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 Chapters 32, 51, 52, 53, 68, and/or 76 of the Internal Revenue Code, and/or liabilities and/or violations incurred under the Federal Alcohol Administration Act.

<table>
<thead>
<tr>
<th>1. OFFER SUBMITTED BY (Name and address)</th>
<th>2. ORIGINATING OFFICE</th>
<th>3. AMOUNT OF OFFER</th>
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<tbody>
<tr>
<td>E. &amp; J. Gallo Winery</td>
<td>TID</td>
<td>$225,000.00</td>
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<tr>
<th>4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable)</th>
<th>5. SYSTEM CONTROL NUMBER(S)</th>
<th>6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable)</th>
<th>7. TAXPAYER IDENTIFICATION NUMBER</th>
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8. CHARGE

VIOLATIONS:
The proponent allegedly paid "slotting allowances" by furnishing things of value to several retailers in order to obtain favorable product placement and display space, in violation of the tied house provisions of 27 U.S.C. 205(u)(2)-(4), and 27 CFR 6.21, 6.31, 6.41 and 6.51.

BUSINESS IN WHICH ENGAGED:
The proponent is a duly qualified producer and/or wholesaler/importer of distilled spirits and/or wine.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:
On or about and between December 2007 through December 2009 at various casinos located in Nevada.

AMOUNT AND TERMS OF OFFER:
The proponent has submitted an offer of $225,000.00 in compromise of the above alleged 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.

10. SIGNATURE AND TITLE                                   11. DATE

[Redacted] 5/2/14