MEMORANDUM

TO: Public Records
    Office of the Secretary

FROM: Bonnie McGregor
    Division of Advertising Practices

DATE: October 27, 2015

SUBJECT: Rotational Health Warnings for Cigarettes
         File No. P854505

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

1. October 21, 2013 letter from Dong Won Lee, Global Trading, Inc. to Mary Engle.

2. October 25, 2013 letter from Mary K. Engle to Dong Won Lee, Global Trading, Inc.


8. November 6, 2013 letter from Mary K. Engle to Anoush Sarkisyan on behalf of U.S. Cigaronne, Inc.

10. December 12, 2013 letter from Mary K. Engle to Stephen M. Johnson, Tabacos USA, Inc.


Global Trading, Inc.
2605 North Van Buren, Enid, OK 73703 Tel: 580-237-5600 Fax: 580-237-0610

From: Global Trading, Inc.
2605 North Van Buren
Enid, OK 73703
Tel: 580-237-5600
Fax: 580-237-0610

To: Ms. Mary Engle
Attn: Ms. Mariel Woods
Associate Director, Division of Advertising Practices
Federal Trade Commission
601 New Jersey Ave. NW Room NJ 3212
Washington, DC 20580
Tel: 202-326-3225
Fax: 202-326-3259.

October 21, 2013

Dear Ms. Mary Engle,

November 1st of 2010 the FTC approved Global Trading, Inc.'s plan for the quarterly rotation of the Surgeon General’s Warning Labels on packaging for the Carnival brand as required by the Federal Cigarette Labeling and Advertising Act.

We would like to change the packaging for those brand styles.

1. The Brand of Carnival styles:

   Carnival Red 100 Soft
   Carnival Blue 100 Soft
   Carnival Silver 100 Soft
   Carnival Menthol 100 Soft
   Carnival Menthol Green 100 Soft
Carnival Red 100 Box
Carnival Blue 100 Box
Carnival Silver 100 Box
Carnival Menthol 100 Box
Carnival Menthol Green 100 Box
Carnival Red King Box
Carnival Blue King Box
Carnival Silver King Box
Carnival Menthol King Box
Carnival Menthol Green King Box

2. The Brand of Carnival Packing:

Specifications and rotation of the warning labels will comply with the specifications stated in the Federal Cigarette Labeling and Advertising Act. We will keep records demonstrating compliance with this plan.

Warning Label Size and Location: We will display the four health warnings on the cigarette packs and cartons exactly as shown on the samples sent to the FTC with our letter dated July 22, 2013. (Included Actual Packages).

Warning Label Rotation: Beginning on the date of approval of this plan, we will rotate the warnings on the packs and cartons of the Carnival brand based upon production date of the packaging according to the schedule set out below.

The following will be the Surgeon General's rotation schedule for the Carnival cigarettes:

<table>
<thead>
<tr>
<th>Carnival Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Quarter (Jan. – Mar.)</td>
</tr>
<tr>
<td>2nd Quarter (Apr. – June)</td>
</tr>
<tr>
<td>3rd Quarter (July – Sept.)</td>
</tr>
<tr>
<td>4th Quarter (Oct. – Dec.)</td>
</tr>
</tbody>
</table>
A. **SURGEON GENERAL'S WARNING:** Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy

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

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

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

Also, we will start using a new packaging for the Carnival brand cigarettes when the current packaging being used runs out.

We hope everything is to your satisfaction and look forward to your approval.

Thank you for your consideration.

Date: 10-21-2013

Dong Won Lee
President
Selected packaging samples from those submitted with the plan.
October 25, 2013

Mr. Dong Won Lee  
President  
Global Trading, Inc.  
2605 North Van Buren  
Enid, OK 73703  

Dear Mr. Lee:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, Global Trading, Inc.'s ("Global Trading") October 26, 2010 plan for quarterly rotation of the four health warnings on packaging for fifteen varieties of the Carnival brand of cigarettes was approved on November 1, 2010. As described in your letter dated October 21, 2013, you now propose to modify the packaging design for the Carnival brand.

It appears that the warnings on the sample packs and cartons submitted with your letter dated July 22, 2013 for the following fifteen varieties of the Carnival brand continue to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness: Red 100 (Soft & Box), Blue 100 (Soft & Box), Silver 100 (Soft & Box), Menthol 100 (Soft & Box), Menthol Green 100 (Soft & Box), Red King Box, Blue King Box, Silver King Box, Menthol King Box, and Menthol Green King Box.

