

April 16, 2014

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Nicole Elling
Corporate Compliance Administrator
Delicato Family Vineyards
600 Spreckels Avenue
Manteca, California 95336-9209

RE: Noble Vines Wine Gift Bag Promotion

Dear Ms. Elling:

ISSUE: This correspondence is in response to your e-mail and attached letter of April 7, 2014, wherein you request approval, on behalf of Delicato Family Vineyards, to conduct a promotion in Pennsylvania. Through the promotion, a folded wine gift bag will be attached to Noble Vines point-of-sale (“POS”) bottle neckers and given away to consumers who purchase Noble Vines wines. The gift bags are made of organza and cinched with a Noble Vines branded ribbon. Each gift bag has a wholesale cost of seventy-five cents (\$0.75).

OPINION: Generally, the Liquor Code prohibits providing anything of value as an inducement to purchase alcohol. [47 P.S. § 4-493(24)]. However, there is an exception to this general prohibition which allows manufacturers and licensees to provide advertising novelties of nominal value to other licensees and consumers. [Id.]. The Board has defined advertising novelties of nominal value as items that have a wholesale cost of fifteen dollars (\$15.00) or less and contain advertising material. [40 Pa. Code § 13.52; Board Advisory Notice No. 10 (6th Revision)]. Such advertising novelty giveaways may be conditioned on the purchase of an alcoholic beverage.

In this instance, the proposed wine gift bags have a wholesale cost of seventy-five cents (\$0.75) each and contain advertising material. As such, they would constitute advertising novelties of nominal value.

Please be advised that prior approval of malt or brewed beverages POS material and prior approval of retail licensed premises POS material are 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, it is permissible to conduct the proposed promotion in Pennsylvania 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.
- 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
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. 14-144