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 HESS COLLECTION 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 07/01/1987

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

THE HESS COLLECTION WINERY

4411 REDWOOD ROAD
NAPA, CA 94558

2b Employer Identification Number (EIN) 68-0071196

2c Sponsor's telephone number 707-255-1144

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.	10/11/2012	TERRI HOLL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2012	TERRI HOLL
	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 HESS COLLECTION WINERY

4411 REDWOOD ROAD
NAPA, CA 94558

3b Administrator's EIN
68-0071196

3c Administrator's telephone number
707-255-1144

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**	192
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**	169
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	23
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	192
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	192
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	141
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	2
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 2K 3D 3F

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)	X	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)	X	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)	X	1	**A** (Insurance Information)
(4)			**C** (Service Provider Information)
(5)	X		**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance 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.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

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 HESS COLLECTION 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
THE HESS COLLECTION WINERY

D Employer Identification Number (EIN)
68-0071196

Part I **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
JOHN HANCOCK LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
01-0233346	65838	96907	140	01/11/2011	12/31/2011

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
14379	6794

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
UBS FINANCIAL SERVICES INS AGENCY

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
14379			4

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
NICHOLAS, HICKS, AND FARMER INC
6050 20TH ST E
FIFE, WA 98424

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	6794	THIRD PARTY ADMINISTRATION	5

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	
5	Current value of plan's interest under this contract in separate accounts at year end	5	7382522

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	6d	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP ANNUITY CONTRACT

b	Balance at the end of the previous year			7b	0
c	Additions: (1) Contributions deposited during the year	7c(1)	0		
	(2) Dividends and credits	7c(2)	0		
	(3) Interest credited during the year	7c(3)	0		
	(4) Transferred from separate account	7c(4)	0		
	(5) Other (specify below)	7c(5)	0		
	▶				
	(6) Total additions			7c(6)	0
d	Total of balance and additions (add **b** and **c(6)**).			7d	0
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	0		
	(2) Administration charge made by carrier	7e(2)	0		
	(3) Transferred to separate account	7e(3)	0		
	(4) Other (specify below)	7e(4)	0		
	▶				
	(5) Total deductions			7e(5)	0
f	Balance at the end of the current year (subtract **e(5)** from **d**)			7f	0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

a ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance

e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug

i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract

m ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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 HESS COLLECTION 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
THE HESS COLLECTION WINERY

D Employer Identification Number (EIN)
68-0071196

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: RETIREMENT LIVING AT 2050

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

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)
01-0233346-000	P	376

a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT LIVING AT 2045

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

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)
01-0233346-000	P	174459

a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT LIVING AT 2040

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

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)
01-0233346-000	P	193080

a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT LIVING AT 2035

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

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)
01-0233346-000	P	393869

a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT LIVING AT 2030

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

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)
01-0233346-000	P	522111

a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT LIVING AT 2025

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

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)
01-0233346-000	P	468214

a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT LIVING AT 2020

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

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)
01-0233346-000	P	8693

a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT LIVING AT 2015

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12174

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

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 441964

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

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1637634

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

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1319319

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

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 413521

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

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 410185

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

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 101081

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

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8907

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

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 96882

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

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 294730

a Name of MTIA, CCT, PSA, or 103-12 IE: STRATEGIC INCOME OPP FUND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA		
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 43470
a Name of MTIA, CCT, PSA, or 103-12 IE: PIMCO TOTAL RETURN		
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA		
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 88717
a Name of MTIA, CCT, PSA, or 103-12 IE: MONEY MARKET FUND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA		
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 86984
a Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CAP VALUE FUND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA		
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 42298
a Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CAP GROWTH FUND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA		
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 24755
a Name of MTIA, CCT, PSA, or 103-12 IE: OPPENHEIMER INTL GROWTH FUND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA		
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5073
a Name of MTIA, CCT, PSA, or 103-12 IE: FRANKLIN SMALL-MID GROWTH		
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA		
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 10205
a Name of MTIA, CCT, PSA, or 103-12 IE: SMALL COMPANY VALUE FUND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA		
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 20286
a Name of MTIA, CCT, PSA, or 103-12 IE: MID CAP INDEX FUND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA		
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 9321
a Name of MTIA, CCT, PSA, or 103-12 IE: MID VALUE FUND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA		
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 64206

a Name of MTIA, CCT, PSA, or 103-12 IE: CAPITAL WORLD GROWTH & INCOME

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5297

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

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 9482

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

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 7724

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

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 56784

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 HESS COLLECTION 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
THE HESS COLLECTION WINERY

