MEMORANDUM

TO: Public Records
   Office of the Secretary

FROM: Sallie Schools
       Division of Advertising Practices

SUBJECT: Rotational Health Warnings for Cigarettes
         File No. P854505

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


7. January 16, 2001 letter from Andrew Parish, Esq. on behalf of Tobacco Center to C. Lee Peeler.

8. January 17, 2001 letter from C. Lee Peeler to Andrew Parish, Esq. on behalf of Tobacco Center.

17. January 30, 2001 letter from John Short, Southern Tobacco to Diana Winterson.
19. February 1, 2001 letter from Robert Pless, Lane Limited to C. Lee Peeler.
23. February 2, 2001 letter from Sylvia Bolotti, Esq. on behalf of Central America Tobacco Corp. to Sallie Schools.
24. February 13, 2001 letter from C. Lee Peeler to Sylvia Bolotti, Esq. on behalf of Central America Tobacco Corp.
25. February 6, 2001 letter from Natasha Barbre, North American Trading to FTC.
27. February 7, 2001 letter from Paul Castronovo, Esq., Tabak, LLC to C. Lee Peeler.
28. February 15, 2001 letter from C. Lee Peeler to Paul Castronovo, LLC.
29. February 13, 2001 letter from John Short, Southern Tobacco to Diana Winterson.


31. February 14, 2001 letter from Andrew M. Parish, Esq. on behalf of Tobacco Center to C. Lee Peeler.

32. February 16, 2001 letter from C. Lee Peeler to Andrew M. Parish, Esq. on behalf of Tobacco Center.

33. February 20, 2001 letter from Barry Boren, Esq. on behalf of Leader Tobacco to C. Lee Peeler.

34. March 2, 2001 letter from C. Lee Peeler to Barry Boren, Esq. on behalf of Leader Tobacco.

35. March 1, 2001 letter from Le Hong, SE Trading Company to Michael Ostheimer


37. March 1, 2001 letter from Mark Dunham, Premier Manufacturing to C. Lee Peeler.

38. March 8, 2001 letter from C. Lee Peeler to Mark Dunham, Premier Manufacturing.
December 25th, 2000

Mr. Lee Peeler
Associate Director
Federal Trade Commission
601 Pennsylvania Avenue
NW Room No - 4002
Washington DC - 20580

Dear Sir,

Reference to your letter dated July 31st, 2000, your approval in connection with the Health Warning plan of the PARK Brand Cigarette will expire on 31st December, 2000.

It's our pleasure to inform you that Bengal Tobacco Corporation intend to continue to import "PARK" Brand Cigarette as namely PARK Full Flavor, PARK Menthol, PARK Lite, PARK Menthol Lite, PARK Full Flavor 100, PARK Menthol 100 and PARK Lite 100, PARK Menthol Lite 100. Regarding the health warning label we do here by declare that on each and every brand style, package and carton, we will continue to equalize the four health warning label for the year 2001. Please be noted that there is no change in design and style of package and cartons as we submitted to your goodself earlier for approval. Our total import for the year 2000 was [redacted] and anticipated sale for the year 2001 is [redacted] sticks.

At the moment we don't have any plan for advertisement. When we decide in this regard we will communicate with you.

Your goodself is requested to approve our plan for the year 2001. Your early action in this regard will be highly appreciated.

Thanking and assuring you my best cooperation at all times.

Very Truly Yours,
For Bengal Tobacco Corporation

Mohammed Babul.
(President)
Mr. Mohammed Babul  
Bengal Tobacco Corporation  
2030 SW 71 Terrace, Bay # D-Office  
Davie, FL 33317  

Dear Mr. Babul:

The Federal Trade Commission ("the 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, et seq, ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed by Bengal Tobacco Corporation ("Bengal") on December 25, 2000 calling for the simultaneous display of the four health warnings on the packs and cartons of the Park brand of cigarettes.

Bengal’s sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The health warnings on the revised sample packaging submitted with your 2000 plan, and with your July 9, 2000 and July 12, 2000 letters, appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Bengal’s plan for the Park brand is hereby approved. This approval is effective on the date of this letter and ends on January 2, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

If Bengal does decide 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.

You are reminded that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

C. Lee Peeler  
Associate Director

1 Knowingly and willfully making false statements to a federal government agency is a crime punishable by an fine and/or imprisonment. 18 U.S.C. § 1001.
VIA: FEDERAL EXPRESS

C. Lee Peeler, Assistant Director
Division of Advertising Practices
Federal Trade Commission
Room 4005
601 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Mr. Peeler:

Pursuant to Section 4(c) of the Federal Cigarette Labeling and Advertising Act (the "Act"), Liggett Group Inc. hereby applies for simultaneous rotation of the four warnings required by the Act, to be implemented in accordance with Section 2(d) of the Liggett Group Inc. Label Statement Rotation Plan, as approved by the Federal Trade Commission (the "Commission") on September 19, 1985. This application is for the period beginning January 1, 2001 and ending December 31, 2001, and it covers all Liggett brand styles. In support of this application, enclosed is the affidavit of Ronald J. Bemstein, President, with attachments.

As I am sure you can appreciate, the information contained in Exhibit "B" to Mr. Bernstein's affidavit is confidential and proprietary business information of Liggett. We ask that this information be kept confidential by the Commission, pursuant to its applicable rules and procedures.

If you have any questions or require any additional information, please let me know.

Very truly yours,

Clara E. Weaver
Legal Assistant

Encls.
STATE OF NORTH CAROLINA
COUNTY OF DURHAM

AFFIDAVIT OF RONALD J. BERNSTEIN

Ronald J. Bernstein, being duly sworn, deposes and says:

1. I am President of Liggett Group Inc. ("Liggett"), a corporation organized and existing under the laws of the State of Delaware.

2. The information contained in this affidavit and in Exhibits "A" and "B" hereto was collected and recorded by certain Liggett employees at my direction and under my supervision.

3. On or about August 31, 1985, Liggett filed its "Label Statement Rotation Plan" (the "Liggett Rotation Plan"), pursuant to Section 4(c) of the Federal Cigarette Labeling and Advertising Act (the "Act"). On or about September 19, 1985, the Federal Trade Commission approved the Liggett Rotation Plan.

4. Under Section 4(c)(2)A of the Act and Section 2(d) of the Liggett Rotation Plan, the Surgeon General's Warning on the packaging of a particular brand style may be rotated on a continuous basis if (1) the brand style had sales volume of less than one quarter of one percent of the total United States cigarette market in the last fiscal year and (2) more than one half of the brand styles manufactured by Liggett had less than one quarter of one percent of the total United States cigarette market in the last fiscal year. Liggett's last fiscal year ran from January 1, 1999 to December 31, 1999.
5. Attached to this affidavit as Exhibit "A" is a copy of a portion of The Maxwell Consumer Report for the calendar year 1999. This report shows that cigarettes were sold in the United States during calendar year 1999. One quarter of one percent of is Accordingly, Liggett brand style cigarettes with less than units in sales in 1999 are eligible for continuous rotation.

6. Attached to this affidavit as Exhibit "B" is a list showing the unit sales of each brand style manufactured and sold by Liggett in the United States during the fiscal year January 1 to December 31, 1999. Exhibit "B" shows that there is no brand style manufactured by Liggett during the fiscal year which had sales greater than one quarter of one percent of the total United States cigarette market.

7. By virtue of the foregoing, Liggett is eligible to apply for continuous rotation of the required label statements as provided in Section 2(d) of the Liggett Rotation Plan.

LIGGETT GROUP INC.
By: Ronald J. Bernstein, President

Sworn to and subscribed before me,
this 11th day of October, 2000.

Notary Public

My commission expires September 29, 2005.
January 4, 2001

Ms. Clara E. Weaver
Legal Assistant
Liggett Group, Inc.
100 Maple Lane
Mebane, NC 27302

Dear Ms. Weaver:

The Federal Trade Commission ("the 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, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the proposed plan filed by Liggett Group, Inc. ("Liggett") on October 11, 2000 calling for the simultaneous display of the four health warnings on the cigarette packaging of the Always Save, Brand Marketing, Canyon, Class A, Covington, Eagle, Epic, Eve, Grand Prix, Kingsport, Liggett Select, Meridian, Montego, Omni, Perfect Blend, Picayune, Pyramid, Quality, Ralph's Grocery, Stater Bros., Shur Fine, Sincerely Yours, Smoker Friendly, Tourney, and Yours brands of cigarettes.

Liggett's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. Liggett's plan for the Always Save, Brand Marketing, Canyon, Class A, Covington, Eagle, Epic, Eve, Grand Prix, Kingsport, Liggett Select, Meridian, Montego, Omni, Perfect Blend, Picayune, Pyramid, Quality, Ralph's Grocery, Stater Bros., Shur Fine, Sincerely Yours, Smoker Friendly, Tourney, and Yours brands of cigarettes is hereby approved. This approval is effective on the date of this letter and ends on January 3, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.

Sincerely,

[Signature]

C. Lee Peeler
Associate Director

1 The warnings on the packaging of Yours Filter Lights and Yours Nonfilter brand styles are not sufficiently conspicuous, and therefore these brand styles are not approved. If Liggett should decide to sell the above-mentioned brand styles, Liggett should submit a supplemental plan covering these brand styles, along with revised packaging showing warnings of sufficient contrast.

2 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.
January 5, 2001

Via Federal Express

Associate Director of Advertising Practices
Federal Trade Commission
FTC Satellite Building
601 Pennsylvania Avenue, NW
Room 4002
Washington, D.C. 20580

Re: FTC Health Warning Rotation Plan for S&M Brands, 
Cigarettes and Tahoe Cigarettes

To Whom It May Concern:

The undersigned represents S&M Brands, Inc., a Virginia corporation doing business as Bailey’s Cigarettes and Tahoe Cigarettes. S&M Brands, Inc. started production on August 19, 1994, with solely the Bailey’s brand. Since that time, S&M Brands, Inc. has filed its Advertising and Packaging Health Warning Plan with the FTC, including submitting its packages and advertising materials. This plan was first approved through December 31, 1995, by Associate Director C. Lee Peeler of the Division of Advertising Practices. S&M Brands, Inc. has obtained approval for each subsequent year. As a small, start-up manufacturer, under our reading of applicable law, S&M Brands, Inc. has qualified (and we believe still qualifies) to have a plan for the warnings on cigarette packages that would constitute the simultaneous display of the four health warnings on cigarette packaging. S&M Brands, Inc. will equalize the warnings on the packs and cartons for each brand style throughout the year.

The packaging materials have not changed for its Bailey’s brand. S&M Brands, Inc., now produces a Tahoe brand. Enclosed are package and carton exemplars for Tahoe. I trust you will find the Tahoe brand likewise meets federal law as to conspicuousness of the warnings.

