

Division of Advertising Practices United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

### MEMORANDUM

- TO: Public Records Office of the Secretary
- FROM: Bonnie McGregor Division of Advertising Practices
- DATE: June 1, 2018
- SUBJECT: Rotational Health Warnings for Cigarettes File No. P854505

Please place the attached documents on the public record in the above-captioned matter.

- 1. October 11, 2016 letter from Rhondetta Walton, ITG Brands, LLC to Mary Engle.
- 2. October 13, 2016 letter from Mary K. Engle to Rhondetta Walton, ITG Brands, LLC.
- 3. July 27, 2016 letter from Gregory E. Cudjoe, Beedies LLC to Mary K. Engle.
- 4. October 17, 2016 letter from Mary K. Engle to Gregory E. Cudjoe, Beedies LLC.
- 5. September 13, 2016 letter from Jennifer Straus, Farmers Tobacco Co. of Cynthiana, Inc. to Mary K. Engle.
- 6. October 17, 2016 letter from Mary K. Engle to Jennifer Straus, Farmers Tobacco Co. of Cynthiana, Inc.
- 7. September 13, 2016 letter from Sarah Treptow, Ohserase Manufacturing, LLC to Mary Engle.
- 8. October 17, 2016 letter from Mary K. Engle to Sarah Treptow, Ohserase Manufacturing, LLC.
- 9. October 28, 2016 letter from Joseph M. Zebrowski, Rock River Manufacturing to Mary K. Engle.

- 10. November 3, 2016 letter from Mary K. Engle to Joseph M. Zebrowski, Rock River Manufacturing.
- 11. October 24, 2016 letter from Terri Albright, Premier Manufacturing, Inc. to Mary K. Engle.
- 12. November 8, 2016 letter from Mary K. Engle to Terri Albright, Premier Manufacturing, Inc.
- 13. October 27, 2016 letter from John R. Long, Liggett Group LLC to Mary K. Engle.
- 14. November 8, 2016 letter from Mary K. Engle to John R. Long, Liggett Group LLC.
- 15. November 7, 2016 letter from Swetha Duggirala, Global Tobacco, LLC to Mary K. Engle.
- 16. November 9, 2016 letter from Mary K. Engle to Swetha Duggirala, Global Tobacco, LLC.
- 17. November 11, 2016 letter from Rhondetta Walton, ITG Brands, LLC to Mary Engle.
- 18. November 15, 2016 letter from Mary K. Engle to Rhondetta Walton, ITG Brands, LLC.
- 19. November 18, 2016 letter from Nancyellen Keane on behalf of Cherokee Tobacco Company, LLC to Mary K. Engle.
- 20. November 18, 2016 letter from Nancyellen Keane on behalf of Cherokee Tobacco Company, LLC to Mary K. Engle.
- 21. November 23, 2016 letter from Mary K. Engle to Nancyellen Keane on behalf of Cherokee Tobacco Company, LLC.
- 22. November 3, 2016 letter from Karen E. Delaney, NASCO Products, LLC to Mary K. Engle.
- 23. November 29, 2016 letter from Mary K. Engle to Karen E. Delaney, NASCO Products, LLC.
- 24. December 16, 2016 letter from Neal N. Beaton on behalf of Japan Tobacco International U.S.A., Inc. to Mary K. Engle.
- 25. December 19, 2016 letter from Mary K. Engle to Neal N. Beaton on behalf of Japan Tobacco International U.S.A., Inc.



Rhondetta Walton Associate General Counsel

October 11, 2016

Ms. Mary Engle Associate Director Division of Advertising Practices Federal Trade Commission Mail Drop CC-10528 600 Pennsylvania Avenue Washington, DC 20580

#### RE: ITG BRANDS, LLC PACKAGING REVISIONS FOR WINSTON CARTONS

Dear Ms. Engle:

ITG Brands currently has approved plans to display the four health warnings for the Winston, Salem, Kool, Maverick and Rave brands.

ITG Brands hereby requests approval of a plan revision relating to the cartons for the following six brand styles of Winston, which are identified below:

Winston Red 100s Box Winston Red King Box Winston Gold 100s Box Winston Gold King Box Winston White 100s Box Winston White King Box

Sample cartons were included with a prior submission in September 9, 2016 for FTC review and approval.

The revision is being requested as the carton packaging has been redesigned to (i) add a reference to "Box" in the product description on the 100s carton (i.e. Red Box 100s, Gold Box 100s and White Box 100s); and (ii) add the product description to the endcaps on each variant of the 100s Box and the King Box. The new cartons for the above six brand styles of Winston will replace the Winston cartons that are currently approved by the FTC. The four health warnings will appear exactly as shown on the samples that were previously submitted in September 9, 2016. The four health warnings read precisely as required by the Federal Cigarette Labeling and Advertising Act. None of the proposed changes impact the SGW panel.

The new carton packaging will not alter the quarterly rotation of the four health warnings under ITG Brands' previously approved plan for Winston. If approved, beginning on the

October 11, 2016 Re: Packaging Revisions for Winston Cartons Page 2

date of FTC approval, ITG Brands will only use the cartons previously submitted in September 9,

:

2016 for the foregoing six brand styles of Winston. ITG Brands will continue to be in compliance with the previously approved June 11, 2015, plan for advertising for the Winston brand, and with the December 21, 2015, plan for display of the warnings in internet advertising.

If you require any additional information, please contact me.

Sincerely,

hondette Walton

**Rhondetta Walton** 

# Selected packaging samples from those submitted with the plan.



SURGEON GENERAL'S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.









Division of Advertising Practices United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

October 13, 2016

Rhondetta Walton, Esq. ITG Brands, LLC 714 Green Valley Road Greensboro, NC 27408

Dear Ms. Walton:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, ITG Brands, LLC's ("ITG") June 11, 2015 plan for quarterly rotation of the four health warnings on packaging and in advertising for the Winston, Salem, Kool, and Maverick brands of cigarettes was approved on June 12, 2015. Your subsequent requests to expand your plan to include additional varieties of or modify packaging for the Winston brand were approved on September 2, 2015, November 12, 2015, and May 26, 2016.

By letter dated October 11, 2016, you now propose to further modify the cartons for certain varieties of the Winston brand.

The warnings on the sample cartons for the Red Box (Kings and 100's), Gold Box (Kings and 100's), and White Box (Kings and 100's) varieties of the Winston brand submitted with your September 9, 2016 letter continue to appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.

Please note that this letter only approves ITG's submitted packaging modifications with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("FSPTCA") concerning the rotation, size, and conspicuousness of the warnings on ITG's packaging. Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for ITG's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of ITG's packaging and advertising under the FSPTCA or any regulations that have been or might be promulgated by the Department of Health and Human Services under that statute, including but not limited to the Regulations Restricting the Sale and Distribution of Cigarettes and Smokeless Tobacco to Protect Children and Adolescents (published March 19, 2010).

Ms. Rhondetta Walton October 13, 2016 Page 2

Because the FSPTCA imposes additional legal requirements on the marketing and sale of cigarettes, you should ensure that you are in compliance with those requirements. For example, since September 22, 2009, the use of certain characterizing flavors (other than tobacco or menthol) in cigarettes has been prohibited. You can find additional information at www.fda.gov/TobaccoProducts/default.htm, or

www.fda.gov/TobaccoProducts/ResourcesforYou/ForIndustry/default.htm, and sign up for FDA email updates at www.fda.gov/TobaccoProducts/ResourcesforYou/ucm176164.htm.

If you have any questions regarding this approval, please contact William Ducklow at (202) 326-2407.

Very truly yours,

Mary K. Engle

Mary K. Engle Associate Director

## **Beedies** LLC 1549 Shadow Oaks Road Kissimmee Fl 34744 Ph. 407 893 3200 Or 407 738 6187 Fax 407 540 9559 TTB Permit# FL-TI-15119

27 July 2016

Ms. Mary K. Engle, Associate Director, Division of Advertising Practices, Federal Trade Commission, 600 Pennsylvania Avenue, NW. Washington, DC 20580.

Dear Madam,

I am requesting renewal of the Health Warning Statement Rotation Plan for Mangalore Ganesh Beedies 501 (MGB 501), brand style beedi cigarette (soft cone pack) in the United States of America. This is the only brand style manufactured by Mangalore Ganesh Beedies Works located in Mysore India and the only brand style of cigarettes Beedies LLC imports. Beedies LLC does not manufacture any Cigarettes. No changes were made to the packaging. If in the future, a decision is made to import different brands, a separate request will be submitted at that time.

Beedics LLC sales within the United States of America (USA) during Fy15. The warnings will appear exactly as shown on the sample packs and cartons that were enclosed with my letter dated April 28 2010. We will display the four health warnings an equal number of times on the packs and cartons by printing the four health warnings simultaneously in equal numbers at the time of both the pack and carton print runs for the MGB 501 brand. We will keep records demonstrating compliance with this plan. We do not anticipate sales to exceed sticks of the MGB 501 Brand style for the USA and all its territories, we import for Fv16.

We do not intend to advertise MGB 501 at this time. However if we decide to advertise in the future, we will submit an advertising plan to the FTC before.

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Sincerely, Gregory E. Cudjoe

President and Owner



Division of Advertising Practices United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

October 17, 2016

Mr. Gregory E. Cudjoe President and Owner Beedies LLC 1549 Shadow Oaks Road Kissimmee, FL 34744

Dear Mr. Cudjoe:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a proposed plan filed by Beedies LLC dated July 27, 2016, calling for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for one variety of the Mangalore Ganesh Beedies 501 brand of cigarettes.

Beedies LLC's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the health warnings on the sample packs and cartons submitted with your letter dated April 28, 2010 continue to appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.<sup>1</sup> Accordingly, Beedies LLC's plan for simultaneous display of the four health warnings on packaging for the Mangalore Ganesh Beedies 501 brand (cone shaped packs) is hereby approved.

Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.<sup>2</sup> The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

<sup>&</sup>lt;sup>1</sup> Although some of the warnings on the sample packs and cartons previously submitted contained spelling or punctuation errors, or were not sufficiently conspicuous, corrected samples were submitted on April 28, 2010. Beedies LLC stated in its July 27, 2016 letter that the four health warnings will continue to appear exactly as shown on the corrected samples submitted on April 28, 2010.

<sup>&</sup>lt;sup>2</sup> Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.

Mr. Gregory E. Cudjoe October 17, 2016 Page 2

If Beedies LLC decides to advertise in the future, it must submit a plan detailing how it will comply with the requirements of the Cigarette Act with respect to display of the health warning statements in advertisements.

Please note that this letter only approves Beedies LLC's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("FSPTCA") concerning the rotation, size, and conspicuousness of the warnings on Beedies LLC's packaging. Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging for Beedies LLC's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of Beedies LLC's packaging under the FSPTCA or any regulations that have been or might be promulgated by the Department of Health and Human Services under that statute, including but not limited to the Regulations Restricting the Sale and Distribution of Cigarettes and Smokeless Tobacco to Protect Children and Adolescents (published March 19, 2010).

Because the FSPTCA imposes additional legal requirements on the marketing and sale of cigarettes, you should ensure that you are in compliance with those requirements. For example, since September 22, 2009, the use of certain characterizing flavors (other than tobacco or menthol) in cigarettes has been prohibited. You can find additional information at www.fda.gov/TobaccoProducts/default.htm, and sign up for FDA email updates at www.fda.gov/TobaccoProducts/ResourcesforYou/ucm176164.htm.

Please note that Section 802 of the Tariff Suspension and Trade Act of 2000 prohibits the importation of cigarettes unless at the time of entry the importer presents a sworn statement signed by the original cigarette manufacturer stating that the manufacturer has submitted and will continue to submit the list of ingredients to FDA.

This approval is effective on the date of this letter and runs through October 16, 2017 or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

If you have any questions regarding this approval, please contact Bonnie McGregor at (202) 326-2356.

Very truly yours,

Mary K. Engle

Associate Director



Farmers Tobacco Co. of Cynthiana, Inc. 636 US Hwy 27 N, PO Box 98 Cynthiana, KY 41031

September 13, 2016

Ms. Mary K. Engle Associate Director Division of Advertising Practices Federal Trade Commission 600 Pennsylvania Ave, NW Washington, DC 20580

RE: Cigarette Health Warning Plan

Dear Madam:

Farmers Tobacco Co. of Cynthiana, Inc. is a cigarette manufacturer (TP-KY-45) located in Cynthiana, Kentucky. We are submitting this plan to you explaining how we will comply with the health warning display requirements.

Farmers Tobacco Co. of Cynthiana, Inc. owns and manufactures only the brands "Kentucky's Best", "VB Made in the USA", and "Baron American Blend". This is a consolidated plan for all three brands. Please see the attachment to this letter for the brands listings. We do not import any cigarettes.

I. Packaging

According to Section 1333(c)(2), we would like permission to display the four warnings an equal number of times during the year (rather than rotating the warnings quarterly) since our company's annual sales for all brands (Kentucky's Best, VB Made in the USA, and Baron American Blend) are less than one-fourth of one percent of all the cigarettes sold in the United States. We will equalize the four warnings on the packs and cartons of each brand style that we manufacture for the one-year period beginning on the date of approval of this plan. Equalization is achieved by the packaging vendor who will print all four warnings in equal numbers on each printed sheet of packaging for all cartons and packs so that when sheets are cut, the warnings will be equalized on cartons and packs for each brand style. The warnings will appear exactly as shown on the pack and carton samples submitted with our letters dated June 21, 2010, August 3, 2010, and September 29, 2010 and for the VB Made in the USA Non-Filter Soft Pack and Baron American Blend Non-Filter Soft Pack exactly as on the samples sent with our letter dated March 30, 2006.

