



**State of Arkansas
Department of Finance
And Administration**

DFA - ARKANSAS TOBACCO CONTROL

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**BOARD MEETING MINUTES
JANUARY 14, 2021**

The Arkansas Tobacco Control Board met on Thursday, January 14, 2021 for its monthly meeting in the Main Street Mall Building, located at 101 E. Capitol Avenue, Little Rock, Arkansas, beginning at 10:00 a.m. in Suite 119. There were 7 Board members present via Zoom. Those attending were Chairman Gary Proffitt, Mr. Sam Stathakis, Jr., Mrs. Carol Dyer, Dr. Patricia Knott, Mr. David Hendrix, Jr., and Mr. Kerry Lott. Dr. Brad Mayfield arrived shortly after the meeting had started and Dr. Shabbir Dharamsey was not able to attend today's meeting.

Mr. Kevin Case opened the meeting with his farewell to staff and board members as he is moving forward and no longer serving as a board member for Arkansas Tobacco Control and introduced Mr. Gary Proffitt serving as our new Chairman.

Chairman Gary Proffitt welcomed the staff and attendees in the audience. Mr. Proffitt introduced our 2 new board members, Mr. Kerry Lott and Mr. David Hendrix, Jr. He also introduced Jason Johnson serving as our hearing officer, Nicole Hartwick serving as our court reporter and Attorney Joe West representing Arkansas Tobacco Control.

BOARD MEETING MINUTES

Chairman Gary Proffitt asked for a motion to approve the board meeting minutes from December 3rd, 2020. A motion was made and seconded to approve the December minutes. It passed with 6 yes votes and 2 absent.

STIPEND PAYMENT APPROVAL

Chairman Gary Proffitt requested approval of the 2021 Stipend and Travel Expense Payments. A motion was made and seconded to approve with 6 yes votes and 2 absent.

CONSENT ORDER

**IN THE MATTER OF:
GPM Southeast, LLC – Richmond, VI
Permit #2556-02**

Case #2020-4180

Purchasing from unlicensed dealer and Failure to Maintain Invoices

During July 2020, investigations were conducted for sixty-one locations (61) of E-Z Mart stores operated by Respondent in Arkansas. During the course of the investigation, Respondent was found to have failed to maintain proper paperwork; and to have purchased tobacco, vapor, alternative nicotine or e-liquid products from an unregistered and /or unlicensed dealer.

Respondent was issued a Warning for the violation of ACA §26-57-213 (failure to maintain proper invoices and paperwork); and shall pay a civil penalty of \$30,500.00 for violation of ACA §26-57-228 (purchasing tobacco, vapor, alternative nicotine or e-liquid products from an unregistered and/or unlicensed dealer).

A motion was made and seconded to accept the Consent Order. They were approved with 6 yes votes and 2 absent.

LENIENCY HEARING

**IN THE MATTER OF
RUSHIMAZ ENTERPRISES, INC. DBA RED WOLF EXPRESS #1
JONESBORO, AR
PERMIT #13551-01**

CASE NO. 2020-2804

Mr. Shafeeq Khimani appeared before the board representing Rushimaz Enterprises, Inc. DBA Red Wolf Express #1 located in Jonesboro, AR requesting leniency for the violation of purchasing from an unlicensed dealer that occurred on June 24, 2020.

After hearing testimony from Mr. Khimani, a decision was made to levy the recommended fine by the director of \$1000.00 plus a 7-day suspension which included 2 days from a previous violation on case #2019-02167 that was held in abeyance. A motion was made and seconded to approve by the board with 6 yes votes, 1 recused and 1 absent.

WHOLESALE APPLICATIONS

Director Greg Sled presented 3 new Wholesale applications to the board for approval.

Arkansas Novelty Wholesale LLC – Little Rock, AR
Casey's Marketing Company – Joplin, MO
Diamond State Extracts LLC – Searcy, AR

A motion was made and seconded to approve all 3 applications. The Wholesale permits were approved with 7 yes votes and 1 absent.

NEW PERMITS ISSUED

Director Greg Sled asked the Board members to review the list of 42 new permits issued from November 30, 2020 through January 3, 2021. A motion was made and seconded by the board to approve the new permits issued with 7 yes votes and 1 absent.

ACCEPTED OFFERS OF SETTLEMENT

Director Sled then asked the board members to review the list of Accepted Offers of Settlement dated January 7th, 2021. A motion was made and seconded to approve by the board with 7 yes votes and 1 absent.

ENFORCEMENT ACTIVITY

Director Greg Sled reported to the board our agents are still involved in cross training between Alcohol and Tobacco duties and laws. For the month of December, we conducted 32 tobacco inspections with 16 having

violations which gives us a 50% violation rate. Enforcement division has hired 4 new agents this month with 3 more to come in the near future. The transformation of Tobacco/Alcohol Control is now in effect as Arkansas Regulatory Division. Doralee Chandler is the Administrative Director and Greg Sled is the Enforcement Director. Doralee Chandler will be taking over the board meeting responsibilities.

FDA ACTIVITY

Deputy Director Ray Owens started by introducing himself to the new board members and reported that they are still mainly working on Covid 19 inspections until the pandemic is over.

LEGAL UPDATE

Attorney Joe West introduced himself and thanked the board and staff for letting him serve in the absence of our tobacco Attorney. He had no updates to give for this month.

OPEN FORUM

Chairman Gary Proffitt ask if there were any questions or comments from the board or audience. Ms. Carol Dyer had questions concerning her financial statement that is due.

ADJOURNMENT

In closing, Chairman Gary Proffitt stated that our next meeting is scheduled for February 4th, 2021. A motion was made and seconded to adjourn. It was approved with 7 yes votes and 1 absent. The meeting was adjourned.

Minutes prepared by

January 14, 2021

Pat Dykes

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