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), 6057(b), 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

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

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;
- [ ] 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
THE WINE GROUP RETIREMENT & SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 07/01/1983

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

THE WINE GROUP INC.

4596 SOUTH TRACY ROAD
TRACY, CA 95378

2b Employer Identification Number (EIN) 94-2756233

2c Sponsor's telephone number 209-599-0370

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.	10/10/2012	KRIS MESKER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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")
THE WINE GROUP INC.

4596 SOUTH TRACY ROAD
TRACY, CA 95378

3b Administrator's EIN
94-2756233

3c Administrator's telephone number
209-599-0370

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**	590
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**	672
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	80
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	752
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	1
f	Total. Add lines **6d** and **6e**	**6f**	753
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	615
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	17
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 2F 2G 2J 2K 3H 2R 3D 2T

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)	X	**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.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
THE WINE GROUP RETIREMENT & SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
THE WINE GROUP INC.

D Employer Identification Number (EIN)
94-2756233

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).. . . . . [X] 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

CHARLES SCHWAB & CO. INC. AND AFFIL

94-1737782

(b) Enter name and EIN or address of person who provided you disclosure 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)

SCHWAB RETIREMENT PLAN SERVICES INC

34-1479833

(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?
15 50 64	NONE	12810	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

CHARLES SCHWAB & CO. INC.

94-1737782

(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?
33 50 59 62 71	NONE	427	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

CHARLES SCHWAB BANK

42-1558009

(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?
49 50 52 59 62 25	NONE	30	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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)

(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
CHARLES SCHWAB & CO. AND AFFILIATES	59	0

(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.
SEE ATTACHMENT 11-1111111	SEE ATTACHMENT

(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

(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

(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

(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

(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

(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

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 D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
THE WINE GROUP RETIREMENT & SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
THE WINE GROUP INC.

D Employer Identification Number (EIN)
94-2756233

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB MANAGED RETIREMENT 2010

b Name of sponsor of entity listed in (a): CHARLES SCHWAB BANK

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)
81-0625169-001	C	982298

a Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB MANAGED RETIREMENT 2020

b Name of sponsor of entity listed in (a): CHARLES SCHWAB BANK

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)
81-0625169-002	C	2326624

a Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB MANAGED RETIREMENT 2030

b Name of sponsor of entity listed in (a): CHARLES SCHWAB BANK

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)
81-0625169-003	C	2699775

a Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB MANAGED RETIREMENT 2040

b Name of sponsor of entity listed in (a): CHARLES SCHWAB BANK

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)
81-0625169-004	C	1864101

a Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB MANAGED RETIREMENT 2050

b Name of sponsor of entity listed in (a): CHARLES SCHWAB BANK

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)
81-0625169-010	C	493235

a Name of MTIA, CCT, PSA, or 103-12 IE: SCHWAB MANAGED RETIREMENT INC

b Name of sponsor of entity listed in (a): CHARLES SCHWAB BANK

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)
81-0625169-005	C	271535

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN

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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
THE WINE GROUP RETIREMENT & SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
THE WINE GROUP INC.

D Employer Identification Number (EIN)
94-2756233

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	3865	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	2244945	2509763
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	4045	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	6190930	6620426
(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)		
(B) Common	1c(4)(B)		
(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)	1323914	1576546
(9) Value of interest in common/collective trusts	1c(9)	5355387	8637568
(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)	25453622	23352236
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	716649	414828

		(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	41293357	43111367
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	41293357	43111367

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)	2510273	
(B) Participants	2a(1)(B)	3176375	
(C) Others (including rollovers)	2a(1)(C)	523493	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		6210141
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1237	
(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)	71507	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		72744
(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)	978399	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		978399
(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)		-334975
(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)		-1558043
c Other income	2c		-9832
d Total income. Add all **income** amounts in column (b) and enter total	2d		5358434
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3528064	
(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)		3528064
f Corrective distributions (see instructions)	2f		
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)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	12360	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		12360
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		3540424
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		1818010
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

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) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: CAMPBELL TAYLOR AND COMPANY (2) EIN: 68-0251243

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		3000000
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

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
THE WINE GROUP RETIREMENT & SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
THE WINE GROUP INC.