The sales volumes in cigarettes for each brand for fiscal year 2015 were as follows:

Kentucky's Best VB Made in the USA Baron American Blend



Anticipated sales volumes in cigarettes for each brand for fiscal year 2016 are as follows:

Kentucky's Best VB Made in the USA Baron American Blend



II. Advertisements (other than outdoor billboard advertisements)

Farmers Tobacco Co. of Cynthiana Inc. continues to be in compliance with the advertising plans approved by the FTC on November 18, 2003 and April 18, 2005 for Kentucky's Best, March 25, 2005 for VB Made in the USA and April 27, 2005 for Baron American Blend.

Farmers Tobacco Co. of Cynthiana, Inc. will maintain sufficient records to demonstrate compliance with this plan.

If any further information is required, please call us at 1-866-832-7637 between the hours of 8:00 AM and 5:00 PM EST. Thank you for your time.

Sincerely,

xmp Steners

Jennifer Straus Vice President Farmers Tobacco Co. of Cynthiana, Inc.

# Farmers Tobacco Co. of Cynthiana, Inc. List of Brand Family Styles

## Kentucky's Best

Red King Soft Pack	Red 100 Soft Pack	
Gold King Soft Pack	Gold 100 Soft Pack	
Red King Hard Pack	Silver 100 Soft Pack	
Gold King Hard Pack	Red 100 Hard Pack	
Silver King Hard Pack	Gold 100 Hard Pack	
Menthol King Hard Pack	Silver 100 Hard Pack	
Green King Hard Pack	Menthol 100 Hard Pack	
Non-Filter King Soft Pack	Green 100 Hard Pack	

# VB Made in the USA

Red King Hard Pack Gold King Hard Pack Menthol King Hard Pack Non-Filter King Soft Pack Red 100 Hard Pack Gold 100 Hard Pack Blue 100 Hard Pack Menthol 100 Hard Pack Green 100 Hard Pack

## Baron American Blend

Red King Hard Pack Blue King Hard Pack Menthol King Hard Pack Non-Filter King Soft Pack Red 100 Hard Pack Blue 100 Hard Pack Silver 100 Hard Pack Menthol 100 Hard Pack Green 100 Hard Pack



Division of Advertising Practices

United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

October 17, 2016

Ms. Jennifer Straus Vice President Farmers Tobacco Co. of Cynthiana, Inc. 636 US Highway 27 North P.O. Box 98 Cynthiana, KY 41031

Dear Ms. Straus:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a proposed plan filed by Farmers Tobacco Co. of Cynthiana, Inc. ("Farmers Tobacco") dated September 13, 2016, calling for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the "Kentucky's Best," "VB Made in the USA," and "Baron American Blend" brands of cigarettes.

Farmers Tobacco's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the health warnings on the sample packs and cartons submitted with your letters dated March 30, 2006, and June 21, August 3, and September 29, 2010 continue to appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.<sup>1</sup>

Accordingly, Farmers Tobacco's plan for simultaneous display of the four health warnings on packaging is hereby approved for the following varieties:

• Sixteen varieties of the Kentucky's Best brand: Red Kings (soft pack and hard pack), Gold Kings (soft pack and hard pack), Silver Kings hard pack, Menthol Kings hard pack,

<sup>&</sup>lt;sup>1</sup> Farmer's Tobacco stated in its letter dated September 13, 2016 that the four health warnings will appear exactly as shown on the packs and cartons submitted on these dates. Although some of the warnings on the sample packs and cartons submitted on June 21, 2010 were not sufficiently clear and conspicuous, corrected samples were submitted on August 3 and September 29, 2010.

Ms. Jennifer Straus October 17, 2016 Page 2

> Green Kings hard pack, Non-Filter Kings soft pack, Red 100's (soft pack and hard pack), Gold 100's (soft pack and hard pack), Silver 100's (soft pack and hard pack), Menthol 100's hard pack, and Green 100's hard pack;

- Nine varieties of the VB Made in the USA brand: Red hard pack (Kings and 100's), Gold hard pack (Kings and 100's), Menthol hard pack (Kings and 100's), Non-Filter Kings soft pack, Blue 100's hard pack, and Green 100's hard pack; and
- Nine varieties of the Baron American Blend brand: Red hard pack (Kings and 100's), Blue hard pack (Kings and 100's), Menthol hard pack (Kings and 100's), Non-Filter Kings soft pack, Silver 100's hard pack, and Green 100's hard pack.

This approval pertains only to packaging that meets the requirements of the Cigarette Act. Furthermore, the four health warnings must appear exactly as shown on the packs and cartons the Commission has most recently approved.

Approval of this plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.<sup>2</sup> The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Please note that this letter only approves Farmers Tobacco's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("FSPTCA") concerning the rotation, size, and conspicuousness of the warnings on Farmers Tobacco's packaging. Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for Farmers Tobacco's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of Farmers Tobacco's packaging and advertising under the FSPTCA or any regulations that have been or might be promulgated by the Department of Health and Human Services under that statute, including but not limited to the Regulations Restricting the Sale and Distribution of Cigarettes and Smokeless Tobacco to Protect Children and Adolescents (published March 19, 2010).

Because the FSPTCA imposes additional legal requirements on the marketing and sale of cigarettes, you should ensure that you are in compliance with those requirements. For example, since September 22, 2009, the use of certain characterizing flavors (other than tobacco or menthol) in cigarettes has been prohibited. You can find additional information at www.fda.gov/TobaccoProducts/default.htm, and sign up for FDA email updates at www.fda.gov/TobaccoProducts/ResourcesforYou/ucm176164.htm.

This approval is effective on the date of this letter and runs through October 16, 2017, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

<sup>&</sup>lt;sup>2</sup> Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.

Ms. Jennifer Straus October 17, 2016 Page 3

If you have any questions regarding this approval, please contact Connor Sands at (202) 326-3343.

Very truly yours,

Mary Z. Engle

Mary K. Engle Associate Director

September 13, 2016

Ms. Mary Engle, Associate Director Division of Advertising Practices Federal Trade Commission 601 New Jersey Avenue, NW Washington, D.C. 20580



RE: Surgeon General's Health Warning Equalization Plan for Signal and Da Rez Brand Cigarettes

Dear Ms. Engle:

This is an application for approval of the plan of Ohserase Manufacturing, LLC for the display of the health warnings on its Signal cigarette brand and its Da Rez cigarette brand. Ohserase Manufacturing, LLC is a limited liability corporation with offices located at 26 Eagle Drive, Akwesasne, New York 13655, mailing address P.O. Box 1221, Akwesasne, New York 13655 and the phone number is (518)358-4229.

Obserase wishes to file a Surgeon General's Health Warning Equalization Plan as required by the Federal Cigarette Labeling and Advertising Act of 1964 for two brands of cigarettes they wish to manufacture in the United States under the brand names "Signal" and "Da Rez."

The brand styles of Signal and Da Rez brand cigarettes Ohserase intends to manufacture are listed on Exhibit "A" and "B." Enclosed with the submissions of Eli Tarbell on December 3, 2008 and of Justin Tarbell on June 18, 2010, July 16, 2010 and January 27, 2012 were the actual production packs and cartons for the brand styles being submitted showing exactly where and how the four (4) Surgeon General's health warnings will appear on individual packs and cartons Ohserase will be manufacturing for our Da Rez brand and our Signal brand. The warnings will appear exactly as shown on these samples.

Obserase manufactured approximately cigarettes in fiscal year 2015 (all were Signal and Da Rez brands). To date, in fiscal year 2016, Obserase has manufactured cigarettes (all were Signal and Da Rez brands). Obserase anticipates manufacturing approximately cigarettes of all its brand styles (Signal and Da Rez) in fiscal year 2016. Obserase does not anticipate manufacturing the President brand in 2016.

No one brand style of cigarettes sold by Ohserase has for the past fiscal year constituted more than  $\frac{1}{4}$  of 1% of all the cigarettes sold in the United States in such year, and no one brand style will constitute more than  $\frac{1}{4}$  of 1% of all the cigarettes sold in the United States in the next fiscal year. In addition, more than one-half of the cigarettes manufactured for sale in the United States will be packaged into brand styles which meet the requirements of 15 U.S.C.  $\frac{1333(c)(2)(A)(i)}{1}$ .

As a small manufacturer as defined by the Act, Ohserase wishes to submit a plan to equalize the four health warning statements required by 15 U.S.C. §1333(c) for its Signal and Da Rez brands. Each of the four warning statements will appear on the packs and cartons of each brand style of



Signal and Da Rez brand cigarettes manufactured by Ohserase an equal number of times in the one year period beginning on the date this plan is approved. Ohserase will maintain records demonstrating compliance with this plan.

The individual packs of Signal and Da Rez cigarettes to be manufactured by Ohserase will have the proper health warnings printed by the manufacturer directly on the packs under the cellophane. The cartons will also have the proper health warnings printed directly on the cartons by the manufacturer. Ohserase will keep a running total of the number of cartons and packs it manufactures with each warning label for each brand style.

Obserase understands that the FTC is charged with ensuring that Obserase's Surgeon General's Health Warning Label Plan is complied with and, therefore, it agrees to maintain records to demonstrate that they are in compliance with, and are properly implementing their plan.

Obserase will print all four health warnings in equal numbers on each printed sheet of packaging for all of its cartons and packs so that when the sheets are die cut each shipment should be approximately equalized for each brand style as manufactured. If, toward the end of the one year period, it appears that the warnings are not equalized on the packs and cartons for each brand style, Obserase will place special orders for packaging with the specific health warnings needed to ensure that the display of all four warnings is equalized on the packs and cartons for each brand style by the plan's anniversary date.

Obserase has an advertising plan in place and approved by the Federal Trade Commission. The plan was approved in January of 2013 and has not changed.

We believe this plan complies in all respect with the Federal Cigarette Labeling and Advertising Act, as amended, including any modifications made by the Public Health Cigarette Smoking Act of 1969, the Comprehensive Smoking Education Act of 1984, the Nurses' Education Amendments of 1985 and the Imported Cigarette Compliance Act of 2000. For this reason, we hereby request that you approve this plan as soon as possible.

If you have any questions I can be reached by phone at (518) 358-4229 extension 128. Thank you.

Sincerely, Sarah Treptow Compliance Officer

Compliance Officer Ohserase Manufacturing, LLC Exhibit A Ohserase Manufacturing, LLC Signal Brand Styles

Full Flavor King Box Full Flavor 100 Box Full Flavor King Soft Full Flavor 100 Soft Smooth King Box Smooth 100 Box Smooth King Soft Smooth 100 Soft Ultra Smooth King Box Ultra Smooth 100 Box Ultra Smooth King Soft Ultra Smooth 100 Soft Menthol King Box Menthol 100 Box Menthol King Soft Menthol 100 Soft Menthol Smooth King Box Menthol Smooth 100 Box Menthol Smooth King Soft Menthol Smooth 100 Soft Bold King Box Bold 100 Box Max King Box Max 100 Box

Exhibit B Ohserase Manufacturing, LLC Da Rez Brand Styles

Full Flavor King Box Full Flavor King Soft



Division of Advertising Practices United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

October 17, 2016

Ms. Sarah Treptow Ohserase Manufacturing, LLC 26 Eagle Drive P.O. Box 1221 Akwesasne, NY 13655

Dear Ms. Treptow:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a proposed plan filed by Ohserase Manufacturing, LLC ("Ohserase") on September 13, 2016, calling for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Da Rez and Signal brands of cigarettes.

Ohserase's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with Ohserase's letters on the following dates continue to appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness:<sup>1</sup>

Brand	Date(s)	
Da Rez	December 3, 2008	
Signal	December 3, 2008 June 18, 2010 ' July 16, 2010 January 27, 2012	

<sup>&</sup>lt;sup>1</sup> Ohserase stated in its September 13, 2016 letter that the four health warnings will appear exactly as shown on the packs and cartons submitted on these dates. Although some of the warnings on the sample packs for the Signal brand submitted on June 18, 2010 contained capitalization errors, corrected samples were submitted on July 16, 2010.

Ms. Sarah Treptow October 17, 2016 Page 2

Accordingly, Ohserase's plan for simultaneous display of the four health warnings on packaging for the following varieties is hereby approved:

- Two varieties of the Da Rez brand: Full Flavor Kings Soft Pack and Full Flavor Kings Box; and
- Twenty-four varieties of the Signal brand: Full Flavor Kings (Soft Pack and Box), Smooth Kings (Soft Pack and Box), Ultra Smooth Kings (Soft Pack and Box), Menthol Kings (Soft Pack and Box), Menthol Smooth Kings (Soft Pack and Box), Full Flavor 100's (Soft Pack and Box), Smooth 100's (Soft Pack and Box), Ultra Smooth 100's (Soft Pack and Box), Menthol 100's (Soft Pack and Box), Menthol Smooth 100's (Soft Pack and Box), Bold Kings Box, Bold 100's Box, Max Kings Box, and Max 100's Box.

