

**UNITED STATES OF AMERICA  
DEPARTMENT OF TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

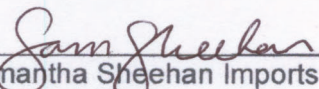
In the Matter of the Proposed )  
Suspension of the Basic Permit Issued )  
to: )  
)  
) No. AF-97670  
)  
Samantha Sheehan Imports )  
4326 Big Ranch Road )  
Napa, California 94558 )  
Basic Permit CA-W-17358 )

**SUSPENSION AGREEMENT**

1. Samantha Sheehan Imports (SSI) waives its right to file an answer and its right to a hearing before an administrative law judge, agrees to accept concurrent service of the Order to Show Cause and the suspension decision, and admits the violations set forth in the Order to Show Cause and the Initial Decision.
2. The Deputy Assistant Administrator (Field Operations), Alcohol and Tobacco Tax and Trade Bureau (TTB), and SSI agree that SSI's authority to operate under basic permit CA-W-17358 will be suspended for a period of one day.
3. SSI's ability to operate under basic permit CA-W-17358 will be suspended by order of the Deputy Assistant Administrator (Field Operations). SSI will serve its suspension on November 6, 2018.
4. During the period of suspension, SSI cannot conduct those normal business activities that it otherwise would legally conduct through its basic permit. Activities that shall not be performed during the suspension include, but are not limited to:
  - a. Filling wine orders for customers;
  - b. Placing orders of wine for customers;
  - c. Contracting to sell or offering to sell your wine products;
  - d. Producing, rectifying or blending wine;
  - e. Shipping wine in interstate or foreign commerce;
  - f. Advertising or disseminating, or causing to be advertised or disseminated, in interstate or foreign commerce, any advertisements of distilled spirits, wine or malt beverages.

5. During the period of suspension, SSI may conduct activities that would allow maintenance of its current stock or inventory. Such activities include, but are not limited to:
  - a. Activity that would only relate to maintaining or preserving wine which has already been produced or fermented;
  - b. Receiving wine production materials during the time of the suspension that had been shipped or had already been in transit prior to the commencement of the suspension;
  - c. Taking inventory of warehouse goods;
  - d. Performing administrative activities such as bookkeeping;
  - e. Rearranging warehouse stock; or
  - f. Altering, changing, or creating, but not placing in interstate or foreign commerce, advertisements of your wine products.
6. The parties agree that the information in TTB's suspension decision is not return information under 26 U.S.C. § 6103 and is not subject to any other confidentiality provisions. As such, SSI understands that TTB will publish information from the suspension decision on its public website and in its newsletter.
7. SSI agrees that this suspension agreement is valid regardless of the date the Deputy Assistant Administrator signs this agreement, the Order to Show Cause, the Initial Decision, and the Order Suspending Permit and expressly waives any objections if the Deputy Assistant Administrator signs any or all of those documents before SSI signs this Agreement.

Date: 10/30/18

  
Samantha Sheehan Imports

Date: 10/22/18

  
Deputy Assistant Administrator, Field Operations  
Alcohol and Tobacco Tax and Trade Bureau

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**INITIAL DECISION**

Concurrent with this decision, the Alcohol and Tobacco Tax and Trade Bureau (TTB) issued to Samantha Sheehan Imports (SSI) an Order to Show Cause why SSI's authority to operate under basic permit number CA-W-17358 should not be suspended because of willful violations of the conditions of the permit, as set forth in the Order to Show Cause.

Title 27, United States Code, Section 204(e), provides in pertinent part that, by order of the Secretary of the Treasury, and after due notice and opportunity for a hearing to the permittee, a basic permit shall be suspended for such period as the Secretary of the Treasury deems appropriate if the Secretary finds that the permittee has willfully violated any of the conditions of the permit.

SSI and TTB have entered into a voluntary suspension agreement, incorporated into and made part of this Initial Decision. As part of the agreement, SSI admits and acknowledges the violations set forth in the Order to Show Cause and waives its right to a hearing. Therefore, under the authority of 27 C.F.R. § 71.79(b), TTB, makes the following Findings and Decision.

**EVIDENCE PRESENTED BY THE GOVERNMENT**

1. The Order to Show Cause issued concurrently with this Decision.
2. A stipulated Suspension Agreement executed by an authorized representative of SSI, admitting the violations alleged in the Order to Show Cause and agreeing to the imposition of a one-day suspension.

**FINDINGS OF FACT AND CONCLUSIONS**

1. SSI waived its right to request a hearing on this matter and agreed to accept concurrent service of the Order to Show Cause and this Decision.

2. SSI has admitted the allegations contained in the Order to Show Cause.
3. SSI's authority to operate under basic permit number CA-W-17358 may and should be suspended for a period of one day.

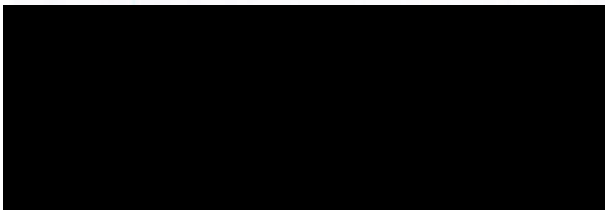
### **DECISION AND ORDER**

1. In pertinent part, basic permits issued pursuant to the Federal Alcohol Administration Act (FAA Act) are conditioned upon compliance with the requirements of 27 U.S.C. §§ 205 and 206 "and with all other Federal laws relating to distilled spirits, wine, and malt beverages, including taxes with respect thereto." 27 U.S.C. § 204(d).
2. The FAA Act, 27 U.S.C. § 205(d), makes it unlawful for an industry member to sell, offer for sale, or contract to sell to any trade buyer (a wholesaler or retailer) on consignment.
3. Consignment sales are arrangements where the trade buyer is not obligated to pay for distilled spirits, wine, or malt beverages until after the trade buyer sells the distilled spirits, wine, or malt beverages. 27 C.F.R. § 11.22.
4. TTB may suspend a basic permit issued under the FAA Act if its holder willfully violates any of the conditions of the permit. 27 U.S.C. § 204(e).
5. SSI violated the conditions of its basic permit in the following manner:
  - a. SSI is a bonded winery located in California.
  - b. [REDACTED] is a wine distributor located in [REDACTED] (and a "trade buyer" within the meaning of 27 U.S.C. § 205(d)).
  - c. In or around February 2016 and June 2016, SSI sold wine to [REDACTED] on consignment. Specifically, SSI provided wine to [REDACTED] pursuant to an arrangement whereby [REDACTED] was not obligated to pay for the wine until after it sold such wine to retailers.
  - d. SSI acted willfully, or with plain indifference to the requirements of the FAA Act, in entering into the consignment sale arrangements with [REDACTED]

SSI has admitted the violations alleged in the Order to Show Cause. SSI and TTB have agreed that SSI's authority to operate under basic permit number CA-W-17358 is to be

suspended for a period of one day. It is, therefore, decided that the period of suspension will and shall be on November 6, 2018.

10/22/18  
Dated



Deputy Assistant Administrator, Field Operations  
Alcohol and Tobacco Tax and Trade Bureau