D Employer Identification Number (EIN)
68-0071196

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)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1100	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)		
(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)	332505	410720
(9) Value of interest in common/collective trusts	1c(9)	26430	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)	6308900	6971802
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		0
(15) Other	1c(15)		0

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	0	
(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	6668935	7382522
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		0
i Acquisition indebtedness	1i		0
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	6668935	7382522

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)	372061	
(B) Participants	2a(1)(B)	493549	
(C) Others (including rollovers)	2a(1)(C)	211789	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1077399
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)	19189	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		19189
(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)		
(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)		

		(a) Amount	(b) Total
2b **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(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)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-292086
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		804502
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	90915	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		90915
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: **(1)** Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		90915
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		713587
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: AUDIT AND TAX SOLUTIONS, CPAS, INC. **(2)** EIN: 94-3211753

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		1000000
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 HESS COLLECTION 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
THE HESS COLLECTION WINERY

D Employer Identification Number (EIN)
68-0071196

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): 01-0233346 84-0519832

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):

The Hess Collection 401(k) Plan

Financial Statements
With Supplemental Schedule

December 31, 2011 and 2010

(With Independent Public
Accountant's Report Thereon)

Audit and Tax Solutions CPAs, Inc.

Certified Public Accountant

The Hess Collection 401(k) Plan

Table of Contents

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4.	Notes to the financial statements.	3
5.	Schedule of assets held for investment purposes at December 31, 2011.	9

Schedules other than those listed above have been omitted because the information is otherwise disclosed, not applicable, or is not required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended.

Audit and Tax Solutions CPAs, Inc.

Certified Public Accountant

2542 S. Bascom Ave
Campbell, CA 95008
(408) 879-1111
FAX (408) 4879-1110

Independent Public Accountant's Report

To the Plan Administrative Committee
The Hess Collection 401(k) Plan:

We have been engaged to audit the accompanying financial statements and supplemental schedule of net assets available for benefits of The Hess Collection 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements and supplemental 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 3, which was certified by John Hancock Life Insurance Company U.S.A ("John Hancock"), the asset custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that John Hancock holds the Plan's investment assets and executed investment transactions. The plan administrator has obtained certification from John Hancock as of December 31, 2011 and 2010 and for the year ended December 31, 2011, that the information provided to the plan administrator by John Hancock 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 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 John Hancock, 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 Act of 1974.

Audit and Tax Solutions CPAs Inc.

Campbell, California
July 30, 2012

The Hess Collection 401(k) Plan

Statements of Net Assets Available for Benefits

December 31, 2011 and 2010

	2011	2010
Assets		
Investments (participant directed, at fair value, see notes 3 and 4):	$ 6,971,802	$ 6,336,430
Notes receivable from participants	410,720	332,505
Net assets reflecting investments at fair value	7,382,522	6,668,935
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	-	(581)
Net assets available for benefits	$ 7,382,522	$ 6,668,354

Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2011

Changes in net assets attributable to:	
Contributions:	
Plan sponsor	$ 372,061
Participants	493,549
Participant transfers from other plans	211,789
Total contributions	1,077,399
Investment activity:	
Net gain from mutual fund activities	(292,086)
Net investment gain (loss) from common/collective trust	581
Net investment activity	(291,505)
Interest income on notes receivable from participants	19,189
Distributions to participants	(90,915)
Net change	714,168
Net assets available for benefits at:	
Beginning of period	6,668,354
End of period	$ 7,382,522

The accompanying independent public accountants' report and notes are an integral part of these financial statements.

1. Description of the Plan

The following description of The Hess Collection 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Eligibility and Coverage
The Plan is a defined contribution 401(k) profit sharing plan covering all of the employees of The Hess Collection Winery (collectively, the "Plan Sponsor"). Employees of the plan sponsor are eligible to participate in the Plan if they are at least 21 years old and have completed six months or 500 hours of service. Participants may begin deferring a portion of their compensation into the Plan following eligibility. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions
Participants may contribute a portion of their compensation to the Plan subject to an annual restriction of $16,500 ($22,000 for those participants who are age 50 or over).

