Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [X] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
SUTTER HOME WINERY, INC. 401(K) AND PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 09/01/1977

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
SUTTER HOME WINERY, INC.

100 MAIN STREET, P.O. BOX 248
ST. HELENA, CA 94574

2b Employer Identification Number (EIN)
94-1080860

2c Sponsor's telephone number
707-963-3104

2d Business code (see instructions)
312130

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	05/09/2012	ANTHONY TORRES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	05/09/2012	ANTHONY TORRES
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
SUTTER HOME WINERY, INC.

100 MAIN STREET, P.O. BOX 248
ST. HELENA, CA 94574

3b Administrator's EIN
94-1080860

3c Administrator's telephone number
707-963-3104

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:
a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	849
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	690
b	Retired or separated participants receiving benefits	**6b**	
c	Other retired or separated participants entitled to future benefits	**6c**	164
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	854
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	
f	Total. Add lines **6d** and **6e**	**6f**	854
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	848
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	21
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2J 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		___ **A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)		**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

A Name of plan	**B** Three-digit plan number (PN) ▶	
SUTTER HOME WINERY, INC. 401(K) AND PROFIT SHARING PLAN		001

C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)
SUTTER HOME WINERY, INC.	94-1080860

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MERRILL LYNCH

13-3180817

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGEMENT	167506	Yes [ ] No [X]	Yes [ ] No [X]		Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

PENSION SPECIALISTS, INC.

35 IRON POINT CIRCLE SUITE 100
FOLSOM, CA 95630

27-2037969

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 64	CONTRACT ADMINISTRATOR	98916	Yes [ ] No [X]	Yes [ ] No [X]		Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

WELLS FARGO

600 CALIFORNIA STREET
SAN FRANCISCO, CA 94108

41-6257133

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGEMENT	13395	Yes [ ] No [X]	Yes [ ] No [X]		Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

A Name of plan
SUTTER HOME WINERY, INC. 401(K) AND PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SUTTER HOME WINERY, INC.

D Employer Identification Number (EIN)
94-1080860

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	7593501	8308827
(2) Participant contributions	1b(2)	64	310
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	20035	0
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	785632	967089
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	107851714	137294887
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	116250946	146571113
Liabilities			
g Benefit claims payable	1g		0
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	0	2062
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	2062
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	116250946	146569051

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	8308827	
(B) Participants	2a(1)(B)	3510367	
(C) Others (including rollovers)	2a(1)(C)	457784	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		12276978
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	55539	
(F) Other	2b(1)(F)	6943	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		62482
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		22171572
c Other income	2c		101
d Total income. Add all **income** amounts in column (b) and enter total	2d		34511133
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3911149	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3911149
f Corrective distributions (see instructions)	2f		2062
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	112311	
(3) Investment advisory and management fees	2i(3)	167506	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		279817
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		4193028
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		30318105
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BROTEMARKLE DAVIS & CO. LLP (2) EIN: 68-0219846

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R
(Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

A Name of plan
SUTTER HOME WINERY, INC. 401(K) AND PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SUTTER HOME WINERY, INC.

D Employer Identification Number (EIN)
94-1080860

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 27-1228437

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

SUTTER HOME WINERY, INC.
401(k) AND PROFIT SHARING PLAN
FINANCIAL STATEMENTS

For the years ended
June 30, 2011 and 2010

SUTTER HOME WINERY, INC.
401(k) AND PROFIT SHARING PLAN
TABLE OF CONTENTS
June 30, 2011 and 2010

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BROTEMARKLE, DAVIS & CO. LLP

Putting People First

INDEPENDENT AUDITORS' REPORT

To the Sutter Home Winery, Inc.
401(k) and Profit Sharing Plan Committee
St. Helena, California

We were engaged to audit the financial statements of the Sutter Home Winery, Inc. 401(k) and Profit Sharing Plan as of June 30, 2011 and 2010, and for the years then ended, and the supplemental schedules as of June 30, 2011 and 2010 and for the years ended as listed in the accompanying table of contents. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized on pages 4, 5, and 9 through 11, which was certified by Wilmington Trust Retirement and Institutional Services Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. The plan administrator has informed us that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustees as of and for the years ended June 30, 2011 and 2010 that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Brotemarkle, Davis & Co. LLP

March 14, 2012

PH: 707-963-4466 FAX: 707-963-4712 899 Adams Street, Suite H St. Helena, CA 94574 www.bdcocpa.com

SUTTER HOME WINERY, INC.
401(k) AND PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
June 30, 2011 and 2010

	2011	2010
INVESTMENTS, At Fair Value (Note 6)		
Plan Interest in Wilmington Trust Unitized Investments	$137,294,887	$107,851,714
Cash	-	20,035
Total Investments	137,294,887	107,871,749
RECEIVABLES		
Contribution - Sutter Home Winery, Inc.	8,308,827	7,593,501
Contributions - Plan Participants	310	64
Notes Receivable from Participants	967,089	785,632
Total Receivables	9,276,226	8,379,197
TOTAL ASSETS	146,571,113	116,250,946
LIABILITIES	2,062	-
NET ASSETS AVAILABLE FOR BENEFITS	**$146,569,051**	**$116,250,946**

See accompanying notes.

