


**UNITED STATES OF AMERICA  
DEPARTMENT OF TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

In the Matter of the Proposed Suspension )  
of the Basic Permits Issued to: )  
)  
)  
) No. AF-97916  
)  
RCL Wine Affiliates, LLC )  
DBA Fat Barrel Wine Company )  
1050 SW Sixth Avenue, Suite 1100 )  
Portland, Oregon 97204 )

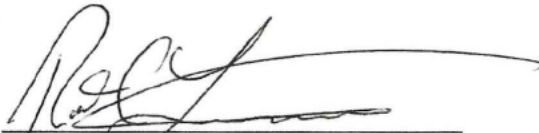
**SUSPENSION AGREEMENT**

1. RCL Wine Affiliates, LLC DBA Fat Barrel Wine Company (Fat Barrel) 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, but contends that it acted with plain indifference of the requirements of 27 U.S.C. § 205(d) and not with a specific intention of violating same.
2. Fat Barrel has submitted applications for two Federal Alcohol Administration (FAA) Act basic permits to wholesale and import alcohol beverages.
3. The Deputy Assistant Administrator (Field Operations), Alcohol and Tobacco Tax and Trade Bureau (TTB), and Fat Barrel agree that Fat Barrel's authority to operate under the basic permits referenced in paragraph 2 of this agreement will be suspended for a period of one day upon the issuance of those permits.
4. During the period of suspension, Fat Barrel cannot conduct those normal business activities that it otherwise would legally conduct while holding basic permits. Activities that shall not be performed during the suspension include, but are not limited to:
  - a. Importing wine;
  - b. Filling wine orders for customers;
  - c. Placing orders of wine for customers;
  - d. Contracting to sell or offering to sell your wine products;
  - e. Shipping wine in interstate or foreign commerce;

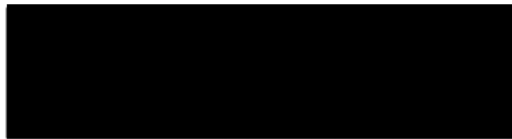
  
7/16/19

- f. 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 period of suspension, Fat Barrel may conduct activities that would allow maintenance of its current stock or inventory. Such activities include, but are not limited to:
  - a. Taking inventory of warehouse goods;
  - b. Performing administrative activities such as bookkeeping;
  - c. Rearranging warehouse stock; or
  - d. 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, Fat Barrel understands that TTB may publish information from the suspension decision on its public website and in its newsletter.
7. Fat Barrel 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 Fat Barrel signs this agreement.

Date: 7/16/19

  
\_\_\_\_\_  
RCL Wine Affiliates, LLC

Date: 7/24/19



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

**UNITED STATES OF AMERICA  
DEPARTMENT OF TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

In the Matter of the Proposed )  
Suspension of the Basic Permits Issued )  
to: )  
)  
) No. AF-97916  
RCL Wine Affiliates, LLC )  
DBA Fat Barrel Wine Company )  
1050 SW Sixth Avenue, Suite 1100 )  
Portland, Oregon 97204 )

**DECISION**

Concurrent with this decision, the Alcohol and Tobacco Tax and Trade Bureau (TTB) issued to RCL Wine Affiliates, LLC, DBA Fat Barrel Wine Company (Fat Barrel) an Order to Show Cause why Fat Barrel's authority to operate under its basic wholesaler and imports permits (OR-P-15213 and OR-I-15060) should not be suspended because of willful violations of Title 27, United States Code, Section 205(d), 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.

Fat Barrel and TTB have entered into a voluntary suspension agreement, incorporated into and made part of this Decision. As part of the agreement, Fat Barrel 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 an authorized representative of Fat Barrel 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. Fat Barrel 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. Fat Barrel has admitted the allegations contained in the Order to Show Cause.
3. Fat Barrel's authority to operate under its basic permits 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. Fat Barrel violated 27 U.S.C. § 205(d) in the following manner and instances:
  - a. Fat Barrel is a wine wholesaler and importer located in Oregon.
  - b. [REDACTED] is a TTB permitted wholesaler located in [REDACTED].
  - c. In approximately March 2017, Fat Barrel sold wine to [REDACTED] on consignment. Specifically, Fat Barrel provided wine to [REDACTED] pursuant to an arrangement whereby [REDACTED] was not obligated to pay for the wine until after [REDACTED] sold the wine to retailers.
  - d. Fat Barrel, through Robert Lynde, 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).

Fat Barrel has admitted the violations alleged in the Order to Show Cause. Fat Barrel and TTB have agreed that Fat Barrel's authority to operate under basic permits, OR-I-5060 and OR-P-15213, are to be suspended for a period of one day. It is, therefore, decided that the period of suspension will and shall be on August 9, 2019.

7/24/19  
Date



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