

NEW YORK STATE LIQUOR AUTHORITY
FULL BOARD AGENDA
MEETING OF SEPTEMBER 10, 2013
REFERRED FROM: COUNSEL'S OFFICE

2013-02424S

REASON FOR REFERRAL
REQUEST FOR DIRECTION

OPERATION OF
LOCAL WINE SCHOOL FRANCHISES LTD.

(DECLARATORY RULING)

The Members of the Authority at their regular meeting held at the Zone I New York City Office on SEPTEMBER 10, 2013 determined:



Wine Tasting For Everyone

Tel: 0191 281 8045
Email: info@localwineschool.com

Chris Powell
Managing Director
Wine School Franchises Ltd
3, Newbrough Crescent
West Jesmond
Newcastle upon Tyne
NE2 2DQ

Tel: 00 44 191 2818045

Jacqueline Flug
Counsel
New York State Liquor Authority (NYSLA)
317 Lennox Avenue
New York New York 10027

SUBJECT : Declaratory Ruling request for NYSLA

DATE : 16 August 2013

Dear Ms Flug,

May I take this opportunity to introduce myself, my name is Chris Powell, and I am the MD/Owner of Wine School Franchises Ltd (trading as Local Wine School) in the UK.

www.localwineschool.com (the Franchisor) is a franchised network of wine education providers seeking to establish an operation in New York. The Franchisor would comply with all relevant Federal & State Franchise legislation, & will be working with a NYC-based specialist franchise attorney to ensure all relevant permits, licences etc are procured/approved before proceeding to recruit/appoint the first New York Franchisee.

We visited New York in May this year to interview a selection of local candidates for this business opportunity, & have identified several suitable candidates whose details we can supply to you if required.

The New York Franchisee will be a company/individual registered in New York state and will comply with all the necessary city/state legislation in relation to running a business in New York.

The Franchisee would offer wine education to consumers and the wine trade via wine courses, and also offer professional training to sommeliers & hotel/restaurant staff.

The courses would be held at a licensed venue (e.g. hotel or restaurant dining room). The Franchisee would use premises that were already licensed by the NYSLA, and the full details of the licensed venue would be clearly shown on the company's website (with licence holder's name if required).

The company does not sell wine - each Franchisee will be a fully qualified, professional wine educator. Places on the wine courses will be booked online or by phone to a New York based administration office.

The licensed venue would purchase and serve the wines required for our wine education tastings and courses. The payment for the wines would be made by our customers/clients to the licensed venue/premises.

I am writing to you to clarify who we are, and to ensure that we comply with any relevant state licensing regulations in relation to running training courses at licensed premises.

Could I ask that this matter be submitted to the NYSLA Board for their consideration & subsequent ruling.

Thank you for your time and help in this matter. I would also be happy to provide any further information that may be required.

Yours sincerely,

Chris Powell
Director
Wine School Franchises Ltd
☎ 00 44 191 2818045
→ Mobile : 00 44 7815 768940
info@localwineschool.com
www.localwineschool.com

Wine School Franchises Ltd Company reg in England no 06520190 VAT no 129 1657 02

Office at 112, Brough Road, Desmond, Newcastle on Tyne, NE2 2DQ

NEW YORK STATE LIQUOR AUTHORITY
FULL BOARD AGENDA
MEETING OF SEPTEMBER 10, 2013
REFERRED FROM: COUNSEL'S OFFICE

2013-02424V

REASON FOR REFERRAL
REQUEST FOR DIRECTION

OPERATION OF DRIZLY, INC.

(DECLARATORY RULING)

The Members of the Authority at their regular meeting held at the Zone I New York City Office on SEPTEMBER 10, 2013 determined:

MEHLER & BUSCEMI
ATTORNEYS AT LAW

305 BROADWAY - NEW YORK, N.Y. 10007-2082
(212) 962- 4688
TELECOPIER (212) 964-0643

FRANCIS R. BUSCEMI
MARTIN P. MEHLER

June 26, 2013

Members of the New York State Liquor Authority
80 South Swan Street 9th Floor
Albany, NY 12210
Attn: Sec. Jacqueline Held

Re: **Drizly, Inc.**

Dear Ms. Held

Pursuant to §98.1 of the Rules of the State Liquor Authority [9NYCRR 98.1, as the attorney for the above listed Corporation (hereinafter referred to as "Drizly"),], I am hereby requesting that the New York State Liquor Authority (hereinafter referred to as the "SLA") make a Declaratory Ruling of the validity of a method of operation of Drizly with retail off-premises licensees and or truckers licensed by the SLA to deliver alcoholic beverages to the public.

The facts and circumstances relating to Drizly are as follows:

What is Drizly: Drizly is a Smartphone/web application that follows users to purchase wine or liquor from a local liquor store and have it delivered to them, by their local store, in 30-60 minutes.