The plan sponsor has elected to operate the Plan as a "Safe Harbor Plan." Under this election, the plan sponsor matches participant deferrals on a dollar for dollar basis up to 6% of compensation. The plan sponsor is also permitted to make discretionary profit sharing contributions under the Plan. For 2011, the plan sponsor elected to forego a profit sharing contribution.

Participant Accounts
All of the Plan's assets are invested, as directed by the participant, as pooled funds. A participant's account balance in the Plan is derived through an allocation of these funds. Each participant's account is credited with the participant's contribution, plan sponsor contributions, and an allocation of investment earnings and losses pursuant to the participant's selection of investments and timing of purchase.

Vesting and Forfeitures
A participant has a 100% non-forfeitable interest at all times in their account balance. Participants vest in plan sponsor profit sharing contributions in ratable installments of 20% per year after the second year of service. Forfeitures are reallocated to the remaining participants as an additional profit sharing contribution. Forfeitures available for allocation as of December 31, 2011 and 2010 were $0 and $1,100, respectively.

Payments of Benefits
The Plan provides for the payment of benefits to the participant (or, if applicable, the beneficiary) at retirement, disability, death, or termination of employment. In-service distributions are permitted under the Plan providing the participant has attained age 59½. Participants who qualify for retirement benefits and withdrawals will receive their benefits in the form of a lump sum in cash. The benefit to which a participant is entitled is the benefit that can be provided solely from the participant's vested account balance. Participants who separate from service and have vested account balances of $5,000 or less are subject to an administrative lump sum distribution. Retired participants must begin receiving a distribution of their account balance no later than April 15 of the year following the year the participant turns age 70½.

Notes Receivable from Participants
The Plan permits participants to receive a loan up to the lesser of $50,000 or 50% of the participant's vested account balance. The minimum loan amount is $1,000 and participants may have only one loan at a time. Loans are limited to certain defined hardships such as purchase of a primary residence, medical expenses, and education expenses. Loans generally must be repaid within five years, longer for qualified residential loans. Loans are segregated investments and to the extent a participant borrows, his or her account will not share in the earnings and gains in value attributable to other investments. Accordingly, the interest participant's pay on their loans will be directly credited their account.

Plan Amendments
The Plan was without amendment during 2011.

2. Summary of Significant Accounting Policies

Basis of Accounting
The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with ERISA. Contributions from participants are recorded when withheld from the participant. Plan sponsor contributions are recorded when approved by the plan sponsor. Benefit payments and expenses are recorded when paid. The Statements of Net Assets Available for Benefits present the fair value as well as the adjustment from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Investment Valuation and Income Recognition
Investments are reported at fair value as determined by the plan custodian (see note 3). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements. See Note 6 for discussion of guaranteed investment contracts at contract value.

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. Net appreciation includes the plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants
Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Risk and Uncertainties
The Plan provides for various investment options in mutual funds and money market funds. These investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the accompanying financial statements.

Subsequent Events
The Plan has evaluated subsequent events through July 30, 2012, the date the financial statements were available to be issued.

3. Certification of Assets

John Hancock Life Insurance Company U.S.A ("John Hancock") serves as the custodian of the Plan's assets. In their capacities as asset custodian, John Hancock held the Plan's investment assets and executed investment transactions. The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulation for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA). As permitted under such election, the plan administrator has obtained certification from John Hancock as of December 31, 2011 and 2010 and for the year ended December 31, 2011, that all investment information in the accompanying financial statements and supplemental schedules is complete and accurate. All information as to investment assets at December 31, 2011 and 2010, and changes in investment assets for the year ended December 31, 2011, is presented based solely upon those certifications.

4. Fair Value Measurements- unaudited

Assets at Fair Value as of December 31, 2011:

	Level 1
Mutual funds	
Balanced Funds	$ 2,151,933
Bond Funds	132,187
Equity Funds	2,425,740
International Equity Funds	401,982
Money Market Funds	86,984
Target Retirement Funds	1,772,976
Total	$ 6,971,802

Assets at Fair Value as of December 31, 2010:

	Level 1	Level 2	Total
Mutual funds			
Balanced Funds	$ 3,484,810	$ -	$ 3,484,810
Bond Funds	24,760	-	24,760
Equity Funds	601,157	-	601,157
International Equity Funds	440,483	-	440,483
Money Market Funds	58,768	-	58,768
Target Retirement Funds	1,698,922	-	1,698,922
Total Mututal Funds	6,308,900	-	6,308,900
Cash	1,100	-	1,100
Common Collective Trust	-	26,430	26,430
Total	$ 6,308,900	$ 26,430	$ 6,336,430

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820 *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements.) The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1
Inputs to the valuation methodology are unadjusted quoted prices for identical assets and or liabilities in active markets that the Plan has the ability to access.

