

**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) Billy Ray Holt and Carolyn Holt 12775 Uvas Road Morgan Hill, California 95037	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE TID	3. AMOUNT OF OFFER \$13,000.00
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED]	
	5. CASE NUMBER [REDACTED]	
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$ N/A	
	7. TAXPAYER IDENTIFICATION NUMBER [REDACTED]	

8. CHARGE

VIOLATIONS:
 The proponent allegedly (1) bottled and shipped wines without first obtaining a certificate of label approval ("COLA") in violation of 27 U.S.C. 205(e); 26 U.S.C. 5367 and 5368; and 27 C.F.R. 4.50(a), 4.30(a) and 24.258; (2) bottled and shipped wines with the incorrect alcohol content stated on the label in violation of 27 U.S.C. 205(e); 26 U.S.C. 5368; and 27 C.F.R. 24.257(a)(3), 24.257(a)(5), 4.32(a)(3), 4.36(b)(1) and 4.37; (3) failed to timely file federal excise tax returns and failed to pay federal excise tax in violation of 26 U.S.C. 5041, 5061 and 5367; and 27 C.F.R. 24.271; (4) failed to file federal excise tax returns on a quarterly basis after losing eligibility for annual filing eligibility in violation of 26 U.S.C. 5061 and 5367 and 27 C.F.R. 24.273; (5) exceeded operations and deferral bond coverage in violation of 26 U.S.C. 5354 and 5362(a) and 27 C.F.R. 24.146(a) and 24.146(b); (6) failed to maintain accurate records of wine premises operations and failed to timely file accurate reports of wine premises operations in violation of 26 U.S.C. 5367 and 5369 and 27 C.F.R. 24.300(g) and 24.313.

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

DATE OR PERIOD AND LOCATION OF VIOLATIONS:
 The alleged violations occurred from August 26, 2006 to December 30, 2009 at the proponent's premises located at 12775 Uvas Road, Morgan Hill, California 95037.

AMOUNT AND TERMS OF OFFER:
 The proponent has submitted an offer of \$13,000.00 in compromise of the above alleged violations incurred under the Internal Revenue Code and Federal Alcohol Administration Act.

RECOMMENDATIONS:
 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]	11. DATE 10/7/10
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