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
CLINE CELLARS 401(K) SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2000

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

CLINE CELLARS INC.

24737 ARNOLD DR
SONOMA, CA 95476

2b Employer Identification Number (EIN)
68-0247575

2c Sponsor's telephone number
707-940-4016

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	CHERYL BRINKS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2012	FRED CLINE
	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")
CLINE CELLARS INC.

24737 ARNOLD DR
SONOMA, CA 95476

3b Administrator's EIN
68-0247575

3c Administrator's telephone number
707-940-4016

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**	189
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**	160
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	0
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	160
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	160
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	86
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

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)		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)	X		**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
CLINE CELLARS 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
CLINE CELLARS INC.

D Employer Identification Number (EIN)
68-0247575

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
HARTFORD 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
06-0974148	88072	GA-007017	86	01/01/2011	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
9749	0

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
JHW FINANCIAL SERVICES INC
4340 REDWOOD HIGHWAY SUITE A23
SAN RAFAEL, CA 94903

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
9067			3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
MERRILL LYNCH LIFE AGENCY
MERRILL LYNCH 1215 4TH AVENUE 26TH
SEATTLE, WA 98161

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
682			3

(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	881108
5	Current value of plan's interest under this contract in separate accounts at year end	5	1624166

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	657435
c	Additions: (1) Contributions deposited during the year	7c(1)	76741		
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	21272		
	(4) Transferred from separate account	7c(4)	154383		
	(5) Other (specify below)	7c(5)	106074		
	▶ ROLLOVER,LOAN PYMT				
	(6)Total additions			7c(6)	358470
d	Total of balance and additions (add **b** and **c(6)**).			7d	1015905
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	101712		
	(2) Administration charge made by carrier	7e(2)	4033		
	(3) Transferred to separate account	7e(3)	0		
	(4) Other (specify below)	7e(4)	29052		
	▶ LOAN W/D				
	(5) Total deductions			7e(5)	134797
f	Balance at the end of the current year (subtract **e(5)** from **d**)			7f	881108

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 C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection.**

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

A Name of plan
CLINE CELLARS 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
CLINE CELLARS INC.

D Employer Identification Number (EIN)
68-0247575

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

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

HARTFORD LIFE INSURANCE COMPANY

06-0974148

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 23 37 38 49 50 54 55 56 59 60 62 63 64 65 66	NONE	4203	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
67 99			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
HARTFORD LIFE INSURANCE COMPANY	15 23 37 38 49 50 54 55 56 59 60 62 63 64 65 66 67 99	0
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
SEE ATTACHED 06-0974148	SEE ATTACHED	

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

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

A Name of plan
CLINE CELLARS 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
CLINE CELLARS INC.

D Employer Identification Number (EIN)
68-0247575

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: HARTFORD ADVANTAGE TK4

b Name of sponsor of entity listed in (a): HARTFORD LIFE INSURANCE COMPANY

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)
06-0974148-000	P	1445123

a Name of MTIA, CCT, PSA, or 103-12 IE: HARTFORD ADVANTAGE VK4

b Name of sponsor of entity listed in (a): HARTFORD LIFE INSURANCE COMPANY

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)
06-0974148-000	P	179043

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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
CLINE CELLARS 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
CLINE CELLARS INC.

D Employer Identification Number (EIN)
68-0247575

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)	0	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)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	85449	114528
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(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)	1651314	1624166
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	657435	881108
(15) Other	1c(15)	0	0

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	0	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	2394198	2619802
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	2394198	2619802

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)	101827	
	(B) Participants	2a(1)(B)	283270	
	(C) Others (including rollovers)	2a(1)(C)	148096	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		533193
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
	(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)	4100	
	(F) Other	2b(1)(F)	21272	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		25372
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)	0	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	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)		-81784
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		0
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		476781
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	233370	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		233370
f Corrective distributions (see instructions)	2f		13605
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	4202	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		4202
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		251177
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		225604
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified (2) [ ] Qualified (3) [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: BROWN FINK BOYCE & ASTLE LLP (2) EIN: 68-0000424

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		50000
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? ☐ **Yes** ☒ **No**

If "Yes," enter the amount of any plan assets that reverted to the employer this year **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
CLINE CELLARS 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
CLINE CELLARS INC.

