

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

#### **MEMORANDUM**

TO: Public Records

Office of the Secretary

FROM: Sallie Schools

**Division of Advertising Practices** 

DATE: May 10, 2013

SUBJECT: Rotational Health Warnings for Cigarettes

File No. P854505

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

- 1. January 19, 2012 letter from Barry M. Boren on behalf of Canadian Agricultural Depot, LLC to Mary Engle.
- 2. January 23, 2012 letter from Mary K. Engle to Barry M. Boren on behalf of Canadian Agricultural Depot, LLC.
- 3. January 23, 2012 letter from Nancyellen Keane on behalf of Tisha A. Thompson d/b/a Jacobs Tobacco Company to Mary K. Engle.
- 4. January 25, 2012 letter from Mary K. Engle to Nancyellen Keane on behalf of Tisha A. Thompson d/b/a Jacobs Tobacco Company.
- 5. January 18, 2012 letter from William H. Melton, Lignum-2, Inc. to Mary K. Engle.
- 6. February 6, 2012 letter from Mary K. Engle to William H. Melton, Lignum-2, Inc.
- 7. February 8, 2012 letter from J. Conrad Seneca, Six Nations Manufacturing to Mary K. Engle.
- 8. February 9, 2012 letter from Mary K. Engle to J. Conrad Seneca, Six Nations Manufacturing.

- 9. February 10, 2012 letter from Henry C. Roemer, III on behalf of Kretek International, Inc. to Sallie Schools.
- 10. February 13, 2012 letter from Mary K. Engle to Henry C. Roemer, III on behalf of Kretek International, Inc.
- 11. February 1, 2012 letter from C. Randall Nuckolls, on behalf of Santa Fe Natural Tobacco Company, Inc. to Mary K. Engle.
- 12. February 14, 2012 letter from C. Randall Nuckolls on behalf of Santa Fe Natural Tobacco Company, Inc. to Mary K. Engle.
- 13. February 15, 2012 letter from Mary K. Engle to C. Randall Nuckolls on behalf of Santa Fe Natural Tobacco Company, Inc.
- 14. February 15, 2012 letter from Barry M. Boren on behalf of LIT Distributor, Inc. to Mary K. Engle.
- 15. February 16, 2012 letter from Mary K. Engle to Barry M. Boren on behalf of LIT Distributor, Inc.
- 16. February 22, 2012 letter from Rhondetta G. Walton, Commonwealth Brands, Inc. to Mary Engle.
- 17. February 23, 2012 letter from Mary K. Engle to Rhondetta G. Walton, Commonwealth Brands, Inc.
- 18. February 27, 2012 letter from Eric F. Facer on behalf of Great Swamp Enterprises, Inc. to Mary K. Engle.
- 19. February 28, 2012 letter from Mary K. Engle to Eric F. Facer on behalf of Great Swamp Enterprises, Inc.
- 20. February 21, 2012 letter from Joseph T. Wong on behalf of Konci G & D Management Group (USA) Inc. to Sallie S. Schools.
- 21. March 8, 2012 letter from Mary K. Engle to Joseph T. Wong on behalf of Konci G & D Management Group (USA) Inc.
- 22. March 13, 2012 letter from Justin Tarbell, Ohserase Manufacturing, LLC to Mary Engle.
- 23. March 19, 2012 letter from Mary K. Engle to Justin Tarbell, Ohserase Manufacturing, LLC.

- 24. March 13, 2012 letter from David A. Scott, Cheyenne International, LLC to Mary K. Engle.
- 25. March 28, 2012 letter from Mary K. Engle to David A. Scott, Cheyenne International, LLC.
- 26. March 21, 2012 letter from Gary C. Sanden, Seneca Manufacturing Company to Mary Engle.
- 27. March 29, 2012 letter from Mary K. Engle to Gary C. Sanden, Seneca Manufacturing Company.

#### BARRY M. BOREN

One Datran 9100 South Dadeland Boulevard Suite 1809 Miami, Florida 33156 borenlaw@bellsouth.net

Telephone (305) 670-2200 Facsimile (305) 670-5221

January 19, 2012

Ms. Mary Engle, Associate Director Division of Advertising Practices Federal Trade Commission 600 Pennsylvania Avenue, N.W., #NJ-3212 Washington, D.C. 20580

Attention: Mrs. Bonnie McGregor

Renewal and Expansion of Surgeon General's Health Warning Equalization Plan for Canadian Agricultural Depot, LLC for Seneca Cigarettes

Dear Ms. Engle:

Please be advised that we are the attorneys for an importer of tobacco products, Canadian Agricultural Depot, LLC ("CAD"), a Florida limited liability company with offices located at 187 N.W. 57<sup>th</sup> Ave., Suite 8, Miami, Florida 33126. CAD wishes to renew and expand its existing plan by adding three new brand styles to its existing Surgeon General's Health Warning Plan to equalize the display of the warnings on packaging as required by 15 U.S.C. §1333 for cigarettes they are importing into the United States under the brand name "Seneca." The contact person for the company will continue to be its President, Michael Vazquez, who can be reached at the above address. His telephone number is (305) 406-2305.

The warnings on the packs and cartons of the styles of Seneca cigarettes listed on Exhibit "A" appear on individual packs and cartons and will continue to appear exactly as shown on the samples submitted with our letters of June 15, 2010 and December 1, 2010. Enclosed with our submission of December 1, 2011 were the actual production packs and cartons for the three new brand styles (Medium king size hard pack, Medium 100's hard pack and Chill king size hard pack) listed on Exhibit "A" which show exactly where and how the four (4) Surgeon General's health warnings will appear on the individual packs and cartons CAD will be importing.

Ms. Mary K. Engle, Associate Director Federal Trade Commission Division of Advertising Practices

January 19, 2012

In fiscal year 2011, CAD imported approximately Seneca brand cigarettes. In fiscal year 2012<sup>1</sup> to date, CAD has imported approximately Seneca brand cigarettes. In fiscal year 2012, CAD anticipates importing approximately cigarettes of all its brand styles (all will be Seneca brand cigarettes).

No one brand style of cigarettes sold by CAD has, for the past fiscal year, constituted more than 1/4 of 1% of all the cigarettes sold in the United States in such year, and no one brand style will constitute more than 1/4 of 1% of all the cigarettes sold in the United States in the next fiscal year. In addition, more than one-half of the cigarettes imported by CAD for sale in the United States are packaged into brand styles which meet the requirements of 15 U.S.C. §1333(c)(2)(A)(I).

As a small importer as defined by the Act, CAD wishes to renew and expand the plan to equalize the four health warning statements required by 15 U.S.C. §1333(c) for its Seneca brand. Each of the four warning statements will appear on the packs and cartons of each brand style of the Seneca brand of cigarettes imported by CAD an equal number of times in the one year period beginning on the date this plan is approved. CAD will continue to maintain records demonstrating compliance with this plan.

The individual packs of Seneca cigarettes to be imported by CAD will have the proper health warnings printed by the manufacturer directly on the packs under the cellophane. The cartons will also have the proper health warnings printed directly on the cartons by the manufacturer. CAD will keep a running total of the number of cartons and packs it imports with each warning label for each brand style.

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

CAD will print all four (4) health warnings in equal numbers on each printed sheet of packaging for all of its cartons and packs so that when the sheets are die cut, each shipment should be approximately equalized for each brand style as imported. If, toward the end of the one year period, it appears that the warnings are not equalized on the packs and cartons for each brand style, CAD will place special orders for packaging with the specific health warnings needed to ensure that the display of all four warnings is equalized on the packs and cartons for each brand style by the plan's anniversary date.

<sup>&</sup>lt;sup>1</sup> CAD's fiscal year coincides with the calendar year.

Ms. Mary K. Engle, Associate Director Federal Trade Commission Division of Advertising Practices

January 19, 2012

No provision of this plan and no action taken pursuant hereto or statement made in connection herewith constitutes or shall be construed as an admission in any judicial or administrative proceeding, in any private litigation, or in any official action, report or statement by the United States Government, any State Government, or any instrumentality thereof.

CAD also has an advertising rotation plan in place for its Seneca cigarettes. It is in compliance with this plan and wishes to make no changes to its advertising plan at this time.

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 Public Health Cigarette Smoking Act of 1969, the Comprehensive Smoking Education Act of 1984, the Nurses' Education Amendments of 1985 and the Imported Cigarette Compliance Act of 2000. For this reason, we hereby request that you approve this plan as soon as possible.

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

Sincerely yours,

FICES ØFBARRY M. BOREN

BMB:mw/encs.

#### CANADIAN AGRICULTURAL DEPOT, LLC <u>SENECA CIGARETTES</u> EXHIBIT "A"

#### **Brand Styles**

Full Flavor King Size Hard Pack
Blue King Size Hard Pack
Silver King size Hard Pack
Menthol King Size Hard Pack
Smooth Menthol King Size Hard Pack
Non-filter Full Flavor King Size Hard Pack

Full Flavor 100's Hard Pack
Blue 100's Hard Pack
Silver 100's Hard Pack
Menthol 100's Hard Pack
Smooth Menthol 100's Hard Pack
Extra Smooth Menthol 100's Hard Pack

Full Flavor 120's Hard Pack Smooth 120's Hard Pack Ultra 120's Hard Pack Menthol 120's Hard Pack Smooth Menthol 120's Hard Pack

#### ADDITIONAL BRAND STYLES - PACKAGING SENT TO THE FTC 12/1/11:

Medium King Size Hard Pack

Medium 100's Hard Pack

Chill King Size Hard Pack

Selected packaging samples from those submitted with the plan.



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7//4

MEDIUM 100's

F2-100F-SE-MED - BL

13

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PREMIUM

100'S MEDIUM

BIEMECA



PREMIUM

UNDERAGE SALE PROHIBITED

20 CLASS A CIGARETTES

MEDIUM 100's

### DIMILIA

TOBACCOVILLE USA, I

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

### SENECA



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## Division of Advertising Practices

#### UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION WASHINGTON, D.C. 20580

January 23, 2012

Barry M. Boren, Esq. One Datran 9100 South Dadeland Boulevard Suite 1809 Miami, FL 33156

Dear Mr. Boren:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed on behalf of Canadian Agricultural Depot, LLC ("CAD") on January 19, 2012, calling for simultaneous display (i.e, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Seneca brand of cigarettes.

CAD's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letters dated June 15, 2010, December 1, 2010, and December 1, 2011 appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.<sup>1</sup>

Accordingly, CAD's plan for simultaneous display of the four health warnings on packaging is hereby approved for the following twenty hard pack varieties of the Seneca brand: Full Flavor (Kings, 100's, and 120's), Blue (Kings and 100's), Silver (Kings and 100's), Menthol (Kings, 100's, and 120's), Medium (Kings and 100's), Smooth 120's, Smooth Menthol (Kings, 100's, and 120's), Ultra 120's, Extra Smooth Menthol 100's, Chill Kings, and Non-Filter Full Flavor Kings.

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

<sup>&</sup>lt;sup>1</sup> CAD stated in its January 19, 2012 letter that the four health warnings will appear exactly as shown on the packs and cartons submitted on these dates.

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.

Barry M. Boren, Esq. January 23, 2012 Page 2

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

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

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

This approval is effective on the date of this letter and runs through January 22, 2013, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

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

Very truly yours,
Mank, Eyle

Mary K. Engle Associate Director NANCYELLEN KEANE 804.697.1272 telephone 804.698.5140 facsimile nancyellen.keane@troutmansanders.com

#### TROUTMAN SANDERS

TROUTMAN SANDERS LLP
Attorneys at Law
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P.O. Box 1122 (23218-1122)
Richmond, Virginia 23219
804.697.1200 telephone
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January 23, 2012

#### Via Federal Express and EMAIL sschools@ftc.gov

Ms. Mary K. Engle Associate Director Division of Advertising Practices Federal Trade Commission 601 New Jersey Avenue, N.W. Washington, DC 20580 Attn: Sallie Schools

Re:

Tisha A. Thompson d/b/a Jacobs Tobacco Company

Warning Rotation Plan for the dis COUNT, Nations Best, and Turquoise Brands

Dear Ms. Engle:

On behalf of Tisha A. Thompson d/b/a Jacobs Tobacco Company ("Jacobs"), we hereby submit this Surgeon General's Equalization Plan for Jacobs as required under the *Federal Cigarette Labeling and Advertising Act of 1984* (15U.S.C.§ 1331 (1998), et seq.) as amended ("FCLAA") for twelve (12) styles of dis COUNT, twelve (12) styles of Nations Best, and two (2) styles of Turquoise cigarettes.

Jacobs is the manufacturer of the dis COUNT, Nations Best, and Turquoise brands. Its manufacturing facility is located at 344 Frogtown Road, Hogansburg, NY 13655. Tisha A. Thompson is owner and General Manager. Jacobs has not to date imported or exported any cigarettes.

Jacobs sales of dis COUNT, Nations Best and Turquoise in 2011 was sticks Jacobs anticipates that its sales in 2012 will be sticks, which should qualify the company for the Section 1333(c)(2) exemption.

Jacobs produces dis COUNT cigarettes in twelve (12) hard box brand styles. Jacobs requests that the following twelve (12) styles be included in the Plan:

dis COUNT Full Flavor, dis COUNT Gold, dis COUNT Silver, dis COUNT Menthol, dis COUNT Menthol Gold, dis COUNT Full Flavor 100's, dis COUNT Gold 100's, dis COUNT Silver 100's, dis COUNT Menthol 100's, dis COUNT Full Flavor Canadian, dis COUNT Gold Canadian

Ms. Mary K. Engle January 23, 2012 Page 2

Jacobs produces Nations Best cigarettes in twelve (12) hard box brand styles. Jacobs requests that the following twelve (12) styles be included in the Plan.

Nations Best Full Flavor, Nations Best Gold, Nations Best Silver, Nations Best Menthol, Nations Best Menthol Gold, Nations Best Full Flavor 100's, Nations Best Gold 100's, Nations Best Silver 100's, Nations Best Menthol 100's, Nations Best Full Flavor Canadian, Nations Best Gold Canadian

Jacobs produces Turquoise cigarettes in two (2) hard box brand styles. Jacobs requests that the following two (2) styles be included in the Plan.