Level 2
Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 inputs must be observable for substantially the full term of the asset or liability.

Level 3
Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's 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: Valued at the net assets value (NAV) of shares held by the plan at year-end.
Common collective trusts: Valued at fair value based on the underlying investments which are valued using a variety of valuation techniques.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

5. Investments – unaudited

The following investments equaled or exceeded 5% of net plan assets at December 31, 2011 and 2010:

	2011	2010
JH Retirement Living 2035	$ 393,869	$ 379,339
JH Retirement Living 2030	522,111	538,877
JH Retirement Living 2025	468,214	450,840
JH Lifestyle Aggressive	441,964	372,453
JH Lifestyle Growth	1,637,634	1,587,383
JH Lifestyle Balanced	1,319,319	1,154,919
JH Lifestyle Moderate	413,521	404,560
JH Lifestyle Conservative	410,185	334,108

6. Investment Contract with Insurance Company

The Plan had a benefit-responsive investment contract with Wells Fargo Bank ("Wells Fargo"). Wells Fargo maintained the contributions in a general account. The account was credited with earnings on the

underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Since the guaranteed investment contract was fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The contract is included in the financial statements at contract value as reported to the plan by Wells Fargo. Contract value, as reported to the Plan by Wells Fargo, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2011 and 2010 was $0 and $26,430, respectively. The crediting interest rate is based on a formula agreed upon with the issuer. Such interest rates are reviewed on a quarterly basis for resetting.

Certain events limit the Plan's ability to transact at contract value with Wells Fargo. Such events include the following: (a) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (b) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under the Employee Retirement Income Security Act of 1974. The Plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with Plan participants are probable of occurring.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

	2011	2010
Average yields:		
Based on actual earnings	N/A	2.38%
Based on interest rate credited to participants	N/A	2.90%

7. Tax Status

The plan sponsor has adopted a prototype plan document. The Prototype Document received a letter of determination from the Internal Revenue Service, dated 3/31/2008, that the Plan is a qualified plan The plan administrator and sponsor believe that the Plan is currently designed and is being operated in compliance with applicable requirements of the Internal Revenue Code and have stated that they will take whatever action is required, if any, to maintain the Plan as a qualified plan. Therefore, they believe that the Plan is qualified and its related trust is exempt from current income taxes.

U.S. GAAP 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 Department of Labor or Internal Revenue Service. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

8. 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, all non-vested account balances would become 100% vested.

9. Related Party Transactions

Since the inception of the Plan, the plan sponsor has absorbed some of the administrative expenses of operating the Plan.

John Hancock Life Insurance Company U.S.A ("John Hancock") serves as the custodian of the Plan's assets. All transactions with John Hancock qualify as party-in-interest transactions.

Fees paid by the plan for investment management services are included in net appreciation in fair value of investments.

10. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2010 to Form 5500:

	2010
Net assets available for benefits per the financial statement	$ 6,668,354
Adjustment from contract value to fair value	581
Net assets available for benefits per the Form 5500	$ 6,668,935

The following is a reconciliation of net gain (loss) on common/collective trust per the financial statements at December 31, 2011 to Form 5500:

Net gain/(loss) on common/collective trust per financial statement	$ 581
Net adjustment from contract value to fair value	(581)
Net gain on common/collective trust per Form 5500	$ -

