



State of Arkansas
Department of Finance
And Administration

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BOARD MEETING MINUTES February 01, 2024

The Arkansas Tobacco Control Board met on Thursday, February 1, 2024, 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 five (5) Board members present.

- **Board Members Present:** Chairman Gary Proffitt, Mr. Kerry Lott, Mr. Brandon Mickinney, David Hendrix, Jr., and Dr. Shabbir Dharamsey.

CALL TO ORDER.

- Chairman Gary Proffitt called the ATC Board meeting to order and opened the meeting welcoming the guests and staff.
- There were three hearings set for today's Board Meeting, only two went forward Augusta Express, LLC. is being continued for a later date due to a conflict of interest with one of the board members. As a result, a hearing officer, Mr. Craig Smith, and court reporter, Mrs. Amanda Brown, were present.

BOARD MEETING MINUTES

Chairman Gary Proffitt requested a motion to approve the board meeting minutes from December 07, 2023. A motion was made by Dr. Shabbir Dharamsey and seconded by Mr. Kerry Lott to approve the December 07, 2023, minutes. It passed with five (5) yes votes and zero (0) opposing votes.

WHOLESALE PERMIT APPLICATIONS

Chairman Proffitt presented two (2) new Wholesale Tobacco and Vapor product Permit applications to the Board for approval.

- ❖ Warehouse Goods, LLC. dba Warehouse Goods – Moreno Valley, CA
- ❖ AFG Distribution – Ashville, NC

- A motion was made by Mr. Kerry Lott to approve the wholesale application and seconded by Mr. David Hendrix, Jr. The motion passed with five (5) yes votes and zero (0) opposing votes.

NEW RETAIL PERMITS ISSUED

- Interim Director Trent Minner requested the Board members to review and approve the list of seventy-eight (78) new permits (those permits other than wholesale permits) issued from December 1 2023 through January 31, 2024
- A motion was made to accept and approve the list of seventy-eight (78) new permits issued by Mr David Hendrix, Jr and seconded by Mr Kerry Lott The motion passed with five (5) yes votes and zero (0) opposing votes

DEFAULT JUDGMENTS

- Attorney Sarah DeBusk informed the board members that any default judgments will be set for a hearing going forward instead of being presented for approval by the ATC Board

ACCEPTED OFFERS OF SETTLEMENT

- Interim Director Trent Minner requested the Board members to review and approve the list of Accepted Offers of Settlement for December 2023 and January 2024 A motion was made to accept the Accepted Offers of Settlement by Mr David Hendrix Jr and seconded by Dr Shabbir Dharamsey The motion passed with five (5) yes votes and zero (0) opposing votes

ENFORCEMENT ACTIVITY

CID Director David Potter reported for following results for compliance checks

November FY 24 - 17 / 288 = 5.90 %

December FY 24 - 31 / 342 = 9.06 %

January FY 24 - 29 / 373 = 7.78 %

FY 2024 - 221 / 2 855 = 7.74 %

Results for Inspections for the month of December 2023 with 9 out of 23 inspections totaled 31 violations = 39.1 % and for the month of January 2024 with 6 out of 27 inspections totaled 12 violations = 22.2 %

- CID Director David Potter gave an additional update that all new hire agents' starting salary will increase to \$53k All GS07 Agents will move to \$53k and current agents will receive a 8% increase for every year of state law enforcement service Enforcement will receive 3 new GS10 Agent positions There are currently 10 Agent openings

FDA ACTIVITY

Deputy Director Ray Owens reported for the month of December 2023 and January 2024 FDA Agents completed 387 routine inspections with 16 potential violations resulting in a 4.1% violation rate for the two month period. FDA Agents completed 82 follow-up inspections with 3 potential violations resulting in a 3.7% violation rate for the two month period.

LEGAL UPDATE

- ATC Attorney Sarah Debusk

LENIENCY HEARINGS

Case No 2023 07878
GPM SOUTHEAST LLC - Permit No 02554 02
Arie Kotler
4026 West Weddington Drive
Fayetteville, AR 72703

Violations (1) Selling Tobacco Products to Minors A C A § 5 27 227(A)(1)

In light of the evidence and testimony submitted before the Board a motion was made by Mr David Hendrix Jr and seconded by Dr Shabbir Dharamsey to keep the recommended penalty of \$700.00 civil penalty five (5) day permit suspension and Mandatory Merchant Education Training for all employees within six months. Motion passed with five (5) yes votes and zero (0) opposing votes.

FULL HEARINGS

Case No 2023-08354
GPM SOUTHEAST, LLC - Permit No 22692 01
Raed Saleh
723 East Parker Road
Jonesboro AR 72404

Violations (1) Selling Tobacco Products to Minors A C A § 5 27 227(A)(1)

In light of the evidence and testimony submitted before the Board a motion was made by Dr Shabbir Dharamsey and seconded by Mr Kerry Lott to keep the recommended penalty of \$350.00 civil penalty one (1) day permit suspension and Mandatory Merchant Education Training for the owner and all employees within six months. Motion passed with five (5) yes votes and zero (0) opposing votes.

OPEN FORUM

- Chairman Gary Proffitt asked if there were any questions or comments from the Board members There were no questions or comments made at that time

ADJOURNMENT

In closing Chairman Gary Proffitt stated that the next ATC Board meeting is scheduled for March 07 2024 A motion was made by Mr Kerry Lott and seconded by Dr Shabbir Dharamsey to adjourn It was approved with five (5) yes votes and zero (0) opposing votes The meeting was adjourned

Minutes prepared by

Sharee Devore

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Dated February 01, 2024