

April 16, 2014

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Jennifer Chomicki
Marketing Compliance Manager
Pernod Ricard USA
100 Manhattanville Road, 4th Floor
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RE: Olmeca Altos Summer Sweepstakes

Dear Ms. Chomicki:

ISSUE: This correspondence is in response to your letter dated April 9, 2014, in which you request approval to conduct the “Olmeca Altos Summer Sweepstakes” promotion in Pennsylvania.

According to the “Official Rules” that you provided, the sweepstakes is scheduled to begin on May 19, 2014, and runs until September 12, 2014. Interested individuals may enter the sweepstakes by signing into their Twitter account, following “@OlmecaAltos,” and tweeting a photo showcasing their love for Olmeca Altos tagged with “#LOVEALTOS.” Alternatively, interested individuals may enter the sweepstakes without uploading a photo by posting a tweet with the hashtag “#LOVEALTOS” and including “@OlmecaAltos” in the tweet. There is a limit of one (1) entry per person per day, regardless of the method of entry.

The sweepstakes is divided into the following fifteen (15) weekly entry periods: May 19 – May 23, 2014; May 24 – May 30, 2014; May 31 – June 6, 2014; June 7 – June 13, 2014; June 14 – June 20, 2014; June 21 – June 27, 2014; July 5 – July 11, 2014; July 12 – July 18, 2014; July 19 – July 25, 2014; July 25 – August 1, 2014; August 2 – August 8, 2014; August 9 – August 15, 2014; August 16 – August 22, 2014; August 23 – August 29, 2014; and August 30 – September 5, 2014. One (1) winner will be randomly selected from among all valid entries received for each weekly entry period. Non-winning valid entries from one (1) weekly entry period’s drawing will not be rolled over into subsequent weekly entry periods. Each weekly prize winner will receive a premium home margarita kit, having an

approximate retail value of one hundred dollars (\$100.00). Alcohol is not included in the weekly prize.

Valid entries received during any weekly entry period will also be entered to win one (1) of two (2) grand prizes. The random drawings for the grand prizes will be based on two (2) entry periods. The first grand prize entry period will include all entries received between May 19 and July 4, 2014, and the second grand prize entry period will include all entries received between July 5 and September 12, 2014. Each grand prize winner will receive a trip for the winner and three (3) guests to two (2) destinations in Mexico for a total of five (5) days and four (4) nights. The trip includes the following: round-trip coach class air transportation from a major U.S. international gateway airport nearest the winner's residence to Guadalajara, Mexico; two (2) nights' standard hotel accommodations in Arandas; two (2)-day full-size car rental; a tour of the Olmeca Altos distillery; coach class air transportation to Cancun, Mexico; round-trip ground transportation to/from the airport and hotel in Cancun, Mexico; two (2) nights' standard hotel accommodations; and one thousand dollars (\$1,000) in spending money for the winner. The approximate retail value of each grand prize is seven thousand, two hundred forty dollars (\$7,240.00). The grand prize winners' guests must be twenty-one (21) years of age or older.

The sweepstakes is open only to legal residents of the United States and the District of Columbia who are twenty-one (21) years of age or older. No purchase is necessary to entry or win the sweepstakes.

OPINION: Section 5.32(h) of the Pennsylvania Liquor Control Board's ("Board") Regulations states that a manufacturer, manufacturer's representative, 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 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)], and is acceptable for use in this Commonwealth, as long as no alcoholic beverages are awarded as part of the grand prizes.

Please be advised that to the extent that any part of the trips being awarded as the grand prizes, including the tour of the Olmeca Altos distillery, involves taste testing, sampling, or the provision of alcohol at no additional cost to the winner and/or his or her guest, this would be considered awarding alcoholic beverages as part of the prize and is not permitted.

Further, please be advised that prior approval of malt or brewed beverages point-of-sale ("POS") material and prior approval of 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 the grand prizes being awarded do not include any alcoholic beverages, it is permissible to conduct this sweepstakes 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 spirit 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

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ITS ISSUANCE. THE PROPRIETY OF THE PROPOSED CONDUCT HAS BEEN ADRESSED 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
Dale Horst, Interim Director of Marketing and Merchandising
Michelle Bonsick, Director, Bureau of Marketing Communications,
Branding & Design
Pamela Bernd, Product Selection

LCB Advisory Opinion No. 14-143