

August 9, 2013

Telephone: (717) 783-9454
FAX: (717) 787-8820

Nicole Elling
Corporate Compliance Administrator
Delicato Family Vineyards
600 Spreckels Avenue
Manteca, California 95336-9209
RE: “HandCraft Heroes Contest”

Dear Ms. Elling:

ISSUE: This correspondence is in response to your e-mail and attached letter of July 31, 2013, wherein you request approval, on behalf of Delicato Family Vineyards, to make available the “HandCraft Heroes Contest” in Pennsylvania.

According to the “Official Rules” that you provided, the contest is scheduled to begin on August 19, 2013, and runs until September 30, 2013. Interested individuals are asked to submit an inspirational personal story of what they have done to make a difference in the fight against breast cancer. The story must include a vision for the future, including a measurable use of a two thousand dollar (\$2,000.00) donation, be two hundred fifty (250) words or less, and be written in English. To enter, interested individuals must proceed to the HandCraft Facebook page, www.facebook.com/handcraftwines, click on the contest tab, input the requested information, and upload an optional original photo of themselves and/or their story. Each contestant is allowed a maximum of one (1) entry in the contest per Facebook account.

Three (3) grand prizes will be awarded for the contest. All eligible entries received will be judged by a qualified panel of judges based on the following criteria: creativity – thirty-three and one-third percent (33.3%); inspiration – thirty-three and one-third percent (33.3%); and perceived impact of donation – thirty-three and one-third percent (33.3%). The three (3) entrants whose stories receive the top scores will be named the grand prize winners.

Each grand prize winner will receive a three (3) night trip for one (1) person to an inspirational wellness retreat in Monterey, California. The trip includes the following: roundtrip economy-class airfare for one (1) to Northern California from the major airport nearest the winner’s residence; three (3) nights’ hotel accommodations (one (1) deluxe room); ground transportation to and from the hotel; breakfast daily; and a series of inspirational experiences at the retreat. No alcoholic beverages are included in the prize. Each grand prize winner will also receive a check for two thousand dollars (\$2,000.00) made payable to an organization that supports the fight against breast cancer or

supporting those in treatment of breast cancer. The approximate retail value of each grand prize is four thousand dollars (\$4,000.00).

The contest is open only to individuals who are legal U.S. residents and who are twenty-one (21) years of age or older. No purchase is necessary to enter or win the contest.

OPINION: Section 5.32(h) of the Pennsylvania Liquor Control Board's ("Board") Regulations states that a manufacturer or licensee may sponsor sweepstakes promotions subject to the following conditions:

- i. No purchase is necessary to enter.
- ii. Entrants shall be twenty-one (21) years of age or older.
- iii. Retail licensed premises may only be involved as pick-up or drop-off points for entry forms and not for the conducting of drawings or the awarding of prizes.
- iv. Alcoholic beverages may not be part of the prize.

[40 Pa. Code § 5.32(h)].

This office has reviewed the proposed promotion as described in the "Official Rules" and determined that it comports with applicable liquor laws and regulations, specifically section 493(24)(i) of the Liquor Code [47 P.S. § 4-493(24)(i)] and section 5.32(h) of the Board's Regulations [40 Pa. Code § 5.32(h)], as long as alcoholic beverages are not awarded as any part of the prize.

While the "Official Rules" that you provided indicate that no alcoholic beverages are included in the prize, it is important to point out, in case you are unaware, that to the extent that any part of the trip being awarded as the grand prize will involve sampling, taste testing, or the provision of alcoholic beverages at no additional cost to the winners, this would be construed as awarding alcoholic beverages as part of the prize and is not permitted.

Please be advised that prior approval of malt or brewed beverages point-of-sale ("POS") material and retail licensed premises POS material is no longer required. However, the requirement for prior approval of POS material intended for use in the Board's wine and spirits stores from the Bureau of Product Selection remains. The total cost of all POS advertising material relating to any one (1) brand of any one (1) manufacturer at any one (1) time may not exceed three hundred dollars (\$300.00) on a retail licensed premises. [47 P.S. § 4-493(20)(i)].

Therefore, as long as alcoholic beverages are not awarded as any part of the grand prize, it is permissible to conduct this promotion in the Commonwealth in reference to the areas checked below:

- retail licensed premises.
- distributor licensed premises.
- both retail and distributor licensed premises.
- the Board's wine and spirits stores, subject to approval of the Bureau of Product Selection (POS only).
- other – Internet, text messaging.

THIS OPINION APPLIES ONLY TO THE FACTUAL SITUATION DESCRIBED HEREIN AND DOES NOT INSULATE THE LICENSEE OR OTHERS FROM CONSEQUENCES OF CONDUCT OCCURRING PRIOR TO ITS ISSUANCE. THE PROPRIETY OF THE PROPOSED CONDUCT HAS BEEN ADDRESSED ONLY UNDER THE LIQUOR CODE AND REGULATIONS. THE LAWS AND POLICIES ON WHICH THIS OPINION IS BASED ARE SUBJECT TO CHANGE BY THE LEGISLATURE OR THE PENNSYLVANIA LIQUOR CONTROL BOARD.

Very truly yours,

FAITH S. DIEHL
CHIEF COUNSEL

cc: Pennsylvania State Police, Bureau of Liquor Control Enforcement
James Short, Director of Marketing
Timothy Fringer, Bureau of Product Selection
Michelle Bonsick, Bureau of Marketing Communications, Branding & Design

LCB Advisory Opinion No. 13-368