

PENNSYLVANIA LIQUOR CONTROL BOARD

What is the Limited-Release Lottery?

The Limited-Release Lottery (Lottery) allows interested individual consumers and licensees to enter random drawings to win the opportunity to purchase specific wine or spirits products at the advertised prices established by the Pennsylvania Liquor Control Board (PLCB). Each Lottery conducted by the PLCB may involve one or more single bottle wine or spirit product codes and/or one or more multi-bottle package wine and/or spirit product codes. Separate individual consumer and licensee drawings will be conducted for each single bottle product code and/or multi-bottle package product code made available for sale through a Lottery.

Why did the PLCB develop and implement the Lottery?

The PLCB developed and implemented the Lottery in an effort to equitably distribute wine and spirits products that are released by manufacturers or suppliers in limited quantities and generate considerable consumer demand.

What products will be made available through a Lottery?

The PLCB has the sole discretion to select what product codes or brands to make available for sale through a Lottery. The products made available through a Lottery will generally be limited-release products or products released in limited quantities and may include bourbons, tequilas, scotches, and other small-batch spirits or wines.

What prices apply to the products made available through a Lottery?

The PLCB has the sole discretion to determine the retail prices for wine and spirits items offered for sale through a Lottery. The advertised retail prices for any wine or spirit items offered for sale through a Lottery will include a PLCB markup, the 18% emergency tax on liquor, and a handling fee, as authorized by law. Licensees will be entitled to receive a 10% discount off the advertised retail price of items offered for sale through a Lottery, as required by law. All sales made by the PLCB are also subject to the 6% state sales tax, as well as any applicable local sales tax.

How will available Lottery inventory be distributed?

The PLCB will attempt to proportionately distribute its inventory of products made available for sale through a Lottery as follows: approximately 25% of the inventory of any single bottle wine or spirit product code will be reserved for the licensee drawing associated with that product code, and approximately 75% of the inventory of any single bottle wine or spirit product code will be reserved for the individual consumer drawing associated with that product code. The PLCB will similarly attempt to equitably distribute any multi-bottle package wine and/or spirit product codes between the applicable licensee and individual consumer drawings; however, these percentages may vary from the standard 25%/75% split. Available product code inventory may subsequently be redistributed between licensee and individual consumer drawing pools based on the level of licensee and individual consumer interest generated by each Lottery. The PLCB may also withhold or move certain quantities of its available inventory in order to satisfy operational needs.

Who can participate in a Lottery?

Each Lottery conducted by the PLCB will be open to individual consumers and licensees in Pennsylvania.

In order to be eligible to participate in any Lottery, individual consumers must sign up for or have an existing customer account at www.FineWineAndGoodSpirits.com with billing information on file through a Quick Checkout Profile. Only Pennsylvania residents who are at least 21 years of age, have provided a verifiable PA billing address, and have designated a valid Fine Wine & Good Spirits store address for pick up are eligible to participate in a Lottery.

Licensees must sign up for or have an existing customer account at www.FineWineAndGoodSpirits.com with billing information on file through a Quick Checkout Profile. Only Pennsylvania retail licensees whose licenses authorize the resale of wine or spirits for on-premises consumption and whose licenses are active/operational may participate in a Lottery. Licensees whose licenses are in a revoked, history, or cancelled status are not eligible.

May I create or use multiple accounts for purposes of entering a Lottery?

No. The creation or use of multiple Fine Wine & Good Spirits customer accounts for purposes of participating in a Lottery is strictly prohibited. Anyone suspected of engaging in this prohibited conduct may be disqualified from participation in current and/or future Lotteries.

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May I register an account on behalf of someone else?

No. Each individual consumer is responsible for creating and maintaining his or her own customer account. The use of proxy accounts for purposes of participating in a Lottery is strictly prohibited. Anyone suspected of engaging in this prohibited conduct may be disqualified from participation in current and/or future Lotteries.

When can I sign up to participate in a Lottery?

Interested individual consumers or licensees may sign up for a customer account at www.FineWineAndGoodSpirits.com at any time. However, submission of an entry for any Lottery must occur during the applicable entry period. The entry period for each Lottery will typically be open for a period of six days, starting on a Monday morning and ending on a Saturday at 11:00 p.m. The applicable entry period for any Lottery will be announced and/or otherwise advertised by the PLCB in advance of the actual opening of the entry period. The PLCB has the discretion to delay, modify, or extend the applicable entry period for any Lottery.

How do I submit an entry for a particular product code drawing conducted as part of a Lottery?

In order to submit an entry for a product code drawing conducted as part of a Lottery, individual consumers and licensees must sign in to their customer accounts at www.FineWineAndGoodSpirits.com during the applicable entry period, and then select the particular product code drawing(s) they wish to enter from the list of available Lottery options.

How many entries may I submit during the same Lottery?

Each individual consumer may enter a maximum of one time per each product code drawing conducted as part of a Lottery. Any individual consumer who submits, or is suspected of submitting, multiple entries for the same product code drawing may be disqualified.

There is also a limit of one entry per household or billing address for each product code drawing conducted as part of a Lottery. If more than one entry is submitted for the same product code drawing by different individuals living in the same household or sharing a billing address, the PLCB may either disqualify all entries or accept only the first entry received from that household or billing address.

Each licensee may enter a maximum of one time under each license that it holds per each product code drawing conducted as part of a Lottery. Holding a secondary permit, such as a wine expanded permit, does not entitle a licensee to submit any additional entries. Any licensee who submits, or is suspected of submitting, multiple entries under the same license for the same product code drawing may be disqualified.

