

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 78 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) Terressentia Corporation on behalf of Terressentia, LLC 9770 Patriot Blvd., Ste 300 Ladson, South Carolina 29456	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE TID	3. AMOUNT OF OFFER \$6,385.67
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) DSP-SC-15001	5. SYSTEM CONTROL NUMBER(S)
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$ n/a	
	7. TAXPAYER IDENTIFICATION NUMBER 75-3212038	

8. CHARGE
VIOLATIONS:
See attachments for alleged violations.

BUSINESS IN WHICH ENGAGED:
The proponent is a duly qualified Distilled Spirits Plant.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:
On or about and between February 25, 2009 thru July 29, 2009, at 4286 Pace Street, North Charleston, South Carolina 29405.

AMOUNT AND TERMS OF OFFER:
The proponent has submitted an offer of \$6,385.67 in compromise of the violations incurred under the Internal Revenue Code.

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
Ronald A. Hancock Dep. Asst. Admin. FT

11. DATE
9/26/11



DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
P.O. Box 1047
Mauldin, SC 29662

October 28, 2009

LETTER OF VIOLATIONS

Fetressentia, LLC.
4286 Pace Street
North Charleston, SC 29405

5030700:DP
DSP-SC-15001

Dear Mr. Hewlette:

An investigation of the operations at the above location was conducted on August 4th through 5th 2009. During the course of the investigation the following violations were noted:

No.	Violation Description	Regulation / Law Citations	Corrective Actions
1.	During the period of 2/25/2009 until 7/29/2009, the proprietor removed 1047 cases (577 cs. Pirates Choice Key Lime Rum, 470 cs. Pirates Choice Molasses Reef Rum) or 6,282 bottles labeled as the class "Rum" when in fact the products were of the class "Flavored Rum". The proprietor had a use-up to bottle the product as the class "Rum," however, this use-up expired on 2/25/2009.	27 CFR 5.31 27 U.S.C. 205(e)	The proprietor will immediately cease using the labels designating the class as "Rum". Any product in bond labeled with the incorrect class needs to be relabeled prior to removal from the bonded premises. The proprietor will put procedures in place to ensure that products are labeled with the proper class prior to being introduced into interstate or foreign commerce.
2.	During the period of 2/25/2009 until 7/29/2009, the proprietor removed 1047 cases (577 cs. Pirates Choice Key Lime Rum, 470 cs. Pirates Choice Molasses Reef Rum) or 6,282 bottles without an approved Certificate of Label Approval (COLA.) The COLAs (TTB IDs 08234-000-000050 (Key Lime) and 08235-000-000024 (Molasses Reef Rum)) expired on 2/25/2009. No further use-ups were authorized.	27 CFR 5.55 27 U.S.C. 205(e)	The proprietor will immediately cease using the labels covered by the expired COLA. Any product in bond with the expired label needs to be relabeled prior to removal from the bonded premises. The proprietor will put procedures in place to ensure that only products covered by approved and current COLAs are introduced into interstate or foreign commerce.
3.	The proprietor is storing untaxed Grain Neutral Spirits and Virgin Islands Rum outside of the bonded premises. The plastic/metal drums are located outside, on general premises. The area is secured by a fence, however, persons other than the proprietor's personnel have keys to access the area.	27 CFR 19.133(c) 26 U.S.C. 5178	The proprietor will move the untaxed bulk spirits into the bonded premises immediately. In the future the proprietor may file an amended registration for an extension of premises and a consent of surety provided the area is enclosed to provide security required by law and regulation.
4.	The proprietor has containers of untaxed spirits outdoors that are not individually locked or locked within an enclosure when not in use.	27 CFR 19.281(c) 27 U.S.C. 5202	The proprietor will move the containers of untaxed spirits inside the secure building. The containers can be moved back outdoors should the required enclosure be constructed and the appropriate amendments to the registration are approved.