This approval pertains only to packaging that meets the requirements of the Cigarette Act. Furthermore, the four health warnings must appear exactly as shown on the packs and cartons that the Commission has previously approved.

Approval of Ohserase's plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.<sup>2</sup> The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Please note that this letter only approves Ohserase's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("FSPTCA") concerning the rotation, size, and conspicuousness of the warnings on Ohserase's packaging. Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for Ohserase's cigarettes, including, but not limited to, "all natural." Nor does this letter purport to interpret or express any opinion about the adequacy of Ohserase's packaging and advertising under the FSPTCA or any regulations that have been or might be promulgated by the Department of Health and Human Services under that statute, including but not limited to the Regulations Restricting the Sale and Distribution of Cigarettes and Smokeless Tobacco to Protect Children and Adolescents (published March 19, 2010).

Because the FSPTCA imposes additional legal requirements on the marketing and sale of cigarettes, you should ensure that you are in compliance with those requirements. For example, since September 22, 2009, the use of certain characterizing flavors (other than tobacco or menthol) in cigarettes has been prohibited. You can find additional information at www.fda.gov/TobaccoProducts/default.htm, and sign up for FDA email updates at www.fda.gov/TobaccoProducts/ResourcesforYou/ucm176164.htm.

 $<sup>^2</sup>$  Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.

Ms. Sarah Treptow October 17, 2016 Page 3

This approval is effective on the date of this letter and runs through October 16, 2017, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

If you have any questions regarding this approval, please contact William Ducklow at (202) 326-2407.

Very truly yours,

Mary L. Engle

Mary K. Engle Associate Director

509 Reuben Snake Ave. Winnobago, NE 68071 402 878,4003 402.878,2919

A Deputer DF No-Chine, Isc

Mary K. Engle Associate Director, Division of Advertising Practices Federal Trade Commission 600 Pennsylvania Ave NW MailDrop CC-10528 Washington, DC 20580 Attn: Aine Farrell

October 28, 2016

## Re: Plan for Compliance with Federal Cigarette Labeling and Advertising Act for Rock River Manufacturing

Dear Ms. Engle & Ms. McGregor:

Please find enclosed Rock River Manufacturing renewal of its existing warning label plan for Silver Cloud, Seneca, Couture, and Opal brand of cigarette. On July 7, 2015, Rock River submitted a cigarette health warning display plan for Silver Cloud 100's, Seneca, Couture, and Opal brand styles. This plan was approved on July 10, 2015. On September 25<sup>th</sup>, 2015 Rock River submitted a cigarette health warning display plan for Silver Cloud King brand styles. These brand styles are manufactured by Global Manufacturing in Dallas Texas, at the direction of Rock River Manufacturing. This plan for the Silver Cloud King brand styles was approved on October 8, 2015.

#### I. PACKAGING

This section addresses the plan for compliance with respect to the "Packaging" requirements of the FCLAA with regards to the Silver Cloud, Seneca, Couture, and Opal brand styles including a discussion of the warning label size and location, the warning label equalization and records of compliance.

509 Reuben Snake Ave. Winnebago, NE 6807 1 - 402.878.4003 - 402.878.2019

A Dynamic Of He-Count, Inc.

#### A. Warning Label Size and Location

#### Silver Cloud, Seneca, Couture, and Opal

We wish to renew our plan for the following brand styles:

Seneca Full Flavor Soft King Seneca Blue Soft King Seneca Silver Soft King Seneca Menthol Soft King Seneca Smooth Menthol Soft King

Seneca Full Flavor Box King Seneca Medium Box King Seneca Blue Box King Seneca Silver Box King Seneca Menthol Box King Seneca Smooth Menthol Box King Seneca Non-Filter Box King Seneca Chill Box King

Seneca Full Flavor Box 120 Seneca Smooth Box 120 Seneca Ultra Box 120 Seneca Menthol Box 120 Seneca Smooth Menthol Box 120

Couture Slims Ruby 100 Box Couture Slims Amethyst 100 Box Couture Slims Diamond 100 Box Couture Slims Sapphire 100 Box Couture Slims Turquoise 100 Box Couture Slims Aquamarine 100 Box Seneca Full Flavor Soft 100 Seneca Blue Soft 100 Seneca Silver Soft 100 Seneca Menthol Soft 100 Seneca Smooth Menthol Soft 100 Seneca Extra Smooth Menthol Soft 100

Seneca Full Flavor Box 100 Seneca Medium Box 100 Seneca Blue Box 100 Seneca Silver Box 100 Seneca Menthol Box 100 Seneca Smooth Menthol Box 100 Seneca Extra Smooth Menthol Box 100

Seneca Full Flavor 72 Box Seneca Blue 72 Box Seneca Menthol 72 Box

Opal Full Flavor Box 120 Opal Smooth Box 120 Opal Ultra Box 120 Opal Menthol Box 120 Opal Smooth Menthol Box 120

A Driann OF Ha-Guest list

MANUFAC

Silver Cloud Red 100 Box Silver Cloud Gold 100 Box Silver Cloud Silver 100 Box Silver Cloud Menthol 100 Box Silver Cloud Menthol Gold 100 Box Silver Cloud Red King Box Silver Cloud Gold King Box Silver Cloud Menthol King Box

Included in my previous letters dated January 30, 2015, February 17, 2015, June 15 2015, September 23, 2015, and September 25, 2015 were samples of cartons and packages for the foregoing brand styles. The cartons and packages were prepared in accordance with the precise wording, capitalization, and punctuation of the warnings under section 1333(a)(1) of the FCLAA and in compliance with the requirements for placement and size of the warnings on the packing under Section 1333(b) of the FCLAA. The required warnings will appear on both the actual packages and cartons of the foregoing Silver Cloud, Seneca, Couture, and Opals brand styles exactly as they appear on the samples that Rock River submitted on aforementioned dates.

#### B. Warning Label Rotation: 1332(c)(2) Election

Rock River wishes to employ the option for simultaneous display of the four health warnings by displaying the four required warning labels an equal number of times on the packages and cartons of the Silver Cloud, Seneca, Couture, and Opal brand styles listed above for the one-year period beginning on the date of approval of this plan.

Rock River's sales figures for all of the brand styles of the manufactured Silver Cloud and imported Seneca, Couture, and Opal brands for January 1, 2015 through December 31, 2015 by style by sticks are as follows:

STYLE Seneca Full Flavor Soft King Seneca Blue Soft King Seneca Silver Soft King Seneca Menthol Soft King Seneca Smooth Menthol Soft King Seneca Full Flavor Soft 100 Seneca Blue Soft 100 Seneca Silver Soft 100 Seneca Menthol Soft 100 Seneca Smooth Menthol Soft 100

#### NUMBER OF STICKS



509 Reuben Snake Ave. Winnebago, NE 68071 14 402.878.4003 14 402.878.2919

A Division Or Ho-Great, Inc.

#### STYLE

MANUFAC

ROCK

Seneca Extra Smooth Menthol Soft 100 Seneca Full Flavor Box King Seneca Medium Box King Seneca Blue Box King Seneca Silver Box King Seneca Menthol Box King Seneca Smooth Menthol Box King Seneca Non-Filter Box King Seneca Chill Box King Seneca Full Flavor Box 100 Seneca Medium Box 100 Seneca Blue Box 100 Seneca Silver Box 100 Seneca Menthol Box 100 Seneca Smooth Menthol Box 100 Seneca Extra Smooth Menthol Box 100 Seneca Full Flavor Box 120 Seneca Smooth Box 120 Seneca Ultra Box 120 Seneca Menthol Box 120 Seneca Smooth Menthol Box 120 Seneca Full Flavor 72 Box Seneca Blue 72 Box Seneca Menthol 72 Box

Silver Cloud Red 100 Box Silver Cloud Gold 100 Box Silver Cloud Silver 100 Box Silver Cloud Menthol 100 Box Silver Cloud Menthol Gold 100 Box Silver Cloud Red King Box Silver Cloud Gold King Box Silver Cloud Menthol King Box

Couture Slims Ruby 100 Box Couture Slims Amethyst 100 Box Couture Slims Diamond 100 Box Couture Slims Sapphire 100 Box

#### NUMBER OF STICKS



ROCK RIVER MANUFACTURING

509 Reuben Snake Ave. Winnebago, NE 68071 # 402.878.4003 # 402.978.2919

A Discoust OF No-Children Inc.

Couture Slims Turquoise 100 Box Couture Slims Aquamarine 100 Box

Opal Full Flavor Box 120 Opal Smooth Box 120 Opal Ultra Box 120 Opal Menthol Box 120 Opal Smooth Menthol Box 120



Rock River does not import or manufacture any other brands or brand styles than those listed above.

Based on the foregoing sales volume, it appears that each of the foregoing brand styles qualifies for warning label equalization as sales of each brand style were less than one-fourth  $(1/4^{th})$  of one percent (1%) of all the cigarettes sold in the United States.

Rock River has and will continue to comply with the Cigarette Act by having its supplier of packaging for its manufactured Silver Cloud brand. Copac Inc., and imported Seneca, Couture, and Opal brands, White House Graphics, print the four surgeon general warnings simultaneously in equal numbers at the time of both the pack and carton print runs. The four warnings will be displayed on the packs and cartons of each brand style of the varieties of Silver Cloud, Seneca, Couture, and Opal brands an equal number of times during the one-year period following the date of approval of this plan by the FTC. Rock River will keep records demonstrating compliance with this plan.

#### C. Records of Compliance

Rock River will maintain records demonstrating compliance with this plan at its principal place of business.

#### **II ADVERTISING**

Rock River's plan for advertising the Silver Cloud brand was approved on July 10, 2015. Rock River will maintain compliance with that plan.



Thank you for your attention to this matter and your assistance. If you have any questions or comments with respect to any of the foregoing, please do not hesitate to contact me.

Sincerely,

Joseph M. Zebrowski Director of Legal 701 Buffalo Trail Winnebago, NE 68071 Phone: 402-878-2300



United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

Division of Advertising Practices

November 3, 2016

Mr. Joseph M. Zebrowski Rock River Manufacturing 701 Buffalo Trail Winnebago, NE 68071

Dear Mr. Zebrowski:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed by Rock River Manufacturing ("Rock River") on October 28, 2016, calling for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Silver Cloud, Seneca, Couture, and Opal brands of cigarettes.

Rock River's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letters dated January 30, 2015, February 17, 2015, June 15, 2015, September 23, 2015, and September 25, 2015 appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.<sup>1</sup>

Accordingly, Rock River's plan for simultaneous display of the four health warnings on packaging is hereby approved for the following varieties:

Thirty-four varieties of the Seneca brand: Full Flavor Kings (soft pack and box), Blue Kings (soft pack and box), Silver Kings (soft pack and box), Menthol Kings (soft pack and box), Smooth Menthol Kings (soft pack and box), Medium Kings box, Non-Filter Kings box, Chill Kings box, Full Flavor 100's (soft pack and box), Blue 100's (soft pack and box), Silver 100's (soft pack and box), Menthol 100's (soft pack and box), Smooth Menthol 100's (soft pack and box), Extra Smooth Menthol 100's (soft pack and box), Medium 100's box, Full Flavor 120's box, Smooth 120's box, Ultra 120's box, Menthol

<sup>&</sup>lt;sup>1</sup> Rock River stated in its October 28, 2016 letter that the four health warnings will appear exactly as shown on the sample packs and cartons submitted on these dates.

Mr. Joseph Zebrowski November 3, 2016 Page 2

120's box, Smooth Menthol 120's box, Full Flavor 72's box, Blue 72's box, and Menthol 72's box;

- Six "Slims" 100's box varieties of the Couture brand: Ruby, Amethyst, Diamond, Sapphire, Turquoise, and Aquamarine;
- Five box varieties of the Opal brand: Full Flavor 120's, Smooth 120's, Ultra 120's, Menthol 120's, and Smooth Menthol 120's; and
- Eight box varieties of the Silver Cloud brand: Red (Kings and 100's), Gold (Kings and 100's), Menthol (Kings and 100's), Menthol Gold 100's, Silver 100's.

Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.<sup>2</sup> The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Please note that this letter only approves Rock River's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("FSPTCA") concerning the rotation, size, and conspicuousness of the warnings on Rock River's packaging. Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for Rock River's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of Rock River's packaging and advertising under the FSPTCA or any regulations that have been or might be promulgated by the Department of Health and Human Services under that statute, including but not limited to the Regulations Restricting the Sale and Distribution of Cigarettes and Smokeless Tobacco to Protect Children and Adolescents (published March 19, 2010).

Because the FSPTCA imposes additional legal requirements on the marketing and sale of cigarettes, you should ensure that you are in compliance with those requirements. For example, since September 22, 2009, the use of certain characterizing flavors (other than tobacco or menthol) in cigarettes has been prohibited. You can find additional information at www.fda.gov/TobaccoProducts/default.htm, and sign up for FDA email updates at www.fda.gov/TobaccoProducts/ResourcesforYou/ucm176164.htm.

This approval is effective on the date of this letter and runs through November 2, 2017, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

<sup>&</sup>lt;sup>2</sup> Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.

Mr. Joseph Zebrowski November 3, 2016 Page 3

If you have any questions regarding this approval, please contact Aine Farrell at (202) 326-2409.

