

MINUTES

January 21, 2020

Hendersonville ABC Board of Directors Meeting

Conference Room – 205 S. Church St., Hendersonville, NC 28792

10:00 a.m.

Directors Present: Charles L. Byrd – Board Chairman

Marcie Kane – Board Member

Sherri Metzger – Board Member

Staff Present: Jeff Nance – General Manager

Cheryl McCraw – Chief Financial Officer

Robbie Morgan – Deputy Financial Officer/ Inventory Control Manager

1. **Call to Order:** Mr. Byrd called the meeting to order at 10:00 a.m.

2. **Community Comments:** NA

3. **The Board Reviewed Article GS18B – 201**

4. **Consideration of Agenda and Minutes:** Mr. Byrd asked for a Motion to approve the Agenda and Minutes as presented. Ms. Kane so moved. Motion approved as presented.

5. **Law Enforcement:** The General Manager reviewed the report with the Board members. Lt. Vesely is now off light duty and will be conducting two (2) RASP classes in January.

6. **New Business:**

Ms. McCraw presented the Sales Report: *See Filed Documents

- Sales – Down **\$ 12,724.64 (Month) (1%)**
- Sales – Up \$387,381.23 (Year) (9.3%)
- Store #1 Loss -
- Store #2 Loss - * No Inventory Loss due to Data Breach
- Store #3 Loss -

Ms. McCraw presented the Financial Reports: *See Filed Document

Mr. Byrd asked for a Motion to accept the Financial Reports as presented. Ms. Kane so moved. Motion approved as presented. *Note: Inventory is impacted due to Data Breach

7. **Distributions: 2nd Quarter Ending 12-31-2019 * See Filed Documents**

The amount available for distributions for the second quarter is \$242,621.62. After some discussion Mr. Byrd asked for a Motion to put \$92,621.62 into Working Capital and pay

\$150,000.00 in Distributions for the second quarter ending 12-31-2019. Ms. Kane so moved. Motion approved as presented.

8. General Managers Report:

- *Jeff Nance and Blake Lowder went to training at LB&B in Raleigh. The training was how to order for your Store. Jeff gave a PowerPoint presentation on LB&B facilities and what they learned. Statewide there are 169 Boards; over 50% of the Boards are one (1) Store Boards.*
- *In Store Spirituous Liquor Tastings, tabled until next month. Board members were given a copy of the new agreement to review for their approval next month.*
- *ABC Board Controls Survey: Board members were given a copy of the Controls Survey with the answers for their review.*
- *General Managers Meeting; March 10-11, 2020 in Greenville, NC.
Attendees: Jeff Nance, Blake Lowder*
- *Phishing Email Attack: * See Attached Timeline Documents
Chief Financial Officer's Computer was hacked on August 15th, 2019. After gaining access through her email, the hacker posed as one of our ACH Vendors (Diageo). Correspondence via email with CFO, the hacker gave account information/instructions to make all further ACH payments into this new account. Two (2) ACH payments were deposited into hackers account in the amounts of \$96,505.10 and \$104,715.59. After receiving notice from Diageo that the payments were not received, but money was gone, CFO realized we were hacked. CFO notified General Manager and Board Chairman of error. Board Chairman and General Manager notified Hendersonville City Manager. Hendersonville Police Department initiated investigation. Asheville Regional FBI Office has taken lead role in the investigation.*

- 9. Chairman's Observations:** *NC Association of ABC Boards Educational Spending 2020 Questionnaire provided to Miles Davis, Association President. Mr. Byrd will reach out to someone regarding the Rehabilitation Tax, here in Henderson County, as to where the funds are spent.*

10. Board Member's Observations:

Meeting Adjourned.

The next Board Meeting will be February 18, 2020.

Board Chairman

Board Member

Board Member