MEMORANDUM

TO: Public Records
    Office of the Secretary

FROM: Sallie Schools
    Division of Advertising Practices

SUBJECT: Rotational Health Warnings for Cigarettes
    File No. P854505

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


7. March 15, 2001 letter from Robert Pless, Lane Limited to C. Lee Peeler.


9. March 5, 2001 letter from Sally Baldwin, Leonidias Trading Company to Sallie Schools.


15. February 10, 2001 from Mohammed Babul, Bengal Tobacco to C. Lee Peeler.


25. March 26, 2001 letter from Gitano Bryant, Tobacco & Candy International to C. Lee Peeler.

26. March 29, 2001 letter from C. Lee Peeler to Gitano Bryant, Tobacco & Candy
Public Records
July 12, 2001
Page 3

International.

27. April 2, 2001 letter from Harry Idnani, Smokers Choice to Sallie Schools.


31. April 11, 2001 letter from Neal Beaton, Esq. on behalf of Japan Tobacco to C. Lee Peeler.

32. April 17, 2001 letter from C. Lee Peeler to Neal Beaton, Esq. on behalf of Japan Tobacco.

33. April 19, 2001 letter from Mark Dunham, Premier Manufacturing to C. Lee Peeler.

34. April 19, 2001 letter from C. Lee Peeler to Mark Dunham, Premier Manufacturing.

35. April 5, 2001 letter from Won Kwang, K Imports to C. Lee Peeler.

March 2, 2001

BY FAX (202) 326-3259 WITH CONFIRMATION BY FEDERAL EXPRESS

Michael Ostheimer, Esq.
and/or Sallie Schools, Esq.
Federal Trade Commission
601 Pennsylvania Ave., NW
Washington, DC 20580

Re: Request for Approval of the Warning Statement Rotation Plan (“the Plan”) of Certain PT Djarum Brand Cigarettes Imported by G. A. Andron & Co., Inc. (“Andron”)

Dear Mr. Ostheimer and Ms. Schools:

I am writing this letter on behalf of my client Andron, who imports some of the former’s products. It is our desire to obtain approval on behalf of Andron of the Plan attached hereto as Exhibit A for DJARLM Lights and DJARLM Super imported by Andron. Andron’s address is 89 North Industry Court, Deer Park, NY 11729. The company officer responsible for overseeing this issue is Joanne Diggett, Vice-president.

Exhibit A shows that the four Warning Statements will be rotated quarterly based on the quarter in which the products are manufactured. Moreover, the Warning Statement will appear on the final, or finished products exactly as shown on the revised packaging that has been submitted to you with PT Djarum’s letter dated February 23, 2001.

We have previously submitted packaging of DJARUM Lights and DJARUM Super cigarettes, and you advised me on the phone on February 27, 2001 that the Warning Statements appear to be in accord with the requirements of the law. So as to prevent future mistakes, Andron agrees to inspect each incoming shipment that it receives so as to make sure that the supplier, PT Djarum, has placed correct warning statements on the products, that such statements are ones called for under the Plan, and to maintain records to demonstrate compliance of such inspections and actions taken in the event that incorrect Warning Statements are received.

Andron conducts no consumer advertising for the brands that it imports, and if it decides to conduct such advertising, it will submit to you a rotation plan pursuant to the requirements of the Federal Cigarette Labeling and Advertising Act.
With the foregoing in mind, we hope that you can grant Andron approval of the Plan being submitted with this letter. It is hoped that you can grant this approval as soon as possible. If you could fax us the news, (or possibly give me a call to the same effect) it would be most appreciated. Upon receipt of such information PT Djarum, as well as Andron, could provide the necessary certifications to the US Department of Customs pursuant to HR4868 in order to import some badly needed DJARUM products.

Thank you for your kind courtesy and cooperation.

Very truly yours,

G. A. Avram

Enclosures

cc: Ms. Joanne Diggett
EXHIBIT A

G. A. ANDRON & CO., INC.
WARNING ROTATION SCHEDULE
PROPOSED PERMANENT PLAN

SURGEON GENERAL'S WARNINGS

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

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

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

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

BRAND
DJARUM Lights
DJARUM Super

Cigarettes
Manufactured
In

1st Qtr.
(Jan., Feb. & March)

2nd Qtr.
April, May

3rd Qtr.
(July, Aug. & Sept.)

4th Qtr.
(Oct., Nov. & Dec.)

Warning# 1

“ # 2

“ # 3

“ # 4
Selected packaging samples from those submitted with the plan.
SURGEON GENERAL’S WARNING:
Smoking By Pregnant Women May Result in
Fetal Injury, Premature Birth, And Low Birth Weight.
Djarum Super

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

CLASS A CIGARETTES
MADE BY PT Djarum, Indonesia
March 8, 2001

G. A. Avram, Esq.
Finger, Parker, Avram, Martin & Roemer, L.L.P.
P.O. Box 11633
Winston-Salem, N.C. 27116-1633

Dear Mr. Avram:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of G.A. Andron & Co., Inc. ("Andron") on March 2, 2001, calling for quarterly rotation of the four health warnings on the packs and cartons of the "International" varieties of Djarum Lights and Djarum Super cigarettes.

The warnings on the revised packs and cartons submitted with P.T. Djarum’s letter of February 23, 2001 appear to comply with the size and conspicuousness requirements of the Cigarette Act. Andron’s plan for the “International” varieties of Djarum Lights and Djarum Super cigarettes is hereby approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.¹ The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

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

Finally, we want to reemphasize that it is your client’s responsibility to ensure that all cigarettes that are imported under this plan fully comply with it.

Sincerely,

C. Lee Peeler
Associate Director

¹ This approval only pertains to the redesigned packaging of the “International” varieties of Djarum Lights and Djarum Super cigarettes and not to prior versions of these products. The redesigned packaging has the health warnings in black print on a white background.

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

BY FAX (202) 326-3259 WITH CONFIRMATION BY FEDERAL EXPRESS

Michael Ostheimer, Esq.
and/or Sallie Schools, Esq.
Federal Trade Commission
601 Pennsylvania Ave., NW
Washington, DC 20580

Re: Request for Approval of the Warning Statement Rotation Plan ("the Plan") of Certain PT Djarum Brand Cigarettes Imported by Phillips and King International, Inc. ("P&K")

Dear Mr. Ostheimer and Ms. Schools:

I am writing this letter on behalf of my client P&K, who imports one of the former’s products. It is our desire to obtain approval on behalf of P&K of the Plan attached hereto as Exhibit A for DJARUM King Size cigarettes. P&K’s address is 18021 Cortney Court, City of Industry, CA 91748. The company officer responsible for overseeing this issue is John Parker, Senior Vice-president.

Exhibit A shows that the four Warning Statements will be rotated quarterly based on the quarter in which the products are manufactured. Moreover, the Warning Statement will appear on the final, or finished products exactly as shown on the revised packaging that has been submitted to you with PT Djarum’s letter dated February 23, 2001.

We have previously submitted packaging of DJARUM King Size cigarettes, and you advised me on the phone on February 27, 2001 that the Warning Statements appear to be in accord with the requirements of the law. So as to prevent future mistakes, Phillips & King agrees to inspect each incoming shipment that it receives so as to make sure that the supplier, PT Djarum, has placed the correct warning statements on the products, that such statements are ones called for under the Plan, and to maintain records to demonstrate compliance of such inspections and actions taken in the event that incorrect Warning Statements are received.

P&K conducts no consumer advertising for the brands that it imports, and if it decides to conduct such advertising, it will submit to you a rotation plan pursuant to the requirements of the Act.
With the foregoing in mind, we hope that you can grant P&K approval of the Warning Statement Rotation Plan being submitted with this letter. It is hoped that you can grant this approval as soon as possible. If you could fax us the news, (or possibly give me a call to the same effect) it would be most appreciated. Upon receipt of such information PT Djarum, as well as P&K, could provide the necessary certifications to the US Department of Customs pursuant to HR4868 in order to import some badly needed DJARUM products.

Thank you for your kind courtesy and cooperation.

Very truly yours,

G. A. Avram

Enclosures

cc: Mr. John Parker
EXHIBIT A

PHILLIPS & KING INTERNATIONAL, INC.
WARNING ROTATION SCHEDULE
PROPOSED PERMANENT PLAN

SURGEON GENERAL'S WARNINGS

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

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

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

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

BRAND
DJARUM King Size

Cigarettes
Manufactured
In

1st Qtr. (Jan., Feb. & March) Warning # 1

2nd Qtr. April, May & June “ # 2

3rd Qtr. (July, Aug. & Sept.) “ # 3

4th Qtr. (Oct., Nov. & Dec.) “ # 4
Selected packaging samples from those submitted with the plan.
March 8, 2001

G. A. Avram, Esq.
Finger, Parker, Avram, Martin & Roemer, L.L.P.
P.O. Box 11633
Winston-Salem, N.C. 27116-1633

Dear Mr. Avram:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(e) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Phillips and King International, Inc. ("P&K") on March 2, 2001, calling for quarterly rotation of the four health warnings on the packs and cartons of the "International" variety of Djarum King Size cigarettes.

The warnings on the revised packs and cartons submitted with P.T. Djarum’s letter of February 23, 2001 appear to comply with the size and conspicuousness requirements of the Cigarette Act. P&K’s plan for the "International" variety of Djarum King Size cigarettes is hereby approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan? The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

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

Finally, we want to reemphasize that it is your client’s responsibility to ensure that all cigarettes that are imported under this plan fully comply with it.