S&M Brands, Inc. will produce approximately [redacted] cartons of cigarettes for this calendar year 2000 (both brands). The best estimate for 2001 is that S&M Brands, Inc. will produce [redacted] cartons of cigarettes (both brands). If this takes S&M Brands, Inc. outside of the exemption for the rotation plan, which I do not believe that it does, please let me know and we will amend this rotation plan to whatever your department and the law requires.
As to advertising, as in previous years, S&M Brands, Inc. would like to maintain its rotation plan. We are adding the Tahoe brand to this plan and are rotating warnings according to the schedule attached. The warning applied to advertising depends on when the advertising materials are ordered. We have in prior years provided your department with a picture of an example of billboards and point of sale materials to show the FTC that S&M Brands, Inc. is meeting the conspicuous requirement on the health warnings. Please let me know if you need to see any of the advertising materials or packaging this year, which has remained consistent from last year. We are mindful of our responsibilities to the FTC and stand ready to cooperate fully. We have shipped to you under separate cover Tahoe packs and cartons.

Thank you so much for your attention to this matter. Please feel free to call the undersigned if you have any questions.

Yours very truly,

WOMBLE CARLYLE SANDRIDGE & RICE, PLLC

[Signature]

Everett W. Gee III

EWG:eb

Enclosure

cc: Mr. Malcolm L. Bailey (w/encl.)
    Mr. Steven A. Bailey (w/encl.)

Rev. January 5, 2001
S&M BRANDS, INC. D/B/A BAILEY’S CIGARETTES  
Route 3, Box 90  
Keysville, Virginia 23947

**ROTATION PLAN FOR**
**CIGARETTE PACKAGES AND CARTONS**

Since Bailey’s qualifies under § 4(c)(2) of the Cigarette Act as a low volume manufacturer, it desires to display the four (4) required warning labels on the packs and cartons of each brand style of cigarettes an equal number of times within a twelve (12) month period.
<table>
<thead>
<tr>
<th></th>
<th>Bailey’s Brand</th>
<th>Tahoe Brand</th>
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<tbody>
<tr>
<td>First Quarter</td>
<td>C</td>
<td>B</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>D</td>
<td>A</td>
</tr>
<tr>
<td>Third Quarter</td>
<td>A</td>
<td>D</td>
</tr>
<tr>
<td>Fourth Quarter</td>
<td>B</td>
<td>C</td>
</tr>
</tbody>
</table>

The warnings are as follows:

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.
Selected packaging samples from those submitted with the plan.
January 8, 2001

Everett W. Gee, III, Esq.
Womble, Carlyle, Sandridge & Rice
One Atlanta Center
1201 West Peachtree Street, Suite 3500
Atlanta, GA 30309

Dear Mr. Gee:

The Federal Trade Commission ("the 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 1335(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of S&M Brands, Bailey's Cigarettes and Tahoe Cigarettes ("S&M") on January 5, 2001, calling for the simultaneous display of the four health warnings on packaging of the Bailey's and Tahoe brands of cigarettes, and for quarterly rotation of the health warnings in advertising for the Tahoe brand.

I previously approved your January 5, 1995 plan for the quarterly rotation of the four health warnings in advertising for the Bailey's brand. Your January 5, 2001 plan calls for the expansion of your advertising plan to include the Tahoe brand. The extension of your advertising plan to include the Tahoe brand has been approved. Approval of the advertising plan assumes that the plan is implemented in good faith.

S&M's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The packaging of the Bailey's brand submitted with S&M's letter of December 9, 1998, and the packaging of the Tahoe brand submitted on December 28, 2000 appear to comply with the size and conspicuousness requirements of the Cigarette Act. S&M's plan for the display of the health warnings on packaging of the Bailey's and Tahoe Brands is hereby approved. This approval is effective on the date of this letter and ends on January 7, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.¹

Finally, I wish to remind you that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

C. Lee Peeler
Associate Director

¹ Knowingly and willfully making false statements to a federal government agency is a crime punishable by an fine and/or imprisonment. 18 U.S.C. § 1001.
CONTAINS TRADE SECRETS
AND CONFIDENTIAL
BUSINESS INFORMATION
NOT FOR PUBLIC DISCLOSURE

VIA FACSIMILE
(202) 326-3259
IMMEDIATE ATTENTION REQUESTED

C. Lee Peeler
Associate Director
Division of Advertising Practices
Federal Trade Commission
601 Pennsylvania Avenue, N.W.
Room 4002
Washington, D.C. 20580

Attn: Sallie Schools

Cigarette Health Warning Rotation Plan Submitted on Behalf of Tobacco Center, Inc.
For Calendar Year 2001 for Coronas and Palace Brand Cigarettes

Gentlemen:

Tobacco Center, Inc. hereby submits a Surgeon General Rotation Plan as required under the Federal Cigarette Labeling and Advertising Act of 1984 (15 U.S.C. §1331, et seq. (1998)), as amended. John Alexander is the Vice President of the applicant, and the corporate address for the company is Tobacco Center, Inc., 6795 N.W. 87th Avenue, Miami, Florida 33178. The cigarettes covered by the proposed Plan are the following foreign manufactured Coronas and Palace brand style cigarettes, which include health warnings complying with the Surgeon General’s warning
C. Lee Peeler  
Associate Director  
Division of Advertising Practices  
Federal Trade Commission  
January 16, 2001  
Page 2

language set forth in the statute: Coronas Full-flavor Kings Box, Coronas Full-flavor Kings Soft, Coronas Full-flavor 100's Box, Coronas Full-flavor 100's Soft, Coronas Light King Box, Coronas Light King Soft, Coronas Ultra-Light 100's Soft, Coronas Light 100's Soft, Coronas Ultra-Light Kings Box, Coronas Ultra-Light Kings Soft, Coronas Menthol Kings Box, Coronas Menthol Kings Soft, Coronas Menthol 100's Soft, Coronas Menthol Lights Kings Soft and Coronas Menthol Lights 100's Soft Palace Full-flavor Kings Box, Palace Full-flavor Kings Soft, Palace Full-flavor 100's Soft, Palace Light King Box, Palace Light King Soft, Palace Light 100's Soft, Palace Ultra-Light Kings Box, Palace Menthol Kings Box, Palace Menthol Kings Soft, and Palace Menthol 100's Soft.

The required warnings will be printed directly on the packs and cartons and in a conspicuous location as required under the Cigarette Labeling and Advertising Act ("CLAA"). The warnings will appear on the packs and cartons exactly as shown on the sample packs and cartons to be provided under separate cover.

The Company will rotate the Surgeon General's Health Warnings on a quarterly basis on the Coronas and Palace brand cigarettes using the following schedule:

**Coronas:**

**First Quarter Warning:** SURGEON GENERAL'S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.

Second Quarter Warning: SURGEON GENERAL'S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.
Third Quarter Warning: **SURGEON GENERAL’S WARNING:**
Smoking By Pregnant Women May Result in **Fetal Injury**, Premature **Birth** And Low Birth weight.

Fourth Quarter Warning: **SURGEON GENERAL’S WARNING:**
Cigarette Smoke Contains Carbon Monoxide.

**Pall Mall:**

First Quarter Warning: **SURGEON GENERAL’S WARNING:**
Cigarette Smoke Contains Carbon Monoxide.

Second Quarter Warning: **SURGEON GENERAL’S WARNING:**
Quitting **Smoking Now** Greatly Reduces Serious Risks to Your **Health**.

Third Quarter Warning: **SURGEON GENERAL’S WARNING:**
Smoking Causes Lung Cancer, **Heart** Disease, Emphysema, And May Complicate Pregnancy.

Fourth Quarter Warning: **SURGEON GENERAL’S WARNING:**
Smoking By Pregnant Women May Result in Fetal **Injury**, Premature Birth And Low **Birth** weight.

Tobacco Center, Inc. will not be advertising at this time. If the applicant chooses to advertise, it will submit an advertising plan for approval prior to engaging in such activity.

We submit that the foregoing complies with the requirements set forth in the Federal Cigarette **Labeling** and Advertising Act, as amended and request **expedited** approval of this request. Records will be **maintained** at the corporate **office** evidencing compliance with this **Plan**.

Should this request **conform** to your requirements, we request that the letter evidencing approval be faxed to the undersigned.
Your cooperation in this matter is appreciated.

Respectfully submitted,

ANDREW M. PARISH, P.A.

Andrew M. Parish

AMP/smb

cc: John Alexander, Vice President
    Tobacco Center, Inc.
Selected **packaging** samples from those submitted with the plan.
CORONAS

CORONAS

CORONAS

SURGEON GENERAL'S WARNING:
Smoking Causes Lung Cancer,
Heart Disease, Emphysema,
And May Complicate Pregnancy.
January 17, 2001

Andrew M. Parish, Esq.
Trade Centre South, Suite 930
100 West Cypress Creek Road
Fort Lauderdale, FL 33309-2181

Dear Mr. Parish:

The Federal Trade Commission (“the 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, et seq. (“the Cigarette Act”). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Tobacco Center, Inc. (“Tobacco Center”) on January 16, 2001, calling for quarterly rotation of the four health warnings on packaging of certain styles of the Corona and Palace brands of cigarettes specified in the plan.

On September 5, 2000, I approved Tobacco Center’s plan for advertising the Corona and Palace brands; however, advertisements submitted with Tobacco Center’s letters of December 15, 2000 did not comply with that plan or with the Cigarette Act. In your letter of January 16, 2001 you now state that Tobacco Center will not be advertising. If Tobacco Center intends to advertise in the future it must resubmit an advertising plan that complies with the Cigarette Act.

The health warnings on the sample packs and cartons of the Corona and Palace brands submitted with your letter of December 15, 2000 appear to meet the requirements of the Cigarette Act for size and conspicuousness. Your plan for the brand styles of Corona and Palace specified in your plan has been approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

1. 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.

2. The packs of Corona Light Box 100’s brand style do not meet the Act’s requirements for conspicuousness, however, you have withdrawn this style from your plan. This approval does not pertain to the Corona Light Box 100 brand style.
You should also be aware that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

C. Lee Peeler
Associate Director
January 16, 2001

VIA FEDERAL EXPRESS

Mr. C. Lee Peeler
Associate Director
Division of Advertising Practices
Federal Trade Commission
Sixth and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

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

Dear Mr. Peeler:

On behalf of Japan Tobacco Inc. and its U.S. importer, Japan Tobacco International U.S.A., Inc., and others affiliates (collectively “Japan Tobacco”), we submit a revised application pursuant to Section 4(c)(2) of the Federal Cigarette Labeling and Advertising Act, as amended (the “Act”) seeking approval, effective for the one-year period beginning January 1, 2001, for Japan Tobacco to continue to display the warning labels specified in Section 4(a)(1) of the Act on packages and cartons of cigarettes 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 Japan Tobacco submitted to the Federal Trade Commission on August 28, 1985 (the “Plan”), as subsequently amended, and approved on October 11, 1985 and as of January 1,
Mr. C. Lee Peeler
January 16, 2001


We also submit herewith two copies of a further revised Amendment No. 5 to the Plan executed on behalf of Japan Tobacco which, upon approval by the Federal Trade Commission, would set forth the label statement rotation applicable to advertisements for brands of cigarettes for sale or distribution in the United States. Attached to such amendment is a further revised Schedule A to the Plan for such advertisements.

