

August 10, 2016

Scott A. Schleifstein  
Cohen Silverman Rowan, LLP  
360 Lexington Avenue, 16<sup>th</sup> Floor  
New York, NY 10017  
**VIA E-MAIL**

**RE: Crown Royal “Crown Worthy” Contest**

Dear Mr. Schleifstein:

ISSUE: This correspondence is in response to your e-mail sent July 25, 2016, in which you seek legal review, on behalf of Diageo Americas, Inc., of a contest to be conducted in Pennsylvania.

According to the official rules you provided, the “Crown Royal Crown Worthy” contest promotion was scheduled to begin on August 1, 2016, and runs until December 31, 2016. To enter the contest, entrants must text “CROWN WORTHY” to 24587. Entrants will receive a link to a website which will prompt an entrant to verify his/her age and provide the nominee’s zip code. Entrants will then have to “click” on the “entry/nomination” form to fill out all the required information, as well submit an “up to” 100 word essay as to why the nominee is a source of local pride and is of a noble, “Crown Worthy” standard. Entrants may also enter the contest via mail in which entrants must mail an 8.5” x 11” paper with the required information and a 100 word essay stating why the nominee is a source of local pride and is of noble, “Crown Worthy” standard to the designated P.O. Box. In addition, the sponsor of the contest will offer “local versions” of the contest in select areas in the United States.

One entrant’s essay will be selected, based on originality, relevance to “CROWN ROYAL product,” appeal, clarity, and appropriateness for use in publicity and advertising, to receive the grand prize of a trip for two to Canton, Ohio to attend the 2017 Pro Football Hall of Fame Enshrinement Ceremony and the National Football League Hall of Fame Game in August 2017, including airfare, lodging for four days, ground transportation, two tickets to the Hall of Fame Enshrinement Ceremony, a luncheon and autograph session with Class of 2017 Hall of Fame Enshrinees, a VIP

tailgate party, admission to the Hall of Fame museum, opportunity to stand on stage prior to the Enshrinement Ceremony, and a commemorative football. The approximate retail value of the grand prize is \$7,500.00. The promotion is only open 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, a manufacturer's representative, or a licensee may sponsor contest 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 contest 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), and is acceptable for use in this Commonwealth, so long as the grand prize does not include alcoholic beverages.

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 PLCB's Fine Wine and Good 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, it is permissible to conduct the proposed contest in the Commonwealth in reference to the areas checked below:

- retail licensed premises.
- distributor licensed premises.
- both retail and distributor licensed premises.
- the PLCB's Fine Wine and Good 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.

Sincerely,



RODRIGO J. DIAZ  
CHIEF COUNSEL

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

LCB Advisory Opinion No. 16-285