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

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

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

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

Very truly yours,

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

Re: Proposed Plan for Health Warning Labels on Cigarettes

Dear Ms. Engle:

AMVATRADE Corp. is a New York State licensed cigarette importer and pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331 et seq. ("Cigarette Act") seeks approval of its cigarette health warning statement rotation plan for packaging and cartons of the following brand styles of Treasurer brand of cigarettes manufactured by The Chancellor Tobacco Company (UK) Ltd.:

1. Treasurer Luxury Black, 90mm long, hardpack and paper carton
2. Treasurer Luxury Gold, 90mm long, hardpack and paper carton
3. Treasurer Luxury Silver, 90mm long, hardpack and paper carton
4. Treasurer Luxury White, 90mm long, hardpack and paper carton
5. Treasurer Luxury Menthol, 90mm long, hardpack and paper carton
6. Treasurer Black, 90mm long, aluminum pack and paper carton
7. Treasurer Gold, 90mm long, aluminum pack and paper carton
8. Treasurer Silver, 90mm long, aluminum pack and paper carton

Pursuant to Section 1333(c)(2) AMVATRADE Corp. seeks approval of its plan to display the four health warning statements an equal number of times on the packaging and cartons of the aforementioned brand styles of Treasurer brand of cigarettes for the one year period beginning on the date of the approval of this plan. AMVATRADE Corp.'s sales of cigarettes in the United States for the 2011 fiscal year was [number of sticks], AMVATRADE Corp.'s sales of cigarettes in the United States for the 2012 fiscal year was [number of sticks]. We anticipate our sales of Treasurer brand of cigarettes for the 2013 fiscal year will be [number of sticks]. Our fiscal year extends from January 1st through December 31st of each year. AMVATRADE Corp. does not intend to import or manufacture any other brands of cigarettes at this time.

Each shipment as imported, contains an equal number of each of the four warnings on the packs and cartons of each brand style of the Treasurer brand and each warning on each brand style will be used in equal amounts.

We will keep records demonstrating compliance with this plan.
AMVATRADE Corp. will display the four health warning statements on the Treasurer Luxury Black, Treasurer Luxury Gold, Treasurer Luxury Silver, Treasurer Luxury White, Treasurer Luxury Menthol, Treasurer Black, Treasurer Gold and Treasurer Silver brand styles. The four health warning statements that will appear on the packs and cartons are as follows:

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

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

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

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

AMVATRADE Corp. will continue to comply with the advertising plan that was submitted by letter dated October 25, 2010... dated January 11, 2011. AMVATRADE Corp. has submitted actual samples of packs and cartons for Treasurer Black, Treasurer Gold and Treasurer Silver brand styles of cigarettes with letters dated May 20, 2010 (Treasurer Gold and Treasurer Silver) and July 30, 2010 (Treasurer Black). We will continue to import the same packs and cartons without any changes.

AMVATRADE Corp. has submitted actual samples of packs of Treasurer Luxury Black, Treasurer Luxury Gold, Treasurer Luxury Silver, Treasurer Luxury White and Treasurer Luxury Menthol brand styles of cigarettes with its letter dated June 15, 2011. We will continue to import the same packs without any changes.

AMVATRADE Corp. has submitted actual samples of cartons of Treasurer Luxury Black, Treasurer Luxury Gold, Treasurer Luxury Silver, Treasurer Luxury White and Treasurer Luxury Menthol with its letter dated July 26, 2012. We will continue to import the same cartons without any changes.

Cordially,

[Signature]

Vardan Alumyan
President, AMVATRADE Corp.
November 4, 2013

Mr. Vardan Alumyan
President
AMVATRADE Corp.
290 Spagnoli Road
Melville, NY 11747

Dear Mr. Alumyan:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed by AMVATRADE Corp. ("AMVATRADE") on October 30, 2013, calling for simultaneous display (i.e., the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Treasurer brand of cigarettes.

AMVATRADE's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letters dated May 20, 2012 (Gold, Silver), July 30, 2010 (Black), June 15, 2011 (Treasurer Luxury packs), and July 26, 2012 (Treasurer Luxury cartons) appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness. According to AMVATRADE's plan for simultaneous display of the four health warnings on packaging is hereby approved for the following 90 mm varieties of the Treasurer brand: Black (aluminum pack), Gold (aluminum pack), Silver (aluminum pack), Luxury Black hard pack, Luxury Gold hard pack, Luxury Silver hard pack, Luxury White hard pack, and Luxury Menthol hard pack.

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.

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1 AMVATRADE stated in its October 30, 2013 letter that the four health warnings will appear exactly as shown on the packs and/or cartons submitted on these dates.

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

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

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

This approval is effective on the date of this letter and runs through November 3, 2014, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

If you have any questions regarding this approval, please contact Arien Parham at (202) 326-2696.

Very truly yours,

Mary K. Engle
Associate Director
November 5, 2013
Ms. Mary K. Engle
Associate Director,
Division of Advertising Practices,
Federal Trade Commission,
600 Pennsylvania Avenue,
NW, Washington, DC 20580

Cigarette Health Warning Rotation Plan Submitted by
Stein Imports, Inc.

Dear Ms. Engle,

On behalf of our company, Stein Imports, Inc. (Stein Imports) 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).

The cigarettes covered by this proposed Plan are cigarettes made in Canada which are produced to our specifications and are complete with health warnings that comply with the Surgeon General Warning language set forth in the statute.