The above Amendment No. 5 no longer incorporates into Japan Tobacco’s Plan the “Export A” brand styles, and is limited to brands and brand styles for which the Plan has been previously approved. The “Export A” brand styles, for which its own rotational warning application had been filed in previous years by RJR-Macdonald Corp. of Canada, which is now known as JTI-Macdonald Corp., and is an indirect subsidiary of Japan Tobacco Inc., were incorporated into our applications dated November 21, 2000 and December 27, 2000. Ms. Sally Schools of your office requested samples of cartons (as well as the previously submitted packages) for the “Export A” brand styles. However, such cartons are not currently available for these brand styles (which are only imported into the U.S. infrequently and in small volumes) and Japan Tobacco is being prevented from importing its other brands due to lack of a currently effective Plan approval. Accordingly, Japan Tobacco has determined that it will seek to incorporate such brand styles into its Plan only at a later date when carton samples are available and imports are planned.

In support of Japan Tobacco’s application for renewal of Federal Trade Commission approval of its simultaneous display plan for packages and cartons, we submit herewith a revised sworn affidavit of Mr. Thomas Hirshfield, President of Japan Tobacco International U.S.A., Inc., importer of the brands covered thereby, which affirms that the cigarettes sold by Japan Tobacco continue to comply with the two-tiered test in Section 4(c)(2) of the Act.

If you should have any questions in connection with this application, please call me at (212) 644-4010.
Mr. C. Lee Peeler  
January 16, 2001  
To:

Since Japan Tobacco has inventory which is being held up at Customs due to a lack of a currently effective Plan approval, we respectfully request your consideration on an expedited basis, and further request that, upon approval, a fax copy of the letter confirming such approval be sent to my attention at (212) 644-4051. Thank you for your continued cooperation in this matter.

Very truly yours,

[Signature]

Neal N. Beaton

Enclosures

cc:  Mr. Thomas Hirshfield  
Mr. Hiroshi Kandori  
Bruno Duguay, Esq.
Amendment No. 5 to
Label Statement Rotation Plan
of Japan Tobacco
Pursuant to Section 4(c) of the
Federal Cigarette Labeling and Advertising Act (as amended)

The Label Statement Rotation Plan of Japan Tobacco as submitted to the Federal Trade Commission on August 28, 1985, as previously amended, for each of the warnings labels to appear on the packages and cartons of each brand style of cigarettes an equal number of times during each calendar year and as approved by the Federal Trade Commission on October 11, 1985 and effective as of January 1, 1993, January 1, 1994, January 1, 1995, January 1, 1996, January 1, 1997, January 1, 1998 and January 1, 1999 and on January 7, 2000 (collectively the “Plan”) is hereby, subject to approval by the Federal Trade Commission, further amended as follows:

1. Schedule A to the Plan setting forth the label statement rotation applicable to advertisements is deleted in its entirety and is replaced by a revised Schedule A attached hereto for advertisements;

2. Packages and cartons for all brand styles are the same as previously submitted to and approved by the Federal Trade Commission; and
3. Except as amended hereby, the Plan (including the application for each of the warnings labels to appear on the packages and cartons of each brand style of cigarettes an equal number of times during each calendar year) shall remain in full force and effect and, except as so amended, is hereby ratified, confirmed and approved.

Submitted this 3rd day of January, 2001

Japan Tobacco International U.S.A., Inc.

By: [Signature]

President

Approved this ___ day of January, 2001

Federal Trade Commission

By: [Signature]

Title
JAPAN TOBACCO

SCHEDULE A

LABEL STATEMENT ROTATION FOR ADVERTISEMENT PURPOSES (ONLY) BY BRAND STYLE AND QUARTER

<table>
<thead>
<tr>
<th></th>
<th>Brand A (Mild Seven)</th>
<th>Brand B (Cabin Mild)</th>
<th>Brand C (Seven Stars)</th>
<th>Brand D (Mild Seven Super Lights)</th>
<th>Brand E (Mild Seven Lights)</th>
<th>Brand F (Caster Mild)</th>
<th>Brand G (Wave Menthol)</th>
<th>Brand H (Wave)</th>
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<tr>
<td>1st Calendar Quarter</td>
<td>Statement 2</td>
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<td>4th Calendar Quarter</td>
<td>Statement 1</td>
<td>Statement 2</td>
<td>Statement 3</td>
<td>Statement 4</td>
<td>Statement 1</td>
<td>Statement 2</td>
<td>Statement 3</td>
<td>Statement 4</td>
</tr>
</tbody>
</table>

Note: Rotation proceeds to 1st calendar quarter at the conclusion of fourth calendar quarter.
**JAPAN TOBACCO**

**SCHEDULE A**
(Continued)

**LABEL STATEMENT ROTATION FOR ADVERTISEMENT PURPOSES (ONLY) BY BRAND STYLE AND QUARTER**

No New Brand Styles

<table>
<thead>
<tr>
<th></th>
<th>Brand I (Wave Ultra Lights)</th>
<th>Brand J (Wave Lights)</th>
<th>Brand K (Wave 100)</th>
<th>Brand L (Wave Lights 100)</th>
<th>Brand M (Wave 100 Menthol)</th>
<th>Brand N (Wave Menthol Lights 100)</th>
<th>Brand O (Wave Lights Menthol)</th>
<th>Brand P (Wave Ultra Lights 100)</th>
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<tr>
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<td>Statement 3</td>
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<tr>
<td>2nd Calendar Quarter</td>
<td>Statement 3</td>
<td>Statement 4</td>
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<td>Statement 2</td>
<td>Statement 3</td>
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<tr>
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<td>Statement 4</td>
<td>Statement 1</td>
<td>Statement 2</td>
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<tr>
<td>4th Calendar Quarter</td>
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<td>Statement 2</td>
<td>Statement 3</td>
<td>Statement 4</td>
<td>Statement 1</td>
<td>Statement 2</td>
<td>Statement 3</td>
<td>Statement 4</td>
</tr>
</tbody>
</table>

Note: Rotation proceeds to 1st calendar quarter at the conclusion of fourth calendar quarter.
AFFIDAVIT OF JAPAN TOBACCO INTERNATIONAL U.S.A., INC.
PURSUANT TO SECTION 4(c)(2)(A) OF THE
FEDERAL CIGARETTE LABELING AND ADVERTISING ACT

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Thomas Hirshfield, being duly sworn, deposes and says:

1. I am President of Japan Tobacco International U.S.A., Inc. (collectively with its ultimate parent company, Japan Tobacco Inc. and all of Japan Tobacco Inc.'s direct and indirect subsidiaries, “Japan Tobacco”) and make this affidavit on behalf of Japan Tobacco pursuant to Section 4(c)(2)(A) of the Federal Cigarette Labeling and Advertising Act, as amended (the “Act”), in support of the application of Japan Tobacco for Federal Trade Commission approval to display the warning labels specified in Section 4(a)(1) of the Act on packages and cartons of cigarettes manufactured by Japan Tobacco for the one-year period beginning January 1, 2001, as provided in paragraph 2(b) of the Label Statement Rotation Plan of Japan Tobacco submitted to the Federal Trade Commission on August 28, 1985 and as subsequently amended, and approved on October 11, 1985 and as of January 1, 1993, January 1, 1994, January 1, 1995, January 1, 1996, January 1, 1997, January 1, 1998, and January 1, 1999, which approval was most recently renewed on January 7, 2000 effective for the one year period ending December 31, 2000.

2. The total number of cigarettes of any brand style sold by Japan Tobacco in the United States in the year ended December 31, 2000, was less than and therefore (i) each brand style of cigarettes which Japan Tobacco manufactures accounted for less than one-fourth of one percent of all cigarettes sold in the United States during such year and (ii) more than one-half of the cigarettes sold by Japan Tobacco in the United States in the year ended December 31, 2000, was less than
3. The total number of cigarettes of any brand style which we estimate in good faith will be sold by Japan Tobacco in the United States in the year ending December 31, 2001 will account for less than one-fourth of one percent of all cigarettes sold in the United States during such year and more than one-half of the cigarettes manufactured by Japan Tobacco for sales in the United States are packaged into brand styles which meet such requirement.

IN WITNESS WHEREOF, I have hereunto signed my name this 18th day of January, 2001.

Thomas Hirshfield
President

Sworn to before me this 18th day of January, 2001.

Karen Fleetwood
Notary Public
January 19, 2001

Neal N. Beaton, Esq.
Gilbert, Segal and Young, LLP
430 Park Avenue
New York, NY 10022-3592

Dear Mr. Beaton:

The Federal Trade Commission ("the 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, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Japan Tobacco, Inc. and Japan Tobacco International U.S.A., Inc. (collectively "Japan Tobacco") on January 16, 2001, calling for the simultaneous display of the four health warnings on the packs and cartons of the Wave, Mild Seven, Seven Stars, Cabin Mild and Caster Mild brands of cigarettes, along with a revised supplemental affidavit dated January 18, 2001.

Japan Tobacco’s sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The health warnings on the sample packaging submitted with your December 22, 1998 letter appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Japan Tobacco’s plan for the Wave, Mild Seven, Seven Stars, Cabin Mild and Caster Mild brands is hereby approved. This approval is effective on the date of this letter and ends on January 18, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

You are reminded that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

C. Lee Peeler
Associate Director

1 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.
C. Lee Peeler  
Associate Director/ Division of Advertising Practices  
FEDERAL TRADE COMMISSION  
FCC HEADQUARTERS SATELLITE BUILDING  
601 Pennsylvania Ave., NW Washington, DC 20580  
Phone # 202-326-3344 Fax @202-326-3259  


Dear Mr. Peeler,

This letter shall serve as formal notice to the Federal Trade Commission regarding SUN TOBACCO's "plan" for 2001 to Manufacture and Import the "BRONCO" line of cigarettes in hard pack form in the following three styles: 1) Full Flavor 2) Lights 3) Menthol.

In Compliance with Section 1333 (c) (2), SUN TOBACCO, choose to display the four Surgeon General Warnings an equal number of times during the calendar year 2001 on packs and cartons of each brand style. The company will ensure that all four warnings will appear exactly as shown on the sample packs and cartons submitted with SUN TOBACCO's Letter of April 18, 2000.

SUN TOBACCO will continue to maintain sufficient records to demonstrate compliance with this plan.

SUN TOBACCO's 2000 sales did not exceed sticks for any one brand style. We are not anticipating to exceed sticks for any one brand style for 2001 from the date of approval of this plan.

Sincerely,

Thomas O'Connell  
President  
Sun Tobacco
January 22, 2001

Mr. Thomas O'Connell  
President  
Sun Tobacco  
1674 NW 17th Avenue  
Miami, FL 33125

Dear Mr. O'Connell:

The Federal Trade Commission ("the 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, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed by Sun Tobacco dated January 10, 2001 calling for the simultaneous display of the four health warnings on packaging of the Bronco brand of cigarettes.

