

August 28, 2013

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Rebecca Forbes
Capital Wine & Spirits
Retail & One on One Administrative Assistant
129 Hartman Road
North Wales, PA 19454

RE: Pendleton Whiskey “Let’er Buck® at the WNFR” Sweepstakes

Dear Ms. Forbes:

ISSUE: This correspondence is in response to your e-mail of August 20, 2013, which was forwarded to this office on August 22, 2013, wherein you seek approval, on behalf of Hood River Distillers, Inc., to conduct the Pendleton Whiskey “Let’er Buck® at the WNFR” Sweepstakes in Pennsylvania.

According to the “Official Rules” that you provided, the sweepstakes was scheduled to begin on August 7, 2013, and runs until November 15, 2013. The sweepstakes is open only to legal residents of the United States who are twenty-one (21) years of age or older at the time of entry. No purchase is necessary to enter or win the sweepstakes.

Interested individuals may enter the sweepstakes by visiting the Pendleton Whiskey Facebook page at www.facebook.com/pendletonwhiskey and following the instructions to complete and submit an entry form. There is a limit of one (1) entry per person or e-mail address.

One (1) grand prize will be awarded for the sweepstakes. The grand prize winner will be selected in a random drawing from among all eligible entries received. The grand prize winner will receive a trip for two (2) to the 2013 Wrangler National Finals Rodeo in Las Vegas, Nevada. The trip will include round-trip airfare to Las Vegas from the major airport nearest the winner’s residence; two (2) nights lodging; and two (2) tickets to Performance 1 sponsored by Pendleton Whiskey on December 5, 2013. The approximate retail value of the grand prize is two thousand dollars (\$2,000.00).

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 sweepstakes promotion and has determined that it comports with applicable liquor laws and regulations, specifically subsection 493(24) of the Liquor Code [47 P.S. § 4-493(24)] and section 5.32(h) of the Board's Regulations [40 Pa. Code § 5.32(h)], and is acceptable for use in this Commonwealth, as long as alcoholic beverages will not be included as any part of the prize.

Please be advised that to the extent that any part of the trip being awarded as the grand prize includes taste testing, sampling or the provision of alcohol at no additional cost to the winner and/or his or guest, this would be construed as the awarding of alcohol as a prize and is not permitted.

Furthermore, 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 Management 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 prize, it is permissible to conduct the proposed sweepstakes promotion in the Commonwealth, as indicated above, 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. 13-398