How it works: The user can download the application on to the Smartphone, Set delivery location, enter and store credit card (with third party), and register account information. The user selects items from the store's inventory. Once satisfied, users proceed to checkout, review their order, re-agree to the terms, and track the order on a map as it comes to them. The order is sent to the iPad inside of the liquor store (which acts much like a fax machine, or simply calling the store and having them manually enter a credit card) from which they ordered from. The credit card is authorized for a \$20 non-refundable, restocking fee. The remaining balance of the order is charged once the delivery is completed.

Stores: Stores set up an account with Drizly that gives them the right to fulfill orders in their area. Upon completion of terms and contract, the store is given an iPad and Drizly Driver Phones. When an order is received it appears on the stores iPad for validation, and the Driver Phone for delivery. The store may void failed transactions from the iPad, thus allowing or not allowing the transaction to take place within the store.

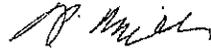
Driver: The Drizly Driver Phone received orders from users within the licensed area through the "Drizly Driver Application". Once received, the driver will view the item pick list and pick the order from the store. The driver will then notify the customer that he/she is on his/her way via push notification and text message. While the driver is en route the customer will be able to track him/her on a map. Upon arrival to the delivery location the driver will notify the customer via push notification and/or phone call. The driver will prompt the customer for his/her ID card and verify the document and individual are real via Drizly's proprietary ID verification software. Upon a successful authentication the driver will prompt the user to sign an e-receipt acknowledging receipt of the order and his/her legal ability to take receipt (over the age of 21). Once the transaction is completed the remainder of the purchase amount (above the \$20) is charged to the credit card. If a transaction fails for any reason (unable to locate customer, not 21...) the customer will receive a refund for his/her transaction less than the \$20 pre-authorized, non refundable restocking fee and the items will be returned to the store. Users agree to the policy, which is actively enforced, that the driver has final and sole discretion over the completion of a delivery.

ID Verification: The mobile, forensic ID verification system built by Drizly in conjunction with Advanced ID Detection, LLC authenticates ID cards based on proprietary forensic checks, not just a bar code. Drizly drivers scan the ID card to make sure that the user's ID scans, is not expired, and is over 21. The driver can then perform various forensic checks on the ID card to authenticate the document. This system, developed by Drizly, is currently being used by TIPS server training, and liquor control commissions/law enforcement around the country to make arrests and prevent underage drinking. Future modifications to this system, in the next 2-4 months, will require that users authenticate their identity and card by taking an image of the front and back of the ID card when they register in addition to the driver verification. Drizly will be the first mobile app that validates the authenticity of the ID card, the individual represented on the card, and that real individual on the authentic card is holding the ID/phone—preventing an underage person from using another individual's card. This information is not currently available to a liquor store when a customer walks in off the street. By giving this system to Drizly stores, Drizly is leading the charge against fake IDs, while continuing to develop and equip those stores with the best technologies in the world to combat underage drinking.

Key Legal Issues: Drizly does not do any delivery. Any and all alcohol is maintained and handled by an employee of a licensed retailer. Drizly does not take any money from the sale, either as a % of total transaction or a flat fee per transaction, and does not represent any ownership of a liquor license. The money flows directly from the user's credit card/bank account to the account of the licensed retailer. Drizly has no way of intercepting this flow of money, thereby securing the transaction completely. The licensed retailer pays Drizly a monthly fee for the area licensed and the use of Drizly hardware. This fee is fixed during the term of the contract and does not float on a monthly basis. The Drizly app stops accepting orders 1 hour before the closing time of the licensed retailer, to ensure that all deliveries are completed by the time the store closes. The transactions take place inside of the liquor store, each individual order is routed to the store's iPad. The transaction cannot go through unless the driver has successfully checked the customer's ID.

If you have any further questions, please contact the undersigned. Thanking you for your courtesy in this matter.

Very Truly Yours

A handwritten signature in black ink, appearing to read "M. Mehler", written in a cursive style.

Martin P. Mehler

MPM:al

**DRIZLY, INC. MOBILE APPLICATION
USER LICENSE AND TERMS OF SERVICE**

PLEASE READ THE FOLLOWING END USER LICENSE AGREEMENT AND TERMS OF SERVICE ("LICENSE") CAREFULLY.

THIS LICENSE, TOGETHER WITH OUR PRIVACY POLICY WHICH CAN BE FOUND AT [WWW.DRIZLY.COM] (THE "PRIVACY POLICY"), IS A LEGAL AGREEMENT BETWEEN YOU AND DRIZLY, INC ("DRIZLY", "WE" OR "US"). BY ACCESSING, INSTALLING AND USING THE "DRIZLY" MOBILE APPLICATION (THE "APP") OR USING OR RECEIVING ANY SERVICES SUPPLIED TO YOU BY DRIZLY (THE "SERVICES"), YOU REPRESENT TO US THAT YOU ARE LEGALLY COMPETENT TO ENTER INTO AND AGREE TO THE TERMS OF THIS LICENSE. IF YOU DO NOT AGREE TO THE TERMS OF THIS LICENSE, PLEASE DO NOT ACCESS, INSTALL OR USE THE APP OR THE SERVICES.