The Hess Collection 401(k) Plan

Schedule of Assets Held for Investment Purposes
December 31, 2011

Employer Identification Number 68-0071196 Plan 001

(a)	(b) Identity of issue, borrower lessor or similar party	(c) Description of investment	(e) Current Value
*	JH Retirement Living 2050		$ 376
*	JH Retirement Living 2045	Mutual Fund	174,459
*	JH Retirement Living 2040	Mutual Fund	193,080
*	JH Retirement Living 2035	Mutual Fund	393,869
*	JH Retirement Living 2030	Mutual Fund	522,111
*	JH Retirement Living 2025	Mutual Fund	468,214
*	JH Retirement Living 2020	Mutual Fund	8,693
*	JH Retirement Living 2015	Mutual Fund	12,174
*	JH Lifestyle Aggressive	Mutual Fund	441,964
*	JH Lifestyle Growth	Mutual Fund	1,637,634
*	JH Lifestyle Balanced	Mutual Fund	1,319,319
*	JH Lifestyle Moderate	Mutual Fund	413,521
*	JH Lifestyle Conservative	Mutual Fund	410,185
	Oppenheimer Developing Market	Mutual Fund	294,730
*	JH Franklin Small-Cap Growth Fund	Mutual Fund	24,755
	Oppenheimer Intl Growth Fund	Mutual Fund	5,073
*	JH Franklin Small-Mid Growth	Mutual Fund	10,205
*	JH Small Company Value Fund	Mutual Fund	20,286
*	JH Small Cap Value Fund	Mutual Fund	42,298
*	JH Mid Value Fund	Mutual Fund	64,206
*	JH Capital World Growth & Income	Mutual Fund	5,297
*	JH Capital Appreciation Fund	Mutual Fund	9,482
*	JH Equity Income Fund	Mutual Fund	7,724
*	JH Parnassus Equity Income	Mutual Fund	56,784
*	JH Strategic Income Opp Fund	Mutual Fund	43,470
*	JH Pimco Total Return	Mutual Fund	88,717
*	JH Money Market Fund	Mutual Fund	86,984
*	JH Select AA Growth	Mutual Fund	101,081
*	JH Select AA Balanced	Mutual Fund	8,908
*	JH Select Global Diversification	Mutual Fund	96,882
*	JH Mid Cap Index Fund	Mutual Fund	9,321
			6,971,802
*	Participant loans	37 loans; 4.25% - 9.44%	410,720
			$ 7,382,522

* Party-in-interest.
Column (d) is not applicable.

The accompanying independent public accountants' report
and notes are an integral part of these financial statements..

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 the 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 HESS COLLECTION 401(k) PLAN

1b Three-digit plan number (PN) ► 001

1c Effective date of plan 07/01/1987

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

THE HESS COLLECTION WINERY

4411 REDWOOD ROAD

US NAPA CA 94558

2b Employer Identification Number (EIN) 68-0071196

2c Sponsor's telephone number (707) 255-1144

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	Terri Holl	10/11/12	TERRI HOLL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Terri Holl	10/11/12	TERRI HOLL
	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") Same	**3b** Administrator's EIN	
	3c Administrator's telephone number	
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**	192
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**	169
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	23
d Subtotal. Add lines **6a, 6b,** and **6c**	**6d**	192
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f Total. Add lines **6d** and **6e**	**6f**	192
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	141
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	2
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer 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 2K 3D 3F

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) [X] 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) [X] 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) [X] 1 **A** (Insurance Information)
- (4) [ ] **C** (Service Provider Information)
- (5) [X] **D** (DFE/Participating Plan Information)
- (6) [ ] **G** (Financial Transaction Schedules)

The Hess Collection 401(k) Plan

Financial Statements
With Supplemental Schedule

December 31, 2011 and 2010

(With Independent Public
Accountant's Report Thereon)

Audit and Tax Solutions CPAs, Inc.

Certified Public Accountant

The Hess Collection 401(k) Plan

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4.	Notes to the financial statements.	3
5.	Schedule of assets held for investment purposes at December 31, 2011.	9

Schedules other than those listed above have been omitted because the information is otherwise disclosed, not applicable, or is not required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended.

Audit and Tax Solutions CPAs, Inc.

Certified Public Accountant

2542 S. Bascom Ave
Campbell, CA 95008
(408) 879-1111
FAX (408) 4879-1110

Independent Public Accountant's Report

To the Plan Administrative Committee
The Hess Collection 401(k) Plan:

We have been engaged to audit the accompanying financial statements and supplemental schedule of net assets available for benefits of The Hess Collection 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements and supplemental 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 3, which was certified by John Hancock Life Insurance Company U.S.A ("John Hancock"), the asset custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that John Hancock holds the Plan's investment assets and executed investment transactions. The plan administrator has obtained certification from John Hancock as of December 31, 2011 and 2010 and for the year ended December 31, 2011, that the information provided to the plan administrator by John Hancock 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 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 John Hancock, 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 Act of 1974.

Audit and Tax Solutions CPAs Inc.

