

**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:)	
)	
Carabella Vineyard & Winery L.L.C.)	No. AF-97768
19550 Southwest Cipole Road)	
Tulatin, OR 97062)	
Basic Permit OR-W-15068)	

SUSPENSION AGREEMENT

1. Carabella Vineyard & Winery L.L.C. agrees to withdraw its hearing request in the above-reference matter.
2. Carabella Vineyard & Winery L.L.C. continues to deny the allegations. Carabella Vineyard & Winery L.L.C. asserts that it did not knowingly violate any laws and is withdrawing its hearing request due to the mounting cost of defending the case, which it is unable to afford.
3. The Deputy Assistant Administrator (Field Operations), Alcohol and Tobacco Tax and Trade Bureau (TTB), and Carabella Vineyard & Winery L.L.C. agree that its authority to operate under basic permit OR-W-15068 will be suspended for a period of one day.
4. Carabella Vineyard & Winery L.L.C.'s ability to operate under basic permit OR-W-15068 will be suspended by order of the Deputy Assistant Administrator (Field Operations). Carabella Vineyard & Winery L.L.C. will serve its suspension on September 27, 2019.
5. During the suspension period, Carabella Vineyard & Winery L.L.C. 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.
6. During the suspension period, Carabella Vineyard & Winery L.L.C. 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.
7. TTB will exercise its enforcement discretion and will not treat this suspension as a "first violation" under 27 U.S.C. § 204(e)(1), unless it discovers Carabella Vineyard & Winery L.L.C. engaged in conduct similar to the violations alleged in the Order to Show Cause on or after the date ordered to serve your suspension.
8. 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, Carabella Vineyard & Winery L.L.C. understands that TTB will publish information from the suspension decision on its public website and in its newsletter.

9. Carabella Vineyard & Winery L.L.C. agrees that this suspension agreement is valid regardless of the date the Deputy Assistant Administrator signs this agreement, the Decision, and the Order Suspending permit and expressly waives any objections if the Deputy Assistant Administrator signs any or all of those documents before Carabella Vineyard & Winery L.L.C. signs this agreement. Carabella Vineyard & Winery L.L.C. also agrees this suspension agreement is valid regardless of whether the Decision and Order are served after the agreed suspension date.

Date: 8/30/19



Carabella Vineyard & Winery L.L.C.

Date: _____



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

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

IN THE MATTER OF:)	
)	Order to Show Cause for the
)	Suspension of Basic Permit
Carabella Vineyard & Winery LLC)	Permit No. OR-W-15068
)	
Respondent)	Docket No:
)	Bureau Case No: AF-97768
)	

INITIAL DECISION

On January 7, 2019, the Alcohol and Tobacco Tax and Trade Bureau (TTB) issued to Carabella Vineyard & Winery LLC an Order to Show Cause why its authority to operate under basic permit number OR-W-15068 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.

Carabella Vineyard & Winery LLC and TTB have entered into a Settlement Agreement to resolve the immediate matter, which is currently before an Administrative Law Judge (ALJ). As part of the agreement, Carabella Vineyard & Winery LLC acknowledges the violations set forth in the Order to Show Cause and has agreed to withdraw its request for 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 January 07, 2019.
2. A Settlement Agreement executed by Carabella Vineyard & Winery LLC, acknowledging 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. Carabella Vineyard & Winery LLC has agreed to withdraw its hearing request, which it filed in response to TTB's Order to Show Cause of January 07, 2019.

2. Carabella Vineyard & Winery LLC acknowledged the allegations contained in the Order to Show Cause, without admitting fault, and agreed to a one day suspension in resolution of the matter.
3. Carabella Vineyard & Winery LLC's authority to operate under basic permit number OR-W-15068 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 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. Carabella Vineyard & Winery LLC violated the conditions of its basic permit in the following manner and instances:
 - a. Carabella Vineyard & Winery LLC is a TTB-regulated industry member, operating as a bonded winery and a wholesaler of wine in Oregon.
 - b. [REDACTED] is a TTB permitted wholesaler located in [REDACTED].
 - c. [REDACTED] is a TTB-permitted wholesaler located in [REDACTED].
 - d. Beginning in 2015 and continuing through approximately March 2018, Carabella Vineyard & Winery LLC, sold wine to [REDACTED] and [REDACTED] on consignment. Specifically, Carabella Vineyard & Winery LLC provided wine to [REDACTED] and [REDACTED] pursuant to arrangements whereby the wholesalers were not obligated to pay for the wine until after the wholesalers sold the wine to retailers.
 - e. Carabella Vineyard & Winery LLC, acted willfully, or with plain indifference to the requirements of the FAA Act, in entering into the consignment sale arrangements with [REDACTED] and [REDACTED].
3. 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.
4. 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.

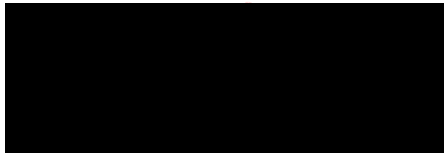
5. An FAA Act basic permit is conditioned upon compliance with the requirements of section 205 of the FAA Act. 27 U.S.C. § 204(d).
6. TTB may suspend a basic permit issued under the FAA Act if its holder willfully violates any of the conditions of the permit. 27 U.S.C. § 204(e)(1).

Carabella Vineyard & Winery LLC has acknowledged the violations alleged in the Order to Show Cause and agreed to a suspension in resolution of the allegations. Carabella Vineyard & Winery LLC and TTB have agreed that Carabella Vineyard & Winery LLC's authority to operate under basic permit number OR-W-15068 is to be suspended for a period of one day. It is, therefore, decided that the period of suspension will and shall be on September 27, 2019.

TTB will exercise its enforcement discretion and will not treat this suspension as a first violation unless it discovers that Carabella Vineyard & Winery LLC engaged in conduct similar to the violations alleged in this Order on or after the date of the suspension.

September 9 2019

Dated



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