

AMERICAN CELLARS

Wine Club

Est. 1993

May 10, 2022

A: P1 T2  
Charter Member



Dear

Damn bureaucrats!

That was my reaction when the state of California told us that we can no longer run our Club the way we have since 1993! They said that many of the Club's most popular benefits are "violations".

"That is ridiculous" I said. "No, it's a violation of your license" replied the bureaucrat. "It says so right here in Section 25600, rule number 106-J which 'prohibits licensees from giving any premium, gift or free goods in connection with the sale or distribution of an alcoholic beverage'."

Tasting Notes? Violation.

Recipes? Violation.

Cyber Circle? Violation.

Gold Medal Award Panel? Violation.

Free gifts like picnic totes and Cork Extractors? Violation.

All are considered "inducements to purchase wine." Yep, outdated laws (some dating back to Prohibition!) do not let us give away "free goods" in conjunction with a customer buying wine. We argued that ours are NOT in conjunction with purchases, that these are benefits of membership in our Club. But all to no avail.

You see, there IS no fitting license for Clubs like ours. So we are licensed like a traditional retailer.

From the bureaucrat's point of view, our Club is a retailer of wine like any other. We are regulated by the same license as the liquor store on the corner. Never mind that ours is a wine finding service that delivers

Over, please -

fine wines to club members. Never mind that we provide benefits that enhance members' enjoyment of the wines we select.

It is kind of like trying to fit the proverbial square peg into a round hole. So I did what any angry person would do under the circumstances - I called a darn good attorney (and wine-loving friend) and explained our predicament.

"John" I said. "This is insane." "I agree" he said. "Let me work on it." Later that day, the phone rang. It was John. "Larry, I've got an idea. The way around this issue is by asking your members to pay a small token fee - say \$2.50 a month - as membership fees. Then you are free to not only continue providing the benefits you have been, you can keep adding new ones without running a foul of the regulators."

"You mean we just take two or three dollars of what our members already pay and call it a membership fee?" I asked. "Not quite" Mr. Hot-Shot-Attorney said. "It has to be entirely separate."

So that's why I'm sending you this letter, and the enclosed \$30 Wine Bucks Gift Certificate.

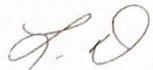
Sometime within the next 30 days, you will notice an annual membership fee equal to just \$2.50 a month billed to the same credit card account that is used for your wine club shipments.

We tried to find a way to satisfy the bureaucrats and at the same time give something of great value back to our members. And I'm glad to say that we succeeded. That's where the enclosed wine bucks gift certificate comes in. We are giving you back the cost of the annual dues we will be charging.

I like to say that sometimes blessings come disguised as adversity. My little sparring match with the bureaucrats reminded me of how much all of us at the Club value members like you. And we are very pleased that we can keep on serving you for years to come.

Thanks for your understanding and continued participation in our fast growing Club. The best is yet to come.

Cheers!



Lawrence Dutra  
Chief Winehound

P.S. Put your wine bucks in a safe place. And maybe think about putting them to good use by stocking up on your favorite wines. Check out [vinesse.com](http://vinesse.com) and watch future shipments for information on our wine samplers, gift memberships and more. Plenty of great ways to spend your \$30 gift certificate.