Sincerely,

C. Lee Peeler
Associate Director

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1 This approval only pertains to the redesigned packaging of the “International” variety of Djarum King Size cigarettes and not to prior versions of this product. The redesigned packaging has the health warnings in black print on a white background.

2 Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.
Windward Tobacco, Inc.
34 Sunburst Circle, E. Amherst, NY 14051 Tel (716) 639-7544, E-Mail rssfire@adelphia.net

March 5, 2001

Mr. Michael Ostheimer
Federal Trade Commission
Division of Advertising Practices
601 Pennsylvania Avenue, N.W.
Room 4004
Washington, DC 20580

Cigarette Health Warning Rotation Plan

Dear Mr. Ostheimer:

Please accept this letter as a revised formal plan of Surgeon General Warning Rotation for Windward Tobacco, Inc. (ATF Import License Number NY-TI-67)(the Importer). This plan is being submitted in accordance with the requirements as detailed in the Federal Cigarette Labeling and Advertising act of 1984 (the Act) (15 U.S.C. 1331 et seq.), as amended. The original plan that was submitted on December 12, 2000 included artwork of the cigarette labels and cartons rather than actual packs and cartons. The first revision to this letter dated February 7, 2001 included only a sample of the actual packs and cartons. This second revised plan includes actual packs and cartons showing each of the four health warnings for each of the brand styles that are to be imported.

Upon approval of this plan, the Importer intends to (for the calendar year 2001) import cigarettes into the United States that are manufactured outside the United States. The Importer intends to purchase American Diplomat brand cigarettes in a variety of styles in king and 100 size (i.e. premium filter, light and menthol in king and 100 size and menthol light and ultra light in 100 size only). The purpose of this letter is to get authorization for the importation of products that will be labeled by the foreign manufacturer in complete conformance with FTC guidelines.

The cigarettes will be delivered in shipping containers with master cases ("Master Case") per container. Each Master Case will contain cigarettes packaged in count cartons ("Outer Carton"). Each Outer Carton will contain packs of cigarettes each ("Pack"). The packing of these cigarettes will be that of the original manufacturer. The Surgeon General Warnings will be on each Pack and Outer Carton of
cigarettes in the form and content dictated by the Act and therefore satisfactory to the FTC.

The Importer does not intend to purchase in the year 2001, a maximum of more than [redacted] containers of cigarettes per month. Specifically, the total cigarettes imported will not exceed [redacted] per month or [redacted] per year. The Importer will advise the FTC of exact numbers imported each year via documentation prepared in accordance with this plan (see discussion of the Surgeon-General Warning Rotation Log below). In accordance with Section 4(c)(2) of the Act, and based upon anticipated annual import quantities (i.e., total imports are less than one-fourth of one percent of total cigarettes sold in the United States, and the brand styles of the cigarettes imported meet this low sales threshold), the Importer respectfully requests that it be allowed to submit a Rotation Plan using the Alternative method to the Quarterly Rotation Plan described in Section 4(c)(1).

As a “small” importer by virtue of the information set forth above, the Importer hereby states as its plan of rotation that the labels described in Section 1333 (a)(1) of the Act shall appear on the packages of each brand style of cigarettes with respect to which this plan is approved an equal number of times during the one year period commencing upon FTC approval of this Plan. The Packs and Outer Cartons will bear the original warnings placed on the packaging by the cigarette manufacturer. The warning statement on the packages will be rotated to ensure that the four statutory warnings described in the Act (section 1333) will appear on the packs and cartons of each brand style an equal number of times during the next year as required by the Act and under this Plan. The warnings will be printed in a legible and conspicuous manner and will be of a size, format and type as required by the FTC. The warnings will be placed on the product in an authorized location, a location which will be acceptable to the FTC and which complies with applicable labeling statutes. Samples of the American Diplomat packs and cartons are enclosed for your review (some of these were also submitted with the previous letter dated February 7, 2001). The four health warnings will appear on packs and cartons of American Diplomat cigarettes exactly as do on the enclosed samples.

The Importer’s Rotation Plan includes procedures to maintain a Surgeon General Warning Rotation Log (the “Log”) at the import warehouse that will be used to quantify the number of the four approved health warning labels which are imported. The Log will be reviewed periodically throughout the year to assure that the four Surgeon General warnings are equalized in their use during the year.

Since the Importer will not advertise the imported product, there is no need to submit a plan for the rotation of warnings on advertising.

The Importer is also aware of (and will abide by) the laws that have been established concerning the importation of cigarettes. A list of tobacco additives used in the manufacture of the American Diplomat cigarettes will be sent to the CDC. Additionally
the Importer has received a letter from the owner of the US trademark “American Diplomat” authorizing the importation of the cigarettes.

The Importer believes that the foregoing Plan complies with the requirements set forth in the Federal Cigarette Labeling and Advertising Act and respectfully requests approval.

Should this request conform to your requirements, I would appreciate that a letter evidencing the approval be sent (or E-Mailed if possible) to my attention at the above addresses. If you have any questions concerning the Plan I have described, or need additional information, please call. Your prompt attention to this matter is greatly appreciated.

Sincerely,

[Signature]

Richard G. Saffire Jr.
President

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

Mr. Richard G. Saffire, Jr., President
Windward Tobacco, Inc.
34 Sunburst Circle
E. Amherst, NY 14051

Dear Mr. Saffire:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Windward Tobacco, Inc. ("Windward") on March 5, 2001 calling for the simultaneous display of the four health warnings on the packs and cartons of certain varieties of the American Diplomat brand of cigarettes.

Windward's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The warnings on the packs and cartons submitted with your March 1, 2001 letter appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Windward's plan has been approved for varieties of the American Diplomat brand of cigarettes: premium filter, light and menthol in king and 100 size, and menthol light and ultra light in 100 size only. This approval is effective on the date of this letter and ends on March 7, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

Sincerely,

C. Lee Peeler
Associate Director

1 Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.
Ms. Diana Winterson
Division of Advertising Practices
Federal Trade Commission
601 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Ms. Winterson:

Reference is made to my letter to Mr. Peeler dated February 1, 2001 transmitting a revised Affidavit in support of the application by Lane Limited to continue simultaneous rotation of the cigarette health warnings and to the February 7, 2001 approval letter from Mr. Peeler, which did not apply to GITANES Blondes and GITANES Blondes Lights.

You had requested packaging samples for GITANES Blondes and GITANES Blondes Lights. I have obtained the samples and they were enclosed with my March 9, 2001 letter. For each of the two GITANES varieties there are packs and cartons reflecting all four warning statements. We will distribute the four Surgeon General's warnings equally on packs and cartons of these brand styles during the one year period beginning on the date the plan was approved, and they will appear exactly as they do on the packs and cartons enclosed with my letter dated March 9, 2001.

If the packaging submitted with my March 9, 2001 letter is satisfactory, I would appreciate approval being granted for GITANES Blondes and GITANES Blondes Lights. If there are any questions, please call me at (800) 241-6579.

With kind regards,

Sincerely,

Robert S. Pless
Vice President &
General Counsel

RSP

Enclosures
Selected packaging samples from those submitted with the plan.
SURGEON GENERAL’S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.
March 15, 2001

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

Dear Mr. Pless:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). On February 7, 2001, the Commission approved Lane Limited's ("Lane") February 1, 2001 plan for the simultaneous display of the four health warnings on packaging of certain varieties of the Dunhill International, Dunhill, Cartier, Craven, Gauloises, and Gitanes brands of cigarettes.

On March 15, 2001, Lane filed a supplement to expand its plan to include the Blondes and Blondes Lights brand styles of the Gitanes brand. The warnings on the packs and cartons submitted with your March 9, 2001 letter appear to meet the size and conspicuousness requirements of the Cigarette Act. Lane’s supplement to its plan is hereby approved. This approval is effective on the date of this letter and ends on February 6, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.¹ The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Sincerely,

C. Lee Peeler
Associate Director

¹ Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.
March 5, 2001

REVISED LETTER OF FEBRUARY 2, 2001

Ms. Sallie Schools
Federal Trade Commission
601 Pennsylvania Ave., NW
Washington, DC 20580

Dear Ms. Schools:

We previously sought and received approval for the rotation of the health warning labels on packaging and in advertising on certain styles of the following brands of cigarettes: Geronimo, Revenge, Bandito, Desperado, Money, Natural Harvest, and Noble.

We are no longer producing king size of Geronimo, Money, Natural Harvest, and Noble. We are no longer producing Bandito, Desperado, and Natural Harvest Light at all. We now seek to supplement our plan to include the following brand styles: Geronimo Ultra Light 100 and Money Light 100. In addition, we've changed manufacturers to House of Prince.

We have revised packaging on the following brand styles: Geronimo Light and Full Flavor 100, Money Full Flavor 100, Natural Harvest 100, and Noble Light and Full Flavor 100. We are adding Geronimo Ultra Light 100 and Money Light 100. We are submitting actual packaging for packs and cartons. We continue to follow the provision of our approved plans as set up in our letters of November 3, 1999, November 30, 1999, and December 1, 1999.

Sincerely,

Sally J. Baldwin
President

SJB:pc
Selected packaging samples from those submitted with the plan.
Geromo
Fine Tobacco

Geromo
Fine Tobacco

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

includes Virginia, burley and red tobacco, vanilla, glycerol, 4's suagr, licorice, I alcohol, rum, natural and imitation flavors.

0.6 mg TAR: 8 mg
Noble Tobacco Cigarettes

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

Ingredients: Virginia, burley and oriental tobacco, water, glycerol, maple sugar, licorice, cocoa, chocolate, ethyl alcohol, rum, natural and nature identical flavors.

