

September 10, 2015

David Romine  
Alcohol Beverage Specialist  
Kalik Lewin

**RE: CK Mondavi Wine Rebate Offers**

Dear Mr. Romine:

ISSUE: This correspondence is in response to your e-mail of August 30, 2015, wherein you request legal review of four (4) proposed instant rebate promotions to be conducted in Pennsylvania by your client, CK Mondavi.

According to the sample coupons you provided, the first promotion offers consumers an instant rebate of one dollar (\$1.00) on ice with the purchase of any CK Mondavi wine. The second promotion offers consumers an instant rebate of two dollars (\$2.00) on the purchase of any two (2) bottles of CK Mondavi wines. The third promotion offers consumers an instant rebate of one dollar (\$1.00) on the purchase of any two (2) bottles of CK Mondavi wines. The fourth promotion offers consumers an instant rebate of one dollar (\$1.00) on any sunscreen with the purchase of any CK Mondavi wine. The offers expire September 30, 2015, and are limited to adults of legal drinking age.

OPINION: Generally licensees, the Pennsylvania Liquor Control Board (“Board”), and manufacturers, or any employee or agent of a manufacturer, licensee, or the Board, are prohibited from offering to give anything of value, or soliciting or receiving anything of value, as a premium or present to induce directly the purchase of liquor or malt or brewed beverages. [47 P.S. § 4-493(24)(i)]. An exception allows a manufacturer or agent of a manufacturer to offer and honor coupons which give monetary rebates on purchases of wines and spirits through the Board’s stores or purchases of malt or brewed beverages through distributors and importing distributors. [Id.].

Accordingly, the second and third promotions, which offer rebates on bottles of CK Mondavi wine at the Board's stores, qualify under the exception provided in subsection 493(24)(i) and are acceptable for use in this Commonwealth.

However, the first and fourth promotions are not acceptable for use in this Commonwealth because they would be deemed an unlawful inducement. Promotions which require the purchase of alcohol in order to receive a rebate on a non-alcoholic product are not permitted under the Liquor Code; rebates may only be offered on alcoholic products in the manner described above. On the other hand, manufacturers may offer rebates on non-alcoholic products as long as no alcohol purchase is required, since the Liquor Code does not apply to purchases of non-alcoholic products.

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  
Joseph Puhalla, Director, Bureau of Product Selection

LCB Advisory Opinion No. 15-397