Sun Tobacco’s sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The health warnings on the sample packs and cartons of the Bronco brand submitted with your April 18, 2000 letter appear to meet the requirements of the Cigarette Act for size and conspicuousness. Sun Tobacco’s plan for the Bronco brand of cigarettes has been approved. This approval is effective on the date of this letter and ends on January 21, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

You should also be aware that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

C. Lee Peeler  
Associate Director

---

1 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.
January 18, 2001

Mr. Michael Ostheimer
Ms. Sallie Schools
Division of Advertising Practices
Federal Trade Commission
601 Pennsylvania Avenue, N.W.
Room 4001
Washington, D.C. 20580


Pursuant to our need for a Compliance Letter from the Federal Trade Commission, our firm hereby submits CAROLINA TOBACCO COMPANY’s Surgeon General Rotation Plan as required under the Federal Cigarette Labeling and Advertising Act of 1964, (15 USC 1331 (1997), et seq.). The cigarettes covered by the proposed Plan will be manufactured in the country of Latvia, in the original manufacturer’s packaging, which includes health warnings complying with the Surgeon General warning language set forth in the statute.

The brand name to be covered by this Plan is Roger which will be manufactured in (A) Full Flavor King Size Filter Box, 84mm, (B) King Size Filter Light Box, 84mm, (C) Full Flavor King Size Filter Menthol Box, 84mm, (D) Full Flavor Filter Box, 100mm, (E) Light Filter Box, 100mm, (F) Ultra Light Filter Box, 100mm (G) Full Flavor Menthol Box, 100mm, and (F) Light Menthol Box, 100mm. A master case of cigarettes contains fifty (50) individual cartons, each carton in turn containing 10 packages of cigarettes, for a total of ten thousand (10,000) cigarettes per master case.

All Surgeon General’s health warnings will appear exactly as shown on the ROGER sample packs and cartons submitted with our letter dated January 11, 2001.

Carolina Tobacco Company submits that the number of cigarettes sold in the United States during the calendar year 2000 were a total for all brand styles of cigarettes. Carolina Tobacco Company submits the number of cigarettes to be sold in the United States during the calendar year 2001 to be a total for all brand styles of no more than _____ cartons of 10 packs.
The second part of the test, brand packaging, meaning that more than one-half of the cigarettes manufactured or imported by such manufacturer or importer for sale in the United States are packaged into brand styles that meet the one-fourth of one percent rule set forth above, will also be met since all of the cigarettes imported by Carolina Tobacco will be packaged into brand style where the quantities of brand sales are below the one quarter of one percent requirement.

As a small importer by virtue of the information set forth above, and as classified under the Act, Carolina Tobacco Company submits as its Plan that the warnings specified in the 15 USC 1333(a)(1)(1997) shall appear on the packs and cartons of each brand style of cigarettes, with respect to which the application is approved, an equal number of times within the calendar year.

Carolina Tobacco requests approval of the Plan Application to provide an Alternative to the quarterly rotation of the warnings on the packs and cartons. Individual packs and cartons will bear the original warnings, printed by the foreign manufacturer. The warning statement on the packages and cartons will be rotated to ensure that the four statutorily mandated warnings set forth in 15 USC 1333(a)(1) will be printed on each pack and carton by the manufacturer, for each brand style, in a manner equalizing the four mandatory warnings within the calendar year. This will ensure that the four warning statements will appear an equal number of times per year on both the packs and cartons of each brand, as required by statute and under the Plan.

We respectfully submit that the cigarettes imported by Carolina Tobacco Company will comply with the Alternative plan, insofar as all requirements set forth in Section 1333 will be met.

We understand and confirm that any person who plans to manufacture, package, or import for sale or distribution within the United States must confirm that each package must bear, in accordance with the requirements, one of the following warning statements:

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

**SURGEON GENERAL’S WARNING:** Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.

**SURGEON GENERAL’S WARNING:** Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.

**SURGEON GENERAL’S WARNING:** Cigarette Smoke Contains Carbon Monoxide.
Carolina Tobacco Company’s Advertising Plan: Carolina Tobacco Company does not advertise. At this time, Carolina Tobacco Company does not intend to print or supply any advertising materials for the “ROGER” Brand cigarettes. If in the future, Carolina Tobacco Company is requested and agrees to provide any advertising materials, we will submit an Advertising Plan to your organization for approval prior to doing so.

We submit that the foregoing complies with the requirements set forth in the Federal Cigarette Labeling and Advertising Act, and Carolina Tobacco Company respectfully requests expedited written acknowledgement of receiving this Plan and an approval letter issued to Carolina Tobacco Company by fax with the original sent to the address in the paragraph below.

Our office shall be responsible for marketing and sales of the Roger products as imported. Records regarding compliance shall be kept at the address indicated below. Therefore, please remit all documentation and communications to:

Kris Hewitt  
Carolina Tobacco Company  
5620 S.W. Dover Lane  
Portland, Oregon, 97225  
Tele: 503 244 5313, Fax: 503 244 0550

Sincerely,

Kris Hewitt  
Vice President & CFO  
CAROLINA TOBACCO COMPANY

FILE:G:\FAX\FTCtcr0ger2001plan.doc
Selected packaging samples from those submitted with the plan.
January 22, 2001

Ms. Kris Hewitt  
Carolina Tobacco Company  
5620 SW Dover Lane  
Portland, OR  97225

Dear Ms. Hewitt:

The Federal Trade Commission ("the 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(e) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq., ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed by Carolina Tobacco Company ("Carolina Tobacco") on January 18, 2001, calling for the simultaneous display of the four health warnings on the packs and cartons of the Roger brand of cigarettes.

Carolina Tobacco’s sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The warnings on the sample packs and cartons of the Roger brand submitted with your January 11, 2001 letter appear to comply with the size and conspicuousness requirements of the Cigarette Act. Your letter states that Carolina Tobacco will take steps to assure that the four warnings specified in the Cigarette Act appear on the individual packs and cartons of each Roger brand style an equal number of times during the year. Carolina Tobacco’s plan for the Roger brand is hereby approved. This approval is effective on the date of this letter and ends on January 21, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

If Carolina Tobacco does decide 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.

You are reminded that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

C. Lee Peeler  
Associate Director

1 Knowingly and willfully making false statements to a federal government agency is a crime punishable by an fine and/or imprisonment. 18 U.S.C. § 1001.
Mr. C. Lee Peeler  
Associate Director  
Division of Advertising Practices  
Federal Trade Commission  
601 Pennsylvania Avenue, N.W.  
Room 4004  
Washington D.C. 20580 

Cigarette Health Warning Rotation Plan Submitted by CanStar USA, Inc.

Dear Mr. Peeler:

On behalf of our company, CanStar USA, Inc. ('Canstar') we submit our Surgeon General Rotation Plan as required under the Federal Cigarette Labeling and Advertising Act of 1984 (15 U.S.C. 1331, et seq.), as amended. The cigarettes covered by the proposed Plan are cigarettes that will be manufactured outside the USA and are produced to our specifications and are complete with the health warnings that comply with the Surgeon General warning language set forth in the statute.

The cigarettes covered by this plan are: ‘MAXXIM’ BRAND—Maxxim full flavor 100mm soft; Maxxim lights 100mm soft; Maxxim ultra-light 100mm soft; Maxxim menthol 100mm soft; Maxxim light menthol 100mm soft. During the past two years, CanStar has imported [redacted] cartons and [redacted] master cases of cigarettes made outside the USA. We anticipate that the volume of cigarettes imported in 2001 will not exceed [redacted] and a [redacted] cartons (containing [redacted] cigarettes each) for any single brand style. During the past two years CanStar has not manufactured cigarettes in the USA and will not be manufacturing cigarettes in the USA during the next twelve months.

We respectfully submit that the cigarettes imported by CanStar qualify for the requested rotation plan insofar as all requirements set forth in section 1333 have been met. More specifically the one fourth of one percent requirement, meaning that the number of cigarettes of each brand style sold in the fiscal year of the manufacturer or importer preceding the submission of the application is less than one-fourth of one percent of all cigarettes sold in the United States, has been met as demonstrated by the quantity of cartons imported for sale. As a result, all of the brand styles qualify since all brand sales are below the one fourth of one percent requirement as set forth above.
CanStar proposes a rotation plan of the US Surgeon General’s Health Warning for the *Maxxim* brand of cigarettes imported into and distributed in the United States. Under this plan, all four Surgeon General’s Health Warnings will be equalized for the packs and cartons of each brand style we import. CanStar will monitor the production and maintain a log to ensure that the health warnings will be produced in such a manner *so as* to result in equal rotation of the four health warnings *within* each production lot for the US market. In addition, we will monitor production and importation to ensure that over the year covered by this plan, we will employ *an* equal number of the health warnings for each brand style.

The health warnings will appear exactly *as* they do in the samples provided. CanStar will ensure that the cigarettes are manufactured to meet *all* US packaging requirements including the location *and* display of the US Surgeon General’s Health Warning.

The four *health* warnings to be *used* in *equal* rotation on the packs and cartons are:

1. **SURGEON GENERAL’S WARNING:** Quitting Smoking Now Greatly Reduces Serious *Risks* to Your Health.

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

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.

Since CanStar does not, and will not advertise the product to *consumers*, there is no need to submit an advertising Plan.

We submit that the foregoing complies with the requirements set forth in the Federal Cigarette Labeling and Advertising Act, *as* amended, and request expedited approval of *this* request. Should *this* request conform to your requirements, we request that *the* letter evidencing approval be faxed to the undersigned at the above fax number.

Should you require any additional information with respect to the foregoing, *please* contact the undersigned at *the* above Miami, Florida address.

Respectfully submitted,
CanStar USA, Inc.

Paul A. Embury
Director

C.C. Mr. Michael Ostheimer
Attorney, Division of Advertising Practices

Ref.: FTC
Selected packaging samples from those submitted with the plan.
Mr. Paul A. Embury, Director
CanStar (U.S.A.), Inc.
4960 S W 72 Avenue, Ste. 308,
Miami, FL 33155

Dear Mr. Embury:

The Federal Trade Commission ("the 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, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of CanStar (U.S.A.), Inc. ("Canstar") on January 23, 2001 calling for the simultaneous display of the four health warnings on the packaging of the full flavor 100mm soft, lights 100mm soft, ultra-light 100mm soft, menthol 100mm soft, and light menthol 100mm soft brand styles of the Maxxim brand of cigarettes.

CanStar's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The warnings on the sample packs and cartons submitted with your January 16, 2001 letter appear to comply with the requirements of the Cigarette Act for size and conspicuousness. CanStar's plan for the full flavor 100mm soft, lights 100mm soft, ultra-light 100mm soft, menthol 100mm soft, and light menthol 100mm soft brand styles of the Maxxim brand is hereby approved. This approval is effective on the date of this letter and ends on January 23, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

If CanStar does decide 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.

You should also be aware that Section 1335a of the Cigarette Act requires that cigarette sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The warnings on the sample packs and cartons submitted with your January 16, 2001 letter appear to comply with the requirements of the Cigarette Act for size and conspicuousness. CanStar's plan for the full flavor 100mm soft, lights 100mm soft, ultra-light 100mm soft, menthol 100mm soft, and light menthol 100mm soft brand styles of the Maxxim brand is hereby approved. This approval is effective on the date of this letter and ends on January 23, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

If CanStar does decide 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.