D Employer Identification Number (EIN)
94-2756233

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** 0

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): 42-1558009

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 (include any prior year accumulated funding deficiency not waived) **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 or other authority 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. 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): _____

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):

Financial Statements and
Independent Auditor's Report of

THE WINE GROUP
RETIREMENT AND SAVINGS PLAN

December 31, 2011 and 2010

THE WINE GROUP RETIREMENT AND SAVINGS PLAN

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Net Assets Available for Plan Benefits	2
Statements of Change in Net Assets Available for Plan Benefits	3
Notes to Financial Statements	4 - 10
SUPPLEMENTARY INFORMATION	
Schedule H, Line 4i - Schedule of Assets Held at End of Year	11

CTC CAMPBELL TAYLOR & COMPANY ♦ An Accountancy Corporation
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Steven A. Campbell
Stephen B. Taylor
Linda L. House
Kelly L. O'Brien
E. Preston Hatch

INDEPENDENT AUDITOR'S REPORT

To the Plan Committee
The Wine Group Retirement and Savings Plan
Tracy, California

We were engaged to audit the financial statements of The Wine Group Retirement and Savings Plan as of December 31, 2011 and 2010 and for the years then ended and the supplementary schedule as of and for the year ended December 31, 2011 as listed in the accompanying index. These financial statements and schedule 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 in Note 4, which was certified by Charles Schwab Bank and Charles Schwab Trust Company, the custodians of the Plan, as of December 31, 2011 and 2010, respectively, except for comparing the information with the related information included in the financial statements and supplementary schedule. We have been informed by the plan administrator that the custodians hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained certification from the custodians as of and for the years ended December 31, 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 we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodians, 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.

Campbell Taylor & Company
An Accountancy Corporation

October 3, 2012
Roseville, California

3741 Douglas Blvd., Suite 350 ♦ Roseville, CA 95661 ♦ E-Mail: mail@campbelltaylor.com ♦ (916) 929-3680 ♦ Fax: (916) 929-7443

THE WINE GROUP RETIREMENT AND SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
December 31, 2011 and 2010

	2011	2010
ASSETS:		
Investments, at fair market value:		
Mutual funds	$ 23,352,236	$ 25,453,622
Money market funds	6,620,426	6,190,930
Common collective trusts	8,637,568	5,355,387
Personal choice retirement	414,828	716,649
Cash	-	3,865
Total investments	39,025,058	37,720,453
Receivables:		
Notes receivable from participants	1,576,546	1,327,959
Employer contributions	2,509,763	2,244,945
Total receivables	4,086,309	3,572,904
Net assets available for plan benefits	$ 43,111,367	$ 41,293,357

The accompanying notes are an integral part of these financial statements

THE WINE GROUP RETIREMENT AND SAVINGS PLAN

STATEMENTS OF CHANGE IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
For the Years Ended December 31, 2011 and 2010

	2011	2010
Additions to net assets attributable to:		
Investment income:		
Net appreciation (depreciation) in market value of investments	$ (1,902,850)	$ 3,789,625
Interest and dividends	979,636	488,256
Interest from participant loans	71,507	74,318
Total investment income (loss)	(851,707)	4,352,199
Contributions:		
Participant	3,176,375	2,695,948
Employer	2,510,273	2,115,514
Participant rollovers	523,493	725,283
Total contributions	6,210,141	5,536,745
Total additions	5,358,434	9,888,944
Deductions from net assets attributed to:		
Benefits paid to participants	3,528,064	3,042,156
Administrative expenses	12,360	11,570
Total deductions	3,540,424	3,053,726
Net increase	1,818,010	6,835,218
Net assets available for plan benefits:		
Beginning of year	41,293,357	34,458,139
End of year	$ 43,111,367	$ 41,293,357

The accompanying notes are an integral part of these financial statements

NOTE 1: DESCRIPTION OF PLAN

The following description of The Wine Group Retirement and Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution retirement plan covering all non-bargaining unit employees who are twenty-one (21) years of age or older, and are employed by the Plan Sponsor, The Wine Group, Inc., The Wine Group LLC and Golden State Vintners. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the Plan Sponsor. Charles Schwab Trust Company is the trustee.

