

laws or a class 8 bonded warehouse qualified under the customs laws, a winemaker for the fortification of wines, a proprietor of an industrial alcohol plant, or an agency of the United States or any State or political subdivision thereof.

(2) To sell or offer to sell, contract to sell, or otherwise dispose of warehouse receipts for distilled spirits in bulk unless such warehouse receipts require that the warehouseman shall package such distilled spirits, before delivery, in bottles labeled and marked in accordance with law, or deliver such distilled spirits in bulk only to persons to whom it is lawful to sell or otherwise dispose of distilled spirits in bulk.

(3) To bottle distilled spirits unless the bottler is a person to whom it is lawful to sell or otherwise dispose of distilled spirits in bulk.

#### (b) Penalty

Any person who violates the requirements of this section shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year or both, and shall forfeit to the United States all distilled spirits with respect to which the violation occurs and the containers thereof.

#### (c) "In bulk" defined

The term "in bulk" mean in containers having a capacity in excess of one wine gallon.

(Aug. 29, 1935, ch. 814, title I, §106, formerly §6, 49 Stat. 985; 1940 Reorg. Plan No. III, §2, eff. June 30, 1940, 5 F.R. 2108, 54 Stat. 1232; renumbered title I, §106, Pub. L. 100-690, title VIII, §8001(a)(1), (2), Nov. 18, 1988, 102 Stat. 4517.)

#### TRANSFER OF FUNCTIONS

"Secretary of the Treasury" was substituted in subsec. (a)(1) for "Administrator", meaning the Administrator of the Federal Alcohol Administration, pursuant to Reorg. Plan No. III of 1940, see note set out under section 201 of this title.

#### § 207. Penalties; jurisdiction; compromise of liability

The District Courts of the United States, and the United States court for any Territory, of the District where the offense is committed or threatened or of which the offender is an inhabitant or has his principal place of business, are vested with jurisdiction of any suit brought by the Attorney General in the name of the United States, to prevent and restrain violations of any of the provisions of this subchapter. Any person violating any of the provisions of section 203 or 205 of this title shall be guilty of a misdemeanor and upon conviction thereof be fined not more than \$1,000 for each offense. The Secretary of the Treasury is authorized, with respect to any violation of this subchapter, to compromise the liability arising with respect to such violation (1) upon payment of a sum not in excess of \$500 for each offense, to be collected by the Secretary and to be paid into the Treasury as miscellaneous receipts, and (2) in case of repetitious violations and in order to avoid multiplicity of criminal proceedings, upon agreement to a stipulation, that the United States may, on its own motion upon five days' notice to the violator,

cause a consent decree to be entered by any court of competent jurisdiction enjoining the repetition of such violation.

(Aug. 29, 1935, ch. 814, title I, §107, formerly §7, 49 Stat. 985; June 25, 1936, ch. 804, 49 Stat. 1921; 1940 Reorg. Plan No. III, §2, eff. June 30, 1940, 5 F.R. 2108, 54 Stat. 1232; 1940 Reorg. Plan No. IV, §2, eff. June 30, 1940, 5 F.R. 2421, 54 Stat. 1234; June 25, 1948, ch. 646, §32(b), 62 Stat. 991; May 24, 1949, ch. 139, §127, 63 Stat. 107; renumbered title I, §107, and amended Pub. L. 100-690, title VIII, §8001(a)(1), (2), (b)(2), (4), Nov. 18, 1988, 102 Stat. 4517, 4521.)

#### CODIFICATION

As originally enacted this section contained a reference to the Supreme Court of the District of Columbia. Act June 25, 1936, substituted "the district court of the United States for the District of Columbia" for "the Supreme Court of the District of Columbia", and act June 25, 1948, as amended by act May 24, 1949, substituted "United States District Court for the District of Columbia" for "district court of the United States for the District of Columbia". However, the words "United States District Court for the District of Columbia" have been deleted entirely as superfluous in view of section 132(a) of Title 28, Judiciary and Judicial Procedure, which states that "There shall be in each judicial district a district court which shall be a court of record known as the United States District Court for the district", and section 88 of Title 28 which states that "the District of Columbia constitutes one judicial district".

#### AMENDMENTS

1988—Pub. L. 100-690, §8001(b)(2), substituted "subchapter" for "chapter" in two places.

Pub. L. 100-690, §8001(b)(4), made technical amendment to references to sections 203 and 205 of this title to reflect renumbering of corresponding sections of original act.

#### TRANSFER OF FUNCTIONS

"The Secretary of the Treasury is authorized" and "Secretary" were substituted for "Subject to the approval of the Attorney General, the Administrator is authorized" and "Administrator", meaning the Administrator of the Federal Alcohol Administration, respectively, pursuant to Reorg. Plan No. IV of 1940, set out in the Appendix to Title 5, Government Organization and Employees, which transferred the function of approving compromises made in accordance with this section from the Attorney General to the Secretary of the Treasury, to be exercised by him or under his direction and supervision by officer in the Department of the Treasury designated by him, and Reorg. Plan No. III of 1940, set out in the Appendix to Title V, which transferred the functions of the Administrator of the Federal Alcohol Administration to the Secretary of the Treasury. Reorg. Plan No. IV of 1940, in addition, contained the following proviso: "Provided, That exclusive jurisdiction to compromise cases arising under the Federal Alcohol Administration Act which are pending before the courts or which have been or may hereafter be referred to the Department of Justice for action shall be vested in the Attorney General, and may be exercised by him or by any officer in the Department of Justice designated by him." See also note set out under section 201 of this title.

