# 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 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

**2019**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

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

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

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

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
THE WINE GROUP RETIREMENT & SAVINGS PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 07/01/1983

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
THE WINE GROUP, INC.

4596 SOUTH TRACY BLVD
TRACY, CA 95378

**2b** Employer Identification Number (EIN)
94-2756233

**2c** Plan Sponsor's telephone number
209-599-4111

**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. | 10/12/2020 | KATIE MCCONVILLE |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

| | | |
|---|---|---|
| **3a** Plan administrator's name and address [X] Same as Plan Sponsor | **3b** Administrator's EIN | |
| | **3c** Administrator's telephone number | |
| **4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br>**a** Sponsor's name<br>**c** Plan Name | **4b** EIN<br>**4d** PN | |
| **5** Total number of participants at the beginning of the plan year | **5** | 1056 |
| **6** Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** Total number of active participants at the beginning of the plan year | **6a(1)** | 888 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 739 |
| **b** Retired or separated participants receiving benefits | **6b** | 0 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 204 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 943 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 5 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 948 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 914 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 52 |
| **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 Characteristics Codes in the instructions:

2E 2F 2G 2J 2K 2R 2S 2T 3D 3H

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

| **9a** Plan funding arrangement (check all that apply) | | **9b** Plan benefit arrangement (check all that apply) | |
|---|---|---|---|
| **(1)** | [ ] Insurance | **(1)** | [ ] Insurance |
| **(2)** | [ ] Code section 412(e)(3) insurance contracts | **(2)** | [ ] Code section 412(e)(3) insurance contracts |
| **(3)** | [X] Trust | **(3)** | [X] Trust |
| **(4)** | [ ] General assets of the sponsor | **(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)** [ ] 0 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

## Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2019 Form M-1 annual report. If the plan was not required to file the 2019 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2019**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

**A** Name of plan
THE WINE GROUP RETIREMENT & SAVINGS PLAN

**B** Three-digit plan number (PN) ▶ 001

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

**D** Employer Identification Number (EIN)
94-2756233

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

CHARLES SCHWAB & CO. INC. AND AFFIL

94-1737782

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

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

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

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

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

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

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

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

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

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

**(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)

SCHWAB RETIREMENT PLAN SERVICES,INC

34-1479833

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 15 26 50 64 | NONE | 284976 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

CHARLES SCHWAB & CO., INC.

94-1737782

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 33 50 59 62 71 | NONE | 498 | Yes [X] No [ ] | Yes [X] No [ ] | 4 | 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? |
|---|---|---|---|---|---|---|
| | | | 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 |
|---|---|---|
| CHARLES SCHWAB & CO. AND AFFILIATES | 59 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| SEE ATTACHMENT<br><br>54-1968332 | SEE ATTACHMENT |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| | |

## Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

# SCHEDULE 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

**2019**

**This Form is Open to Public Inspection**

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

**A** Name of plan
THE WINE GROUP RETIREMENT & SAVINGS PLAN

**B** Three-digit plan number (PN) ▶ 001

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

**D** Employer Identification Number (EIN)
94-2756233

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 28 | 0 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 2931072 | 3184047 |
| **(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) | 4719267 | 4447725 |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | 2628286 | 2504474 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 75894639 | 93288760 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | 2469712 | 3276736 |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 88643004 | 106701742 |
| | **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 | 88643004 | 106701742 |

## 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) | 5013623 | |
| | **(B)** Participants | 2a(1)(B) | 5381878 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 523635 | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 10919136 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 66125 | |
| | **(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) | 152333 | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 218458 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 1493640 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 1493640 |
| | **(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 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 14665766 |
| c Other income | 2c | | 606720 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 27903720 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 9449439 | |
| (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) | | 9449439 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | 2682 | |
| (4) Other | 2i(4) | 285026 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 287708 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 9737147 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 18166573 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | 107835 |

## 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) ☐ Unmodified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

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

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

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

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

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

## Part IV Compliance Questions

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

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| 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 | | 5000000 |
| 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 _____.

