

April 8, 2015

Ryan M. Martin
Winston & Strawn LLP
35 West Wacker Drive
Chicago, IL 60601-9703

RE: Welcome to Margaritaville Sweepstakes

Dear Mr. Martin:

ISSUE: This correspondence is in response to your e-mail of March 21, 2015, in which, on behalf of McGowan Crain and Sazerac Company, Inc., you request legal review of a proposed sweepstakes promotion to be conducted in Pennsylvania.

According to the official rules you provided, the “Margaritaville® Spirits ‘Welcome to Margaritaville®’ Sweepstakes” promotion is scheduled to run from June 1 through August 23, 2015. Consumers may participate by submitting an official entry online via the promotional website. One (1) entrant will be randomly selected to receive the grand prize of a vacation package for two (2), including a seven (7)-night stay at the Riu Palace Bavaro, in Punta Cana, Dominican Republic, round-trip airfare, ground transfers, hotel meals and drinks during the stay at the resort, non-motorized watersports, and the services of an Apple Vacations representative at the resort. The grand prize winner’s guest must be twenty-one (21) years of age or older. The promotion is open only to adults of legal drinking age, 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 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 no alcoholic beverages are awarded as part of the grand prize.

It is important to note, in case you are unaware, that to the extent any part of the grand prize trip will involve the provision of alcoholic beverages at no additional cost to the winner and/or guest, this would be construed as awarding alcoholic beverages as part of the prize and is not permitted.

Therefore, it would be permissible to conduct this promotion in the Commonwealth, subject to the above limitation, in reference to the area 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.

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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
Joseph Puhalla, Director, Bureau of Product Selection

LCB Advisory Opinion No. 15-143