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3. Use of the App.

(a) You are responsible for providing the mobile device, wireless service plan, software, Internet connections and/or other equipment or services that you need to download, install and use the App or the Services. WE DO NOT GUARANTEE THAT THE APP OR THE SERVICES CAN BE ACCESSED AND USED ON ANY PARTICULAR DEVICE OR WITH ANY PARTICULAR SERVICE PLAN. WE DO NOT GUARANTEE THAT THE APP OR THE SERVICES WILL BE AVAILABLE IN, OR THAT ORDERS FOR PRODUCTS CAN BE PLACED FROM, ANY PARTICULAR GEOGRAPHIC LOCATION. As part of the Services and to update you regarding the status of deliveries, you may receive push notifications, local client notifications, text messages, picture messages, alerts, emails or other types

of messages directly sent to you outside or inside the App ("Push Messages"). You acknowledge that, when you use the App or the Services, your wireless service provider may charge you fees for data, text messaging and/or other wireless access, including in connection with Push Messages. You have control over the Push Messages settings, and can opt in or out of these Push Messages through the Services or through your mobile device's operating system (with the possible exception of infrequent, important service announcements and administrative messages). Please check with your wireless service provider to determine what fees apply to your access to and use of the App or the Services, including your receipt of Push Messages from Drizly. YOU ARE SOLELY RESPONSIBLE FOR ANY FEE, COST OR EXPENSE THAT YOU INCUR TO DOWNLOAD, INSTALL AND/OR USE THE APP OR THE SERVICES ON YOUR MOBILE DEVICE, INCLUDING FOR YOUR RECEIPT OF PUSH MESSAGES FROM DRIZLY.

(b) The App provides an electronic platform for the purpose of connecting consumers to selected retailer(s) to engage in the sale, service, delivery and/or transportation of alcoholic beverages ("Retailer(s)"), and to the alcohol transportation and delivery service provider(s) of such Retailer(s). All orders placed through the App or the Services are accepted, reviewed, and ultimately fulfilled by the applicable Retailer(s). All alcoholic beverage sales and/or alcohol transportation and delivery services through the App or the Services are solely transacted between you and the applicable Retailer(s) and/or the alcohol transportation and delivery service provider(s). Drizly itself does not provide or sell alcoholic beverages or alcohol transportation services and is not a licensed alcohol transportation carrier or Retailer.

(c) No joint venture, partnership, employment, or agency relationship exists between Drizly and any business or third party as a result of this License or use of the App or the Services. Any and all users of the App or the Services are independent contractors of Drizly. Drizly shall not be liable for any sale, service, transportation, delivery, or alcohol purchasing services provided by third parties. Drizly is not a vendor or co-vendor of any goods and/or services. If you reside in a jurisdiction which restricts the use of the App or the Services because of age, or restricts the ability to enter into agreements such as this one due to age, you must abide by such age limits and you must not use the App or the Services if you do not meet or exceed such limits. Without limiting the foregoing, the App or the Services are not available to persons under the age of 21. By using the App or the Services, you represent and warrant that you are at least 21 years old. By using the App or the Services, you expressly represent and warrant that you are at least 21 years of age and legally entitled to enter into this License.

4. Terms of Service.

(a) You agree that: (i) you will not use the App or the Services if you are not fully able and legally competent to agree to the terms of this License; (ii) you will only use the App or the Services for lawful purposes; you will not use the App or the Services for sending or storing any unlawful material or for fraudulent purposes or to engage in any illegal, offensive, indecent or objectionable conduct, (iii) you will not use the App or the Services to advertise, solicit or transmit commercial advertisements, including "spam"; (iv) you will not use the App or the Services to cause nuisance, annoyance or inconvenience; (v) you will not impair the proper operation of the network, (vi) you will not try to harm the App or the Services in any way whatsoever; (vii) you will not copy, or distribute the App or the Services or other content without written permission from the Drizly; (viii) you will only use the App or the Services for your own use and will not resell it to a third party; (ix) you will keep secure and confidential your account password or any identification we provide you which allows access to the App or the Services; (x) you will only use an access point or 3G data account (AP) which you are authorized to use; (xi) you will provide us with whatever proof of identity we may reasonably request; (xii) you will provide the Retailer(s) or the alcohol transportation and delivery service provider(s) of such Retailer(s) with your state issued ID when the delivery arrives that proves that you are over 21 years of age, and, if such state issued ID was not issued by the state in which such delivery occurs, upon request, you will provide such other form(s) of identification as may be requested by the Retailer(s) or service provider(s); (xiii) you are aware that any Retailer may decline your delivery request for any reason; and (xiv) you are aware that a non-refundable \$20 restocking fee ("**Restocking Fee**") will be automatically charged to you if your delivery has been declined for any reason.