**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) |
|---|---|---|
| THE WINE GROUP - FRANZIA WINERY RETIREMENT AND SAVINGS PLAN | 68-0112005 | 002 |
| | | |
| | | |
| | | |

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

# 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 sections 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

**2019**

**This Form is Open to Public Inspection.**

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

**A** Name of plan
THE WINE GROUP RETIREMENT & SAVINGS PLAN

**B** Three-digit plan number (PN) ▶ 001

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

**D** Employer Identification Number (EIN)
94-2756233

## Part I Distributions

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

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

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

EIN(s): 42-1558009 82-3967259

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

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

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

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

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

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

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

**6** **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

**a** Name of contributing employer

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

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

**20** **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

**a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

**b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation_____

*Financial Statements and*
*Independent Auditor's Report of*

# THE WINE GROUP
# RETIREMENT AND SAVINGS PLAN

*December 31, 2019 and 2018*

Campbell Taylor Washburn
Certified Public Accountants & Consultants

**THE WINE GROUP RETIREMENT AND SAVINGS PLAN**

CONTENTS


| | Page |
|---|---|
| INDEPENDENT AUDITOR'S REPORT | 1 and 2 |
| FINANCIAL STATEMENTS | |
| Statements of Net Assets Available for Benefits | 3 |
| Statements of Change in Net Assets Available for Benefits | 4 |
| Notes to Financial Statements | 5 - 11 |
| SUPPLEMENTAL SCHEDULE | |
| Schedule of Assets Held at End of Year | 12 |

Campbell Taylor Washburn
Certified Public Accountants & Consultants

3741 Douglas Blvd., Suite 350, Roseville, CA 95661
www.campbelltaylorwashburn.com // 916.929.3680

INDEPENDENT AUDITOR'S REPORT

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

**Report on Financial Statements**

We were engaged to audit the accompanying financial statements of The Wine Group Retirement and Savings Plan which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statements of change in net assets available for benefits for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting our audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Charles Schwab Bank, the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of and for the years ended December 31, 2019 and 2018, that the information provided to the plan administrator by the custodian is complete and accurate.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Other Matter**

The supplemental Schedule of Assets Held at End of Year as of December 31, 2019, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

**Report on Form and Content in Compliance with DOL Rules and Regulations**

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the 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.

Campbell Taylor Washburn
An Accountancy Corporation

Roseville, California
October 2, 2020

**THE WINE GROUP RETIREMENT AND SAVINGS PLAN**

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2019 and 2018

| | 2019 | 2018 |
|---|---|---|
| ASSETS: | | |
| Investments, at fair value - participant directed: | | |
| Mutual funds | $ 93,288,760 | $ 75,894,639 |
| Money market fund | 4,447,725 | 4,719,267 |
| Self-directed brokerage accounts | 3,276,736 | 2,469,712 |
| Total investments | 101,013,221 | 83,083,618 |
| Noninterest-bearing cash | - | 28 |
| Receivables: | | |
| Employer contributions | 3,184,047 | 2,931,072 |
| Notes receivable from participants | 2,504,474 | 2,628,286 |
| Total receivables | 5,688,521 | 5,559,358 |
| Net assets available for benefits | $ 106,701,742 | $ 88,643,004 |

The accompanying notes are an integral part of these financial statements

**THE WINE GROUP RETIREMENT AND SAVINGS PLAN**

STATEMENTS OF CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2019 and 2018

| | 2019 | 2018 |
|---|---|---|
| ADDITIONS TO NET ASSETS: | | |
| Investment income (loss): | | |
| Net appreciation (depreciation) in fair market value of investments | $ 15,272,486 | $ (6,338,998) |
| Dividend and interest income | 1,559,765 | 1,455,255 |
| Total investment income (loss) | 16,832,251 | (4,883,743) |
| Interest income, notes receiable from participants | 152,333 | 159,172 |
| Contributions: | | |
| Participant | 5,381,878 | 5,460,047 |
| Employer | 5,013,623 | 4,821,647 |
| Participant rollovers | 523,635 | 458,353 |
| Total contributions | 10,919,136 | 10,740,047 |
| Total additions | 27,903,720 | 6,015,476 |
| DEDUCTIONS FROM NET ASSETS: | | |
| Benefits paid to participants | 9,449,439 | 8,453,727 |
| Deemed distribution of participant loans | - | 2,106 |
| Administrative expenses | 287,708 | 299,875 |
| Total deductions | 9,737,147 | 8,755,708 |
| Net increase (decrease) before transfers | 18,166,573 | (2,740,232) |
| Transfer to the Plan | 23,133 | 33,480 |
| Transfers from the Plan | (130,968) | (2,060,351) |
| Net transfers | (107,835) | (2,026,871) |
| Net increase (decrease) in net assets | 18,058,738 | (4,767,103) |
| NET ASSETS AVAILABLE FOR BENEFITS | | |
| Beginning of year | 88,643,004 | 93,410,107 |
| End of year | $ 106,701,742 | $ 88,643,004 |