Very truly yours,

Mary K. Engle/SV

Mary K. Engle Associate Director



October 24, 2016

Mary K. Engle, Associate Director Federal Trade Commission Division of Advertising Practices 600 Pennsylvania Avenue, NW Mail Drop NJ 3212 Washington, DC 20580

Re: Premier Manufacturing, Inc. - Approval request

Dear Ms. Mary Engle:

We would like to request renewal for Creston, Passport and Fact brands. There are no changes in packaging for these Brands since our submission on August 14, 2015. The warnings will appear exactly as shown on the sample packs and cartons submitted with my August 14, 2015 letter. 1

Premier Manufacturing would like to continue to display the four health warnings an equal number of times on the packs and cartons for each brand style of the Creston, Passport and Fact brands for the one-year period beginning on the date of approval of this plan. We will achieve equalization of the four warnings on the packs and cartons of each brand style by having all four warnings printed simultaneously at the time of both pack and carton print runs. Premier will keep records demonstrating compliance with the plan.

The four warnings that will be displayed are:

- 1. SURGEON GENERAL'S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.
- 2. SURGEON GENERAL'S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.
- 3. SURGEON GENERAL'S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.
- 4. SURGEON GENERAL'S WARNING: Cigarette Smoke Contains Carbon Monoxide.

Premier Manufacturing, Inc. has not yet designed advertising materials for Creston, Passport and Fact brand cigarettes. We do not intend to advertise these brands until we have FTC approval for displaying warnings on advertising.

(1)

www.GoPremier.com



We have previous sales for Creston, Passport or Fact. Premier also manufactures the Ultra Buy, Shield, Wildhorse, 1<sup>st</sup> Class, 1839 and Traffic brands which did not exceed sticks for any one brand style in the last fiscal year (calendar year 2015). We do not anticipate sales to exceed sticks for any one brand style in fiscal year 2016.

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Below are the Brand styles that we have previously had approved for Creston, Passport and Fact on November 18, 2015. These three brands are manufactured in the United States by Premier. The Brand/Styles are as follows:

CRESTON	PASSPORT	FACT
RED KING BOX	RED KING BOX	RED KING BOX
RED 100s BOX	RED 100s BOX	RED 100s BOX
BLUE KING BOX	BLUE KING BOX	BLUE KING BOX
BLUE 100s BOX	BLUE 100s BOX	BLUE 100s BOX
ORANGE KING BOX	ORANGE KING BOX	ORANGE KING BOX
ORANGE 100s BOX	ORANGE 100s BOX	ORANGE 100s BOX
MENTHOL GREEN KING BOX	MENTHOL GREEN KING BOX	MENTHOL GREEN KING BOX
MENTHOL GREEN 100s BOX	MENTHOL GREEN 100s BOX	MENTHOL GREEN 100s BOX
MENTHOL SILVER KING BOX	MENTHOL SILVER KING BOX	MENTHOL SILVER KING BOX
MENTHOL SILVER 100s BOX	MENTHOL SILVER 100s BOX	MENTHOL SILVER 100s BOX

We submit and confirm that the foregoing complies with Act.

Please call me if you have any questions or require additional information.

Sincerely,

Terri Albright Operations/Compliance Manager Direct Phone: 636-537-6823 Fax: 636-530-1362 Email: talbright@gopremier.com

(2)

www.GoPremier.com

17998 Chesterfield Airport Road. • Chesterfield, Missouri 63005 • (636) 537-5348 • Fax (636) 537-3359 • email: info@gepremier.com



United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

Division of Advertising Practices

November 8, 2016

Ms. Terri Albright Premier Manufacturing, Inc. 17998 Chesterfield Airport Road Chesterfield, MO 63005

Dear Ms. Albright:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed by Premier Manufacturing, Inc. ("Premier") on October 24, 2016, calling for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Creston, Passport, and Fact brands of cigarettes.

Premier's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letter dated August 14, 2015 continue to appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.<sup>1</sup>

Accordingly, Premier's plan for simultaneous display of the four health warnings on packaging is hereby approved for the following varieties of the Creston, Passport, and Fact brands of cigarettes: Red Box (Kings and 100's), Blue Box (Kings and 100's), Orange Box (Kings and 100's), Menthol Green Box (Kings and 100's), and Menthol Silver Box (Kings and 100's).

<sup>&</sup>lt;sup>1</sup> Premier stated in its October 24, 2016 letter that the four health warnings will appear exactly as shown on the sample packs and cartons submitted on August 14, 2015.
Ms. Terri Albright November 8, 2016 Page 2

Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.<sup>2</sup> The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Please note that this letter only approves Premier's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("FSPTCA") concerning the rotation, size, and conspicuousness of the warnings on Premier's packaging. Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for Premier's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of Premier's packaging and advertising under the FSPTCA or any regulations that have been or might be promulgated by the Department of Health and Human Services under that statute, including but not limited to the Regulations Restricting the Sale and Distribution of Cigarettes and Smokeless Tobacco to Protect Children and Adolescents (published March 19, 2010).

Because the FSPTCA imposes additional legal requirements on the marketing and sale of cigarettes, you should ensure that you are in compliance with those requirements. For example, since September 22, 2009, the use of certain characterizing flavors (other than tobacco or menthol) in cigarettes has been prohibited. You can find additional information at www.fda.gov/TobaccoProducts/default.htm, and sign up for FDA email updates at www.fda.gov/TobaccoProducts/ResourcesforYou/ucm176164.htm.

This approval is effective on the date of this letter and runs through November 7, 2017, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

If you have any questions regarding this approval, please contact Aine Farrell at (202) 326-2409.

Very truly yours,

Muy K. Engle

Mary K. Engle Associate Director

<sup>&</sup>lt;sup>2</sup> Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.



John R. Long Vice President & General Counse: Tel 919-990-3516 Fax 919-990-3505 jlong@lvbrands.com

October 27, 2016

BY FEDEX

Ms. Mary K. Engle Associate Director, Division of Advertising Practices Federal Trade Commission 600 Pennsylvania Avenue, NW Mail Code CC-10528 Washington, DC 20580

> Re: Application to Add Four LIGGETT SELECT Brand Styles to Liggett Group Cigarette Warning Rotation Plan and Revise Packaging for the LIGGETT SELECT Brand

Dear Ms. Engle:

Liggett Group LLC ("Liggett") hereby applies to add the following four LIGGETT SELECT brand styles to its Label Statement Rotation Plan ("Plan") pursuant to the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331 *et seq.* ("Act"):

LIGGETT SELECT Blue Kings Box, LIGGETT SELECT Blue 100s Box, LIGGETT SELECT Orange Kings Box, LIGGETT SELECT Orange 100s Box

Also, Liggett has introduced the new LIGGETT SELECT packaging for the four styles listed above and now revised packaging for the following seven styles:

LIGGETT SELECT Non-Filter Kings Box LIGGETT SELECT Red Kings Box LIGGETT SELECT Menthol Gold Kings Box LIGGETT SELECT Menthol Silver Kings Box LIGGETT SELECT Red 100s Box LIGGETT SELECT Menthol Gold 100s Box LIGGETT SELECT Menthol Silver 100s Box

The eleven LIGGETT SELECT brand styles listed above are referred to as the "New LS Packaging Styles." Liggett is applying for simultaneous rotation of the four warnings required by the Act, to be implemented in accordance with Section 2(d) of the Plan, as originally approved by the Federal Trade Commission ("FTC") on September 19, 1985, and most recently by letter dated May 17, 2016. This application is only for the New LS Packaging Styles and is for a one-year period beginning on the date of the approval of this Plan.

Application to Renew Liggett Group Rotation Plan October 27, 2016 Page 2

Liggett's existing Plan, which will expire May 16, 2017, covers a total of fourteen LIGGETT SELECT brand styles, which includes ten box styles and four soft pack styles, (the "Old LS Packaging Styles"). All fourteen of the Old LS Packaging Styles will continue to be manufactured until their packaging runs out. At which time Liggett will introduce new packaging or new packaging and new descriptors for the 10 box brand styles. The four soft pack styles, LIGGETT SELECT Red 100's Soft Pack, Gold 100's Soft Pack, Silver 100's Soft Pack, and Menthol Silver 100's Soft Pack will be discontinued and will no longer be manufactured. Accordingly, the fourteen Old LS Packaging Styles are still being manufactured next year when Liggett applies to renew its existing Plan, then Liggett will include those Old LS Packaging Styles in its renewal application. If any of the Old LS Packaging Styles are no longer being manufactured by then, Liggett will not include them when it applies to renew its existing Plan.

The New LS Puckaging will include seven of the existing box brand styles that are being repackaged. Those styles are the same styles listed above under the second paragraph. Liggett is changing the descriptor and packaging on three of its existing LIGGETT SELECT box cigarette styles. The brand styles listed under the column "NEW DESCRIPTOR" are three of the four styles listed above under the first paragraph.

EXISTING DESCRIPTOR	NEW DESCRIPTOR	4.4
LIGGETT SELECT Gold Kings Box	LIGGETT SELECT Blue Kings Box	ġ
LIGGETT SELECT Gold 100's Box	LIGGETT SELECT Blue 100s Box	
LIGGETT SELECT Silver 100's Box	LIGGETT SELECT Orange 100s Box	

In addition, Liggett is adding one new additional style to its brand family under the descriptor LIGGETT SELECT Orange Kings Box. To summarize, the New LS Packaging will include seven of the existing box styles being re-packaged, three of the existing box styles that will be renamed and repackaged, and one new brand style. The application that is the subject of this letter relates only to the new LS Packaging Styles only.

The packs and cartons for the New LS Packaging Styles are printed in such a way that all four warnings are printed with each revolution of one printing cylinder. For the cartons, two printing cylinders are alternated during the printing process to achieve equal warnings within a single pallet of packaging. Materials are palletized containing all four warnings on each pallet of packs and cartons. On a pallet, the packs and cartons are stacked in bundles of 500 containing a mix of the four warnings. Accordingly, as the pallets of packing are used in the manufacturing process, the cigarettes produced using that packaging from those pallets will bear each of the four warnings in equal numbers, subject to limitations to the commercial printing and manufacturing practices.

Enclosed with my letter of August 11, 2016 is my affidavit, with Exhibits A and B, which set forth information on total U.S. and Liggett cigarette unit sales in Liggett's most recent fiscal year (calendar year 2015). This information shows that, with the exceptions of PYRAMID Red 100s Box and PYRAMID Blue 100s Box, Liggett's sales of any one brand style did not exceed one-fourth of one percent of all cigarettes sold in the United States in 2015, and more than one-half of the cigarettes sold by Liggett were packaged into brand styles that meet this requirement. Liggett expects to sell approximately cigarettes of the entire LIGGETT SELECT brand in 2017, including of LIGGETT SELECT Blue Kings Box. of LIGGETT SELECT Blue 100s Box. of LIGGETT SELECT Orange Kings Box, and of LIGGETT SELECT Orange 100s Box. There are expected sales of these four brand styles in 2016. Accordingly, pursuant to the Act and the Plan, all of the New LS Packaging Styles qualify for simultaneous rotation of the four warnings required by the Act.

Application to Renew Liggett Group Rotation Plan October 27, 2016 Page 3

Enclosed with my August 11, 2016 letter were four sample packs and four sample cartons of the New LS Packaging Styles (one for each of the four warnings). The warnings will appear exactly as shown on the samples provided with my letter of August 11, 2016. The four warnings required by 15 U.S.C. § 1333(a)(1) will be printed on packs and cartons of the New LS Packaging Styles listed above an equal number of times within the one-year period beginning on the date of approval of this application. The New LS Packaging Styles will follow the rotation of the four health warnings in advertising for the LIGGETT SELECT brand that was approved on June 29, 2012. This will confirm that Liggett, in the ordinary course of business, maintains records of compliance with its approved plans for packaging and advertising.

The information contained in the affidavit and exhibits is confidential and proprietary business information of Liggett. Liggett requests that this information be kept confidential by the FTC, pursuant to applicable rules and procedures. Thank you for your attention to this matter. If you have any questions, please let me know.

Very truly yours,

John R. Long

#### STATE OF NORTH CAROLINA COUNTY OF WAKE

#### AFFIDAVIT OF JOHN R. LONG

John R. Long, being first duly sworn, deposes and says:

I am Vice President & General Counsel of Liggett Group LLC ("Liggett").

2. On August 31, 1985, Liggett filed its Label Statement Rotation Plan ("Plan") pursuant to Section 4(c) of the Federal Cigarette Labeling and Advertising Act ("Act"). The Federal Trade Commission approved the Plan on September 19, 1985 and has approved renewals of the Plan every year since then, most recently on May 17, 2016.

3. Under Section 4(c)(2)(A) of the Act and Section 2(d) of the Plan, the Surgeon General's Warnings on the packaging of a particular brand style may be rotated on a simultaneous basis if: (1) the number of cigarettes of such brand style sold in the fiscal year of Liggett preceding the submission of this application was less than one-fourth of one percent of all cigarettes sold in the United States in such year; and (2) more than one-half of the cigarettes sold by Liggett in the United States were packaged into brand styles that meet the foregoing requirement. Liggett's most recent fiscal year was calendar year 2015.

4. Attached to this affidevit as Exhibit <u>A</u> is a copy of The Maxwell Report for calendar year 2015. This report shows that approximately constrained cigarettes were sold in the United States during calendar year 2015. One quarter of one percent of cigarettes is approximately cigarettes.