D Employer Identification Number (EIN)
68-0247575

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): 06-0974148

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** 0

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** 0

b Enter the amount contributed by the employer to the plan for this plan year **6b** 0

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** 0

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):

CLINE CELLARS 401(K) SAVINGS PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

DECEMBER 31, 2011 AND 2010

Table of Contents

Independent Auditors' Report 1

Financial Statements

Statements of Net Assets Available for Benefits 2
Statement of Changes in Net Assets Available for Benefits 3
Notes to the Financial Statements 4

Supplemental Schedule

Schedule of Assets Held for Investment Purposes 12

BROWN FINK BOYCE & ASTLE, LLP
CERTIFIED PUBLIC ACCOUNTANTS | BUSINESS ADVISORS

83 Scripps Drive - Suite 210
Sacramento, CA 95825

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INDEPENDENT AUDITORS' REPORT

To the Cline Cellars 401(K) Savings Plan Sponsor
Sonoma, California

We were engaged to audit the accompanying statements of net assets available for benefits of the Cline Cellars 401(k) Savings Plan as of December 31, 2011 and 2010, the related statement of changes in net assets available for benefits for the year ended December 31, 2011, and the supplemental Schedule H, Part IV, Line 4(i) – Schedule of Assets Held for Investment Purposes as of December 31, 2011, as listed in the foregoing table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by the Plan custodian, except for comparing such information with the related information included in the financial statements and supplemental schedules. The Plan administrator has informed us that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian that the information as of and for the year ended December 31, 2011, provided to the Plan administrator by the custodian is complete and accurate.

Because of the significance of the information in the Plan's 2011 financial statements December 31, 2011 that we did not audit, we are unable to, and do not express an opinion on the accompanying financial statements and supplemental schedules as of and for the year ended December 31, 2011. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the investment information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Brown, Fink, Boyce & Astle, LLP

Sacramento, California
September 13, 2012

CLINE CELLARS 401(K) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

Assets

	2011	2010
Investments, at fair value		
Guaranteed interest contract	$ 934,810	$ 684,017
Mutual funds	1,624,165	1,651,314
Total investments	2,558,975	2,335,331
Receivables		
Notes receivable from participants	114,528	85,449
Total receivables	114,528	85,449
Total assets	2,673,503	2,420,780
Liabilities		
Excess contributions payable	6,687	13,605
Total liabilities	6,687	13,605
Net assets reflecting investments	2,666,816	2,407,175
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(53,701)	(26,582)
Net assets available for benefits	$ 2,613,115	$ 2,380,593

The accompanying notes are an integral part of these financial statements.

CLINE CELLARS 401(K) SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011

Additions to net assets attributed to	
Investment income	
Net depreciation in fair value of investments	$ (81,784)
Interest and dividends	25,372
Contributions	
Participant	431,366
Employer	101,827
Total additions	476,781
Deductions from net assets attributed to	
Withdrawals	240,057
Expenses	4,202
Total deductions	244,259
Net increase	232,522
Net assets available for benefits	
Beginning of year	2,380,593
End of year	$ 2,613,115

The accompanying notes are an integral part of these financial statements.

CLINE CELLARS 401(K) SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 1: DESCRIPTION OF PLAN

The following description of the Cline Cellars 401(K) Savings Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established on January 1, 2000 to provide eligible employees of Cline Cellars (the "Company") with retirement benefits in accordance with section 401(k) of the Internal Revenue Code (the "IRC"). This plan is available to all eligible employees who have attained one year of service and are 21 years of age or older.

Contributions

Employees may elect to make pre-tax contributions and/or Roth contributions in an amount ranging from 1% to 75% of their annual eligible salary, not to exceed $16,500 in 2011. Participants who have attained age 50 before the end of the Plan year are eligible to make catch up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Each participant may elect to have their individual account invested in any combination of funds held by the Plan custodian.