NIC 1.1mg TAR: 12mg
Natural-Harvest

Filter 100's

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

UNDERAGE SALE PROHIBITED
March 16, 2001

Ms. Sally Baldwin  
Leonidias Trading Company  
4457 Park Road  
Benicia, CA 94510

Dear Ms. Baldwin:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, on August 11, 1999, November 16, 1999, and December 10, 1999, I approved Leonidias Trading Company’s ("Leonidias") rotation plans for certain styles of the Geronimo, Money, Natural Harvest, and Noble brands of cigarettes (collectively its "plan"). In a March 5, 2001 letter, you propose to expand your plan to include the Geronimo Ultra Light 100 and Money Light 100 brand styles. With your letter dated February 26, 2001, you submitted sample packaging for these brand styles, as well as revised packaging for certain previously approved brand styles.

The warnings on the sample packs and cartons submitted with your February 26th letter appear to meet the size and conspicuousness requirements of the Cigarette Act. Leonidias’ expansion of its plan to include the Geronimo Ultra Light 100 and Money Light 100 brand styles is hereby approved, as are the revisions to the packaging of its previously approved brand styles of Geronimo, Money, Natural Harvest, and Noble cigarettes. Approval of your 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.

The approval of your cigarette health warning display plan is an approval only of your plan for displaying the four health warnings mandated by the Act. It is not in any way an approval of any statements or representations, other than the mandated health warnings, made on the packaging or in the advertising of your cigarettes.

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

Sincerely,

C. Lee Peeler  
Associate Director

1 Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.
March 8, 2001

BY FAX (202) 326-3259 WITH CONFIRMING LETTER

Michael Ostheimer, Esq.
and/or Sallie Schools, Esq.
Federal Trade Commission
601 Pennsylvania Ave., NW
Washington, DC 20580

Re: Request for Approval of the Warning Statement Rotation Plan ("the Plan") of Certain PT Djarum Brand Cigarettes Imported by Kretek International, Inc. ("Kretek")

Dear Mr. Ostheimer and Ms. Schools:

I am writing this letter on behalf of Kretek, an importer of some of the former’s products. We are submitting to you for approval the Plan attached hereto as Exhibit A for the cigarettes listed below. Kretek’s address is 5069 Maureeq Lane, Moorpark, CA 93021-1792, and the company officers responsible for overseeing this issue are Hugh Cassar, President and Stan Ching, Vice-president.

Exhibit A shows that the four Warning Statements will be rotated quarterly based on the quarter in which the products were manufactured.

The brands in question are:

DJARUM Special International Packs and Cartons
DJARUM BLACK International Packs and Cartons
DJARUM BALI HAI International Packs and Cartons
DJARUM SPLASH International Packs and Cartons

You received packs and cartons of each of the above listed DJARUM products with PT Djarum’s letters of February 23 and 27, 2001 and my letter of March 2, 2001 ("the Letters"). We previously submitted mock-ups showing the display of all 4 versions of the warning statement for each of these products with our letter to you of December 27, 2000, and you orally advised the undersigned by phone on January 5 that the mock-ups that we sent appeared to be in compliance with the requirements of the Federal Cigarette Labeling and Advertising Act ("the Act").
Kretek represents that the Warning Statements that will appear on the final, or finished, products will be exactly as shown on the revised packaging that has been submitted to you with the Letters. **So as to prevent future mistakes, Kretek agrees to inspect each incoming shipment that it receives so as to make sure that the supplier has placed the correct Warning Statements on the products, that such statements are the ones called for under the Plan, and to maintain records to demonstrate compliance of such inspections and actions taken in the event that incorrect Warning Statements are received.**

Kretek’s consumer advertising is limited to occasional magazine publications, and in that regard it agrees to use the Warning Statement formats that were submitted to the FTC with the 1985 plans of the 5 major cigarette companies and place the warnings as specified in those plans. Moreover, Kretek agrees that its advertisements in such publications will not exceed 470 square inches. Per your request, acetates of the four Warning Statements were sent to you with PT Djarum’s letter of March 1, 2001. Kretek agrees to rotate the Warning Statements in its advertising to coincide with the rotation specified in the Plan (Exhibit A). It would be most appreciated if you would be able to return the acetates to Kretek.

In light of the revocation letter that you sent to Kretek, and its dwindling inventory, it is hoped that you can grant your approval of Kretek’s Plan **as soon as possible.** It would also be great if you could fax us (or Kretek) such approval, (or possibly give me a call to the same effect). Upon receipt of such information PT Djarum, as well as Kretek, could order much needed inventory and provide the necessary certifications to the US Department of Customs pursuant to HR4868.

This Plan is being filed only for the product and packaging described in this letter, and Kretek will be responsible for obtaining the necessary Warning Statement Rotation Plans for other packaging styles or products.

As I expect to be out of the country until March 21, feel free to contact Kretek directly if you have any questions or further requests. Kretek has received a copy of this letter and is obviously empowered to make whatever additional changes, if any, are requested.

Thank you for your kind courtesy and cooperation.

Very truly yours,

G. A. Avram

Enclosures

cc: Mr. Hugh Cassar
    Mr. Stan Ching
EXHIBIT A

KRETEK INTERNATIONAL, INC.
WARNING ROTATION SCHEDULE
PROPOSED PERMANENT PLAN

SURGEON GENERAL'S WARNINGS

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

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

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

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

<table>
<thead>
<tr>
<th>BRAND</th>
<th>Cigarettes Manufactured</th>
<th>1st Qtr. (Jan., Feb. &amp; March)</th>
<th>2nd Qtr. (April, May &amp; June)</th>
<th>3rd Qtr. (July, Aug. &amp; Sept.)</th>
<th>4th Qtr. (Oct., Nov. &amp; Dec.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DJARMU</td>
<td>DJARMU Special BALI HAI</td>
<td>Warning # 1</td>
<td>&quot; &quot; # 2</td>
<td>&quot; &quot; # 3</td>
<td>&quot; &quot; # 4</td>
</tr>
<tr>
<td>DJARMU</td>
<td>BLACK</td>
<td></td>
<td>&quot; &quot; # 3</td>
<td>&quot; &quot; # 4</td>
<td>&quot; &quot; # 1</td>
</tr>
<tr>
<td>PREMIUM ONE</td>
<td>Djarmu Black</td>
<td></td>
<td>&quot; &quot; # 4</td>
<td>&quot; &quot; # 1</td>
<td>&quot; &quot; # 2</td>
</tr>
<tr>
<td>BRAND DJARMU SPLASH (Previously Approved)</td>
<td>warning # 1</td>
<td>Warning # 2</td>
<td>Warning # 3</td>
<td>Warning # 4</td>
<td></td>
</tr>
</tbody>
</table>

Exhibit A Revised Mar 5 2001 with Bali Hai
Selected packaging samples from those submitted with the plan.
Djarum Special cigarettes are blended with perfectly aged tobaccos for a smooth, long lasting smoke. Their brown wrapping is uniquely created to suit your distinct personality.
SURGEON GENERAL'S WARNING:
Quitting Smoking Now Greatly Reduces
Serious Risks to Your Health.
SURGEON GENERAL’S WARNING:
Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.
SURGEON GENERAL'S WARNING:
Cigarette Smoke Contains Carbon Monoxide.
March 16, 2001

G. A. Avram, Esq.
Finger, Parker, Avram, Martin & Roemer, L.L.P.
P.O. Box 11633
Winston-Salem, N.C. 27116-1633

Dear Mr. Avram:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Kretek International, Inc. ("Kretek") on March 8, 2001, calling for quarterly rotation of the four health warnings on packaging and in advertising of the "International" varieties of Djarum Special, Djarum Black, Djarum Bali Hai, and Djarum Splash cigarettes.

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

The warnings on the revised packs and cartons submitted with P.T. Djarum’s letters of February 23, 2001, February 27, 2001, and on March 2, 2001, appear to comply with the size and conspicuousness requirements of the Cigarette Act. Kretek’s plan for the “International” varieties of Djarum Special, Djarum Black, Djarum Bali Hai, and Djarum Splash cigarettes is hereby approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

Finally, we want to reemphasize that it is your client’s responsibility to ensure that all cigarettes that are imported under this plan fully comply with it.

Sincerely,

[Signature]

C. Lee Peeler
Associate Director

1 This approval only pertains to the redesigned packaging of the “International” varieties of Djarum Special, Djarum Black, Djarum Bali Hai, and Djarum Splash cigarettes and not to prior versions of these products. The redesigned packaging has the health warnings in black print on a white background.

2 Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.
March 76, 2001

Michael Ostheimer
Division of Advertising Practices
Federal Trade Commission
601 Pennsylvania Avenue
Washington, DC 20580

RE: Compliance Plan – Ideal™ Brand Cigarettes (Revised 3/16/01)
Manufacturer: Changde Cigarette Factory
West Dongting Road
Changde, Hunan, China 41500
Importer: Single Stick, Inc.
Import License #AZ-TI-3

Dear Mr. Ostheimer:

This submission is made pursuant to the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. The Ideal brand will be imported by Single Stick, Inc. under its import license issued by the Bureau of Alcohol, Tobacco, and Firearms. Single Stick is importing these cigarettes from the manufacturer, Changde Cigarette Factory whose address is listed above. Single Stick, as importer, will assume responsibility for compliance matters on this brand with the Federal Trade Commission. Single Stick will import seven brand styles of Ideal product: Full Flavor (loo’s), Light (100’s), Ultra Light (100’s), Menthol (100’s), Menthol Light (100’s), Full Flavor (King), and Light (King). All brand styles will be marked with the same warning in each calendar quarter.

