



# State Liquor Authority

**ANDREW M. CUOMO**  
Governor

**VINCENT G. BRADLEY**  
Chairman

**LILY M. FAN**  
Commissioner

**GREELEY FORD**  
Commissioner

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## DECLARATORY RULING

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TrueSync Media, Third Party Media Display Devices

Agenda # 2019-01977

### Introduction

TrueSync Media (“TrueSync”) is an unlicensed independent television network through which alcoholic beverage suppliers can promote their products in liquor licensed premises. The Members of the Authority are in receipt of a request from TrueSync for a Declaratory Ruling as to whether TrueSync media devices may be placed in on-premises retail licensed premises. In particular, TrueSync seeks guidance as to whether its proposal to loan their devices to on-premises retailers violates the “Gifts and Services Law”<sup>1</sup> or the regulations promulgated by the Authority with respect to that law.<sup>2</sup>

Under the facts presented to the Authority, TrueSync’s small media devices affix to the back of retailers’ existing television screens and allow the display of short video clips and commercials interspersed with advertising and venue-specific promotions designed to appeal to consumers of on-premises licensees. Neither TrueSync nor the manufacturers would pay anything to the retailers in exchange for the installation of TrueSync media devices. The TrueSync devices would be loaned to the retailer for use and the retailer would have the opportunity to design its own advertisements for display on the device deployed in its own premises. TrueSync has represented that it does not have an ownership interest in any premises where alcoholic beverages are manufactured or sold at wholesale.

### Question Presented

Is the loaning of a TrueSync media device to a licensed retailer by an unlicensed entity for the display of manufacturer’s advertising material a prohibited gift or service under the Alcoholic Beverage Control Law or the Rules of the Authority?

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<sup>1</sup> Section 101(1)(c) of the Alcoholic Beverage Control Law prohibits, with certain exceptions, a licensed manufacturer or wholesaler from making any gift or providing any service to a licensed retailer that, in the judgment of the Authority, may tend to influence the retailer to purchase the products of the manufacturer or wholesaler. Section 86.1 of the Rules of the Authority prohibits a licensed retailer from accepting such gifts and services.

<sup>2</sup> In particular, TrueSync seeks guidance as to whether its proposal would violate Section 86.4 of the Rules of the Authority, which regulates the provision of interior signs by a manufacturer or wholesaler to a retailer.

Determination of the Members

The Authority has promulgated rules setting forth exceptions to the general prohibition against a manufacturer or wholesaler providing a gift or service to a retailer when, in the judgment of the Authority, the gift or service is intended to influence the retailer to buy the product of the manufacturer or wholesaler. One of those exceptions is for interior signs advertising alcoholic beverages, provided that the signs have no secondary value and are of value to the retailer only as advertising, and so long as no manufacturer or wholesaler pays the retailer directly or indirectly in return for displaying the inside sign at the retailer's licensed premises.

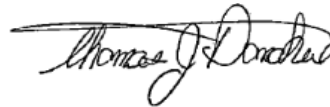
In this case, TrueSync does not propose to pay retailers anything in exchange for the opportunity to place their devices in retail accounts utilizing retailer's pre-existing television screens. TrueSync merely proposes to loan the devices to retailers while allowing them to design their own advertisements for use in their own licensed premises of up to two (2) minutes per hour.

Due to the foregoing, the Members of the Authority find that the instant proposal of TrueSync is not an impermissible gift or service and may commence operations in New York immediately.

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This matter was heard and determined by the Members of the Authority at a Full Board meeting held on October 23, 2019 before Chairman Vincent Bradley, Commissioner Lily Fan, and Commissioner Greely Ford. The above written ruling was approved by Chairman Bradley on behalf of the Members of the Authority on June 1, 2020.

Dated: 6/2/20



Thomas J. Donohue  
Secretary to the Authority