The Company makes a matching contribution equal to 50% of the first 6% of each participant's contribution. Employee contributions in excess of 6% of compensation are not eligible for matching. In addition, at its discretion, the Company may elect to make an additional profit sharing contribution to the Plan for all employees that have completed at least 1,000 hours of service in the Plan year. The Company's contributions are segregated into individual participant accounts.

Participant Accounts

Each participant's account is credited with the participant's and Company's contributions and an allocation of Plan earnings and forfeitures of terminated participants' nonvested accounts. Allocations are based on participant earnings by account balances.

Vesting

Participants are always fully vested in their own contributions and vest in Company contributions as follows: 20 percent after one year of credited service increasing by 20 percent for each year of service thereafter. After five years of service participants are fully vested in Company contributions. Forfeited accounts are applied to reduce required employer contributions.

NOTE 1: DESCRIPTION OF PLAN (CONTINUED)

Participant Loans

Participants may borrow up to 50% of their vested interest in their account in the form of a loan with a minimum of $1,000. Loans bear interest at prevailing market rates and generally must be repaid within five years. Loans to participants are stated at the principal amount outstanding, which approximates fair value.

Payment of Benefits

Upon termination of employment due to retirement, death, disability or separation from service, the balances in the participants' accounts will be distributed to the participants or to their beneficiaries in either a lump sum, equal installments in the form of nontransferable annuity, or some combination of the foregoing, at the election of the beneficiary.

Administrative Expenses

The Company, as Plan sponsor, pays certain administrative expenses on behalf of the Plan. Participant's accounts are adjusted for fees pertaining to loan or termination processing, and are charged for expenses incurred by the custodian in the performance of their duties.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition

Financial Accounting Standards Board ("FASB") *Accounting Standards Codification* ("ASC") Topic 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the 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 Topic 820 are described as follows:

Level 1) Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition (Continued)

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 input 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. Investments are stated at fair value, based on quoted market prices, or at contract value, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation in fair value of investments is composed of unrealized appreciation and depreciation of fair value of investments and realized gains and losses on sales of investments during the year. Unrealized appreciation or depreciation results from the difference between fair value of investments owned at year end compared to the fair value at the beginning of the year or date of purchase if acquired during the year. Realized gains and losses are the differences between sales proceeds and adjusted fair value.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition (Continued)

As of December 31, 2011, assets in the plan, as defined by ASC Topic 820, were as follows:

	Assets at fair value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Bond funds	$ -	306,810	-	306,810
Growth funds	-	575,539	-	575,539
Value funds	-	87,672	-	87,672
Blend funds	-	197,895	-	197,895
Target date funds	-	50,467	-	50,467
Other funds	-	405,782	-	405,782
Total mutual funds	-	1,624,165	-	1,624,165
Insurance co. general account				
Guaranteed interest contract	-	934,810	-	934,810
Total assets at fair value	$ -	2,558,975	-	2,558,975

As of December 31, 2010, assets in the plan, as defined by ASC Topic 820, were as follows:

	Assets at fair value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Bond funds	$ -	289,718	-	289,718
Growth funds	-	609,078	-	609,078
Value funds	-	55,048	-	55,048
Blend funds	-	225,132	-	225,132
Target date funds	-	46,745	-	46,745
Other funds	-	425,593	-	425,593
Total mutual funds	-	1,651,314	-	1,651,314
Insurance co. general account				
Guaranteed interest contract	-	684,017	-	684,017
Total assets at fair value	$ -	2,335,331	-	2,335,331

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Payment of Benefits

Benefits are recorded when paid.

Subsequent Events

In preparing the accompanying financial statements, management has considered events that have occurred after December 31, 2011, through September 13, 2012, the date these financial statements were available for issuance.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Use of Estimates

In preparing the financial statements in accordance with accounting principles generally accepted in the United States of America, management makes estimates and assumptions which affect the reported amounts of net assets available for benefits at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

NOTE 3: INFORMATION CERTIFIED BY THE CUSTODIAN (UNAUDITED)

Information contained in the accompanying financial statements and supplemental schedule that was certified by the custodian as to completeness and accuracy includes:

- Details (cost, market, and contract value) and summaries of investments held at December 31, 2011 and 2010.
- Summaries of investment income and transactions for the year ended December 31, 2011.