Calendar Quarter 1
(January – March) SURGEON GENERAL’S WARNING:
Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.

Calendar Quarter 2 SURGEON GENERAL’S WARNING:
(April – June) Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.

Michael Ostheimer
March 16, 2001
Page 2

Calendar Quarter 3
(July – September )
SURGEON GENERAL’S WARNING:
Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.

Calendar Quarter 4
(October – December)
SURGEON GENERAL’S WARNING:
Cigarette Smoke Contains Carbon Monoxide.

The labels will be rotated in the sequence from Calendar Quarter 1 to Calendar Quarter 4, with the rotation occurring each calendar quarter. For example, Warning 1 would be used January through March, Warning 2 would be used April through June, Warning 3 would be used July through September, and Warning 4 would be used October through December. The date of shipment from the factory would determine the quarterly warning which applies. The packaging submitted in Mr. Emery’s meeting with Mr. Peeler and Mr. Ostheimer on March 15, 2001 will be used. The warnings will appear exactly as they do on that packaging.

We do not at this time anticipate doing any consumer advertising. In the event of use of any consumer advertising, we will submit such advertising to the Federal Trade Commission Division of Advertising Practices and obtain their approval prior to any actual use.

Very truly yours,

John T. Wertheim,
President

cc. Charles R. Emery
James L. Emery
Selected packaging samples from those submitted with the plan.
MENTHOL LIGHT CIGARETTES
100's
MADE IN CHINA
March 16, 2001

Mr. John T. Wertheim
Single Stick
16060 North 81st Street
Suite 1
Scottsdale, AZ 85260

Dear Mr. Wertheim:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq., ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed by Single Stick on March 16, 2001 calling for the quarterly rotation of the four health warnings on the packaging of the Ideal brand of cigarettes.

The warnings on the sample packs and cartons submitted on March 15, 2001 appear to comply with the size and conspicuousness requirements of the Cigarette Act. Single Stick's plan for the Ideal brand is approved. This approval is effective on the date of this letter and ends on December 31, 2001. 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 Single Stick does decide to advertise in the future, it must submit a plan detailing how it will comply with the requirements of the Cigarette Act with respect to display of the health warning statements in advertisements.

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

Sincerely,

C. Lee Peeler
Associate Director

1 Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.
February 10th, 2001

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

Dear Sir,

Thank you very much for your approval in connection with the health warning of PARK brand cigarette vide your letter of January 3rd, 2001.

We are pleased to inform you that Bengal Tobacco Corporation intend to import and add with their existing brand two more brand style, PARK Ultra Lite 100’s and PARK Full Flavor Hard Box. We are enclosing herewith the samples of packages and cartons which displayed four health warning label.

Regarding the health warning label we do hereby declare that on each and every brand style, package and carton we will equalize the four health warning label for the year 2001. Please be noted that none of the brand and style will be sold in the market more than a year.

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

Your goodself is requested to approve and oblige thereby.

Thanking and assuring you my best cooperation at all times.

Very Truly Yours,
For Bengal Tobacco Corporation

Mohammed Babul.
(President)
Selected packaging samples from those submitted with the plan.
UNDER ARRANGEMENT WITH ELITE TOBACCO CO., LTD., LONDON, MADE IN PAKISTAN EXCLUSIVELY FOR BENGAL TOBACCO CORPORATION, FLORIDA, U.S.A.

SURGEON GENERAL'S WARNING:
Cigarette Smoke Contains Carbon Monoxide.
SURGEON GENERAL'S WARNING:
Quitting Smoking Now Greatly Reduces
Serious Risks to Your Health.

American Blend
100's / 200 CLASS A FILTER CIGARETTES.

UNDER ARRANGEMENT WITH ELITE TOBACCO CO., LTD.,
LONDON, MADE IN PAKISTAN EXCLUSIVELY FOR
BENGAL TOBACCO CORPORATION, FLORIDA, U.S.A.
March 21, 2001

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

Dear Mr. Babul:

The Federal Trade Commission (“the Commission”) has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. (“the Cigarette Act”). Pursuant to that delegation, in a letter dated January 3, 2001, I approved through January 2, 2002 Bengal Tobacco Corporation’s (“Bengal”) plan for the simultaneous display of the four health warnings on packaging of the Park brand of cigarettes.

On February 10, 2001, Bengal filed a supplement to extend its plan to include the Full Flavor King Size Hard Pack and Ultra Light 100’s Soft Pack brand styles of the Park brand of cigarettes. Bengal’s sales appear to continue to qualify for the aforementioned alternative to quarterly rotation on packaging. The warnings on the sample packs and cartons submitted with your February 10th letter, and the revised sample packs submitted on March 21, 2001 appear to meet the size and conspicuousness requirements of the Cigarette Act. Bengal’s expansion of its plan is hereby approved. This approval is effective on the date of this letter and ends on January 2, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Sincerely,

C. Lee Peeler
Associate Director

1 Although some of the warnings submitted did not meet the size requirements of the Act, and one of the warnings contained a spelling error, corrected samples were submitted. This approval pertains only to packaging that meets the requirements of the Cigarette Act.

2 Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.
March 19, 2001

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

Attention: Ms. Sallie Schools

Surgeon General’s Warning Rotation Plan for  
Protabaco S.A., Corp.  
For First US Cigarettes

Dear Mr. Peeler:

Please be advised that we are the attorneys for an importer of tobacco products, Protabaco S.A., Corp. ("Protabaco"), a Florida corporation, with offices located at 6595 N.W. Miami, Florida 33166, which wishes to file a Surgeon General’s Warning Rotation Plan as required by the Federal Cigarette Labeling and Advertising Act of 1964, as amended, ("Act") (15 U.S.C. §1331 et seq.) for a private label brand of cigarettes they wish to import into the United States. The contact person for the company will be its President, Eliyahu Ninio, 6595 N.W. Miami, Florida 33166. This application is for private label cigarettes being imported under the name “First US.”

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

Even though Protabaco qualifies as a small importer/manufacturer as defined by the Act, Protabaco wishes to submit to the FTC a plan to rotate the warning statements as required by 15 U.S.C. §1333(c)(1). The plan we wish to submit requires that Protabaco rotate quarterly, in an alternating sequence, based on the date the cigarettes are actually packaged, each of the four warning statements which will appear on the packages and cartons of the First US brand cigarettes. Protabaco will begin with the warning “SURGEON GENERAL’S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy,” and will use this label on all cigarettes packaged during the first quarter (January 1st to March 31st). It will alternate labels on all cigarettes packaged on the first of each calendar quarter thereafter (i.e., April 1st, and July 1st and October. 61st).
From January 1 to March 31st Protabaco will use the warning:

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

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

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

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

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

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

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

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

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

Each pack and carton imported by Protabaco will have a country of origin placed on the pack or carton as required by 19 U.S.C. § 1304. Protabaco will ensure that the country of origin will not obscure, or otherwise interfere with, the Surgeon General’s
Warning in any way.

Please be advised that, at this time, Protabaco does not advertise, and therefore, will not need to comply with the Act’s requirements requiring the rotation of warning labels on advertising. If this should change, we will notify the FTC and modify our plan accordingly.

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

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

Sincerely yours,

BARRY M. BOREN

LAW OFFICES OF BARRY M. BOREN

BMB: mw

encs.
PROTABACOS.A. CORP.
EXHIBIT 'A' LIST OF CIGARETTES

FIRST US

Full Flavor Box
Full Flavor Box 100's

Lights Box
Lights Box 100's

Menthol Box
Menthol Box 100's
Selected packaging samples from those submitted with the plan.
200 Class A Cigarettes

MENTHOL

100’s
March 21, 2001

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

Dear Mr. Boren:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the proposed plan filed on behalf of Protabaco S.A. Corp. ("Protabaco") on March 19, 2001 calling for quarterly rotation of the health warnings on packaging of the First US brand of cigarettes.

The health warnings on the sample packs and cartons submitted on March 19th with your plan appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Protabaco’s plan for quarterly rotation of the health warnings on packaging of the Full Flavor King, Full Flavor 100’s, Light King, Light 100’s, Menthol King and Menthol 100’s brand styles of the First US brand of cigarettes has been approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

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

Sincerely,

C. Lee Peeler
Associate Director

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1 Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.
March 22, 2001

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

Dear Mr. Peeler:

On March 8, 2001, the Federal Trade Commission approved Premier Manufacturing's Quarterly Rotation plan for 1st CLASS Brand cigarettes, which was submitted on March 6, 2001. In the letter, it was stipulated that three styles were not to be approved until 1st Quarter packaging was provided. Since the March 8th letter, we have submitted all the packaging for the Light Menthol 100’s and, along with this letter, the balance of the packaging for the Light Menthol Kings. Therefore we wish to supplement our existing approved plan with the following:

- Light Menthol 100’s (provided 3/16/01) (Pregnancy pack, Quitting pack, Lung Cancer pack, and Carbon Monoxide pack)
- Light Menthol Kings (provided 3/16/01) (Lung Cancer carton, Quitting carton, Pregnancy carton, Carbon Monoxide carton)
- Light Menthol Kings (provided 3/22/01) (Pregnancy pack, Lung Cancer pack, Carbon Monoxide pack, and Quitting Now pack)

The following styles were approved in the March 8th approval letter, but not all the warning labels were provided. Instead, artwork for the missing warnings were submitted and the plan was approved with the understanding that the actual packaging would be submitted once produced. These styles include the following, which were all submitted on March 16, 2001:

- Full Flavor Menthol 100’s (Carbon Monoxide pack, Quitting carton)
- Light Kings Soft (Lung Cancer pack, Lung Cancer carton, Quitting carton)
- Ultra Light 100’s (Lung Cancer carton)
- Full Flavor Kings Soft (Lung Cancer pack)
As an added note, the remaining unapproved styles, Full Flavor Menthol King Box, has been cancelled by Premier Manufacturing and we will no longer be producing this style due to poor performance in the marketplace. Therefore, approval for this style will not be necessary.

