

April 16, 2015

Nicole Elling
Corporate Compliance BRM
Sales & Marketing
Delicato Family Vineyards
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**RE: Gnarly Head & Noble Vines Undiscovered Wine Country
Sweepstakes**

Dear Ms. Elling:

ISSUE: This correspondence is in response to your e-mail and letter sent April 1, 2015, wherein you request approval on behalf of Delicato Family Vineyards to conduct the “Gnarly Head & Noble Vines Undiscovered Wine Country Sweepstakes” in Pennsylvania.

According to the “Official Rules” that you provided, the sweepstakes is scheduled to begin on July 1, 2015, and runs until July 31, 2015. Interested individuals may enter the sweepstakes by texting “LODI” to “31279.” Alternatively, interested individuals may enter by hand printing their name, complete address, telephone number, e-mail address and date of birth on a plain three (3)-inch by five (5)-inch card and mailing it to the designated address. There is a limit of one (1) entry per e-mail address per day.

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 August 4, 2015. The grand prize winner will receive a trip for two (2) people to Northern California. The trip includes the following: roundtrip economy-class airfare from a major airport nearest to the winner’s residence in Pennsylvania; three (3) nights double occupancy hotel accommodations; a dinner for two (2) people; a rental car for the duration of the winner’s stay; one (1) two hundred fifty dollar (\$250.00) prepaid gift card for spending money; a commemorative gift bag; and a travel wallet. The grand prize winner’s guest must be twenty-one (21) years of age or older. The approximate retail value of the prize is four thousand dollars (\$4,000.00).

No purchase is necessary to enter or win the sweepstakes. The sweepstakes is open only to legal residents of Pennsylvania who are twenty-one (21) years of age or older at the time of entry.

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 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 prizes.

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.

Furthermore, 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 no alcoholic beverages are awarded as part of the grand prize, it is permissible to conduct the proposed sweepstakes 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 (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, Director of Marketing and Merchandising
Michelle Bonsick, Director, Bureau of Marketing Communications
Joseph Puhalla, Director, Bureau of Product Selection

LCB Advisory Opinion No. 15-160