(b) You understand that by using the App or any of the Services, you may encounter content that may be deemed offensive, indecent, or objectionable, which content may or may not be identified as having explicit

language, and that the results of any search or entering of a particular URL may automatically and unintentionally generate links or references to objectionable material. Nevertheless, you agree to use the App and the Services at your sole risk and that Drizly shall not have any liability to you for content that may be found to be offensive, indecent, or objectionable.

(c) Drizly makes no representation as to any laws, rules or regulations of the Commonwealth of Massachusetts or any other jurisdiction regarding the sale, service, transportation or delivery of alcoholic beverages to a customer/consumer, including you. Drizly shall not be liable for any loss or damage arising from your failure to comply with the terms set forth in this License or to comply with applicable laws. Drizly explicitly reserves the right to refuse access to the App or the Services at any time without notice for your failure to abide by the terms as set forth in this License or to comply with applicable laws.

5. Fees. Any fees which Drizly may charge you for the App or the Services, are due immediately. When you initiate a transaction via the App or the Services, Drizly's third party payment processor will authorize your credit or debit card for the amount of the Restocking Fee. The remaining balance will be processed after the Retailer verifies your ID and that the name on your ID matches the name on your account and the name on your credit or debit card. A Retailer may decline an order for any reason. If your order is declined, you will receive a full refund less the Restocking Fee. A full refund may be issued by Drizly or the Retailer for any reason. Drizly and the Retailers reserve the right to determine final prevailing pricing. The pricing information published on the website may not reflect the prevailing pricing. Drizly, at its sole discretion, may make promotional offers with different features and different rates to any customer. These promotional offers, unless made to you, shall have no bearing whatsoever on your offer or contract. Drizly may change the fees for the App or the Services in our sole discretion. We encourage you to check back at our website periodically if you are interested about how we charge for the App or the Services. It is solely the responsibility of each Retailer and its employees to verify your credit or debit card and ID. The credit or debit card you use via Drizly MUST be presented to the delivery driver at the door, and the name on such credit or debit card MUST match the name of the government issued ID presented to the driver at the door AND the name of your account with Drizly.

6. Indemnification. By entering into this License and using the App or the Services, you agree that you shall defend, indemnify and hold Drizly, its licensors and their respective parent organizations, subsidiaries, affiliates, officers, directors, members, employees, attorneys and agents harmless from and against any and all claims, costs, damages, losses, liabilities and expenses (including attorneys' fees and costs) arising out of or in connection with: (a) your violation or breach of any term of this License or any applicable law or regulation; (b) your violation of any rights of any third party; (c) your use or misuse of the App or the Services; or (v) your negligence or willful misconduct. Drizly is not responsible for the sale, service, transportation or delivery of alcoholic beverages and is not liable for damages resulting from the use of the App or the Services.

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You agree that the above limitations of liability together with the other provisions in this License that limit liability are essential terms of this License and that Drizly would not be willing to grant you the rights set forth in this License but for your agreement to the above limitations of liability; you are agreeing to these limitations of liability to induce Drizly to grant you the rights set forth in this License.

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(a) The App, the Services and their content, including their "look and feel" (e.g., text, graphics, images, logos), proprietary content, information and other materials, are protected under intellectual property, copyright, trademark and other laws. You acknowledge and agree that Drizly and/or its licensors own all right, title and interest in and to the App and the Services (including without limitation any and all patent, copyright, trade secret, trademark, show-how, know-how and any and all other intellectual property rights therein or related thereto) and you agree not to take any action(s) inconsistent with such ownership interests. You do not acquire any rights or licenses under any of Drizly's (or its licensors') patents, patent applications, copyrights, trade secrets, trademarks or other intellectual property rights on account of this License.

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12. Modifications. We may modify this License at any time. Modifications become effective immediately upon your first access to or use of the App or the Services after the "Last Revised" date at the end of this License. Your continued access or use of the App or the Services after the modifications have become effective will be deemed your conclusive acceptance of the modified License. If you do not agree with the modifications, then please uninstall and do not access or use the App or the Services.

13. Termination. This License is effective until the earlier of the date that you uninstall the App, you fail to comply with any term of this License or Drizly terminates this License. Upon termination, you will cease all use of the App and the Services and will destroy all copies (full or partial) of the App in your possession or control. Termination will not limit any of Drizly's other rights or remedies at law or in equity. This Section 11 along with Sections 8, 9, 13, 15 and 16 shall survive termination or expiration of this License for any reason.

