

**NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL  
COMMISSION MEETING MINUTES  
JUNE 8, 2022**

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 June 8, 2022, 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 Hank Bauer called the June 2022 Commission meeting to order and welcomed those who were participating. Chairman Bauer introduced himself; Commissioner Norman Mitchell, Sr. and Commissioner Karen Stout, who were both joining the meeting virtually; Deputy Commissioner Terrance Merriweather; and General Counsel Stacey Carter-Coley.

Chairman Bauer made an announcement congratulating Deputy Commissioner Terrance Merriweather on his upcoming retirement. He stated that Mr. Merriweather has had a long successful career with the State of North Carolina, first in law enforcement and then at the Commission. He thanked him for all that he accomplished at the Commission including bringing SAS onboard to work on our IT solutions, kicking off the campaign for a new warehouse, and increasing staff by 50% which, he stated, has helped us better serve our customers in North Carolina. The Chairman wished him well in his retirement.

Chairman Bauer welcomed the new Deputy Commissioner, Michael DeSilva, who was present. He introduced Mr. DeSilva by stating he has also had an extensive career in law enforcement and state government. After graduating from the University of North Carolina at Chapel Hill, Mr. DeSilva joined the Charlotte-Mecklenburg Police Department, worked with the State Bureau of Investigation, and worked at the Attorney General’s Office. The Chairman stated that his background would help the Commission in maneuvering state government.

**MINUTES OF THE MAY 11, 2022 COMMISSION MEETING**

Chairman Bauer requested a motion to waive the reading of the minutes of the May 11, 2022 Commission meeting into the record. Commissioner Stout made the motion. Commissioner Mitchell seconded the motion. A vote was held, and the motion passed.

Chairman Bauer requested a motion to approve the minutes of the May 11, 2022 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, Chairman Bauer 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 Bauer stated he had reviewed the agenda and found no conflicts. Commissioner Stout and Commissioner Mitchell also stated they found no conflicts.

## **I. HEARING CASES AND OFFERS IN COMPROMISE – 64**

Chairman Bauer recognized General Counsel Stacey Carter-Coley regarding item one on the agenda, the hearing of the cases.

Mrs. Carter-Coley stated that there were no contested cases on the June agenda and presented 64 offers in compromise for consideration.

Chairman Bauer asked if there was anyone who would like to address the Commission regarding any of the offers in compromise on the June agenda. He repeated the inquiry twice more.

Hearing no response, Mrs. Carter-Coley stated that staff recommended the Commission ratify the offers in compromise as presented. Commissioner Stout made a motion to ratify the offers in compromise. Commissioner Mitchell seconded the motion. A vote was held, and the motion passed.

## **II. AMENDED EXEMPTION REQUEST PURSUANT TO N.C.G.S. §18B-1116(b) – MASON JAR TAVERN, INC. (GRANTED JUNE 2021)**

Chairman Bauer recognized Mrs. Carter-Coley regarding item two, an amendment to an exemption granted at the June 2021 Commission meeting. Mr. Bauer stated that this item was continued from the May 2022 agenda.

Mrs. Carter-Coley asked permittee's attorney, Jennifer Morgan, to present the facts of the case.

Jennifer Morgan greeted the Chairman and Commissioners and explained that this was a request to amend an existing exemption on record. She stated that Jonathan Pierce, the owner of Mason Jar Tavern, Inc., would like to open a second brewery location called TapStation (hereinafter "Brewery 2") in Apex, NC. Her client requested the terms of the existing exemption stay in place where Mason Jar Brewery (hereinafter "Brewery 1") can sell to three of its retail locations: Mason Jar-Fuquay, Mason Jar-Holly Springs and Scratch Kitchen-Apex but does not sell to Scratch Kitchen-Cary. Requesting the exemption in place be connected to recognize the opening of the new brewery. Jennifer Morgan requested, after speaking with Kris Gardner of the North Carolina Beer & Wine Wholesalers Association and Renee Metz with the Commission, that the exemption be granted to meet criteria based on past Commission precedence.

Mrs. Carter-Coley stated that Legal Section staff had reviewed the petition and requested the exemption order include the following conditions in addition to other standard conditions granted in the previous order: Brewery 2 shall not offer for sale, sell, or otherwise provide any malt beverage product it is authorized to sell in this State either directly or indirectly to Mason Jar Tavern T/A Scratch Kitchen located in Cary in accordance with N.C.G.S. §18B-1104(a)(8).

