NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL COMMISSION MEETING MINUTES March 12, 2025

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 March 12, 2025, 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 March 12, 2025, Commission meeting to order, introduced himself, and welcomed Commissioner La'Tanta (L.T.) McCrimmon, Commissioner David Sherlin, Deputy Commissioner Mike DeSilva, and General Counsel Stacey Carter-Coley.

CONFLICTS OF INTEREST

In compliance with N.C.G.S. §138A-35, Chairman Bauer asked the Commissioners if they had any conflicts of interest or any conditions or facts that might create the appearance of a conflict of interest regarding any matters on the agenda. The Commissioners stated that they had none. Chairman Bauer then added that he, too, had no conflicts or appearances of a conflict.

MARCH 12, 2025, AGENDA

Chairman Bauer asked if there were any requests to make changes to the agenda.

Assistant General Counsel Renee Metz requested amending the readoption dates for 14B NCAC 15C, which were previously approved, to Other Business.

Assistant Counsel Ryan Elmore requested to amend the Final Agency Decision for Tobacco Plus, approved at the February 12, 2025, Commission meeting, and noted that the permittee's attorney, Will Ferris, was present to address the issue.

Commissioner McCrimmon motioned to add these items to the agenda under Other Business. Commissioner Sherlin seconded the motion. A vote was held, and the motion passed.

Chairman Bauer stated it would be an appropriate time to adopt the agenda for March 12, 2025. Commissioner Sherlin motioned to adopt the amended agenda. Commissioner McCrimmon seconded the motion. A vote was held, and the motion passed.

MINUTES OF THE FEBRUARY 12, 2025, COMMISSION MEETING

Chairman Bauer asked the Commissioners if they received a copy of the February 12, 2025, Commission meeting minutes and reviewed them. They stated they had. Chairman Bauer stated he also received a copy and reviewed it.

Commissioner McCrimmon moved to waive the reading of the minutes of the February 12, 2025, meeting. Commissioner Sherlin seconded the motion. A vote was held, and the motion passed.

Commissioner Sherlin motioned to approve the minutes of the February 12, 2025, meeting. Commissioner McCrimmon seconded the motion. A vote was held, and the motion passed.

III. AMENDED EXEMPTION ORDER REQUEST PURSUANT TO N.C.G.S. §18B-1116(b) – CABARRUS BREWING COMPANY, LLC T/A CABARRUS BREWING COMPANY; CABARRUS BREWING COMPANY, LLC T/A GIBSON MILL CIDERWORKS; CABARRUS BREWING COMPANY, LLC T/A DEPO DELI; CABARRUS BREWING COMPANY, LLC T/A TOWEL CITY TAVERN; AND PLANT 6 PROVISIONS, LLC T/A THE MARKET BAR; STEVEN STEINBACHER, ET AL.

General Counsel Stacey Carter-Coley directed the Commission's attention to agenda item number three (III) and requested the meeting go slightly out of order to give Legal some time to deal with some matters regarding agenda items one (I) and two (II).

Assistant Counsel Robert Nauseef presented this request for an amendment to an exemption order originally granted on October 28, 2022. Mr. Nauseef stated that the permittee's attorney, Hardy Lewis, was unable to attend due to illness but was aware of Legal's conditions for approving the amendment.

Mr. Nauseef summarized that there were three (3) changes in this amendment. First, he stated that the petitioner has closed its winery, and that entity was removed from the original exemption. Second, one of the retail locations in the original exemption had received its permanent permits. Mr. Nauseef stated that a standard condition was added for brewery products sold at the retail location, ensuring they do not exceed reasonable market share. Third, he said, one of the retail locations would not be renewing their permits.

Mr. Nauseef stated that he would entertain any questions the Commission may have. Hearing none, Chairman Bauer motioned to amend the exemption order as presented. Commissioner McCrimmon seconded the motion. A vote was held, and the motion passed.

IV. OTHER BUSINESS

Mrs. Carter-Coley invited Assistant Counsel Ryan Elmore to present attorney Will Ferris' request to amend the Final Agency Decision granted to his client, Allan Ventures of Wilson Inc T/A Tobacco Plus, at the February 12, 2025, Commission meeting.

Mr. Elmore explained that this case involved a controlled substance violation where permittee Denise Zampella was named in the charge of possession of the controlled substance. The charge in question was for products available for sale at the establishment, which claimed to be hemp but tested over the 0.3% legal percentage limit of Delta-9 THC, thus not qualifying as hemp. He stated Mr. Ferris wanted to amend the charge, naming the corporation responsible. Mr. Elmore added that the penalty and compliance dates would not change, and that Legal staff did not object to the change.

Mr. Ferris addressed the Commission, noting that his client, Ms. Zampella, is a permittee of the establishment but does not work there. He stated that because of her interest in other business ventures, Ms.