The cigarettes covered by this plan are: FUTURE red soft pack 100mm; FUTURE gold soft pack 100mm; FUTURE silver soft pack 100mm; FUTURE dark green soft pack 100mm and FUTURE light green soft pack 100mm. (Please note the varieties are differentiated by color only. Packages and cartons do not indicate the varieties in writing.) The warnings will appear exactly as shown on the sample packs and cartons that were enclosed with the April 8th 2011 letter. We anticipate that the volume of cigarettes imported and sold in 2013 will not exceed [Redacted] sticks for any single brand style.

We respectfully submit that the cigarettes imported by Stein Imports qualify for the requested rotation plan in so far as all requirements set forth in section 1333 have been met.

[Redacted] cigarettes were imported in 2012.
Warning Label Rotation

Stein Imports wishes to use the option provided by Section 1333©(2), and display the four Surgeon General’s Health Warning an equal number of times on the packs and cartons for each brand style of the FUTURE brand during the one year period beginning on the date of approval of this plan.

In order to comply with the rotation requirements for this brand, Stein Imports will rotate the warnings as follows:

For all production, Stein Imports will print equal amount (25% of each of the four warnings for both individual packages and cartons) of each of the following health warnings. The packages will be printed in quantities that will be used in less than 12 months from the date of approval of this plan thereby ensuring that there will be an equal distribution of the health warnings in production and distribution.

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.

The Packs and Cartons will be printed and received with all four Health Warnings evenly. Each Health Warning labels will represent 25% of each order.

Records of Compliance

Stein Imports will maintain full records to demonstrate compliance with this plan.

Advertising

Stein Imports does not and will not advertise the product to consumers. If Stein Imports decides to advertise Stein Imports will 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 address.

Respectfully submitted,

Jorge Fernandez
November 8, 2013

Mr. Jorge Fernandez
Stein Imports, Inc.
8620 S.W. 85 Avenue
Miami, FL 33143

Dear Mr. Fernandez:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed by Stein Imports, Inc. ("Stein Imports") on November 5, 2013, calling for simultaneous display (i.e., the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the "Future" brand of cigarettes.

Stein Imports’ sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letter dated April 8, 2011 appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness. Accordingly, Stein Imports’ plan for simultaneous display of the four health warnings on packaging for the following five soft pack varieties of the Future brand is hereby approved effective on the date of this letter: Red 100’s, Gold 100’s, Silver 100’s, Dark Green 100’s, and Light Green 100’s.

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

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1 Stein Imports stated in its November 5, 2013 letter that the four health warnings will appear exactly as shown on the packs and cartons submitted on these dates.

2 As set forth in its November 5, 2013 letter, Stein Imports is using colors to identify its cigarette varieties. We note that the color names are not printed on the packaging; however, the color used for a variety’s packaging does conform to the color used in its name.

3 Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001.
If Stein Imports decides to advertise in the future, it must submit a plan detailing how it will comply with the requirements of the Cigarette Act with respect to display of the health warning statements in advertisements.

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

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

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

This approval is effective on the date of this letter and runs through November 7, 2014, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

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

Very truly yours,

Mary K. Engle
Associate Director
November 5, 2013

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

Re: U.S. Cigaronne, Inc.; Health Warning Rotation Plan – 2013 Renewal

Dear Mrs. Engle & Mr. Ducklow:


U.S. Cigaronne, Inc. seeks renewal Health Warning Plan approval for the following brand styles of cigarettes:

1. Cigaronne White Slims  
2. Cigaronne Diamond Slims (Ivory)  
3. Cigaronne Diamond Slims (Blue)  
4. Cigaronne Diamond Slims (Maroon)  
5. Lady (Red)  
6. Lady Menthol (Green)

All of the above-referenced brand styles are King Size & Hard Packs. Please be advised that the "Cigaronne Black" style of cigarettes has not been fire-safe certified and will not be currently sold in California. As a result, Cigaronne does not seek renewal Health Warning Plan approval for this brand style.
ALL WARNINGS WILL APPEAR EXACTLY AS SHOWN ON THE SAMPLES SUBMITTED WITH THE GOURDJIAN LAW GROUP'S MAY 17, 2011 LETTER AS WELL AS THE JUNE 7, 2011 LETTER, CONTAINING SAMPLE PACKAGING FOR THE LADY MENTHOL BRAND OF CIGARETTES.

Please be advised that in 2012, Cigaronne sold [redacted] units of cigarettes. The company expects to have similar sales figures in the upcoming calendar year. As such, Cigaronne does not seek to make any changes to its 2011 Health Warning Rotation Plan. As a reminder, pursuant to Section 1332(c)(2) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§1331-1340 (the “Cigarette Act”), Cigaronne has elected to comply with the alternative to quarterly rotation warnings on packaging, as its fiscal year 2012 sales volume was significantly lower than the threshold described in Section 1332(c)(2). Cigaronne will continue to ensure compliance with the health warning rotation plan by printing equal quantities of each of the four warnings to be distributed and using its hired personnel to maintain sufficient records that demonstrate compliance with this plan.

Cigaronne will ensure that all four warnings will be displayed equally on the packs and cartons of each brand style for the one-year period beginning on the date the plan is approved.

