

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 10)**

The Chalone Wine Group, Ltd.

(Name of Issuer)

Common Stock, no par value

(Title of Class of Securities)

157639105

(CUSIP Number)

Thomas J. Mullin, Esq.
Executive Vice President and
General Counsel
Constellation Brands, Inc.
370 Woodcliff Drive
Suite 300
Fairport, New York 14450
(585) 218-3650

With a copy to:
Richard F. Langan, Jr., Esq.
Nixon Peabody LLP
437 Madison Avenue
New York, New York 10022

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

December 17, 2004

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7(b) for other parties to whom copies are to be sent.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

Constellation Brands, Inc.
16-0716709

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

WC, BK

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

State of Delaware

7 SOLE VOTING POWER

0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

0 (See Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0%

14 TYPE OF REPORTING PERSON (See Instructions)

CO

This statement constitutes Amendment No. 10 to the Schedule 13D filed with the Securities and Exchange Commission (the "SEC") on behalf of Constellation Brands, Inc., a Delaware corporation ("Constellation") on May 17, 2004 (the "Schedule 13D"), with respect to the common stock, no par value (the "Common Stock"), of The Chalone Wine Group, Ltd., a California corporation (the "Issuer"). Capitalized terms not otherwise defined herein shall have the respective meaning ascribed thereto in the Schedule 13D.

Other than as set forth herein, there has been no material change in the information set forth in the Schedule 13D.

Item 4. Purpose of the Transaction.

Item 4 of the Schedule 13D is supplemented as follows:

On December 13, 2004, the Issuer announced that it had received an acquisition proposal from Diageo North America, Inc. ("Diageo") to acquire the Issuer in a transaction in which the shareholders of the Issuer would receive \$13.75 per share in cash plus continued wine benefits in exchange for their existing shares of Common Stock of the Issuer.

On December 17, 2004, Constellation and the other Principals entered into a consent and waiver agreement for the benefit of Diageo, Double Wines, Inc. and the Issuer ("Consent and Waiver Agreement"). A copy of the Consent and Waiver Agreement is annexed hereto as Exhibit 17 and incorporated herein by reference. Pursuant to the Consent and Waiver Agreement the parties agreed that in consideration of Diageo making an irrevocable offer to enter into a transaction whereby each share of Common Stock of the Issuer will be converted into the right to receive \$14.25 per share in cash (the "Amended Diageo Proposal"), (i) DBR and Merger Sub permits, and consents to, Diageo making the Amended Diageo Proposal, and

waives any and all rights it may have under Sections 4.4(b) or 4.4(c) of the Definitive Merger Agreement or otherwise in connection with the Amended Diageo Proposal to receive notice of the Amended Diageo Proposal and/or to propose adjustments to the terms and conditions of the Definitive Merger Agreement that would cause the Amended Diageo Proposal to no longer be a Superior Proposal, (ii) each of the Principals and Merger Sub waives any and all rights it may have against the Issuer and Diageo in connection or relating to (1) the efforts by the Principals and Merger Sub to acquire the Issuer or (2) the negotiation and execution of the merger agreement memorializing the Amended Diageo Proposal (the "**Diageo Merger Agreement**"); provided, however, that (A) DBR does not waive its rights pursuant to Sections 4.6 and 6.2 of the Definitive Merger Agreement or (ii) its rights to receive the merger consideration in connection with any merger contemplated by the Amended Diageo Proposal with respect to the shares of Common Stock owned directly or indirectly by it, and (B) no party waives any rights pursuant to any commercial arrangements not arising out of or related to the Definitive Merger Agreement or the AEJV, (iii) DBR confirms, acknowledges and agrees that its obligations pursuant to Section 6.2(c) of the Definitive Merger Agreement are in full force and effect and are enforceable in accordance with their terms and shall survive any termination of the Definitive Merger Agreement and/or the AEJV in connection with any determination by the Issuer to enter into a transaction with Diageo or any of its affiliates and, until such time as the Diageo Merger Agreement has been terminated, shall not be waived, modified or amended without the express written consent of Diageo, (iv) the Principals confirm, acknowledge and agree that their obligations pursuant to the Confidentiality Agreement have not been amended or modified in any respect, are in full force and effect and are enforceable in accordance with their terms and shall survive any termination of the Definitive Merger Agreement and/or the AEJV and, until such

time as the Diageo Merger Agreement has been terminated, shall not be waived, modified or amended without the express written consent of Diageo, and (v) the Principals agree, until such time as the Diageo Merger Agreement has been terminated, that Diageo can directly enforce any or all of the Issuer's rights under the respective Confidentiality Agreement between it and the Issuer.

On December 18, 2004, the Issuer delivered to DBR a termination notice pursuant to which the Issuer terminated the Definitive Merger Agreement effective immediately. Pursuant to the terms of the AEJV, upon the termination of the Definitive Merger Agreement, the Principals' obligations to consummate the transactions contemplated thereunder were also immediately terminated. The Principals remain in discussion regarding the allocation of certain fees and expenses.

Item 5. Interest in Securities of the Issuer.

Item 5 of the Schedule 13D is supplemented as follows:

As a result of the termination of the Definitive Merger Agreement and the termination, pursuant to the terms of the AEJV, of the obligations of the Principals to consummate the transactions contemplated thereunder, as of December 18, 2004, Constellation no longer had a beneficial ownership interest in any shares of Common Stock of the Issuer beneficially owned by either of the other Principals, and expressly disclaims any such interest.

Item 7. Material to Be Filed as Exhibits.