Plan Year

The Plan year begins January 1 and ends December 31.

Contributions and Allocations

The plan allows for the following types of contributions:

- ***Salary Deferral 401(k) Contributions***
  The Plan includes an elective salary deferral arrangement pursuant to Section 401(k) of the Internal Revenue Code. Employees may voluntarily contribute from 1% to 25% of their regular wages subject to various nondiscrimination tests and limitations prescribed by the Internal Revenue Code.

- ***Discretionary Employer Matching Contributions***
  The Plan Sponsor may make a discretionary matching contribution equal to a percentage of the amount of salary reduction the participant elected to defer after the participant has completed one year of service. The employer contributed an amount up to 50% of the first 6% of earnings deferred by participants in 2011 and 2010. Contributions are allocated on the last day of the Plan year.

- ***Discretionary Employer Profit Sharing Contributions***
  The Plan Sponsor may decide to make profit sharing contributions at its discretion. The employer's profit sharing contributions are first allocated to eligible participants at a percentage of total compensation plus the same percentage compensation in excess of the social security taxable wage base. Finally, the balance of the employer contributions are allocated to eligible participants based on their annual compensation. Contributions are allocated on the last day of the Plan year.

- ***Employee Rollover Contributions from Another Qualified Plan***
  Participants may make rollover contributions from another qualified plan.

NOTE 1: **DESCRIPTION OF PLAN (Continued)**

Allocations

The Plan allows participants the ability to self-direct their contributions and account balances among various investment options. Participants are allowed to invest their accounts in any one of the funds or combination of funds.

The Plan allows participants to borrow from their deferred income contribution accounts, subject to various terms stated in the Plan document. Participant accounts are valued as follows:

- ***Salary Deferral 401(k) Accounts***
  The value of a participant's account in the salary deferral 401(k) plan is determined daily. The participant's account consists of their voluntary contributions plus actual earnings allocated on a daily basis.

- ***Non-Elective and Discretionary Accounts***
  The value of a participant's account in the non-elective and discretionary accounts is determined daily. Employer contributions and forfeitures are allocated at the Plan's valuation date (December 31).

Vesting

Participants are always 100% vested in their voluntary contributions as well as employer's matching contributions and all earnings thereon. Vesting on discretionary employer profit sharing contributions is based on years of continuous service. Participants become vested in employer discretionary contributions in accordance with the following schedule:

Years of Service	Vested interest
Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years	100%

Forfeitures

Forfeitures may be used to reduce employer contributions. The forfeiture balance was $48,877 at December 31, 2011 and $21,194 at December 31, 2010. Forfeitures of $48,877 and $17,329 were used to reduce employer contributions in 2011 and 2010, respectively.

Payment of Benefits

Payment of benefits may be made: 1) at normal retirement; 2) at termination of employment of the participant; 3) at death of the participant; 4) at age 59½ or anytime thereafter; or 5) upon demonstration of financial hardship. The Plan has a mandatory payout policy at age 70½.

The normal form of benefit payment is a lump sum distribution in the amount equal to the value of the participant's account, less any promissory notes held in the participant's loan account.

NOTE 1: **DESCRIPTION OF PLAN (Continued)**

Notes Receivable from Participants
The Plan allows participants to borrow from their accounts. Loans may not exceed the lesser of 50% of the vested balance in a participant's account or $50,000 and are due within five years (longer term permitted for primary resident loans).

Retirement
Normal retirement under the Plan is age sixty-five (65). Participants may elect early retirement at age fifty-five (55).

Administrative Expenses
Administrative expenses are paid by the Plan and the Plan Sponsor. Expenses related to specific participant transactions are charged to the respective participant's account.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting
The financial statements of the Plan are prepared using the accrual method of accounting.

Investment Valuation and Income Recognition
Common collective trusts are stated at fair market value which is based on underlying quoted prices when available. Cash and cash equivalents are valued at stated carrying values which approximates market value. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded when earned. Dividend income is recorded on the ex-dividend date. Increases in the unit values of investments are reflected in each participant's self directed account. Investments are valued daily.