Cigaronne will ensure that each import of product contains an equal number of each of the four warnings on packs and cartons for each brand style. Cigarette packs and cartons will only be distributed to stores for consumer purchase in quantities that contain equal amounts of the four warnings.

Further, please note that Cigaronne will only be distributing its previously approved brand styles of cigarettes, with the exception of the Cigaronne Black slims, which will not be distributed. All packaging and health warning labels will appear exactly as described in the 2012 submission.

Please note that this application does not address the Federal Trade Commission's advertising requirements, as Cigaronne will not advertise its products.

Upon review of this letter, please confirm that we have complied with all requirements set forth in the FTC Division of Advertising Practices Guidelines and advise us as to any additional documents or information necessary for renewal of Cigaronne’s FTC approval.

Very truly yours,

SARKISYAN LAW GROUP

By: Anoush Sarkisyan, Esq.

Cc: Client
November 6, 2013

Anoush Sarkisyan, Esq.  
Sarkisyan Law Group  
739 E. Walnut St.  
Suite 204  
Pasadena, CA 91101  

Dear Ms. Sarkisyan:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed on behalf of U.S. Cigaronne, Inc. ("Cigaronne") on November 5, 2013, calling for simultaneous display (i.e., the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the "Cigaronne" and "Lady" brands of cigarettes.

Cigaronne's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letters dated May 17, 2011 and June 7, 2011 continue to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.¹

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

- Four king size, hard pack varieties of the Cigaronne brand: White Slims, Diamond Slims (Ivory), Diamond Slims (Blue), and Diamond Slims (Maroon); and

- Two king size, hard pack varieties of the Lady brand: (Red) Slims, and Menthol (Green) Slims.

¹ Cigaronne stated in its November 5, 2013 letter that the four health warnings will appear exactly as shown on the packs and cartons submitted on these dates.
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 Cigaronne decides to advertise in the future, it must submit a plan detailing how it will comply with the requirements of the Cigarette Act with respect to display of the health warning statements in advertisements.

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

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

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

This approval is effective on the date of this letter and runs through November 5, 2014, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

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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.
If you have any questions regarding this approval, please contact Mariel Woods at (202) 326-3225.

Very truly yours,

Mary K. Engle
Associate Director
December 11, 2013

Ms. Mary K. Engle
Associate Director
Division of Advertising Practices
Federal Trade Commission
601 New Jersey Avenue, NW
Washington, D.C. 20001
VIA FAX to (202) 326-3259

RE: Pending request for packaging approval for Palermo SHORT SIZE SOFT non filter brand style—Follow Up

Dear Ms. Engle:

Pursuant to my recent conversation with Mariel Woods of the FTC, I am writing to follow up on a long-pending request for approval of new packaging for the Palermo SHORT SIZE SOFT non filter brand style.

A complete set of factory produced packaging “flats” in Small Size was submitted in letter dated December 19, 2012. The required four (4) warning labels will appear exactly as they do on these submitted sample packaging “flats.”

We wish to follow a quarterly rotation schedule for this Palermo non filter brand style as well as all eight (8) previously approved brand styles. These previously approved brand styles are Palermo Red King, Palermo Blue King, Palermo Green King, Palermo Red 100s, Palermo Blue 100s, Palermo Green 100s, Palermo Silver 100s and Palermo Silver Green 100s. There has been no change to the packaging for these eight (8) brand styles.

The rotation schedule for the brand PALERMO in the applied-for brand style as well as the previously approved eight (8) brand styles listed above will be quarterly, as now, as follows:

1st Quarter (Jan.-Mar.): Warning A: SURGEON GENERAL’S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, and May Complicate Pregnancy.

2nd Quarter (April-June): Warning B: SURGEON GENERAL’S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.
3rd Quarter (July-Sept.): Warning C: SURGEON GENERAL’S WARNING: Smoking by Pregnant Women May Result in Fetal Injury, Premature Birth, and Low Birth Weight.


Date of manufacture will determine the printing of the warning labels particular to each quarter.

Tabacos USA, Inc. will keep detailed records demonstrating compliance with this plan.

Tabacos USA, Inc. will not be engaging in advertising. Any advertising for these products will be conducted by Tabacalera del Este, S.A. (TABESA) which has submitted an advertising plan to the FTC under separate cover and has received FTC approval by letter dated April 27, 2005.

Thank you for your attention to this request.

Sincerely,

Stephen M. Johnson
Director and Secretary

cc: Caitlyn Brady
Selected packaging samples from those submitted with the plan.
SURGEON GENERAL'S WARNING:
Cigarette Smoke Contains Carbon Monoxide.
December 12, 2013

Mr. Stephen M. Johnson  
Director and Secretary  
Tabacos USA, Inc.  
4500 William Penn Highway  
Easton, PA 18045

Dear Mr. Johnson:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed by Tabacos USA, Inc. ("Tabacos USA") on December 11, 2013, calling for an expansion to Tabacos USA's previously approved plan for quarterly rotation of the four health warnings on packaging for the Palermo brand of cigarettes to include one additional variety of the Palermo brand (non-filter short size soft pack).