Zampella did not want her name to be part of the record. He stated that he would answer any questions the Commission may have.

Commissioner Sherlin made a motion to amend the name on the violation per the permittee's request. Commissioner McCrimmon seconded the motion. A vote was held, and the motion passed.

Mrs. Carter-Coley continued with Other Business, stating that Legal proposed the following dates for future Commission meetings: July 9, 2025; August 6, 2025; and September 9, 2025.

Chairman Bauer motioned to approve the dates requested. Commissioner Sherlin seconded the motion. A vote was held, and the motion passed.

Assistant General Counsel Renee Metz addressed the Commission, requesting to amend the deadline of February 2027 previously approved in the readoption schedule for 14B NCAC 15C. She stated that the Rules Review Commission asked that the deadline be extended to March 2027. Ms. Metz stated she was optimistic when proposing the first schedule, but things had not gone as expected. She provided the Commission with a proposed amended schedule for their consideration.

Chairman Bauer made a motion to approve the amended schedule. Commissioner McCrimmon seconded the motion. A vote was held, and the motion passed.

I. PERMITTEE ELIGIBILITY PURSUANT TO N.C.G.S. §18B-900(a)(5) – TAWFIK KAID ALAHWAS T/A ATEX FUNNY MART (00087506AK-996)

Mrs. Carter-Coley deferred to Assistant General Counsel Kirstin Greene to present this item.

Ms. Greene stated that the permittee and sole proprietor, Tawfik Alahwas, holds permits at two (2) establishments, Atex Funny Mart and Logan Mart. G.S. §18B-900(a), she stated, sets out the requirements one must meet to be eligible to receive and hold ABC permits. G.S. §18B-900(a)(5) disqualifies an individual who has been convicted of a misdemeanor controlled substance offense within the last two years.

Ms. Greene stated that on January 31, 2025, the Commission received a violation report from ALE Special Agent Brock, showing that Mr. Alahwas was convicted of a misdemeanor for failure to maintain a log for selling glass tubes or splitters in violation of G.S. §90-113.82 on December 11, 2024.

Ms. Greene added that a copy of Mr. Alahwas' criminal record search from Columbus County was previously provided to the Commission, and at this time, Legal is asking the Commission to consider revoking Mr. Alahwas' permits for both Atex Funny Mart and Logan Mart because of his conviction on December 11, 2024.

Ms. Greene stated that Mr. Alahwas was in attendance with two other individuals to present any facts the Commission may want to consider in their decision to revoke his permits. She stated that, under G.S. §18B-900, the Commission has the option to grant him an undue hardship waiver.

A representative addressed the Commission on behalf of Mr. Alahwas, stating that he pleaded guilty to not keeping a log, but he was unaware of the requirement. She questioned why Mr. Alahwas was not told by

the people he purchased the items from to keep the log. She concluded by stating that if there was any way Mr. Alahwas could pay a fine and keep his permits, he would appreciate it.

Ms. Greene added that Mr. Alahwas and his representatives were notified that the conviction would affect permits for both Atex Funny Mart and Logan Mart. She stated that he understood. She stated it was explained to him that he would not be able to sell alcohol at either of those locations after his permits are revoked if the Commission decides to revoke his permits. She added that if Mr. Alahwas applied to the Commission, he would be ineligible to hold or receive ABC permits for three (3) years. She stated that the permittee understood.

Commissioner Sherlin verified the conviction statute and the date. Chairman Bauer asked the permittee if he had anything to add. The permittee's representative reiterated that the permittee would pay a fine if he could keep his license because that is how he makes his money.

Chairman Bauer made a motion to revoke the permits for both Atex Funny Mart and Logan Mart. Commissioner Sherlin seconded the motion. A vote was held, and the motion passed.

II. HEARING CASES AND OFFERS IN COMPROMISE - 53

Mrs. Carter-Coley requested that based on the disposition of agenda item one (I), #36 (Atex Funny Mart) be removed from the hearing cases. Commissioner McCrimmon made a motion to remove #36. Commissioner Sherlin seconded the motion. A vote was held, and the motion passed.

Mrs. Carter-Coley asked if there was anyone present who would like to be heard regarding any of the 52 cases remaining on the agenda. Hearing no response, Commissioner Sherlin motioned to approve the remaining 52 cases as presented. Commissioner McCrimmon seconded the motion. A vote was held, and the motion passed.

Chairman Bauer inquired if there was any other business. Hearing none, he adjourned the March 12, 2025, Commission meeting.

The next Commission meeting will take place on Wednesday, April 14, 2025, at 10:00 AM, at the ABC Commission.

*Approved at the 4/9/2025 Commission meeting.

__/S/ David Sherlin David Sherlin, Commissioner N.C. Alcoholic Beverage Control Commission

Respectfully submitted by,

_/S/ Jennifer Temple Jennifer Temple for the Legal Section