

Sarah Larsen
Jackson Family Enterprises, Inc.
Jackson Family Wines, Inc.
421 Aviation Boulevard
Santa Rosa, CA 95403
VIA E-MAIL: Sarah.Larsen@jfwmail.com

RE: Kendall-Jackson "Celebrate Friends. Make Them Family" Contest

Dear Ms. Larsen:

ISSUE: This is in response to your e-mail and corresponding letter sent August 9, 2013, wherein you seek approval on behalf of Jackson Family Enterprises, Inc. to conduct the Kendall-Jackson "Celebrate Friends. Make Them Family" Contest in Pennsylvania.

According to the "Official Rules" that you provided, the contest is scheduled to begin on November 1, 2013, and runs until December 27, 2013. The contest is open only to legal residents of the United States and the District of Columbia who are at least twenty-one (21) years of age and who have a Facebook account and Internet access. No purchase is necessary to enter or win the contest.

Interested individuals may enter the contest by accessing the Kendall-Jackson Wines page on Facebook located at www.facebook.com/kjwines, "liking" the page, selecting the contest tab, and then following the on-screen instructions to enter and submit a digital photo of themselves and one (1) friend along with a short essay (fifty (50) words maximum) on why the friend depicted in the photograph is like family. Each person in the photo must be over twenty-one (21) years of age and must consent to the inclusion of their image in the photograph. Interested individuals must have an existing Facebook account or create a new Facebook account in order to participate. There is a limit of one (1) entry per natural person per e-mail address.

All eligible entries received will be judged by a panel of qualified judges. The entries will be judged based on the following criteria: relevance to the topic—fifty (50) points; compelling reason why the subject friend is like family—twenty-five (25) points; and overall photo quality—twenty-five (25) points. The entry that receives the greatest number of points will be deemed the grand prize winner for the contest.

One (1) grand prize will be awarded. The grand prize winner will receive a trip for the winner and one (1) guest to Sonoma County Wine Country. The trip will include: two (2) round-trip coach airline tickets from a major airport closest to the winner's residence to an airport near Sonoma County Wine Country; the cost of one (1) checked bag per person; two (2) nights standard double occupancy hotel accommodations in a hotel with a three (3)-star rating or higher; one (1) mid-size car rental for a period of forty-eight (48) hours; a one thousand dollar (\$1,000.00) American Express or Visa gift card; a tour of Kendall-Jackson Wine Estate & Gardens; and a five hundred dollar (\$500.00) voucher toward dinner at Partake by K-J (excluding alcohol). The total approximate retail value of the prize is five thousand dollars (\$5,000.00). Alcoholic beverages will not be included in any prize. The grand prize winner's guest must be twenty-one (21) years of age or older.

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 Section 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. Section 4-493(24)(i)] and section 5.32(h) of the Board's Regulations [40 Pa. Code Section 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 will be included in any 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, including the tour of Kendall-Jackson Wine Estate & Gardens, will involve sampling, taste testing, or the provision of alcoholic beverages at no additional cost to the winner and/or his or her guest, 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. Section 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. 13-392