5. Attached to this affidavit as <u>Exhibit B</u> are the sales figures for calendar year 2015 for all brand styles manufactured by Liggett. <u>Exhibit B</u> shows that all but two brand styles manufactured by Liggett had sales in 2015 of fewer than <u>Exhibit B</u> cigarettes, and more than half of the cigarettes sold by Liggett in 2015 were packaged into brand styles that had sales in 2015 of fewer than <u>Exhibit B</u> cigarettes. Accordingly, all but two Liggett brand styles are eligible for simultaneous warning rotation. The two Liggett brand styles that had sales over <u>Exhibit B</u> and that, therefore, do not qualify for simultaneous warning rotation are PYRAMID Red 100s Box and PYRAMID Blue 100s Box.

6. Accordingly, Liggett is eligible to apply for simultaneous warning rotation as provided in Section 2(d) of the Plan. Pursuant to the Act and the Plan, all Liggett brand styles except PYRAMID Red 100s Box and PYRAMID Blue 100s Box qualify for simultaneous warning rotation. The warnings on these two PYRAMID styles will be rotated quarterly in accordance with Section 2(b) and other applicable provisions of the Plan. Liggett expects to sell approximately cigarettes of the entire LIGGETT SELECT brand in 2017. including of LIGGETT SELECT Blue Kings Box. of LIGGETT SELECT Blue 100s Box. of LIGGETT SELECT Orange Kings Box, and of LIGGETT SELECT Orange 100s Box. There are expected sales of these four brand styles in 2016. Accordingly, pursuant to the Act and the Plan, LIGGETT SELECT Blue Kings Box, LIGGETT SELECT Blue 100s Box, LIGGETT SELECT Orange Kings Box, and LIGGETT SELECT Orange 100s Box qualify for simultaneous rotation of the four warnings required by the Act.

duph John R. Lons Sworn to and subscribed before me, this 11th day of August, 2016. A HAZLEWOOL AROL NOTARY PUBLIC Wake County, North Carolina Carol A. Hazlewood My Commission Busiles 2-28-2017 Notary Public, State of North-Carolina My commission expires: February 28, 2017

### EXHIBIT A



John C. Maxwell, Jr. The Maxwell Report 7 Glebe Close Richmond, VA 23227

(804) 359-0429 jmaxjr@comcast.net



This information has been compiled from various sources and may not be complete. It is not guaranteed and is not a representation by us. Any opinion expressed herein is based upon our interpretation of the information from such source.

### EXHIBIT A

#### THE MAXWELL REPORT



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	Exhibit B Liggett Group LLC Application to Renew Warning Rotation Plan August 11, 2016		
	201	5 Gross Unit Sales by Brand Style	
	Brand	Current Brand Style Name	2015 Units Sold
1	BRONSON	Full Flavor Filter Kings Box	No.
2	BRONSON	Full Flavor Filter 100's Box	
2.3	BRONSON	Gold Kings Box	
4	BRONSON	Gold 100's Box	
5	BRONSON	Silver Kings Box	
6	BRONSON	Silver 100's Box	
7	BRONSON	Full Flavor Menthol Kings Box	
8	BRONSON	Full Flavor Menthol 100's Box	
9	BRONSON	Gold Menthol Kings Box	
10	BRONSON	Gold Menthol 100's Box	
	TOTAL BRONSON		
	TOTAL BRONSON	1	
1.00		Non-Filter Kings Box	
1	CLASS A CLASS A	Full Flavor Filter 100's Box	
3	CLASS A		the second second second
4	CLASS A	Filter Kings Box Filter 100's Box	
5	CLASS A	Blue 100's Box	
6	CLASS A	Menthol Filter Kings Box	the second s
7	CLASS A	Menthol Filter 100's Box	
8	CLASS A	Menthol Silver 100's Box	
	TOTAL CLASS A		
4	EVE.	Amethymt 400in Day	The second se
1	EVE	Amethyst 120's Box	
2 3	EVE	Sapphire 120's Box	
3	EVE	Menthol Emerald 120's Box	
4		Menthol Turquoise 120's Box	and the second second second
	TOTAL EVE		
1	GRAND PRIX	Non-Filter Classic Kings Box	
2	GRAND PRIX	Filter Red Kings Box	
3	GRAND PRIX	Filter Red 100s Soft Pack	
4	GRAND PRIX	Filter Red 100s Box	
5	GRAND PRIX	Blue Kings Box	8 IS I 344, AL, I
6	GRAND PRIX	Blue 100s Soft Pack	
7	GRAND PRIX	Blue 100s Box	
8	GRAND PRIX	Orange 100s Soft Pack	
9	GRAND PRIX	Orange 100s Box	
10	GRAND PRIX	Menthol Gold Kings Box	
11	GRAND PRIX	Menthol Gold 100s Box	
12 13	GRAND PRIX	Menthol Silver 100s Soft Pack	
13	GRAND PRIX	Menthoi Silver 100s Box	
	TOTAL GRAND PRIX		
1	LIGGETT SELECT	Non-Filter Kings Box	
2	LIGGETT SELECT	Red Kings Box	
3	LIGGETT SELECT	Red 100's Soft Pack	
4	LIGGETT SELECT	Red 100's Box	
5	LIGGETT SELECT	Gold Kings Box	
6	LIGGETT SELECT	Gold 100's Soft Pack	
7	LIGGETT SELECT	Gold 100's Box	
8	LIGGETT SELECT	Silver 100's Soft Pack	

		Exhibit B		
		Liggett Group LLC		
	Applicat	ion to Renew Warning Rotation Plan		
August 11, 2016				
<u>.</u>	2015	Gross Unit Sales by Brand Style		
	Brand	Current Brand Style Name	2015 Units Sold	
9	LIGGETT SELECT	Silver 100's Box		
10	LIGGETT SELECT	Menthol Gold Kings Box		
11	LIGGETT SELECT	Menthol Gold 100's Box		
12	LIGGETT SELECT	Menthol Silver Kings Box		
13	LIGGETT SELECT	Menthol Silver 100's Soft Pack		
14	LIGGETT SELECT	Menthol Silver 100's Box		
•3639.5	TOTAL LIGGETT SELECT			
	TOTAL LIGGETT SELECT			
1	MONTEGO	Full Flavor Kings Box		
2	MONTEGO	Full Flavor 100's Box		
з	MONTEGO	Gold Kings Box		
4	MONTEGO	Gold 100's Box		
5	MONTEGO	Blue 100's Box		
6	MONTEGO	Menthol Kings Box		
7	MONTEGO	Menthol Silver Kings Box		
8	MONTEGO	Menthol Silver 100's Box		
0		Menthol Silver 100's Box		
	TOTAL MONTEGO			
1	PYRAMID	Non-Filter Kings Box		
2	PYRAMID	Red Kings Box		
3	PYRAMID	Red 100s Box		
4	PYRAMID	Blue Kings Box		
5	PYRAMID	Blue 100s Box		
6	PYRAMID	Orange Kings Box		
7	PYRAMID	Orange 100s Box		
8	PYRAMID	Menthol Gold Kings Box		
9	PYRAMID	Menthol Gold 100s Box		
10	PYRAMID	Menthol Silver Kings Box		
11	PYRAMID	Menthol Silver 100s Box		
2012				
	TOTAL PYRAMID	1		
1	TOURNEY	Non-Filter Kings Box		
2	TOURNEY	Full Flavor Kings Box		
3	TOURNEY	Full Flavor 100's Soft Pack		
4	TOURNEY	Full Flavor 100's Box		
5	TOURNEY	Gold Kings Box		
6	TOURNEY	Gold 100's Soft Pack		
7	TOURNEY	Gold 100's Box		
8	TOURNEY	Blue 100's Box		
9	TOURNEY	Mentho! Full Flavor Kings Box		
10	TOURNEY	Menthol Full Flavor 100's Box		
11	TOURNEY	Menthol Gold Kings Box		
12	TOURNEY	Menthol Gold 100's Soft Pack		
13	TOURNEY	Menthol Gold 100's Box		
14	TOURNEY	Slims Blue 120's Box		
15	TOURNEY	Slims Rose 120's Box		
16	TOURNEY	Slims Menthol Teal 120's Box		
10		CARTING MIGHTERIOL I COL IZO S BOA		
5	TOTAL TOURNEY	1		

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# Selected packaging samples from those submitted with the plan.

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#### United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

Division of Advertising Practices

November 8, 2016

John R. Long, Esq. Vice President & General Counsel Liggett Group LLC 100 Maple Lane Mebane, NC 27302

Dear Mr. Long:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, Liggett Group LLC's ("Liggett") May 4, 2016 plan for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Bronson, Class A, Eve, Grand Prix, Liggett Select, Montego, Pyramid, and Tourney brands of cigarettes was approved on May 17, 2016.<sup>1</sup> In your October 27, 2016 letter, you now propose to expand Liggett's plan to include additional varieties of the Liggett Select brand.

Liggett's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted on August 11, 2016 appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.<sup>2</sup> Accordingly, Liggett's plan for simultaneous display of the four health warnings on packaging for the following eleven box varieties of the Liggett Select brand is hereby approved: Blue Kings, Blue 100's, Orange Kings, Orange 100's, Non-Filter Kings (in dark blue packaging with brown), Red Kings (in dark blue packaging with red), Menthol Gold Kings (in dark blue packaging with dark green), Menthol Silver Kings (in dark blue packaging with light green), Red 100's (in dark blue packaging with red), Menthol Gold 100's (in dark blue packaging with dark green), and Menthol Silver 100's (in dark blue packaging with light green).

<sup>&</sup>lt;sup>1</sup> Liggett's Pyramid Red 100's Box and Pyramid Blue 100's Box varieties are subject to quarterly rotation, which does not require annual approval.

<sup>&</sup>lt;sup>2</sup> Liggett stated in its October 27, 2016 letter that the four health warnings will appear exactly as shown on the packs and cartons submitted on August 11, 2016.

John R. Long, Esq. November 8, 2016 Page 2

Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.<sup>3</sup> The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Please note that this letter only approves Liggett's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("FSPTCA") concerning the rotation, size, and conspicuousness of the warnings on Liggett's packaging. Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for Liggett's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of Liggett's packaging and advertising under the FSPTCA or any regulations that have been or might be promulgated by the Department of Health and Human Services under that statute, including but not limited to the Regulations Restricting the Sale and Distribution of Cigarettes and Smokeless Tobacco to Protect Children and Adolescents (published March 19, 2010).

Because the FSPTCA imposes additional legal requirements on the marketing and sale of cigarettes, you should ensure that you are in compliance with those requirements. For example, since September 22, 2009, the use of certain characterizing flavors (other than tobacco or menthol) in cigarettes has been prohibited. You can find additional information at www.fda.gov/TobaccoProducts/default.htm, and sign up for FDA email updates at www.fda.gov/TobaccoProducts/ResourcesforYou/ucm176164.htm.

## This approval is effective on the date of this letter and runs through November 7, 2017, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

I wish to remind you that the Commission's May 17, 2016 approval of Liggett's cigarette health warning statement rotation plan for packaging of certain varieties of its brands runs through May 16, 2017 (or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first) and that this letter does not extend that approval period.

If you have any questions regarding this approval, please contact Connor Sands at (202) 326-3343.

Very truly yours,

Many K. Engle/SV

Mary K. Engle Associate Director

<sup>&</sup>lt;sup>3</sup> Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.



November 7, 2016

Ms.'Mary K. Engle Associate Director, Division of Advertising Practices Federal Trade Commission 600 Fennsylvania Ave NW MailDrop CC-10528 Washington, DC 20580 Attn: Mr.William Ducklow

#### Re: Plan for Compliance with Federal Cigarette Labeling and Advertising Act for Silver Cloud Kings Cigarettes

Dear Ms. Engle:

Global Tobacco L1.C received approval from you on November 5, 2015 to equalize the Surgeon General Warning's on packaging of certain styles of Silver Cloud brand. We now want to revise and renew our plan by submitting this letter on the approved Silver Cloud brand of cigarettes. In order to facilitate such manufacturing, Global submits this letter containing its plan for compliance with the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331 et. Seq. (FCLAA).

#### A. Warning Label Size and Location

We plan to revise our plan on the following brand styles of Silver Cloud Brand:

- 1. Silver Cloud Red Kings Box
- 2. Silver Cloud Gold King Box
- 3. Silver Cloud Menthol King Box



Packages for all styles were previously submitted in a letter dated September 23, 2015 and Cartons in a letter dated September 25, 2015, mailed by Joseph M. Zebrowski. The cartons and packages were prepared in accordance with the precise wording, capitalization, and punctuation of the warnings under section 1333(a) of the FCLAA and in compliance with the requirements for placement and size of the warnings on the packing under Section 1333(b)(1) of the FCLAA. The required warnings will appear on both the actual packages and cartons of the foregoing Silver Cloud brand styles exactly as they appear on the samples submitted September 23, 2015 and September 25, 2015.

#### B. Packaging - Warning Label Rotation:

Through the date of this application, the Surgeon General warning's on the packages for the Silver Cloud brand has been equalized in accordance with the approved plan and will be equalized as of date that we begin rotating the warnings quarterly.

Upon approval of this plan, Global will employ quarterly rotation of the health warnings on packaging instead of warning label equalization provided for in Section 1332(c)(2) of the FCLAA. This plan provides the manner by which the required warning statements on cigarette packaging will be rotated quarterly for each of the foregoing Silver Cloud brand styles.