NOTE 4: INVESTMENTS (UNAUDITED)

Investments exceeding 5% of the Plan's net assets as of December 31 include the following:

	2011	2010
Hartford Fixed Account	$ 881,109	$ 657,435
T. Rowe Price Personal Strategy Balanced Fund	315,861	324,902
PIMCO Total Return Fund	306,810	289,718
Columbia Acorn Select Fund	257,558	297,645
Fidelity VIP Contrafund Portfolio	179,043	182,314
American Funds Growth Fund of America	135,030	127,908
American Funds Europacific Growth Fund		127,518

NOTE 5: PLAN TERMINATION

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan at any time. In the event of Plan termination, all accounts become fully vested and non-forfeitable. Plan assets would first be used to pay any expenses properly charged to the Plan. The remainder would then be distributed to participants in a lump sum.

NOTE 6: GUARANTEED INTEREST CONTRACT WITH INSURANCE COMPANY

The Plan entered into a benefit-responsive guaranteed interest contract with The Hartford. The Hartford maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed interest contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the plan.

Because the guaranteed interest contract is 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. The guaranteed interest contract is presented on the face of the statement of net assets available for benefits at fair value with an adjustment to contract value in arriving at net assets available for benefits. Contract value, as reported to the plan by The Hartford, 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 interest contract at December 31, 2011 and 2010 was $934,810 and $684,017, respectively. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than three percent. Such interest rates are reviewed on a quarterly basis for resetting.

NOTE 6: GUARANTEED INTEREST CONTRACT WITH INSURANCE COMPANY (CONTINUED)

Certain events limit the ability of the plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (3) 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 (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan administrator does not believe that any events which would limit the plan's ability to transact at contract value with participants are probable of occurring.

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

Average yields	2011	2010
Based on actual earnings	3.00%	3.00%
Based on interest rate credited to participants	3.00%	3.00%

NOTE 7: TAX STATUS

Although the Company has not applied for a determination letter from the Internal Revenue Service ("IRS") as to the qualified status of the Plan, the Company has received a favorable opinion letter from the IRS dated March 31, 2008, as to the qualified status of the prototype plan from which the Plan's terms were drawn. The Company believes that the Plan is designed and is being operated in compliance with the applicable requirements of the IRC and ERISA, and that the trust, which forms part of the Plan, is exempt from income tax. Accordingly, no provision has been made for federal or state income taxes.

NOTE 8: RISKS AND UNCERTAINTIES

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

NOTE 9: 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, 2011 and 2010 to the Plan's Form 5500:

	2011	2010
Net assets available for benefits per the financial statements	$ 2,613,115	$ 2,380,593
Excess contributions payable	6,687	13,605
Net assets available for benefits per the Form 5500	$ 2,619,802	$ 2,394,198

Supplemental Schedule

CLINE CELLARS 401(K) SAVINGS PLAN

SCHEDULE H, PART IV, LINE 4(i) – SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
DECEMBER 31, 2011

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment	Current Value
Hartford Life Insurance Company funds:		
Hartford Fixed Account	Guaranteed Interest Contract	$ 934,810
T. Rowe Price Personal Strategy Balanced Fund	Mutual Fund	315,861
PIMCO Total Return Fund	Mutual Fund	306,810
Columbia Acorn Select Fund	Mutual Fund	257,558
Fidelity VIP Contra fund Portfolio	Mutual Fund	179,043
American Funds Growth Fund of America	Mutual Fund	135,030
American Funds Europacific Growth Fund	Mutual Fund	117,079
American Funds Income Fund of America	Mutual Fund	89,921
Davis New York Venture Fund	Mutual Fund	63,346
American Funds Mutual Fund	Mutual Fund	53,172
Victory Small Company Opportunity Fund	Mutual Fund	26,295
Alger SC Growth Income Fund	Mutual Fund	17,470
T. Rowe Price Retire 2050 Fund	Mutual Fund	15,777
T. Rowe Price Retire 2030 Fund	Mutual Fund	15,444
T. Rowe Price Retire 2020 Fund	Mutual Fund	11,561
Thornburg International Value Fund	Mutual Fund	8,205
T. Rowe Price Retire 2040 Fund	Mutual Fund	7,685
Federated Kaufmann Fund	Mutual Fund	3,908
Notes receivable from participants	Loans (4.25% - 7.00%)	114,528
		$ 2,673,503

