

Minutes of the Durham ABC Board's Board Meeting October 15th, 2024

The Durham County ABC Board met at the administrative office, located at 3620 Shannon Road, Suite 200, on the 15th day of October 2024.

Board Chair Daniel Edwards called the meeting to order at 5:30 p.m.

In attendance were Board Chair Daniel Edwards, Board Members Donald Lebkes, Gale Adland, Ryan Urquhart and Board Attorney George Miller III. Board member Frachele Scott attended via zoom. General Manager Lou Sordel, Assistant General Manager Deborah Warren, Operations Manager Michael Mitchell, Fiscal Service Director Rachel Wadsworth, Visual Compliance Manager Ikzuri K. Garcia-Banda and intern Moriah Campbell were also in attendance. Moriah is a senior at NCCU that is interning in our office. Gabriel McCuller, Owner of Sua Sponte and Paul Young from DTW Architects & Planners were also in attendance. Special Agent Tyler Pierce from ABC Law Enforcement joined us via Zoom.

Conflict of Interest Review and Declaration

Chairman Edwards read the Board's Conflict of Interest Review and Declaration statement and asked Board members if they have an actual conflict or appearance of a conflict of interest with any items coming before the Board and, if so, does the Board member wish to recuse him or herself from deliberating and voting on the matter. All Board members verbalized that they have reviewed the agenda and do not have any conflicts.

Consent Item

The consent item approved was September 17, 2024, Board Meeting Minutes. Board Member, Donald Lebkes moved to approve September 17, 2024, Board Meeting minutes and Board Member, Frachele Scott seconded the motion. The Board approved September 17, 2024, minutes unanimously.

Public Comment

Chairman, Daniel Edwards addressed the public and asked if anyone was present and if they had any comments. No one from the public was in attendance in person or via zoom.

ALE Special Agent Pierce presented the September ALE Report to the Board

North Carolina Alcohol Law Enforcement Summary of Activities

September 2024 Checks at ABC Stores: 39

ABC Outlet Inspections MBX: 19

ABC Outlet Inspections Other: 10

Alcohol Education: 3

ABC Violations submitted to ABCC: 12

Total Arrests: 48

Total Charges at Permitted Outlets: 129

Total Charges at Non- Permitted Outlets: 0

Total Misdemeanor Charges: 118

Total Felony Charges: 11

On Wednesday, September 4, 2024, Agents were investigating a controlled substance transaction which occurred at Carolina Food Mart located at 1002 North Alston Ave. While conducting an inspection and reviewing video camera footage, Agents located a half of a pound of marijuana in the office which belonged to the manager, Gamal Algamal. Algamal was arrested and charged with felony possession of marijuana, possession with intent to sell and deliver marijuana, felony maintaining a business for the use of controlled substances and allowing criminal conduct on an ABC licensed premise. Also, after reviewing video, it was determined the original controlled substance transaction had occurred between a patron and an employee, Lmain Dibba. Dibba was currently working behind the counter and was also arrested for felony possession of cocaine. A violation report was sent to the NC ABC commission as a result.

On Wednesday, September 10, 2024, Agents conducted an ABC outlet inspection at URBAN TURBAN INDIAN GRILL AND BAR, 1125 West NC Hwy 54 Suite 301, Durham. During the inspection, Agents located multiple bottles of spirituous liquor not bearing a mixed beverage tax stamp. As a result, a violation report was completed and submitted to the NC ABC Commission.

On Wednesday, September 11, 2024, Agents received a phone call from Store #10 regarding a larceny that happened at approximately 2:00 p.m. Camera footage was reviewed, and Agents noticed a male subject enter the store and took a .375mL bottle of Crown Royal. After reviewing camera footage, the male was positively identified as Jeremy Powell. Warrants were obtained for Powell, for misdemeanor larceny charges. Powell was subsequently arrested and trespassed from ABC property.

On Thursday, September 12, 2024, Agents were reviewing surveillance footage at ABC Store #5 when they were notified by store employees of two female subjects inside the store who were known to commonly attempt to steal spirituous liquor. Agents viewed the live feed footage and observed one female, later identified as Peggy Holder, conceal a 375 mL bottle of Burnett's spirituous liquor and exit the store in a quick manner. Agents detained both Peggy and the other female, Peggy's daughter, Tayler Holder. Peggy was charged with Shoplifting/Concealment of Goods, Misdemeanor Larceny, Possession of Non-tax

paid Alcoholic Beverage, and Possess for Sale Non-tax paid Alcoholic Beverage. Additionally, Tayler was charged with Misdemeanor Conspiracy to Commit Larceny. Both females were trespassed from all Durham County ABC stores.