SUTTER HOME WINERY, INC.
401(k) AND PROFIT SHARING PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the years ended June 30, 2011 and 2010

	2011	2010
ADDITIONS		
Investment Income:		
Net Appreciation in Fair Value of Investments (Notes 2 and 6)	$ 17,172,401	$ 10,774,014
Dividends and Interest	5,061,653	3,225,591
Other	101	-
Total Investment Income	22,234,155	13,999,605
Contributions From:		
Employers	8,308,827	7,593,501
Plan Participants	3,510,367	3,118,697
Employee Rollovers	457,784	419,830
Total Contributions	12,276,978	11,132,028
Total Additions	34,511,133	25,131,633
DEDUCTIONS		
Benefits Paid to Plan Participants	3,911,149	5,674,336
Investment Management Fees	167,506	98,943
Administrative Expense	112,311	63,077
Refund Excess Participant Contributions	2,062	-
Total Deductions	4,193,028	5,836,356
NET INCREASE	30,318,105	19,295,277
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	116,250,946	96,955,669
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	**$146,569,051**	**$116,250,946**

See accompanying notes.

SUTTER HOME WINERY, INC.
401(k) AND PROFIT SHARING PLAN
SCHEDULES OF ASSETS (HELD AT END OF YEAR)
(Schedule H, line 4i)
June 30, 2011 and 2010

Investments at Market Value as Determined by Quoted Market Price (C)	2011 Principal or Number of Shares	2011 Cost (D)	2011 Current Value (E)	2010 Principal or Number of Shares	2010 Cost (D)	2010 Current Value (E)
Plan Interest in Wilmington Trust Unitized Investments	10,040,580	$ 103,734,290	$ 137,294,887 *	9,423,808	$ 95,241,152	$ 107,851,714
Cash		-	-		20,035	20,035
Total Investments		$ 103,734,290	$ 137,294,887		$ 95,261,187	$ 107,871,749

* Represents assets whose value is in excess of 5% of Net Assets Available for Benefits.

(A) There were no investments with a party-in interest.

EIN: 94-1080860

Plan Number: 001

See accompanying notes.

SUTTER HOME WINERY, INC.
401(k) AND PROFIT SHARING PLAN
SCHEDULE OF REPORTABLE TRANSACTIONS
(Schedule H, line 4j)
For the year ended June 30, 2011

Identity of Party Involved (A)	Description of Asset (B)	Purchase Price (C)	Selling Price (D)	Cost of Asset (G)	Current Value (H)	Net Gain or (Loss) (I)
Wilmington Trust	Unitized Investments	$ 12,008,211	$ -	$ -	$ -	$ -
EIN: 94-1080860						
Plan Number: 001						

See accompanying notes.

SUTTER HOME WINERY, INC.
401(k) AND PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1 - DESCRIPTION OF PLAN

General
The Plan is a defined contribution plan covering all eligible employees of Sutter Home Winery, Inc. who have three months of service and are age eighteen or older. Employees become eligible for the profit sharing portion of the plan when they have six months of service, a minimum of 500 hours and are age eighteen or older. Participants should refer to the Plan agreement for a more complete description of eligibility requirements. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and the Tax Reform Act of 1986.

Funding Policy
Contributions are made at the discretion of Sutter Home Winery, Inc. Contributions are allocated in the same ratio that the participant's compensation bears to the compensation of all eligible participants. For the years ended June 30, 2011 and 2010, the company contributed 16% of eligible compensation.

Participant Contributions
Each year participants may contribute a percentage of annual compensation, as defined by the Plan, not to exceed $16,500. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing rollover distributions from other qualified retirement plans. The selection of investments in the Plan are not directed by the participants.

Benefits
Any participants that reach their normal retirement date, become disabled, die or terminate their employment will receive a vested portion of their accrued benefits. These benefits can be received four different ways: a life annuity, a single lump-sum, equal installments over the participant's life expectancy, or equal installments over the life expectancies of the participant and his/her beneficiary. Death benefits are also available under certain circumstances. A Summary Plan Description describing benefits in more detail is available from Sutter Home Winery, Inc., P.O. Box 248, St. Helena, California 94574.

