



For Immediate Release

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TTB SUSPENDS MCKENZIE RIVER PERMIT FOR MISLEADING HEALTH-RELATED ADVERTISING CLAIMS

Washington, D.C. – The Alcohol and Tobacco Tax and Trade Bureau (TTB) announced a 7-day suspension of operations of the McKenzie River Corporation (McKenzie), in San Francisco, CA. TTB has also accepted an Offer-in-Compromise (OIC) of \$200,000 from McKenzie River, holder of a wholesale basic permit, for violations of the Federal Alcohol Administration Act (FAA Act).

TTB's investigation disclosed numerous advertising violations. The investigation revealed that McKenzie published print advertisements implying that its alcohol beverage product has a stimulating or energizing effect on the consumer. The ads were published in six magazines disseminated in interstate commerce, resulting in the distribution of over 600,000 individual magazines containing the misleading energy claim. TTB finds alcohol beverage advertisements that make energy claims to be misleading health-related statements in violation of 27 U.S.C. § 205(f), as implemented by regulations at 27 CFR §§ 7.50, 7.54(a)(1), and 7.54(e)(2)(i). An announcement explaining TTB's policy on energy drinks is available on TTB's Web site at http://www.ttb.gov/announcements/051805energy_beer.pdf.

Based on the findings of the investigation, McKenzie stipulated that it willfully violated the advertising provisions of the FAA Act. The company began serving a 7-day suspension of its Basic Permit on July 16, 2007. McKenzie also submitted a \$200,000 Offer-in-Compromise.

TTB Assistant Administrator William Foster stated, "TTB takes violations of the Federal Alcohol Administration Act very seriously. We informed the industry back in 2005 of our proactive advertising program and we have provided industry seminars regarding mandatory and prohibited advertising practices in an effort to keep a level playing field for all involved." Foster added that McKenzie will work with TTB to develop future advertisements that comply with federal laws.

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