You should also be aware that Section 1335a of the Cigarette Act requires that cigarette

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manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

C. Lee Peeler
Associate Director
Southern Tobacco, Inc.
122 Caggiano Dr.
S.C. 29341
Tel: (864) 9194
Fax: (864) 488-3805

January 30th, 2001

Ms. Diana Winterson
Federal Trade Commission
601 Pennsylvania Avenue
NW Washington, DC 20580

Dear Ms. Winterson:

Southern Tobacco, Inc. located at 122 Caggiano Dr. in Gaffney, SC would like to submit the following plan for the Golden and Dynamic brands of cigarettes to comply with the Federal Cigarette Labeling and Advertising Act for the year period from date of approval. We are applying for the alternative to the quarterly rotation plan. We qualify for the alternative plan based on our sales for the calendar year of 2000. During the calendar year of 2000 Southern Tobacco had sales that totaled approximately [redacted] sticks. We expect sales of [redacted] sticks for the 2001 calendar year.

For the packs and cartons of each brand style of Golden 84mm and 100mm (original, Light, Ultra Light, Menthol, and Light Menthol) and Dynamic 100mm (Full Flavor, Light, Ultra Light, Menthol, and Menthol Light) we will equally distribute the four Surgeon General Warnings during the one year period covered by this proposed plan. The health Warnings will appear exactly as they do on the samples of packs and cartons for the Dynamic brand submitted on January 22nd, 2001 and the sample packs and cartons for the Golden brand submitted on January 3rd, 2001.

Southern Tobacco will also keep records to demonstrate compliance with the Federal Cigarette Labeling and Advertising Act.

Southern Tobacco at this time will not be advertising either brand, if in the future we do advertise we will submit a plan of rotation.

Sincerely,

[Signature]

John Short
Selected packaging samples from those submitted with the plan.
Golden
MENTHOL LIGHTS
LOWERED TAR & NICOTINE

Golden
MENTHOL LIGHTS
DYNAMIGO
MENHOL
100's
PREMIUM BLEND
FILTER CIGARETTES

SURGEON GENERAL'S WARNING:
Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.
Mr. John Short  
Southern Tobacco, Inc.  
122 Caggiano Dr.  
Gaffney, SC 29341

Dear Mr. Short:

The Federal Trade Commission ("the 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(e) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Southern Tobacco, Inc. ("Southern Tobacco") on January 30, 2001 calling for the simultaneous display of the four health warnings on the packaging of certain specified brand styles of the Golden and Dynamic brands of cigarettes.

Southern Tobacco's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The warnings on the packs and cartons submitted with your January 3, 2001 and January 22, 2001 letters appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Southern Tobacco's plan for the Golden 84mm and 100mm (Original, Light, Ultra Light, Menthol, and Light Menthol), and Dynamic 100mm (Full Flavor, Light, Ultra Light, Menthol, and Menthol Light) brand styles is hereby approved. This approval is effective on the date of this letter and ends on January 30, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

If Southern Tobacco does decide 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.

You should also be aware that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

C. Lee Peeler  
Associate Director

---

1 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.
February 1, 2001

Mr. C. Lee Peeler  
Division of Advertising Practices  
Federal Trade Commission  
Suite 4002  
601 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

Dear Mr. Peeler:

Reference is made to Section 4 of the Federal Cigarette Labeling and Advertising Act, as amended (Act), and to the Lane Limited Label Statement Rotation Plan (Plan) submitted to the Federal Trade Commission under date December 6, 1999 pursuant to Section 4(c) of the Act.

Pursuant to Section 4(c)(2)(A) of the Act, Lane Limited hereby makes application, in accordance with the provisions of Section 2(d) of the Plan, to continue simultaneous rotation of the four health warnings set forth in Section 4(a)(1) of the Act on packages of the cigarette brands stated in the supporting Affidavit attached hereto. This application is for the twelve-month period beginning January 1, 2001.

On the basis of this application and the attached supporting Affidavit, it is submitted that Lane Limited meets the requirements of Section 4(c)(2)(A) of the Act.

With kind regards, I am

Very truly yours,

LANE LIMITED

Robert S. Pless
Vice President &
General Counsel

RSP

Attachment
AFFIDAVIT IN SUPPORT OF
APPLICATION BY LANE LIMITED
FOR SIMULTANEOUS LABEL STATEMENT ROTATION

I, Robert S. Pless, being duly sworn, do hereby state as follows:

1. I am Vice President and General Counsel of the Applicant, Lane Limited, a cigarette importer and manufacturer with a label statement rotation plan approved by the Federal Trade Commission.

2. Lane Limited imports, manufactures and sells cigarettes the brand names of which are set forth below, with said cigarette brands being the same cigarette brands (with three deletions) previously imported, manufactured and sold in the domestic market of the United States of America by Tobacco Exporters International (USA) Ltd. (TEI), which was merged with and into Lane Limited on January 1, 2000. The packaging for the cigarette brands previously approved by the Federal Trade Commission has not changed.

DUNHILL INTERNATIONAL Filter De Luxe
DUNHILL INTERNATIONAL Lights
DUNHILL INTERNATIONAL Menthol
DUNHILL INTERNATIONAL Superior Mild
DUNHILL Special Reserve
DUNHILL Lights
DUNHILL Menthol Lights
CARTIER Vendome Lights
CARTIER Vendome Menthol Lights
CARTIER Vendome Ultra Lights
CRAVEN“A” Standard Size
CRAVEN“A” King Size
Menthol
GAULOISES Non-Filter
GAULOISES Filter
GAULOISES Blondes
GAULOISES Lights
Gitanes Non-Filter
Gitanes Filter

3. This Affidavit is given in support of an Application by Lane Limited pursuant to Section (c)(2)(A) of the Act to continue, in accordance with Section 2(d) of the Plan, simultaneous rotation of the four health warning statements set forth in Section 4(a)(1) of the Act on packages of the cigarette brands set forth above.

4. The financial year of Lane Limited is a calendar year ending December 31.

5. The total number of cigarettes sold in the domestic market of the United States of America during the twelve-month period ended December 31, 1999, as reported in the Maxwell Report, was 419.30 billion units.

6. The total number of cigarettes sold by TEI in the domestic market of the United States of America during the twelve-month period ended December 31, 1999 was blank units, which represented only blank of one percent of the total number of cigarettes sold in the domestic market of the United States of America during the same period.
7. Therefore, (i) the number of cigarettes of each brand style sold by TEI and (ii) the total number of cigarettes sold by TEI during the twelve-month period ended December 31, 1999, are each less than one-fourth of one percent of all cigarettes sold in the domestic market of the United States of America during the same period.

8. During the calendar year ended December 31, 2000, Lane Limited sold [censored] cigarettes and does not anticipate that volume to be equal to or in excess of one-fourth of one percent of all cigarettes sold in the domestic market of the United States of America during the same period.

9. During the calendar year ending December 31, 2001, Lane Limited estimates that its domestic cigarette volume will approximate [censored] units; and Lane Limited does not expect that cigarette volume to be equal to or in excess of one-fourth of one percent of all cigarettes sold in the domestic market of the United States of America during the same period.

DATED: February 1, 2001

[Signature]

Robert S. Pless

STATE OF GEORGIA       )
COUNTY OF DEKALB      )

On this 1st day of February, 2001, personally appeared before me, Robert S. Pless, being known to me to be the Vice President and General Counsel of Lane Limited, who, being duly sworn by me, (i) stated that the facts set forth in the foregoing document are accurate and correct and (ii) subscribed his name to the aforesaid document.

[Signature]

Notary Public

[Notary Seal]

Notarized

Stacey C. Elliott

Notary Public

Dekalb County

Expiration August 3, 2003
Mr. Robert S. Pless, Vice President
Lane Limited
2280 Mountain Industrial Blvd.
Tucker, GA 30084

Dear Mr. Pless:

The Federal Trade Commission ("the 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, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Lane Limited ("Lane") on February 1, 2001 calling for the simultaneous display of the four health warnings on the packaging of certain varieties of the Dunhill International, Dunhill, Cartier, Craven, St. Moritz, Gauloises, and Gitanes brands of cigarettes listed in your plan.

Lane's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The warnings on the packs and cartons appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Lane's plan for the Dunhill International (Filter De Luxe, Lights, Menthol, and Superior Mild), Dunhill (Special Reserve, Lights, and Menthol Lights), Cartier (Vendome Lights, Vendome Menthol Lights, and Vendome Ultra Lights), Craven ("A" King Size and "A" Standard Size), Menthol, Gauloises (Non-Filter, Filter, Blondes, and Lights), and Gitanes (Non-filter and Filter) brand styles is hereby approved. This approval is effective on the date of this letter and ends on February 6, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan?

You should also be aware that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

C. Lee Peeler
Associate Director

---

1. This approval is not for Gitanes Blondes or Gitanes Blondes Lights.

2. 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.
Gerardo Fernandez
Latin House Cigars
201 Amador
Watsonville Ca, 95076

Tel: 831-724-9028

Date: 2/9/01

Mr. C. Lee Peeler,

My name is Gerardo Fernandez, sole proprietor of Latin House Cigars. My business is in the import of tobacco products, cigars and cigarettes from Mexico.

I am applying to the Federal Trade Commission for the approval of the quarterly rotation for the four Surgeon General's Warning statements on the cigarette packs of the following brands: DEL PRADO, FIESTA, RALEIGH.

The artwork for the cigarette packs of DEL PRADO, FIESTA, and RALEIGH brands for the 2nd - 4th quarter of 2001 were submitted on 12/18/00. Enclosed are sample cigarette packs for the 1st quarter of DEL PRADO, FIESTA, and RALEIGH brands. The sample packs and artwork show exactly where and how the Surgeon General's Warnings will appear on the packs of each of the cigarette brands that Latin House Cigars will be importing. The warning statements will be printed on the packs exactly as they appear in the sample packs and artwork. I will send sample packs to the Federal Trade Commission for the 2nd - 4th quarter when they are available.

My Product will comply with all Federal and State Laws and in this case it will carry the correct warning statements required by the Federal Trade Commission. My product has already been approved by the Department of ATF and The State Of California. I currently hold an Importer's Permit (CA-TI-81), Tobacco Products Distributor's License (CP ET 50-002584), Cigarette Distributor's License (CR ET 02-001717) and a Seller's Permit (SR GHD 97-746801).

My business will start-out very small. I will not have the means to advertise my product, so I will not apply for advertisement approval from the Federal Trade Commission at this time. If my business grows to a point where I can afford to advertise I will then apply for approval. I fully understand the FTC's procedure in applying for advertisement approval.

My business plan is to sell the product in two different areas: sell directly to stores as a cigarette distributor, sell at the flea markets as a retailer. My business will not have its own store
location it will be home-based. I will store the product (small quantities) and receive orders via Phone, FAX and Mail in my house. I will sell cigarettes by the individual packs only and not by the carton. The reason for this is the following, I must rework each individual cigarette pack to meet all the U.S. Customs and FTC's Requirements. The required statements that need to be on the cigarette packs are: Surgeon General's Warning, Product Name, Content in Package, Country of Origin and Importer's Name. This process completely destroys the carton wrapper and leaves me with individual packs.

Although, I will only be selling by the pack, I plan to have special prices for orders of ten or more packs so, in reality, to the purchaser it will be the same as buying by the carton because they'll get carton prices. If in the future I find a way to repackage the cigarette packs by the carton I will then apply for approval of carton size packages.