Estimates and Assumptions
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 their reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes
The Plan obtained its latest determination letter on March 14, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability or asset if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Plan management has determined that as of December 31, 2011 there are no uncertain tax positions taken or expected to be taken that would require recognition or disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities; however there are currently no audits for any tax periods in progress. Plan management believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE 3: **PLAN TERMINATION**

Although it has not expressed any intent to do so, the Plan Sponsor 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% vested in their accounts.

NOTE 4: **INFORMATION CERTIFIED BY THE PLAN CUSTODIANS**

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified as complete and accurate by the custodians, Charles Schwab Bank and Charles Schwab Trust Company as of December 31, 2011 and 2010, respectively.

	2011	2010
Mutual funds	$ 23,352,236	$ 25,453,622
Money market funds	$ 6,620,426	$ 6,190,930
Common collective trusts	$ 8,637,568	$ 5,355,387
Personal choice retirement	$ 414,828	$ 716,649
Cash	$ -	$ 3,865
Net appreciation (depreciation) in market value of investments	$ (1,902,850)	$ 3,789,625
Interest and dividends	$ 979,636	$ 488,256
Interest from participant loans	$ 71,507	$ 74,318

NOTE 5: **INVESTMENTS**

The following represents investments with fair value in excess of 5% of net assets available for Plan Benefits at December 31, 2011 and 2010:

	2011
Schwab Retirement Money Fund	$ 6,074,323
Vanguard Index 500	$ 4,978,121
Dodge & Cox Income Fund	$ 3,418,267
First Eagle Overseas A	$ 2,711,290
Schwab Managed Retirement 2030	$ 2,699,775
Pioneer Cullen Value CL A	$ 2,661,248
Columbia Acorn Z	$ 2,352,356
Schwab Managed Retirement 2020	$ 2,326,624

	2010
Schwab Retirement Money Fund	$ 5,605,263
Vanguard Index 500	$ 4,585,420
Dodge & Cox Income Fund	$ 3,402,018
Pioneer Cullen Value CL A	$ 2,873,427
First Eagle Overseas A	$ 2,828,132
Columbia Acorn Z	$ 2,296,146
Goldman Sachs Midcap Val Instl	$ 2,284,204
Dodge & Cox Balanced Fund	$ 2,182,670

NOTE 5: **INVESTMENTS (Continued)**

The Plan's investments, including gains and losses on investments bought and sold as well as held during the year, appreciated (depreciated) in value as follows:

	2011	2010
Mutual funds	$ (1,558,043)	$ 3,168,000
Common collective trusts	(334,975)	626,249
Personal choice retirement	(9,832)	(4,624)
Total	$ (1,902,850)	$ 3,789,625

NOTE 6: **RISK AND UNCERTAINTIES**

The Plan invests in various investment securities. Investment securities are exposed to 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 the 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 plan benefits.

NOTE 7: **FAIR VALUE MEASUREMENTS**

Financial Accounting Standards for fair value measurements establish a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs include quoted market prices for identical or similar assets or liabilities in active or inactive markets or inputs other than quoted prices that are observable or corroborated by observable market data for the asset or liability; and Level 3 inputs have the lowest priority and are unobservable and significant to the fair value measurement. The Plan uses valuation techniques based on the available inputs to measure the fair value of its investments. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

The asset fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Mutual Funds: Mutual funds are valued using quoted market prices available on active markets.

Common Collective Trusts: Common collective trusts represent the Plan's investment in Schwab Managed Retirement Funds. Common collective trusts invest primarily in mutual funds, stocks, and bonds, both domestic and international. The majority of the underlying assets have Level 1 quoted pricing inputs and observable level 2 pricing inputs, including quoted prices for similar assets in active or non-active markets.

Money Market Funds: Money market funds have underlying short-term investments with quoted market prices in active markets to preserve the value of the investment at $1 per share.

Personal Choice Retirement Account: Personal choice retirement account (PCRA) represents multiple self-directed investment accounts. The personal choice retirement account invests primarily in mutual funds, stocks, and bonds, both domestic and international. The underlying assets have Level 1 quoted pricing inputs.