The warnings on the sample packs and cartons submitted with your letter dated December 19, 2012 appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness. Accordingly, Tabacos USA's expansion of its plan for quarterly rotation of the four health warnings on packaging is hereby approved for the non-filter short size soft pack variety of the Palermo brand.

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

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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.
Mr. Stephen M. Johnson  
December 12, 2013  
Page 2

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

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

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

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

Very truly yours,

Mary K. Engle  
Associate Director
December 12, 2013

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

RE: COMMONWEALTH BRANDS, INC.
REQUEST FOR CIGARETTE LABELING ROTATION PLAN EXPANSION- USA GOLD

Dear Ms. Engle:

On March 8, 2013, in correspondence to Rhondetta Walton, you advised that Commonwealth Brands’ plan for the display of the four health warnings for all its packaging, including packaging for the USA Gold brand had been approved. Commonwealth submitted a plan to modify packaging on August 2, 2013 which was approved on August 8, 2013.

Commonwealth Brands hereby requests to expand its current plan to add pack and carton designs called “Glide Tec” for the following three (3) USA Gold brand styles.

USA GOLD BRAND STYLES
Red Filter King Size Box
Gold Filter King Size Box
Menthol Filter King Size Box (Dark Green Packaging)

Each of the three brand styles listed above will be offered for sale in the current King Size Box packaging and in the Glide Tec packaging. The Glide Tec pack characteristics for all three brand styles include:
- Gold Glide Tec design on left panel;
- “USA GOLD” logo on front, top, left, and bottom panels with white “USA” and gold “GOLD”;
- “MADE IN AMERICA” text on front panel;
- Health warnings are similar in appearance to those for each brand style in the current King Size Box packaging and are printed in the same font color on a solid colored background.

The Glide Tec packaging will be referred to in the following manner:
- Red Filter King Size Glide Tec Box
- Gold Filter King Size Glide Tec Box
- Menthol Filter King Size Glide Tec Box (Dark Green Packaging)
As of the date of this letter, Commonwealth Brands plans to offer only the three styles listed above in the Glide Tec pack. Commonwealth Brands plans to print the Glide Tec packs and cartons in the fourth quarter 2013 and begin distribution in first quarter 2014. There is no scheduled end date for production and distribution of Glide Tec packs.

Sample Glide Tec outer packs and cartons for the three brand styles affected by this request were submitted to your office in correspondence dated September 30, 2013, and sample inner packs for the three brand styles affected by this request were submitted on November 25, 2013. The four health warnings will appear exactly as shown on the submitted samples. The warnings read precisely as required by the Federal Cigarette Labeling and Advertising Act. Commonwealth Brands will display the four health warnings an equal number of times on the Glide Tec packs and cartons for each brand style for the one year period beginning on the date of approval of this plan. Commonwealth Brands will keep records demonstrating compliance with this plan.

A listing of all Commonwealth Brands’ styles is attached at Exhibit A. The sales figures for each of Commonwealth Brands’ styles during Commonwealth’s most recent fiscal year preceding submission of this application are reported in the attached Exhibit C. Industry sales for the corresponding one-year period ending September 30, 2013, were [redacted] units. The source of industry sales information is The Maxwell Report, Fourth Quarter 2012 and First, Second and Third Quarters, 2013. Commonwealth Brands’ total sales volume during its most recent fiscal year preceding submission of this application was [redacted] units and its estimated total sales volume for the next fiscal year is [redacted] units. Commonwealth Brands’ sales volume is measured on a fiscal year.

Based on the sales volume for the one-year period ending September 30, 2013, none of the USA Gold brand styles listed above will exceed one fourth of one percent (0.25%) of cigarettes sold in the United States for the one year period covered by our existing plan approved on March 8, 2013. The warnings on all other USA Gold brand styles will continue to be equalized in accordance with Commonwealth Brands’ March 8, 2013 plan.

Commonwealth Brands will continue to be in compliance with the previously approved advertising plans for the USA Gold brand.

If you require any additional information, please contact me.

Sincerely,

Millie P. Lukose
Legal Counsel

Exhibit A – List of Brand Styles Following Approval of this Plan Expansion
Exhibit B – Quarterly Warning Rotation Plan for Advertisements
Exhibit C – Cigarette Volume 10/01/2012 – 09/30/2013
EXHIBIT A

COMMONWEALTH BRANDS ROTATION PLAN
PACKAGING AND CARTON LABELS

BRAND STYLES FOLLOWING APPROVAL OF THIS PLAN EXPANSION


CROWNS
- Red King Size Box
- Gold King Size Box
- Blue King Size Box
- Menthol Dark Green King Size Box
- Menthol Green King Size Box
- Red 100s Box
- Gold 100s Box
- Blue 100s Box
- Menthol Dark Green 100s Box
- Menthol Green 100s Box
- Non-Filter King Size Soft Pack

