

**STATE OF VERMONT  
LIQUOR CONTROL BOARD**

**IN RE: THE WINETASTING NETWORK  
578 GATEWAY DRIVE  
NAPA, CALIFORNIA**

**ORDER CONDITIONALLY GRANTING  
APPLICATION FOR DIRECT SHIPPER'S LICENSE**

The Liquor Control Board ("Board") held proceedings in Montpelier, Vermont on May 7, 2014 to consider a re-application for a revoked Direct Shipper's License to The Winetasting Network, 578 Gateway Drive, Napa, California ("Applicant") by which it would be permitted to ship vinous beverages directly to a consumer. Jacob A. Humbert, Esq., Assistant Attorney General, appeared on behalf of the Department of Liquor Control ("DLC"). Bill Pozdoll, Vice President and General Manager for Applicant's owner, 1-800-FLOWERS, appeared on Applicant's behalf. We make the following findings:

On May 30, 2013, this Board revoked Applicant's Direct Shipper's License for failing, *inter alia*, to submit timely reports as required by 7 V.S.A. §66(e)(4)(A)-(C). Applicant did not appear at the May 8, 2013 Hearing scheduled to consider revocation.

At the May 7, 2014 Hearing, Mr. Pozdoll testified about rather unusual events that occurred around the time of the revocation, which involved alleged fraud and embezzlement by the officer in charge of compliance and paying taxes to the jurisdictions, such as Vermont, where Applicant ships. This former officer fled, was arrested in Mexico and extradited to the United States for criminal proceedings and, needless to say, is no longer Applicant's employee.

Mr. Pozdoll testified about Applicant's new corporate structure which, he confirmed, will ensure compliance going forward.

DLC Investigator Martin Prevost testified that Applicant, though having a revoked license, supplied DLC with compliant reports covering July to October 2013 based on a misunderstanding that Applicant's license had been reinstated, but has yet to file reports for any other months back to and including the 2011 license period.

## **ORDER**

Based on the foregoing, the Board **CONDITIONALLY GRANTS** Applicant, The Winetasting Network's Direct Shipper's License subject to the following conditions:

- The Applicant shall file all required reports to DLC retroactively covering the 2011-2012 license period through to the present;
- The Applicant shall pay any and all required and outstanding DLC fines and State of Vermont taxes associated with its revoked license and for any vinous beverages shipped directly to Vermont consumers since the beginning of the 2011 license period;
- A duly appointed officer, on Applicant's behalf, shall affirm under the pain and penalties of perjury that all legally required State of Vermont taxes have been paid in full or are subject to a Department of Taxes-approved payment agreement; and
- DLC may, to the extent practicable and allowed by law, confirm Applicant's Good Standing status with the Vermont Department of Taxes.

Should these conditions be met, and assuming that Applicant otherwise meets DLC's application requirements to its satisfaction, a new Direct Shipper's License may issue.

**DATED** at Montpelier, Vermont this 6<sup>th</sup> day of June 2014.

### **VERMONT LIQUOR CONTROL BOARD**

By:   
Stephanie M. O'Brien, Chair