Premier Manufacturing also submits that all four (4) warnings on the enclosed packaging, and the packaging submitted on March 16, 2001, will be rotated quarterly following the rotation plan that was approved in the letter dated March 8, 2001. The four health warnings will appear exactly as they do on the samples of packs and cartons submitted.

Sincere Regards,

Mark Dunham
Premier Manufacturing, Inc.
Selected packaging samples from those submitted with the plan.
SURGEON GENERAL'S WARNING:
Smoking by Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.
March 27, 2001

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

Dear Mr. Dunham

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). On March 8, 2001, the Commission approved Premier Manufacturing Incorporated's ("Premier") March 1, 2001 plan for quarterly rotation of the four health warnings on packaging of the following varieties of the 1st Class brand of cigarettes: full flavor kings soft, full flavor kings box, light kings soft, light kings box, menthol kings soft, ultra light kings, non-filter kings, full flavor 100's, light 100's, menthol 100's, and ultra light 100's.

On March 22, 2001, Premier filed a supplement to expand its plan to include the light menthol 100's and light menthol kings brand styles of the 1st Class brand. The warnings on the packs and cartons submitted with your letters of March 1, 2001 and March 22, 2001 appear to meet the size and conspicuousness requirements of the Cigarette Act. Premier's supplement to its plan is hereby approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Sincerely,

C. Lee Peeler
Associate Director

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1 Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.
March 22, 2001

Mr. C. Lee Peeler  
Associate Director  
Division of Advertising Practices  
Federal Trade Commission  
601 Pennsylvania Avenue, N.W.  
Room 4004  
Washington D.C. 20580

Cigarette Health Warning Rotation Plan Submitted by Everglades Brands, Corp.

Dear Mr. Peeler:

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

The cigarettes covered by this plan are: ‘MAXXIM’ BRAND—Maxxim full flavor 100mm soft; Maxxim soft; Maxxim ultra-light 100mm soft; Maxxim menthol 100mm soft; Maxxim menthol 100mm volume of cigarettes imported in 2001 will not exceed (cigarettes each) for any single brand style. We anticipate that the volume of cigarettes imported in 2001 will not exceed (cigarettes each) for any single brand style.

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

The health warnings will appear exactly as they do in the samples provided on February 12, 2001 and the remainder that accompanied this proposal. Everglades will ensure that the cigarettes are manufactured to meet all US packaging requirements including the location and display of the US Surgeon General’s Health Warning.

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

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

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

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

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

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

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

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

Respectfully submitted,
Everglades Brands, *Corp.*

![Signature]

Paul A. Embury
Director

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

Ref.: FTC
Selected packaging samples from those submitted with the plan.
March 28, 2001

Mr. Paul A. Embury, Director
Everglades Brands, Corp.
4960 SW 72 Avenue, Ste. 308A
Miami, FL 33155

Dear Mr. Embury:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq., ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Everglades Brands, Corp. ("Everglades") on March 22, 2001 calling for the simultaneous display of the four health warnings on the packs and cartons of certain varieties of the Maxxim brand of cigarettes.

Everglades’ sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The warnings on the sample packs and cartons submitted with your February 12, 2001 and March 22, 2001 letters appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Everglades’ plan has been approved for the following varieties of the Maxxim brand of cigarettes: full flavor 100mm soft, lights 100mm soft, ultra-light 100mm soft, menthol 100mm soft, and light menthol 100mm soft. This approval is effective on the date of this letter and ends on March 27, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

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

Sincerely,

C. Lee Peeler
Associate Director

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1 Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.
March 28, 2001

BY FAX (202) 326-2699 WITH CONFIRMING LETTER BY FED EX

Michael Ostheimer, Esq.
Federal Trade Commission
601 Pennsylvania Ave., NW
Washington, DC 20580

Re: Request for Approval of the Warning Statement Rotation Plan ("the plan") of Certain DJARUM Super and DJARUM Light Cigarettes Imported by G. A. Andron & Co., Inc. ("Andron")

Dear Mr. Ostheimer:

First of all, I wish to refer you to your approval letter of March 8, 2001 with regard to DJARUM Lights and DJARUM Super cigarettes. That letter referred to so-called "new international" packaging on which the warning statements were in black print on a white background.

We now would like to request approval of a plan to sell an inventory of only 250 cases of the same kinds of products which differed, however, in certain respects. Packaging for these products was sent to you with our letter of February 5, 2001. The printed warning statements appeared to comply with the law in that they were big enough and conspicuous enough on the packs themselves, but we understand that the cartons may be considered not compliant because of the fact that the warning statement was placed upon the bottom of the carton.

We respectfully request approval of a supplement to our plan for the year 2001 that would allow G.A. Andron to use up the existing inventory of the "International" variety of DJARUM Lights and DJARUM Supers products on the following basis:

a. The products would be used so that the warning statements coincided with those that have been approved by your March 8 letter as submitted by my March 2, 2001 letter.

b. The products will be removed before entry into the U.S. from the cartons and imported as individual packs. They will be sold either individually or in cartons that were previously approved by your
March 8 letter, (in other words, some empty cartons of the type that you have approved will be shipped to Andron, and Andron may place cigarettes packs into such cartons). In sum, the packages would either be sold without the offending cartons or in cartons that have been approved by you.

With these assurances in mind, we respectfully request a quick approval of this proposed plan.

Thank you for your kind courtesy and cooperation.

Very truly yours,

G. A. Avram

GAA/cee

Cc: Ms. Joanne Diggett
G. A. Avram, Esq.
Finger, Parker, Avram, Martin & Roemer, L.L.P.
P.O. Box 11633
Winston-Salem, N.C. 27116-1633

Dear Mr. Avram:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq., ("the Cigarette Act"). Pursuant to that delegation, on March 8, 2001, I approved G.A. Andron & Co., Inc.'s ("Andron") March 2, 2001 revised proposed plan calling for quarterly rotation of the four health warnings on redesigned packaging of the "International" varieties of Djarum Lights and Djarum Super cigarettes. In a letter dated March 28, 2001, you propose to supplement Andron’s March 2nd plan to include certain packs of Djarum Lights and Djarum Super cigarettes that were manufactured prior to the redesign ("old packs").

The warnings on the old packs of Djarum Lights and Djarum Super cigarettes submitted with your letter of February 5, 2001 appear to comply with the size and conspicuousness requirements of the Cigarette Act. **Although sample cartons were submitted on February 5th, the warnings on the old cartons of Djarum Lights and Djarum Super cigarettes do not comply with the conspicuousness requirements of the Cigarette Act.** Andron’s supplement to its plan calls for removing the old packs from their cartons and importing them individually. Pursuant to its plan, subsequent to importation, Andron may repackage the old packs into the redesigned cartons which were approved on March 8th. Andron’s supplement to its plan for the old packs of the “International” varieties of Djarum Lights and Djarum Super cigarettes is hereby approved. This approval is effective on the date of this letter and ends on December 31, 2001. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. 2 The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Finally, we want to reemphasize that it is your client’s responsibility to ensure that all cigarettes that are imported under this plan fully comply with it.

Sincerely,

C. Lee Peeler
Associate Director

---

1 The redesigned packs and cartons have the health warnings in black print on a white background. The redesigned cartons have the health warnings on the top panel.

2 Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.
Tobacco & Candy International, Inc.

2305 N.W. 107th Avenue
Unit #B-10
Miami, Florida 33172
Phone: (305) 640-2385
Fax: (305) 640-0388
Toll Free: (888) 286-2706

March 26, 2001

CONTAINS TRADE SECRETS
AND CONFIDENTIAL
BUSINESS INFORMATION
NOT FOR PUBLIC DISCLOSURE

Via Facsimile (202) 326-3259
C. Lee Peeler
Associate Director
Division of Advertising Practices
Federal Trade Commission
601 Pennsylvania Avenue, N.W.
Room 4002
Washington, DC 20580

Attn: Sallie Schools

RE: Cigarette Health Warning Rotation Plan Submitted on Behalf of
Tobacco & Candy International, Inc. for Calendar Year 2001 for
Point and Golden Palace Brand Cigarettes

Ladies/Gentlemen:

Tobacco & Candy International, Inc. hereby re-submits a Surgeon General Rotation Plan as required under the Federal Cigarette Labeling and Advertising Act of 1984 (15 U.S.C. et seq.) as amended. Gitano Bryant is the President of the applicant, and the corporate address for the company is Tobacco & Candy International, Inc., 6795 N.W. 87th Avenue, Miami, Florida 33178. The cigarettes covered by the proposed Plan are the following foreign manufactured Point and Golden Palace brand style cigarettes, which include health warnings complying with the Surgeon General's warning language set forth in the statute: Point Full-Flavor King Soft, Point Full-Flavor 100 Soft, Point Light King Soft, Point Light 100 Soft, Point Menthol King Soft, Point Menthol 100 Soft, Point Ultra Light King Soft, Point Ultra Light 100 Soft, Point Non-Filter, Point Menthol Light 100 Soft, Point

TOBACCO & CANDY INTERNATIONAL, INC.