DAVIDOFF
- Classic Filter Luxury Length Box
- Gold Filter Luxury Length Box
- Menthol Filter Luxury Length Box
- Menthol Silver Filter Luxury Length Box
- Gold Slims Filter Luxury Length Box
- Menthol Silver Slims Luxury Length Box

FORTUNA
- Red Filter King Size Box
- Red Filter 100s Box
- Blue Filter King Size Box
- Blue Filter 100s Box
- Menthol Filter Dark Green King Size Box
- Menthol Filter Dark Green 100s Box
- Pale Blue Filter King Box
- Pale Blue Filter 100s Box
- Menthol Green Filter King Box
- Menthol Green Filter 100s Box
- Non-Filter King Size Soft Pack

GAULOISES
- Blue Filter King Size Box
- Red Filter King Size Box
- Yellow Filter King Size Box
GITANES
DARK BLUE FILTER KING SIZE BOX
BLUE FILTER KING SIZE BOX

MALIBU
BLUE SLIMS FILTER 100s BOX
PINK SLIMS FILTER 100s BOX
MENTHOL GREEN SLIMS FILTER 100s BOX
BLUE SLIMS FILTER 120'S BOX
PINK SLIMS FILTER 120’S BOX
MENTHOL GREEN SLIMS FILTER 120’S BOX

MONTCLAIR
BLACK FILTER 100s BOX
BLUE FILTER KING SIZE BOX
BLUE FILTER 100s BOX
GRAY FILTER KING SIZE BOX
SILVER FILTER 100s BOX
MENTHOL GOLD FILTER 100s BOX
PURPLE SLIMS FILTER 100s BOX
MENTHOL GREEN SLIMS FILTER 100s BOX

RAVEN
RED KING SIZE BOX
GOLD KING SIZE BOX
BLUE KING SIZE BOX
MENTHOL DARK GREEN KING SIZE BOX
MENTHOL GREEN KING SIZE BOX
RED 100s BOX
GOLD 100s BOX
BLUE 100s BOX
MENTHOL DARK GREEN 100s BOX
MENTHOL GREEN 100s BOX
NON-FILTER KING SIZE SOFT PACK

RIVIERA
RED KING SIZE BOX
GOLD KING SIZE BOX
BLUE KING SIZE BOX
MENTHOL DARK GREEN KING SIZE BOX
MENTHOL GREEN KING SIZE BOX
RED 100s BOX
GOLD 100s BOX
BLUE 100s BOX
MENTHOL DARK GREEN 100s BOX
MENTHOL GREEN 100s BOX
NON-FILTER KING SIZE SOFT PACK
SF
- RED FILTER KING-SIZE BOX
- BLUE FILTER KING-SIZE BOX
- GRAY FILTER KING-SIZE BOX
- MENTHOL DARK GREEN FILTER KING-SIZE BOX
- MENTHOL GREEN FILTER KING-SIZE BOX
- RED FILTER 100s BOX
- BLUE FILTER 100s BOX
- GRAY FILTER 100s BOX
- MENTHOL DARK GREEN FILTER 100s BOX
- MENTHOL GREEN FILTER 100s BOX
- NON-FILTER KING-SIZE SOFT PACK

SONOMA
- RED FILTER KING SIZE BOX
- RED FILTER 100s SOFT PACK
- RED FILTER 100s BOX
- GOLD FILTER KING SIZE BOX
- GOLD FILTER 100s SOFT PACK
- GOLD FILTER 100s BOX
- BLUE FILTER 100s SOFT PACK
- BLUE FILTER KING SIZE BOX
- MENTHOL GREEN FILTER 100s SOFT PACK
- MENTHOL GREEN FILTER KING SIZE BOX
- MENTHOL DARK GREEN FILTER KING SIZE BOX
- MENTHOL DARK GREEN FILTER 100s SOFT PACK
- MENTHOL DARK GREEN FILTER 100s BOX
- NON FILTER KING SIZE SOFT PACK

TUSCANY
- RED KING SIZE BOX
- GOLD KING SIZE BOX
- BLUE KING SIZE BOX
- MENTHOL DARK GREEN KING SIZE BOX
- MENTHOL GREEN KING SIZE BOX
- RED 100s BOX
- GOLD 100s BOX
- BLUE 100s BOX
- MENTHOL DARK GREEN 100s BOX
- MENTHOL GREEN 100s BOX
- NON-FILTER KING SIZE SOFT PACK