Turquoise Menthol Gold 100's, Turquoise Menthol Silver 100's

The warnings will appear exactly as shown on the samples of dis COUNT, Nations Best, and Turquoise packaging submitted on December 13, 2011, and the additional sample of Nations Best Full Flavor 100's pack enclosed with my letter dated January 20, 2012. Beginning on the date of approval of this Plan, Jacobs will ensure that the printer will print all 4 warnings in equal numbers on each printed sheet of packaging for all cartons and packs, so when sheets are cut, the display of warnings will be approximately equalized on packs and cartons for each brand style. Based on the above, Jacobs requests approval to use the rotation option provided in Section 1333(c)(2) of the FCLAA. Jacobs will keep records demonstrating compliance with this Plan.

Jacobs does not advertise at this time. Should Jacobs later decide to advertise, it will submit an advertising Plan to the Commission in advance.

We submit that the foregoing complies with the requirements of the FCLAA, and request expedited approval of this request. Should you require any additional information in order to review and approve the health warning rotation plan of Jacobs for the dis COUNT, Nations Best and Turquoise brands, please feel free to contact me at any time. Please fax the approval of the Plan to me at (F) 804-698-5140.

Sincerely, Manufellenteane

Nancyellen Keane

Selected packaging samples from those submitted with the plan.

FULL FLAVOR TNU09 sib PROHIBITED 50 ONDERAGE SALES dis COUNT FULL FLAVOR AMERICAN BLEND dis COUNT FULL FLAVOR AMERICAN BLEND 20 CLASS A CIGARETTES Sale only allowed in the United States CTP0911 2 #40508 113-02 AMERICAN BLEND FULL FLAVOR WN-3 01002FSC 20 CLASS A CIGARETTES AMERICAN BLEND Reduces Serious Risks to Your Health. SURGEON GENERAL'S WARNING: **Quitting Smoking Now Greatly** 

# SILVER BO

AMERICAN BLEND 200 CLASS A CIGARETTES

"Quality Tobacco At A Price You'll Love"

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

Sale only allowed in the United States

TINOOOS STORES

AMERICAN BLEND

"Quality Tobacco At A Price You'll Love"

AMERICAN BLEND 200 CLASS A CIGARETTES SILVER BOX U G G

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

#40517 113-02 CTP0911 16



SILVER

NATIONS BEST

SILVER

O CLASS A GIGARETTES



Made by Jacobs Tobacco Company Akwesasne, NY Mohawk Territory



WN-1 01187FSC

16

NATIONS BEST

UNDERAGE SALES PROHIBITED

# NATIONS BEST

Made by Jacobs Tobacco Co. Akwesasne, NY Mohawk Territory

GOLD BOX

200 CLASS A CIGARETTES

GOLD BOX

"Where Tradition Meets Flavor"

CANADIAN BLEND PREMIUM

GOLD BOX

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

in the United States Sale only allowed

PROHIBITED

UNDERAGE SALES

"Where Tradition Meets Flavor"



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



Marie by Jacobs Tobacco Co

Made by Jacobs Tobacco Co. Akwesasne, NY Mohawk Territory



Jewymose.

20 CLASS A CIGARETTES

WN-2 01262FSC 9

MENTHOL COLD 1005 BOX

CTP0911 5 #40541 113-05 Sale only allowe in the

MENTHOL COLD TOWNERS

UNDERAGE SALES PROHIBITED

Made by Jacobs Tobacco Company Akwesasne, NY Mohawk Territory

# essaman)

UNDERAGE SALES PROHIBITED

#### SURGEON GENERAL'S WARNING:

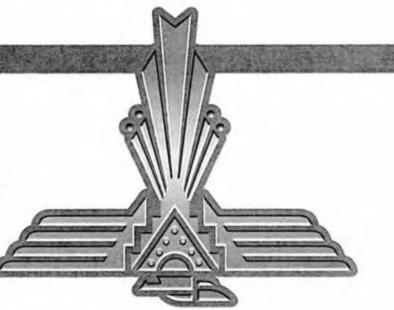
Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy. Terroriss



Sale only allowed

WEALTHOT GOTD 100% BOX

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MENTIHOL GOLD 100'S BOX

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

January 25, 2012

Nancyellen Keane Troutman Sanders, LLP 1001 Haxall Point P.O. Box 1122 Richmond, VA 23218-1122

Dear Ms. Keane:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331 et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed on behalf of Tisha A. Thompson d/b/a Jacobs Tobacco Company ("Jacobs") on January 23, 2012, calling for simultaneous display (i.e., the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the dis COUNT, Nations Best, and Turquoise brands of cigarettes.

Jacobs's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letters dated December 13, 2011, and January 20, 2012 appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.

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

- Twelve box varieties of the dis COUNT brand: Full Flavor (Kings and 100's), Gold (Kings and 100's), Silver (Kings and 100's), Menthol (Kings and 100's), Menthol Gold (Kings and 100's), Full Flavor Canadian Kings, and Gold Canadian Kings;
- Twelve box varieties of the Nations Best brand: Full Flavor (Kings and 100's), Gold (Kings and 100's), Silver (Kings and 100's), Menthol (Kings and 100's), Menthol Gold (Kings and 100's), Full Flavor Canadian Kings, and Gold Canadian Kings; and
- Two box varieties of the Turquoise brand: Menthol Gold 100's, and Menthol Silver 100's.

Nancyellen Keane January 25, 2012 Page 2

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

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

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

This approval is effective on the date of this letter and runs through January 24, 2013, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

If you have any questions regarding this approval, please contact Sallie Schools at (202) 326-3344.

Very truly yours,

Mary K. Engle
Associate Director

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.



900 Church Street Bowling Green, KY 42101 Tel. (270) 781-9100 Fax (270) 781-7192

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

January 18, 2012

RE: LIGNUM-2, INC., CIGARETTE LABELING ROTATION PLAN

Dear Ms. Engle:

The following provides the 2012 Cigarette Labeling Rotation plan for the Rave brand of Lignum-2 Inc., 900 Church Street, Bowling Green, KY 42101:

This requests approval of a plan to conduct manufacturing operations so that the four health warnings specified in 15 U.S.C. 1331, Section 4 (a) (1), Federal Cigarette Labeling And Advertising Act, shall appear on the packs and cartons of each brand style of Rave cigarettes, an equal number of times during the twelve month period starting from the date this plan is approved by the FTC. During 2012, the Rave brands will be offered in nine styles as listed in Exhibit A. Rave is the only brand that Lignum-2 manufactures.

Based on sales volume for the one year period ending December 31, 2011, none of the Rave styles exceed one-fourth of one percent of cigarettes sold in the United States. Sales volume for each of the Rave styles is reported in the attached Exhibit B. Industry sales for the corresponding one year period ending December 31, 2011 are estimated to be 293.1 billion units. The sources of industry sales are The Maxwell Report: Third Quarter (November, 2011) and MSA shipment volume estimates for the 4<sup>th</sup> Quarter 2010 (January, 2012).

Lignum-2 total sales volume for 2011 was units. Lignum-2 estimated total sales volume for 2012 is units. Lignum-2 sales volume is measured on a calendar year.

The four health warnings will appear exactly as shown on packs and cartons enclosed with the January 12, 2010 letter and approved March 3, 2010 and February 28, 2011. The warnings read precisely as required by the Cigarette Act.

For all Rave brand styles, each of the four statutory warning labels will be displayed an equal number of times on all packs and cartons in a process during manufacturing that will insure an equal number of each warning notice being used for packs and cartons for each brand style for the one year period beginning on the date of the approval of this plan. To insure this, Lignum-2 will require one-fourth of each package and carton material order to be printed with each of the four warnings. Lignum-2 will maintain records documenting compliance with the rotation plan.

In addition, Lignum-2 will continue to use the advertising plan approved May 14, 2009 for the Rave brand.

If you require any additional information please contact me.

William H. Melton Vice President

#### EXHIBIT A

#### LIGNUM-2 RAVE BRAND LABELING ROTATION PLAN

#### BRAND STYLES AS OF JANUARY 18, 2012

#### BRAND STYLE

RAVE GOLD KING I	BO:	X
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RAVE GOLD 100'S BOX

RAVE GOLD 100'S SOFT PACK

RAVE RED KING BOX

RAVE RED 100'S BOX

RAVE RED 100'S SOFT PACK

RAVE MENTHOL KING BOX RAVE MENTHOL 100'S BOX

RAVE MENTHOL 100'S SOFT PACK

#### EXHIBIT B

LIGNUM-2 UNIT SALES VOLUME BY STYLE (STICKS IN 000s) 2011

#### BRAND STYLE

RED KING BOX
MENTHOL KING BOX
GOLD KING BOX
RED 100'S SOFT PACK
MENTHOL 100'S SOFT PACK
GOLD 100'S SOFT PACK
MENTHOL 100'S BOX
RED 100'S BOX
GOLD 100'S BOX

TOTAL

#### STICKS





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

February 6, 2012

William H. Melton Vice President Lignum-2, Inc. 900 Church St. Bowling Green, KY 42101

Dear Mr. Melton:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331 et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a proposed plan filed by Lignum-2, Inc. on January 18, 2012, calling for simultaneous display (i.e., the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Rave brand of cigarettes.

Lignum's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letter dated January 12, 2010 continue to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness. Accordingly, Lignum's plan for simultaneous display of the four health warnings on packaging is hereby approved for the following nine varieties of the Rave brand: Red Kings box, Red 100's (soft pack and box), Gold Kings box, Gold 100's (soft pack and box), Menthol Kings box, and Menthol 100's (soft pack and box).

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

<sup>&</sup>lt;sup>1</sup> Lignum-2 stated in its January 18, 2012 letter that the four health warnings will appear exactly as shown on the sample packs and cartons submitted on January 12, 2010.

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

William H. Melton February 6, 2012 Page 2

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

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

This approval is effective on the date of this letter and runs through February 5, 2013, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

If you have any questions regarding this approval, please contact Sallie Schools at (202) 326-3344.

Very truly yours,

Mary K. Engle Associate Director

May K. Engla

#### SIX NATIONS MANUFACTURING 11359 SOUTHWESTERN BLVD. P.O. BOX 377 IRVING, NY 14081

TELE: 716-783-2285 FAX: 716-934-4087

February 8, 2012

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

Re: Cigarette Health Warning Equalization Plan

Dear Ms. Engle:

This letter is being submitted for the renewal of the Surgeon General Warning Rotation Plan that was approved by your office on February 23, 2011 for the packaging for the Senate & Gator brands submitted as Schedule "A". We will adhere to the advertising plan of Senate and Gator cigarettes that was approved by your office on February 23, 2011, as well as the Warning Label size previously submitted and approved by your office on February 23, 2011. The "Senate" and "Gator" cigarette brands will continue to be manufactured by J. Conrad Seneca, d.b.a. Six Nations Manufacturing. The other brands that Six Nations Manufacturing produces at this time are "Buffalo" and "Native Pride". Six Nations Manufacturing letter dated June 21, 2011 for health warning statement plans for "Buffalo" was approved on June 24, 2011. Six Nations Manufacturing letter dated December 6, 2011 for health warning statement plans for "Native Pride" was approved on December 12, 2011.

These cigarettes will be packaged in 200 count cartons ("Outer Cartons"). Each Outer Carton will contain 10 packs of 20 cigarettes each ("Pack"). The warnings will appear on the packs and cartons for the Senate and Gator brands exactly as shown on the samples submitted with the letter dated February 8, 2011. Under Section 1333(c)(2) J. Conrad Seneca, d.b.a. Six Nations Manufacturing will display the four surgeon general health warnings an equal number of times on the packs and cartons for each brand style of the Senate and Gator brands for the one year period beginning on the date of approval of this plan. Six Nations manufacturing assures the printing of an equal number of the four warning labels produced throughout the year by working with its packaging vendors to design pre-printing layouts by purchase order in equal amounts of the four warning labels for the packs and cartons of each brand style per

production run. J. Conrad Seneca, d.b.a. Six Nations Manufacturing has attached "Schedule B" showing actual production volume for our fiscal year 2011.

- J. Conrad Seneca, d.b.a. Six Nations Manufacturing advertising plan for the Senate and Gator brands was previously approved on February 23. 2011. We will remain in compliance with this advertising plan.
- J. Conrad Seneca, d.b.a. Six Nations Manufacturing is aware of the requirements set forth by the Federal Trade Commission in the Cigarette Labeling and Advertising Act and the company's efforts are always to be fully compliant with the regulations. J. Conrad Seneca, d.b.a. Six Nations Manufacturing will maintain records of compliance with the approved plan. If there are any questions or concerns regarding these plans, please contact me.

