



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

DFA - ARKANSAS TOBACCO CONTROL

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**BOARD MEETING MINUTES
MARCH 4, 2021**

The Arkansas Tobacco Control Board met on Thursday, March 4, 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 8 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., Dr. Shabbir Dharamsey and Mr. Kerry Lott. Dr. Brad Mayfield arrived shortly after the meeting had started.

Chairman Gary Proffitt welcomed the staff and attendees in the audience. He also welcomed Jason Johnson serving as our hearing officer, Cristina Davila serving as our court reporter and Attorney Joe West representing Arkansas Tobacco Control. He also reintroduced our 2 new board members, Mr. David Hendrix, Jr. with Big Red Convenient Stores and Mr. Kerry Lott with Bates Distributing.

BOARD MEETING MINUTES

Chairman Gary Proffitt asked for a motion to approve the board meeting minutes from January 14, 2021. A motion was made Mr. David Hendrix, Jr. to approve the December minutes and seconded by Ms. Carol Dyer. It passed with 7 yes votes and 1 absent.

LENIENCY HEARING

**IN THE MATTER OF
AEBA LLC DBA STOP N BUY
LUXORA, AR
PERMIT #11058-03**

CASE NO. 2019-5679

Hearing Officer Jason Jones presented the hearing for today. Attorney Richard Rhodes appeared before the board representing AEBA LLC DBA Stop N Buy located in Luxora, AR requesting leniency for the violation of purchasing tobacco, vapor or alternative nicotine products from an unregistered and/or unlicensed dealer, possession of untaxed tobacco products and failure to maintain invoices.

After hearing testimony from Mr. Rhodes, a decision was made to levy the recommended fine by the director of \$500 plus a 2 day permit suspension for purchasing from an unlicensed dealer, \$305,265.00 plus a 5 day permit suspension for possession of untaxed tobacco products and \$500 plus a 2 day permit suspension for failure to maintain invoices. This is a total fine of \$306,265.00 plus 9 days suspension. A motion was made by Ms. Carol Dyer to accept the Directors recommendation and seconded by Dr. Dharamsey. The motion was approved by the board with 7 yes votes and 1 abstained.

WHOLESALE APPLICATIONS

Director Greg Sled presented 4 new Wholesale Tobacco and Vapor product applications to the board for approval.

1. Alexander Stearns LLC DBA Max Distributing – Little Rock
2. Diamond Wholesale – Little Rock
3. Arkansas Cigar Wholesale LLC - Conway
4. J & M Distributors – Little Rock

A motion was made to accept #1 by Dr. Dharamsey and seconded by Dr. Mayfield.

A motion was made to accept #2 by Dr. Dharamsey and seconded by Ms. Dyer

A motion was made to accept #3 by Dr. Dharamsey and seconded by Ms. Dyer

A motion was made to accept #4 by Ms. Dyer and seconded by Dr. Dharamsey

All 4 motions passed with 8 yes votes.

NEW PERMITS ISSUED

Director Greg Sled asked the Board members to review the list of 57 new permits issued from January 4th through Feb 25, 2021. A motion was made to accept by Dr. Patricia Knott and seconded by Mr. Sam Stathakis. The motion passed with 8 yes votes.

ACCEPTED OFFERS OF SETTLEMENT

Director Sled then asked the board members to review the list of Accepted Offers of Settlement dated February 4th and March 4th, 2021. A motion was made to accept by Dr. Dharamsey and seconded by Ms. Dyer. The motion passed with 8 yes votes.

ENFORCEMENT ACTIVITY

Director Sled announced to the board that in the month of February there were 83 tobacco inspections completed with 39 minor violations with a 47% violation rate.

The Covid 19 checks that we have been doing since June 29, 2020 have now ended and if Covid virus rates continue to drop the mask mandate will be lifted as of March 31st. Minors will be allowed to start working again after April 1st primarily at Non-Smoking Businesses.

The Enforcement division has moved to a new office still on the 4th floor in the Main Street Mall building in preparation for the ABC Administration division to be moving to our building. The CID division will also be moving within a couple more weeks to a different office also on the 4th floor of the Main Street Mall building.

FDA ACTIVITY

Deputy Director Ray Owens announced they have completed 54 inspections mainly for products that have been ban by FDA.

The FDA division has also moved from their offices to a new location still on the 4th floor of the Main Street Mall building.

They also have 2 open positions – 1 Agent position and 1 Admin position that will hopefully be filled once the Governor releases them to continue to work.

LEGAL UPDATE

Attorney Joe West 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 and there were none.

ADJOURNMENT

In closing, Chairman Gary Proffitt stated that our next meeting is scheduled for April 1st, 2021. A motion was made to approve by Dr. Dharamsey and seconded by Ms. Carol Dyer to adjourn. It was approved with 8 yes votes. The meeting was adjourned.

Minutes prepared by

Pat Dykes

March 15, 2021

Pat Dykes