CLINE CELLARS 401(K) SAVINGS PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

DECEMBER 31, 2011 AND 2010

Table of Contents

Independent Auditors' Report 1

Financial Statements

Statements of Net Assets Available for Benefits 2
Statement of Changes in Net Assets Available for Benefits 3
Notes to the Financial Statements 4

Supplemental Schedule

Schedule of Assets Held for Investment Purposes 12

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INDEPENDENT AUDITORS' REPORT

To the Cline Cellars 401(K) Savings Plan Sponsor
Sonoma, California

We were engaged to audit the accompanying statements of net assets available for benefits of the Cline Cellars 401(k) Savings Plan as of December 31, 2011 and 2010, the related statement of changes in net assets available for benefits for the year ended December 31, 2011, and the supplemental Schedule H, Part IV, Line 4(i) – Schedule of Assets Held for Investment Purposes as of December 31, 2011, as listed in the foregoing table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by the Plan custodian, except for comparing such information with the related information included in the financial statements and supplemental schedules. The Plan administrator has informed us that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian that the information as of and for the year ended December 31, 2011, provided to the Plan administrator by the custodian is complete and accurate.

Because of the significance of the information in the Plan's 2011 financial statements December 31, 2011 that we did not audit, we are unable to, and do not express an opinion on the accompanying financial statements and supplemental schedules as of and for the year ended December 31, 2011. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the investment information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Brown, Fink, Boyce & Astle, LLP

Sacramento, California
September 13, 2012

CLINE CELLARS 401(K) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

Assets

	2011	2010
Investments, at fair value		
Guaranteed interest contract	$ 934,810	$ 684,017
Mutual funds	1,624,165	1,651,314
Total investments	2,558,975	2,335,331
Receivables		
Notes receivable from participants	114,528	85,449
Total receivables	114,528	85,449
Total assets	2,673,503	2,420,780
Liabilities		
Excess contributions payable	6,687	13,605
Total liabilities	6,687	13,605
Net assets reflecting investments	2,666,816	2,407,175
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(53,701)	(26,582)
Net assets available for benefits	$ 2,613,115	$ 2,380,593

The accompanying notes are an integral part of these financial statements.

CLINE CELLARS 401(K) SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011

Additions to net assets attributed to	
Investment income	
Net depreciation in fair value of investments	$ (81,784)
Interest and dividends	25,372
Contributions	
Participant	431,366
Employer	101,827
Total additions	476,781
Deductions from net assets attributed to	
Withdrawals	240,057
Expenses	4,202
Total deductions	244,259
Net increase	232,522
Net assets available for benefits	
Beginning of year	2,380,593
End of year	$ 2,613,115

The accompanying notes are an integral part of these financial statements.

CLINE CELLARS 401(K) SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 1: DESCRIPTION OF PLAN

The following description of the Cline Cellars 401(K) Savings Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established on January 1, 2000 to provide eligible employees of Cline Cellars (the "Company") with retirement benefits in accordance with section 401(k) of the Internal Revenue Code (the "IRC"). This plan is available to all eligible employees who have attained one year of service and are 21 years of age or older.

Contributions

Employees may elect to make pre-tax contributions and/or Roth contributions in an amount ranging from 1% to 75% of their annual eligible salary, not to exceed $16,500 in 2011. Participants who have attained age 50 before the end of the Plan year are eligible to make catch up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Each participant may elect to have their individual account invested in any combination of funds held by the Plan custodian.

The Company makes a matching contribution equal to 50% of the first 6% of each participant's contribution. Employee contributions in excess of 6% of compensation are not eligible for matching. In addition, at its discretion, the Company may elect to make an additional profit sharing contribution to the Plan for all employees that have completed at least 1,000 hours of service in the Plan year. The Company's contributions are segregated into individual participant accounts.