Vesting of Benefits
Currently, the Plan is using a six-year vesting schedule. Participants also will become fully vested if any of the following events occur:

- Participant reaches normal retirement age.
- Participant becomes disabled or dies.
- The Plan is terminated.

Plan Termination
Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

Disposition of Forfeitures
Forfeitures of employer contributions are ratably reallocated to continuing participants. These forfeitures totaled $165,759 for 2011 and $107,762 for 2010.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The accounting records of the Plan are maintained on the accrual basis in accordance with United States generally accepted accounting principles.

Income Recognition
Employer contributions are determined by multiplying the eligible gross wages paid to each participant by the contribution percent. Investment income is reported when earned. Benefit payments to participants are recorded upon distribution.

Investment Valuation and Income Recognition
The Investments are stated at fair value. Fair values are determined by the Wilmington Trust Retirement Services and Institutional Services Company, the trustee, based on the quoted market price of the mutual funds or common stock. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Notes Receivable to Participants
Participants may borrow from their fund accounts for financial hardship. The minimum loan is $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. All loans must be repaid within five years in installments no less frequent than quarterly, and such payments must be fully amortized. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates. Principal and interest is paid ratably through payroll deductions.

Net Appreciation (Depreciation) in Fair Value of Investments
Realized and unrealized appreciation (depreciation) in the fair value of investments is based on the difference between the fair value of the assets at the beginning of the year, or at the time of purchase for assets purchased during the year, and the related fair value on the day investments are sold with respect to realized appreciation (depreciation), or on the last day of the year for unrealized appreciation (depreciation).

Realized and unrealized appreciation (depreciation) are included in investment income from the Wilmington Trust Unitized Investments on Form 5500.

Administration of the Plan
The Plan is administered by Verisight, Inc.

Risks and Uncertainties
The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

Subsequent Events
Management has evaluated all events and transactions that occurred from June 30, 2011 through March 14, 2012, the date which the financial statements were available to be issued. During this period, the Plan did not have any significant recognizable or unrecognizable subsequent events.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications
Certain accounts in the 2010 financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. The increase net assets available for benefits is unaffected by these reclassifications.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value measurement guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy is broken down into three levels:

Level 1 - Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 - Includes data points that are observable such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) such as interest rates and yield curves that are observable for the asset and liability, either directly or indirectly.

Level 3 - Inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

The following methods and assumptions were used by the Plan in estimating the fair value of its financial instruments.

Cash and Receivables - The amounts reported in the accompanying balance sheets as cash and receivables are classified as Level 2 because of the the short maturities of those instruments.

Investments - The Plan's investments that are measured at fair value on a recurring basis, such as money market funds, mutual funds, exchange-traded funds, and equity securities are generally classified within Level 1 of the fair value hierarchy. The fair values of these investments are based on quoted market prices in active markets.

Notes Receivable From Participants - Participant loans are also classified as Level 2 since the loans are issued at prevailing market rates.

NOTE 3 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The carrying amounts and fair values of the Plan's financial instruments at June 30, 2011 and 2010 are as follows:

	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Mutual Funds	$100,654,712	$100,654,712	$ 74,746,649	$ 74,746,649
Exchange-traded Funds	28,684,725	28,684,725	25,420,663	25,420,663
Foreign Common Stocks	7,116,797	7,116,797	5,955,219	5,955,219
Money Market Funds	838,653	838,653	1,729,121	1,729,121
Cash	-	-	20,035	20,035
Notes Receivable from Participants	967,089	967,089	785,632	785,632
Receivables	9,276,226	9,276,226	8,379,197	8,379,197

The following table presents the Plan's financial assets measured at fair value on a recurring basis:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
June 30, 2011				
Mutual Funds	$100,654,712	$ -	$ -	$100,654,712
Exchange-traded Funds	28,684,725	-	-	28,684,725
Foreign Common Stocks	7,116,797	-	-	7,116,797
June 30, 2010				
Mutual Funds	$ 74,746,649	$ -	$ -	$ 74,746,649
Exchange-traded Funds	25,420,663	-	-	25,420,663
Foreign Common Stocks	5,955,219	-	-	5,955,219

NOTE 4 - INCOME TAX STATUS

The plan obtained its latest determination letter on August 13, 2010, in which the Internal Revenue Service stated that the plan was in compliance with the applicable requirements of the Internal Revenue Code.

NOTE 5 - SEPARATED PARTICIPANTS WITH DEFERRED VESTED BENEFITS

Separated participants that have elected not to withdraw their deferred vested benefits as of the end of plan year totaled $10,346,861 for 2011 and $8,653,358 for 2010.

NOTE 6 - INVESTMENTS

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information certified by Wilmington Trust Retirement and Institutional Services Company, except for comparing such information certified by the custodian in 2011 and 2010 to information included in the Plan's financial statements and supplemental schedule.