On Saturday, September 14, 2024, Agents conducted an ABC licensed inspection at Coco Vice Night club located at 3400 Westgate Drive, Durham. During the inspection Agents spoke with the owner, Rolando Velasquez. During the inspection, Agents located numerous bottles of spiritous liquor not bearing a mixed beverage tax stamp. Agents were told the bottles were for the owner and for his private birthday party at the establishment. As a result, Velasquez was issued a citation for possession of non-tax paid alcohol and possessing spiritous liquor without a mixed beverage tax stamp. A violation report was also completed and sent to the NC ABC Commission.

On Monday, September 16, 2024, Agents concluded an investigation regarding retail theft from multiple ABC stores located in Durham. Agents began an investigation after being contacted by the Durham County ABC Board regarding an unknown person stealing bottles of spirituous liquor from several of the ABC stores. After sorting through video footage and canvassing neighborhoods, Agents were able to positively identify the suspect as Trice Rylas. Agents subsequently charged Rylas with more than 15 offenses as well as felony habitual larceny.

On Wednesday, September 18, 2024, Agents conducted an ABC outlet inspection at TAQUERIA LA FIESTA, located at 1002 East Geer Street, Durham, NC 27704. While inspecting the alcoholic invoices Agents observed they were intermingled with nonalcoholic invoices and there was only approximately one year worth on file. Agents informed her the alcoholic invoices must be filed separately and apart from nonalcoholic invoices and three years' worth must be always maintained. When asked about this Olivera stated she was aware of this regulation. Agents inspected the bottles on the display shelf and identified a 1.75-liter bottle of Patron tequila which was empty, and the mixed beverages tax stamp was not defaced. Agents informed her the presence of such a bottle was unlawful and the tax stamps must be immediately defaced when a bottle of spiritous liquor is emptied and must then also be recycled. Agents instructed her to deface the bottle and recycle it in their presence, which she did. When asked about this she

stated the bottle must have been missed by staff, but she was aware of this law and would instruct her staff to comply when bottles are emptied. A violation report was completed and sent to the NC ABC Commission.

On Wednesday, September 18, 2024, Agents conducted an ABC licensed inspection at Bleu Olive, located at 1821 Hillandale Road, Durham. During the inspection, Agents spoke to the permittee Yianni Papanikas. During the inspection, Agents located spirituous liquor bottles not bearing the mixed beverage tax stamp. A review of the invoices for the business was done and a receipt for the spirituous liquor could not be located. A violation report was completed and sent to the NC ABC Commission.

On Wednesday, September 18, 2024, Agents were notified about a male person who had exposed himself in front of Store 5 and consumed spirituous liquor while in the parking lot. The male was identified as Jeffery Leon Goff. Due to his actions, Agents obtained a warrant for his arrest for indecent exposure and unauthorized possession of spirituous liquor.

On Friday, September 20, 2024, District IV Agents conducted an enforcement operation in Durham, NC. The purpose of the operation was to address criminal activity in and around ABC permitted establishments. The operation led to 32 arrests consisting of 4 felony and 54 misdemeanor charges filed. Additionally, agents seized 3 handguns, cocaine, marijuana, alcoholic beverages, U.S. Currency, and submitted 8 violation reports to the NC ABC Commission.

On Friday September 20, 2024, Agents conducted an ABC licensed inspection at Discount Mart, located at 3011 Fayetteville Street, Durham. During the inspection, Agents found a patron in the establishment, Shawn Burton, who rolled a marijuana blunt on the premise and placed it behind his ear. When doing this, Burton walked inside the establishment and spoke to the manager, Mohammed Saleh. At one point, Burton walked behind the counter with the marijuana visible in front of Saleh. During the inspection, Agents also located eight fish tables in the establishment. As a result, Saleh was charged with allowing criminal conduct to occur on the licensed premises and Burton was charged with possession of marijuana. A violation report was also completed and sent to the NC ABC Commission.

On Friday September 20, 2024, Agents were conducting surveillance at Lighthouse Food Mart, located at 2944 Holloway Street, Durham NC. While conducting surveillance, Agents observed a hand-to-hand drug transaction. After seeing the transaction, Agents followed the vehicles as they left the business and conducted a traffic stop. As a result, Agents found probable cause to search two separate vehicles, in which they located controlled substances. As a result, Patrick Holloway was arrested and charged with felony possession of cocaine and possession of marijuana paraphernalia. Anthony Gooch was arrested and charged with selling cocaine, possession with intent to sell cocaine, possession of marijuana, and possession of marijuana paraphernalia.

