

**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)
MOUNTAIN VALLEY VINEYARDS, INC.
DBA MOUNTAIN VALLEY VINEYARDS
217 PARKWAY
PIGEON FORGE, TENNESSEE 37863-2995

OFFER IN COMPROMISE

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|---|-----------------------------------|
| 2. ORIGINATING OFFICE TID - Southeast Region | 3. AMOUNT OF OFFER \$12,000.00 |
| 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:

[1] 26 U.S.C. 5386 and 27 CFR 24.196, producing and bottling special natural wine without an approved formula. [2] 26 U.S.C. 5387 and 27 CFR 24.201, producing and bottling agricultural wine without an approved formula. [3] 27 U.S.C. 205(e) and 27 CFR 4.50(a), bottling and shipping wine in interstate commerce without an approved Certificate of Label Approval. [4] 27 U.S.C. 205(e) and 27 CFR 4.30, bottling and shipping wine in interstate commerce which doesn't conform to the Federal Alcohol Administration Act. [5] 27 U.S.C. 205(e) and 27 CFR 4.34, bottling and shipping wine in the interstate commerce which doesn't identify the class and type on the label. [6] 26 U.S.C. 5368, 26 U.S.C. 5388, and 27 CFR 24.257(a)(4)(i) bottling and shipping wine in the interstate commerce which doesn't identify the wine destination, class or type on the label. [7] 26 U.S.C. 5368, 26 U.S.C. 5388, and 27 CFR 24.258, bottling and shipping wine in interstate commerce without an approved Certificate of Label Approval. [8] 27 U.S.C. 205(e) and 27 CFR 4.23, shipping wine in interstate commerce labeled as a varietal when the proprietor didn't use any grapes from the varietal claimed in the production of wine. [9] 27 U.S.C. 215(b) and 27 CFR 16.21, shipping wine in interstate commerce where the health warning statement isn't separate and apart for the other information. [10] 26 U.S.C. 5367 and 27 CFR 24.308(a), failing to record the volume of wine in gallons on the bottled or packed wine record. [11] 26 U.S.C. 5367 and 27 CFR 24.308(b), failing to record the label used on bottles on the bottled or packed wine record. [12] 26 U.S.C. 5367 and 27 CFR 24.308(c), failing to record the alcohol and fill test for each lot of wine bottled or packed. [13] 27 U.S.C. 205(e) and 27 CFR 4.36(b)(1), bottling and shipping wine in interstate commerce with an alcohol content which varied by more than 1.5% from the actual alcohol content. [14] 27 U.S.C. 205(f) and 27 CFR 4.64(b)(2), utilizing photographs of unapproved labels in advertising. [15] 27 U.S.C. 205(e) and 27 CFR 4.21(a)(1)(iv), bottling and shipping wine in interstate commerce identified as grape table wine when the wine had a volatile acid in excess of 0.14g/L, requiring it to be labeled as substandard or other than standard wine and [16] 27 U.S.C. 205(e) and 27 CFR 4.22(b)(1), bottling and shipping wine in the interstate commerce where the sulfur dioxide exceeds 350 parts per million.

BUSINESS IN WHICH ENGAGED:

The proponent is a duly qualified bonded winery

DATE OR PERIOD AND LOCATION OF VIOLATIONS:

January 1, 2010 through October 31, 2012.

AMOUNT AND TERMS OF OFFER:

The proponent has submitted an offer of \$12,000.00 in compromise of the above violations incurred under the Federal Alcohol Administration Act.

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.

[REDACTED]

Reg. Crest Admin 701

11. DATE
5/8/14