The required warnings will be printed directly on the packs and cartons and in a conspicuous location as required under the Cigarette Labeling and Advertising Act ("CLAA"). The warnings will appear on the packs and cartons exactly as shown on the sample packs and cartons provided in our previous submission of March 19, 2001. The Company will check all shipments to ensure that said rotations are properly prepared and that compliance is maintained in accordance with this Plan. The Company will keep records demonstrating compliance with this Plan.

The Company will rotate, from the date of order, the Surgeon General’s Health Warnings on a quarterly basis on the Point and Golden Palace brand cigarettes using the following schedule:

**Point:**
First Quarter Warning (January - March):
SURGEON GENERAL’S WARNING:
Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.

Second Quarter Warning (April - June):
SURGEON GENERAL’S WARNING:
Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.

Third Quarter Warning (July - September):
SURGEON GENERAL’S WARNING:
Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.

Fourth Quarter Warning (October - December):
SURGEON GENERAL’S WARNING:
Cigarette Smoke Contains Carbon Monoxide.

**Golden Palace:**
First Quarter Warning (January - March):
SURGEON GENERAL’S WARNING:
Cigarette Smoke Contains Carbon Monoxide.
Second Quarter Warning (April - June):
SURGEON GENERAL’S WARNING:
Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.

Third Quarter Warning (July - September):
SURGEON GENERAL’S WARNING:
Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.

Fourth Quarter Warning (October - December):
SURGEON GENERAL’S WARNING:
Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.

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

We submit that the foregoing complies with the requirements set forth in the Federal Cigarette Labeling and Advertising Act, as amended, and request expedited approval of this request. Should this request conform to your requirements, we request that the letter evidencing approval be faxed to (305) 640-0388.

Respectfully submitted,

[Signature]

Gitano Bryant
GB/ams
Selected packaging samples from those submitted with the plan.
**Point**

100’S
200 Special Filter Cigarettes
LIGHTS

**Class A**
200 Cigarettes
Filter

**Point**

100’S
200 Special Filter Cigarettes
LIGHTS

**Point**

100’S
200 Special Filter Cigarettes
LIGHTS

---

**SURGEON GENERAL’S WARNING:**
Quitting **Smoking** Now Greatly Reduces Serious Risks to Your Health.
SURGEON GENERAL'S WARNING: Smoking By Pregnant Women May Result In Fetal Injury, Premature Birth, And Low Birth Weight.
Mr. Gitano Bryant  
Tobacco Candy International, Inc.  
2305 N.W. 107th Avenue, Unit #B-10  
Miami, FL 33172

Dear Mr. Bryant:

The Federal Trade Commission (“the Commission”) has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. (“the Cigarette Act”). Pursuant to that delegation, I have reviewed the revised proposed plan filed by Tobacco Candy International, Inc. (“T&C”) on March 26, 2001 calling for quarterly rotation of the four health warnings on the packaging of the Point and Golden Palace brands of cigarettes.

The health warnings on the sample packs and cartons submitted with your March 19, 2001 letter appear to comply with the requirements of the Cigarette Act for size and conspicuousness. T&C’s plan has been approved for the following soft pack varieties of the Point and Golden Palace brands of cigarettes: Full Flavor King, Full Flavor 100’s, Light King, Light 100’s, Menthol King, Menthol 100’s, Ultra Light King, Ultra Light 100’s, Menthol Light King, Menthol Light 100’s, and Non Filter. 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 T&C does decide to advertise in the future, it must submit a plan detailing how it will comply with the requirements of the Cigarette Act with respect to display of the health warning statements in advertisements.

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

Sincerely,

C. Lee Peeler  
Associate Director

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

MRS. SALLY SCHOOLS
FEDERAL TRADE COMMISSION
DIVISION OF ADVERTISING PRACTICES
601 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, DC 20580

RE: "SHIVSAGAR PACKING MATERIAL COMPLIANCE.

DEAR MRS. SCHOOLS,

I AM SUBMITTING A REVISED CIGARETTES HEALTH WARNING PLAN FOR PACKAGING OF OUR "SHIVSAGAR" KING SIZE REGULAR BRAND STYLE OF CIGARETTES.

I QUALIFY FOR THE ALTERNATIVE TO THE QUARTERLY LABELING ROTATION AS SET FORTH IN THE CIGARETTE ACT. I WILL IMPORT LESS THAN CIGARETTE PER CALENDER YEAR. I PLAN TO DISPLAY ALL FOUR (4) WARNINGS AS PER STATED ON OUR SAMPLES SENT ALONG WITH OUR LETTER DATED MARCH 2ND AND AS SPECIFIED IN THE FEDERAL LABELING ACT AN EQUAL NUMBER OF TIMES ON THE PACK & CARTONS OF OUR "SHIVSAGAR" BRAND OF CIGARETTES DURING THE CALENDER YEAR.

SINCE WE HAVE ALREADY SUBMITTED THE PACKING MATERIAL WHICH YOU HAVE VERBALLY CONFIRMED BEING IN COMPLIANCE, I REQUEST YOU TO PLEASE ISSUE SMOKERS CHOICE INC. AN EXEMPTION CERTIFICATE ENABLING TO US RESUME IMPORTATION OF OUR "SHIVSAGAR" BRAND OF CIGARETTES FOR DISTRIBUTION INTO THE UNITED STATES.

UPON RECEIPT OF YOUR COMPLIANCE CERTIFICATE I SHALL START PRINTING OF THE REMAINING SEVENTEEN (17) 'SHIVSAGAR' BRAND STYLES AND FORMALY PRESENT THEM FOR COMPLIANCE CERTIFICATION.

YOUR PROMT REPLY IN REGARDS TO THE ABOVE WILL BE HIGHLY APPRECIATED AND REMAIN.

SINCERELY YOUR'S

HARRY IDNANI
PRESIDENT
SMOKERS CHOICE INC.

1114 South Main Street  Los Angeles, California 90015  Tel: (213) 749-4378  Fax: (213) 749-1439
Selected packaging samples from those submitted with the plan.
Risks to Your Health.

Surgeon General's

WARNING: Quitting smoking now greatly reduces serious risks to your health.

Made of pure natural Indian tobacco.
Mr. Harry Idnani  
President  
Smokers Choice, Inc.  
1114 South Main Street  
Los Angeles, CA 90015

Dear Mr. Idnani:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq., ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed by Smokers Choice, Inc. ("Smokers Choice") dated April 2, 2001 calling for the simultaneous display of the four health warnings on packaging of the King Size "Regular" variety of the Shivsagar brand of cigarettes.

Smokers Choice’s sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The health warnings on the sample packs and cartons submitted with your March 2, 2001 letter appear to meet the requirements of the Cigarette Act for size and conspicuousness. Smokers Choice’s plan for the King Size "Regular" variety of the Shivsagar brand of cigarettes has been approved. This approval is effective on the date of this letter and ends on April 2, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

Sincerely,

[Signature]
C. Lee Peeler  
Associate Director
April 3, 2001

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

Dear Mr. Peeler:

Tradecorp International is submitting a Quarterly Rotation Plan as required under the Federal Cigarette Labeling and Advertising Act of 1984 (The Act). This cigarettes covered under this proposed plan are SHIELD Brand cigarettes.

There are fifteen (15) varieties of SHIELD. In 2000 our sales for SHIELD were 30,360,000 sticks. Our estimated sales for 2001 are 720,000,000 sticks for SHIELD. I have attached a list of statistics for sales for each variety.

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

**QUARTERLY CIGARETTE PLAN**

Jan-Mar

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

Apr-June

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

July-Sept

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

Oct-Dec

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

Tradecorp International also submits that all four (4) warnings shall appear exactly as they do on the enclosed packaging, and the packaging from the previous submission dated March 13, 2001 and March 22, 2001.

Tradecorp International maintains an office at the following address:
1209 Orange Street  
Wilmington, DE 19801
As for advertising, Tradecorp International will comply with the Act and will rotate quarterly in compliance with the following schedule. Tradecorp International will use the warning formats that were submitted with the plan of the 5 leading U.S. cigarette manufacturers, and place the warnings as specified in those plans. Enclosed are the acetates for the warning labels that we will be using for the various pieces of point-of-sale and advertising, listed below. As you can see from the listing, our largest piece of advertising is 10.4 sq. feet (exhibit 8).

<table>
<thead>
<tr>
<th>Point-Of-Sale Item (inches)</th>
<th>Width (inches)</th>
<th>Height (inches)</th>
<th>Sq. Inches</th>
<th>Sq. Feet</th>
<th>Exhibit #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poie Sign</td>
<td>28</td>
<td>38</td>
<td>1064</td>
<td>7.4</td>
<td>7</td>
</tr>
<tr>
<td>Poster (Irg)</td>
<td>25</td>
<td>16</td>
<td>400</td>
<td>2.8</td>
<td>5</td>
</tr>
<tr>
<td>Poster (sml)</td>
<td>22</td>
<td>15</td>
<td>330</td>
<td>2.3</td>
<td>4</td>
</tr>
<tr>
<td>Shelf Talker</td>
<td>11</td>
<td>3.5</td>
<td>38.5</td>
<td>0.3</td>
<td>1</td>
</tr>
<tr>
<td>Counter Rack Header</td>
<td>9</td>
<td>9</td>
<td>81</td>
<td>0.6</td>
<td>2</td>
</tr>
<tr>
<td>Floor Rack Header</td>
<td>16</td>
<td>5.5</td>
<td>88</td>
<td>0.6</td>
<td>2</td>
</tr>
<tr>
<td>Temp. Floor Rack Header</td>
<td>16</td>
<td>14.5</td>
<td>232</td>
<td>1.6</td>
<td>4</td>
</tr>
<tr>
<td>Temp. Counter Rack Header</td>
<td>13</td>
<td>5</td>
<td>65</td>
<td>0.5</td>
<td>1</td>
</tr>
<tr>
<td>Banner (Irg)</td>
<td>50</td>
<td>30</td>
<td>1500</td>
<td>10.4</td>
<td>8</td>
</tr>
<tr>
<td>Banner (sml)</td>
<td>50</td>
<td>18</td>
<td>900</td>
<td>6.3</td>
<td>7</td>
</tr>
</tbody>
</table>

SHIELD ADVERTISING PLAN

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

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

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

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

We submit the foregoing complies with the Act and request approval of this plan.

