

April 23, 2014

Telephone: (717) 783-9454

FAX: (717) 787-8820

Sara Skinner Chubb
Associate
Winston & Strawn LLP
35 W. Wacker Drive
Chicago, IL 60601-9703

RE: Pearl Vodka “A Rare Escape” Sweepstakes

Dear Ms. Chubb:

ISSUE: This correspondence is in response to your e-mail sent April 15, 2014, wherein you seek approval, on behalf of Parago and Luxco, Inc., to conduct the Pearl Vodka “A Rare Escape” Sweepstakes in Pennsylvania.

According to the “Official Rules” that you provided, the sweepstakes is scheduled to begin on May 26, 2014, and runs until September 1, 2014. Interested individuals may enter the sweepstakes by visiting www.facebook.com/pearlvodka during the promotion period and completing and submitting the online entry form. There is a limit of one (1) entry per person/e-mail address per day.

The sweepstakes is open only to legal residents of the fifty (50) United States or the District of Columbia who are twenty-one (21) years of age or older. No purchase is necessary to enter or win the sweepstakes.

One (1) grand prize will be awarded for the sweepstakes. The grand prize winner will be selected in a random drawing, to be conducted on or about September 15, 2014, from among all eligible entries received. The grand prize winner will receive a trip for two (2) to the Bora Bora Pearl Beach Resort & Spa. The trip includes the following: accommodations for five (5) nights at the Bora Bora Pearl Beach Resort & Spa in an overwater bungalow; round-trip coach class airfare for two (2); buffet breakfast and dinners while at the resort; one (1) private dinner for two (2) on the beach; a couples massage; full day “Lagoonarium” tour; round-trip boat transfers; and one thousand dollars (\$1,000.00) in spending money. The

approximate retail value of the grand prize is fifteen thousand dollars (\$15,000.00). The 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, 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 as described above 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 grand 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 winner and/or his or her guest, this would be construed as awarding alcoholic beverages as part of the prize and is not permitted.

Additionally, 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.
- 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. 14-167