Global will maintain the following quarterly rotation schedule for the display of the warnings on all packs and cartons of the Silver Cloud brand based on the date of manufacture.

	Silver Cloud Brand
January 1- March 31	С
April 1-June 30	D
July1-September 30	A
October 1-December 31	В

A. SURGEON GENERAL'S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.



- B. SURGEON GENERAL'S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.
- C. SURGEON GENERAL'S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.
- D. SURGEON GENERAL'S WARNING: Cigarette Smoke Contains Carbon Monoxide.

I will ensure that all four of the required warnings shall be quarterly rotated on the packs and cartons of each brand style of the Silver Cloud brand. Global still manufactures the global classic and patriot brands. Global plans to equalize warnings on those varieties were approved on May 9<sup>th</sup>, 2016 and August 19<sup>th</sup>, 2016.Global will maintain compliance with those plans.

#### C. Records of Compliance

Global will maintain records demonstrating compliance with this plan at our principal place of business.

#### D. Advertising

Global intends to follow the "Advertising" requirements of the FCLAA.

On July 19, 2010 FTC approved Global's plan for advertising for the Silver Cloud brand. This plan covers print advertisement not to exceed ten square feet. We will maintain compliance with this plan with respect to the "Advertising" requirements of the FCLAA, including a discussion of the warning label size and placement, and the warning label rotation.

#### E. Advertising - Warning Label Rotation

Global will maintain the following quarterly rotation schedule for advertising of the Silver Cloud brand of the four required warning statements.



- A. SURGEON GENERAL'S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.
- B. SURGEON GENERAL'S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.
- C. SURGEON GENERAL'S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.
- D. SURGEON GENERAL'S WARNING: Cigarette Smoke Contains Carbon Monoxide.

The schedule for quarterly rotation of the warnings in Global Tobacco's advertising for the Silver Cloua Brand is as follows:

First Quarter	(January- March):	С
Second Quarter	(April – June):	D
Third Quarter	(July-September):	Α
Fourth Quarter	(October-December):	В

Thank you for your prompt attention to this matter and for your assistance. If you have any questions or comments with respect to any of the foregoing, please do not hesitate to contact me.

Sincerely.

Swetha Duggirala Regulatory Affairs Officer Global Tobacco LLC 2861 Congressman Lane, Suite 300 Dallas, TX 75220 Ph: 214-357-6653 Fax:214-357-6655

CC: Joseph M. Zebrowski, Rock River Manufacturing



Division of Advertising Practices United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

November 9, 2016

Ms. Swetha Duggirala Global Tobacco, LLC 2861 Congressman Lane, Suite 300 Dallas, TX 75220

Dear Ms. Duggirala:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed by Global Tobacco, LLC ("Global Tobacco") on November 7, 2016, calling for quarterly rotation of the four health warnings on packaging for certain varieties of the Silver Cloud brand of cigarettes.

The warnings on the sample packs and cartons submitted with letters dated September 23 and 25, 2015 continue to appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.<sup>1</sup> Global Tobacco's plan for quarterly rotation of the four health warnings on packaging is hereby approved for the following three varieties of the Silver Cloud brand: Red Kings Box, Gold Kings Box, and Menthol Kings Box.

Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.<sup>2</sup> The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Please note that this letter only approves Global Tobacco's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("FSPTCA") concerning the rotation, size, and conspicuousness of the warnings on Global Tobacco's packaging. Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for Global Tobacco's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of Global Tobacco's

<sup>&</sup>lt;sup>1</sup> Global Tobacco stated in its November 7, 2016 letter that the four health warnings will appear exactly as shown on the packs and cartons submitted on these dates

<sup>&</sup>lt;sup>2</sup> Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.

Ms. Swetha Duggirala November 9, 2016 Page 2

packaging and advertising under the FSPTCA or any regulations that have been or might be promulgated by the Department of Health and Human Services under that statute, including but not limited to the Regulations Restricting the Sale and Distribution of Cigarettes and Smokeless Tobacco to Protect Children and Adolescents (published March 19, 2010).

Because the FSPTCA imposes additional legal requirements on the marketing and sale of cigarettes, you should ensure that you are in compliance with those requirements. For example, since September 22, 2009, the use of certain characterizing flavors (other than tobacco or menthol) in cigarettes has been prohibited. You can find additional information at www.fda.gov/TobaccoProducts/default.htm, or

www.fda.gov/TobaccoProducts/ResourcesforYou/ForIndustry/default.htm, and sign up for FDA email updates at www.fda.gov/TobaccoProducts/ResourcesforYou/ucm176164.htm.

If you have any questions regarding this approval, please contact Donya Jackson at (202) 326-2050.

Very truly yours,

"Man X. Epole

Mary K. Engle Associate Director



Rhondetta Walton Associate Coneral Counsel

November 11, 2016

Ms. Mary Engle Associate Director Division of Advertising Practices Federal Trade Commission Mail Drop CC-10528 600 Pennsylvania Avenue Washington, DC 20580

#### **RE: ITG BRANDS, LLC ADVERTISING PLAN EXPANSION REQUEST**

Dear Ms. Engle:

On June 12, 2015, in correspondence to Rhondetta Walton, you advised that ITG Brands' June 11, 2015 plan for the display of the four health warnings in all its advertising for the Winston, Salem, Kool, and Maverick brands had been approved. The June 11, 2015, advertising plan did not include a plan for Spanish language advertising. In addition, the plan only included approval to use ads up to 10 square feet in size (Category 7). ITG Brands hereby requests approval to expand its advertising plan to include Spanish language advertising for the Winston, Salem, Kool and Maverick brands and to use ads up to 14 square feet in size (with Category 8 warnings) in both English and Spanish language advertising.

Spanish language warnings will be displayed in advertisements that are in Spanish and when an ad is placed in a Spanish publication. The English and Spanish warnings will be rotated quarterly according to the advertising schedule set out in the attached **Exhibit A**. Acetates containing the Spanish language warnings for size categories 1 through 8 were previously submitted on September 22, 2016 and October 27, 2016. Acetates containing the four English language warnings for size category 8 were previously submitted on September 22, 2016.

Thank you and please advise of any questions or of additional information needed.

Sincerely, Rhondette Walton

Rhondetta Walton

#### November 2016

EXHIBIT A

#### ITG BRANDS, LLC ADVERTISING ROTATION PLAN

#### QUARTER IN WHICH ADVERTISING MATERIALS ARE PRODUCED

#### WARNING NOTICE UTILIZED

#### BRAND

	MAVERICK	WINSTON	SALEM	KOOL
1 <sup>st</sup> Q (Jan - Mar)	А	в	С	D
2 <sup>nd</sup> Q (Apr. – June)	В	С	D	Α
3 <sup>rd</sup> Q (July - Sept.)	С	D	А	В
4 <sup>th</sup> Q (Oct. – Dec.)	D	А	В	C

#### MULTIPLE BRANDS/ NON-BRAND SPECIFIC

A B C D

1 <sup>st</sup> Q (Jan	- Mar)
2 <sup>nd</sup> Q (Apr.	– June)
3 <sup>ro</sup> Q (July	- Sept.)
4 <sup>th</sup> Q (Oct.	- Dec.)

#### English Warnings:

- A -- SURGEON GENERAL'S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.
- B -- SURGEON GENERAL'S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.
- C SURGEON GENERAL'S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.
- D -- SURGEON GENERAL'S WARNING: Cigarette Smoke Contains Carbon Monoxide.

#### November 2016

#### EXHIBIT A

Spanish Warnings:

- A -- ADVERTENCIA DEL CIRUJANO GENERAL: Fumar Causa Cáncer del Pulmón, Enfermedades del Corazón, Enfisema, y Puede Complicar el Embarazo.
- B -- ADVERTENCIA DEL CIRUJANO GENERAL: Dejar de Fumar Ahora Reduce Enormemente Los Graves Riesgos Para Su Salud.
- C -- ADVERTENCIA DEL CIRUJANO GENERAL: Fumar Durante el Embarazo Puede Causar Daño Fetal, Parto Prematuro y Reducir el Peso del Recién Nacido.
- D -- ADVERTENCIA DEL CIRUJANO GENERAL: El Humo del Cigarrilio Contiene Monóxido de Carbono.



Division of Advertising Practices United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

November 15, 2016

Rhondetta Walton, Esq. ITG Brands, LLC 714 Green Valley Road Greensboro, NC 27408

Dear Ms. Walton:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I approved ITG Brands, LLC's ("ITG") June 11, 2015 plan calling for rotation of the four health warnings in advertisements up to ten square feet for the Winston, Salem, Kool, and Maverick brands of cigarettes. In a letter dated November 11, 2016, you now propose to expand ITG's plan for rotation of the four health warnings in advertising for the Winston, Salem, Kool, and Maverick brands of cigarettes to include: (1) English language advertisements up to 14 square feet in size; and (2) Spanish language warnings in Spanish language advertisements up to 14 square feet in size.

ITG's November 11, 2016 expansion of its advertising plan for the Winston, Salem, Kool, and Maverick brands is hereby approved. Approval of this advertising plan assumes that the plan is implemented in good faith. We may ask for information demonstrating proper implementation of the plan.<sup>1</sup> The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Please note that this letter only approves ITG's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("FSPTCA") concerning the rotation, size, and conspicuousness of the warnings on ITG's advertising. Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for ITG's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of ITG's packaging and advertising under the FSPTCA or any regulations that have been or might be promulgated by the Department of Health and Human Services under that statute, including but not limited to the Regulations Restricting the

<sup>&</sup>lt;sup>1</sup> Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.

Ms. Rhondetta Walton November 15, 2016 Page 2

Sale and Distribution of Cigarettes and Smokeless Tobacco to Protect Children and Adolescents (published March 19, 2010).

Because the FSPTCA imposes additional legal requirements on the marketing and sale of cigarettes, you should ensure that you are in compliance with those requirements. For example, since September 22, 2009, the use of certain characterizing flavors (other than tobacco or menthol) in cigarettes has been prohibited. You can find additional information at www.fda.gov/TobaccoProducts/default.htm, or

www.fda.gov/TobaccoProducts/ResourcesforYou/ForIndustry/default.htm, and sign up for FDA email updates at www.fda.gov/TobaccoProducts/ResourcesforYou/ucm176164.htm.

If you have any questions regarding this approval, please contact William Ducklow at (202) 326-2407.

Very truly yours,

Mary K. Engle

Mary K. Engle Associate Director

NANCYELLEN KEANE 804.697.1272 telephone 804.698.5140 facsimile nancyellen.keane@troutmansanders.com



TROUTMAN SANDERS LLP Attorneys at Law Troutman Sanders Building 1001 Haxall Point P.O. Box 1122 (23218-1122) Richmond, Virginia 23219 804.697.1200 telephone troutmansanders.com

November 18, 2016

#### VIA FEDERAL EXPRESS and E-MAIL

Ms. Mary K. Engle Associate Director Division of Advertising Practices Federal Trade Commission 600 Pennsylvania Avenue, NW Washington, D.C. 20580

#### AMENDED Cigarette Health Warning Plan Cherokee Tobacco Company, LLC and CHEROKEE brand

Dear Ms. Engle:

On behalf of Cherokee Tobacco Company, LLC ("Cherokee") we hereby submit a request to renew the Surgeon General's Equalization Plan for Cherokee as required under the *Federal Cigarette Labeling and Advertising Act of 1984* (15 U.S.C. § 1331 (1998), et seq.), as amended ("FCLAA"), for all styles of CHEROKEE brand soft pack and hard pack varieties. Cherokee previously submitted its 2014 Plan Renewal on August 12, 2015 and your office approved the prior Plan on August 27, 2015.

Through the date of this application, the Surgeon General's warnings on the packages for the brand styles of the CHEROKEE brand have been equalized in accordance with the Plan.

Cherokee continues as the exclusive distributor of CHEROKEE brand cigarettes in the U.S. and holder of exclusive rights to the trademark for the CHEROKEE brand. Scott D. Batson is Chief Operating Officer of Cherokee and Firebird Manufacturing, LLC ("Firebird"). The location of the factory remains at 1057 Bill Tuck Highway, South Boston, VA 24592. The contract manufacturer is Firebird. Cherokee does not import any cigarettes. The only brand Cherokee has manufactured is the CHEROKEE brand.

Cherokee has a plan for the following styles:

Cherokee Red Kings soft pack, Cherokee Red 100's soft pack, Cherokee Blue Kings soft pack, Cherokee Blue 100's soft pack, Cherokee Blue Kings Box, Cherokee Menthol Green Kings soft pack, Cherokee Menthol Green 100's soft pack, Cherokee Menthol Green Kings Box, Cherokee Menthol Gold Kings soft pack, Cherokee Menthol Gold 100's soft pack, Cherokee Sky



Ms. Mary Engle November 18, 2016 Page 2

Kings soft pack, Cherokee Sky 100's soft pack, Cherokee Non Filter Kings soft pack, Cherokee Red Kings Box.

In fiscal year 2015, our total sales were sticks of the Cherokee brand. Anticipated sales of CHEROKEE in fiscal year 2016 will total sticks.

Packs and cartons of each brand style displaying each of the 4 health warnings were provided as enclosures to our letter of June 3, 2010. The warnings will appear exactly as shown on the samples provided with that letter. Cherokee will equalize the four health warnings on the packs and cartons for each brand style listed above for the one year period beginning on the date of approval of this Plan.