On Friday, September 20, 2024, Agents conducted surveillance and an ABC licensed inspection at Geret Road B P 262 Fare 450 located at 4525 Chapel Hill Road, Durham. During the surveillance, Agents spoke to an employee, Derek Helling, about a patron they observed consume multiple malt beverages off the premise. Agents observed the patron, Noel Figeroa, who was obviously intoxicated, walking to the cooler and grab malt beverages. Agents informed Helling that Figeroa was intoxicated, and he should not sell him any alcoholic beverages. Helling acknowledged Agents, however, he proceeded to sell Figeroa malt beverages while Agents were still inside the establishment. Helling was subsequently charged with selling to an intoxicated person and a violation report was completed and submitted to the NC ABC Commission.

On Saturday, September 21, 2024, ALE Agents conducted an inspection ad Dejavu Sports Bar located at 2717 Cheek Road, Durham. During the inspection, Agents observed multiple sales of alcoholic beverages after 2:30 a.m. Agents also located unfortified wine for sale on the premises for which the establishment did not have the appropriate permits for. Agents seized alcoholic beverages and submitted a violation report to the NC ABC Commission documenting the incident.

On Saturday, September 21, 2024, ALE Agents conducted surveillance at Jack's In and Out located in Durham, NC. After observing several sales of alcoholic beverages occurring well after 2:00 a.m., Agents conducted an inspection of the premises. The clerk, Kareem Stanley, a convicted felon, was found in possession

of a firearm, as well as having glass tubes already prepared with steel wool for sale as drug paraphernalia. Stanley was arrested and charged with possession of a firearm by felon, selling alcoholic beverages after 2:00 a.m., possesses for sale glass tubes without a sales log, and allowing criminal activity. A violation report has been submitted to the NC ABC Commission outlining the investigation.

On Saturday, September 21, 2024, Agents conducted an inspection at La Parranda Night Club located at 2409 Guess Road, Durham. During the inspection, Agents observed the only bartender in the establishment pouring a patron 5 shots of spiritous liquor for himself, which he then consumed. After observing this, Agents approached the bartender, Escota Oscarina, who admitted to serving the spirituous liquor. A subsequent inspection of the premise was done and the Agent located spiritous liquor bottles not bearing a mixed beverage tax stamp. As a result, Oscarina was issued a citation and the manager, Henry Martinez, also issued a citation. A subsequent violation report was completed and sent to the ABC Commission.

On Saturday, September 28, 2024, Agents conducted surveillance at Joyland BP 315, locate at 2406 Holloway Street Durham. While conducting surveillance, Agents observed a Ford Mustang leave the establishment after purchasing malt beverages. The vehicle left in such a manner that Agents conducted a traffic stop on it. While speaking with the driver, Ramiro Ventura, Agents developed probable cause to search the vehicle, subsequently locating open containers of alcohol. After talking with Ventura, the Agents made the determination he was impaired and called for NCSHP assistance. NCSHP Troopers arrived on scene, performed tests, and subsequently placed Ventura under arrest for driving while impaired.

Gabriel Mcculler, owner of Sua Sponte Security

Gabriel Mcculler joined us for this meeting. Mr. Mcculler's company is the new security company we are using to patrol our stores to help deter theft and increase security. He introduced himself to the Board members and told them about his military and police background. He stated that his employees are well trained and are familiar with mental health issues and crisis intervention. He currently employes 50 employees, of which 44 are armed officers.

Board members expressed how important it is to them that our employees and customers feel safe coming into our stores.

Paul Young, DTW Architects & Planners

Mr. Young updated the Board on the development of the new store 4 on Page Road. The grading operations have begun and are moving along quickly. Good weather has been on our side. The sewer lines will be replaced and the grading operations, retaining walls and footings should be installed by mid-November. We are happy with the timeline and where we are on this project. Mr. Young also stated that he and Mr. Sordel are reviewing additional 3-dimensional drawings to include a mezzanine space for this new location. Mr. Young mentioned he will send Debbie an email about the water spigot in the back of the store.

Assistant General Manager, Deborah Warren

Ms. Warren showed board members pictures and videos of the management retreat that we held at Mystic distillery on September 23, 2024. The host for this event was Catapult and the instructor was Shane McKenzie. Mr. McKenzie talked about sales performance, management training and motivation and how to increase sales and create goals with their staff.

We also awarded Michelle Jones-Pettiford from store 7, Employee of the Year.

On October 18th, 2024, we attended an educational training class with Wake County ABC Board. The training was focused on scotch whiskies from Glendronach, Benriach, and Glenglassaugh. It was an informative class.

Ms. Warren also talked about the seven bourbon drops we had during the month of September, and we also had a total of 53 tasting in our stores during September.

Visual Compliance Manager, Ikzuri Garcia-Banda

Ms. Garcia-Banda is preparing for the annual Bourbon Lottery. She hopes to launch it in November, select winners in December and have customers pick it up in January.

Ms. Garcia-Banda also showed the Board the new shelf talkers showcasing NC products on our store's shelves. Ms. Garcia-Banda worked with Danielle Thomas from store 14 on testing this new set up and shelf talkers. We recently deconstructed our NC section and moved these products within their spirit category throughout the store.

