

October 26, 2015

Annie La Rue, Paralegal
Davis Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2400
Portland, OR 97201
VIA E-MAIL

RE: Proposed Promotion

Dear Ms. La Rue:

ISSUE: This correspondence is in response to your e-mail of October 13, 2015, in which you request legal review of a proposed promotion to be conducted in Pennsylvania by your client, a beer manufacturer, in conjunction with a ticketing company, neither of which is identified.

According to your summary and the proposed terms, the promotion will offer consumers a coupon code that is redeemable online through the ticketing company's website to obtain a discount of twenty-five dollars (\$25.00) on the purchase of an event ticket. Coupon codes will be distributed via stickers attached to specially-marked 12-packs of the manufacturer's beer. Therefore, consumers who purchase a specially-marked package of beer will receive a discount code by peeling off the sticker; however, consumers may also receive a discount code without making an alcohol purchase by sending a request by mail. Those who opt for the latter method will receive a coupon code via e-mail. The promotion will run from October 1 through November 30, 2015, and is limited to adults of legal drinking age.

OPINION: Section 493(24)(i) of the Liquor Code prohibits manufacturers from offering or giving anything of value to induce directly the purchase of alcoholic beverages except for advertising novelties with a wholesale value of fifteen dollars (\$15.00) or less. [47 P.S. § 4-493(24)(i); Board Advisory Notice No. 10 (6th Revision)]. However, since the proposed promotion will offer a coupon code to anyone who submits a request, it is not conditioned upon the purchase of alcoholic beverages and thus would not violate the inducement provision.

Therefore, it would be permissible to conduct the proposed 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.
- 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,

RODRIGO J. DIAZ
EXECUTIVE DEPUTY CHIEF COUNSEL

cc: Pennsylvania State Police, Bureau of Liquor Control Enforcement
Dale Horst, Director of Marketing and Merchandising
Stacy Kriedeman, Director, Marketing Communications
Joseph Puhalla, Director, Bureau of Product Selection

LCB Advisory Opinion No. 15-453