Sincerely,

Tradecorp International, LLC
Mark Dunham, President
TRADECORP INTERNATIONAL

2000 Sales
SHIELD brand cigarettes

2001 Sales (est.)
SHIELD brand cigarettes

SHIELD
Full Flavor Kings (Soft)
Full Flavor Kings (Box)
Light Kings (Soft)
Light Kings (Box)
Menthol Kings (Soft)
Menthol Kings (Box)
Light Menthol Kings
Ultra Light Kings
Full Flavor 100's
Full Flavor 100's Box
Light 100's
Light 100's Box
Menthol 100's
Light Menthol 100's
Ultra Light 100's

% of Sales
Cases
Sticks
Selected packaging samples from those submitted with the plan.
SURGEON GENERAL'S WARNING:
Smoking Causes Lung Cancer,
Heart Disease, Emphysema,
And May Complicate Pregnancy.
April 3, 2001

Mr. Mark Dunham, President
Tradecorp International
P.O. Box 968
Chesterfield, MO 63006

Dear Mr. Dunham:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the proposed plan filed on behalf of Tradecorp International ("Tradecorp") on April 3, 2001 calling for quarterly rotation of the four health warnings on packaging and advertising of certain varieties of the Shield brand of cigarettes.

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

The warnings on the sample packs and cartons of the Shield brand submitted with your letters of March 13, 2001 and March 22, 2001 appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Tradecorp’s plan has been approved for the following varieties of the Shield brand of cigarettes: full flavor kings box, light kings soft, light kings box, menthol kings box, light menthol kings, ultra light kings, full flavor kings soft, full flavor 100’s box, light 100’s, light menthol 100’s, and ultra light 100’s. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

Sincerely,

C. Lee Peeler
Associate Director

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1. Knowing willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001
April 11, 2001

VIA FEDERAL EXPRESS

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

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

Dear Mr. Peeler:

On behalf of Japan Tobacco Inc. and its U.S. importers, Japan Tobacco International U.S.A., Inc. and JTI Duty-Free USA Inc. (collectively “Japan Tobacco”), we hereby submit a revised application pursuant to Section 4(c)(2) of the Federal Cigarette Labeling and Advertising Act, as amended (the “Act”) seeking approval, effective for a one-year period, for Japan Tobacco to continue to display the warning labels specified in Section 4(a)(1) of the Act on packages and cartons of cigarettes in the manner provided in Section 4(c)(2)(C)

We had submitted, under cover of my letter dated February 8, 2001 two copies of Amendment No. 6 to the Plan executed on behalf of Japan Tobacco which, upon approval by the Federal Trade Commission, would set forth the label statement rotation applicable to advertisements for additional brands of cigarettes for sale or distribution in the United States. Attached to such amendment was a revised Schedule A to the Plan for such advertisements.

The above Amendment No. 6 incorporates into Japan Tobacco’s Plan the five “Export A” brand styles for which its own rotational warning application had been filed in previous years by RJR-Macdonald Corp. of Canada, which is now known as JTI-Macdonald Corp., and is now an indirect subsidiary of Japan Tobacco Inc. Such entity’s separate label statement rotation plan had been approved most recently effective March 27, 2000 for the period ending December 31, 2000.

In support of Japan Tobacco’s application for renewal of Federal Trade Commission approval of its simultaneous display plan for packages and cartons, we had submitted, also under cover of my letter dated February 8, 2001, a sworn affidavit of Mr. Thomas Hirshfield, President of Japan Tobacco International U.S.A., Inc., importer into the duty-paid market of the brands covered thereby, which affirms that the cigarettes sold by Japan Tobacco continue to comply with the two-tiered test in Section 4(c)(2) of the Act.

We are also submitting, under cover of letter dated today and being directly sent to you via overnight courier service separately by Sheila Carson of JTI-Macdonald Corp., samples of cartons for the new brand styles covered by the above Amendment No. 6, as previously requested by your office and consistent with the proofs thereof shown by us to Michael Ostheimer, Esq. and Ms. Sallie Schools on April 4, 2001. We had submitted samples of the packages therefor under cover of letter dated December 27, 2000 in response to an earlier request.
If you should have any questions in connection with this application, please call me at (212) 644-4010. When and if this application is approved, we would appreciate it if the approval letter could be faxed to me at (212) 644-4051 as well as mailed to me.

Thank you for your continued cooperation in this matter.

Very truly yours,

Neal N. Beaton

cc: Mr. Thomas Hirshfield
Bruno Duguay, Esq.
Ms. Sheila Carson
AFFIDAVIT OF JAPAN TOBACCO INTERNATIONAL U.S.A., INC.
PURSUANT TO SECTION 4(c)(2)(A) OF THE
FEDERAL CIGARETTE LABELING AND ADVERTISING ACT

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) ss.:

Thomas Hirshfield, being duly sworn, deposes and says:

1. I am President of Japan Tobacco International U.S.A., Inc. (collectively with its ultimate parent company, Japan Tobacco Inc. and all of Japan Tobacco Inc.’s direct and indirect subsidiaries, "Japan Tobacco") and make this affidavit on behalf of Japan Tobacco pursuant to Section 4(c)(2)(A) of the Federal Cigarette Labeling and Advertising Act, as amended (the "Act"), in support of the application of Japan Tobacco for Federal Trade Commission approval to display the warning labels specified in Section 4(a)(1) of the Act on packages and cartons of cigarettes manufactured by Japan Tobacco for the one-year period beginning January 1, 2001, as provided in paragraph 2(b) of the Label Statement Rotation Plan of Japan Tobacco submitted to the Federal Trade Commission on August 28, 1985 and as subsequently amended, and approved on October 11, 1985 and as of January 1, 1993, January 1, 1994, January 1, 1995, January 1, 1996, January 1, 1997, January 1, 1998, January 1, 1999, and January 7, 2000, which approval was most recently renewed on January 19, 2001 effective for the one year period ending January 18, 2002.

2. The total number of cigarettes of any brand style sold by Japan Tobacco in the United States in the year ended December 31, 2000, was less and therefore (i) each brand style of cigarettes which Japan Tobacco manufactures accounted for less than one-fourth of one percent of all cigarettes sold in the United States during that year.
sold in the United States during such year and (ii) more than one-half of the cigarettes manufactured by Japan Tobacco for sale in the United States are packaged into brand styles which meet the requirements of clause (i).

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

IN WITNESS WHEREOF, I have hereunto signed my name this 6th day of February, 2001.

Thomas Hirshfield
President

Sworn to before me this 6th day of February, 2001.

Karen M. Fleetwood
Notary Public
Amendment No. 6 to  
Label Statement Rotation Plan  
of Japan Tobacco  
Pursuant to Section 4(c) of the  
Federal Cigarette Labeling and Advertising Act (as amended)  

The Label Statement Rotation Plan of Japan Tobacco as submitted to the Federal Trade Commission on August 28, 1985, as previously amended, for each of the warnings labels to appear on the packages and cartons of each brand style of cigarettes an equal number of times during each calendar year and as approved by the Federal Trade Commission on October 11, 1985 and effective as of January 1, 1993, January 1, 1994, January 1, 1995, January 1, 1996, January 1, 1997, January 1, 1998, January 1, 1999 and January 7, 2000, and on January 19, 2001 (collectively the “Plan”) is hereby, subject to approval by the Federal Trade Commission, further amended as follows:

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

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

Submitted this ___ day of February, 2001

Japan Tobacco International U.S.A., Inc.
By: [Signature]

Thomas Hirshfield
President

Approved this ____ day of February, 2001

Federal Trade Commission

By: ______________________
Title
## JAPAN TOBACCO

### SCHEDULE A

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

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

Note: Rotation proceeds to 1st calendar quarter at the conclusion of fourth calendar quarter.
<table>
<thead>
<tr>
<th>Brand I (Wave Ultra Lights)</th>
<th>Brand J (Wave Lights)</th>
<th>Brand K (Wave 100)</th>
<th>Brand L (Wave Lights 100)</th>
<th>Brand M (Wave 100 Menthol)</th>
<th>Brand N (Wave Menthol Lights 100)</th>
<th>Brand O (Wave Lights Menthol)</th>
<th>Brand P (Wave Ultra Lights 100)</th>
<th>Brand Q (Export A Full Flavour)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1st Calendar Quarter</strong></td>
<td>Statement 2</td>
<td>Statement 3</td>
<td>Statement 4</td>
<td>Statement 1</td>
<td>Statement 2</td>
<td>Statement 3</td>
<td>Statement 4</td>
<td>Statement 1</td>
</tr>
<tr>
<td><strong>2nd Calendar Quarter</strong></td>
<td>Statement 3</td>
<td>Statement 4</td>
<td>Statement 1</td>
<td>Statement 2</td>
<td>Statement 3</td>
<td>Statement 4</td>
<td>Statement 1</td>
<td>Statement 2</td>
</tr>
<tr>
<td><strong>3rd Calendar Quarter</strong></td>
<td>Statement 4</td>
<td>Statement 1</td>
<td>Statement 2</td>
<td>Statement 3</td>
<td>Statement 4</td>
<td>Statement 1</td>
<td>Statement 2</td>
<td>Statement 3</td>
</tr>
<tr>
<td><strong>4th Calendar Quarter</strong></td>
<td>Statement 1</td>
<td>Statement 2</td>
<td>Statement 3</td>
<td>Statement 4</td>
<td>Statement 1</td>
<td>Statement 2</td>
<td>Statement 3</td>
<td>Statement 4</td>
</tr>
</tbody>
</table>