The rework of my product will be done in Mexico. I will rent a small warehouse where I will store and rework my product. I will have one or more employees help me with the rework. The rework involves replacing the outer wrapper of each individual cigarette pack with a new outer wrapper that will have all the required warnings and product information. I will also repackage each individual cigarette pack in its own protective cellophane bag. All this rework will be done manually until I can afford to purchase a cigarette packaging machine to automate the process.

I have created a quarterly warning rotation table to remind me of the warning rotation due dates. I will maintain sufficient records to demonstrate compliance with my plan.

Thank you,

Gerardo Fernandez

[Signature]

2/4/01
### QUARTERLY ROTATION TABLE

<table>
<thead>
<tr>
<th>CIGARETTE BRAND</th>
<th>1st Quarter (Jan - Mar)</th>
<th>2nd Quarter (Apr - June)</th>
<th>3rd Quarter (July - Sept)</th>
<th>4th Quarter (Oct - Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEL PRADO</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
</tr>
<tr>
<td>FIESTA</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>A</td>
</tr>
<tr>
<td>RALEIGH</td>
<td>C</td>
<td>D</td>
<td>A</td>
<td>B</td>
</tr>
</tbody>
</table>

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

Warning B - SURGEON GENERAL'S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.

Warning C - SURGEON GENERAL'S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.

Warning D - SURGEON GENERAL'S WARNING: Cigarette Smoke Contains Carbon Monoxide.
Selected packaging samples from those submitted with the plan.
SURGEON GENERAL'S WARNING:
Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.
SURGEON GENERALS WARNING:
Smoking By Pregnant Women May
Result in Fetal Injury, Premature Birth, And Low Birth Weight.
Mr. Gerardo Fernandez  
Latin House Cigars  
201 Amador  
Watsonville, CA 95076  

Dear Mr. Fernandez:  

The Federal Trade Commission ("the 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(e) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the proposed plan filed on behalf of Latin House Cigars ("Latin House") on February 9, 2001 plan calling for quarterly rotation of the four health warnings on packaging of the Del Prado, Fiesta, and Raleigh brands of cigarettes.

The warnings on the artwork and sample packs of the Del Prado, Fiesta, and Raleigh brands submitted with your plan appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Latin House's plan for the Del Prado, Fiesta, and Raleigh brands of cigarettes has been approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. When actual packaging is developed for the 2nd through 4th quarters of 2001, Latin House should submit samples to the Commission. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

If Latin House does decide 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.

You should be aware that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

C. Lee Peeler  
Associate Director

1 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
February 2, 2001

VIA TELECOPIER & AIRBORNE EXPRESS

Ms. Sallie Schools
Division of Advertising Practices
Federal Trade Commission
601 Pennsylvania Avenue
Washington, DC 20580

Re: Jim Porter Brand cigarettes Labels and Proposed Label Rotation Plan

Dear Ms. Schools:

Pursuant to your instructions and the requirements of The Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331 et seq. (the "Act") we submit on behalf of Central America Tobacco Corp. ("CAT"):

(i) a revised rotation plan for display of warning statements on Jim Porter brand cigarette packages and cartons.\(^2\)

(ii) a revised warning statement size and placement plan for advertisements of Jim Porter

---

1 As anticipated in our prior correspondence, CAT, a licensed U.S. tobacco importer, will be the importer of record for the Jim Porter cigarettes (the "Products"). The Products will be manufactured in Uruguay by Compañía Industrial de Tabacos Monte Paz, S.A. ("Monte Paz") for resale in the U.S. under authority of the Jim Porter trademark owner, La Republicana, S.A.

2 This is the same plan set forth in our December 27, 2000 correspondence, except for the effective date of the plan which has been changed from January 1, 2001, to February 1, 2001.
Warning Statement Rotation Plan Pursuant to § 4(c) of the Federal Cigarette Labeling and Advertising Act

The Act provides for the placement of certain warning statements on packages and cartons of cigarettes for sale or distribution in the United States and in advertisements for cigarettes within the United States. CAT submits this Warning Statement Rotation Plan (the "Plan") to the Federal Trade Commission pursuant to Section 4 (c) of the Act.

The effective date of CAT’s proposed Plan shall be February 1st, 2001 (the "Effective Date"). The Product will be imported to the U.S. in six brand-styles:

(i) Jim Porter King Size Full Flavor  
(ii) Jim Porter Full Flavor 100’s  
(iii) Jim Porter King Size Lights  
(iv) Jim Porter Lights 100’s  
(v) Jim Porter King Size Menthol  
(vi) Jim Porter Menthol 100’s

I. Packaging.

A. Warning Statement Size and Location.

We enclose for your review and approval revised Jim Porter cigarette package artistic renderings incorporating your verbal observations to some of the samples previously submitted for your review. Actual revised samples of the enclosed artistic renderings will be submitted for your review shortly.

---

3 This Plan has been revised to incorporate your comments during our last telephone conversation to Sections II A and B of this letter.
CAT intends to display each of the warning statements required by the FTC Memo on the Product's packages and cartons. In compliance with the Tariff Suspension and Trade Act of 2000, the warning statements shall be printed directly on the Product's packages and cartons.

B. Warning Statement Rotation Plan for Packages and Cartons by Quarter.

The following is CAT's proposed rotation plan for the warning statements to be printed on the Jim Porter cigarette packages and cartons. The Jim Porter brand includes all brand-styles described above:

<table>
<thead>
<tr>
<th>First Quarter</th>
<th>Second Quarter</th>
<th>Third Quarter</th>
<th>Fourth Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Porter</td>
<td>A</td>
<td>B</td>
<td>C</td>
</tr>
</tbody>
</table>

Packages and cartons of all brand styles of the Jim Porter brand shall bear the label statement referenced above for the quarter in which such cigarettes are manufactured or packaged, regardless of the date(s) on which such cigarettes are sold or distributed in the U.S.

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4 All brand styles will display the same warning statement during each quarter. The letters used to identify the various warning statements are the same as those used at page 3 of the FTC Memorandum to Potential Manufacturers and Importers (the "FTC Memo"), namely:

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.
C. Records of Compliance.

CAT will maintain monthly records of compliance with the proposed warning statement rotation plan indicating (i) the dates of manufacture or packaging of the Product, and (ii) the warning statement displayed in each case. These records will be available for inspection by your agency upon prior reasonable prior notice.

II. Advertising.

A. Advertising Warning Statement Size and Placement.

All advertisements in the United States shall include warning statements in print size consistent with the acetates (plastic overlays) contained at exhibits 1 through 14 of the FTC Memo for the size and category of advertisement indicated in the Memo’s "Schedule for Warnings in Advertisements" (the ‘Schedule”). which have been purchased by CAT from the authorized vendor referenced in the FTC Memo. All such warning statements shall be printed in black on white. CAT will use the same warning formats that were submitted with the plans of the five (5) leading U.S. cigarette manufacturers and will place the warnings as specified in those plans.

B. Advertising Warning Statement Rotation.

The advertisement warning label rotation shall be performed in accordance with the same schedule proposed for rotation of the cigarette package and carton labels at section 1B herein.

Adequate records shall be maintained by CAT(i) identifying the name and date of the publication, (ii) identifying the size and category of the advertisement and the exhibit number of the acetate used to determine the size of the print used for the warning statement as designated in the FTC Memo Schedule, and (iii) maintaining a copy of the actual advertisement for purposes of viewing the actual placement and format of the warning labels.

C. Importer Contact Information.

We would appreciate that any notice in connection with the Jim Porter proposed warning statement rotation plans be directed to CAT at the following address, with a copy to our firm:
Mr. Charlie Toraño  
Central America Tobacco Corp.  
7440 SW 50th Terrace Unit  
106 Miami, Fla. 33155  
Tel.: (305) 661-2707  
Fax.: (305) 661-2226  

Please do not hesitate to contact me or my partner, Edward Griffith, if you require further information.

Sincerely,

Silvia L. Bolatti

Enclosures

SLB:dd

cc: Mr. Charlie Toraño (CAT)
Selected packaging samples from those submitted with the plan.
SURGEON GENERAL'S WARNING: Smoking by pregnant women may result in fetal injury, premature birth, and low birth weight.
Division of Advertising Practices

February 13, 2001

Sylvia L. Bolotti, Esq.
Bolatti & Griffith
45 Broadway, Suite 2300
New York, NY 10006

Dear Ms. Bolotti:

The Federal Trade Commission ("the 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, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Central America Tobacco Corporation ("CAT") on February 2, 2001, calling for quarterly rotation of the four health warnings on packaging and in advertising of the Jim Porter brand of cigarettes in the following six styles: Full King, Light King, Menthol King, Full 100's, Light 100's, and Menthol 100's.

Your plan for the rotation of the warnings in advertising of the Jim Porter brand of cigarettes has been approved. Approval of the plan assumes that the plan is implemented in good faith.

The warnings on the sample packs and cartons submitted with your letters of December 27, 2000, February 5, 2001, and February 9, 2001, appear to meet the requirements of the Cigarette Act for size and conspicuousness. CAT's plan for the specified brand styles of the Jim Porter brand has been approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

You should also be aware that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

C. Lee Peeler
Associate Director

1 Although the warnings on some of the packaging submitted either contained errors in punctuation or were not sufficiently conspicuous, corrected packaging was submitted. This approval only pertains to packaging that meets the precise requirements of the Cigarette Act.

2 Knowingly and willfully making false statements to a federal government agency is a crime punishable by an fine and/or imprisonment. 18 U.S.C. § 1001.
February 6, 2001

Federal Trade Commission
Division of Advertising Practices
601 Pennsylvania Avenue, NW
Washington, D.C. 20580
Attn: Sallie Schools

Re: North American Trading revised plan for rotational health warnings on import brands

Dear Ms. Schools,

On November 17th, 1999 North American Trading received FTC approval for our quarterly health warning rotations on our import Image brand cigarettes. We would like at this time to supplement our original plan to include a second import, Golf Lights brand in the 100’s soft pack style. The warnings are to appear exactly as shown on the packs and cartons, which were submitted for review in our FTC correspondence, dated January 8, 2001. Quarterly rotations for the Golf Lights will be as follows:

First Quarter; 01/01 – 03/31

SURGEON GENERAL’S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.

Second Quarter; 04/01 – 06/30

SURGEON GENERAL’S WARNING: Cigarette Smoke Contains Carbon Monoxide.

Third Quarter; 07/01 – 09/30

SURGEON GENERAL’S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.

Fourth Quarter; 10/01 – 12/31

SURGEON GENERAL’S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.
North American Trading will maintain records for quarterly rotation demonstrating compliance with FTC requirements under the Federal Cigarette Labeling and Advertising Act. At this time North American Trading does not plan to advertise but should we choose to in the future we would submit an advertising plan for FTC approval. We understand that only upon approval can we advertise our brands of cigarettes.

Please contact our office at your earliest convenience if there are any questions or concerns regarding the supplemental request.

Respectfully,

Natasha Barbre
Selected packaging samples from those submitted with the plan.
February 13, 2001

Ms. Natasha Barbre  
North American Trading  
861 Sixth Avenue  
Suite B-200  
San Diego, CA 92101

Dear Ms. Barbre:


The warnings on the sample packs and cartons enclosed with your letter of January 8, 2001 appear to meet the size and conspicuousness requirements of the Cigarette Act. North American Trading's plan for Golf 100's soft pack cigarettes 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. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

If North American Trading does decide 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.

