

January 8, 2016

Dijana Kristo
Compliance and Trademark Specialist
The Wine Group
4569 S. Tracy Blvd.
Tracy, CA 95377
VIA E-MAIL

RE: Chloe Wine Collection “2016 Red Carpet Sweepstakes”

Dear Ms. Kristo:

ISSUE: This correspondence is in response to your e-mail sent December 21, 2015, which was forwarded to this office on December 22, 2015, wherein you request approval to conduct the Chloe Wine Collection “2016 Red Carpet Sweepstakes” in Pennsylvania.

According to the “Official Rules” that you provided, the sweepstakes was scheduled to begin on January 1, 2016, and runs until February 29, 2016. The sweepstakes is open only to legal residents of the fifty United States or the District of Columbia who are twenty-one years of age or older at the time of entry. No purchase is necessary to enter or win the sweepstakes.

Interested individuals may enter the sweepstakes by visiting www.chloeredcarpetsweeps.com and completing and submitting the entry form. There is a limit of one entry per e-mail address per day during the promotion period.

One 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 March 15, 2016. The grand prize winner will receive a three-day, two-night trip for two people to Los Angeles, California to attend an entertainment-industry awards show to be determined by the sponsor. The trip includes the following: round trip coach class air transportation within the United States from a major airport near the grand prize winner’s home city to Los Angeles, California; two night accommodations at a

hotel in the City of Los Angeles or the surrounding area; two tickets to the awards show; round trip ground transfers between Los Angeles International Airport and the hotel; and round trip transfer between the hotel and the awards show venue. The approximate retail value of the grand prize is \$7,250.00. The grand prize winner's guest must be twenty-one years of age or older at the time of travel.

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 grand prize.

Please be advised 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 brand of any one manufacturer at any one time may not exceed \$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,

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. 15-518