September 17, 2014

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Adam Radbell
Senior Manager, Marketing Compliance
Pernod Ricard USA
250 Park Avenue, 17th Floor
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RE: Kahlua Holiday Sweepstakes

Dear Mr. Radbell:

ISSUE: This correspondence is in response to your letter of August 29, 2014, in which you request legal review of a proposed sweepstakes promotion to be conducted in Pennsylvania.

According to the official rules you provided, the "Kahlúa Holiday Sweepstakes" promotion is scheduled to run from November 1, 2014, through January 2, 2015. Consumers may participate via a promotional website or Twitter. On or about January 6, 2015, one (1) entrant will be randomly selected to receive the grand prize package including two thousand five hundred dollars ($2,500.00) in gift cards, access to a party planner for three (3) hours, photographer services for four (4) hours, and a check for one thousand two hundred fifty dollars ($1,250.00). In addition, nine (9) weekly winners will each receive one (1) of various weekly prize packages. Alcohol will not be given as part of any of the prizes. The promotion is open only to legal U.S. residents who are twenty-one (21) years of age or older, and no purchase is necessary to enter.

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 and determined that it comports with applicable liquor laws and regulations, specifically section 493(24)(i) of the Liquor Code and section 5.32(h) of the Board's Regulations [47 P.S. § 4-493(24)(i); 40 Pa. Code § 5.32(h)].

Therefore, it would be 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.

_X_ the Board's wine and spirit stores, subject to approval of the Bureau of Product Selection.

_X_ 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, Director of Marketing and Merchandising
Michelle Bonsick, Director, Bureau of Marketing Communications, Branding & Design
Pamela Bernd, Product Selection

LCB Advisory Opinion No. 14-517