Sincerely,

J. Conrad Seneca, Owner

**Enclosures** 

#### Schedule A

We are seeking re-approval for the following brand styles:

	<del></del>			
Approved Packaging - Senate	Approved Packaging – Gator			
Senate Full Flavor King Size Box	Gator Full Flavor King Size Box			
Senate Smooth King Size Box	Gator Smooth King Size Box			
Senate Ultra Smooth King Size Box	Gator Ultra Smooth King Size Box			
Senate Menthol King Size Box	Gator Menthol King Size Box			
Senate Menthol Smooth King Size Box	Gator Menthol Smooth King Size Box			
Senate Non-Filter King Size Box	Gator Non-Filter King Size Box			
Senate Full Flavor 100's Size Box	Gator Full Flavor 100's Size Box			
Senate Smooth 100's Size Box	Gator Smooth 100's Size Box			
Senate Ultra Smooth 100's Size Box	Gator Ultra Smooth 100's Size Box			
Senate Menthol 100's Size Box	Gator Menthol 100's Size Box			
Senate Menthol Smooth 100's Size Box	Gator Menthol Smooth 100's Size Box			

**SCHEDULE B:** Actual annual (1/1/2011 -12/31/2011) production volume by Six Nations Manufacturing for Senate, Gator, Buffalo & Native Pride Cigarettes by style in cases, cartons, packs and sticks:

Style	Cases C	artons	Packs	Cigarettes
Native Pride Robust Full Bodied Flavor King Size Box				
Native Pride Relaxed Smooth Flavor King Size Box	3/1			
Native Pride Full Bodied Menthol King Size Box				
Native Pride Robust Full Bodied Flavor 100's Size Box	1/1/1			
Native Pride Relaxed Smooth Flavor 100's Size Box				
Native Pride Full Bodied Menthol 100's Size Box	#14 A			
Native Pride Smooth Menthol Flavor 100's Size Box				
Native Pride Ultra Smooth Flavor 100's Size Box				
Senate Full Flavor King's Size Box	- 11			
Senate Smooth King's Size Box				
Senate Menthol King's Size Box				
Senate Menthol Smooth King's Size Box				
Senate Ultra Smooth King's Size Box	3.4.3			
Senate Non-Filter King's Size Box				
Senate Full Flavor 100's Size Box				
Senate Smooth 100's Size Box	p 7 1			
Senate Menthol 100's Size Box				
Senate Menthol Smooth 100's Size Box				
Senate Ultra Smooth 100's Size Box				
Gator Full Flavor King's Size Box				
Gator Smooth King's Size Box	1.71			
Gator Menthol King's Size Box				
Gator Menthol Smooth King's Size Box				
Gator Ultra Smooth King's Size Box				
Gator Non-Filter King's Size Box	1/2			
Gator Full Flavor 100's Size Box				
Gator Smooth 100's Size Box				
Gator Menthol 100's Size Box				
Gator Menthol Smooth 100's Size Box	- 17			
Gator Ultra Smooth 100's Size Box	100			
Buffalo Full Flavor King's Size Box				
Buffalo Smooth King's Size Box				
Buffalo Menthol King's Size Box	211 21			
Buffalo Menthol Smooth King's Size Box				
Buffalo Ultra Smooth King's Size Box				
Buffalo Non-Filter King's Size Box				
Buffalo Full Flavor 100's Size Box				
Buffalo Smooth 100's Size Box				
Buffalo Menthol 100's Size Box				
Buffalo Menthol Smooth 100's Size Box				
Buffalo Ultra Smooth 100's Size Box				
Buffalo Full Flavor 100's Size Soft				
Buffalo Smooth 100's Size Soft				
Buffalo Menthol 100's Size Soft				
Buffalo Menthol Smooth 100's Size Soft				
Buffalo Ultra Smooth 100's Size Soft				
Totals				



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

February 9, 2012

J. Conrad Seneca Six Nations Manufacturing 11359 Southwestern Blvd. P.O. Box 377 Irving, NY 14081

Dear Mr. Seneca:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331 et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed by J. Conrad Seneca, d/b/a Six Nations Manufacturing ("Six Nations") on February 8, 2012, calling for simultaneous display (i.e., the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Senate and Gator brands of cigarettes.

Six Nations' sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letter dated February 8, 2011 continue to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness. Accordingly, Six Nations' plan for simultaneous display of the four health warnings on packaging is hereby approved for the following varieties:

- Eleven box varieties of the Senate brand: Full Flavor (Kings and 100's), Smooth (Kings and 100's), Ultra Smooth (Kings and 100's), Menthol (Kings and 100's), Menthol Smooth (Kings and 100's), and Non-Filter Kings; and
- Eleven box varieties of the Gator brand: Full Flavor (Kings and 100's), Smooth (Kings and 100's), Ultra Smooth (Kings and 100's), Menthol (Kings and 100's), Menthol Smooth (Kings and 100's), and Non-Filter Kings.

Six Nations stated in its February 8, 2012 letter that the four health warnings will appear exactly as shown on the sample packs and cartons submitted on February 8, 2011.

J. Conrad Seneca February 9, 2012 Page 2

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

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

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

This approval is effective on the date of this letter and runs through February 8, 2013, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

If you have any questions regarding this approval, please contact Sallie Schools at (202) 326-3344.

Very truly yours,
May Engle

Mary K. Engle Associate Director

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.

#### LAW OFFICES OF

#### FINGER, ROEMER, BROWN & MARIANI, L.L.P.

102 West Third Street, Suite 200 B, Lobey Level Winston-Salem, North Carolina 27101

TELEPHONE (336) 723-4311

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105 SOUTH BRIDGE STREET P.O. BOX 8 JONESVILLE, N.C. 28642 (336) 835-4000

February 10, 2012

#### Via FedEx

M. NEIL FINGER

ANDREW G. BROWN

PETER R. MARIANI

HENRY C. ROEMER, III. P.C.

Ms. Sallie Schools Federal Trade Commission 601 New Jersey Avenue, N.W. 3<sup>rd</sup> Floor, Room NJ-3212 Washington, DC 20001

Re: Request for Renewal of Approved Warning Statement Rotation Plan for packaging and advertising for the brand LAGUNAS (international-size, hard-pack style: Smooth Select and Menthol Select)

Dear Ms. Schools:

I am writing this letter on behalf of Kretek International, Inc. ("Kretek"), the importer for the above indicated products.

In a letter from Mary Engle dated February 14, 2011, the Federal Trade Commission approved a certain health warning rotation plan for packaging and advertising on behalf of Kretek (the "Existing Plan").

It is our desire to renew the Existing Plan for an additional year (the "Renewed Plan"). The Existing Plan (which we are herewith seeking to renew and extend) calls for equalizing the use of the warnings for Lagunas brand cigarettes ((international-size, hard-pack style: Smooth Select and Menthol Select).

As provided for by Section 1333(c)(2) of the Cigarette Labeling and Advertising Act (the "Act"), Kretek qualifies for a renewal of the equalization alternative because during fiscal year 2011: (1) each of the brand styles of all of the cigarettes manufactured or imported by Kretek accounted for less than sticks, and (2) Kretek anticipates its sales for fiscal year 2012 for any one brand style of cigarettes it manufactures or imports will not exceed sticks.

Kretek will comply with the requirements of the equalization alternative by assuring that all shipments from the factory contain an equal number of the four health warnings for the package and cartons of each of the two brand styles of the Lagunas brand.

Ms. Sallie Schools February 10, 2012 Page 2

Moreover, the warning statements will continue to appear exactly as shown on the samples of the packs and cartons submitted with my letter to you dated January 13, 2011 in connection with the Existing Plan.

For advertising, Kretek will continue to adhere to and comply with the plan for advertising as set out in our letter to you dated February 11, 2011 and approved in the letter from Mary Engle dated February 14, 2011.

Kretek agrees to maintain records to demonstrate compliance with the Plan. The company official responsible for overseeing this matter is Sean Cassar, whose title is Chief Operating Officer. Mr. Cassar's contact information is as follows:

Mr. Sean Cassar Kretek International, Inc. 5449 Endeavour Court Moorpark, CA 93021

Telephone number: 805-531-8888.

Please grant Kretek approval of this Renewed Plan. It is hoped that you can grant this approval **as soon as possible**. If you could fax or email us the approval, it would be most appreciated.

Thank you for your courtesy and cooperation.

Sincerely,

Hy. Rue, IR.

Henry C. Roemer, III

HCRiii/mhr



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

February 13, 2012

Henry C. Roemer, III
Finger, Roemer, Brown, & Mariani, L.L.P.
102 West Third Street, Suite 200 B, Lobby Level
Winston-Salem, NC 27101

#### Dear Mr. Roemer:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331 et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed on behalf of Kretek International, Inc. ("Kretek"), on February 10, 2012, calling for simultaneous display (i.e., the alternative to quarterly rotation) of the four health warnings on packaging for two international-size hard pack varieties of the Lagunas brand of cigarettes.

Kretek's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letter dated January 13, 2011 continue to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness. Accordingly, Kretek's plan for simultaneous display of the four health warnings on packaging is hereby approved for the following two international-size hard pack varieties of the Lagunas brand: Smooth Select and Menthol Select.

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

Kretek stated in its February 10, 2012 letter that the four health warnings will appear exactly as shown on the sample packs and cartons submitted on January 13, 2011.

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

Henry C. Roemer, III February 13, 2012 Page 2

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

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

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

This approval is effective on the date of this letter and runs through February 12, 2013, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

If you have any questions regarding this approval, please contact Sallie Schools at (202) 326-3344.

Very truly yours,

Mary K. Engle Associate Director

Mary X. Ergle

Albany Atlanta Brussels Denver Los Angeles



1900 K Street, NW • Washington, DC 20006-1108 Tel: 202.496.7500 • Fax: 202.496.7756 www.mckennalong.com New York Philadelphia San Diego San Francisco Washington, D.C.

C. RANDALL NUCKOLLS (202) 496-7176

EMAIL ADDRESS rnuckolls@mckennalong.com

February 1, 2012

Ms. Mary K. Engle, Associate Director Division of Advertising Practices Federal Trade Commission 601 New Jersey Avenue, N.W., 3rd Floor Washington, D.C. 20001

Re: Updated Request Letter - New Santa Fe Natural Tobacco Company Brand Style

Dear Ms. Engle:

I am sending this letter to replace the letter that I sent to you on January 30, 2012. I serve as the Washington Counsel for Santa Fe Natural Tobacco Company, Inc. ("SFNTC"), located at 1 Plaza La Prensa, Santa Fe, NM 85707. The President of SFNTC is Michael A. Little. His telephone number is (919-692-4257). SFNTC is the manufacturer of Natural American Spirit ("NAS") cigarettes.

This letter is to notify you that at the end of 2011, SFNTC discontinued three king size varieties of the NAS brand: Full-bodied Taste Soft Pack; Mellow Taste Soft Pack; and Non-Filtered Soft Pack. In 2012, SFNTC is introducing to the market a hard pack version of its Non-Filtered cigarette. A complete set of the packaging for this new NAS Non-Filtered Hard Pack was sent to you with my letter dated January 30. The Surgeon General Warnings for this brand style will appear exactly as shown on the enclosed packaging.

Pursuant to 15 U.S.C. § 1333(c)2 of the Federal Cigarette Labeling and Advertising Act (the "Cigarette Act"), please accept this letter as SFNTC's request for Federal Trade Commission ("FTC") approval to display the four required Surgeon General warning labels an equal number of times on the packs and cartons of NAS Non-Filtered Hard Pack rather than utilizing a quarterly rotation plan. For calendar year 2012, SFNTC anticipates that sales of its Non-Filtered Hard Pack brand style will be below one-fourth of one percent of all cigarettes sold in the United States. SFNTC will maintain records to demonstrate compliance with its equalization plan for packaging for this new brand style.

If you have any questions regarding the SFNTC plan for compliance with the provisions of the Federal Cigarette Labeling and Advertising Act, you may contact me at (202) 496-7176.

Sincerely.

C. Randall Nuckolls

C. Randall Muchalles

Albany Atlanta Brussels Denver Los Angeles



1900 K Street, NW • Washington, DC 20006-1108 Tel: 202.496.7500 • Fax: 202.496.7756 www.mckennalong.com New York Philadelphia San Diego San Francisco Washington, D.C.

C. RANDALL NUCKOLLS (202) 496-7176

EMAIL ADDRESS rnuckolls@mckennalong.com

February 14, 2012

Ms. Mary K. Engle, Associate Director Division of Advertising Practices Federal Trade Commission 601 New Jersey Avenue, N.W., 3rd Floor Washington, D.C. 20001

Re: Updated Request Letter - New Santa Fe Natural Tobacco Company Brand Style

Dear Ms. Engle:

I am sending this letter to supplement the information provided in my letter to you dated February 1, 2012. I serve as the Washington Counsel for Santa Fe Natural Tobacco Company, Inc. ("SFNTC").

As specified in my letter of February 1, 2012, at the end of 2011 SFNTC discontinued three king size varieties of the NAS brand: Full-Bodied Taste Soft Pack; Mellow Taste Soft Pack; and Non-Filtered Soft Pack. In 2012, to replace Non-Filtered Soft Pack, SFNTC is introducing to the market Non-Filtered Hard Pack, the same product only in hard pack rather than soft pack. A complete set of the sample packaging for NAS Non-Filtered Hard Pack was sent to you in January. The Surgeon General Warnings for this brand style will appear exactly as shown on the sample packaging sent to you.

Attached is a summary of NAS volumes by brand style for calendar year 2011. Currently, SFNTC rotates the Surgeon General Warnings on a quarterly basis for two brand styles – Full Bodied Hard Pack and Mellow Hard Pack. Sales of all other NAS brand styles in 2011 were well below one quarter of one percent of the market. Simultaneous display of the Surgeon General Warnings is utilized for these small volume brand styles pursuant to the approval letter SFNTC received from the FTC dated October 20, 2011. SFNTC now requests approval for simultaneous display of the Surgeon General Warnings for NAS Non-Filtered Hard Pack. SFNTC anticipates that sales of Non-Filtered Hard Pack will be well below one-fourth of one percent of all cigarettes sold in the United States in 2012. Each time that packaging for NAS Non-Filtered Hard Pack is produced, the four Surgeon General Warnings will be printed in equal numbers to ensure equalization. SFNTC will maintain records to demonstrate compliance with its equalization plan for NAS Non-Filtered Hard Pack as it does for other brand styles.

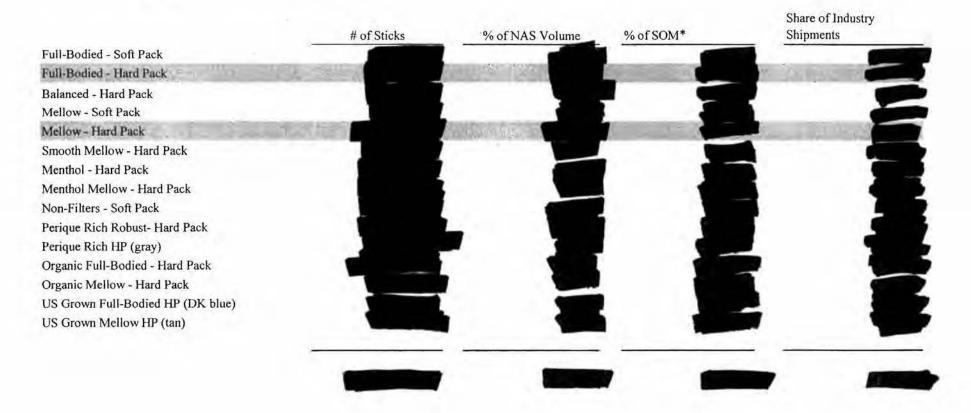
If you have any questions regarding the SFNTC plan for compliance with the provisions of the Federal Cigarette Labeling and Advertising Act, you may contact me at (202) 496-7176.

