

**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 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.

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| 1. OFFER SUBMITTED BY (Name and address) RN Acquisition, LLC 400 North Elizabeth Street Chicago, IL 60642 City Beverage - Markham, LLC 1401 E. Algonquin Road Arlington Heights, IL 60005 | OFFER IN COMPROMISE | |
| | 2. ORIGINATING OFFICE TID | 3. AMOUNT OF OFFER \$850,000.00 |
| | 4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED] | |
| | 5. CASE NUMBER | |
| | 6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$ N/A | |
| | 7. TAXPAYER IDENTIFICATION NUMBER [REDACTED] | |

8. CHARGE

VIOLATIONS:

1) Certain activities by one or more of Proponent's entities in Illinois violated (1) the conditions of certain of Proponent's federal basic permits; (2) the provisions of 27 U.S.C. 203 and 205 of the Federal Alcohol Administration Act; and (3) the regulations promulgated thereunder.

2) In support of such allegations, TTB alleges that one or more of Proponent's affiliated entities unlawfully:

- paid sponsorship funds to a third-party concert promotion company commonly owned and/or managed by a retailer's owner and/or manager, which induced the retailer to purchase Proponent's malt beverages to the exclusion of competitor brands;
- paid or reimbursed another industry member to support and participate in such industry member's sponsorship of a multi-purpose venue; aided and abetted the other industry member's alleged tied house and exclusive outlet violations with respect to the venue's retail concessionaire; and provided various trade items to the retail concessionaire, which acts collectively induced the concessionaire to purchase Proponent's malt beverages to the exclusion of competitor brands;
- provided various trade items to a retailer at below-market value, which induced the retailer to purchase Proponent's malt beverages to the exclusion of competitor brands; and
- operated without a basic permit at one of its warehouses.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:

The alleged violations occurred between 2014 - Present.

BUSINESS IN WHICH ENGAGED:

The Proponent is a TTB -permitted wholesaler of alcohol beverages.

AMOUNT AND TERMS OF OFFER:

The Proponent has submitted an offer of \$850,000.00 in compromise of the above alleged violations.

RECOMMENDATIONS:

The Deputy Assistant Administrator for Permitting and Taxation, 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.

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| 10. SIGNATURE AND TITLE [REDACTED] Deputy Asst. Administrator Field Operations | 11. DATE March 19, 2021 |
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