

**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-97786
)
A & M Wines, Inc.)
310 Ashlar Drive)
Napa, California 94558)
Basic Permit CA-P-21831)

SUSPENSION AGREEMENT

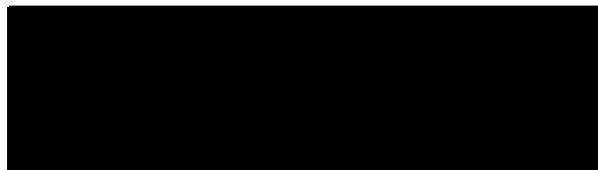
1. A & M Wines, Inc. waives its right to file an answer and its right to a hearing before an administrative law judge, agrees to accept concurrent service of the Order to Show Cause and the suspension decision, and admits the violations set forth in the Order to Show Cause and the Initial Decision.
2. The Deputy Assistant Administrator (Field Operations), Alcohol and Tobacco Tax and Trade Bureau (TTB), and A & M Wines, Inc. agree that his authority to operate under basic permit CA-P-21831 will be suspended for a period of one day.
3. A & M Wines, Inc.'s ability to operate under basic permit CA-P-21831 will be suspended by order of the Deputy Assistant Administrator (Field Operations). A & M Wines, Inc. will serve its suspension on January 2, 2019.
4. During the suspension period, A & M Wines, Inc. 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. Purchasing or receiving, or contracting to purchase or receive, wine for resale;
 - b. Selling wine at wholesale;
 - c. Filling wine orders for customers;
 - d. Placing orders of wine for customers;
 - e. Contracting to sell or offering to sell your wine products;
 - f. Shipping wine in interstate or foreign commerce;

- g. 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 suspension period, A & M Wines, Inc. may conduct activities that would allow maintenance of his 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 received;
 - b. Receiving wine during the time of the suspension that was shipped or was already in transit before the suspension commenced;
 - 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, A & M Wines, Inc. understands that TTB will publish information from the suspension decision on its public website and in its newsletter.
7. A & M Wines, Inc. agrees that this suspension agreement is valid regardless of the date the Deputy Assistant Administrator signs this agreement, the Order to Show Cause, 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 A & M Wines, Inc. signs this agreement.

Date: 12/19/18

Anna Monticelli
Anna Monticelli
Managing Member, A & M Wines, Inc.

Date: 12/19/18



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 A & M Wines, Inc. an Order to Show Cause why A & M Wine, Inc.'s authority to operate under basic permit number CA-P-21831 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.

A & M Wine, Inc. and TTB have entered into a voluntary suspension agreement, incorporated into and made part of this Decision. As part of the agreement, A & M Wine, Inc. 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 A & M Wines, Inc., 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. A & M Wines, Inc. 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. A & M Wines, Inc. has admitted the allegations contained in the Order to Show Cause.
3. A & M Wines, Inc.'s authority to operate under basic permit number CA-P-21831 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. A & M Wines, Inc. violated the conditions of its basic permit in the following manner and instances:
 - a. A & M Wines, Inc. is a wine wholesaler in California.
 - b. [REDACTED] is a TTB permitted wholesaler located in [REDACTED]
 - c. [REDACTED] is a TTB-permitted wine wholesaler located in [REDACTED] (and a "trade buyer" within the meaning of 27 U.S.C. § 205(d)).
 - d. [REDACTED] operates as a wine wholesaler located in [REDACTED] (and a "trade buyer" within the meaning of 27 U.S.C. § 205(d)).
 - e. In or around October 2015 through approximately January 2018, A & M Wines, Inc. sold wine to [REDACTED] on consignment. Specifically, A & M Wines, Inc. provided wine to the three wholesalers pursuant to an arrangement whereby the wholesalers were not obligated to pay for the wine until after the wholesalers sold such wine to retailers.
 - f. A & M Wines, Inc. acted willfully, or with plain indifference to the requirements of the FAA Act, in entering into the consignment sale arrangements with [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).

A & M Wines, Inc. has admitted the violations alleged in the Order to Show Cause. A & M Wines, Inc. and TTB have agreed that A & M Wines, Inc.'s authority to operate under basic permit number CA-P-21831 is to be suspended for a period of one day. It is, therefore, decided that the period of suspension will and shall be on January 2, 2019.

12/19/18
Dated



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