DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU  
ABSTRACT AND STATEMENT  

For briefing offers in compromise of liabilities and/or violations incurred under sections 4181 and 4182 and Chapters 51 and 52 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)  
STERN BEVERAGE, INC.  
PO Box 842  
Milan, IL 61264  
Re: 961 Tech Dr.  
Milan, IL 61264

2. ORIGINATING OFFICE  
TID

3. AMOUNT OF OFFER  
$350,000

4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable)  

5. CASE NUMBER  

6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable)  
$ N/A

7. TAXPAYER IDENTIFICATION NUMBER  

8. CHARGE  
VIOLATIONS:  
The Alcohol and Tobacco Tax and Trade Bureau alleges Stern Beverage, Inc. entered into an agreement with a retailer that required the retailer to purchase Stern Beverage, Inc’s products to the exclusions of products offered by its competitors in violation of the Federal Alcohol Administration Act ("FAA Act") exclusive outlet provisions (27 U.S.C. § 205(a) and 27 C.F.R. Part 8) and that Stern Beverage, Inc. provided things of value to retailers in exchange for placement of its products in violation of the FAA Act’s tied house provisions (27 U.S.C. § 205(b) and 27 C.F.R. Part 6).

BUSINESS IN WHICH ENGAGED:  
The proponent is a wholesaler of alcohol beverage products.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:  
The alleged violations occurred from August 7, 2015 through the date of acceptance of this offer in compromise at the proponent’s premises at 961 Tech Drive, Milan, IL 61264, and at other locations in the Quad Cities area.

AMOUNT AND TERMS OF OFFER:  
The proponent has submitted an offer in the amount of $350,000 and made a remittance in the same amount.

RECOMMENDATION:  
The Director, National Revenue Center, recommends acceptance of the offer. In view of potential litigation hazards, acceptance of the 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  
Deputy Asst. Administrator Field Operations  

11. DATE  
December 13, 2019

TTB F 5640.3 (10/2007)
INSTRUCTIONS

Item No:
1. Complete name and address along with any name the proponent is doing business as (d/b/a), operating as, or trading as (t/a).

2. Indicate the office originating the offer.

3. State the dollar amount of the offer submitted by the proponent.

4. This block should show the permit, license, or registry number of the proponent, if the proponent has such a number. If there is no license, permit, or registry number, identify the type of business and the state of operation, e.g., RLD-PA or FAET-NJ.

5. This block should indicate the case number assigned by the Office of Assistant Administrator, Field Operations.

6. For those IRC cases where TTB is reviewing an offer to compromise, an outstanding tax liability due to doubt as to collectibility and/or liability, the full amount of the tax liability (including any penalties, interest and/or additional amounts) should be entered in this block. This amount must agree with the amount shown on the offer form, TTB F 5640.1.

7. This block must contain the proponent’s employer identification number (EIN) or, if the proponent has no EIN, the proponent’s social security number (SSN).

8. Describe, in separate paragraphs:
   - The business in which the proponent is engaged and to which the offer applies;
   - The violation(s) and number of instances, if appropriate, including all law citation(s) and regulation citation(s);
   - The liabilities to be compromised, if any, and the sections of law and regulations applicable to those liabilities;
   - A statement of the facts, to include the date or tax period, as applicable, and place of the violation(s);
   - The reason for submitting the offer (which may include the amount and terms of the offer) and, if applicable, the basis for doubt as to liability and/or collectibility; and
   - Additional comments, conclusions, and the recommendation of the appropriate TTB official.

Additional pages may be attached to TTB F 5640.3 describing the condition(s) of the offer.

9. The appropriate TTB official signing in Item 10 must check either the “ACCEPT” or “REJECT” block.

10. The signature and title of the appropriate TTB official must appear in this block.

11. The date the offer is accepted or rejected must be indicated in this block.