USA GOLD
- RED FILTER KING SIZE SOFT PACK
- RED FILTER KING SIZE BOX
- RED FILTER KING SIZE GLIDE TEC BOX
- RED FILTER 100s SOFT PACK
- RED FILTER 100s BOX
- GOLD FILTER KING SIZE SOFT PACK
- GOLD FILTER KING SIZE BOX
- GOLD FILTER KING SIZE GLIDE TEC BOX
- GOLD FILTER 100s SOFT PACK
- GOLD FILTER 100s BOX
- BLUE FILTER KING SIZE SOFT PACK
BLUE FILTER KING SIZE BOX
BLUE FILTER 100s SOFT PACK
BLUE FILTER 100s BOX
MENTHOL GOLD FILTER KING SIZE SOFT PACK
MENTHOL GOLD FILTER 100s BOX
MENTHOL GOLD FILTER 100s SOFT PACK
MENTHOL FILTER KING SIZE SOFT PACK (DARK GREEN PACKAGING)
MENTHOL FILTER KING SIZE BOX (DARK GREEN PACKAGING)
MENTHOL FILTER KING SIZE GLIDE TEC BOX (DARK GREEN PACKAGING)
MENTHOL FILTER 100s SOFT PACK (DARK GREEN PACKAGING)
MENTHOL FILTER 100s BOX (DARK GREEN PACKAGING)
NON FILTER KING SIZE SOFT PACK

WEST
RED FILTER KING SIZE BOX
BLUE FILTER KING SIZE BOX
MENTHOL DARK GREEN FILTER KING SIZE BOX
MENTHOL GREEN FILTER KING SIZE BOX
RED FILTER 100s BOX
BLUE FILTER 100s BOX
GRAY FILTER KING SIZE BOX
GRAY FILTER 100s BOX
MENTHOL DARK GREEN FILTER 100s BOX
MENTHOL GREEN FILTER 100s BOX
NON FILTER KING SIZE SOFT PACK
**EXHIBIT B**

**COMMONWEALTH BRANDS**

**ADVERTISING ROTATION PLAN**

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<td>3rd Q (July - Sept.)</td>
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**A --** SURGEON GENERAL'S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, and May Complicate Pregnancy.

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

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

**D --** SURGEON GENERAL'S WARNING: Cigarette Smoke Contains Carbon Monoxide.
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Selected packaging samples from those submitted with the plan.
SURGEON GENERAL'S WARNING:
Cigarette Smoke
Contains Carbon Monoxide.

USAAGOLD
MENTHOL
MADE IN AMERICA
December 12, 2013

Millie P. Lukose, Esq.
Commonwealth Brands, Inc.
P.O. Box 407130
Fort Lauderdale, FL 33340-7130

Dear Ms. Lukose:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, Commonwealth Brands, Inc. ("Commonwealth") March 7, 2013 plan for simultaneous display (i.e., the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Crowns, Davidoff, Fortuna, Gauloises, Gitanes, Malibu, Montclair, Raven, Riviera, SF, Sonoma, Tuscany, USA Gold, and West brands of cigarettes was approved, as were Commonwealth’s July 2 and August 2, 2013 proposed name change and packaging modifications for certain varieties of the Montclair and USA Gold brands, respectively.

By letter dated December 12, 2013, you now propose to expand Commonwealth’s plan for simultaneous display of the four health warnings on packaging to include three new varieties of the USA Gold brand in Glide Tec packaging.

Commonwealth’s sales appear to qualify for the aforementioned alternative to quarterly rotation of warnings on packaging, and the warnings on the sample packs and cartons submitted with your letters dated September 30, 2013 and November 25, 2013 appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness. Accordingly, Commonwealth’s expansion of its plan for simultaneous display of the four health warnings on packaging is hereby approved for the following three varieties of the USA Gold brand: Red Filter King Size Glide Tec Box, Gold Filter King Size Glide Tec Box, and Menthol Filter King Size Glide Tec Box (Dark Green Packaging).

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.

\(^1\) 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.
I wish to remind you that the Commission’s March 8, 2013 approval of Commonwealth’s cigarette health warning statement rotation plan for packaging of certain varieties of its brands runs through March 7, 2014 (or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first) and that this letter does not extend that approval period.

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

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

This approval is effective on the date of this letter and runs through December 11, 2014, or until the authority to approve cigarette health warning statement plans moves from the FTC to the FDA, whichever comes first.

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

Very truly yours,

Mary K. Engle
Associate Director
December 23, 2013

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

Re: Updated Warning Label Rotation Plan for Natural American Spirit Brand Styles

Dear Ms. Engle:

I serve as the Washington Counsel for Santa Fe Natural Tobacco Company, Inc. ("SFNTC"), located at 1 Plaza La Prensa, Santa Fe, NM 85707. SFNTC is the manufacturer of Natural American Spirit ("NAS") cigarettes. Pursuant to 15 U.S.C. § 1333(c)2 of the Federal Cigarette Labeling and Advertising Act (the "Cigarette Act"), please accept this letter to update the Surgeon General Warning Label Rotation Plan for the packaging of NAS brand styles effective January 1, 2014.