Participant Accounts

Each participant's account is credited with the participant's and Company's contributions and an allocation of Plan earnings and forfeitures of terminated participants' nonvested accounts. Allocations are based on participant earnings by account balances.

Vesting

Participants are always fully vested in their own contributions and vest in Company contributions as follows: 20 percent after one year of credited service increasing by 20 percent for each year of service thereafter. After five years of service participants are fully vested in Company contributions. Forfeited accounts are applied to reduce required employer contributions.

NOTE 1: DESCRIPTION OF PLAN (CONTINUED)

Participant Loans

Participants may borrow up to 50% of their vested interest in their account in the form of a loan with a minimum of $1,000. Loans bear interest at prevailing market rates and generally must be repaid within five years. Loans to participants are stated at the principal amount outstanding, which approximates fair value.

Payment of Benefits

Upon termination of employment due to retirement, death, disability or separation from service, the balances in the participants' accounts will be distributed to the participants or to their beneficiaries in either a lump sum, equal installments in the form of nontransferable annuity, or some combination of the foregoing, at the election of the beneficiary.

Administrative Expenses

The Company, as Plan sponsor, pays certain administrative expenses on behalf of the Plan. Participant's accounts are adjusted for fees pertaining to loan or termination processing, and are charged for expenses incurred by the custodian in the performance of their duties.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition

Financial Accounting Standards Board ("FASB") *Accounting Standards Codification* ("ASC") Topic 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the 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 Topic 820 are described as follows:

Level 1) Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition (Continued)

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 input 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. Investments are stated at fair value, based on quoted market prices, or at contract value, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation in fair value of investments is composed of unrealized appreciation and depreciation of fair value of investments and realized gains and losses on sales of investments during the year. Unrealized appreciation or depreciation results from the difference between fair value of investments owned at year end compared to the fair value at the beginning of the year or date of purchase if acquired during the year. Realized gains and losses are the differences between sales proceeds and adjusted fair value.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition (Continued)

As of December 31, 2011, assets in the plan, as defined by ASC Topic 820, were as follows:

	Assets at fair value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Bond funds	$ -	306,810	-	306,810
Growth funds	-	575,539	-	575,539
Value funds	-	87,672	-	87,672
Blend funds	-	197,895	-	197,895
Target date funds	-	50,467	-	50,467
Other funds	-	405,782	-	405,782
Total mutual funds	-	1,624,165	-	1,624,165
Insurance co. general account				
Guaranteed interest contract	-	934,810	-	934,810
Total assets at fair value	$ -	2,558,975	-	2,558,975

As of December 31, 2010, assets in the plan, as defined by ASC Topic 820, were as follows:

	Assets at fair value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Bond funds	$ -	289,718	-	289,718
Growth funds	-	609,078	-	609,078
Value funds	-	55,048	-	55,048
Blend funds	-	225,132	-	225,132
Target date funds	-	46,745	-	46,745
Other funds	-	425,593	-	425,593
Total mutual funds	-	1,651,314	-	1,651,314
Insurance co. general account				
Guaranteed interest contract	-	684,017	-	684,017
Total assets at fair value	$ -	2,335,331	-	2,335,331

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Payment of Benefits

Benefits are recorded when paid.

Subsequent Events

In preparing the accompanying financial statements, management has considered events that have occurred after December 31, 2011, through September 13, 2012, the date these financial statements were available for issuance.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Use of Estimates

In preparing the financial statements in accordance with accounting principles generally accepted in the United States of America, management makes estimates and assumptions which affect the reported amounts of net assets available for benefits at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

NOTE 3: INFORMATION CERTIFIED BY THE CUSTODIAN (UNAUDITED)

Information contained in the accompanying financial statements and supplemental schedule that was certified by the custodian as to completeness and accuracy includes:

- Details (cost, market, and contract value) and summaries of investments held at December 31, 2011 and 2010.
- Summaries of investment income and transactions for the year ended December 31, 2011.