Campbell, California
July 30, 2012

The Hess Collection 401(k) Plan

Statements of Net Assets Available for Benefits

December 31, 2011 and 2010

	2011	2010
Assets		
Investments (participant directed, at fair value, see notes 3 and 4):	$ 6,971,802	$ 6,336,430
Notes receivable from participants	410,720	332,505
Net assets reflecting investments at fair value	7,382,522	6,668,935
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	-	(581)
Net assets available for benefits	$ 7,382,522	$ 6,668,354

Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2011

Changes in net assets attributable to:	
Contributions:	
Plan sponsor	$ 372,061
Participants	493,549
Participant transfers from other plans	211,789
Total contributions	1,077,399
Investment activity:	
Net gain from mutual fund activities	(292,086)
Net investment gain (loss) from common/collective trust	581
Net investment activity	(291,505)
Interest income on notes receivable from participants	19,189
Distributions to participants	(90,915)
Net change	714,168
Net assets available for benefits at:	
Beginning of period	6,668,354
End of period	$ 7,382,522

The accompanying independent public accountants' report and notes are an integral part of these financial statements.

1. Description of the Plan

The following description of The Hess Collection 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Eligibility and Coverage
The Plan is a defined contribution 401(k) profit sharing plan covering all of the employees of The Hess Collection Winery (collectively, the "Plan Sponsor"). Employees of the plan sponsor are eligible to participate in the Plan if they are at least 21 years old and have completed six months or 500 hours of service. Participants may begin deferring a portion of their compensation into the Plan following eligibility. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions
Participants may contribute a portion of their compensation to the Plan subject to an annual restriction of $16,500 ($22,000 for those participants who are age 50 or over).

The plan sponsor has elected to operate the Plan as a "Safe Harbor Plan." Under this election, the plan sponsor matches participant deferrals on a dollar for dollar basis up to 6% of compensation. The plan sponsor is also permitted to make discretionary profit sharing contributions under the Plan. For 2011, the plan sponsor elected to forego a profit sharing contribution.

Participant Accounts
All of the Plan's assets are invested, as directed by the participant, as pooled funds. A participant's account balance in the Plan is derived through an allocation of these funds. Each participant's account is credited with the participant's contribution, plan sponsor contributions, and an allocation of investment earnings and losses pursuant to the participant's selection of investments and timing of purchase.

Vesting and Forfeitures
A participant has a 100% non-forfeitable interest at all times in their account balance. Participants vest in plan sponsor profit sharing contributions in ratable installments of 20% per year after the second year of service. Forfeitures are reallocated to the remaining participants as an additional profit sharing contribution. Forfeitures available for allocation as of December 31, 2011 and 2010 were $0 and $1,100, respectively.

Payments of Benefits
The Plan provides for the payment of benefits to the participant (or, if applicable, the beneficiary) at retirement, disability, death, or termination of employment. In-service distributions are permitted under the Plan providing the participant has attained age 59½. Participants who qualify for retirement benefits and withdrawals will receive their benefits in the form of a lump sum in cash. The benefit to which a participant is entitled is the benefit that can be provided solely from the participant's vested account balance. Participants who separate from service and have vested account balances of $5,000 or less are subject to an administrative lump sum distribution. Retired participants must begin receiving a distribution of their account balance no later than April 15 of the year following the year the participant turns age 70½.

Notes Receivable from Participants
The Plan permits participants to receive a loan up to the lesser of $50,000 or 50% of the participant's vested account balance. The minimum loan amount is $1,000 and participants may have only one loan at a time. Loans are limited to certain defined hardships such as purchase of a primary residence, medical expenses, and education expenses. Loans generally must be repaid within five years, longer for qualified residential loans. Loans are segregated investments and to the extent a participant borrows, his or her account will not share in the earnings and gains in value attributable to other investments. Accordingly, the interest participant's pay on their loans will be directly credited their account.

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Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

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The Plan has evaluated subsequent events through July 30, 2012, the date the financial statements were available to be issued.

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Target Retirement Funds	1,772,976
Total	$ 6,971,802

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	Level 1	Level 2	Total
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Bond Funds	24,760	-	24,760
Equity Funds	601,157	-	601,157
International Equity Funds	440,483	-	440,483
Money Market Funds	58,768	-	58,768
Target Retirement Funds	1,698,922	-	1,698,922
Total Mututal Funds	6,308,900	-	6,308,900
Cash	1,100	-	1,100
Common Collective Trust	-	26,430	26,430
Total	$ 6,308,900	$ 26,430	$ 6,336,430

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820 *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements.) The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1
Inputs to the valuation methodology are unadjusted quoted prices for identical assets and or liabilities in active markets that the Plan has the ability to access.