14. Export Laws. You agree that you will not export or re-export, directly or indirectly the App, the Services and/or other information or materials provided by Drizly hereunder, to any country for which the United States or any other relevant jurisdiction requires any export license or other governmental approval at the time of export without first obtaining such license or approval. In particular, but without limitation, the App or the Services may not be exported or re-exported (a) into any U.S. embargoed countries or any country that has been designated by the U.S. Government as a "terrorist supporting" country, or (b) to anyone listed on any U.S. Government list of prohibited or restricted parties, including the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Department of Commerce Denied Person's List or Entity List. By using the App or the Services, you represent and warrant that you are not located in any such country or on any such list. You also agree that you will not use these products for any purposes prohibited by United States law, including, without limitation, the development, design, manufacture or production of nuclear, missiles, or chemical or biological weapons. You are responsible for and hereby agree to comply at your sole expense with all applicable United States export laws and regulations.

15. U.S. Government Restricted Rights. The App and related documentation are "Commercial Items", as that term is defined at 48 C.F.R. §2.101, consisting of "Commercial Computer Software" and "Commercial Computer Software Documentation", as such terms are used in 48 C.F.R. §12.212 or 48 C.F.R. §227.7202, as applicable. Consistent with 48 C.F.R. §12.212 or 48 C.F.R. §227.7202-1 through 227.7202-4, as applicable, the Commercial Computer Software and Commercial Computer Software Documentation are being licensed to U.S. Government end users (a) only as Commercial Items and (b) with only those rights as are granted to all other end users pursuant to the terms and conditions herein.

16. Taxes. You are solely responsible for any and all duties, taxes, levies or fees (including any sales, use or withholding taxes) imposed on or in connection with this License by any authority.

17. Injunctive Relief. You agree that a breach of this License will cause irreparable injury to Drizly for which monetary damages would not be an adequate remedy and Drizly shall be entitled to seek equitable relief in addition to any remedies it may have hereunder or at law without a bond, other security or proof of damages.

18. Miscellaneous. This License may not be modified except by a writing executed by the duly-authorized representatives of Drizly. No other act, document, usage or custom will be deemed to modify or amend this License. This License will inure to the benefit of and will be binding upon each party's successors and assigns. This License and the licenses granted hereunder may be assigned by Drizly but may not be assigned by you without the prior express written consent of Drizly. If any provision hereof is or becomes, at any time or for any reason, unenforceable or invalid, no other provision hereof will be affected thereby and the remaining provisions will continue with the same effect as if such unenforceable or invalid provisions will not have been inserted herein;

provided that the ability of either party to obtain substantially the bargained-for performance of the other will not have thereby been impaired. It is expressly understood that in the event either party on any occasion fails to perform any term hereof and the other party does not enforce that term, the failure to enforce on any occasion will not constitute a waiver of any term and will not prevent enforcement on any other occasion. Nothing contained in this License will be deemed to constitute either party as the agent or representative of the other party or both parties as joint venturers or partners for any purpose. In the event that either party is prevented from performing, or is unable to perform, any of its obligations under this License due to any cause beyond the reasonable control of the party invoking this provision, the affected party's performance will be extended for the period of delay or inability to perform due to such occurrence. The headings and captions contained herein will not be considered to be part of the License but are for convenience only. You and Drizly agree that the United Nations Convention on Contracts for the International Sale of Goods will not apply to the interpretation or construction of this License. The laws of the Commonwealth of Massachusetts, excluding its conflicts of law rules, govern this License and your use of the App and the Services. Your use of the App or the Services may also be subject to other local, state, national, or international laws. Any litigation by one party against the other arising under this License or concerning any rights under this License will be commenced and maintained in any state or federal court located in the Commonwealth of Massachusetts and both parties hereby submit to the jurisdiction and venue of any such court. You may contact us regarding the App or this License at: Drizly, Inc., 9 Peckham Hill Road, Sherborn, MA 01770, [Phone], or by email to []@drizly.com. This License sets forth the entire understanding of the parties with respect to the matters contained herein and there are no promises, covenants or undertakings other than those expressly set forth herein.

Last Revised: [], 2013

**DRIZLY, INC.
FULL PRIVACY POLICY**

(Effective [____], 2013)

The following privacy policy ("Privacy Policy") outlines the information Drizly, Inc., ("Drizly," "we" or "us") may collect and how we may use that information to better serve visitors and users while using our website, www.drizly.com (the "Website") and our mobile application "Drizly" (the "App").

BY USING OUR PRODUCTS, SOFTWARE, SERVICES, THE APP AND THE WEBSITE AS ACCESSED FROM TIME TO TIME, REGARDLESS OF WHETHER THE USE IS IN CONNECTION WITH AN ACCOUNT OR NOT, (COLLECTIVELY, THE "SERVICE" OR "SERVICES"), YOU AGREE TO THE TERMS OF THIS PRIVACY POLICY. Please review the following carefully so that you understand our privacy practices.