You are reminded that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

C. Lee Peeler  
Associate Director

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1 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.
February 7, 2001

Mr. C. Lee Peeler, Associate Director  
Division of Advertising Practices  
Federal Trade Commission  
601 Pennsylvania Avenue, NW, Room 4002,  
Washington, D.C. 20580

Re: Federal Trade Commission Plan on Warning Label Display Requirements

Dear Mr. Peeler:

Pursuant to the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1333 et sequentes (hereinafter "the Act"), TABAK L.L.C. is submitting its revised quarterly rotation plan for the warnings required on cigarette packaging and advertising. As of January 2001, TABAK L.L.C. will be selling one (1) brand called "SHIRE Leaves".

I. Packaging

The Packaging shall consist of cigarette packs and cartons for two (2) brand styles. For review, TABAK is submitting packs and cartons for all brand styles showing the first quarter warning and pack's and carton's artwork for all brand styles showing the warning for the 2nd through 4th quarters. Each of the four health warnings will be printed onto the packaging materials, which are offered for sale, sold, or otherwise distributed to consumers, exactly as shown on the packs, cartons, and packaging artwork submitted on 6/22/00 and 2/1/01. The packs will be wrapped in cellophane at the point of sale.

The two (2) brand styles shall consist of the following:

1. 74 mm in length 10 cigarette packs - filter
2. 74 mm in length 10 cigarette packs - menthol (filter)
The warning labels printed on the cigarette packaging as required by the Act will be rotated quarterly, as shown in the attached Schedule A, and such rotation shall be recorded by production documents, shipping documents and sales data referencing bar code designators.

The quarterly rotation of label statements shall be based on the date of manufacture, regardless of the date(s) on which cigarettes are sold or distributed in the United States. However, for any brand style of cigarettes, manufacturers may begin using packaging printed with the subsequent quarter's label statement up to fifteen (15) production days prior to the commencement of such quarter and continue using packaging bearing the prior quarter's label statement up to fifteen (15) production days after the end of such quarter.

Moreover, any packaging of cigarettes by the manufacturer's representative or agent at the wholesale or retail level may utilize packages bearing any of the label statements specified under the Act.

In addition, cigarette packaging produced in accordance with the Act, may be removed from storage or inventory in any manner that is consistent with customary business practices or with business considerations, unrelated to the quarterly rotation obligation imposed by the Act.

Finally, manufacturers, importers, and packagers shall not employ procedures deliberately designed to result in the early or prolonged use of a particular packaging label statement.

II. Advertising

Advertising Warning Label Sue and Placement:

In advertising for its SHIRE Leaves brand, TABAK L.L.C. will utilize the warning formats that were submitted with the plans of the five (5) leading U.S. cigarette manufacturers, and TABAK L.L.C. will place the warnings as specified in that plan.

Advertising Warning Label Rotation:

The warning labels in advertising for SHIRE Leaves will be rotated quarterly as shown in Schedule B.
The bill of lading, or invoice for advertising materials, shall list the specific health warning for that shipment, which shall serve as a written record of compliance for the quarterly rotation.

When actual packaging samples are developed, TABAK will send samples to the Federal Trade Commission.

If any further information or updates are needed, please contact me.

Sincerely,

Paul J. Castronovo, Attorney at Law
SCHEDULE A

SCHEDULE FOR PACKAGING
QUARTERLY ROTATION OF WARNINGS
for
SHIRE Leaves Brand

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Warning</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Quarter (Jan.-Mar.)</td>
<td>#1</td>
</tr>
<tr>
<td>2nd Quarter (Apr.-June)</td>
<td>#2</td>
</tr>
<tr>
<td>3rd Quarter (July-Sept.)</td>
<td>#3</td>
</tr>
<tr>
<td>4th Quarter (Oct.-Dec.)</td>
<td>#4</td>
</tr>
</tbody>
</table>

WARNINGS

#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.
SCHEDULE B

SCHEDULE FOR ADVERTISING
QUARTERLY ROTATION OF WARNINGS
for
SHIRE Leaves Brand

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Warning</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Quarter (Jan.-Mar.)</td>
<td># 1</td>
</tr>
<tr>
<td>2nd Quarter (Apr.-June)</td>
<td># 2</td>
</tr>
<tr>
<td>3rd Quarter (July-Sept.)</td>
<td># 3</td>
</tr>
<tr>
<td>4th Quarter (Oct.-Dec.)</td>
<td># 4</td>
</tr>
</tbody>
</table>

WARNINGS

#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.
Selected packaging samples from those submitted with the plan.
February 15, 2001

Paul J. Castronovo, Esq.
TABAK L.L.C.
P.O. Box 957616
Hoffman Estates, IL 60195-7616

Dear Mr. Castronovo:

The Federal Trade Commission ("the 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, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the proposed plan filed on behalf of TABAK L.L.C. ("TABAK") on February 7, 2001 plan calling for quarterly rotation of the four health warnings on packaging and advertising of the Shire filter and Shire menthol filter brand styles of cigarettes.

Your plan for the rotation of the warnings in advertising has been approved. Approval of the plan assumes that the plan is implemented in good faith.

The warnings on the artwork and sample packs and cartons of the Shire brand submitted with your letters of June 22, 2000 and February 7, 2001 appear to comply with the requirements of the Cigarette Act for size and conspicuousness. TABAK’s plan for the Shire filter and Shire menthol filter brand styles of cigarettes has been approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. When actual packaging is developed showing warnings for the 2nd through 4th quarters of the year, TABAK should submit samples to the Commission. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

You should be aware that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

C. Lee Peeler
Associate Director

1 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
February 13, 2001

Ms. Diana Winterson  
Federal Trade Commission  
601 Pennsylvania Avenue  
NW Washington, D.C. 20580

Dear Ms. Winterson:

Southern Tobacco, Inc., located in Gaffney, SC would like to supplement our plan to comply with the Federal Cigarette Labeling and Advertising Act. Southern Tobacco will be adding Dynamic Kings (Full-Flavor, Light, ultra Light, Menthol, and Menthol Light) to our January 30, 2001 plan that expires on January 30, 2002. We will distribute the four Surgeon General Warnings equally on packs and cartons of these brand styles during the one year period beginning on the date this plan is approved, and they will appear exactly as they do on the enclosed packs and cartons.

Sincerely,

[Signature]

John Short
Selected packaging samples from those submitted with the plan.
Quitting Smoking Now Reduces Serious Risks Your Health.
February 15, 2001

Mr. John Short  
Southern Tobacco, Inc.  
122 Caggiano Dr.  
Gaffney, SC 29341

Dear Mr. Short:

The Federal Trade Commission ("the 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, et seq. ("the Cigarette Act"). On January 31, 2001, the Commission approved Southern Tobacco, Inc.'s ("Southern Tobacco") January 30, 2001 plan for the simultaneous display of the four health warnings on packaging of certain varieties of the Dynamic and Golden brands of cigarettes.

On February 13, 2001, Southern Tobacco filed a supplement to expand its plan to include the full flavor, light, ultra light, menthol, and menthol light brand styles of the Dynamic Kings brand. The warnings on the packs and cartons submitted with your February 13, 2001 letter appear to meet the size and conspicuousness requirements of the Cigarette Act. Southern Tobacco’s supplement to its plan is hereby approved. This approval is effective on the date of this letter and ends on February 14, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Sincerely,

C. Lee Peeler  
Associate Director

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1 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.
CONTAINS TRADE SECRETS AND CONFIDENTIAL BUSINESS INFORMATION NOT FOR PUBLIC DISCLOSURE

VIA FACSIMILE
(202) 326-3259
IMMEDIATE ATTENTION REQUESTED

C. Lee Peeler
Associate Director
Division of Advertising Practices
Federal Trade Commission
601 Pennsylvania Avenue, N.W.
Room 4002
Washington, D.C. 20580

Attn: Sallie Schools

Supplement to Tobacco Center, Inc.'s Quarterly Rotation Plan
Adding Coronas Light Box 100's Brand Style Cigarettes

Gentlemen:

Tobacco Center, Inc. hereby submits a Surgeon General Rotation Plan as required under the Federal Cigarette Labeling and Advertising Act of 1984 (15 U.S.C. §1331, et seq. (1998)), as amended. John Alexander is the Vice President of the applicant, and the corporate address for the company is Tobacco Center, Inc., 6795 N.W. 87th Avenue, Miami, Florida 33178. On January 17th, 2001, Tobacco Center, Inc. received approval for its Warning Label Rotation Plan for certain Coronas and Palace brand style cigarettes. At this time, Tobacco Center, Inc., would like
to add Coronas Light Box 100’s to its recently approved Plan. Revised packaging for this brand style was submitted on February 2, 2001. This brand style will include health warnings complying with the Surgeon General’s warning language set forth in the CLAA statute. The required warnings will be printed directly on the packs and cartons and in a conspicuous location as required under the Cigarette Labeling and Advertising Act (“CLAA”). The warnings will appear on the packs and cartons exactly as shown on the sample cartons and revised sample packs provided. Tobacco Center will continue to abide by the provisions of its Plan dated January 16, 2001, and approved by the FTC on January 17, 2001.

Tobacco Center, Inc. will not be advertising at this time. If the applicant chooses to advertise, it will submit an advertising plan for approval prior to engaging in such activity.

We submit that the foregoing complies with the requirements set forth in the Federal Cigarette Labeling and Advertising Act, as amended and request expedited approval of this request. Records will be maintained at the corporate office evidencing compliance with this Plan.

Should this request conform to your requirements, we request that the letter evidencing approval be faxed to the undersigned.
Your cooperation in this matter is appreciated.

Respectfully submitted,

ANDREW M. PARISH, P.A.

Andrew M. Parish

AMP/smb
Enclosures
cc: John Alexander, Vice President
Tobacco Center, Inc.
Selected packaging samples from those submitted with the plan.
February 16, 2001

Andrew M. Parish, Esq.
Trade Centre South, Suite 930
100 West Cypress Creek Road
Fort Lauderdale, FL 33309-2181

Dear Mr. Parish:

The Federal Trade Commission ("the 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, et seq. ("the Cigarette Act"). In a letter dated January 17, 2001, I approved a January 16, 2001 plan filed on behalf of Tobacco Center, Inc. ("Tobacco Center") calling for quarterly rotation of the four health warnings on packaging of certain brand styles of Corona and Palace cigarettes.

On February 14, 2001, Tobacco Center filed a supplement to extend its plan to include the Corona Light Box 100's brand style. The warnings on the sample packs submitted with your February 2, 2001 letter, and the sample cartons submitted with your December 15, 2000 letter appear to meet the size and conspicuously requirements of the Cigarette Act. Tobacco Center's plan for quarterly rotation of the four health warnings on packaging of the Corona Light Box 100's brand style has been approved. Approval of the plan is contingent on its good faith implementation, and assumes that Tobacco Center will abide by its plan as set out in its January 16, 2001 letter. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Sincerely,

C. Lee Peeler
Associate Director

Although some of the warnings on the packs submitted were not sufficiently conspicuous, corrected samples were submitted. This approval pertains only to packaging that meets the requirements of the Cigarette Act.