NOTE 7: **FAIR VALUE MEASUREMENTS (Continued)**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

	Assets at Fair Value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Large Company Stock	$ 10,182,124	$ -	$ -	$ 10,182,124
Small/Mid Co. Stock	6,220,399	-	-	6,220,399
Intl/Global Stock	3,432,874	-	-	3,432,874
Bonds	3,418,267	-	-	3,418,267
Real Estate	98,572	-	-	98,572
Total Mutual Funds	23,352,236	-	-	23,352,236
Common Collective Trusts:				
Balanced	-	8,637,568	-	8,637,568
Personal Choice Retirement Acct.	414,828	-	-	414,828
Money Market Funds	6,620,426	-	-	6,620,426
Total Assets at Fair Value	$ 30,387,490	$ 8,637,568	$ -	$ 39,025,058

	Assets at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Large Company Stock	$ 9,898,236	$ -	$ -	$ 9,898,236
Small/Mid Co. Stock	6,510,996	-	-	6,510,996
Intl/Global Stock	3,459,702	-	-	3,459,702
Bonds	3,402,018	-	-	3,402,018
Balanced	2,182,670	-	-	2,182,670
Total Mutual Funds	25,453,622	-	-	25,453,622
Common Collective Trusts:				
Balanced	-	5,355,387	-	5,355,387
Personal Choice Retirement Acct.	716,649	-	-	716,649
Money Market Funds	6,190,930	-	-	6,190,930
Total Assets at Fair Value	$ 32,361,201	$ 5,355,387	$ -	$ 37,716,588

NOTE 8: **PARTY-IN-INTEREST TRANSACTIONS**

Certain Plan investments include shares of common collective trusts and a money market account managed by Charles Schwab Corporation. Charles Schwab Bank and Charles Schwab Trust Company are the custodians as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services are recorded in net appreciation in fair value of investments. Fees for certain administrative expenses are paid to Charles Schwab Corporation, the record keeper and third party administrator of the Plan. These investments and transactions qualify as party-in-interest transactions which are exempt from the prohibited transaction rules of ERISA.

NOTE 9: **SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 3, 2012, the date the financial statements were available to be issued, and management has determined that no events have occurred that should be disclosed.

SUPPLEMENTARY INFORMATION

THE WINE GROUP RETIREMENT AND SAVINGS PLAN

SCHEDULE H, LINE 4i
SCHEDULE OF ASSETS HELD AT END OF YEAR
EIN 94-2756233, Plan No. 001
December 31, 2011

(a)	(b) Identity of Issue Borrower, Lessor or Similar Party	(c) Description of Investment	(d) Historical Cost	(e) Market Value
*	Schwab Retirement Money Fund	Money Market	-	$ 6,074,323
	Vanguard Index 500	Mutual Fund	-	4,978,121
	Dodge & Cox Income Fund	Mutual Fund	-	3,418,267
	First Eagle Overseas A	Mutual Fund	-	2,711,290
*	Schwab Managed Retirement 2030	Common Collective Trust	-	2,699,775
	Pioneer Cullen Value CL A	Mutual Fund	-	2,661,248
	Columbia Acorn Z	Mutual Fund	-	2,352,356
*	Schwab Managed Retirement 2020	Common Collective Trust	-	2,326,624
	Invesco Van Kampen Scap Val Y	Mutual Fund	-	1,947,287
	Goldman Sachs Midcap Val Instl	Mutual Fund	-	1,920,756
*	Schwab Managed Retirement 2040	Common Collective Trust	-	1,864,101
	Calamos Growth A	Mutual Fund	-	1,478,370
	Aston/Montag & Caldwell Gr N	Mutual Fund	-	1,064,385
*	Schwab Managed Retirement 2010	Common Collective Trust	-	982,298
	Thornburg Intl Value	Mutual Fund	-	721,584
*	Schwab Treasury US MM	Money Market	-	546,103
*	Schwab Managed Retirement 2050	Common Collective Trust	-	493,235
	Personal Choice Retirement	Personal Choice Retirement Accoun	-	414,828
*	Schwab Managed Retirement Inc	Common Collective Trust	-	271,535
	Cohen & Steers Realty Shares	Mutual Fund	-	98,572
	Total investments at fair value			39,025,058
*	Notes receivable from participants	Ranging from 5.25% to 10.25%	-	1,576,546
	Total assets held at end of year			$ 40,601,604

* Party in Interest

Note: Cost basis omitted as investments are participant directed.