If you have questions about this Privacy Policy, please contact us at [_____]@drizly.com.

Age Restrictions

The Service is not intended for use by anyone under the age of 21. Persons under 21 are not allowed to register with or use the Service. We do not knowingly collect personal information from or about anyone under the age of 21. If we discover that we have collected personal information from a person under 21, we will delete that information immediately. Please refer to our End User License Agreement and Terms of Service ("License") [[link](#)] for additional information about age verification and eligibility.

Information We Collect

Registration Information

Upon registration with the Service, a user profile is developed to further customize the user's experience. We collect and store in log files the information you actively enter onto our online forms, such as:

- Email
- Password
- Name
- Date of Birth
- Delivery Phone Number
- Billing Phone Number
- Delivery Address and Zip Code
- Billing Address and Zip Code

Device Type

When you register or use the App, we also collect device type and UUID, a unique identifier generated within the App, and store this information in log files. We use this information to provide you with the most up to date application and features, or to advertise or promote products and services to you that are applicable to your device type, as described in this Privacy Policy. See Targeted or Behavioral Advertising [[include link to this section](#)].

Driver's License Information

Your use of the Service requires you to provide your state issued ID to prove that you are at least 21 years of age. Immediately prior to delivery of your order by the chosen retailer or such retailer's delivery service provider, such retailer or retailer's delivery service provider will scan the barcode on your state issued ID and we will collect the information contained therein, including your name, address and date of birth, solely to (i) confirm that your ID is valid, (ii) confirm that you meet the minimum age requirement for use of the Service, and (iii) verify that the

information you have previously provided through the registration process. Once the above information has been confirmed, we immediately delete all information collected from this scan and we do not store this information.

Tracking Information

In addition, tracking information is collected and stored in log files as you navigate through the Website or use the Service, including, but not limited to purchase history, delivery location history, and click tracking.

Geolocation Data

If you use the Services through your mobile device, we will collect your geo-location information so that we can determine to which retailer we should send your order for fulfillment. We will not share this information with third parties and will only use this information for the sole purpose of fulfilling your order. You may at any time no longer allow the App to use your location by turning this off at the device level.

Invitations to Drizly

If you choose to invite an individual to use the Services, you will need to provide his/her name and email address. Drizly stores this information to track the results of the invitation referrals. We use the address to send the invitation, but do not otherwise communicate with recipients unless they register and use the App.

Information We Collect Via the Website

Job Applications

If you wish to apply for a job on our Website we will collect personal information such as your name, email address, phone number and additional information such as your resume. We use the information collected within this area of the Website to determine your qualifications for the position in which you have applied and to contact you to set up an interview.

Cookies

To help us serve your needs better, we use "cookies" to store and sometimes track user information. A cookie is a small amount of data that is sent to your browser from a web server and stored on your computer's hard drive. A website can use cookies to recognize repeat users or track web usage behavior. Cookies take up minimal room on your computer and cannot damage your computer's files. Cookies work by assigning a number to the user that has no meaning outside of the assigning website. Users of the Website should be aware that non-personal information and data may be automatically collected by virtue of the standard operation of Drizly's computer servers or through the use of cookies. If you do not want information to be collected through the use of cookies, your browser allows you to deny or accept the use of cookies. There may, however, be some features of the Service which require the use of cookies in order to customize the delivery of information to you.

Users should be aware that Drizly cannot control the use of cookies (or the resulting information) by third-parties. The use of third party cookies is not covered by our Privacy Policy. We do not have access or control over these cookies.

How We Use Your Information

To Provide the Service

We use the information that we collect from you to provide you with the Service, support and enhance your use of the Service, to monitor which features of the Service are used most, to allow you to view your purchase history, to allow you to view any promotions we may currently be running, to allow you to rate purchases and to determine which features we need to focus on improving. If you choose to provide us with personal information, you consent to the transfer and storage of that information on our servers located in the United States.

If you download the App and the Service is not available in your geographic location, you will have the option to provide us with your email address and zip code so that we may notify you when the Service becomes available in

your geographic location. If you choose to provide us with this information, we will use it solely for this notification purpose.

We also use usage patterns and geographic locations to determine to which retailer we should send a user's order for fulfillment and where we should offer or focus services, features and/or resources. We may also track your past purchases to provide you with a personalized profile of your shopping history. In addition, Drizly may notify you about new services or special promotional programs, or send you offers or information.

We use the device information collected so that we are able to serve you the correct application version depending on your device type and for troubleshooting.

We use Non-Personally Identifiable Information (as defined below) in the aggregate, so that we can improve the Website and for business and administrative purposes. "Non-Personally Identifiable Information" means information that may correspond to a particular person, account or profile, but that is not sufficient to identify, contact or locate the person to whom such information pertains. We may also use or share with third parties for any purpose aggregated data that does not contain personally identifiable information.

