

**DEPARTMENT OF THE TREASURY
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS
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) Kautz Vineyards, Inc. dba Ironstone Vineyards 1894 Six Mile Road Murphys, California 95247	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE San Francisco Field	3. AMOUNT OF OFFER \$100,000
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED]	5. SYSTEM CONTROL NUMBER(S) N/A
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$	
7. TAXPAYER IDENTIFICATION NUMBER [REDACTED]	[REDACTED]	

8. CHARGE

VIOLATIONS:

During the period May 1998 through June 2000, the proponent violated (1) Sections 4.25a(e)(3); 4.39(k) and 4.64(a)(1) of Title 27, Code of Federal Regulations, by introducing into interstate commerce approximately 159,270 cases of mislabeled wine, along with various advertising materials, which reflected misleading inference to the viticultural area appellation of Sierra Foothills. As a result, the proponent incurred the penalty imposed by Title 27, United States Code, Section 207.

BUSINESS IN WHICH ENGAGED:
 Proponent is a duly qualified winery.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:
 From May 1998 through June 2000, at proponent's premises located at 1894 Six Mile Road, Murphys, California.

AMOUNT AND TERMS OF OFFER:
 The proponent has submitted an offer of \$100,000 in compromise of above violations.

RECOMMENDATION BY CHIEF, NATIONAL REVENUE CENTER:

The Chief, National Revenue Center recommends acceptance of \$100,000 as this amount is both commensurate with the nature of the violations, and sufficient to deter recurrence. The proponent has been fully cooperative and has taken action to correct the situation. In view of the assurances of future compliance litigation from the proponent, acceptance of this Offer in Compromise as submitted is warranted.

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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 Chief, National Revenue Center [REDACTED]	11. DATE 02/18/03
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