Level 2
Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 inputs must be observable for substantially the full term of the asset or liability.

Level 3
Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's 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: Valued at the net assets value (NAV) of shares held by the plan at year-end.
Common collective trusts: Valued at fair value based on the underlying investments which are valued using a variety of valuation techniques.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

5. Investments – unaudited

The following investments equaled or exceeded 5% of net plan assets at December 31, 2011 and 2010:

	2011	2010
JH Retirement Living 2035	$ 393,869	$ 379,339
JH Retirement Living 2030	522,111	538,877
JH Retirement Living 2025	468,214	450,840
JH Lifestyle Aggressive	441,964	372,453
JH Lifestyle Growth	1,637,634	1,587,383
JH Lifestyle Balanced	1,319,319	1,154,919
JH Lifestyle Moderate	413,521	404,560
JH Lifestyle Conservative	410,185	334,108

6. Investment Contract with Insurance Company

The Plan had a benefit-responsive investment contract with Wells Fargo Bank ("Wells Fargo"). Wells Fargo maintained the contributions in a general account. The account was credited with earnings on the

underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Since the guaranteed investment contract was fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The contract is included in the financial statements at contract value as reported to the plan by Wells Fargo. Contract value, as reported to the Plan by Wells Fargo, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2011 and 2010 was $0 and $26,430, respectively. The crediting interest rate is based on a formula agreed upon with the issuer. Such interest rates are reviewed on a quarterly basis for resetting.

Certain events limit the Plan's ability to transact at contract value with Wells Fargo. Such events include the following: (a) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (b) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under the Employee Retirement Income Security Act of 1974. The Plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with Plan participants are probable of occurring.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

	2011	2010
Average yields:		
Based on actual earnings	N/A	2.38%
Based on interest rate credited to participants	N/A	2.90%

7. Tax Status

The plan sponsor has adopted a prototype plan document. The Prototype Document received a letter of determination from the Internal Revenue Service, dated 3/31/2008, that the Plan is a qualified plan The plan administrator and sponsor believe that the Plan is currently designed and is being operated in compliance with applicable requirements of the Internal Revenue Code and have stated that they will take whatever action is required, if any, to maintain the Plan as a qualified plan. Therefore, they believe that the Plan is qualified and its related trust is exempt from current income taxes.

U.S. GAAP 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 Department of Labor or Internal Revenue Service. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

8. 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, all non-vested account balances would become 100% vested.

9. Related Party Transactions

Since the inception of the Plan, the plan sponsor has absorbed some of the administrative expenses of operating the Plan.

John Hancock Life Insurance Company U.S.A ("John Hancock") serves as the custodian of the Plan's assets. All transactions with John Hancock qualify as party-in-interest transactions.

Fees paid by the plan for investment management services are included in net appreciation in fair value of investments.

10. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2010 to Form 5500:

	2010
Net assets available for benefits per the financial statement	$ 6,668,354
Adjustment from contract value to fair value	581
Net assets available for benefits per the Form 5500	$ 6,668,935

The following is a reconciliation of net gain (loss) on common/collective trust per the financial statements at December 31, 2011 to Form 5500:

Net gain/(loss) on common/collective trust per financial statement	$ 581
Net adjustment from contract value to fair value	(581)
Net gain on common/collective trust per Form 5500	$ -