Sincerely,

C. Randall Nuckolls

C. Rondall Nuckallow

#### NAS Volume By Style -YTD December 31, 2011



293,085,788,785 Industry Volume - 2011

Selected packaging samples from those submitted with the plan.

FSC No additives in our tobacco does NOT mean a safer elgarette.

8 8 8

100% additive-free, whole leaf, premium natural tobacco. Up to premium natural tobacco than other king size eigenetles, to learn more or find a store call 1-800-332-5595 or visit 2 NaturalAmericanSpirit.com

20006629 WN/A

MADIAJAA



100% ADDITIVE-FREE NATURAL TOBACCO

100% ADDITIVE-FREE NATURAL TOBACCO NON-FILTER





32

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

20 CLASS A

NO. TPNC629





Natural American Spirit P.O. Box 25140 Santa Fe, New Mexico 87504 USA No. TPNC629



100% additive-free, whole leaf, premium natural tobacco. Up to 25% more tobacco than other king size cigarettes.

No additives in our tobacco does **NOT** mean a safer cigarette. To learn more or find a store call 1-800-332-5595 or visit

NaturalAmericanSpirit.com

# AMERICAN. SPIRIT



200 CLASS A CIGARETTES



100% ADDITIVE-FREE NATURAL TOBACCO · NON-FILTER

JAAUTAM

SURGEON GENERALS WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.





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

February 15, 2012

C. Randall Nuckolls McKenna Long & Aldridge, LLP 1900 K St., N.W. Washington, D.C. 20006-1108

Dear Mr. Nuckolls:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, Santa Fe Natural Tobacco Company, Inc.'s ("Santa Fe") September 29, 2011 plan for display of the four health warnings on packaging for certain varieties of the Natural American Spirit ("NAS") brand of cigarettes was approved on October 19, 2011. You now propose, as described in your letters dated February 1 and 14, 2012, to expand Santa Fe's plan for simultaneous display (i.e., the alternative to quarterly rotation) of the four health warnings on packaging to include one additional variety (Non-Filtered king size hard pack) of the NAS brand.

Santa Fe's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging for the Non-Filtered king size hard pack variety of the NAS brand, and the warnings on the sample packs and cartons submitted with your letter dated January 30, 2012 appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness. Accordingly, Santa Fe's expansion of its plan for simultaneous display of the four health warnings on packaging is hereby approved for the Non-Filtered King size hard pack variety of the NAS brand.

Approval of Santa Fe's 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.

Please note that this letter only approves the expansion of Santa Fe's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the

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

C. Randall Nuckolls February 15, 2012 Page 2

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

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

This approval is effective on the date of this letter and runs through September 21, 2012.

If you have any questions regarding this approval, please contact Sallie Schools at (202) 326-3344.

Very truly yours, Month Enfe

Mary K. Engle Associate Director

### BARRY M. BOREN

One Datran
9100 South Dadeland Boulevard
Suite 1809
Miami, Florida 33156

borenlaw@bellsouth.net

Telephone (305) 670-2200 Facsimile (305) 670-5221

February 15, 2012

Ms. Mary Engle, Associate Director Division of Advertising Practices Federal Trade Commission 600 Pennsylvania Avenue, N.W., NJ-3212 Washington, D.C. 20580

Attention: Ms. Sallie Schools

Surgeon General's Health Warning Quarterly Rotation Plan For LIT Distributor, Inc. for New Cigarettes

Dear Ms. Engle:

Please be advised that we are the attorneys for an importer of tobacco products, LIT Distributor, Inc. ("LIT"), a Florida corporation, with offices located at 11625 Collins Creek Dr., Jacksonville, Florida 32258 and the phone number is (904) 571-1096. LIT wishes to file a Surgeon General's Health 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 cigarettes they wish to import into the United States under the brand name "New." The contact person for the company will be its President, Kestutis Bertasius, who can be reached at the above address and phone number.

The brand styles of New cigarettes LIT intends to import are listed on Exhibit "A." Enclosed with our submission of December 22, 2011 were the actual production packs and cartons (listed on Exhibit "A") for the brand styles being submitted showing exactly where and how the four (4) Surgeon General's health warnings will appear on the individual packs and cartons of the New brand cigarettes LIT will be importing.

Even though LIT qualifies as a small importer/manufacturer as defined by the Act, LIT wishes to submit to the FTC a plan to rotate quarterly the warning statements as required by 15 U.S.C. §1333(c)(1). The plan we wish to submit requires that LIT rotate the four warning statements which will appear on the packages and cartons of the New brand of cigarettes quarterly, in an alternating sequence, based on the date the cigarettes are actually packaged, regardless of the date(s) on which such cigarettes are imported, sold, or distributed in the U.S. However, in order to allow for an orderly transition from one warning statement to the next, LIT may, with respect to any brand style of cigarettes, begin using packages bearing the subsequent quarter's label statement up to fifteen (15) production days prior to the commencement of such quarter and continue using packages bearing the prior quarter's label statement up to fifteen (15) production

days after the end of such quarter (transition period). Cigarettes, packs and cartons produced in accordance with the provisions of this plan may be removed from storage or inventory in any manner that is consistent with customary business practices or with business considerations unrelated to the rotation obligation imposed herein.

In no event shall LIT employ procedures which are deliberately designed to result in the early or prolonged use of a particular package label statement during the transition period referred to above.

Any repackaging of cigarettes which may occur shall be done with packages bearing the label statement for the quarter in which such repackaging occurs although, in such event, no usable packaging need be replaced or removed.

Nothing herein shall be construed to require the manufacture, packaging, distribution or importation of any cigarette during any period of time. CAD will comply with the plan by: (1) providing written contract or the giving of clear instructions, for the rotation of the warning statements required by the Act in accordance with the pertinent provisions of this plan; and (2) preventing the recurrence of any mistakes, errors, or omissions that come to its attention.

Attached hereto as Exhibit "B" is a chart showing how the health warning labels for the New brand to be imported by LIT will be rotated after this plan is approved.

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

No provision of this plan and no action taken pursuant hereto, or statement made in connection herewith, constitutes or shall be construed as an admission in any judicial or administrative proceeding, in any private litigation, or in any official action, report or statement by the United States Government, or any instrumentality thereof.

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 Public Health Cigarette Smoking Act of 1969, the Comprehensive Smoking Education Act of 1984, the Nurses' Education Amendments of 1985 and the Imported Cigarette Compliance Act of 2000. For this reason, we hereby request that you approve this plan as soon as possible.

LIT does not plan to advertise New brand cigarettes at this time. If this should change, we will notify the FTC and modify the plan accordingly.

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

Sincerely yours,

AW OFFICES OF BARRY M. BOREN

Barry IV

BMB:mw encs.

LIT-Rotation

# LIT DISTRIBUTOR, INC. NEW CIGARETTES EXHIBIT "A"

#### **Brand Styles**

Red King Size Box Blue King Size Box Light Blue King Size Box Dark Green King Size Box Light Green King Size Box

Red 100's Box Blue 100's Box Light Blue 100's Box Dark Green 100's Box Light Green 100's Box

Please note that printed words for colors referenced above do not appear on the packaging. The listed colors are merely descriptive of the packaging's actual color and are used to identify each brand style.

# EXHIBIT "B" LIT DISTRIBUTOR, INC. CHART OF HEALTH WARNINGS FOR PACKAGING

Brand Name	Quarter One	Quarter Two	Quarter Three	Quarter Four
	Jan. 1 <sup>st</sup> to	April 1 <sup>st</sup> to	July 1 <sup>st</sup> to	Oct. 1 <sup>st</sup> to
	March 31 <sup>st</sup>	June 30 <sup>th</sup>	Sept. 30 <sup>th</sup>	Dec. 31 <sup>st</sup>
NEW	А	В	С	D

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

Selected packaging samples from those submitted with the plan.







Premium Quality

Made in the Philippines

Manufactured Under Authority of Romar Corporation

200 Class A Filter Cigarettes

200 Class A Filter Cigarettes 200 Class A Filter Cigarettes

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





200 Class A Filter Cigarettes



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

February 16, 2012

Barry Boren One Datran 9100 S. Dadeland Blvd., Suite 1809 Miami, FL 33156

Dear Mr. Boren:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331 et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed on behalf of LIT Distributor, Inc. ("LIT") on February 15, 2012, calling for quarterly rotation of the four health warnings on packaging for certain varieties of the "New" brand of cigarettes.

It appears that the health warnings on the sample packs and cartons submitted with your letter dated December 22, 2011 meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness. Accordingly, LIT's plan for quarterly rotation of the four health warnings on packaging is hereby approved for the following ten box varieties of the New brand: Red (Kings and 100's), Blue (Kings and 100's), Light Blue (Kings and 100's), Dark Green (Kings and 100's), and Light Green (Kings and 100's).

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

As set forth in its February 15, 2012 letter, LIT is using colors to identify its cigarette varieties (e.g., "Red Kings"). We note that the color names are not printed on the packaging (e.g., the words "Light Green" do not appear on the packaging of the "Light Green Kings" variety); however, the color used for a variety's packaging does conform to the color used in its name.

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

Barry Boren February 16, 2012 Page 2

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

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

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

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

If you have any questions regarding this approval, please contact Sallie Schools at (202) 326-3344.

Very truly yours,

Mary K. Engle Associate Director

Many K. Eryle



February 22, 2012

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

RE: COMMONWEALTH BRANDS, INC. 2012 CIGARETTE WARNING LABEL ROTATION PLANS

Dear Ms. Engle:

Commonwealth Brands, Inc., PO Box 51587, Bowling Green, Kentucky 42102 hereby submits its 2012 Cigarette Warning Label Rotation plans for the following brands:

Crowns Raven
Davidoff Riviera
Fortuna SF¹
Gauloises Sonoma
Gitanes Tuscany
Malibu USA Gold
Montclair West

Based on the sales volume during Commonwealth's most recent fiscal year preceding submission of this application, it appears that the following two (2) brand styles will exceed one-fourth of one percent (0.25%) of cigarettes sold in the United States:

<u>USA Gold</u>
Red Filter King Size Box

Sonoma
Red Filter King Size Box

The above-referenced one USA Gold brand style and one Sonoma brand style will continue to follow the previously approved quarterly labeling rotation schedules. None of

<sup>&</sup>lt;sup>1</sup> Commonwealth Brands manufactures the SF brand under license from Smoker Friendly International, LLC.

Commonwealth Brands' other brand styles will exceed one-fourth of one percent (0.25%) of cigarettes sold in the United States for the one-year period to be covered by this plan<sup>2</sup>.

For all remaining brand styles, this requests approval of a plan to conduct its manufacturing operations so that the four health warnings specified in 15 USC §1333(a)(1) of the Federal Cigarette Labeling and Advertising Act (the "Cigarette Labeling Act"), shall appear on the packages and cartons of each brand style of cigarettes an equal number of times during the 12-month period starting from the date this plan is approved by the FTC. These brand styles meet the statutory requirements for the equalization method set out in 15 USC §1333(c)(2)(C) in that (i) none of the brand styles exceed one-fourth of 1 percent of all cigarettes sold in the U.S. during Commonwealth's most recent fiscal year preceding submission of this application; and (ii) more than 50% of the cigarettes manufactured by Commonwealth Brands are packaged into brands styles that fall below the maximum volume set out in (i) above. The two (2) brand styles which exceed one-fourth of one percent (0.25%) market share volume during Commonwealth's most recent fiscal year preceding submission of this application accounted for the company's total sales volume. The remaining of the company's total sales volume during Commonwealth's most recent fiscal year preceding submission of this application is distributed among its other 134 styles. Through the date of this application the Surgeon General's warnings on the packages for the brand styles of Commonwealth Brands have been equalized in accordance with its approved plans. If such request is approved, Commonwealth will require one-fourth of each package and carton material order to be printed with each one of the four warnings. Commonwealth Brands will maintain records that document compliance with this rotation plan.

The sales figures for each of Commonwealth Brands' styles that qualify for the exemption during the most recent fiscal year preceding submission of this application (ending September 30, 2011), are reported in the attached Exhibit B.

During 2012, Commonwealth Brands will manufacture 136 brand styles. All but two (2) of Commonwealth's brand styles qualify for this exemption.

<sup>&</sup>lt;sup>2</sup> On November 7, 2011, the US District Court for the District of Columbia, issued an Order staying implementation of and enjoining the FDA from enforcing the graphic image and textual warning requirements which were scheduled to go into effect September 2012 and were published at 76 Fed. Reg. 36,628 (June 22, 2011) and mandated by Section 201(a) of the Tobacco Control Act, until 15 months after a final ruling on the merits of the claim. R.J. Reynolds Tobacco Company, et al v. United States Food and Drug Administration, et al, Civil Case No. 11-1482.

The four health warnings will appear exactly as shown on the packs and cartons submitted with Commonwealth's letters of the following dates:

Brand(s) Crowns	Date(s) September 7, 2010
Davidoff	December 12, 2007 March 18, 2010
Fortuna	March 18, 2010 April 28, 2010
Gauloises	April 28, 2010
Gitanes	April 28, 2010
Malibu	September 25, 2009 January 5, 2011 (cartons) January 24, 2011 (packs)
Montelair	March 18, 2010
Raven	September 7, 2010
Riviera	September 7, 2010
SF	January 13, 2010
Sonoma	July 28, 2010
Tuscany	September 7, 2010
USA Gold	November 23, 2009 March 18, 2010 January 13, 2011 <sup>3</sup>
West	March 18, 2010 April 28, 2010 June 3, 2010 <sup>4</sup>

<sup>3</sup> Submission of limited promotional Celebration Edition packs and cartons only.

<sup>&</sup>lt;sup>4</sup> Submission of redesigned packs for West Menthol Dark Green Filter 100's Box.

The warnings read precisely as required by The Cigarette Labeling Act. Brand style packaging has not changed since the dates noted above.