The accompanying notes are an integral part of these financial statements

## *NOTE 1:* DESCRIPTION OF PLAN

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

### General

The Plan was established on July 1, 1983 with the adoption of the Charles Schwab Defined Contribution 401(k) Non-Standardized Prototype Plan. The Plan has been amended since adoption to comply with current laws and regulations. The Plan is a defined contribution retirement plan covering all non-bargaining unit employees who are twenty-one (21) years of age or older, and are employed by The Wine Group, Inc., The Wine Group LLC and Golden State Vintners (collectively the "Plan Sponsor"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the Plan Sponsor. Charles Schwab Bank is custodian of Plan assets as well as the Plan trustee.

Effective October 1, 2018, the Plan was amended to include after-tax Roth elective deferrals as part of the automatic increase program.

Effective May 8, 2019, the Plan was amended to allow participants to take hardship distributions from the participant's vested interest in non safe harbor matching contributions and non safe harbor non-elective contributions.

### Plan Year

The Plan year begins January 1st and ends December 31st.

### Contributions

The Plan allows for the following types of contributions:

- ***Salary Deferral 401(k) Contributions***
  The Plan includes an elective salary deferral arrangement pursuant to Section 401(k) of the Internal Revenue Code. Employees may voluntarily contribute from 1% to 75% of their regular wages subject to various nondiscrimination tests and limitations prescribed by the Internal Revenue Code. Eligible employees are automatically enrolled at a deferral rate of 3% on the first day of the month following the date eligibility requirements are met and participants contributing less than 6% of compensation are automatically increased by 1% each Plan year. Employees may opt-out of automatic enrollment and the automatic increase. Participants may make after-tax Roth elective salary deferral contributions.

- ***Discretionary Employer Matching Contributions***
  The Plan Sponsor may make a discretionary matching contribution equal to a percentage of the amount of salary reduction the participant elected to defer. The employer contributed an amount up to 50% of the first 6% of compensation deferred by participants in 2019 and 2018. The employer matching contributions are allocated to participants' accounts on a per pay period basis.

- ***Discretionary Employer Profit Sharing Contributions***
  The Plan Sponsor may decide to make profit sharing contributions at its discretion. The employer's profit sharing contributions are allocated to eligible participants who are 21 years of age and are credited with at least 1,000 hours of service during the Plan year. The allocation is based on a participant group allocation method determined by the Plan Sponsor. Contributions are allocated on the last day of the Plan year and paid subsequent to year-end.

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

**Contributions (Continued)**

- ***Non-Safe Harbor Non-Elective Contributions***
  The Plan Sponsor may make non-safe harbor non-elective contributions at its discretion. The contributions are allocated to eligible participants who are 21 years of age, excluding certain employees. Participants must be credited with at least 1,000 hours of service to receive the non-safe harbor non-elective contribution. The allocation may be based on a per capita basis or participant group allocation method.

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

**Participant Accounts and Allocations**

Each participant's account is credited with the participant's contributions, rollover contributions, employer contributions, an allocation of Plan earnings, and an allocation of certain Plan expenses, as defined by the Plan document. The Plan provides various investment options and allows participants to self-direct their contributions and investments. Investment earnings and losses are allocated to participants' accounts based on the actual earnings or losses of the investments selected. The benefit to which a participant is entitled is limited to the benefit that can be provided from the participant's vested account.

**Vesting**

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

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

**Forfeitures**

Forfeitures may be used to reduce employer contributions. The forfeiture balance was $145,561 and $62,928 at December 31, 2019 and 2018, respectively. Forfeitures of $62,929 and $31,862 were used to reduce employer contributions during 2019 and 2018, respectively.

