

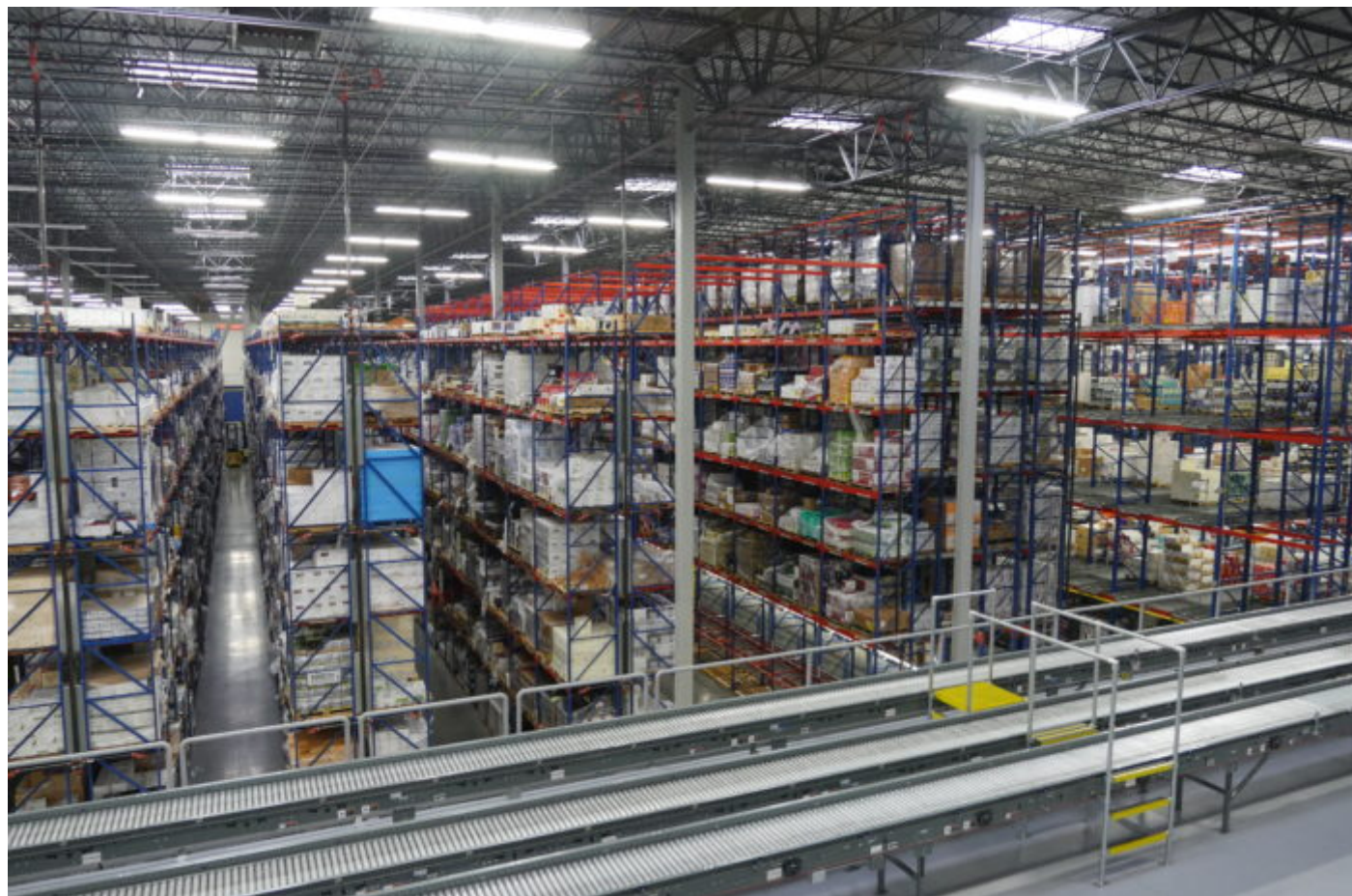
BEVERAGE INDUSTRY ENTHUSIAST

# California ex-Restaurateur Sues Southern Glazer's Wine & Spirits for Fraud

*Nation's largest wine and spirits distributor has 21 days to respond.*

BY LESLIE GEVIRTZ

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*Southern Glazer's Union City, CA facility. Courtesy of Business Wire.*

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Attorneys for a California man filed a lawsuit in federal court claiming Southern Glazer's Wine & Spirits, LLC, the largest wine and spirits distributor in the United States, cheated their client and others by billing them for liquor they never bought and for forcing them to buy bottles and cases they did not need.

According to the complaint filed in the Northern District of California, the man, James Nguyen, was the license holder for the now-closed Arena Lounge in San Jose. He recently “found that he had been assessed thousands of dollars in taxes for liquor he supposedly purchased, but did not purchase, from Southern.” The lawsuit alleges that Southern Glazer’s “knowingly engaged in unfair, unlawful, deceptive, and fraudulent business practices” regarding its sales and distribution scheme.

Nguyen’s lawyers from Scott Cole & Associates and Wakeford Gellini said in a press release that said “A nationwide putative class action” had been filed against Southern Glazer’s, which led some news outlets to report it as a done deal. But class-action lawsuits have to be certified by a federal judge, and that remains a long way off. If, however, the class is certified it could open the distributor, who is active in 44 states as well as the District of Columbia, Canada and the Caribbean, to claims from thousands of both on-premise and off-premise establishments.

“We have just got the lawsuit and are reviewing the information,” a spokeswoman for Southern Glazer’s said in an email. “It’s premature for us to comment any further.”

## Complaint Cites Unfair Competition

Forbes magazine lists Southern Glazer’s as the 17th largest private company in the United States with 20,000 employees and annual revenues estimated at \$17 billion. It represents more than 5,000 brands of wines and spirits.

The complaint alleges “Southern’s unlawful scheme also includes sales and distribution of alcohol at reduced prices, if not the provision of alcohol free of charge, to persons/entities who may or may not maintain valid liquor licenses and/or selling liquor to different parties at different prices, in violation of various federal alcohol regulations, federal and state unfair competition statutes...”

Southern Glazer’s has 21 days to respond to the complaint. U.S. Magistrate Judge Howard R. Lloyd has assigned the lawsuit to the Alternative Dispute Resolution (ADR) Multi-Option Program. Most civil cases are automatically assigned to ADR, which includes mediation and neutral evaluation, to try to resolve them and not waste the court’s time.

The case is James C Nguyen v Southern Glazer’s Wine and Spirits, LLC. 5:17-cv-03805.



### ***About the Author***

**LESLIE GEVIRTZ**

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An award-winning journalist, Gevirtz spent more than 20 years covering disasters—natural, political, and financial—before becoming Reuters' wine correspondent; a beat that guaranteed her colleagues were always glad to see her.