#### § 208. Interlocking directorates

##### (a) Offenses

Except as provided in subsection (b), it shall be unlawful for any individual to take office, after August 29, 1935, as an officer or director of

any company, if his doing so would make him an officer or director of more than one company engaged in business as a distiller, rectifier, or blender of distilled spirits, or of any such company and of a company which is an affiliate of any company engaged in business as a distiller, rectifier, or blender of distilled spirits, or of more than one company which is an affiliate of any company engaged in business as a distiller, rectifier, or blender of distilled spirits, unless, prior to taking such office, application made by such individual to the Secretary of the Treasury has been granted and after due showing has been made to him that service by such individual as officer or director of all the foregoing companies of which he is an officer or director together with service in the company with respect to which application is made will not substantially restrain or prevent competition in interstate or foreign commerce in distilled spirits. The Secretary of the Treasury shall, by order, grant or deny such application on the basis of the proof submitted to him and his finding thereon. The District Courts of the United States, and the United States court for any Territory shall have jurisdiction of suits to enjoin, annul, or suspend in whole or in part any final action by the Secretary upon any application under this subsection.

**(b) Conditions of lawfully taking office**

An individual may, without regard to the provisions of subsection (a), take office as an officer or director of a company described in said subsection while holding the position of officer or director of any other such company if such companies are affiliates at the time of his taking office and if—

(1) Such companies are affiliates on August 29, 1935; or

(2) Each of such companies has been organized under the law of a State to comply with a requirement thereof under which, as a condition of doing business in such State, such company must be organized under the law of such State; or

(3) One or more such companies has been organized under the law of a State to comply with a requirement thereof under which, as a condition of doing business in such State, such company must be organized under the laws of such State, and the other one or more of such companies not so organized, is in existence on August 29, 1935; or

(4) One or more of such companies has been organized under the law of a State to comply with a requirement thereof under which, as a condition of doing business in such State, such company must be organized under the law of such State, and not more than one of such companies is a company which has not been so organized and which has been organized after August 29, 1935.

**(c) "Company" defined**

As used in this section, the term "company" means a corporation, joint stock company, business trust, or association, but does not include any agency of a State or political subdivision thereof or any officer or employee of any such agency.

**(d) Penalty**

Any individual taking office in violation of this section shall be punished by a fine of not exceeding \$1,000.

(Aug. 29, 1935, ch. 814, title I, §108, formerly §8, 49 Stat. 986; June 25, 1936, ch. 804, 49 Stat. 1921; 1940 Reorg. Plan No. III, §2, eff. June 30, 1940, 5 F.R. 2108, 54 Stat. 1232; June 25, 1948, ch. 646, §32(b), 62 Stat. 991; May 24, 1949, ch. 139, §127, 63 Stat. 107; renumbered title I, §108, and amended Pub. L. 100-690, title VIII, §8001(a)(1), (2), (b)(2), Nov. 18, 1988, 102 Stat. 4517, 4521.)

CODIFICATION

As originally enacted subsec. (a) of this section contained a reference to the Supreme Court of the District of Columbia. Act June 25, 1936, substituted "the district court of the United States for the District of Columbia" for "the Supreme Court of the District of Columbia", and act June 25, 1948, as amended by act May 24, 1949, substituted "United States District Court for the District of Columbia" for "district court of the United States for the District of Columbia". However, the words "United States District Court for the District of Columbia" have been deleted entirely as superfluous in view of section 132(a) of Title 28, Judiciary and Judicial Procedure, which states that "There shall be in each judicial district a district court which shall be a court of record known as the United States District Court for the district", and section 88 of Title 28 which states that "the District of Columbia constitutes one judicial district".

AMENDMENTS

1988—Subsecs. (a), (b)(1), (3), (4). Pub. L. 100-690, §8001(b)(2), substituted "the date of the enactment of this title" for "the date of the enactment of this Act", which had been translated editorially as "August 29, 1935", thereby requiring no change in text.

TRANSFER OF FUNCTIONS

"Secretary of the Treasury" and "Secretary" were substituted for "Administrator", meaning the Administrator of the Federal Alcohol Administration, pursuant to Reorg. Plan No. III of 1940, see note set out under section 201 of this title.

**§§ 209, 210. Omitted**

CODIFICATION

Section 209, acts Aug. 29, 1935, ch. 814, title I, §109, formerly §9, 49 Stat. 987; June 26, 1936, ch. 830, title V, §507, 49 Stat. 1966; renumbered title I, §109, Nov. 18, 1988, Pub. L. 100-690, title VIII, §8001(a)(1), (2), 102 Stat. 4517, which related to disposal of forfeited alcoholic beverages, was superseded. See section 5688 of Title 26, Internal Revenue Code.

Section 210, act Aug. 29, 1935, ch. 814, title I, §110, formerly §10, 49 Stat. 987; renumbered title I, §110, Nov. 18, 1988, Pub. L. 100-690, title VIII, §8001(a)(1), (2), 102 Stat. 4517, abolished the Federal Alcohol Control Administration established by Ex. Ord. No. 6474, Dec. 4, 1933; Ex. Ord. No. 6576, Jan. 25, 1934; Ex. Ord. No. 6683, Apr. 19, 1934; Ex. Ord. No. 6788, June 30, 1934; Ex. Ord. No. 6829, Aug. 21, 1934, issued under provisions of section 702 of Title 15, Commerce and Trade.

**§ 211. Miscellaneous provisions**

**(a) Definitions**

As used in this subchapter—

(1) The term "United States" means the several States and Territories and the District of Columbia; the term "State" includes a Territory and the District of Columbia; and the term "Territory" means Alaska, Hawaii, and Puerto Rico.