

**DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
ABSTRACT AND STATEMENT**

NOT IN SUIT

For briefing offers in compromise of liabilities and/or violations incurred under sections 4181 and 4182 and Chapters 51 and 52 of the Internal Revenue Code and/or liabilities and/or violations incurred under the Federal Alcohol Administration Act.

1. OFFER SUBMITTED BY (Name and address) Adler Fels Winery 980 Airway Court, Suite B Santa Rosa, California 95403	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE Deputy Admin. Field Operations	3. AMOUNT OF OFFER \$15,000.00
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED]	
	5. CASE NUMBER	
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$	
	7. TAXPAYER IDENTIFICATION NUMBER [REDACTED]	

8. CHARGE

VIOLATIONS:
During the period between August 11, 2006 through March 31, 2009, the proponent allegedly (1) bottled wines without first obtaining a certificate of label approval (COLA) in violation of Title 27, United States Code Section 205(e), and Title 27, Code of Federal Regulations, Section 4.50(a); (2) labeled wine with incorrect viticultural area designation in violation of 27 U.S.C. 205(e) and 27 CFR Sections 4.25(e) (3), 4.30(a), and 4.39(m); (3) labeled wines with an unapproved back label and entered them into interstate commerce, violations of 27 U.S.C. 205(e) and 27 CFR Section 4.30(a); (4) labeled wines with incorrect vineyard designations and entering the said wines into interstate commerce, violations of 27 U.S.C. Section 205(e) and 27 CFR Section 4.39(m); (5) bottled and labeled wines with unapproved trade names that differed from approved trade names shown on their basic permit, violations of 27 U.S.C. Section 205(e) and 27 CFR Sections 1.40, 4.35(d) and 24.112; (6) failed to conduct required fill tests, violations of 26 U.S.C. Sections 5367 and 5368 and 27 CFR Section 24.255(d) and 24.308(c); (7) failed to list or reference the related COLA number on bottling records for COLAs used in specific bottling runs, violations of 26 U.S.C. Section 5367 and 27 CFR Section 24.308(b); (8) failed to list all required information on their February 2008 transfer in bond records in violation of 26 U.S.C. Section 5367 and 27 CFR Section 24.309; (9) failed to report losses in transit exceeding 1% of the volume shipped in violation of 26 U.S.C. Section 5367 and 27 CFR 24.267; (10) failed to include a portion of the winery premises within the bonded area shown on the initial winery application in violation of 26 U.S.C. Section 5356 and 27 CFR Section 24.105; (11) failed to file an amended application to curtail premises to allow for alternating operations, violations of 26 U.S.C. Section 5356 and 27 CFR 24.136; (12) exceeded their operational and deferral bond coverage in violation of 26 U.S.C. Sections 5354 and 5362(a) and 27 CFR Section 24.146(a) and 24.146(b); (13) failed to timely file federal excise tax returns and to timely pay federal excise taxes in violation of 26 U.S.C. Section 5061 and 27 CFR Section 24.271, and (14) failed to timely file reports of bonded wine premises operations in violation of 26 U.S.C. Section 5367 and 27 CFR Section 24.300(g).

BUSINESS IN WHICH ENGAGED:
The proponent is a duly qualified winery.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:
On or about August 11, 2006 through March 31, 2009 at 5325 Corrick Road, Santa Rosa, California 95409.

AMOUNT AND TERMS OF OFFER:
The proponent has submitted an offer of \$15,000.00 in compromise of the above violations incurred under Federal Alcohol Administration Act and the Internal Revenue Code.

RECOMMENDATION:
The Director, National Revenue Center recommends acceptance of the offer. In view of potential litigation hazards, acceptance of this Offer in Compromise, as submitted, is warranted.

9. I have considered the proposition to compromise the liability as charged herein, and, for the reasons embodied in the above abstract and statement, am of the opinion that it will be for the best interest of the United States to ACCEPT REJECT the terms proposed.

10. SIGNATURE AND TITLE [REDACTED] DEPUTY ASST. ADMIN., FIELD OPS.	11. DATE 8/26/09
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