

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
VIRGINIA ALCOHOLIC BEVERAGE CONTROL COMMISSION
RICHMOND

**CIRCULAR LETTER
85-9**

TO: EACH MANUFACTURER, IMPORTER, WHOLESALER AND RETAILER OF ALCOHOLIC BEVERAGES

SUBJECT: COOPERATIVE ADVERTISING OF NONALCOHOLIC MERCHANDISE SOLD BY LICENSED WHOLESALERS OR MANUFACTURERS

PURPOSE: The purpose of this circular letter is to expand on circular letter 85—6 by providing further guidance regarding nonalcoholic merchandise.

BACKGROUND: After circular letter 85—6 was distributed someone asked if a manufacturer or wholesaler could pay a licensed retailer for advertising of nonalcoholic merchandise. Of course, such payment for alcoholic beverage advertising is prohibited by Section 4—79, Code, and Section 60(b), Regulations.

Circular letter 85-6 stated that other services which are usual and customary in the particular nonalcoholic merchandise industry involved could be provided by manufacturers and wholesalers. The Board sees no reason to prohibit payment for nonalcoholic merchandise advertising.

HELD: Manufacturers and wholesalers of alcoholic beverages who sell nonalcoholic merchandise to licensed retailers may pay a licensed retailer for the advertising of the nonalcoholic product under the following conditions:

- 1) Such cooperative advertising is usual and customary in the nonalcoholic merchandise business.
- 2) Records of such payments are maintained in the separate records required for the nonalcoholic merchandise.
- 3) The payment is not used in any way to pay for advertising of alcoholic beverages, and is in an amount that is usual, customary and reasonable in that particular trade.
- 4) No alcoholic beverage products of the wholesaler appear in the ad with the nonalcoholic merchandise.
- 5) The payment is not designed or tailored to enhance the alcoholic beverage business of the wholesaler with retailers.

Circular letter 85—6 remains in full force and effect.

INQUIRIES: Inquiries concerning the above should be addressed to Mr. Chris Curtis, Regulatory Division, at (804) 257-1203 or at the above address.

VIRGINIA ALCOHOLIC BEVERAGE CONTROL BOARD

Larry E. Gilman
Secretary

NOTE:: Circular letter 84-2, dated November 1, 1984, Subject: Business Entertainment; prohibited practice; Section 4-79, Virginia Code, is rescinded. The emergency regulation on business entertainment previously furnished to you

m, 1, 1-A, ,r844