**Payment of Benefits**

Payment of benefits may be made: 1) at normal or early retirement; 2) upon termination of employment; 3) at death of the participant; 4) at age 59½ or anytime thereafter; or 5) upon demonstration of financial hardship. The Plan has a mandatory payout policy at age 70½. The normal form of benefit payment is a lump sum distribution in the amount equal to the value of the participant's vested account balance, less any outstanding participant loan balance.

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

**Notes Receivable from Participants**
The Plan allows participants to borrow against their accounts a minimum of $1,000, up to a maximum equal to the lesser of $50,000 or 50%, of their vested account balance, reduced by any outstanding loan balance. The loans are secured by the balance in the participant's account and bear interest charged at a commercially reasonable rate as determined by the Plan's administrator. Principal and interest is paid ratably through payroll deductions and loan periods range from one to five years, except for loans made for the purchase of a principal residence, which may permit a longer repayment term.

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

**Administrative Expenses**
Administrative expenses are paid by the Plan or the Plan Sponsor at the discretion of the Plan committee. Expenses related to specific participant transactions are charged to the respective participant's account.

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

**Basis of Accounting**
The financial statements of the Plan are maintained on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Investment Valuation and Income Recognition**
Mutual funds, money market funds and self-directed brokerage accounts are stated at fair market value using quoted market prices when available. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded when earned. Dividend income is recorded on the ex-dividend date. Capital gain distributions are included in dividend income. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year. Increases in the unit values of investments are reflected in each participant's self-directed account. Investments are valued daily.

**Payment of Benefits**
Benefits are recorded when paid.

**Notes receivable from participants**
Notes receivable are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2019 and 2018. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

**Estimates and Assumptions**
The preparation of financial statements in conformity with U.S. GAAP requires Plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and their reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

*NOTE 2*: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income Taxes**

The Plan has adopted a prototype plan which has obtained a favorable opinion letter dated June 19, 2014, in which the Internal Revenue Service stated that the Plan is acceptable under Section 401(k) of the Internal Revenue Code. The Plan has been amended since the opinion letter was received, however, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability or asset if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Plan management has determined that as of December 31, 2019 there are no uncertain tax positions taken or expected to be taken that would require recognition or disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities; however there are currently no audits for any tax periods in progress.

*NOTE 3:* **INFORMATION CERTIFIED BY THE CUSTODIAN**

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified as complete and accurate by the custodian, Charles Schwab Bank, as of December 31, 2019 and 2018, respectively.

| | 2019 | 2018 |
|---|---|---|
| Mutual funds | $ 93,288,760 | $ 75,894,639 |
| Money market fund | $ 4,447,725 | $ 4,719,267 |
| Self-directed brokerage accounts | $ 3,276,736 | $ 2,469,712 |
| Notes receivable from participants | $ 2,504,474 | $ 2,628,286 |
| Net appreciation (depreciation) in fair market value of investments | $ 15,272,486 | $ (6,338,998) |
| Dividend and interest income | $ 1,559,765 | $ 1,455,255 |
| Interest income, notes receivable from participants | $ 152,333 | $ 159,172 |

*NOTE 4*: **PLAN TERMINATION**

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

*NOTE 5*: **TRANSFERS TO/FROM THE PLAN**

The Plan Sponsor transferred the assets of participants that were previously employed as non-union employees and were terminated and rehired as union employees. Assets transferred from the participants' accounts to the Wine Group – Franzia Winery Retirement and Savings Plan during 2019 and 2018 were $130,968 and $2,060,351, respectively. The Plan Sponsor transferred the assets of participants that were previously employed as union employees with the Plan Sponsor and were terminated and rehired as non-union employees. Assets transferred to the participants' account from the Wine Group – Franzia Winery Retirement and Savings Plan during 2019 and 2018 were $23,133 and $33,480, respectively.

*NOTE 6*: **RISKS AND UNCERTAINTIES**

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

*NOTE 7:* **FAIR VALUE MEASUREMENTS**

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

Level 1 - Inputs are unadjusted quoted prices for identical assets or liabilities that the Plan has the ability to access.

Level 2 - Inputs other than level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs that are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

*Mutual Funds*: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Money Market Fund*: Underlying short term investments with quoted prices in active markets to preserve the value of the investment at $1.00 per share.