Diagnose Website Problems

Drizly uses your Internet Protocol (IP) address to help diagnose problems with our computer server, and to administer the Website. Your IP address is used to gather broad demographic data. Your IP address contains no personal information about you.

Service-related Announcements

We will send you strictly service-related announcements on rare occasions when it is necessary to do so. For instance, if our service is temporarily suspended for maintenance, we might send you an email.

Generally, you may not opt-out of these communications, which are not promotional in nature. If you do not wish to receive them, you have the option to deactivate your account.

Customer Service

We will send you a welcoming email to the address you provide at registration to verify your username and password. We will also communicate with you in response to your inquiries, to provide the services you request, and to manage your account. We will communicate with you by email or telephone, in accordance with your wishes.

Targeted or Behavioral Advertising

Targeted advertising (also known as Behavioral Advertising) uses information collected on an individual's web browsing behavior such as the pages they have visited, the searches they have made, the type of device they have used, or the orders they have placed. This information is then used to select which advertisement should be displayed to a particular individual via the Service. For example, if you have shown a preference for a type of beverage while using the Service, you may be served an advertisement via the Service relating to that type of beverage. We may share information related to your use of the Service, including device type, UUID, purchase history, delivery location history, and click tracking, with third party advertisers for the purpose of selecting an appropriate audience for their advertisements, but only after either removing from such information anything that personally identifies you or combining it with other information so that it no longer personally identifies you. If you would like to opt out of targeted advertising that occurs when using the Services, please contact us at [_____]@drizly.com. Please note that this will opt you out of targeted ads delivered via the Services. If you opt out, you will continue to receive online advertising via the Services; however, these ads may not be as relevant to you.

Our Disclosure of Your Information

We share information collected from or about you only as follows:

Aggregated Data

Drizly may share aggregated information that includes Non-Personally Identifying Information and log data with third parties for industry analysis, demographic profiling and to deliver targeted advertising about other products and services.

Third Party Service Providers

We use a third party hosting provider who hosts our support section of the Service. Information collected within this section of the Service is governed by this Privacy Policy. Our third party service provider does not have access to this information.

We may employ third party companies and individuals to facilitate our Service, to provide the Service on our behalf, provide customer support, perform Website-related services (e.g., without limitation, maintenance services, database management, web analytics and improvement of the Website's features) or to assist us in analyzing how our Website and Service are used. These third parties have access to your personal information only to perform these tasks on our behalf.

Payment/Credit Card Transactions

All payments and credit card transactions are processed by secure third party payment processors, and not by Drizly. We have no control over third party payment processors. Any information that you provide to a third party payment processor is governed by such payment processor's separate privacy policy, instead of this Privacy Policy. Please consult the privacy policy of the applicable third party payment processor. Drizly neither accepts nor processes any payments, and neither Drizly nor any retailers that facilitate the Services ever see or receive your payment card information.

Law Enforcement

Drizly cooperates with government and law enforcement officials and private parties to enforce and comply with the law. We will disclose any information about you to government or law enforcement officials or private parties as we, in our sole discretion, believe necessary or appropriate to respond to claims and legal process (including but not limited to subpoenas), to protect the property and rights of Drizly or a third party, to protect the safety of the public or any person, or to prevent or stop activity we may consider to be, or to pose a risk of being, an illegal, unethical or legally actionable activity.

Acquisition of Drizly

In the event that all or a substantial portion of the assets, business or stock of Drizly are acquired by, merged with or transferred to another party, or in the event that Drizly goes out of business or enters bankruptcy, your personal information would be one of the assets that is transferred to or acquired by the third party. You acknowledge that such transfers may occur, and that any acquirer of Drizly or its assets may continue to use your personal information as set forth in this Privacy Policy. If any acquirer of Drizly or its assets will use your personal information contrary to this Privacy Policy, you will receive prior notice.

Accessing and Updating Your Personal Information and Preferences

If your personal information changes, or if you no longer desire our Service, or if you wish to update your preferences to receive email or other communications from us, you may correct, delete inaccuracies, or amend your personal information and preferences by making the change on our user information page or by emailing us at []@drizly.com. We will respond to your access request within 30 days. Please note that your friends and contacts may still choose to send email invitations to you. Any user who receives an email invitation to join the Service may choose not to receive such invitations in the future by following the instructions in the email invitations and, in addition, if you are a user, you may also choose not to receive such invitations by changing your

preferences as indicated above. We will take commercially reasonable steps to implement your opt-out requests promptly, but you may still receive communications from us for up to 30 days as we process your request.

Retention of Personal Information

Drizly will retain your personal information for the period necessary to fulfill the purposes outlined in this Privacy Policy unless a longer retention period is required or permitted by law.

