

July 19, 1999

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David B. Wagner
Sales Manager
Mid-State Beverage Co.
1805 East Third Street
Williamsport, PA 17701

Dear Mr. Wagner:

ISSUE: This is in response to your letter of June 30, 1999 in which you asked whether it is permissible for a distributor to participate in two promotions involving radio stations and retail licensees. The first promotion is a ticket giveaway to be held at the premises of a restaurant licensee during which patrons will receive tickets at the door and numbers will be drawn at random to give away prizes including a pair of tickets to a car race. Ads to be run on a radio station would name the distributor and the restaurant as participants. The second promotion would involve a contest sponsored by the distributor to be conducted at different restaurant licensees' locations where individuals will be chosen for entry into a grand prize drawing at the distributor's premises and again the distributor and restaurant involved would be advertised on the radio.

OPINION: As stated in Liquor Control Board Advisory Notice No. 14, the Board's regulations prohibit a distributor or importing distributor from sponsoring a tournament or contest at a retail licensee's location such as a restaurant and hotel. [40 Pa. Code Section 5.32]. Furthermore, a distributor or importing distributor may not provide prizes to be awarded by retail licensees at their locations. [40 Pa. Code Section 13.51(a)].

With regard to the two promotions, the distributor could not be involved in any way as the contests must be conducted by the restaurant licensee if they occur at the restaurant licensees' premises. It would be permissible for the distributor to conduct similar drawings at its own location without the involvement of a restaurant licensee.

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,

FAITH S. DIEHL
CHIEF COUNSEL

cc: Bureau of Liquor Control Enforcement,
Pennsylvania State Police

LCB Advisory Opinion No. 99-258