*Self-Directed Brokerage Accounts*: Self-directed brokerage accounts represent multiple personal choice retirement accounts. The self-directed brokerage accounts invest primarily in mutual funds, stocks, and bonds, both domestic and international. The underlying assets have level 1 quoted pricing inputs.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2019:

| | Assets at Fair Value as of December 31, 2019 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | $ 93,288,760 | $ - | $ - | $ 93,288,760 |
| Money market fund | 4,447,725 | - | - | 4,447,725 |
| Self-directed brokerage accounts | 3,276,736 | - | - | 3,276,736 |
| | $101,013,221 | $ - | $ - | $101,013,221 |

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018:

| | Assets at Fair Value as of December 31, 2018 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | $ 75,894,639 | $ - | $ - | $ 75,894,639 |
| Money market fund | 4,719,267 | - | - | 4,719,267 |
| Self-directed brokerage accounts | 2,469,712 | - | - | 2,469,712 |
| | $ 83,083,618 | $ - | $ - | $ 83,083,618 |

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

Certain Plan investments include shares of mutual funds and a money market fund managed by Charles Schwab Corporation. Charles Schwab Bank is the custodian and trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services are recorded in net appreciation (depreciation) in fair value of investments. Fees for certain administrative expenses are paid to Charles Schwab Corporation, the record keeper and third party administrator of the Plan. Notes receivable from participants are considered party-in-interest transactions. These investments and transactions qualify as party-in-interest transactions which are exempt from the prohibited transaction rules of ERISA.

*NOTE 9:* **SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 2, 2020, the date the financial statements were available to be issued, and Plan management has determined that no events have occurred that should be disclosed, other than the matter described below.

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The pandemic has led to volatility in financial markets. The impact of COVID-19 continues to evolve and the Company cannot reasonably estimate its full impact on the Plan's financial statements at this time. The United States declared the COVID-19 outbreak a national emergency and, on March 27, 2020, signed into law the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The CARES Act allows Plan participants to take a COVID-19 related distribution up to $100,000 from the Plan, waives the standard 10% penalty, increases loan limits, allows for suspension/relief/extension of loan repayments, and suspends/delays the commencement date for required minimum distributions.

SUPPLEMENTAL SCHEDULE

**THE WINE GROUP RETIREMENT AND SAVINGS PLAN**

SCHEDULE H, LINE 4i
SCHEDULE OF ASSETS HELD AT END OF YEAR
EIN 94-2756233, Plan No. 001
December 31, 2019

| (a) | Lessor or Similar Party | Collateral, Par, or Maturity Value | Cost | Value |
|---|---|---|---|---|
| | Vanguard Ttl Bond Mkt Idx Inst | Mutual Fund | $ - | $ 29,203,454 |
| * | Schwab International Index Fund | Mutual Fund | - | 11,310,067 |
| | Vanguard Value Index Instl | Mutual Fund | - | 9,384,682 |
| | Vanguard Growth Index Instl | Mutual Fund | - | 6,525,320 |
| * | Schwab S&P 500 Index Fund | Mutual Fund | - | 5,652,237 |
| * | Schwab Total Stock Market Index | Mutual Fund | - | 5,367,418 |
| | Vanguard Emerg Mkts Stk Idx Inst | Mutual Fund | - | 4,978,732 |
| * | Schwab Bank Savings | Money Market Fund | - | 4,447,725 |
| | Vanguard Sm Cap Val Index Adm | Mutual Fund | - | 4,026,095 |
| | Vanguard Mid Cap Index Admiral | Mutual Fund | - | 3,972,011 |
| | Vanguard Mid Cap Value Idx Adm | Mutual Fund | - | 3,490,708 |
| | Vanguard Reit Index Admiral | Mutual Fund | - | 3,477,692 |
| | Personal Choice Retirement | Self Directed Brokerage Accounts | - | 3,276,736 |
| * | Schwab Small-Cap Index Fund | Mutual Fund | - | 2,735,617 |
| | Vanguard Mdcp Grth Index Admiral | Mutual Fund | - | 2,262,718 |
| | Vanguard Small Cap Grth Index | Mutual Fund | - | 902,009 |
| | Total investments at fair value | | - | 101,013,221 |
| * | Notes receivable from participants | Interest ranging from 5.25% to 7.50% | - | 2,504,474 |
| | Total assets held at end of year | | $ - | $ 103,517,695 |

* Party-in-interest

Note: Cost basis omitted as investments are participant directed.