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.
February 20, 2001

Mr. C. Lee Peeler, Associate Director
Division of Advertising Practices
Federal Trade Commission
601 Pennsylvania Avenue, N.W. Room 4213
Washington, D.C. 20580

Attention: Ms. Sallie Schools

Surgeon General’s Warning Rotation Plan for
Leader Tobacco Co., Inc.
For Fame Cigarettes

Dear Mr. Peeler:

Please be advised that we are the attorneys for an importer of tobacco products, Leader Tobacco Co., Inc. ("Leader"), a Florida corporation, with offices located at 4800 S.W. 51st Davie, Florida 33314, which wishes to file a Surgeon General's Warning Rotation Plan as required by the Federal Cigarette Labeling and Advertising Act of 1964, as amended, ("Act") (15 U.S.C. §1331 et seq.) for a private label brand of cigarettes they wish to import into the United States. The contact person for the company will be its Managing Director, Andre Maman, 4800 S.W. 51st Davie, Florida 33314. This application is for private label cigarettes being imported under the name "Fame."

The brand style of cigarettes Leader intends to import are listed on Exhibit "A". Production samples for all of the packs and cartons of each brand style (one with each warning) are enclosed herein.

Even though Leader qualifies as a small importer/manufacturer as defined by the Act, Leader wishes to submit to the FTC a plan to rotate the warning statements as required by 15 U.S.C. §1331. The plan we wish to submit requires that Leader rotate quarterly, in an alternating sequence, each of the four warning statements which will appear on the packages and cartons of the Fame brand cigarettes. Leader will begin with the warning "SURGEON GENERAL’S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy." and will use this label during the first quarter (January 1st to March 31st). It will alternate labels on the first of each calendar quarter thereafter (i.e., April 1st, and July 1st and October 1st).
From January 1 to March 31st Leader will use the warning:

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

From April 1st to June 30th Leader will use the warning:

SURGEON GENERAL'S WARNING:
Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.

From July 1st to September 30th Leader will use the warning:

SURGEON GENERAL'S WARNING:
Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, and Low Birth Weight.

From Oct. 1st to Leader will use the warning:

SURGEON GENERAL'S WARNING:
Cigarette Smoke Contains Carbon Monoxide.

The production samples enclosed herein for the packs and cartons of the Fame cigarettes show exactly where and how the Surgeon General's health warnings will appear on the individual packs and cartons Leader will be importing. These warning labels will be printed directly on the packs and cartons by the manufacturers in the place and in the manner indicated.

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

Each pack and carton imported by Leader will have a country of origin placed on the pack or carton as required by 19 U.S.C. § 1304. Leader will ensure that the country of origin will not obscure, or otherwise interfere with, the Surgeon General's Warning in any way.
Please be advised that, at this time, Leader does not advertise, and therefore, will not need to comply with the Act’s requirements requiring the rotation of warning labels on advertising. If this should change, we will notify the FTC and modify our plan accordingly.

We believe this plan complies in all respects with the Federal Cigarette Labeling and Advertising Act, as amended, (15 U.S.C. §1331 et seq.) including any modifications made by the Comprehensive Smoking Education Act of 1984 and the Nurses’ Education Amendments of 1985. For this reason, we hereby request that you approve this plan as soon as possible.

Should you have any further questions regarding this matter, please do not hesitate to contact us.

Sincerely yours,

LAW OFFICES OF BARRY M. BOREN

BMB: mw
enCs.
LEADER TOBACCO CO., INC. - FAME CIGARETTES
EXHIBIT 'A'

Brand Style

Premium Blend Menthol Box

Premium Blend Menthol 100's Soft

Premium Blend Lights Box

Premium Blend Lights 100's Soft

Premium Blend Full Flavor Box

Premium Blend Full Flavor 100's Soft
Selected packaging samples from those submitted with the plan.
SURGEON GENERAL'S WARNING:
Cigarette Smoke Contains Carbon Monoxide.

Made in the United Arab Emirates
under the authority of
G.B. Tobacco International Limited
March 2, 2001

Barry M. Boren, Esq.
Dadeland Towers
9200 South Dadeland Boulevard
Suite 412
Miami, FL 33156

Dear Mr. Boren:

The Federal Trade Commission ("the 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(e) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the proposed plan filed on behalf of Leader Tobacco Co., Inc. ("Leader") on February 20, 2001 plan calling for quarterly rotation of the four health warnings on packaging of certain varieties of the Fame brand of cigarettes.

The warnings on the sample packs and cartons of the Fame brand submitted with your plan appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Leader’s plan for specified variations of the Fame brand of cigarettes (i.e. Premium Blend Menthol Box, Premium Blend Menthol 100’s Soft, Premium Blend Lights Box, Premium Blend Lights 100’s Soft, Premium Blend Full Flavor Box, and Premium Blend Full Flavor 100’s Soft) has been approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

If Leader does decide 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.

You should be aware that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

C. Lee Peeler

1 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
March 1, 2001

Mr. Michael Ostheimer
Federal Trade Commission
Washington, DC 20580

Dear Michael,

On behalf of SE Trading Company Inc., we are submitting a Cigarette Health Warning Plan as required under the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. The cigarettes covered by the proposed plan are manufactured in China and the brand name is YUNYAN.

The warnings will be permanently imprinted on the pack and carton as shown enclosed samples.

We will have all four warnings permanently imprinted on the pack and carton according to the following quarterly schedule:

First Quarter: SURGEON GENERAL’S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, and May Complicate Pregnancy.

Second Quarter: SURGEON GENERAL’S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.

Third Quarter: SURGEON GENERAL’S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.

Fourth Quarter: SURGEON GENERAL’S WARNING: Cigarette Smoke Contains Carbon Monoxide.

We will keep records to demonstrate compliance with this plan and we will not be advertising the cigarettes imported under this plan and therefore is not submitting a plan for the rotation of the health warning.

Your cooperation will be greatly appreciated.

Yours Truly,

Le Hong – Secretary.

2114 Senter Road Suite 17, San Jose, CA 95112 U.S.A.
Selected packaging samples from those submitted with the plan.
Ms. Le Hong  
S.E. Trading Company, Inc.  
2114 Senter Road  
Suite 17  
San Jose, CA 95112 

Dear Ms. Hong:

The Federal Trade Commission ("the 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, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the proposed plan filed by SE Trading Company, Inc. ("SE Trading") on March 1, 2001 calling for the quarterly rotation of the four health warnings on the packaging of the Regular ("Red") brand style of the Yun Yan brand of cigarettes.

The warnings on the sample packs and cartons enclosed with your plan appear to meet the size and conspicuousness requirements of the Cigarette Act. SE Trading’s plan for the Regular ("Red") brand style of the Yun Yan brand 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.1 The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

If SE Trading does decide 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.

You should also be aware that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

C. Lee Peeler  
Associate Director

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1 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.
March 1, 2001

C. Lee Peeler
Federal Trade Commission
Division of Advertising Practices
601 Pennsylvania Ave. N.W.
Washington, D.C. 20580

Dear Mr. Peeler,

Premier Manufacturing is submitting a Quarterly Rotation Plan as required under the Federal Cigarette Labeling and Advertising Act of 1984 (The Act). The cigarettes covered under this proposed plan are First Class Brand cigarettes.

There are fourteen (14) varieties of First Class. In 2000 our sales for First Class were [redacted] sticks. Our estimated sales for 2001 are [redacted] sticks for First Class. I have attached a list of statistics for sales for each variety.

We are applying for the quarterly rotation plan whereby each of the four warnings will be rotated quarterly on packs and cartons of First Class Brand cigarettes, using the following schedule:

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Warning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-Mar</td>
<td>SURGEON GENERAL’S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.</td>
</tr>
<tr>
<td>Apr-June</td>
<td>SURGEON GENERAL’S WARNING: Cigarette Smoke Contains Carbon Monoxide.</td>
</tr>
<tr>
<td>July-Sept</td>
<td>SURGEON GENERAL’S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.</td>
</tr>
<tr>
<td>Oct-Dec</td>
<td>SURGEON GENERAL’S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.</td>
</tr>
</tbody>
</table>

Premier Manufacturing also submits that all four (4) warnings shall appear exactly as they do on the enclosed packaging and artwork, with the revised colors and capitalization/punctuation.

www.GoPremier.com
160 Chesterfield Industrial Blvd. • Chesterfield, Missouri 63005 • (636) 537-5348 • Fax (636) 537-3359 • email: info@gopremier.com
We will submit pack and carton samples for all brand styles showing the second through fourth quarter warnings as soon as they become available. We submit the foregoing complies with the Act and request approval of this plan.

Sincerely,

[Signature]

Premier Manufacturing, Inc.
Mark Dunham
## 2000 Sales

**1ST CLASS brand cigarettes**

## 2001 Sales (est.)

**1ST CLASS brand cigarettes**

### 1ST CLASS

<table>
<thead>
<tr>
<th>Product Type</th>
<th>% of Sales</th>
<th>Cases</th>
<th>Sticks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Flavor Kings (Soft)</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Flavor Kings (Box)</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Light Kings (Soft)</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Light Kings (Box)</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Menthol Kings (Soft)</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Menthol Kings (Box)</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Light Menthol Kings</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ultra Light Kings</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Filter Kings</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Flavor 100s</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Light 100's</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Menthol 100's</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Light Menthol 100's</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ultra Light 100's</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>100.0%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Selected packaging samples from those submitted with the plan.
SURGEON GENERAL'S WARNING:
Smoking By Pregnant Women May Result In Fetal Injury, Premature Birth, And Low Birth Weight.
March 8, 2001

Mr. Mark Dunham, President
Premier Manufacturing Incorporated
160 Chesterfield Industrial Blvd.
Chesterfield, MO 63005

Dear Mr. Dunham:

The Federal Trade Commission (“the 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 et seq. (“the Cigarette Act”). Pursuant to that delegation, I have reviewed the proposed plan on behalf of Premier Manufacturing Incorporated (“Premier”) on March 1, 2001 calling for quarterly rotation of the four health warnings on packaging of certain varieties of the Class brand of cigarettes.

The warnings on the artwork and sample packs and cartons of the 1st Class brand submitted with your plan appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Premier’s plan has been approved for varieties of the 1st Class brand of cigarettes; full flavor kings soft, full flavor kings box, light kings soft, light kings box, menthol kings soft, ultra light kings, non-filter kings, full flavor loo’s, light loo’s, menthol loo’s, and ultra light loo’s. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. When actual packaging is developed showing warnings for the 2nd through 4th quarters of the year for those brand styles for which Premier only sent artwork, Premier should submit samples to the Commission. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

You should be aware that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,

Lee Peeler

Associate Director

1 Although the warnings on packs and cartons of some brand styles submitted contained typographical errors or were not sufficiently clear and conspicuous, revised packaging was submitted. This approval pertains only to the packaging that meets the requirements of the Cigarette Act.

2 You did not submit packaging showing the 1st quarter warning for the following brand styles; menthol kings box, light menthol kings, and light menthol loo’s. Therefore, these brand styles are not approved.

3 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