

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

In re:	Distilled Resources, Inc. 134 N 3300 E Rigby, Idaho 83442 Basic Permit No. [REDACTED]))
)	Docket Number DN-80364

STIPULATION AND AGREEMENT FOR PUBLICATION

The Alcohol and Tobacco Tax and Trade Bureau ("TTB") and Distilled Resources, Inc., ("DRI") hereby stipulate and agree as follows:

1. DRI holds a Basic Permit Number [REDACTED], issued under the authority of the Federal Alcohol Administration Act, Title 27, United States Code, Sections 201-211. The permit is for a distilled spirits plant and authorizes DRI to engage in appropriate business operations at 134 N 3300 E, Rigby, Idaho 83442.
2. On or about and between December 1, 2002, and April 30, 2006, DRI (formerly known as Silver Creek Distillers, Inc.) willfully violated such conditions of its Permit Number [REDACTED] as are set forth in Title 27, United States Code, Section 204(d). Specifically, during a joint TTB audit and product integrity investigation that occurred in April and May, 2005, TTB discovered numerous recordkeeping and labeling-related violations of the Federal Alcohol Administration Act, 27 U.S.C. § 201 et. seq.; the Alcoholic Beverage Labeling Act, 27 U.S.C. § 215; and other Federal statutes and related regulations.
3. 27 U.S.C. §§ 204(d) and (e) provide in pertinent part:

(d) A basic permit shall be conditioned upon compliance with the requirements of section 105 (relating to unfair competition and unlawful practices) and of section 106 (relating to bulk sales and bottling) [27 U.S.C. §§ 205 and 206], with the twenty-first amendment [USCS Constitution, Amendment 21], and with all other Federal laws relating to distilled spirits, wine, and malt beverages, including taxes with respect thereto.

(e) A basic permit shall by order of the Secretary of the Treasury, after due notice and opportunity for hearing to the permittee, (1) be revoked, or 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 thereof, provided that for a first violation of the conditions thereof the permit shall be subject to suspension only

4. In consideration of the violations detailed above, both parties agree to a three (3) consecutive day suspension of DRI's Basic Permit Number [REDACTED]. The parties further agree that said suspension will be served by DRI on January 10, 11, and 12, 2007. DRI agrees that it will not engage in any business operations authorized under its basic permit for the duration of the suspension.
5. Pursuant to 27 C.F.R. § 71.71, DRI waives its right to a hearing before an administrative law judge, and agrees that the Deputy Assistant Administrator, Field Operations, TTB, has authority pursuant to 27 U.S.C. § 204(e) to suspend DRI's basic permit for the above referenced violation thereof.
6. DRI agrees not to contest or to appeal the provisions of this settlement agreement.

ACCORDINGLY, this Stipulation and Agreement becomes effective upon the execution thereof by both parties to this Agreement. Upon successful completion by the permittee of the suspension, this pending matter will be dismissed.

[REDACTED]

 President, Distilled Resources, Inc.

10 JAN 07
 Date

for [REDACTED] (Acting, DAA)
 Thomas R. Crone
 Deputy Assistant Administrator, Field Operations
 Alcohol and Tobacco Tax and Trade Bureau

1/5/2007
 Date