

June 3, 2014

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Mary Kramer
Paralegal
Davis & Gilbert LLP
1740 Broadway
New York, NY 10019

RE: Hendrick's Gin "Perilous Botanical Quest" Contest

Dear Ms. Kramer:

ISSUE: This office is in receipt of your e-mail dated May 28, 2014, wherein you request approval on behalf of your client, William Grant & Sons, to conduct the Hendrick's Gin "Perilous Botanical Quest" Contest in Pennsylvania.

According to the "Official Rules" that you provided, the contest was scheduled to begin on May 29, 2014, and runs until September 8, 2014. Interested individuals may enter by visiting www.hendricksgin.com/perilous-botanical-quest and following the on-screen instructions to complete and submit the contest registration form. Entrants are required to pledge to give a special and unique item or other offering to the sponsor if selected as the winner and to provide a short description and photo, if applicable, of the offering with their registration form. There is a limit of one (1) entry per person/e-mail address.

One (1) grand prize will be awarded for the contest. The grand prize winner will be determined by a panel of qualified judges based on the following criteria: creativity of submission—fifty percent (50%); and uniqueness/cleverness/wittiness of submission—fifty percent (50%). The grand prize winner will receive a trip for the winner and one (1) guest to Scotland to stay at the Turnberry Hotel and visit the Logan Botanic Gardens before traveling to London for planned activities. The trip includes the following: coach class air travel for the winner and guest from the airport nearest the winner's city and state of residence to Edinburgh, Scotland; two (2) nights' hotel accommodations (one (1) room, double occupancy) at The Turnberry Hotel in Ayrshire; lunch and dinner for the winner and guest each day; coach class flights for the winner and guest to travel together from Glasgow to London; and hotel accommodations for two (2) (one (1) room, double occupancy) in London; and coach

class airfare from London back to the U.S. airport where travel originated. The winner's guest must be twenty-one (21) years of age or older as of the date of departure. The approximate retail value of the prize is nine thousand, five hundred dollars (\$9,500). The prize does not include alcoholic beverages.

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

OPINION: Section 5.32(h) of the Pennsylvania Liquor Control Board's ("Board") Regulations states that a manufacturer, a manufacturer's representative, or a 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 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 prize.

While the "Official Rules" that you provided indicate that the grand prize does not include alcoholic beverages, please be advised that to the extent that any part of the trip being awarded as the grand prize, including the lunches and dinners or other planned activities, 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 prize being awarded does not include any alcoholic beverages, 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 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 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. 14-244