A listing of all Commonwealth Brands' styles is attached at Exhibit A. The sales figures for each of Commonwealth Brands' styles during Commonwealth's most recent fiscal year preceding submission of this application are reported in the attached Exhibit B. Industry sales for the corresponding one-year period ending September 30, 2011, were 295.1 billion units. The source of industry sales is <u>The Maxwell Report, Fourth Quarter 2010 and First, Second and Third Quarters, 2011</u>. Commonwealth Brands' total sales volume during its most recent fiscal year preceding submission of this application was units and its estimated total sales volume for the next fiscal year is units. Commonwealth Brands' sales volume is measured on a fiscal year.

Commonwealth Brands will continue to be in compliance with the following plans related to advertising the brand styles:

Crowns - The December 2, 2010, plan for advertising which confirmed that Commonwealth Brands did not plan to advertise Crowns over the internet.

Davidoff - The February 13, 2008 plan for advertising which included a plan for display of the warnings in internet advertising.

Fortuna – The July 16, 2008 plan for advertising which included a plan for display of the warnings in internet advertising.

Gauloises – The May 1, 2009, plan for advertising which confirmed that Commonwealth Brands did not plan to advertise Gauloises over the internet.

Gitanes - The May 1, 2009, plan for advertising which confirmed that Commonwealth Brands did not plan to advertise Gitanes over the internet.

Malibu – The February 13, 2008, plan for advertising which included a plan for display of the warnings in internet advertising.

Montclair – The January 31, 2002, plan for advertising and the February 13, 2008, plan for display of the warnings in internet advertising.

Raven - The December 2, 2010, plan for advertising which confirmed that Commonwealth Brands did not plan to advertise Raven over the internet.

Riviera – The December 11, 2006, plan for advertising and the December 2, 2010, revision which confirmed that Commonwealth Brands did not plan to advertise Riviera over the internet.

SF - The January 13, 2010, plan for advertising which confirmed that Commonwealth Brands did not plan to advertise SF over the internet.

Sonoma – The February 13, 2008, plan for advertising which included a plan for display of the warnings in internet advertising.

Tuscany - The December 2, 2010, plan for advertising which confirmed that Commonwealth Brands did not plan to advertise Tuscany over the internet.

USA Gold – The February 13, 2008, plan for advertising which included a plan for display of the warnings in internet advertising.

West – The March 3, 2008, and the April 16, 2008, plans for advertising which included a plan for display of the warning in internet advertising.

A copy of the Commonwealth Brands advertising rotation plan is attached as **Exhibit C**. This will also confirm that Commonwealth Brands has no Spanish language advertising with regard to any of its brands and no plans to implement same.

If you require any additional information, please contact me.

Smoothly,

Rhondetta G. Walton Sr. Legal Counsel

#### Attachments:

Exhibit A – List of Brand Styles as of February 22, 2012

Exhibit B – Cigarette Volume 10/01/2010 – 09/30/2011

Exhibit C – Quarterly Warning Rotation Plan for Advertisements

#### **EXHIBIT A**

#### COMMONWEALTH BRANDS ROTATION PLAN PACKAGING AND CARTON LABELS

#### BRAND STYLES AS OF FEBRUARY 22, 2012

BRAND STYLES UTILIZING THE EQUAL NUMBER OF TIMES WARNING STATEMENT ROTATION (15 U.S.C. §1333(c)(2)(C)):

#### **CROWNS**

RED KING SIZE BOX
GOLD KING SIZE BOX
BLUE KING SIZE BOX
MENTHOL DARK GREEN KING SIZE BOX
MENTHOL GREEN KING SIZE BOX
RED 100'S BOX
GOLD 100'S BOX
BLUE 100'S BOX
MENTHOL DARK GREEN 100'S BOX
MENTHOL GREEN 100'S BOX
NON-FILTER KING SIZE SOFT PACK

#### DAVIDOFF

FULL FLAVOR FILTER LUXURY LENGTH BOX
GOLD FILTER LUXURY LENGTH BOX
MENTHOL FILTER LUXURY LENGTH BOX
MENTHOL GREEN FILTER LUXURY LENGTH BOX
GOLD SLIMS FILTER LUXURY LENGTH BOX
MENTHOL GREEN SLIMS LUXURY LENGTH BOX

#### **FORTUNA**

RED FILTER KING SIZE BOX
RED FILTER 100'S BOX
BLUE FILTER KING SIZE BOX
BLUE FILTER KING SIZE BOX
MENTHOL FILTER DARK GREEN KING SIZE BOX
MENTHOL FILTER DARK GREEN 100'S BOX
PALE BLUE FILTER KING BOX
PALE BLUE FILTER 100'S BOX
MENTHOL GREEN FILTER KING BOX
MENTHOL GREEN FILTER 100'S BOX
NON-FILTER KING SIZE SOFT PACK

#### **GAULOISES**

BLUE FILTER KING SIZE BOX RED FILTER KING SIZE BOX YELLOW FILTER KING SIZE BOX

#### **GITANES**

DARK BLUE FILTER KING SIZE BOX BLUE FILTER KING SIZE BOX

#### **MALIBU**

BLUE SLIMS FILTER 100'S BOX
PINK SLIMS FILTER 100'S BOX
MENTHOL GREEN SLIMS FILTER 100'S BOX
BLUE SLIMS FILTER 120'S BOX
PINK SLIMS FILTER 120'S BOX
MENTHOL GREEN SLIMS FILTER 120'S BOX

#### MONTCLAIR

BLUE FILTER KING SIZE BOX
BLUE FILTER 100'S BOX
GRAY FILTER KING SIZE BOX
GRAY FILTER 100'S BOX
WHITE FILTER 100'S BOX
MENTHOL GREEN FILTER 100'S BOX
PURPLE SLIMS FILTER 100'S BOX
MENTHOL GREEN SLIMS FILTER 100'S BOX

#### RAVEN

RED, KING SIZE BOX
GOLD KING SIZE BOX
BLUE KING SIZE BOX
MENTHOL DARK GREEN KING SIZE BOX
MENTHOL GREEN KING SIZE BOX
RED 100'S BOX
GOLD 100'S BOX
BLUE 100'S BOX
MENTHOL DARK GREEN 100'S BOX
MENTHOL GREEN 100'S BOX
NON-FILTER KING SIZE SOFT PACK

#### RIVIERA

RED KING SIZE BOX
GOLD KING SIZE BOX
BLUE KING SIZE BOX
MENTHOL DARK GREEN KING SIZE BOX
MENTHOL GREEN KING SIZE BOX
RED 100'S BOX
GOLD 100'S BOX
BLUE 100'S BOX
MENTHOL DARK GREEN 100'S BOX
MENTHOL GREEN 100'S BOX
NON-FILTER KING SIZE SOFT PACK

RED FILTER KING-SIZE BOX
BLUE FILTER KING-SIZE BOX
SILVER FILTER KING-SIZE BOX
DARK GREEN FILTER KING-SIZE BOX
GREEN FILTER KING-SIZE BOX
RED FILTER 100'S BOX
BLUE FILTER 100'S BOX
SILVER FILTER 100'S BOX
DARK GREEN FILTER 100'S BOX
ON-FILTER 100'S BOX
NON-FILTER KING-SIZE SOFT PACK

#### SONOMA

RED FILTER 100'S SOFT PACK
RED FILTER 100'S BOX
GOLD FILTER KING SIZE BOX
GOLD FILTER 100'S SOFT PACK
GOLD FILTER 100'S SOFT PACK
BLUE FILTER 100'S SOFT PACK
BLUE FILTER KING SIZE BOX
MENTHOL GREEN FILTER 100'S SOFT PACK
MENTHOL GREEN FILTER KING SIZE BOX
MENTHOL DARK GREEN FILTER KING SIZE BOX
MENTHOL DARK GREEN FILTER 100'S SOFT PACK
MENTHOL DARK GREEN FILTER 100'S SOFT PACK
MENTHOL DARK GREEN FILTER 100'S BOX
NON FILTER KING SIZE SOFT PACK

#### TUSCANY

RED KING SIZE BOX
GOLD KING SIZE BOX
BLUE KING SIZE BOX
MENTHOL DARK GREEN KING SIZE BOX
MENTHOL GREEN KING SIZE BOX
RED 100'S BOX
GOLD 100'S BOX
BLUE 100'S BOX
MENTHOL DARK GREEN 100'S BOX
MENTHOL GREEN 100'S BOX
NON-FILTER KING SIZE SOFT PACK

#### **USA GOLD**

RED FILTER KING SIZE SOFT PACK
RED FILTER 100'S SOFT PACK
RED FILTER 100'S BOX
GOLD FILTER KING SIZE SOFT PACK
GOLD FILTER KING SIZE BOX
GOLD FILTER 100'S SOFT PACK
GOLD FILTER 100'S BOX
BLUE FILTER KING SIZE SOFT PACK
BLUE FILTER KING SIZE BOX
BLUE FILTER KING SIZE BOX
BLUE FILTER 100'S SOFT PACK
BLUE FILTER 100'S BOX
MENTHOL GREEN FILTER KING SIZE SOFT PACK

MENTHOL GREEN FILTER 100'S BOX
MENTHOL GREEN FILTER 100'S SOFT PACK
MENTHOL FILTER KING SIZE SOFT PACK
MENTHOL FILTER KING SIZE BOX
MENTHOL FILTER 100'S SOFT PACK
MENTHOL FILTER 100'S BOX
NON FILTER KING SIZE SOFT PACK

#### WEST

RED FILTER KING SIZE BOX
BLUE FILTER KING SIZE BOX
MENTHOL DARK GREEN FILTER KING SIZE BOX
MENTHOL GREEN FILTER KING SIZE BOX
RED FILTER 100'S BOX
BLUE FILTER 100'S BOX
GRAY FILTER KING SIZE BOX
GRAY FILTER 100'S BOX
MENTHOL DARK GREEN FILTER 100'S BOX
MENTHOL GREEN FILTER 100'S BOX
NON FILTER KING SIZE SOFT PACK

BRAND STYLES UTILIZING THE QUARTERLY WARNING STATEMENT ROTATION (15 U.S.C. §1333(c)(1)):

#### **USA GOLD**

RED FILTER KING SIZE BOX

#### **SONOMA**

RED FILTER KING SIZE BOX

EXHIBIT\_B

#### Commonwealth Brands, Inc. Cigarette Volume (000's) October 1, 2010 – September 30, 2011

Brand	Item	Style Desc	Units in Thousands
CROWNS	39360	Crowns Red KG Box	
CROWNS	39361	Crowns MN Dark Grn KG Bo	x
CROWNS	39362	Crowns Gold KG Box	
CROWNS	39363	Crowns Blue KG Box	
CROWNS		Crowns MN Grn KG Box	
CROWNS		Crowns NF KG	
CROWNS		Crowns Red 100 Box	
CROWNS		Crowns MN Dark Grn 100 Bo	Y.
CROWNS		Crowns Gold 100 Box	·^
CROWNS	F. C	Crowns Blue 100 Box	
CROWNS		Crowns MN Grn 100 Box	
DAVIDOFF		Davidoff Classic Box	
DAVIDOFF		Davidoff Gold Box	
DAVIDOFF		Davidoff MN Dark Grn Box	
DAVIDOFF		Davidoff MN Gm Box	
	and the second second	Davidoff Slims Gold Box	
DAVIDOFF SLIMS			
DAVIDOFF SLIMS		Davidoff Slims MN Grn Box	
FORTUNA		Fortuna Red KG Box	
FORTUNA		Fortuna Blue KG Box	
FORTUNA		Fortuna Pale Blue King Box	
FORTUNA		Fortuna NF KG	
FORTUNA		Fortuna Pale Blue100 Box	53.
FORTUNA		Fortuna MN Dark Grn KG Bo	X
FORTUNA		Fortuna MN Grn 100 Box	
FORTUNA		Fortuna MN Grn KG Box	
FORTUNA		Fortuna Red 100 Box	
FORTUNA		Fortuna Blue 100 Box	
FORTUNA		Fortuna MN Dark Grn 100 Bo	OX
Gitanes		Gitanes Classic KG Box	
Gitanes		Gitanes Blue KG Box	
GAULOISES		Gauloises Blue KG Box	
GAULOISES		Gauloises Red KG Box	
GAULOISES		Gauloises Yellow KG Box	
Malibu		Malibu Slims 120 Blue Box	
Mallbu	30201	Mallbu Slims 120 Pink Box	
Malibu		Malibu Slims 100 Blue Box	
Malibu		Mallbu Slims 100 Pink Box	
Malibu	30206	Malibu Slims 100 MN Gm Bo	x
Malibu	30207	Malibu Slims 120 MN Gm Bo	x
Montclair		Montclair Blue KG Box	
Montclair	33293	Montclair Blue 100 Box	
Montclair	33294	Montclair Gray KG Box	
Montclair		Montclair Gray 100 Box	
Montclair		Montclair White 100 Box	
Montclair	33297	Montclair MN Gm 100 Box	

				-
Montclair	33298	Montclair Slim 100 Purp Box		
Montclair	33299	Montclair Slim 100 MN Grn		
Riviera	39389	Riviera Red KG Box		
Riviera	39390	Riviera MN Dark Grn KG Box		
Riviera	39391	Riviera Gold KG Box		
Riviera	39392	Riviera Blue KG Box		
Riviera	39393	Riviera MN Grn KG Box		
Riviera	39394	Riviera NF KG		
Riviera	39395	Riviera Red 100 Box		
Riviera	39396	Rivlera MN Dark Grn 100 Box		
Riviera	39397	Riviera Gold 100 Box		
Riviera	39398	Riviera Blue 100 Box		
Riviera		Riviera MN Grn 100 Box		
RAVEN		Raven Red KG Box	_	
RAVEN		Raven MN Dark Grn KG Box		
RAVEN		Raven Gold KG Box		
RAVEN		Raven Blue KG Box		
RAVEN		Raven MN Grn KG Box		
RAVEN		Raven NF KG		
RAVEN		Raven Red 100 Box		
RAVEN		Raven MN Dark Grn 100 Box		
RAVEN		Raven Gold 100 Box		
RAVEN		Raven Blue 100 Box		
RAVEN		Raven MN Grn 100 Box		
Sonoma		Sonoma Blue KG Box		
Sonoma		Sonoma MN Dark Grn 100 Box		
Sonoma		Sonoma MN Dark Grn KG Box		
Sonoma		Sonoma MN Grn KG Box		
Sonoma		Sonoma Red KG Box		
		Sonoma Red 100 Box		
Sonoma Sonoma		Sonoma MN Grn 100		
		Sonoma MN Dark Grn 100		
Sonoma		Sonoma Blue 100		
Sonoma		Sonoma Gold 100		
Sonoma Sonoma		Sonoma Red 100		
		Sonoma NF		
Sonoma		Sonoma Gold KG Box		
Sonoma Sonoma		Sonoma Gold 100 Box		
SMK FRNDLY CIG		Smk Friendly Red KG Box		
SMK FRNDLY CIG		Smk Friendly Dark Grn Kg		
SMK FRNDLY CIG		Smk Friendly Blue KG Box		
SMK FRNDLY CIG				
		Smk Friendly Gray KG Box		
SMK FRNDLY CIG		Smk Friendly Pale Grn KG		
SMK FRNDLY CIG		Smk Friendly NF KG		
SMK FRNDLY CIG		Smk Friendly Red 100 Box		
SMK FRNDLY CIG		Smk Friendly Dark Grn 100		
SMK FRNDLY CIG		Smk Friendly Blue 100 Box		
SMK FRNDLY CIG		Smk Friendly Gray 100 Box		
SMK FRNDLY CIG		Smk Friendly Pale Grn 100		
TUSCANY		Tuscany Red KG Box		
TUSCANY	39320	Tuscany MN Dark Grn KG Box		
		2		
		4		