Item 7 of the Schedule 13D is supplemented as follows:

<u>Exhibit No.</u>	<u>Description</u>
17	Consent and Waiver, dated as of December 17, 2004, from each of DBR, Constellation, Huneeus and Merger Sub for the benefit of Diageo, Double Wines, Inc. and the Issuer

Signature

After reasonable inquiry and to the best of the undersigned's knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: December 20, 2004

CONSTELLATION BRANDS, INC.

By: /s/ Thomas J. Mullin

Name: Thomas J. Mullin
Title: Executive Vice President and General
Counsel

CONSENT AND WAIVER

Consent and Waiver (this "Consent and Waiver"), dated as of December 17, 2004, from each of Domaines Barons de Rothschild (Lafite) SCA, a French *société en commandite par actions* ("DBR"), Constellation Brands, Inc., a Delaware corporation ("Constellation"), Huneecus Vintners LLC, a Delaware limited liability company ("Huneecus"), and Triple Wines, Inc., a California corporation ("Triple Wines"), for the benefit of Diageo North America, Inc., a Connecticut corporation ("DNA"), Double Wines, Inc., a California corporation ("Merger Sub") and The Chalone Wine Group, Ltd. ("Chalone").

WHEREAS, DBR, Constellation and Huneecus entered into the Agreement to Establish Joint Venture, dated as of October 30, 2004 (the "Joint Venture Agreement"); and

WHEREAS, Chalone, DBR and Triple Wines entered into the Agreement and Plan of Merger, dated as of October 30, 2004 (the "DBR Agreement").

NOW THEREFORE, in consideration of DNA making an irrevocable offer to enter into a transaction whereby each issued and outstanding share of common stock, no par value per share, of Chalone, would be converted into the right to receive \$14.25 per share (such offer, as set forth in the attached letter from DNA, the "Amended DNA Proposal"), DBR, Constellation, Huneecus and Triples Wines, on behalf of themselves and each of their respective affiliates, agree as follows:

1. Waivers.

- (a) Each of Triple Wines and DBR hereby permits, and hereby consents to, DNA making the Amended DNA Proposal, and waives any and all rights it may have under Section 4.4(b) or 4.4(c) of the DBR Agreement or otherwise in connection with the Amended DNA Proposal to receive notice of the Amended DNA Proposal and/or to propose adjustments to the terms and conditions of the DBR Agreement that would cause the Amended DNA Proposal to no longer be a Superior Proposal (as defined in the DBR Agreement).
- (b) Each of DBR, Constellation, Huneecus and Triple Wines hereby waives any and all rights it may have against each of Chalone, DNA, Double Wines or any of their respective affiliates (except for rights with respect to litigation disclosed in the Company SEC Reports (as defined in the DNA Merger Agreement)) in connection with or relating to (1) the efforts by DBR, Constellation, Huneecus and Triple Wines to acquire Chalone or (2) the negotiation and execution of the merger agreement memorializing the Amended DNA Proposal (the "DNA Merger Agreement"); provided, however, that (A) DBR does not waive (i) its rights pursuant to Sections 4.6 and 6.2 of the DBR Agreement or (ii) its rights to receive the merger

consideration in connection with any merger contemplated by the Amended DNA Proposal with respect to the shares of common stock of Chalone owned directly or indirectly by it, and (B) no party hereto waives any rights pursuant to any commercial arrangements not arising out of or related to the DBR Agreement or the Joint Venture Agreement.

2. Confirmation of Section 6.2(c) of the DBR Agreement. DBR hereby confirms, acknowledges and agrees that its obligations pursuant to Section 6.2(c) of the DBR Agreement are in full force and effect and are enforceable in accordance with their terms and shall survive any termination of the DBR Agreement and/or the Joint Venture Agreement in connection with any determination by Chalone to enter into a transaction with DNA or any of its affiliates and, until such time as the DNA Merger Agreement has been terminated, shall not be waived, modified or amended without the express written consent of DNA.
3. Confirmation of Standstill Obligations. Each of DBR, Constellation and Huneecus hereby confirms, acknowledges and agrees that its obligations pursuant to the confidentiality agreement it entered into with Chalone as of July 8, 2004 have not been amended or modified in any respect, are in full force and effect and are enforceable in accordance with their terms and shall survive any termination of the DBR Agreement and/or the Joint Venture Agreement and, until such time as the DNA Merger Agreement has been terminated, shall not be waived, modified or amended without the express written consent of DNA. Each of DBR, Constellation and Huneecus agrees, until such time as the DNA Merger Agreement has been terminated, that DNA and Double Wines can directly enforce any or all of Chalone's rights under the respective confidentiality agreement between it and Chalone.
4. Further Assurances. If at any time after the date hereof any further action is reasonably necessary to carry out the purposes of this Consent and Waiver, the proper officers of DBR, Constellation, Huneecus and Triple Wines shall take any such reasonably necessary action.
5. Entire Agreement. This Consent and Waiver constitutes the entire agreement among the parties and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.
6. Governing Law. This Consent and Waiver shall be governed by and construed in accordance with the laws of the State of California.
7. Counterparts. This Consent and Waiver may be executed in one or more counterparts, each of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that both parties need not sign the same counterpart.

WITNESS WHEREOF, each of DBR, Constellation, Huneus and Triple Wines has caused this Consent and Waiver to be duly executed and delivered by its properly and duly authorized officer as of the date first above written.

DOMAINES BARONS DE
ROTHSCHILD (LAFITE) SCA

By /s/ Christophe Salin

Name: Christophe Salin
Title: Managing Director

CONSTELLATION BRANDS, INC.

By /s/ Thomas J. Mullin

Name: Thomas J. Mullin
Title: Executive Vice President

HUNEEUS VINTNERS LLC

By /s/ Agustin Huneus

Name: Agustin Huneus
Title: Manager

TRIPLE WINES, INC.

By /s/ Christophe Salin

Name: Christophe Salin
Title: President