NOTE 4: INVESTMENTS (UNAUDITED)

Investments exceeding 5% of the Plan's net assets as of December 31 include the following:

	2011	2010
Hartford Fixed Account	$ 881,109	$ 657,435
T. Rowe Price Personal Strategy Balanced Fund	315,861	324,902
PIMCO Total Return Fund	306,810	289,718
Columbia Acorn Select Fund	257,558	297,645
Fidelity VIP Contrafund Portfolio	179,043	182,314
American Funds Growth Fund of America	135,030	127,908
American Funds Europacific Growth Fund		127,518

NOTE 5: PLAN TERMINATION

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan at any time. In the event of Plan termination, all accounts become fully vested and non-forfeitable. Plan assets would first be used to pay any expenses properly charged to the Plan. The remainder would then be distributed to participants in a lump sum.

NOTE 6: GUARANTEED INTEREST CONTRACT WITH INSURANCE COMPANY

The Plan entered into a benefit-responsive guaranteed interest contract with The Hartford. The Hartford maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed interest contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the plan.

Because the guaranteed interest contract is 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. The guaranteed interest contract is presented on the face of the statement of net assets available for benefits at fair value with an adjustment to contract value in arriving at net assets available for benefits. Contract value, as reported to the plan by The Hartford, 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 interest contract at December 31, 2011 and 2010 was $934,810 and $684,017, respectively. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than three percent. Such interest rates are reviewed on a quarterly basis for resetting.

NOTE 6: GUARANTEED INTEREST CONTRACT WITH INSURANCE COMPANY (CONTINUED)

Certain events limit the ability of the plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (3) 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 (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan administrator does not believe that any events which would limit the plan's ability to transact at contract value with participants are probable of occurring.

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

Average yields	2011	2010
Based on actual earnings	3.00%	3.00%
Based on interest rate credited to participants	3.00%	3.00%

NOTE 7: TAX STATUS

Although the Company has not applied for a determination letter from the Internal Revenue Service ("IRS") as to the qualified status of the Plan, the Company has received a favorable opinion letter from the IRS dated March 31, 2008, as to the qualified status of the prototype plan from which the Plan's terms were drawn. The Company believes that the Plan is designed and is being operated in compliance with the applicable requirements of the IRC and ERISA, and that the trust, which forms part of the Plan, is exempt from income tax. Accordingly, no provision has been made for federal or state income taxes.

NOTE 8: RISKS AND UNCERTAINTIES

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

NOTE 9: 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, 2011 and 2010 to the Plan's Form 5500:

	2011	2010
Net assets available for benefits per the financial statements	$ 2,613,115	$ 2,380,593
Excess contributions payable	6,687	13,605
Net assets available for benefits per the Form 5500	$ 2,619,802	$ 2,394,198

Supplemental Schedule

CLINE CELLARS 401(K) SAVINGS PLAN

SCHEDULE H, PART IV, LINE 4(i) – SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
DECEMBER 31, 2011

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment	Current Value
Hartford Life Insurance Company funds:		
Hartford Fixed Account	Guaranteed Interest Contract	$ 934,810
T. Rowe Price Personal Strategy Balanced Fund	Mutual Fund	315,861
PIMCO Total Return Fund	Mutual Fund	306,810
Columbia Acorn Select Fund	Mutual Fund	257,558
Fidelity VIP Contra fund Portfolio	Mutual Fund	179,043
American Funds Growth Fund of America	Mutual Fund	135,030
American Funds Europacific Growth Fund	Mutual Fund	117,079
American Funds Income Fund of America	Mutual Fund	89,921
Davis New York Venture Fund	Mutual Fund	63,346
American Funds Mutual Fund	Mutual Fund	53,172
Victory Small Company Opportunity Fund	Mutual Fund	26,295
Alger SC Growth Income Fund	Mutual Fund	17,470
T. Rowe Price Retire 2050 Fund	Mutual Fund	15,777
T. Rowe Price Retire 2030 Fund	Mutual Fund	15,444
T. Rowe Price Retire 2020 Fund	Mutual Fund	11,561
Thornburg International Value Fund	Mutual Fund	8,205
T. Rowe Price Retire 2040 Fund	Mutual Fund	7,685
Federated Kaufmann Fund	Mutual Fund	3,908
Notes receivable from participants	Loans (4.25% - 7.00%)	114,528
		$ 2,673,503