TUSCANY	39321 Tuscany Gold KG Box
TUSCANY	39322 Tuscany Blue KG Box
TUSCANY	39323 Tuscany MN Green KG Box
TUSCANY	39324 Tuscany NF KG
TUSCANY	39325 Tuscany Red 100 Box
TUSCANY	39326 Tuscany MN Dark Grn 100 Box
TUSCANY	39327 Tuscany Gold 100 Box
TUSCANY	39328 Tuscany Blue 100 Box
TUSCANY	39329 Tuscany MN Grn 100 Box
USA Gold	31208 USA Gold MN Dark Grn KG
USA Gold	31209 USA Gold Red 100
USA Gold	31210 USA Gold Gold 100 Box
USA Gold	31211 USA Gold Red 100 Box
USA Gold	31212 USA Gold MN Dark Grn Box
USA Gold	31213 USA Gold Blue 100 Box
USA Gold	31214 USA Gold MN Dark Grn 100
USA Gold	31215 USA Gold NF KG
USA Gold	31216 USA Gold Red KG Box
USA Gold	31217 USA Gold Gold KG Box
USA Gold	31218 USA Gold Blue KG
USA Gold	31219 USA Gold Blue 100
USA Gold	31228 USA Gold Gold 100
USA Gold	31232 USA Gold MN Grn 100 Box
USA Gold	31233 USA Gold Gold KG
USA Gold	31234 USA Gold Red KG
USA Gold	31235 USA Gold MN Grn KG
USA Gold	31236 USA Gold MN Grn 100
USA Gold	31237 USA Gold MN Dark Grn 100
USA Gold	31267 USA Gold Blue KG Box
WEST	37251 West MN Grn 100 Box
WEST	37252 West MN Grn KG Box
WEST	37258 West Red KG Box
WEST	37259 West Gray KG Box
WEST	37260 West Blue KG Box
WEST	37261 West NF KG
WEST	37262 West Red 100 Box
WEST	37263 West MN Dark Grn KG Box
WEST	37264 West Blue 100 Box
WEST	37265 West Dark Grn 100 Box
WEST	37266 West Gray 100 Box
	TOTAL

TOTAL

#### EXHIBIT C

#### COMMONWEALTH BRANDS ADVERTISING ROTATION PLAN

QUARTER IN WHICH MATERIALS ARE PRODUCED WARNING NOTICE UTILIZED

DD.	A XIII	
DIV	٩ND	

	USA GOLD	RIVIERA	SONOMA	MONTCLAIR
1 <sup>st</sup> Q (Jan – Mar) 2 <sup>nd</sup> Q (Apr. – June) 3 <sup>rd</sup> Q (July – Sept.) 4 <sup>th</sup> Q (Oct. – Dec.)	A B C D	B C D A	C D A B	D A B C
	DAVIDOFF	TUSCANY	WEST	MALIBU
1 <sup>st</sup> Q (Jan – Mar) 2 <sup>nd</sup> Q (Apr. – June) 3 <sup>rd</sup> Q (July – Sept.) 4 <sup>th</sup> Q (Oct. – Dec.)	A B C D	B C D A	C D A B	D A B C
1 <sup>st</sup> Q (Jan – Mar) 2 <sup>nd</sup> Q (Apr. – June) 3 <sup>rd</sup> Q (July – Sept.) 4 <sup>th</sup> Q (Oct. – Dec.)	FORTUNA A B C D	GAULOISES B C D A	GITANES C D A B	RAVEN D A B C
1 <sup>st</sup> Q (Jan – Mar) 2 <sup>nd</sup> Q (Apr. – June) 3 <sup>rd</sup> Q (July – Sept.) 4 <sup>th</sup> Q (Oct. – Dec.)		SF B C D	CROWNS C D A B	
1 <sup>st</sup> Q (Jan – Mar) 2 <sup>nd</sup> Q (Apr. – June) 3 <sup>rd</sup> Q (July – Sept.) 4 <sup>th</sup> Q (Oct. – Dec.)	MULTIPLE BE NON-BRAND A B C D			

- 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.

## UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION WASHINGTON, D.C. 20580



February 23, 2012

Rhondetta G. Walton, Esq. Commonwealth Brands, Inc. P.O. Box 51587 Bowling Green, KY 42102

Dear Ms. Walton:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed by Commonwealth Brands, Inc. ("Commonwealth") on February 22, 2012, calling for simultaneous display (i.e., the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Crowns, Davidoff, Fortuna, Gauloises, Gitanes, Malibu, Montclair, Raven, Riviera, SF, Sonoma, Tuscany, USA Gold, and West brands of cigarettes.

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

Brand Crowns	Date(s) September 7, 2010
Davidoff	December 12, 2007 March 18, 2010
Fortuna	March 18, 2010 April 28, 2010
Gauloises	April 28, 2010
Gitanes	April 28, 2010
Malibu	September 25, 2009 January 5, 2011 (cartons)

Commonwealth stated in its February 22, 2012 letter that the four health warnings will appear exactly as shown on the packs and cartons submitted on these dates.

January 24, 2011 (packs)

Montclair March 18, 2010

Raven September 7, 2010

Riviera September 7, 2010

SF January 13, 2010

Sonoma July 28, 2010

Tuscany September 7, 2010

USA Gold November 23, 2009

March 18, 2010 January 13, 2011<sup>2</sup>

West March 18, 2010

April 28, 2010 June 3, 2010

Commonwealth's plan for simultaneous display of the four health warnings on packaging is hereby approved for the following varieties:<sup>3</sup>

- Eleven varieties of the Crowns brand: Red Kings Box, Red 100's Box, Gold Kings Box (tan packaging), Gold 100's Box (tan packaging), Blue Kings Box, Blue 100's Box, Menthol Dark Green Kings Box, Menthol Dark Green Kings Box, Menthol Green 100's Box, and Non-filter Kings soft pack;
- Six 93 millimeter "Luxury Length" Box varieties of the Davidoff brand: Full Flavor, Gold, Menthol, Menthol Green, Gold Slims, and Menthol Green Slims;
- Eleven varieties of the Fortuna brand: Red Kings Box, Red 100's Box, Blue Kings Box,

Submission of limited-run promotional "Celebration Edition" packs and cartons only.

We note that Commonwealth is using colors in the names of most of its cigarette varieties (e.g., Crowns Blue Kings Box) and, except as specified below, the color used for a variety's packaging does conform to the color used in its name. We also note that for many of Commonwealth's varieties neither the color names nor the word "menthol" are printed on the packaging.

Rhondetta G. Walton, Esq. February 23, 2012 Page 3

Blue 100's Box, Pale Blue Kings Box, Pale Blue 100's Box, Menthol Dark Green Kings Box, Menthol Dark Green 100's Box, Menthol Green Kings Box (blue/green packaging), Menthol Green 100's Box (blue/green packaging), and Non-filter Kings soft pack;

- Three Box varieties of the Gauloises brand: Red Kings, Blue Kings, and Yellow Kings;
- Two Box varieties of the Gitanes brand: Dark Blue Kings (packaging has a blue background with white lettering) and Blue Kings (packaging has a white background with blue lettering);
- Six Box varieties of the Malibu brand: Blue 100's, Blue 120's, Pink Slims 100's, Pink 120's, Menthol Green Slims 100's, and Menthol Green 120's;
- Eight varieties of the Montclair brand: Blue Kings Box, Blue 100's Box, Gray Kings Box, Gray 100's Box, White 100's Box, Menthol Green 100's Box, Purple Slims 100's Box, and Menthol Green Slims 100's Box;
- Eleven varieties of the Raven brand: Red Kings Box, Red 100's Box, Gold Kings Box (tan packaging), Gold 100's Box (tan packaging), Blue Kings Box, Blue 100's Box, Menthol Dark Green Kings Box, Menthol Dark Green Kings Box, Menthol Green 100's Box, and Non-filter Kings soft pack;
- Eleven varieties of the Riviera brand: Red Kings Box, Red 100's Box, Gold Kings Box (tan packaging), Gold 100's Box (tan packaging), Blue Kings Box, Blue 100's Box, Menthol Dark Green Kings Box, Menthol Dark Green 100's Box, Menthol Green Kings Box, Menthol Green 100's Box, and Non-filter Kings soft pack;
- Eleven varieties of the SF brand: Red Kings Box, Red 100's Box, Silver Kings Box, Silver 100's Box, Blue Kings Box, Blue 100's Box, Dark Green Kings Box, Green 100's Box, Green Kings Box, Green 100's Box, and Non-filter Kings soft pack;
- Thirteen varieties of the Sonoma brand: Red 100's soft pack, Red 100's Box, Gold Kings Box (tan packaging), Gold 100's soft pack (tan packaging), Gold 100's Box (tan packaging), Blue Kings Box (blue-gray packaging), Blue 100's soft pack (blue-gray packaging), Menthol Dark Green Kings Box, Menthol Dark Green 100's soft pack, Menthol Dark Green 100's Box, Menthol Green Kings Box, Menthol Green 100's soft pack, and Non-filter Kings soft pack;
- Eleven varieties of the Tuscany brand: Red Kings Box, Red 100's Box, Gold Kings Box (tan packaging), Gold 100's Box (tan packaging), Blue Kings Box, Blue 100's Box, Menthol Dark Green Kings Box, Menthol Dark Green Kings Box, Menthol Green 100's Box, and Non-filter Kings soft pack;
- Nineteen varieties of the USA Gold brand: Red Kings soft pack, Red 100's soft pack,

Rhondetta G. Walton, Esq. February 23, 2012 Page 4

Red 100's Box, Gold Kings soft pack, Gold Kings Box, Gold 100's soft pack, Gold 100's Box, Blue Kings soft pack, Blue Kings Box, Blue 100's soft pack, Blue 100's Box, Menthol Green Kings soft pack, Menthol Green 100's Box, Menthol Green 100's soft pack, Menthol Kings soft pack, Menthol Kings Box, Menthol 100's soft pack, Menthol 100's box, and Non-filter Kings soft pack; and

• Eleven varieties of the West brand: Red Kings Box, Red 100's Box, Blue Kings Box, Blue 100's Box, Gray Kings Box, Gray 100's Box, Menthol Dark Green Kings Box, Menthol Dark Green 100's Box, Menthol Green Kings Box, Menthol Green 100's Box, and Non-filter Kings soft pack.

Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.<sup>4</sup> The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

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

This approval is effective on the date of this letter and runs through February 22, 2013, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

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.

Rhondetta G. Walton, Esq. February 23, 2012 Page 5

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

Very truly yours,

Mary K Engle

Associate Director

### LAW OFFICES OF ERIC F. FACER, PLLC

February 27, 2012

Via Federal Express and E-mail (sschools@ftc.gov)

Ms. Mary K. Engle Associate Director Division of Advertising Practices Federal Trade Commission 601 New Jersey Avenue, N.W. Washington, DC 20001

Re: Great Swamp Enterprises, Inc.

Health Warning Rotation Plan for the Cayuga Brand of Cigarettes

Dear Ms. Engle:

On behalf of Great Swamp Enterprises Inc. ("Great Swamp"), we hereby submit this Surgeon General's Equalization Plan (the "Plan") for Great Swamp as required under the *Federal Cigarette Labeling and Advertising Act of 1984*, 15 U.S.C. § 1331 *et seq.* (1998), as amended (the "FCLAA") for eleven (11) styles of Cayuga cigarettes.

Great Swamp submitted its first equalization plan to the FTC on February 18, 2011, which it amended in a supplemental letter dated March 3, 2011. In a letter dated March 10, 2011 (copy enclosed), the FTC acknowledged receipt of that letter and approved Great Swamp's first equalization plan through March 9, 2012. There has been no material change in Great Swamp's operations since the submission of its first equalization plan, as summarized below.

Great Swamp is the manufacturer of the Cayuga brand. Its manufacturing facility is located at 61 Ovid Street, Seneca Falls, NY 13148. Betty Jane Radford is General Manager. It currently manufactures a single brand of Cigarettes—the Cayuga Brand—but it does not import or export any cigarettes.

The fiscal year for Great Swamp is the calendar year. During 2011, Great Swamp's actual sales of all brand styles of the Cayuga Brand totaled sticks, which should qualify the company for the exemption set forth in section 1333(c) of the FCLAA. (Its projected sales for 2012 are approximately sticks.)

Ms. Mary K. Engle February 27, 2012 Page 2

Cayuga Brand cigarettes are sold in eleven (11) hard box brand styles. Great Swamp requests that the following eleven (11) styles be included in the Plan:

Cayuga Dark Green Kings, Cayuga Medium Green Kings, Cayuga Red Kings, Cayuga Blue Kings, Cayuga Gold Kings, Cayuga Dark Green 100's, Cayuga Medium Green 100's, Cayuga Light Green 100's, Cayuga Red 100's, Cayuga Blue 100's, Cayuga Gold 100's.