Mr. Sordel mentioned that most of the NC distillers prefer their product to be intermingled with their spirit category. They want their bourbons next to all of the other bourbons not in a NC section. That is why we created these NC shelf talkers.

We will be attending the NC State Fair this year. We also have some cool merchandise and information to give out during the fair. We have cool wristbands, pencils and flyers to give out. Our website Durhamabc.com/givesback will be on our wristbands and flyers. This will explain what DCABC does for our community and what the revenue goes towards from the NCABC and Durham County ABC.

Fiscal service Director, Rachel Wadsworth

Rachel discussed the September retail and mixed beverage sales. Our retail sales were \$3,520,341.00 and mixed beverage sales were 1,005,253.00. Total Sales for September landed at \$4,527,723.00. Our YTD sales are at 14,558,62.00. Mixed beverage sales were down by \$27,545.00 and retail was down by \$467,970.00 compared to last year. That being said, we had 5 Fridays and 5 Saturdays last year

which made a huge impact on sales. We are missing a whole weekend of sales this year compared to last year. This also include wines sales, which have been steadily increasing. They talked about moving the vermouths up to the register area, so customers know that we are selling vermouths now. We did not hit our budgeted sale figures for September, but we will pick up in October, November and December.

Mrs. Wadsworth reviewed the bank statements with the Board and stated that all of our shipment invoices for October are paid for and our first big tax payment came out of our account today.

Mrs. Wadsworth is working with Malon Chase on some direct shipments because L B&B has been frequently running out of some of our top selling items. You will see an increase in inventory costs because we are bulking up for the holiday season. We have been staggering these shipments, so we do not exhaust our funds.

MXB Operations Manager, Mike Mitchell

Mr. Mitchell reviewed our new mixed beverage accounts, discussed our retail sales, and mixed beverage sales. Mr. Mitchell stated we received three new Mixed Beverage accounts in September. Retail sales during September 2024 generated \$3,522,470.00, which was a decrease of \$467,970.00 compared to September 2023. Our wine sales for September 2024 were \$2,128.00 which is an increase from last September. Our Mixed Beverage sales are slightly down ending at \$1,005.253 during September 2024. Our YTD sales are \$14,558,627.00, which is a decrease of \$281,808.00. The decrease in sales can be seen throughout the state of NC. It is mainly due to the hurricane that devastated our state, and we lost an entire weekend of sales this year because there were 5 weekends last year and there are only four this year.

Ms. Warren stepped in for Human Resource Generalist, Tristin Coleman

We held the yearly manager's meeting on September 23rd, 2024, at Mystic Farm Distillery in Durham. We focused on increasing job knowledge skills and increasing sales and motivating our employees. We gave our store managers the tools on how to upsell, increase sales, and how to reach their individual store sale goals. Shane McKenzie from Catapult talked to the team in these areas.

Mrs. Coleman is also working with the Durham County Health Department with plans to offer our employees healthy workshops, digital activity sessions and stress management sessions. We will be sending out an employee survey that the Durham County Health Department created soon.

Lou Sordel, General Manager

We are ramping up for the holiday season with many gift sets and great holiday products. Once they arrive at the warehouse, we will be shipping them out to our stores. We would like to get them into our stores earlier than our surrounding ABC Boards, to possibly grab some additional sales.


Mr. Sordel updated the Board on his tequila buying trip to Guadalajara, Mexico. We bought a special barrel of Herradura Reposado Tequila that drinks like a Anejo. This special barrel will arrive in March of 2025. He also purchased a special barrel of Partida Anejo Tequila which should be here in a few months. Our customers will love these smooth drinking tequilas. We learned a lot about the process of making tequila on this trip. The experience was very educational, and we made some great connections with the master distillers. We hope these connections will open doors for us next year. Mr. Sordel paid for all of his expenses for the trip to Mexico.

Mr. Sordel also attended the NABCA conference in Montana. NABCA focused their presentations on how to upsell, the importance of displaying the right products, and resetting the vodka category because of the huge decline in sales. The decline in sales is being felt nationwide. They also talked about how to deal with shrinkage and the uptick in crime. Mr. Sordel's was invited to this conference by the NABCA and they paid for his expenses.

During the conference the North Carolina ABC Board won an award for the best educational program out of all of the controlled states. Stacy and her team were there to talk about their program "Talk It Out".

Adjournment

Chairman Edwards motioned to end the meeting and go into closed session. Don Lebkes moved to adjourn the meeting and Gale Adland seconded the motion. All Board members approved without objection, and the meeting was adjourned at 6:45 PM.

Approved by:  w/ amendments from Don.

Daniel Edwards, Board Chair