Security

All information we collect is securely stored within our database, and we use standard, industry-wide, Payment Card Industry compliant, commercially reasonable security practices such as 128-bit encryption, firewalls and SSL (Secure Socket Layers). However, as effective as encryption technology is, no security system is impenetrable. We cannot guarantee the security of our database, nor can we guarantee that information you supply won't be intercepted while being transmitted to us over the Internet, and any information you transmit to Drizly you do at your own risk. We recommend that you use unique numbers, letters and special characters in your password and not disclose your password to anyone. If you do share your password or personal information with others, you are responsible for all actions taken in the name of your account. See License, Section 4 (Terms of Service) [\[link\]](#), requiring that you keep your password secure and confidential, and License, Section 13 (Termination) [\[link\]](#) providing that we may terminate your license to use the Services if you fail to comply with this requirement. If your password has been compromised for any reason, you should immediately notify Drizly and change your password.

Public Forums

Our Website may offer publicly accessible blogs or community forums. You should be aware that any information you provide in these areas may be read, collected, and used for any purpose by others who access them. We are not responsible for the personally identifiable or other information you choose to submit in these areas. To request removal of your personal information from our blogs or community forums, contact us at [\[redacted\]@drizly.com](mailto:_____@drizly.com). In some cases, we may not be able to remove your personal information, in which case we will let you know if we are unable to do so and why.

Changes to this Privacy Policy

We may update this Privacy Policy to reflect changes to our information practices. If we make any material changes we will notify you by email (sent to the e-mail address specified in your account) or by means of a notice on this Website and in the App prior to the change becoming effective. We encourage you to periodically review this page for the latest information on our privacy practices.

Contact us by postal mail:

Drizly, Inc.

[redacted]

[redacted]

STATE OF NEW YORK: LIQUOR AUTHORITY

Application of tied-house laws on personal guaranty
on lines of credit issued to retail licensee

DECLARATORY
RULING
2013-01029

The Alcoholic Beverage Control Law ("ABCL") contains provisions, commonly referred to as the "tied house" laws. These provisions prohibit a person holding a retail license in this state from having an interest in a business that manufactures or wholesales alcoholic beverages,¹ as well as prohibiting a person who is a licensed manufacturer or wholesaler from having an interest in a business that sells alcoholic beverages at retail.² In addition, the tied house laws prevent a licensed manufacturer or wholesaler from making, or causing to be made, a loan to a person engaged in the retail sale of alcoholic beverages.³

The Members of the Authority are in receipt of a request from Lynda Battiste, Esq. on behalf of a client for a declaratory ruling as to whether, under the facts presented, the client would be prohibited under the tied-house laws from holding a wholesale or manufacturing license, or a broker's or solicitor's permit in this state. The facts upon which this ruling is based are as follows.

- The client is currently one of four principals in a corporation that holds a package store license. The client is also one of three principals (all of whom are principals in the package store business) in another corporation that holds a warehouse permit. The warehouse is used for the storage of the package store's inventory.
- The client, along with the other principals of the package store business, executed a personal guaranty with respect to a term loan made by a lender to the business. Each principal also executed a personal guaranty for two lines of credit issued by a lender to the package store business. Finally, each principal executed a personal guaranty with respect to the financial obligations of the package store under the lease for the licensed premises.
- The client intends to sell his shares in both the package store and warehouse businesses back to the respective corporations. The client will also resign as an officer and director, and terminate his employment, with both corporations. After these steps are taken, the client's only involvement with the retail business would be the personal guarantees described above.

¹ ABCL §105(16) & ABCL §106(13)

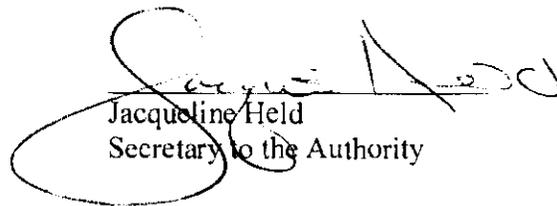
² ABCL §101(1)(a)

³ ABCL §101(1)(d)

- The client is unable to obtain a release of his obligations under the personal guarantees.

The tied house laws refer to any interest "direct or indirect" by way of "stock ownership, interlocking directors, mortgage or lien on any personal or real property or by any other means." The client's personal guarantees with respect to the package store's financial obligations could be considered such an indirect interest. However, in this case the client, although cutting all other ties with the retailer, cannot obtain a release of his liability from the lender or the landlord. In such a case, the Members of the Authority find that the client's personal guarantees would not, under the tied-house laws, disqualify him from holding a wholesale or manufacturing license, or a broker's or solicitor's permit in this state.

The foregoing Declaratory Ruling was formally approved by the Members of the Authority at a Full Board meeting held on April 24, 2013.



Jacqueline Held
Secretary to the Authority