These are the exact same brand styles that were the subject of the equalization plan submitted on February 18, 2011, as approved by the FTC on March 10, 2012; Great Swamp does not manufacture any cigarettes beyond these eleven (11) brand styles.

The warnings will appear exactly as shown on the samples of Cayuga packaging submitted with our letter dated February 18, 2011. Great Swamp is aware that the Food and Drug Administration (the "FDA") may assume jurisdiction for warning label compliance on September 21, 2012. Therefore, Great Swamp has devised a rotation plan that it is intended to ensure the equalized use of the four health warnings on all packs and all cartons for each brand style covered by the Plan for the period beginning on the date of approval of this Plan through September 21, 2012 and, if necessary, for all succeeding periods. Specifically, it will accomplish this objective by ordering packaging materials containing an equal number of the four health warnings. It will then employ its packaging inventory in such a way as to ensure the equalized use and rotation of the four health warnings on all packs and all cartons of each brand style of the Cayuga Brand. Based on the above, Great Swamp requests approval to use the rotation option provided in Section 1333(c)(2) of the FCLAA (i.e., the alternative to quarterly rotation). Great Swamp will keep records demonstrating compliance with this Plan.

Great Swamp does not advertise at this time. Should Great Swamp later decide to advertise, it will submit an advertising plan to the FTC in advance.

We submit that the foregoing complies with the requirements of the FCLAA, and request expedited approval of this request. Should you require any additional information in order to review and approve the health warning rotation plan of Great Swamp Enterprises, Inc. for the Cayuga brand, please feel free to contact me at any time. Please fax the approval of the Plan to me at 202/464-0404 (F). Thank you for your assistance.

Sincerely

Eric F. Facer

Enclosure



## UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION WASHINGTON, D.C. 20580

March 10, 2011

Eric F. Facer, Esq. 1025 Connecticut Avenue, N.W. Suite 1000 Washington D.C. 20036

Dear Mr. Facer:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331 et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed on behalf of Great Swamp Enterprises, Inc. ("Great Swamp") on March 3, 2011, calling for simultaneous display (i.e., the alternative to quarterly rotation) of the four health warnings on packaging for eleven box varieties of the Cayuga brand of cigarettes

Great Swamp's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letter dated February 18, 2011 appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness. Accordingly, Great Swamp's plan for simultaneous display of the four health warnings on packaging for the following eleven box varieties of the Cayuga brand listed in its March 3, 2011 letter is hereby approved effective on the date of this letter through March 9, 2012: Dark Green (Kings and 100's), Medium Green (Kings and 100's), Red (Kings and 100's), Blue (Kings and 100's), Gold (Kings and 100's), and Light Green 100's.

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

As set forth in its March 3, 2011 letter, Great Swamp is using colors to identify its cigarette varieties (e.g., "Light Green Kings"). We note that the color names are not printed on the packaging (e.g., the words "Light Green" do not appear on the packaging of the "Light Green Kings" variety), however, the color used for a variety's packaging does conform to the color used in its name.

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.

Eric F. Facer, Esq. March 10, 2011 Page 2

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

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

Because the FSPTCA imposes additional legal requirements on the marketing and sale of cigarettes, you should ensure that you are in compliance with those requirements. For example, since September 22, 2009, the use of certain characterizing flavors (other than tobacco or menthol) in cigarettes has been prohibited. The FSPTCA also imposes registration and reporting requirements on tobacco manufacturers and importers. Moreover, the FSPTCA's "modified risk tobacco provisions" address the use of descriptors such as "light." You can find additional information at www.fda.gov/TobaccoProducts/default.htm, or www.fda.gov/TobaccoProducts/ResourcesforYou/ForIndustry/default.htm, and sign up for FDA email updates at www.fda.gov/TobaccoProducts/ResourcesforYou/ucm176164.htm.

If you have any questions regarding this approval, please contact Mark de los Santos at (202) 326-3242.

Very truly yours,

Now Engle Hot

Associate Director



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

February 28, 2012

Eric F. Facer, PLLC 1025 Connecticut Avenue, N.W. Suite 1000 Washington, D.C. 20036

Dear Mr. Facer:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331 et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed on behalf of Great Swamp Enterprises, Inc. ("Great Swamp"), on February 27, 2012, calling for simultaneous display (i.e., the alternative to quarterly rotation) of the four health warnings on packaging for eleven box varieties of the Cayuga brand of cigarettes.

Great Swamp's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letter dated February 18, 2011 continue to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness. Accordingly, Great Swamp's plan for simultaneous display of the four health warnings on packaging is hereby approved for the following eleven box varieties of the Cayuga brand: Dark Green (Kings and 100's), Medium Green (Kings and 100's), Red (Kings and 100's), Blue (Kings and 100's), Gold (Kings and 100's), and Light Green 100's.

Great Swamp stated in its February 27, 2012 letter that the four health warnings will appear exactly as shown on the sample packs and cartons submitted on February 18, 2011.

As set forth in its February 27, 2012 letter, Great Swamp is using colors to identify its cigarette varieties (e.g., "Light Green Kings"). We note that the color names are not printed on the packaging (e.g., the words "Light Green" do not appear on the packaging of the "Light Green Kings" variety); however, the color used for a variety's packaging does conform to the color used in its name.

Eric F. Facer February 28, 2012 Page 2

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

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

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

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

This approval is effective on the date of this letter and runs through February 27, 2013, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

If you have any questions regarding this approval, please contact Sallie Schools at (202) 326-3344.

Very truly yours,

Mary K. Engle
Associate Director

Many K. Engle-

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.

#### JOSEPH T. WONG

Attorney at Law

100 LAFAYETTE STREET, 7TH FLOOR NEW YORK, NEW YORK 10013 TEL. (212) 966-6699 FAX (212) 431-6773

February 21, 2012

Federal Trade Commission
Division of Advertising Practice
601 New Jersey Avenue NW
Room NJ 3212
Washington, DC 20580

Attn: Sallie S. Schools

Re: Federal Cigarette Labeling Approval CHUNGHWA FILTER KING SIZE BOX

Dear Ms. Schools:

Please be advised that my office represents the interest of Konci G & D Management Group (USA) Inc. (hereinafter referred to as "Konci"), a New York Corporation, licensed to import tobacco products under 26 U.S.C. Chapter, permit number NY-TI-75, with offices at 139 Centre Street, suite 510, New York, New York 10013. Dominic Churemains the sole owner of Konci and acts as its President.

The health warnings on the sample packs and cartons for the Chunghwa Filter King Size Box brand style of the Chunghwa brand were submitted in October 31, 2001 and the warning display plan was approved on December 5, 2001.

We are now submitting for approval NEW sample packs, cartons and warning labels for the Chunghwa brand.

The difference in the sample packs and cartons submitted herein and those submitted in October 31, 2001, are minor. In particular, the sample packs submitted herein no longer have the "gold stripe" running across the front of the box. With respect to the cartons submitted herein, there is no longer a white border around the entire carton, instead a there is a gold stripe around each end of the carton. In addition, on the front and back panels of the carton, the words "PRODUCED BY SHANGHAI CIGARETTE FACTORY, SHANGHAI TOBACCO GROUP CO. LTD" will appear instead of "SHANGHAI CIGARETTE FACTORY CHINA".

The health warnings on the Chunghwa Filter King Size Box brand style will appear exactly as shown on the sample packs and cartons submitted on December 20, 2011.

The warnings are as follows:

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

The only other cigarettes that Konci currently imports are the Double Happiness King Size Box brand style with yellow background packaging and the Double Happiness King Size Filtered Box brand style with gray background packaging and they do not manufacturer or import any other brand.

The four (4) cigarette health warnings will continue to be rotated quarterly on the packs and cartons of all brands styles currently imported by Konci according to the following schedule:

	Chunghwa	Double Happiness	Double Happiness
		King Size Filtered Box	King Size Box
		With Gray Background	With Yellow Background
		Packaging	Packaging
1 <sup>st</sup> Quarter (Jan. – Mar.)	A	В	В
2 <sup>nd</sup> Quarter (Apr. – June)	В	C	С
3 <sup>rd</sup> Quarter (July – Sept.)	С	D	D
4 <sup>th</sup> Quarter (Oct. – Dec.)	D	A	A

Konci will continue to maintain records reflecting the dates of the order, importation and the warning displayed with each import. The rotation will be based on the date the order(s) are placed.

Although there is an approved advertising plan dated November 12, 2003, Konci has no intention of advertising the Chunghwa brand at this time. In the event Konci decides to advertise in the future they will submit a plan for the display of the warning statements in advertising to the Federal Trade Commission (FTC) for consideration prior to engaging in any advertising for the Chunghwa Brand.

Please do not hesitate to call me should you have any questions or comments regarding this matter. We look forward to hearing from you.

Toseil T Wong

Selected packaging samples from those submitted with the plan.



# CHUNGHWA

200

BOX



## UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION WASHINGTON, D.C. 20580



March 8, 2012

Joseph T. Wong, Esq. 100 Lafayette Street, 7<sup>th</sup> Floor New York, NY 10013

Dear Mr. Wong:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, Konci G & D Management Group (USA) Inc.'s ("Konci") plan for quarterly rotation of the four health warnings on packaging for one variety (Filter Kings Box) of the Chunghwa brand of cigarettes was approved on December 5, 2001. As described in your letter dated February 21, 2012, you now propose to modify the packaging design for the Filter Kings Box variety of the Chunghwa brand.

It appears that the health warnings on the sample packs and cartons for the Chunghwa Filter Kings Box variety submitted with your letter dated December 20, 2011 continue to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.

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

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

Joseph T. Wong, Esq. March 8, 2012 Page 2

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

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

Very truly yours,

Mary K. Engle Associate Director



26 Eagle Drive | PO Box 1221 | Akwesasne, New York 13655

518.358.9321 | fax

March 13, 2012

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

RE: Expansion of Surgeon General's Health Warning Equalization Plan for Signal and Da Rez Brand Cigarettes Approved on September 30, 2011

Dear Ms. Engle:

This is an application for approval of an expansion of Ohserase Manufacturing, LLC's previously approved Health Warning Equalization Plan for the display of the health warnings on its Signal cigarette brand and its Da Rez cigarette brand. Ohserase Manufacturing, LLC is a limited liability corporation with offices located at 393 Frogtown Rd., Akwesasne, New York 13655, mailing address P.O. Box 1221, Akwesasne, New York 13655 and the phone number is (518)358-4229.

Ohserase wishes to file a Surgeon General's Health Warning Equalization Plan as required by the Federal Cigarette Labeling and Advertising Act of 1964 for an expansion of its Signal cigarette brand, which includes four new varieties listed on Exhibit "A."

Samples of the actual packs and cartons of these new varieties were submitted with my letter dated January 27, 2012. The warnings will appear exactly as shown on these samples.

Ohserase manufactured approximately cigarettes in fiscal year 2011 (all were Signal and Da Rez brands). Ohserase anticipates manufacturing approximately cigarettes of all its brand styles (Signal and Da Rez) in fiscal year 2012, that figure includes the four new Signal varieties listed on Exhibit A.

No one brand style of cigarettes sold by Ohserase has for the past fiscal year constituted more than ¼ of 1% of all the cigarettes sold in the United States in such year, and no one brand style will constitute more than ¼ of 1% of all the cigarettes sold in the United States in the next fiscal year. In addition, more than one-half of the cigarettes manufactured for sale in the United States will be packaged into brand styles which meet the requirements of 15 U.S.C. §1333(c)(2)(A)(i).

As a small manufacturer as defined by the Act, Ohserase wishes to expand its plan to equalize the four health warning statements required by 15 U.S.C. §1333(c) to include the four new



26 Eagle Drive | PO Box 1221 | Akwesasne, New York 13655

518.358.9321 | fax

Signal brand styles. Each of the four warning statements will appear on the packs and cartons of each of the new Signal brand styles an equal number of times in the one year period beginning on the date this plan is approved. Ohserase will maintain records demonstrating compliance with this plan. Ohserase will keep a running total of the number of cartons and packs it manufactures with each warning label for each brand style.

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

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

While Ohserase does not currently have an advertising plan in place and approved by the Federal Trade Commission, there is a plan submitted. Until proper approval is obtained, Ohserase will not advertise for either cigarette brand.

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

If you have any questions please call Ohserase Manufacturing, LLC's General Counsel, Dale White. Mr. White can be reached at (518) 358-4229. Thank you.

Sincerely.

Justin Tarbell

Managing Director

Ohserase Manufacturing, LLC

#### Exhibit "A"

Ohserase Manufacturing, LLC Four New Signal Brand Styles

#### Brand Styles:

Bold King Size Box Bold 100's Box

Max King Size Box Max 100's Box Selected packaging samples from those submitted with the plan.



Premium Blend

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

Premium Blend

ALL NATURAL

SALES

PROHIBITED UNDERAGE



MAX

CICARETTES

CLASSA

200





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

March 19, 2012

Justin Tarbell Ohserase Manufacturing, LLC 26 Eagle Drive P.O. Box 1221 Akwesasne, NY 13655

Dear Mr. Tarbell:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, Ohserase Manufacturing, LLC's ("Ohserase") September 30, 2011 plan for display of the four health warnings on packaging for certain varieties of the Signal and "da Rez" brands of cigarettes was approved on September 30, 2011. You now propose, as described in your letter dated March 13, 2012, to expand Ohserase's plan for simultaneous display (i.e., the alternative to quarterly rotation) of the four health warnings on packaging to include four additional varieties of the Signal brand.

Ohserase's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging for the Signal brand, and the warnings on the sample packs and cartons submitted with your letter dated January 27, 2012 appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness. Accordingly, Ohserase's expansion of its plan for simultaneous display of the four health warnings on packaging is hereby approved for the Bold Kings hard pack, Bold 100's hard pack, Max Kings hard pack, and Max 100's hard pack varieties of the Signal brand.

Approval of Ohserase's 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.

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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.

Justin Tarbell March 19, 2012 Page 2

As you know, before Osherase disseminates any advertising it must have an approved plan detailing how it will comply with the requirements of the Cigarette Act with respect to display of the health warning statements in advertisements.

