

April 28, 2016

Kathryn Ellestad
Arrowhead Promotion & Fulfillment Co.
VIA E-MAIL

RE: Prairie Spring/Summer Text to Win Sweepstakes

Dear Ms. Ellestad:

ISSUE: This correspondence is in response to your e-mail and letter dated April 5, 2016, in which you seek legal review, on behalf of Phillips Distilling, of a proposed sweepstakes promotion to be conducted in Pennsylvania in support of Prairie Organic Spirits.

According to the official rules you provided, the “Prairie Spring/Summer Text to Win Sweepstakes” promotion is scheduled to run from May 1 through July 31, 2016. Interested individuals may enter the sweepstakes via text message or online via the promotional website. One entrant will be randomly selected to receive the grand prize of a trip for two to the Prairie Food and Wine Festival, including airfare, lodging for two nights, tickets to the festival, and \$250.00 in spending money. In addition, 100 entrants will receive a mixology tool kit, 50 entrants will receive a branded mug, and 75 entrants will receive “Prairie Muddles.” The promotion is open only to adults of legal drinking age and no purchase is necessary to enter.

OPINION: Section 5.32(h) of the Pennsylvania Liquor Control Board’s (“PLCB”) Regulations states that a manufacturer, manufacturer’s representative, or 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 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 PLCB's Regulations, 40 Pa. Code § 5.32(h), assuming alcoholic beverages will not be part of any of the prizes, including the "Prairie Muddles." Please note that the giving of alcoholic beverages to a prize winner free of charge would be considered giving alcoholic beverages as part of a sweepstakes prize and is not permissible.

Therefore, it would be permissible to conduct the sweepstakes in the Commonwealth, subject to the above, in reference to the areas checked below:

- retail licensed premises.
- distributor licensed premises.
- both retail and distributor licensed premises.
- the PLCB'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.

Sincerely,



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