THE WINE GROUP RETIREMENT & SAVINGS PLAN

Schedule C, Part I, Line 3 - Service Provider Indirect Compensation Information

December 31, 2011

EIN: 94-2756233

Plan Number: 001

Received by Charles Schwab & Co., Inc. (EIN#94-1737782)

Fund Family/Provider	EIN	Formula
Aston	20-4747475	Rate of 0.40% of average daily balance of asset(s)
Calamos	36-3316238	Rate of 0.40% of average daily balance of asset(s)
Cohen & Steers	14-1904657	Rate of 0.40% of average daily balance of asset(s)
Columbia	93-0577450	Rate of 0.40% of average daily balance of asset(s)
Dodge & Cox	94-1441976	Rate of 0.08% of average daily balance of asset(s)
First Eagle	13-3392291	Rate of 0.40% of average daily balance of asset(s)
Goldman Sachs	Not Available	Rate of 0.10% of average daily balance of asset(s)
Invesco Aim	76-0528004	Rate of 0.10% of average daily balance of asset(s)
Pioneer Investments	13-5657669	Rate of 0.60% of average daily balance of asset(s)
Schwab Funds	94-3106735	Rate of 0.25% of average daily balance of asset(s)
Thornburg	85-0301299	Rate of 0.40% of average daily balance of asset(s)

Received by Charles Schwab Bank (EIN#42-1558009)

Fund Family/Provider	EIN	Formula
Schwab Funds	94-3106735	Range of 0.25 - 0.44% of average daily balance of assets

Received by Charles Schwab & Co., Inc. (EIN#94-1737782)

Fund Family/Provider	EIN	Formula
Janus	43-1804048	Rate of 0.35% of average daily balance of asset(s)
Matthews Asia Funds	94-3250972	Rate of 0.40% of average daily balance of asset(s)
Schwab Funds	94-3106735	Rate of 0.25% of average daily balance of asset(s)

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

NAME OF PLAN SPONSOR: **The Wine Group**
NAME OF PLAN: **The Wine Group Retirement & Savings Plan**
EIN: **94-2756233**
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
*	PARTICIPANT LOANS	Loans (5.25 % - 10.25 %)		1,580,803
*	SCHWAB RETIREMENT MONEY FUND	Money Market		6,074,323
*	SCHWAB TREASURY US MM	Money Market		546,103
*	SCHWAB MANAGED RETIREMENT 2010	Common Collective Trust Fund		982,298
*	SCHWAB MANAGED RETIREMENT 2020	Common Collective Trust Fund		2,326,624
*	SCHWAB MANAGED RETIREMENT 2030	Common Collective Trust Fund		2,699,775
*	SCHWAB MANAGED RETIREMENT 2040	Common Collective Trust Fund		1,864,101
*	SCHWAB MANAGED RETIREMENT 2050	Common Collective Trust Fund		493,235
*	SCHWAB MANAGED RETIREMENT INC	Common Collective Trust Fund		271,535
	PCRA	Self-Directed Brokerage Account		414,828
	ASTON/MONTAG & CALDWELL GR N	Registered Investment Company		1,064,386
	CALAMOS GROWTH A	Registered Investment Company		1,478,370
	COHEN & STEERS REALTY SHARES	Registered Investment Company		98,572
	COLUMBIA ACORN Z	Registered Investment Company		2,352,356
	DODGE & COX INCOME FUND	Registered Investment Company		3,418,267
	FIRST EAGLE OVERSEAS A	Registered Investment Company		2,711,289
	GOLDMAN SACHS MIDCAP VAL INSTL	Registered Investment Company		1,920,756
	INVESCO VAN KAMPEN SCAP VAL Y	Registered Investment Company		1,947,287
	PIONEER CULLEN VALUE CL A	Registered Investment Company		2,661,248
	THORNBURG INTL VALUE I	Registered Investment Company		721,584
	VANGUARD 500 INDEX SIGNAL	Registered Investment Company		4,978,121