The Hess Collection 401(k) Plan

Schedule of Assets Held for Investment Purposes
December 31, 2011

Employer Identification Number 68-0071196 Plan 001

(a)	(b) Identity of issue, borrower lessor or similar party	(c) Description of investment	(e) Current Value
*	JH Retirement Living 2050		$ 376
*	JH Retirement Living 2045	Mutual Fund	174,459
*	JH Retirement Living 2040	Mutual Fund	193,080
*	JH Retirement Living 2035	Mutual Fund	393,869
*	JH Retirement Living 2030	Mutual Fund	522,111
*	JH Retirement Living 2025	Mutual Fund	468,214
*	JH Retirement Living 2020	Mutual Fund	8,693
*	JH Retirement Living 2015	Mutual Fund	12,174
*	JH Lifestyle Aggressive	Mutual Fund	441,964
*	JH Lifestyle Growth	Mutual Fund	1,637,634
*	JH Lifestyle Balanced	Mutual Fund	1,319,319
*	JH Lifestyle Moderate	Mutual Fund	413,521
*	JH Lifestyle Conservative	Mutual Fund	410,185
	Oppenheimer Developing Market	Mutual Fund	294,730
*	JH Franklin Small-Cap Growth Fund	Mutual Fund	24,755
	Oppenheimer Intl Growth Fund	Mutual Fund	5,073
*	JH Franklin Small-Mid Growth	Mutual Fund	10,205
*	JH Small Company Value Fund	Mutual Fund	20,286
*	JH Small Cap Value Fund	Mutual Fund	42,298
*	JH Mid Value Fund	Mutual Fund	64,206
*	JH Capital World Growth & Income	Mutual Fund	5,297
*	JH Capital Appreciation Fund	Mutual Fund	9,482
*	JH Equity Income Fund	Mutual Fund	7,724
*	JH Parnassus Equity Income	Mutual Fund	56,784
*	JH Strategic Income Opp Fund	Mutual Fund	43,470
*	JH Pimco Total Return	Mutual Fund	88,717
*	JH Money Market Fund	Mutual Fund	86,984
*	JH Select AA Growth	Mutual Fund	101,081
*	JH Select AA Balanced	Mutual Fund	8,908
*	JH Select Global Diversification	Mutual Fund	96,882
*	JH Mid Cap Index Fund	Mutual Fund	9,321
			6,971,802
*	Participant loans	37 loans; 4.25% - 9.44%	410,720
			$ 7,382,522

* Party-in-interest.
Column (d) is not applicable.

The accompanying independent public accountants' report
and notes are an integral part of these financial statements..

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

For the plan year beginning 01/01/2011 and ending 12/31/2011

Name of plan

THE HESS COLLECTION 401(k) PLAN

Employer Identification Number

68-0071196

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
	JOHN HANCOCK	RETIREMENT LIVING AT 2050	0	376
	JOHN HANCOCK	RETIREMENT LIVING AT 2040		193,080
	JOHN HANCOCK	RETIREMENT LIVING AT 2035		393,869
	JOHN HANCOCK	RETIREMENT LIVING AT 2030		522,111
	JOHN HANCOCK	RETIREMENT LIVING AT 2025		468,214
	JOHN HANCOCK	RETIREMENT LIVING AT 2020		8,693
	JOHN HANCOCK	RETIREMENT LIVING AT 2015		12,174
	JOHN HANCOCK	LIFESTYLE AGGRESSIVE		441,964
	JOHN HANCOCK	LIFESTYLE GROWTH		1,637,634
	JOHN HANCOCK	LIFESTYLE BALANCED		1,319,319
	JOHN HANCOCK	LIFESTYLE MODERATE		413,521
	JOHN HANCOCK	LIFESTYLE CONSERVATIVE		410,185
	OPPENHEIMER	OPPENHEIMER DEVELOPING MARKET		294,730
	JOHN HANCOCK	SMALL CAP GROWTH FUND		24,755
	OPPENHEIMER	OPPENHEIMER INTL GROWTH FUND		5,073
	JOHN HANCOCK	FRANKLIN SMALL-MID GROWTH		10,205
	JOHN HANCOCK	SMALL COMPANY VALUE FUND		20,286
	JOHN HANCOCK	SMALL CAP VALUE FUND		42,298
	JOHN HANCOCK	MID VALUE FUND		64,206
	JOHN HANCOCK	CAPITAL WORLD GROWTH & INCOME		5,297
	JOHN HANCOCK	CAPITAL APPRECIATION FUND		9,482
	JOHN HANCOCK	EQUITY INCOME FUND		7,724
	JOHN HANCOCK	PARNASSUS EQUITY INCOME		56,784
	JOHN HANCOCK	STRATEGIC INCOME OPP FUND		43,470
	JOHN HANCOCK	PIMCO TOTAL RETURN		88,717
	JOHN HANCOCK	MONEY MARKET FUND		86,984
	JOHN HANCOCK	SELECT AA GROWTH		101,081
	JOHN HANCOCK	SELECT AA BALANCED		8,908
	JOHN HANCOCK	SELECT GLOBAL DIVERSIFICATION		96,882
	JOHN HANCOCK	RETIREMENT LIVING AT 2045		174,459
	JOHN HANCOCK	MID CAP INDEX FUND		9,321
	PARTICIPANT LOANS	INTEREST RATES 4.25%-9.44%		410,720