NAS Brand Styles Currently Manufactured by SFNTC

- NAS Full Bodied Taste Cigarettes (King Size/Hard Pack/Carton) (currently in quarterly rotation)
- NAS Balanced Taste Cigarettes (King Size/Hard Pack/Carton)
- NAS Mellow Taste Cigarettes (King Size/Hard Pack/Carton) (currently in quarterly rotation)
- NAS Smooth Mellow Taste Cigarettes (King Size/Hard Pack/Carton)
- NAS Menthol Full-Bodied Taste Cigarettes (King Size/Hard Pack/ Carton)
- NAS Menthol Mellow Taste Cigarettes (King Size/Hard Pack/ Carton)
- NAS Non-Filtered Cigarettes (King Size/Hard Pack/Carton)
- NAS Perique Blend Rich Robust Taste Cigarettes (King Size/Hard Pack/Carton)
- NAS Perique Blend Rich Taste Cigarettes (King Size/Hard Pack/Carton)
- NAS Made with Organic Tobacco Full-Bodied Taste Cigarettes (King Size/Hard Pack/Carton)
- NAS Made with Organic Tobacco Mellow Taste Cigarettes (King Size/Hard Pack/Carton)
- NAS 100% U.S. Grown Tobacco Full-Bodied Taste Cigarettes (King Size/Hard Pack/Carton)
- NAS 100% U.S. Grown Tobacco Mellow Taste Cigarettes (King Size/Hard Pack/Carton)

Current packaging for these brand styles was provided to the FTC on August 22, 2013 and you indicated in your letter of September 30, 2013 that the warnings submitted "appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness".
Previously, as stated in your letter of September 30, 2013, the FTC has approved quarterly rotation for NAS Mellow Taste king size hard pack and NAS Full Bodied Taste king size hard pack varieties. On January 1, 2014 SFNTC will begin quarterly rotation of the four health warnings for its eleven additional brand styles. SFNTC will continue to follow a B, C, D, A rotation sequence for its packaging and its advertising. Pursuant to this established sequence, the health warnings will rotate on these additional varieties as follows, based on the date of packaging for each brand style:

1st Quarter, 2014 - B - Quitting Smoking Now Greatly Reduces Serious Risks to Your Health (January, February, March)
2nd Quarter, 2014 - C - Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight. (April, May, June)
3rd Quarter, 2014 - D - Cigarette Smoke Contains Carbon Monoxide (July, August, September)
4th Quarter, 2014 - A - Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy. (October, November, December)

Packaging for each brand style will bear the health warning as set forth above for the quarter in which the cigarettes were packaged. SFNTC will maintain records to demonstrate compliance with its rotation plans for both advertising and packaging.

The transition to quarterly rotation of eleven additional brand styles at one time continues to present major challenges for a small manufacturer such as SFNTC. To further assist SFNTC in its adjustment to quarterly rotation of all its varieties, SFNTC asks for modest flexibility in its rotation plan during 2014 to address significant storage space issues and to minimize unnecessary waste of packaging as it refines its process for ordering packaging and adjusts its production schedules to quarterly rotation for all brand styles. SFNTC requests with respect to the eleven brand styles beginning quarterly rotation on January 1, 2014, that at the beginning of the second, third and fourth quarters of 2014 that SFNTC be allowed to begin using packaging bearing the subsequent quarter's health warning statement up to five (5) production days prior to the commencement of such quarter and continue to use packaging bearing the prior quarter's health warning statement up to five (5) production days after the end of such quarter. This grace period within the approved rotation plan would expire on December 31, 2014.

If you have any questions regarding this updated SFNTC packaging plan please contact me at (202) 496-7176.

Sincerely,

C. Randall Nuckolls

Attachment
Selected packaging samples from those submitted with the plan.
IT TAKES A LOT OF WORK TO GET ORGANIC TOBACCO JUST RIGHT. THE FARMERS WHO GROW OUR ORGANIC TOBACCO MUST FOLLOW THE STRICT STANDARDS LAID OUT BY THE USDA'S NATIONAL ORGANIC PROGRAM. EVERY PART OF THE PROCESS, FROM HOW THE TOBACCO IS GROWN AND HARVESTED, TO HOW IT IS STORED AND FINALLY MADE INTO CIGARETTES, IS REVIEWED AND PERIODICALLY RECERTIFIED.
December 30, 2013

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

Dear Mr. Nuckolls:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed on behalf of Santa Fe Natural Tobacco Company, Inc. ("Santa Fe") on December 23, 2013, calling for quarterly rotation of the four health warnings on packaging for certain varieties of the Natural American Spirit ("NAS") brand of cigarettes.

The warnings on the sample packs and cartons submitted with your August 22, 2013 letter appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness. Santa Fe’s plan for quarterly rotation of the four health warnings on packaging is hereby approved for the following eleven king size hard pack varieties of the NAS brand: Balanced Taste; Smooth Mellow Taste; Menthol Full-Bodied Taste; Menthol Mellow Taste; Non-Filtered; Perique Blend Rich Robust Taste; Perique Blend Rich Taste; "Made With Organic Tobacco Full-Bodied Taste"; "Made With Organic Tobacco Mellow Taste"; “100% U.S. Grown Tobacco Full-Bodied Taste”; and “100% U.S. Grown Tobacco Mellow Taste.”

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.

By letters dated August 24, 2010 and October 20, 2011, respectively, the Mellow Taste king size hard pack and Full-Bodied Taste king size hard pack varieties were approved for quarterly rotation, which does not need to be re-approved annually.

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

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

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

Very truly yours,

Mary K. Engle
Associate Director