Beginning on the date of approval of this Plan, Cherokee will ensure that the printer will print all 4 warnings in equal numbers on each printed sheet of packaging for all cartons and packs, so when sheets are cut, the display of warnings will be approximately equalized on packs and cartons for each brand style. Based on the above, Cherokee requests approval to use the equalization option provided in Section 1333(c)(2) of the FCLAA. Cherokee will keep records demonstrating compliance with this Plan.

For advertising materials, there are no changes from the prior approved Plan dated April 11, 2005. The company will maintain compliance with that Plan.

We submit that the foregoing complies with the requirements set forth in the FCLAA, and request expedited approval of this request. Should this request conform to your requirements, we request that the letter evidencing approval be faxed to me at (804) 698-5140. Should you require any additional information with respect to the foregoing please contact me at 804-697-1272 or on my cell phone (804-350-2640).

Very truly yours,

rand

Nancyellen Keane

Enclosures

NANCYELLEN KEANE 804.697.1272 telephone 804.698.5140 facsimile nancyellen.keane@troutmansanders.com



TROUTMAN SANDERS LLP Attorneys at Law Troutman Sanders Butiding 1001 Haxail Point P.O. Box 1122 (23218-1122) Richmond, Virginia 23219 804.697.1200 telephone troutmansanders.com

November 18, 2016

#### VIA FEDERAL EXPRESS and E-MAIL

Ms. Mary K. Engle Associate Director Division of Advertising Practices Federal Trade Commission 600 Pennsylvania Avenue, NW Washington, D.C. 20580

#### Cigarette Health Warning Plan Cherokee Tobacco Company, LLC and CHEROKEE brand extension

Dear Ms. Engle:

On behalf of Cherokee Tobacco Company, LLC ("Cherokee") we hereby submit a request to extend the Surgeon General's Equalization Plan for Cherokee as required under the *Federal Cigarette Labeling and Advertising Act of 1984* (15 U.S.C. § 1331 (1998), et seq.), as amended ("FCLAA"), for five (5) additional styles of CHEROKEE brand hard pack varieties. Cherokee previously submitted its 2014 Plan Renewal on August 12, 2015 and your office approved the prior Plan on August 27, 2015. Cherokee is submitting a renewal for its fourteen (14) previously approved styles concurrent with this submission.

Cherokee continues as the exclusive distributor of CHEROKEE brand cigarettes in the U.S. and holder of exclusive rights to the trademark for the CHEROKEE brand. Scott D. Batson is Chief Operating Officer of Cherokee and Firebird Manufacturing, LLC ("Firebird"). The location of the factory remains at 1057 Bill Tuck Highway, South Boston, VA 24592. The contract manufacturer is Firebird. Cherokee does not import any cigarettes. The only brand Cherokee has manufactured is the CHEROKEE brand.

Cherokee submits a plan for the following five additional styles:

Cherokee Red 100's box, Cherokee Blue 100's box, Cherokee Menthol Green 100's box, Cherokee Menthol Gold 100's box, Cherokee Sky 100's box

Anticipated sales of CHEROKEE in fiscal year 2016 will total sales in 2015 for previously approved varieties were

Packs and cartons of each brand style displaying each of the 4 health warnings were provided as enclosures to our letter of June 17, 2016. The warnings will appear exactly as shown



Ms. Mary Engle November 18, 2016 Page 2

on the samples provided with that letter. Cherokee will equalize the four health warnings on the packs and cartons for each brand style listed above for the one year period beginning on the date of approval of this Plan.

Beginning on the date of approval of this Plan, Cherokee will ensure that the printer will print all 4 Surgeon General's warnings in equal numbers on each printed sheet of packaging for all cartons and packs, so when sheets are cut, the display of warnings will be approximately equalized on packs and cartons for each brand style. Based on the above, Cherokee requests approval to use the equalization option provided in Section 1333(c)(2) of the FCLAA. Cherokee will keep records demonstrating compliance with this Plan.

For advertising materials, there are no changes from the prior approved Plan dated April 11, 2005. The company will maintain compliance with that Plan.

We submit that the foregoing complies with the requirements set forth in the FCLAA, and request expedited approval of this request. Should this request conform to your requirements, we request that the letter evidencing approval be faxed to me at (804) 698-5140. Should you require any additional information with respect to the foregoing please contact me at 804-697-1272 or on my cell phone (804-350-2640).

Very truly yours,

Name Nancyellen Keane

Enclosures

## Selected packaging samples from those submitted with the plan.







United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

Division of Advertising Practices

November 23, 2016

Nancyellen Keane, Esq. Troutman Sanders LLP 1001 Haxall Point P.O. Box 1122 Richmond, VA 23219

Dear Ms. Keane:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed two letters dated November 18, 2016, which constitute a plan filed on behalf of Cherokee Tobacco Company, LLC ("Cherokee"), calling for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Cherokee brand of cigarettes.

Cherokee's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letters dated June 3, 2010 and June 17, 2016 appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.<sup>1</sup>

Accordingly, Cherokee's plan for simultaneous display of the four health warnings on packaging is hereby approved for the following nineteen varieties of the Cherokee brand: Red Kings (soft pack and Box), Red 100's (soft pack and Box), Blue Kings (soft pack and Box), Blue 100's (soft pack and Box), Menthol Green Kings (soft pack and Box), Menthol Green 100's (soft pack and Box), Menthol Gold Kings soft pack, Menthol Gold 100's (soft pack and Box), Sky Kings soft pack, Sky 100's (soft pack and Box), and Non-Filter Kings soft pack.

<sup>&</sup>lt;sup>1</sup> Cherokee stated in its November 18, 2016 letters that the four health warnings will appear exactly as shown on the sample packs and cartons submitted on June 3, 2010 and June 17, 2016.

Nancyellen Keane, Esq. November 23, 2016 Page 2

Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.<sup>2</sup> The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Please note that this letter only approves Cherokee's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("FSPTCA") concerning the rotation, size, and conspicuousness of the warnings on Cherokee's packaging. Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for Cherokee's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of Cherokee's packaging and advertising under the FSPTCA or any regulations that have been or might be promulgated by the Department of Health and Human Services under that statute, including but not limited to the Regulations Restricting the Sale and Distribution of Cigarettes and Smokeless Tobacco to Protect Children and Adolescents (published March 19, 2010).

Because the FSPTCA imposes additional legal requirements on the marketing and sale of cigarettes, you should ensure that you are in compliance with those requirements. For example, since September 22, 2009, the use of certain characterizing flavors (other than tobacco or menthol) in cigarettes has been prohibited. You can find additional information at www.fda.gov/TobaccoProducts/default.htm, and sign up for FDA email updates at www.fda.gov/TobaccoProducts/ResourcesforYou/ucm176164.htm.

This approval is effective on the date of this letter and runs through November 22, 2017, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

If you have any questions regarding this approval, please contact William Ducklow at (202) 326-2407.

Very truly yours,

May K. Engle

Mary K Engle Associate Director

<sup>&</sup>lt;sup>2</sup> Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.



321 Farmington Road, Mocksville, North Carolina 27028 @ Phone: 336-940-3769 @ Fax: 336-940-3669

November 3, 2016

7015 3430 0000 5165 8761

Ms. Mary K. Engle Federal Trade Commission Division of Advertising Practices 600 Pennsylvania Avenue, N.W. Room NJ-3212 Washington, DC 20580

RE: Cigarette Health Warning Rotation Plan

. .

Dear Ms. Engle,

This letter is being submitted for the annual renewal approval of the alternative method to the quarterly Surgeon General Warning rotation plan on packaging of the following eleven (11) varieties of the SF cigarette brand:

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5	
	Red King Box
	Blue King Box
	Gray King Box
Me	enthol Dark Green King Box
Me	enthol Pale Green King Box
1	Non-Filter King Soft Pack
	Red 100's Box
	Blue 100's Box
	Gray 100's Box
N	Ienthol Dark Green 100's
	Box
Me	nthol Pale Green 100's Box

The SF cigarette brand is manufactured in the United States by NASCO Products, LLC. Upon approval of this plan, the manufacturer will continue to manufacture these cigarettes under the authority of the Alcohol & Tobacco Tax and Trade Bureau (Manufacturer of Tobacco Products License TP-NC-15033).

These cigarettes will be packaged in 200 count cartons ("Outer Cartons"). Each Outer Carton will contain 10 packs of 20 cigarettes each ("Pack"). The Surgeon General Warnings will be on each Pack and Outer Carton of cigarettes in the form and content dictated by the Federal Cigarette Labeling and Advertising Act and therefore satisfactory to the Federal Trade Commission ("FTC"). The warnings will be printed directly on the

packaging in a legible and conspicuous manner and will be of a size, format, and type required by the Cigarette Act. The warnings will be placed on the product in a location which complies with applicable labeling statutes. The warnings will appear exactly as they do on the packs and cartons submitted with our letter dated November 11, 2014.

NASCO Products, LLC believes that its low sales volume of cigarettes fits the criteria for the alternative to quarterly rotation of warnings on packaging, provided for in Section 1333 (c)(2) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331. Actual sales figures for the 2015 fiscal year for all the brand styles that we manufacture are provided on Exhibit A. Sales estimates for the 2016 fiscal year for all the brand styles that we manufacture are provided on Exhibit A. We do not anticipate sales to exceed sticks for any one brand style of cigarettes for the one year period covered by this plan.

If this plan for the alternative to quarterly rotation of warnings on packaging is approved, the four cigarette health warnings will continue to appear on the packs and cartons of each of the cigarette brand styles listed above an equal number of times throughout the one year period beginning on the date this plan is approved.

At this time NASCO Products, LLC will do no advertising, in any form, of the SF cigarette brand. If NASCO Products, LLC decides to engage in advertising, NASCO Products, LLC will submit a plan to the FTC.

NASCO Products, LLC, the manufacturer, is aware of the requirements set forth by the FTC in the Cigarette Labeling and Advertising Act and the company's efforts are always to be fully compliant with the Cigarette Act. NASCO Products, LLC will maintain record of compliance with the approved plan. If there are any questions or concerns regarding this plan, please contact me at 716-270-1523 (phone), 716-877-3064 (fax). kdelaney@xxiicentury.com (email), or 9530 Main Street, Clarence, NY 14301 (mailing address).

Sincerely.

Karen E. Delaney Tax Compliance Manager
### EXHIBIT A

#### Actual sales figures for Fiscal Year 2015

PRODUCT	STICKS
SF Red King Size Box	
SF Blue King Size Box	
SF Gray King Size Box	
SF Menthol Dark Green King Size Box	
SF Menthol Pale Green King Size Box	
SF Non-Filter King Size Soft Pack	
SF Red 100's Box	
SF Blue 100's Box	
SF Gray 100's Box	
SF Menthol Dark Green 100's Box	
SF Menthol Pale Green 100's Box	
RED SUN Regular King Size Box	
RED SUN Bold Cold Menthol King Size Box	

## Estimated sales figures for Fiscal Year 2016

PRODUCT	STICKS
SF Red King Size Box	
SF Blue King Size Box	
SF Gray King Size Box	
SF Menthol Dark Green King Size Box	
SF Menthol Pale Green King Size Box	
SF Non-Filter King Size Soft Pack	
SF Red 100's Box	
SF Blue 100's Box	
SF Gray 100's Box	
SF Menthol Dark Green 100's Box	
SF Menthol Pale Green 100's Box	
RED SUN Regular King Size Box	
RED SUN Bold Cold Menthol King Size Box	



United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

Division of Advertising Practices

November 29, 2016

Ms. Karen E. Delaney NASCO Products, LLC 321 Farmington Road Mocksville, NC 27028

Dear Ms. Delaney:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a proposed plan filed by NASCO Products, LLC ("NASCO") on November 3, 2016, calling for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the SF brand of cigarettes.

NASCO's sales appear to qualify for the aforementioned alternative to quarterly rotation of warnings on packaging, and the warnings on the sample packs and cartons submitted with your November 11, 2014 letter continue to appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.<sup>1</sup>

Accordingly, NASCO's plan for simultaneous display of the four health warnings on packaging is hereby approved for the following eleven varieties of the SF brand: Red Box (Kings and 100's), Blue Box (Kings and 100's), Gray Box (Kings and 100's), Menthol Dark Green Box (Kings and 100's), Menthol Pale Green Box (Kings and 100's), and Non-Filter Kings Soft Pack.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> NASCO stated in its November 3, 2016 letter that the four health warnings will appear exactly shown on the packs and cartons submitted on this date.

<sup>&</sup>lt;sup>2</sup> As set forth in its November 3, 2016 letter, NASCO is using colors to identify its cigarette varieties (*e.g.*, "Menthol Dark Green 100's"). We note that the color names and the word "menthol" are not printed on the packaging (*e.g.*, the words "Menthol Dark Green" do not appear on the packaging of the "Menthol Dark Green 100's" variety); however, the color used for a variety's packaging does conform to the color used in its name.

Ms. Karen E. Delaney November 29, 2016 Page 2

Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.<sup>3</sup> The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

If NASCO decides to advertise in the future, it must submit a plan detailing how it will comply with the requirements of the Cigarette Act with respect to display of the health warning statements in advertisements.