Brewery 1 shall not transfer any product to Brewery 2 for the purpose of selling at Brewery 2's adjacent retail facility. Malt Beverage products may not [sic] be transferred from Brewery 1 to Brewery 2 only for the purpose of selling at wholesale to retail permittees not owned by Mason Jar Tavern, Inc. With these conditions staff recommends the exemption be granted.

Jennifer Morgan stated it was her understanding that Brewery 1 could transfer product to Brewery 2 under N.C.G.S. §18B-1104(7). Mrs. Carter-Coley reiterated that Brewery 1 could not [sic] transfer product to Brewery 2. Jennifer Morgan asked that the case be continued to July for clarification. Mrs. Carter-Coley stated that staff did not have an objection to continue the matter and a motion was in order.

Chairman Bauer asked the Commissioners for a motion to continue this to the July meeting. Commissioner Stout made a motion to continue the meeting. 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) – LONERIDER BREWING COMPANY; LONERIDER SPIRITS, LLC; SUMIT VOHRA; CHRISTOPHER MIELKE; ET AL.**

Chairman Bauer stated item number three on the agenda was another exemption request and again recognized Mrs. Carter-Coley.

Mrs. Carter-Coley asked if attorney Hardy Lewis was available to present the facts regarding this request. Mr. Lewis introduced himself as an attorney with Blanchard, Miller, Lewis, & Isley, P.A. Mr. Lewis introduced his clients and summarized that this exemption request was for the cross-tier ownership of a brewery, 2 distilleries and a retail location. Mr. Lewis asked that the Commission grant this exemption.

Mrs. Carter-Coley stated that Legal Section staff had reviewed the petition and requested the exemption order include the following condition in addition to other standard conditions granted in previous orders: someone other than the owner shall have day-to-day operational control of the retail locations and such manager employee shall be exclusively responsible for ordering all malt beverage and spirituous liquor products for the retail locations. Mrs. Carter-Coley concluded that staff recommended granting the exemption with these conditions.

Chairman Bauer asked the Commissioners if they had any questions. Hearing none, Commissioner Mitchell made a motion to approve staff's recommendation. Commissioner Stout seconded the motion. A vote was held, and the motion passed.

**IV. EXEMPTION REQUEST PURSUANT TO N.C.G.S. §18B-1116(b) – STEEL HANDS BREWING, LLC AND STEEL HANDS BREWING-GREENSBORO, LLC**

Chairman Bauer recognized Mrs. Carter-Coley regarding item number four on the agenda, another exemption request. Mrs. Carter-Coley stated that based on the parties' agreement she recommended that this matter be continued to the July agenda.

Chairman Bauer asked the Commissioners if they had any questions. Hearing none, Commissioner Mitchell made a motion to approve staff's recommendation. Commissioner Stout seconded the motion. A vote was held, and the motion passed.

**V. ADVERTISING AGREEMENT APPROVAL – UNITED BEVERAGES OF NORTH CAROLINA, LLC AND THE KANNAPOLIS CANNON BALLERS FOR ADVERTISING AT ATRIUM HEALTH BALLPARK**

Chairman Bauer recognized General Counsel Stacey Carter-Coley to present item five on the agenda.

Mrs. Carter-Coley stated that staff recommended removing this item from the agenda so that it could be handled pursuant to (A)(18) of the Resolution passed at the May 11, 2022 meeting.

Chairman Bauer asked the Commissioners if they had any questions. Hearing none, Commissioner Mitchell made a motion to approve staff's recommendation. Commissioner Stout seconded the motion. A vote was held, and the motion passed.

**VI. PETITION FOR WAIVER AND STAY OF ORDER PURSUANT TO N.C.G.S. §18B-900 – REMEDIES RESTAURANT, DRINKS & NIGHTLIFE, LLC T/A REMEDIES**

Chairman Bauer recognized General Counsel Stacey Carter-Coley. Mrs. Carter-Coley stated that this matter involved permittee and sole corporate officer, Alisa Edwards, who pled “no contest” to and was convicted of allowing employees to consume after hours. Mrs. Carter-Coley stated, pursuant to N.C.G.S. §18B-900(a), this would make Ms. Edwards ineligible to hold ABC permits unless the Commission declined to take action.