How many items may I purchase during the same Lottery?

Individual consumers will be permitted to purchase a maximum of one item per person during the same Lottery, regardless of the number of product code drawings conducted or entered.

Also, a maximum of one item total may be purchased by individual consumers living in the same household or sharing a billing address.

Licensees will be permitted to purchase a maximum of one item per each license that it holds during the same Lottery, regardless of the number of product code drawings conducted or entered. Holding a secondary permit, such as a wine expanded permit, does not entitle a licensee to purchase additional items.

How will the drawings be conducted?

The PLCB will use a random drawing process to select the winning entries relative to each product code drawing conducted as part of a Lottery. For any Lottery, the drawings for the product codes having the smallest number of bottles available will occur first, and will be followed sequentially by drawings for offerings having larger allocations. Moreover, the drawings for any multi-bottle package product codes will occur prior to any drawings for single bottle product codes. In addition, licensee drawings will be conducted prior to individual consumer drawings.

Any remaining entries submitted by a winning entrant will be removed from subsequent drawing pools as the drawing process progresses.

All drawings will be witnessed by an independent third party.

The PLCB will review each entry prior to the drawing process to confirm the eligibility of the entrant and the entry. The PLCB will also review all winning entries following their selection to verify the eligibility of the entrant and the entry. The PLCB may make

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determinations as to ineligible or disqualified entries at any time, and the PLCB's decisions relative to such matters will be final and non-appealable.

What happens if my entry is selected?

Once the winning entries have been selected and verified for all product code drawings conducted as part of a Lottery, the PLCB will notify each winning entrant via email of the date that the order will be processed. At that time, winning entrants will be notified that they have 24 hours to verify and update the payment information on file with the PLCB. The PLCB will attempt to process the payment information on file in the customer account for each winning entrant on the specified date after the 24-hour period has elapsed.

What happens if my order is unable to be processed?

If the order of a winning entrant is unable to be processed due to expired or invalid payment information, or if the payment is otherwise declined, the winning entrant will be disqualified. Providing valid and accurate payment information is solely the responsibility of each entrant.

It is strongly recommended that licensees verify that their billing information is accurate and up-to-date whenever submitting an entry for a Lottery.

It is also strongly recommended that licensees take extra care to supply a valid e-mail address and exercise any other necessary steps to ensure that e-mails sent by the PLCB can be received. The PLCB is not responsible for any issues arising from sent e-mail notifications being blocked, diverted, deleted, or otherwise not received.

What happens to the inventory associated with orders that are unable to be processed?

If a winning entrant's order is unable to be processed because of payment issues, or if the entry of a winning entrant is determined to no longer be eligible for any other reason, the item associated with that order or entry may be subject to a second drawing, to the extent that any other eligible entries remain in the applicable licensee drawing pool for that product code. If a second drawing is not conducted, then any remaining items of any product code will be released for general sale on www.FineWineAndGoodSpirits.com on a first-come, first-served basis, or will otherwise be sold by the PLCB in the manner it deems most appropriate based on operational needs. The one-bottle-per-individual-consumer, one-bottle-per-household-or-billing-address, and one-bottle-per-licensee-per-license restrictions will continue to apply to the general sale or any other sales offers. Entrants selected as winners during a Lottery will not be eligible to purchase products through the general sale or any other sales offers.

What happens if my entry is not selected?

Entrants whose entries are not selected during any Lottery (if any) will be notified via email after the conclusion of the Lottery.

What happens when items are broken, damaged, or lost?

If an item is broken, damaged, or otherwise lost prior to the time of pick up—whether by the supplier, shipping company or the PLCB—a winning entrant will only be entitled to receive reimbursement from the PLCB for the amount of monies actually paid to the PLCB relative to the purchase of the product; no other reimbursement or compensation is guaranteed. Additionally, the PLCB is not responsible for and will not offer any compensation for any product breakage, damage, or loss that may occur after a winning entrant has taken possession of a product.

Is it permissible to resell items purchased through a Lottery?

Items offered for sale to individual consumers through a Lottery are not intended for resale. The sale of alcoholic beverages without a license is strictly prohibited under Pennsylvania law.

Items offered for sale to licensees may be resold by the purchasing licensee only to the extent authorized by the particular type of license held by that licensee.

What happens to individual consumers or licensees who violate the terms and conditions?

Anyone who violates the applicable terms and conditions may be disqualified from participation in current and/or future Lotteries. The PLCB may also disqualify any individual consumer or licensee suspected of engaging in any conduct intended to

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circumvent the applicable terms and conditions or otherwise gain an unfair advantage over other entrants from participating in current and/or future Lotteries. The PLCB's decisions relative to such matters are final and non-appealable.

How do I learn about future lotteries?

When creating an account at www.FineWineAndGoodSpirits.com, customers can sign up to receive emails from the PLCB, including notices about future Lotteries. Additionally, Lotteries will be announced at www.FineWineAndGoodSpirits.com.

How does the PLCB have the authority to limit participation to in-state residents and licensees?

Pennsylvania, like all states, is generally prohibited by the U.S. Constitution from passing laws that discriminate against out-of-state persons. However, our courts have repeatedly held that, when a state acts as a market participant (rather than a market regulator), it can choose to deal with whomever it wants. Courts have repeatedly held, for example, that a state can choose to exclusively sell to or buy from only in-state residents. Because the PLCB is acting as the seller of the products in question, it is not acting as a market regulator, but rather as a market participant. Therefore, the PLCB can, if it wishes, choose to sell only to in-state residents.