1207-WINE FRANCHISE CASE: J. SELECT, LLC, T/A PROOF WINE & SPIRITS V. LDM WINES, INC. T/A LOUIS DRESSNER SELECTIONS

Chairman Bauer announced item #3 on the agenda. Chairman Bauer recognized Assistant General Counsel Renee Metz. Mrs. Metz stated it was a wine franchise case where LDM Wines, trading as Louis Dressner Selections attempted to terminate J. Select, LLC trading as Proof Wine & Spirits. Mrs. Metz stated she was the hearing officer and found there was insufficient evidence to indicate good cause for termination based on the evidence presented.

Mrs. Metz recognized attorney Hardy Lewis, who was present and who represented the Petitioner during the hearing. Mr. Lewis stated he had nothing to add to Mrs. Metz's statement.

Chairman Bauer moves to support the decision by the Commission's Legal staff. Commissioner Sherlin seconded. Chairman Bauer asked if there were any questions. Hearing none, a vote was held, and the motion passed.

IV. MANDATORY RULES REVIEW PURSUANT TO N.C.G.S. §150B-21.3A-REPORT REGARDING FINAL AGENCY DETERMINATION OF 14B NCAC 15A

Chairman Bauer announced item #4 on the agenda. Chairman Bauer recognized Assistant General Counsel Renee Metz. Mrs. Metz stated they are in the process of final determination whether the rules were necessary or unnecessary. A comment was received from one person on behalf of his private distillery and the Distillers Association of North Carolina.

Mrs. Metz stated some errors and references did not match the rule cited, which was 15A.2101. However the Commission agrees that 15A.2102 needs to be revised because some of the underlying laws changed, and the status is not unnecessary. It just needed to be updated.

Mrs. Metz's recommendation was to adopt the final report, to match what was originally done earlier this year. Commissioner Sherlin asked for clarification of the recommendation. Commissioner Sherlin was satisfied and moved to adopt Legal's opinion that 15A-2104 and 15A-1801 are unnecessary and the remaining rules are still necessary.

Chairman Bauer asked if there were any questions on the adoption of the motion. Hearing none, a vote was held, and the motion passed.

V. MANDATORY RULES REVIEW PURSUANT TO N.C.G.S. §150B-21.3A-SCHEDULE FOR READOPTION OF RULES OF 14B NCAC 15C

Chairman Bauer announced item #5 on the agenda and recognized Assistant General Counsel Renee Metz. Mrs. Metz stated there was a review of a similar table last year and earlier this year, that went to the Rules Review Commission. The Commission agreed with the classifications. Then it went to the General Assembly's Administrative Procedures Oversight Committee. Everyone agreed, so, now a schedule needs to be set to readopt the rules.

The Rules Review Commission attorney had given a February 2027 deadline. Based on that deadline Mrs. Metz stated she had come up with a schedule that was previously provided, which has to be submitted to the Rules Review Commission by January 6th.

Commissioner Sherlin moved to approve the schedule for the readoption of the rules. Commissioner McCrimmon seconded. Chairman Bauer asked if there were any questions. Hearing none, a vote was held, and the motion passed.

VI. CLOSED SESSION PURSUANT TO N.C.G.S. §143-318.11(a)(6)

Chairman Bauer announced item #6 on the agenda. Assistant General Counsel Kirstin Greene moved the Commission to go into closed session for the authorized purpose of discussing a confidential personnel matter.

CLOSED SESSION

VII. PROPOSED FUTURE COMMISSION MEETING DATES

Chairman Bauer re-opened the session and announced item #7 on the agenda. Assistant General Counsel Kirstin Greene proposed future Commission meeting dates from June 2025. The dates proposed were April 9th, 2025, May 14th, 2025, and June 11th, 2025.

Miss Greene asked the Commission to consider the proposed dates for approval. Commissioner Sherlin moved to approve the proposed dates as presented. Commissioner McCrimmon seconded. Chairman Bauer asked if there were any questions. Hearing none, a vote was held, and the motion passed.

Commissioner Sherlin addressed the Commission and visitors about his first anniversary as a part of the Commission. Commissioner Sherlin thanked the Commission staff, and Governor Cooper's office for the appointment, Chairman Bauer, Commissioner McCrimmon, the attorneys who appear before the Commission, and the Commission Legal staff for making him feel welcome. He also thanked LB&B for making him a part of their family.

VIII. OTHER BUSINESS

Chairman Bauer asked if there was any other business. Assistant General Counsel Kirstin Greene stated there was no other business.

Chairman Bauer adjourned the December 11th, 2024, Commission meeting. The next Commission meeting will be on January 15th, 2025, at 10:00 AM.

/S/ Hank Bauer
Hank Bauer, Chairman
N.C. Alcoholic Beverage Control Commission

Respectfully submitted by,

/S/ Teresa Fuller
Teresa Fuller for the Legal Section