Mrs. Carter-Coley stated that Legal staff based their recommendation on the belief that Ms. Edwards was informed by the Assistant District Attorney that pleading “no contest” would have no civil penalties regarding her ABC permits. This conviction is the basis for the request for a waiver.

Mrs. Carter-Coley stated staff recommend granting the waiver with the condition that if Ms. Edwards received a second conviction on or before a year [sic] from the date of the first conviction or any other violation of 18B, then this waiver be rescinded.

Chairman Bauer asked the Commissioners if they had any questions. Hearing none, Commissioner Mitchell made a motion to approve staff's recommendation. Commissioner Stout seconded the motion. A vote was held, and the motion passed.

**VII. MOTION FOR EXTENSION TO THE MEMORANDUM OF UNDERSTANDING FOR THE RECEIPT, STORAGE, AND TRANSPORT OF ALCOHOLIC BEVERAGES AT THE RDU AIRPORT**

Chairman Bauer again recognized Ms. Carter-Coley to present this item.

Mrs. Carter-Coley stated that the Memorandum of Understanding (hereinafter “MOU”) granted to Newrest RDU, LLC (hereinafter “Newrest”) for the food and beverage operations at the RDU airport was set to expire the 30<sup>th</sup> of June 2022 and had two potential 6-month extensions remaining. Mrs. Carter-Coley stated that Newrest on that morning had received the signed inspection zoning form and local government opinion form the City of Durham which were required for Newrest to obtain the new airport central storage permit. She stated that the rest of the permit application packet appeared to be complete and ready to be submitted to the Commission. She continued saying Newrest would not likely need the entire 6-months but requested one more extension of the MOU. Mrs. Carter-Coley stated that Legal Section had reviewed the request and recommended granting the extension.

Chairman Bauer asked the Commissioners if they had any questions. Hearing none, Commissioner Mitchell made a motion to approve staff's recommendation. Commissioner Stout seconded the motion. A vote was held, and the motion passed.

## VIII. OTHER BUSINESS

Chairman Bauer asked Mrs. Carter-Coley and Mr. Merriweather if there was any additional business. Mr. Merriweather stated that he had none.

Mrs. Carter-Coley stated that she had an additional matter to be heard regarding the City of Hertford ABC Board. She stated that the parties were present. She explained this was a matter where, at the June 1, 2022 Commission Special Meeting, Mr. Quinton Jackson appealed a resolution passed by the Hertford Town Council removing Mr. Jackson from the Hertford ABC Board. Pursuant to N.C.G.S. §18B-704, the Commission appointed Assistant Counsel Rachel Spears as the hearing officer.

Mrs. Carter-Coley summarized the hearing conducted by Ms. Spears stating both parties were provided the opportunity to present evidence including documents and witnesses to determine whether Mr. Jackson's actions showed he engaged in conduct that was cause for his removal. Ms. Spears presented to both parties her Findings of Fact and Conclusions of Law based on the evidence presented before her by both parties. Based on the hearing officer's conclusion of law pursuant to N.C.G.S. §18B-704(c), Ms. Spears concluded the evidence showed that Mr. Jackson engaged in conduct constituting moral turpitude that was sufficient cause for his removal from the Hertford ABC Board. Furthermore, the actions and the media attention that followed brought the Hertford ABC Board and/or ABC system into disrepute which is sufficient cause for Mr. Jackson's removal from the Hertford ABC Board. Mrs. Carter-Coley stated that staff recommended the Commission adopt the Findings of Fact and the Conclusion of Law of the hearing officer.

Chairman Bauer asked the Commissioners if they had any questions. Hearing none, Commissioner Stout made a motion to approve staff's recommendation. Commissioner Mitchell seconded the motion. A vote was held, and the motion passed.

Chairman Bauer stated that the next ABC Commission meeting would be held virtually on Wednesday, July 13, 2022.

Chairman Bauer requested a motion to adjourn the June 2022 Commission meeting. Commissioner Stout made a motion for adjournment. Commissioner Mitchell seconded the motion. A vote was held, and the motion passed.

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

Respectfully submitted by,

/S/ Jennifer L. Temple  
Jennifer L. Temple for the Legal Section