

**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.

1. OFFER SUBMITTED BY (Name and address) MHW, Ltd. 1129 Northern Boulevard, Suite #312 Manhasset, New York	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE TID [REDACTED]	3. AMOUNT OF OFFER \$450,000.00
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED]	
	5. CASE NUMBER AF-98,844-AASUS	
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$	
	7. TAXPAYER IDENTIFICATION NUMBER [REDACTED]	

8. CHARGE

i. ALLEGED VIOLATIONS:

TTB alleges that MHW, Ltd., (MHW) a Trade Buyer, contracted to purchase, and/or purchased, products on (a) consignment; or (b) under conditional sale; or (c) on any basis other than a bona fide sale from multiple entities in violation of 27 U.S.C. § 205(d) and 27 C.F.R. § 11.21.

In support of said violations, TTB alleges that:

1) MHW entered into agreements, with TTB-permitted industry members ("Suppliers"), wherein MHW was under no obligation to pay for distilled spirits or wine until it sold these products and received payment.

2) Through this arrangement, MHW assumed title to a product, prior to paying for that product, and Suppliers could not access or sell products held by MHW without its approval. Under the terms of the arrangement, and in actual practice, MHW was not required to pay Suppliers if it was unable to collect funds from its buyers.

ii. BUSINESS IN WHICH ENGAGED:

MHW is a wholesaler of beverage alcohol pursuant to the provisions of 27 U.S.C. § 203(c).

iii. DATE OR PERIOD AND LOCATION OF ALLEGED VIOLATIONS:

The alleged violations occurred beginning on or about August 2019 and August 2022, at MHW's licensed premise located at 1129 Northern Boulevard, Suite #312, Manhasset, New York.

iv. AMOUNT AND TERMS OF OFFER:

MHW submitted an offer in compromise (OIC) in the amount of \$450,000.00 and has remitted an initial payment of \$100,000.00 with its submission. MHW proposes to make additional \$50,000.00 payments every three months, commencing on July 31, 2024, with a final payment to be made on January 31, 2026. Moreover, MHW has agreed to implement corrective actions including:

1) Modify its agreements to eliminate the practice of assigning receivables to its Suppliers;

2) Pay its Suppliers on fixed terms, regardless of when or if payment is received from its buyers; and

3) Suppliers that enter into an agreement with MHW shall have access to products stored under MHW's supervision prior to purchase by MHW.

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 [REDACTED] Deputy Asst. Administrator Field Operations	11. DATE April 9, 2024
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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.