The following table presents fair value of investments in the Plan provided by Wilmington Trust Retirement and Institutional Services Company as of June 30, 2011 and 2010. Single investments that represent 5% or more of the Plan's net assets as of June 30, 2011 and 2010 are separately identified.

	2011	2010
Plan Interest in Wilmington Trust Unitized Investments		
Mutual Funds		
Janus Overseas Fund	$ 12,939,553	$ 11,251,373
Doubleline Total Return Bond I Fund	10,952,459	-
Metro West Total Ret I Fund	10,759,718	10,071,429
Janus Enterprise Fund	10,030,052	6,467,088
Pimco All Asset Fund - Institutional	8,721,917	-
Oppenheimer International Bond Fund	8,489,352	7,429,067
Fairholme Fund	8,165,994	7,234,963
Ivy High Income Fund I	7,405,997	-
Pimco GNMA Fund	-	7,120,863
TCW Galileo Total Return Bond Fund	-	10,101,706
Other	23,189,670	15,070,160
Total Mutual Funds	100,654,712	74,746,649
Exchange-Traded Funds		
S&P 500 Index Fund	14,410,607	11,090,748
S&P Midcap 400 Index Fund	7,309,692	5,252,630
S&P Preferred Stock Index Fund	6,964,426	6,054,844
Other	-	3,022,441
Total Exchange-Traded Funds	28,684,725	25,420,663
Foreign Stocks	7,116,797	5,955,219
Money Market Funds	838,653	1,729,183
Total Plan Interest in Wilmington Trust Unitized Investments	137,294,887	107,851,714
Other	-	20,035
Total Investments	$137,294,887	$107,871,749

NOTE 6 - INVESTMENTS (Continued)

The following table presents the appreciation (depreciation) of the fair value of investments during the years ended June 30, 2011 and 2010:

	2011	2010
Mutual Funds		
Janus Overseas Fund	$ 1,651,546	1,821,995
Doubleline Total Return Bond I Fund	(89,200)	-
Metro West Total Ret I Fund	47,071	1,145,828
Janus Enterprise Fund	2,562,964	847,959
Pimco All Asset Fund - Institutional	116,388	-
Oppenheimer International Bond Fund	644,967	80,422
Fairholme Fund	433,612	828,922
Ivy High Income Fund I	(53,357)	-
Pimco GNMA Fund	(386,063)	308,450
TCW Galileo Total Return Bond Fund	(177,932)	641,336
Other	5,437,095	1,994,369
Total Mutual Funds	10,187,091	7,669,281
Exchange-Traded Funds		
S&P 500 Index Fund	3,315,151	1,525,532
S&P Midcap 400 Index Fund	2,038,218	1,034,344
S&P Preferred Stock Index Fund	428,901	756,106
Other	140,213	(77,345)
Total Exchange-Traded Funds	5,922,483	3,238,637
Foreign Stocks	1,062,827	(133,904)
Net Appreciation in Fair Value of Investments	$ 17,172,401	$ 10,774,014

NOTE 7 - RECONCILIATION TO FORM 5500 SCHEDULE H

The following reconciles the net depreciation in fair value of assets reported in the financial statements to realized and unrealized gains (losses) reported in Schedule H of Form 5500:

	2011	2010
Net Investment Gain from Wilmington Trust Unitized Investments	$ 22,171,572	$ 13,949,404
Interest Income	62,482	50,201
Less: Interest and Dividends	(5,061,653)	(3,225,591)
Net Appreciation in Fair Value of Assets	$ 17,172,401	$ 10,774,014

Schedule H, line 4i
Schedule of Assets (Held At End of Year)

For the plan year beginning 07/01/2010 and ending 06/30/2011

Name of plan

SUTTER HOME WINERY, INC. 401(k) AND PROFIT SHARING PLAN

Employer Identification Number

94-1080860

Three-digit plan number ► 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	MERRILL LYNCH/VANGUARD	SUTTER HOME UNITIZED ACCOUNT		137,294,887
	PARTICIPANT LOANS	INTEREST RATE: 0.69% - 9.91%		967,089

Schedule H, line 4i
Schedule of Assets (Held At End of Year)

For the plan year beginning 07/01/2010 and ending 06/30/2011

Name of plan
SUTTER HOME WINERY, INC. 401(k) AND PROFIT SHARING PLAN

Employer Identification Number
94-1080860

Three-digit plan number ► 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	MERRILL LYNCH/VANGUARD	SUTTER HOME UNITIZED ACCOUNT		137,294,887
	PARTICIPANT LOANS	INTEREST RATE: 0.69% - 9.91%		967,089