Campbell Taylor Washburn

Certified Public Accountants & Consultants

# The Path Forward

campbelltaylorwashburn.com • 916.929.3680

**The Wine Group Retirement and Savings Plan**
**Schedule C, Part I, Line 3 - Service Provider Indirect Compensation Information**
**December 31, 2019**

**EIN: 94-2756233**
**Plan Number: 001**

**Received By Charles Schwab & Co., Inc. (EIN: 94-1737782)**

| Fund Family/Provider | EIN | Formula |
|---|---|---|
| Akre | 54-1968332 | Rate of 0.40% of average daily balance of asset(s) |
| Allianz Funds | 06-1349805 | Rate of 0.40% of average daily balance of asset(s) |
| American Century Investments | 43-0821857 | Rate of 0.35% of average daily balance of asset(s) |
| Baird | 39-6037917 | Rate of 0.27% of average daily balance of asset(s) |
| DoubleLine | Not Available | Rate of 0.36% of average daily balance of asset(s) |
| Fidelity Investments | 06-1194217 | Rate of 0.10% of average daily balance of asset(s) |
| Invesco | 58-2287224 | Rate of 0.50% of average daily balance of asset(s) |
| Janus Henderson | 43-1804048 | Rate of 0.35% of average daily balance of asset(s) |
| JPMorgan | 13-2624428 | Rate of 0.50% of average daily balance of asset(s) |
| Matthews Asia Funds | 94-3250972 | Rate of 0.33% of average daily balance of asset(s) |
| Morgan Stanley | 36-3145972 | Rate of 0.40% of average daily balance of asset(s) |
| Motley Fool | 54-1742975 | Rate of 0.40% of average daily balance of asset(s) |
| Oakmark | 52-2257782 | Rate of 0.35% of average daily balance of asset(s) |
| Parnassus | 94-6579180 | Rate of 0.40% of average daily balance of asset(s) |
| Schwab Funds | 94-3106735 | Rate of 0.14% of average daily balance of asset(s) |

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

NAME OF PLAN SPONSOR: The Wine Group Inc.
NAME OF PLAN: The Wine Group Retirement and Savings Plan
EIN: 94-2756233
PLAN NUMBER: 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| * | PARTICIPANT LOANS | Loans (5.25% - 7.5%) | | 2,504,474 |
| * | SCHWAB BANK SAVINGS | Money Market / Cash Equivalent | | 4,447,725 |
| | PCRA | Self-Directed Brokerage Account | | 3,276,736 |
| * | SCHWAB INTERNATIONAL INDEX FD | Registered Investment Company | | 11,310,067 |
| * | SCHWAB S&P 500 INDEX FUND | Registered Investment Company | | 5,652,237 |
| * | SCHWAB SMALL-CAP INDEX FUND | Registered Investment Company | | 2,735,617 |
| * | SCHWAB TOTAL STK MARKET INDEX | Registered Investment Company | | 5,367,418 |
| | VANGUARD EMRG MKT STK IDX INST | Registered Investment Company | | 4,978,732 |
| | VANGUARD GROWTH INDEX INSTL | Registered Investment Company | | 6,525,320 |
| | VANGUARD MDCP GRTH INDEX ADM | Registered Investment Company | | 2,262,718 |
| | VANGUARD MID CAP INDEX ADMIRAL | Registered Investment Company | | 3,972,011 |
| | VANGUARD MID CAP VALUE IDX ADM | Registered Investment Company | | 3,490,708 |
| | VANGUARD REAL ESTATE INDEX ADM | Registered Investment Company | | 3,477,692 |
| | VANGUARD SM CAP VAL INDEX ADM | Registered Investment Company | | 4,026,095 |
| | VANGUARD SMALL CAP GRTH INDEX | Registered Investment Company | | 902,009 |
| | VANGUARD TOTAL BD MKT IDX INST | Registered Investment Company | | 29,203,454 |
| | VANGUARD VALUE INDEX INSTL | Registered Investment Company | | 9,384,682 |

* Party-in-interest