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

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

This approval is effective on the date of this letter and runs through September 21, 2012.

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

Very truly yours,
Muy La Engle

Associate Director



March 13, 2012

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

Re: Rotation Plan: Cheyenne, Decade and aura brands

Dear Ms. Engle,

Cheyenne International, LLC (the "Company") is a tobacco products manufacturer (ATF permit # TP-NC-645). The Company's fiscal year is the calendar year. We currently manufacture three brands of cigarettes: Cheyenne, Decade and aura (we discontinued the manufacturing, sales and marketing of the Pulse brand). With this letter we seek to renew the annual rotation plan for these brands.

#### We have 11 styles of Cheyenne, all in hard box:

Cheyenne Red King's
Cheyenne Gold King's
Cheyenne Silver King's
Cheyenne Menthol King's
Cheyenne Menthol Silver King's
Cheyenne Non Filter King's
Cheyenne Red 100's
Cheyenne Gold 100's
Cheyenne Silver 100's
Cheyenne Menthol 100's
Cheyenne Menthol Silver 100's

#### We have 10 styles of Decade, all in hard box:

Decade Red King's
Decade Gold King's
Decade Silver King's
Decade Menthol King's
Decade Menthol Silver King's
Decade Red 100's
Decade Gold 100's
Decade Silver 100's
Decade Menthol 100's
Decade Menthol Silver 100's

In our submission of March 29, 2010 for the Cheyenne and Decade brands were samples of actual cartons and packs displaying the four different required warnings. The warnings will appear exactly as shown on those samples.

#### We have 4 styles of aura, all in hard box:

aura robust red King Box aura radiant gold King Box aura sky blue King Box aura menthol glen King Box

In our submission of May 18, 2010 for the aura brand were samples of actual cartons and packs displaying the four different required warnings. The warnings will appear exactly as shown on those samples.

The Company wishes to continue to use the option provided by Section 1333(c)(2) of the Cigarette Act. The four warnings will be displayed an equal number of times on the packs and cartons of each brand style during the one year period beginning on the date of the approval of this plan.

Included with this letter is Exhibit 1 that is a tabular statement of sales volume by brand style for the previous fiscal year, as well as the anticipated sales for the one year period covered by the respective rotation plan for the brands.

The way that we will ensure that all four warnings will be equally displayed on the packs and cartons of each brand style throughout the year will be through our printing process. Our printer will print cartons 4 to a sheet – each carton on the sheet will have a different warning. Similarly, the printer will print 16 packs to a sheet with the 4 different warnings repeated 4 times. Every print run of cartons and packs will therefore have an equal distribution of warnings and accordingly our manufacturing runs will have an equal distribution of warnings. The result should be an equal distribution of warnings on cigarettes sold throughout the

year. We will maintain sufficient records to demonstrate compliance with the plan. If by the end of the year equalization of warnings on packs and cartons has not been achieved, the Company will take steps, such as placing special orders of packaging, to ensure warning label equalization.

The Company is operating under the revised advertising plan filed by the Company on June 17, 2009 that was approved on June 23, 2009. The Company has made no changes to the approved plan.

If you have any questions, please do not hesitate to call me at (704) 937-7200. We appreciate your attention to our plan submission.

Sincerely,

David A. Scott

Chief Financial Officer

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## CHEYENNE INTERNATIONAL, LLC (all styles are hard pack, called "box")

			Actual	Anticipated
			Previous	Current
			Fiscal	Rotation
			Year (2011)	Plan Year
Brand	Cheyenne			
Highest S	Selling Style	Red 100's		1
	Selling Style %			
Brand	Decade			
Highest S	Selling Style	Red 100's		100
	Selling Style %			
Brand	Pulse			
Highest S	Selling Style	Menthol Bold 100's		
	Selling Style %			00
Brand	aura			
	Selling Style	radiant gold King		
Highest S	Selling Style %			7

Brand Totals
Approximately of all cigarettes sold in the US in 2011

(Highest Brand Style (Decade Red 100's) approximately

of all cigarettes sold)

# Division of Advertising Practices

## UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION WASHINGTON, D.C. 20580

March 28, 2012

David A. Scott Cheyenne International, LLC 701 S. Battleground Avenue Grover, NC 28073

Dear Mr. Scott:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a proposed plan filed by Cheyenne International, LLC ("Cheyenne") on March 13, 2012, calling for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Cheyenne, Decade and 'aura' brands of cigarettes.

Cheyenne's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letters dated March 29, 2010 (Cheyenne and Decade) and May 18, 2010 (aura) <sup>1</sup> continue to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.

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

- Eleven hard pack varieties of the Cheyenne brand: Red Kings, Red 100's, Gold Kings, Gold 100's, Silver Kings, Silver 100's, Menthol Kings, Menthol 100's, Menthol Silver Kings, Menthol Silver 100's, and Non-Filter Kings;
- Ten hard pack varieties of the Decade brand: Red Kings, Red 100's, Gold Kings, Gold 100's, Silver Kings, Silver 100's, Menthol Kings, Menthol 100's, Menthol Silver Kings, and Menthol Silver 100's; and
- Four hard pack varieties of the aura brand: robust red Kings, radiant gold Kings, sky blue Kings, and menthol glen Kings.

Cheyenne stated in its March 13, 2012 letter that the four health warnings will appear exactly as shown on the packs and cartons submitted on these dates.

David A. Scott March 28, 2012 Page 2

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

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

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

This approval is effective on the date of this letter and runs through March 27, 2013, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

If you have any questions regarding this approval, please contact Caitlyn Brady at (202) 326-2848.

Very truly yours,

Mary K. Engle Associate Director

Magk Egle

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.

#### SENECA MANUFACTURING COMPANY

MAKERS OF HERON CIGARETTES



Phone: 716-945-4400

716-945-4401

PO Box 496 175 Rochester Street Salamanca, NY 14779

March 21, 2012

FEDERAL TRADE COMMISSION
MS MARY ENGLE ASSOCIATE DIRECTOR
DIVISION OF ADVERTISING
600 PENNSYLVANIA AVENUE
WASHINGTON DC 20508

Re: Heron Natural

Heron Crimson Heron Non-Filter Heron No. 33 Black

Dear Ms. Engle:

This letter is being submitted for your approval of the alternative method to the quarterly rotation of the Surgeon General's Warnings for packaging of additional varieties for the Heron brand, manufactured by the partnership of Travis G. Heron, Ellen R. Heron and Gary C. Heron, d/b/a Seneca Manufacturing Company (Manufacturer of Tobacco Products License TP-NY-15007). Seneca Manufacturing Company's warning statement plan for twenty-two (22) varieties of the Heron brand was submitted and approved on July 14, 2011.

Seneca Manufacturing Company is now requesting approval to expand its packaging plan to include these additional twenty-two (22) Heron brand styles:

Crimson 100's Box Natural 100's Box

Natural Smooth 100's Box Natural Menthol 100's Box No 33 Black Red 100's Box

No 33 Black Menthol 100's Box

Crimson King Box Natural King Box Natural Smooth King Box Natural Menthol King Box Non-Filter King Box No. 33 Black Red King Box Crimson 100's Soft Pack

No 33 Black Red 100's Soft Pack No 33 Black Gold 100's Soft Pack

No 33 Black Menthol 100's Soft Pack

Crimson King Soft Pack

No. 33 Black Red King Soft Pack

No. 33 Black Gold King Box No. 33 Black Menthol King Box No. 33 Black Gold King Soft Pack No. 33 Black Menthol King Soft Pack

These cigarettes will be packaged in 200 count cartons ("Outer Carton"). Each Outer Carton will contain ten (10) packs of twenty (20) cigarettes each ("pack"). Regardless of the overall appearance of the label and carton, a white background consistently embodies the Surgeon General's Warnings with black type in order to maximize the contrast and visibility of the image. The warnings will appear exactly as shown on the samples submitted with letter dated February 7, 2012, and samples submitted with this letter dated March 21, 2012, (No. 33 Black Red King Soft Pack; No. 33 Black Gold King Soft Pack; No. 33 Black Menthol King Soft Pack and Crimson King Soft Pack).

Seneca Manufacturing Company believes that its low sales volume of cigarettes fits the criteria for the alternative to quarterly rotation of warnings on packaging, provided for in Section 133(c)(2) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. 1331.

Our sales for each brand style for the previous fiscal year and anticipated sales for each brand style for the next fiscal year are set out in Exhibit "A".

If this plan for the alternative quarterly rotation of the warnings on the packaging is approved, the four (4) cigarette health warnings will appear on the packs and cartons for each of the twenty-two (22) new brand styles an equal number of times for the one year period beginning on the date of approval of this plan. To ensure the cigarette health warnings appear on the Heron brand style an equal number of times throughout the plan year, raw material packaging inventory will be stored and loaded into packaging machines alternating the health warnings. Seneca Manufacturing Company will maintain records of compliance with approved plan.

We will continue to advertise according to our December 17, 2007 plan approved by the Federal Trade Commission on December 19, 2007.

If there are any questions or concerns regarding this, please feel free to contact me.

Very truly yours,

SENECA MANUFACTURING

ruge

Gary C. Sanden

GCS/jlw Enclosures

## EXHIBT A

Page 1

Heron-Brand Styles	Previous Year (2011) Sales/Sticks
Red 100's SP	
Gold 100's SP	
Silver 100's SP	
Menthol 100's SP	
Menthol Gold 100's SP	
Red 100's Box	
Gold 100's Box	
Silver 100's Box	
Menthol 100's Box	
Menthol Gold 100's Box	
No. 33 Black Gold 100's Box	
Red King Box	
Gold King Box	
Silver King Box	
Menthol King Box	
Menthol Gold King Box	
Red King SP	
Gold King SP	
Silver King SP	
Menthol King SP	
Menthol Gold King SP	
Non-Filter King SP	

Heron-Brand Styles	Estimated Sales (2012)/Sticks	
Red 100's SP		
Gold 100's SP		
Silver 100's SP		
Menthol 100's SP		
Menthol Gold 100's SP		
Crimson 100's SP		
No. 33 Black Red 100's SP		
No. 33 Black Gold 100's SP		
No. 33 Black Menthol 100's SP		
Red 100's Box		
Gold 100's Box		
Silver 100's Box		
Menthol 100's Box		
Menthol Gold 100's Box		
Crimson 100's Box		
Natural 100's Box		
Natural Smooth 100's Box		
Natural Menthol 100's Box		
No. 33 Black Red 100's Box		
No. 33 Black Gold 100's Box		
No. 33 Black Menthol 100's Box		
Red King Box		
Gold King Box		
Silver King Box		
Menthol King Box		
Menthol Gold King Box		
Crimson King Box		
Natural King Box		
Natural Smooth King Box		
Natural Menthol King Box		
Non-Filter King Box		
No. 33 Black Red King Box		
No. 33 Black Gold King Box		
No. 33 Black Menthol King Box		
Red King SP		
Gold King SP		
Silver King SP		
Menthol King SP		
Menthol Gold King SP		
Non-Filter King SP		
Crimson King SP		
No. 33 Black Red King SP		
No. 33 Black Gold King SP		
No. 33 Black Menthol King SP		

Selected packaging samples from those submitted with the plan.

KINGS BOX

3148 3148 3148 3149 3149 3149 3149 3149

## HERON

NATURAL SWARTH PINGS



SONIX HIDOMS JARDIAN

HEBON





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

AZU 3HT NI 3QAM T0021-YN - 9T

UNDERAGE SALE PROHIBITED



Crafted on the Territory of the Senecs Manufacturing Company Senecs Manufacturing Company 176 Hochester St. Salamanca, NY 19779



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

CLASS A CLASS A







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

March 29, 2012

Gary C. Sanden Seneca Manufacturing Company P.O. Box 496 175 Rochester Street Salamanca, NY 14779

Dear Mr. Sanden:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331 et seq. ("the Cigarette Act"). Pursuant to that delegation, the July 14, 2011 plan of the partnership of Travis G. Heron, Ellen R. Heron and Gary C. Heron, d/b/a Seneca Manufacturing Company ("Seneca") for display of the four health warnings on packaging for certain varieties of the Heron brand of cigarettes was approved on July 14, 2011. You now propose, as described in your letter dated March 21, 2012, to expand Seneca's plan for simultaneous display (i.e., the alternative to quarterly rotation) of the four health warnings on packaging to include twenty-two additional varieties of the Heron brand.

Seneca's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letter dated February 7, 2012, and on the revised sample packs submitted with your letter dated March 21, 2012, appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.<sup>1</sup>

Accordingly, Seneca's plan for simultaneous display of the four health warnings on packaging is hereby approved for the following twenty-two varieties of the Heron brand: Crimson Kings (soft pack and box), Crimson 100's (soft pack and box), No. 33 Black Red Kings (soft pack and box), No. 33 Black Red 100's (soft pack and box), No. 33 Black Gold Kings (soft

Although the warnings on the packs for the king size soft pack varieties submitted on February 7, 2012 did not meet the size requirements of the Cigarette Act, corrected samples were submitted on March 21, 2012. This approval pertains only to packaging that meets the requirements of the Cigarette Act.

Gary C. Sanden March 29, 2012 Page 2

pack and box), No. 33 Black Gold 100's soft pack, No. 33 Black Menthol Kings (soft pack and box), No. 33 Black Menthol 100's (soft pack and box), Natural Kings box, Natural 100's box, Natural Smooth Kings box, Natural Smooth 100's box, Natural Menthol Kings box, Natural Menthol 100's box, and Non-Filter Kings box.

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

Please note that this letter only approves Seneca's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("FSPTCA") concerning the rotation, size, and conspicuousness of the warnings on Seneca's packaging. Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for Seneca's cigarettes, including, but not limited to, "natural" and "100% additive-free." Nor does this letter purport to interpret or express any opinion about the adequacy of Seneca's packaging and advertising under the FSPTCA or any regulations that have been or might be promulgated by the Department of Health and Human Services under that statute, including but not limited to the Regulations Restricting the Sale and Distribution of Cigarettes and Smokeless Tobacco to Protect Children and Adolescents (published March 19, 2010).

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

This approval is effective on the date of this letter and runs through March 28, 2013, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

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

Very truly yours,

Mary K. Engle

Associate Director

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.