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

SCHEDULE A
(Continued)

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

New Brand Styles: Brands Q through U

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Calendar Quarter</td>
<td>Statement 2</td>
<td>Statement 3</td>
<td>Statement 4</td>
<td>Statement 1</td>
</tr>
<tr>
<td>2nd Calendar Quarter</td>
<td><strong>Statement 3</strong></td>
<td><strong>Statement 4</strong></td>
<td><strong>Statement 1</strong></td>
<td><strong>Statement 2</strong></td>
</tr>
<tr>
<td>3rd Calendar Quarter</td>
<td>Statement 4</td>
<td>Statement 1</td>
<td>Statement 2</td>
<td>Statement 3</td>
</tr>
<tr>
<td>4th Calendar Quarter</td>
<td>Statement 1</td>
<td>Statement 2</td>
<td>Statement 3</td>
<td>Statement 4</td>
</tr>
</tbody>
</table>

*Note: Rotation proceeds to 1st calendar quarter at the conclusion of fourth calendar quarter.*
April 17, 2001

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

Dear Mr. Beaton:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(e) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Japan Tobacco, Inc. and Japan Tobacco International U.S.A., Inc. (collectively "Japan Tobacco") on April 11, 2001 (along with an affidavit and amended Schedule A dated February 6, 2001) calling for the simultaneous display of the four health warnings on packaging of the Export A brand of cigarettes, and quarterly rotation of the warnings in advertising.

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

Japan Tobacco’s sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The health warnings on the sample packs submitted with your December 27, 2000 letter, and the revised sample cartons submitted on April 12, 2001 appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Japan Tobacco’s plan for the simultaneous display of the four health warnings on the packaging of the Export A brand is hereby approved. This approval is effective on the date of this letter and ends on April 16, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

Sincerely,

C. Lee Peeler
Associate Director

---

1 Knowingly and willfully making false statements to a federal government agency is a crime punishable by an fine and/or imprisonment. 18 U.S.C. § 1001.
April 19, 2001

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

Dear Mr. Peeler:

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

There are thirteen (13) varieties of ULTRA BUY. In 2000 our sales for ULTRA BUY were ___ sticks. Our estimated sales for 2001 are ___ sticks forULTRA BUY. I have attached a list of statistics for sales for each variety.

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

ULTRA BUY CIGARETTE PLAN

<table>
<thead>
<tr>
<th>Jan-Mar</th>
<th>SURGEON GENERAL’S WARNING:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Apr-June</th>
<th>SURGEON GENERAL’S WARNING:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And How Birth Weight.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>July-Sept</th>
<th>SURGEON GENERAL’S WARNING:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Oct-Dec</th>
<th>SURGEON GENERAL’S WARNING:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cigarette Smoke Contains Carbon Monoxide.</td>
</tr>
</tbody>
</table>

Premier Manufacturing also submits that all four (4) warnings shall appear exactly as they do on the packaging submitted on April 4, 2001 and the artwork endorsed in this correspondence, with the revised colors and capitalization/punctuation.

Enclosed in the April 4th letter were the samples for all but one warning on one style of ULTRA BUY, the Light Kings Box with the 'Carbon Monoxide' warning. You will find enclosed, however, the printed artwork

www.Copremier.com
Blvd. • Chesterfield, Missouri 63005 • (636)537-5348 • Fax (636)5373359 • email: inf@gopremier.com
and the same artwork on disk, for this style. We will submit pack and carton samples for that brand style as soon as they become available, which should be in just a few weeks. We submit the foregoing complies with the Act and request approval of this plan.

Sincerely,

Premier Manufacturing, Inc.
Mark Dunham, President
2000 Sales

ULTRA BUY brand cigarettes

2001 Sales (est.)

ULTRA BUY brand cigarettes 960,000,000 sticks

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

100.0%
Selected packaging samples from those submitted with the plan.
Mr. Mark Dunham, President
Premier Manufacturing Incorporated
160 Chesterfield Industrial Blvd.
Chesterfield, MO 63005

Dear Mr. Dunham:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(e) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the proposed plan filed on behalf of Premier Manufacturing Incorporated ("Premier") on April 19, 2001 calling for quarterly rotation of the four health warnings on packaging of certain varieties of the Ultra Buy brand of cigarettes.

The warnings on the artwork and sample packs and cartons of the Ultra Buy brand submitted with your letters of April 4, 2001 and April 19, 2001 appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Premier’s plan has been approved for the following varieties of the Ultra Buy brand of cigarettes: full flavor soft, full flavor soft box, light soft, light box, menthol soft, light menthol soft, ultra light king, non-filter king, full flavor loo’s, light loo’s, menthol loo’s, light menthol loo’s, and ultra light 100’s. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. When actual packaging is developed showing warnings for the 2nd through 4th quarters of the year for those brand styles for which Premier only sent artwork, Premier should submit samples to the Commission. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

Sincerely,

C. Lee Peeler
Associate Director

---

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

2 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
K IMPORTS, Inc.

From: K Imports, Inc.
2214 West Willow
Enid, OK 73703
Tel: 580-233-4723
Fax: 580-233-5314

To: Mr. C. Lee Peeler
Associate Director, Division of Advertising Practices
Federal Trade Commission
601 Pennsylvania Ave. Suite 4002
Washington D.C. 20580

April 5th, 2001

Revised January 17th Submittal

Mr. Peeler:

IRT/Approval of SURGEON GENERAL’S WARNING LABELS for the cigarette “THIS”

K Imports, Inc. is submitting a plan for rotation of the Surgeon General’s Warning labels that will be placed on the cigarette brand “THIS”: as required by the Federal Cigarette Labeling and Advertising Act. Specifications and rotation of warning labels with the specifications stated in Sections 1333(a)(1) and Federal Cigarette Labeling and Advertising Act.

K Imports, Inc. intends to import the cigarette, “THIS” from South Korea to the United States of America in only one style and flavor: THIS Full Flavor King size

Warning labels are going to appear exactly as shown on the samples submitted on March 2nd and the revised samples that we submitted with my March 29th, 2001 revised letter.

Packaging

A.) Warning Label Size and Location: K Imports, Inc. will display the warnings on each of the cigarette packs and cartons. All warning labels will be clearly marked in navy blue on white background and each warning label will appear on the side panel of every cigarette pack and carton.

B.) Warning Label Rotation: Warnings are scheduled to rotate on a basis of production date beginning with the 2nd Quarter. Our schedule is as follows:
### Schedule for Warning Label Rotation

<table>
<thead>
<tr>
<th>Quarters</th>
<th>Period of Production</th>
<th>Warning Labels for the Cigarette Brand “THIS”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan ~ Mar</td>
<td></td>
<td><strong>SURGEON GENERALS WARNING:</strong> Cigarette Smoke Contains Carbon Monoxide.</td>
</tr>
<tr>
<td>2nd</td>
<td>Apr ~ Jun</td>
<td><strong>SURGEON GENERAL’S WARNING:</strong> Smoking By Pregnant Women May Result in Fetal injury, Premature Birth, And Low Birth Weight.</td>
</tr>
<tr>
<td>3rd</td>
<td>Jul ~ Sep</td>
<td><strong>SURGEON GENERAL’S WARNING:</strong> Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.</td>
</tr>
<tr>
<td>4th</td>
<td>Oct ~ Dec</td>
<td><strong>SURGEON GENERAL’S WARNING:</strong> Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.</td>
</tr>
</tbody>
</table>

### ADVERTISING

For the time being, we are not planning to advertise the cigarette “THIS” in the United States. When we come to advertise, we will submit a plan to you explaining how to comply with the format requirements of the Cigarette Act.

Thank-You for your consideration and response.

**Respectfully,**

Won Kwang  
President/CEO  
K Imports, Inc.
Selected packaging samples from those submitted with the plan.
SURGEON GENERAL'S WARNING:
Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.
KOREA TOBACCO & GINSENG CORP?

SURGEON GENERAL'S WARNING:
Quitting Smoking Now Greatly Reduces Serious Risks to Your Health,
April 27, 2001

Mr. Won Kwang
K Imports, Inc.
2214 West Willow
Enid, OK 73703

Dear Mr. Kwang:

The Federal Trade Commission (“the Commission”) has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. (“the Cigarette Act”). Pursuant to that delegation, I have reviewed the revised proposed plan filed by K Imports, Inc. (“K Imports”) on April 5, 2001, calling for quarterly rotation of the four health warnings on packaging of the Full Flavor King Size variety of the This brand of cigarettes.

The warnings on the sample packs and cartons submitted on March 2, 2001, and on the revised packs submitted with your letter of March 29, 2001 appear to meet the requirements of the Cigarette Act for size and conspicuousness. K Imports’ plan for the Full Flavor King Size variety of the This brand has been approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

If K Imports does decide to advertise the This brand in the future, it must submit a plan detailing how it will comply with the requirements of the Cigarette Act with respect to display of the health warning statements in advertisements.

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

Sincerely,

C. Lee Peeler
Associate Director

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

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