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## NOTICE TO THE INDUSTRY REGARDING PAIRING DINNERS

The Division of Alcoholic Beverage Control ("ABC") has become aware of a problematic practice that is becoming increasingly popular between licensed retail establishments and unlicensed restaurants throughout the State of New Jersey. Recently, events known as "Pairing Dinners" have become very common. Generally, "Pairing Dinners" are events for which an unlicensed restaurant develops a menu for the evening and a licensed retail establishment supplies wine, beer, or spirits for the event that compliments the food to be served. The event is held at an unlicensed premise or a "B.Y.O.B." Tickets are sold prior to the event with food and drink included as part of the fee for admission. As explained below, these "Pairing Dinners" raise issues regarding potential violations of the rules and regulations of the Division of Alcoholic Beverage Control.

When tickets for a "Pairing Dinner" have been sold at the unlicensed premises and the tickets include payment for the alcohol portion of the "Pairing Dinner," the act of selling alcohol at an unlicensed establishment violates of the Alcoholic Beverage Control Act (the "ABC Act"). Pursuant to N.J.S.A. 33:1-2(a), it is unlawful to sell alcoholic beverages in the State of New Jersey, except pursuant to and within the terms of a license. Specifically, N.J.S.A. 33:1-26 provides in part that, "A separate license is required for each specific place of business and the operation and effect of every license is confined to the licensed premises." Morever, "Any person who shall exercise or attempt to exercise, or hold himself out as authorized to exercise, the rights and privileges of a license except the licensee, shall be guilty of a misdemeanor." Ibid. In the above scenario, due to the fact the unlicensed entity sold tickets, the price of which included the sale/purchase of alcohol, the unlicensed entity has sold alcohol in clear violation of N.J.S.A. 33:1-2(a) and N.J.S.A. 33:1-26.



CHRIS CHRISTIE GOVERNOR

KIM GUADAGNO Lt. Governor Furthermore, by participating in the "Pairing Dinner" in violation of the ABC Act, the licensed partner aids and abets the unauthorized sale of alcohol on its behalf, a violation of <u>N.J.S.A.</u> 33:1-25, -26, and -31(a).

In order for a licensee and an unlicensed restaurant to host a "Pairing Dinner" without violating the ABC Act, the food portion and alcohol portion of the ticket should be sold separately. For example, the alcohol portion should be purchased directly from the licensee at its premises prior to the event and include delivery to the licensed premises. Prior to the event, the patron could then bring a voucher to the restaurant indicating that the alcohol has been purchased and subsequently pay the remaining balance of the ticket for food to the restaurant, if any. By implementing this system or a similar system that separates alcohol and food purchases, the licensee can be assured that it will not be in violation of the rules and regulations of the ABC Act. Please be advised that if a "Pairing Dinner" is not held in accordance herewith, the ABC may take appropriate actions.