Ex - 1

5.	The proprietor filled cases of spirits in processing without the cases bearing the mandatory marks. The cases of the proprietor's products did not bear a serial number or the plant number where bottled.	27 CFR 19.607(a) (1) and (3) 26 U.S.C. 5206	The proprietor will immediately start applying the mandatory marks to all cases of spirits filled in processing. The proprietor assures compliance in the future.
6.	The proprietor failed to maintain records that include all individual transaction forms, records, and summaries specifically required by part 19.	27 CFR 19.721(a) 26 U.S.C. 5207	The proprietor will immediately start maintaining the required records. The proprietor will also attempt to recreate records from the date 8/1/2009 until current.
7.	The proprietor failed to preserve records for a period of three years as required by regulations.	27 CFR 19.723(c) 26 U.S.C. 5207	The records created by the proprietor will be preserved for the required retention period of three years.
8.	The proprietor failed to make entries required by part 19 in the daily records on the day on which the operation or transaction occurred.	27 CFR 19.731 26 U.S.C. 5207	The proprietor will make all the entries required by part 19 into the daily records by the close of business on the day that the operation or transaction occurs.
9.	The proprietor failed to maintain records of transactions and operations as a processor with respect to manufacture of distilled spirit products and finished products.	27 CFR 19.746 26 U.S.C. 5207	The proprietor will immediately begin maintaining records of all transactions and operations in the processing account.
10.	The proprietor failed to maintain dump/batch records.	27 CFR 19.748 26 U.S.C. 5207	The proprietor will immediately begin maintaining dump/batch records containing information as required by the regulations cited.
11.	The proprietor failed to maintain a bottling and packaging record with all the information required under regulations.	27 CFR 19.749 26 U.S.C. 5207	The proprietor will immediately begin maintaining bottling and packaging records containing all of the information as required by the regulations cited.
12.	The proprietor failed to record and maintain records of all alcohol content and fill tests. The proprietor conducted the tests, however, no record was maintained of the test results.	27 CFR 19.750 26 U.S.C. 5207	The proprietor will immediately begin recording the results of all alcohol tests and fill tests conducted and maintain this record with the information required by regulations.
13.	The proprietor failed to maintain a record of finished products in the manner prescribed by regulations.	27 CFR 19.751 26 U.S.C. 5207	The proprietor will immediately begin maintaining in proof gallons a record of finished products in the manner directed by the regulation cited.
14.	Ten (10) samples submitted to the Compliance Monitoring Laboratory were found to be out of compliance for being overproof. Three (3) of the samples submitted were found to be out of compliance for being underproof. 709 cases of these products from the lots tested were removed from the bonded premises.	27 CFR 19.386(b) 26 U.S.C. 5201 26 U.S.C. 5301 27 CFR 5.37(b) 27 U.S.C. 205(e)	The proprietor will dump to bulk the remaining underproof product on hand and recondition the product so that the alcohol content is in compliance with the tolerances allowed by law as compared to the stated alcohol content on the label. The product designated as overproof and removed from the bonded premises will be tax paid by and adjustment for the additional taxes on the proprietor's next filed tax return.
15.	Two (2) of the products submitted to the Compliance Monitoring Laboratory were found out of compliance due to an alteration of class and type. The V Georgio Vodka and Spirits USA Coyote Vodka were found to have a solids content in excess of 2 grams per liter. 76 cases of this product from the lots tested were removed from the bonded premises.	27 CFR 5.23(a)(3) 26 U.S.C. 5301 27 U.S.C. 205	The V Georgio and Spirits USA Vodka has been dumped to bulk and will be reconditioned to bring the product into compliance for the solids content of the class and type declared.

Terressentia, LLC.
5030700:DP

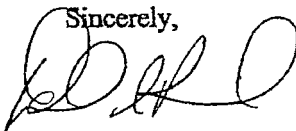
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Your basic permit and registration as a Distilled Spirits Plant are conditioned upon your compliance with all Federal laws and regulations relating to liquor operations. Failure to take prompt corrective actions described above or to comply with all Federal laws and regulations in the future may subject you to the full penalties provided by law.

These findings will be reviewed by TTB management and may result in further administrative action.


Please acknowledge your receipt of this letter by returning a signed copy to Investigator Pierscinski at PO Box 1047, Mauldin, SC 29662. Should you have any questions regarding this letter, please contact me at (202) 453-3153 or District Director Ginger Davis at (205) 680-4485.

Sincerely,



Daniel S. Pierscinski
Investigator

I acknowledge receipt of this three page letter on 10-28-07
(Date)


(Signature)

Ex-1