Please note that this letter only approves NASCO's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("FSPTCA") concerning the rotation, size, and conspicuousness of the warnings on NASCO's packaging. Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging for NASCO's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of NASCO's packaging under the FSPTCA or any regulations that have been or might be promulgated by the Department of Health and Human Services under that statute, including but not limited to the Regulations Restricting the Sale and Distribution of Cigarettes and Smokeless Tobacco to Protect Children and Adolescents (published March 19, 2010).

Because the FSPTCA imposes additional legal requirements on the marketing and sale of cigarettes, you should ensure that you are in compliance with those requirements. For example, since September 22, 2009, the use of certain characterizing flavors (other than tobacco or menthol) in cigarettes has been prohibited. You can find additional information at www.fda.gov/TobaccoProducts/default.htm, and sign up for FDA email updates at www.fda.gov/TobaccoProducts/ResourcesforYou/ucm176164.htm.

# This approval is effective on the date of this letter and runs through November 28, 2017, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

If you have any questions regarding this approval, please contact Aine Farrell at (202) 326-2409.

Very truly yours,

Mary KEngla

Mary K. Engle Associate Director

<sup>&</sup>lt;sup>3</sup> Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.

## Holland & Knight

31 West 52nd Street | New York, NY 10019 | T 212.513.3200 | F 212.385.9010 Holland & Knight LLP | www.hklaw.com

Neal N. Beaton (212) 513-3470 neal.beaton@hklaw.com

December 16, 2016

#### VIA E-MAIL AND FEDERAL EXPRESS

Ms. Mary K. Engle Associate Director Division of Advertising Practices Federal Trade Commission 600 Pennsylvania Avenue, NW Mail Drop CC 10528 Washington, D.C. 20580

#### Re: Application Pursuant to 4(c)(2) of the Federal Cigarette Labeling and Advertising Act, as amended

Dcar Ms. Engle:

On behalf of Japan Tobacco International U.S.A., Inc., a California corporation with its principal office at Glenpointe Centre West, 500 Frank W. Burr Boulevard, Suite 24, Teaneck, New Jersey 07666 and its affiliates (collectively "JTI"), we respectfully submit an application pursuant to Section 4(c)(2) of the Federal Cigarette Labeling and Advertising Act, as amended (the "Act"), seeking approval for JTI to display the warning labels specified in Section 4(a)(1) of the Act in the manner provided in Section 4(c)(2)(C) of the Act, as provided in paragraph 2(b) of the Label Statement Rotation Plan of JTI submitted to the Federal Trade Commission on August 28, 1985 (the "Plan"), as subsequently amended and approved, most recently on March 29, 2016 (for all then current brand styles of all brands) on:

(1) revised packages and cartons of cigarettes with the "crest design" for the six "LD by L. Ducat" brand styles covered by the March 29, 2016 approval, namely:

Red (Kings and 100's), Menthol (100's), Blue (100's), Silver (100's) and Menthol Green (100's); and

(2) packages and cartons of cigarettes with the "crest design" for four additional "LD by L. Ducat" brand styles, namely:

Menthol (Kings), Blue (Kings), Silver (Kings) and Menthol Green (Kings).

Ms. Mary K. Engle December 16, 2016 Page 2

The brands and brand styles sold by JTI in the United States to which the Plan (as amended) and the confirmations contained herein will pertain if this application is approved are as follows:

Four hard pack varieties of the Export 'A' brand: Full Flavor, Rich Taste, Smooth Taste and Ultra Smooth Taste;

Fourteen hard pack varieties of the Wave brand: Full Flavor (Kings, 100's and Kings black pack), Menthol (Kings, 100's and Kings black pack), Blue (Kings, 100's and 100's black pack), Silver (Kings and 100's), and Menthol Green (Kings, 100's and 100's black pack),

Six hard pack varieties of the Wings brand: Red (Kings and 100's), Gold (King and 100's) and Menthol (Kings and 100's);

Six hard pack varieties of the LD by L. Ducat brand with the design covered by the March 29, 2016 approval: Red (Kings and 100's), Menthol (100's), Blue (100's), Silver (100's) and Menthol Green (100's); and

Ten hard pack varieties of the LD by L. Ducat brand with the "crest design": Red (Kings and 100's), Menthol (Kings and 100's), Blue (Kings and 100's), Silver (Kings and 100's) and Menthol Green (Kings and 100's).

The dates on which individual packages and cartons were or are being submitted to the FTC for the aforesaid were as follows:

Brand	Date(s)
Export 'A'	August 18, 2014
Wave	January 25, 2013 (Blue 100's black pack and Menthol Green 100's black pack) February 25, 2015 July 9, 2015 (Full Flavor Kings black Pack and Menthol Kings black pack)
Wings	September 8, 2010
LD by L. Ducat (with the former design)	January 15, 2016 and February 19, 2016
LD by L. Ducat (with the "crest design")	October 28, 2016

Ms. Mary K. Engle December 16, 2016 Page 3

JTI will continue to use the individual packages and cartons only exactly as submitted on these dates unless and until approved otherwise by the FTC.

In support of JTI's application for extension of Federal Trade Commission approval of its simultaneous display plan for packages and cartons to cover those packaging varieties, JTI affirms that:

- (a) the cigarettes sold by JTI in the U.S. continue to comply with the two-tiered test in Section 4(c)(2) of the Act. The total number of cigarettes imported and sold by JTI in the United States during JTI's last fiscal year ended December 31, 2015 was less than and the total number of cigarettes of any brand style imported and sold by JTI in the United States during such year was less than and therefore (i) each brand style of cigarettes which JTI imports and sells accounted for less than one-fourth of one percent of all cigarettes sold in the United States during the most recent completed year and (ii) more than onehalf (*i.e.* all) of the cigarettes imported by JTI for sale in the United States are packaged into brand styles which meet the requirements of clause (i);
- (b) the statutorily mandated warnings will appear exactly as shown on the sample individual packages and cartons (or bundles) submitted to and approved by the Federal Trade Commission unless and until revised sample individual packages and cartons are submitted to the Federal Trade Commission on JTI's behalf and approved by the Federal Trade Commission; and
- (c) JTI will equally display the four warning labels specified in Section 4(a)(1) of the Act on packages and cartons of cigarettes for each of the ten "LD by L. Ducat" brand styles with the "crest design" beginning on the date of approval for the Plan and continuing through March 28, 2017 and JTI will keep records demonstrating compliance with the Plan.

We submitted under cover of our letter dated February 19, 2016 an amended Schedule A to the Plan entitled "Label Statement Rotational For Advertisement Purposes (Only) By Brand And Quarter" which will continue to be followed by JTI unless and until submitted and approved otherwise.

JTI will use warning formats for the brand styles being added hereby, namely "LD by L. Ducat", that were submitted with the 1985 plans by the five major U.S. cigarette manufacturers and JTI will place the warnings as specified in those plans (as well as continuing to do so for the other brands and brand styles). The warnings will be rotated quarterly according to the Schedule A submitted by us on February 19, 2016. Copies of the formats that JTI will continue to be using (Exhibits 1-6) were submitted with our April 22, 2010 letter. The size of JTI's advertisements will not exceed 720 square inches unless and until larger ones are submitted to and approved by the FTC.

JTI will also continue to adhere to the amendment to the Plan set forth in our April 22, 2010 letter covering website usage and internet advertising, which Plan was approved on April 26, 2010.

Ms. Mary K. Engle December 16, 2016 Page 4

JTI will import and sell packages and cartons of each of the previously approved packaging styles and each of the newly added packaging styles in equal numbers of each warning label throughout the period until March 28, 2017 after this application is approved as set forth on the Attachment 1 hereto. As a result, if requirements for new warnings were to become effective on any date, the current warnings will have been utilized in equal proportions prior to then on all brand styles.

If you should have any further questions in connection with this application, please call me at (212) 513-3470. We enclosed with our letter dated October 28, 2016 a Federal Express airway bill and envelope for your use, if possible, in transmitting an approval letter to us in order to ensure its timely receipt. In addition, it would be appreciated if such approval letter could be faxed to me at 212-341-7103 or sent to me as a pdf attachment to an e-mail at neal.beaton@hklaw.com.

Thank you for your continued cooperation in this matter.

Very truly yours,

Neal N. Beaton

Enclosures

#### Attachment 1

#### Export 'A'

Export 'A' is printed using the gravure method. Rotation of warnings is based on percentage on each sheet of packaging printed. With four health warnings, equal distribution is 25% of the sheet per warning.

#### Export A 72 Slide and Shell Pack:

The shell of Export 'A' slide and shell format is printed using a 24-ups cylinder configuration. The cylinder prints one sheet per rotation; one sheet contains 24 packs. Warnings A, B, C and D each comprise 25% of the sheet. Each warning appears 6 times per sheet.

#### Export 'A' 72 Slide and Shell Bundle:

Export 'A' uses a paper-foil bundle rather than a standard carton. The bundle is printed using two sets of cylinders, each configured with 3 ups. The two cylinders print one full sheet per rotation; one sheet contains 6 bundles. Warnings A and B are printed on one cylinder and Warnings C and D are printed on the other. Each warning comprises 50% of the cylinder and 25% of the total sheet. Each warning appears 3 times per sheet.

#### Wave/Wings/LD by L. Ducat

Wave, Wings and LD by L. Ducat are printed using the offset method. Rotation of warnings is based on percentage on each sheet of packaging printed. With four health warnings, equal distribution would be 25% of the sheet per warning. All packaging is preprinted and supplied to the factory where it is made into final consumer packaging.

#### Wave/Wings/LD by L. Ducat Round Corner KS/100s Box:

The round corner box utilizes two printing plates, each configured with 22 facings. The two plates are rotated so that they are used equally and collectively have 44 ups in a rotation. Each warning is printed at 11 times per set of two sheets in a rotation, comprising 25% of the sheets.

#### Wave/Wings Soft Pack KS/100s:

Soft pack styles are printed using a plate with 16 total facings. Each sheet contains 16 ups and is printed in one rotation. Warnings A, B, C and D each comprise 25% of the sheet. Each warning is printed 4 times.

Wave/Wings/LD by L. Ducat Cartons KS/100s:

All round corner box and soft pack styles share the same carton printing configuration. These cartons are printed using plates with 4 facings. Each sheet is printed with 4 ups per rotation. Warnings A, B, C and D each comprise 25% of the sheet, appearing once.

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Selected packaging samples from those submitted with the plan.



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MENTHOL GREEN 100s

COLUMN + NAMES AND

MENTHOL GREEN 1005

NMERICAN BLEND

SURGEON GENERAL'S WARNING:

Smoking Causes Lung Cancer, Heart Disease, Emphysema,

Ê

MENTHOL GREEN

And May Complicate Pregnancy.

0 76940 19707 0 FSC

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United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

Division of Advertising Practices

December 19, 2016

Neal N. Beaton, Esq. Holland & Knight, LLP 31 West 52nd Street New York, NY 10019

Dear Mr. Beaton:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, Japan Tobacco International U.S.A., Inc.'s ("JTI") plan for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Export 'A', Wave, Wings, and LD by L. Ducat brands of cigarettes was approved on March 29, 2016. In your December 16, 2016 letter, you now propose to expand JTI's plan to include ten additional varieties of the LD by L. Ducat brand.

JTI's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted on October 28, 2016 appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.<sup>1</sup> Accordingly, JTI's plan for simultaneous display of the four health warnings on packaging for the following varieties of the LD by L. Ducat brand in hard pack "crest design" packaging is hereby approved: Red (Kings and 100's), Menthol (Kings and 100's), Blue (Kings and 100's), Silver (Kings and 100's), and Menthol Green (Kings and 100's).

Approval of this plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.<sup>2</sup> The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Please note that this letter only approves JTI's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("FSPTCA") concerning the rotation, size, and conspicuousness of the warnings on JTI's packaging. Moreover, it is not in any way an

<sup>&</sup>lt;sup>1</sup> JTI stated in its December 16, 2016 letter that the four health warnings will appear exactly as shown on the packs and cartons submitted on October 28, 2016.

<sup>&</sup>lt;sup>2</sup> Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.

Neal N. Beaton, Esq. December 19, 2016 Page 2

approval of any other design element, statement, or representation made on packaging or in advertising for JTI's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of JTI's packaging and advertising under the FSPTCA or any regulations that have been or might be promulgated by the Department of Health and Human Services under that statute, including but not limited to the Regulations Restricting the Sale and Distribution of Cigarettes and Smokeless Tobacco to Protect Children and Adolescents (published March 19, 2010).

Because the FSPTCA imposes additional legal requirements on the marketing and sale of cigarettes, you should ensure that you are in compliance with those requirements. For example, since September 22, 2009, the use of certain characterizing flavors (other than tobacco or menthol) in cigarettes has been prohibited. You can find additional information at www.fda.gov/TobaccoProducts/default.htm, and sign up for FDA email updates at www.fda.gov/TobaccoProducts/ResourcesforYou/ucm176164.htm.

Please note that Section 802 of the Tariff Suspension and Trade Act of 2000 prohibits the importation of cigarettes unless at the time of entry the importer presents a sworn statement signed by the original cigarette manufacturer stating that the manufacturer has submitted and will continue to submit the list of ingredients to FDA.

This approval is effective on the date of this letter and runs through March 28, 2017, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

If you have any questions regarding this approval, please contact Aine Farrell at (202) 326-2409.

Very truly yours,

Mary K. Engle

Associate Director