

February 25, 2016

Janis A. Carlow
Assistant to Lou Giordano
Vice President, Off Premise
Lantern Division
Southern Wine & Spirits
VIA E-MAIL

RE: Clos du Bois Spring in Sonoma Sweepstakes

Dear Ms. Carlow:

ISSUE: This correspondence is in response to your e-mail sent February 10, 2016, wherein you request legal review of the “Clos du Bois Spring in Sonoma Sweepstakes.”

According to the “Official Rules” that you provided, the sweepstakes promotion is scheduled to begin on March 1, 2016, and runs until April 26, 2016. Interested individuals may enter the sweepstakes by completing and submitting the online entry form found at www.closdubois.com/SonomaSweeps. Alternatively, interested individuals may enter the sweepstakes using their Facebook login or via e-mail. Once registered, entrants may earn additional entries by logging in to the sweepstakes microsite and answering a daily trivia question or sharing Clos du Bois content via social media.

Four biweekly prize winners will be selected during the entire sweepstakes period, with one prize winner being selected every two weeks. Non-winning entries will be carried over to subsequent biweekly prize drawings. Each biweekly prize winner will receive a basket containing picnic dishware and a wine bottle tote. The approximate retail value of each biweekly prize is \$100.00. There is a limit of one biweekly prize per household. The biweekly prizes do not include alcoholic beverages.

Two grand prize winners will also be selected for the sweepstakes. The grand prize winners will be determined in a random drawing to be conducted on or about April 27, 2016, from among all entries received during the entire sweepstakes period. Each grand prize winner will receive a trip for two people to Sonoma, California.

Each trip includes the following: roundtrip coach air transportation for two people from the major U.S. airport closest to the winner's residence to San Francisco, California; three nights double-occupancy hotel accommodations in the Sonoma area; and \$700.00 in spending money. The approximate retail value of each grand prize is \$3,200.00. There is a limit of one grand prize per household. The grand prizes do not include alcoholic beverages.

The sweepstakes is only open to legal residents of the fifty United States and the District of Columbia who are twenty-one years of age or older as of the date of entry. No purchase is necessary to enter or win the sweepstakes.

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 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 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)], and is acceptable for use in this Commonwealth, as long as alcoholic beverages are not awarded as part of the prizes.

Although the "Official Rules" that you provided indicate that no alcoholic beverages are included in the grand prizes, it is important to point out, in case you are unaware, that to the extent that any part of the trips being awarded as the grand prizes will involve sampling, taste testing, or the provision of alcoholic beverages at no additional cost to the winners and/or their guests, this would be construed as awarding alcoholic beverages as part of the prizes 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 retail licensed premises. [47 P.S. § 4-493(20)(i)].

Therefore, as long as no alcoholic beverages are awarded as part of the prizes, 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 spirit 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
CHIEF COUNSEL

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

LCB Advisory Opinion No. 16-051