

August 31, 2016

Capricia Borrero
Insight Resource Group
3 Altarinda Road, Suite 301
Orinda, CA 94563
VIA E-MAIL

RE: Hess Collection Mail-in Rebate Promotions

Dear Ms. Borrero:

ISSUE: This correspondence is in response to your e-mail of August 19, 2016, wherein you request approval on behalf of The Hess Collection to conduct two mail-in rebate promotions in Pennsylvania.

According to your e-mail and the sample coupons you provided, the first promotion will offer consumers a mail-in rebate of \$2.00 on the purchase of one 750ml bottle of any Hess Select wine. The second promotion will offer consumers a mail-in rebate of \$2.00 on the purchase of one 750ml bottle of Artezin Zinfandel wine. To receive a rebate, consumers must mail to the address provided the rebate coupon along with an original cash register receipt and qualifying product UPC code. The offers are valid between October 1 and December 31, 2016, and there is a limit of one rebate per household. The offers are limited to residents of certain states, including Pennsylvania, who are at least twenty-one years of age.

In addition it must be noted that the first sample coupon, offering a rebate on any Hess Select wine, appears to be in the form of a bottle “necker” coupon with two additional coupons attached thereto. The terms of the attached coupons, which each offer a \$2.00 mail-in rebate on the purchase of a designated cheese product in conjunction with a bottle of Hess Select wine, indicate that the offers are valid in Pennsylvania. Therefore, although these coupons were not mentioned in your e-mail, this office considered them in conducting its review.

OPINION: This office has reviewed the above rebate offers and has determined that only the two promotions offering mail-in rebates on wine products comport with

applicable liquor laws and regulations, specifically subsection 493(24)(i) of the Liquor Code, 47 P.S. § 4-493(24)(i), and are acceptable for use in this Commonwealth.

The other two coupons, offering mail-in rebates on cheese products when the consumer buys cheese as well as a bottle of wine, are not permissible. Promotions requiring the purchase of both alcohol and a non-alcoholic product in order to receive a monetary rebate on the non-alcoholic product are not permitted because of the general prohibition against inducements in section 493(24)(i). Only rebates on a manufacturer's alcoholic products are permitted.

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 Pennsylvania Liquor Control Board's ("PLCB") 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 rebate promotions 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 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,

A handwritten signature in cursive script that reads "Rodrigo J. Diaz".

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. 16-336