

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

MEMORANDUM

- TO: Public Records Office of the Secretary
- FROM: Bonnie McGregor Division of Advertising Practices
- DATE: June 2, 2023
- SUBJECT: Cigarette Labeling and Advertising Act File No. P854505

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

- 1. June 9, 2020 letter from Craig A. Koenigs on behalf of Wind River Tobacco Company, LLC to Bonnie McGregor.
- 2. July 9, 2020 letter from Serena Viswanathan to Craig A. Koenigs on behalf of Wind River Tobacco Company, LLC.
- 3. July 13, 2020 letter from Yancy Black, King Mountain Tobacco Company, Inc. to Serena Viswanathan.
- 4. July 16, 2020 letter from Serena Viswanathan to Yancy Black, King Mountain Tobacco Company, Inc.
- 5. July 13, 2020 letter from John DiCarlo, Joseph M. Anderson d/b/a Smokin Joes to Mary K. Engle.
- 6. July 27, 2020 letter from Serena Viswanathan to John DiCarlo, Joseph M. Anderson d/b/a Smokin Joes.
- 7. August 12, 2020 letter from Goda Marcinkeviciute, DK Distributors, Inc. to Rick Quaresma.
- 8. August 18, 2020 letter from Serena Viswanathan to Goda Marcinkeviciute, DK Distributors, Inc.

- 9. August 3, 2020 letter from Karen E. Delaney, NASCO Products, LLC to Serena Viswanathan.
- 10. August 18, 2020 letter from Serena Viswanathan to Karen F. Delaney, NASCO Products, LLC.
- 11. August 20, 2020 letter from C. Randall Nuckolls on behalf of Santa Fe Natural Tobacco Company, Inc. to Serena Viswanathan.
- 12. August 20, 2020 letter from Serena Viswanathan to C. Randall Nuckolls on behalf of Santa Fe Natural Tobacco Company, Inc.
- 13. September 17, 2020 letter from Neal N. Beaton on behalf of Japan Tobacco International U.S.A., Inc. to Serena Viswanathan.
- 14. September 18, 2020 letter from Serena Viswanathan to Neal N. Beaton on behalf of Japan Tobacco International U.S.A., Inc.
- 15. September 15, 2020 letter from Jennifer Straus, Farmers Tobacco Co. of Cynthiana, Inc. to Serena Viswanathan.
- 16. September 23, 2020 letter from Serena Viswanathan to Jennifer Straus, Farmers Tobacco Co. of Cynthiana, Inc.



1300 Pennsylvania Avenue NW Suite 700 Washington, D.C. 20004 DIRECT DIAL 202.216.8317 PHONE 202.625.0600 FAX 202.338.6340 ckoenigs@ralaw.com

WWW.RALAW.COM

June 9, 2020

CONFIDENTIAL CONTAINS TRADE SECRETS AND PROPRIETARY BUSINESS INFORMATION

VIA FEDEX

Bonnie McGregor Federal Trade Investigator Federal Trade Commission Division of Advertising Practices 600 Pennsylvania Avenue, NW Mail Drop CC10528 Washington, DC 20580

Re: Wind River Tobacco Company, LLC / American Bison 100's Plan Expansion

Dear Ms. McGregor:

This expansion of the plan for the simultaneous display of health warnings on the packaging of the American Bison and Nashville brands of cigarettes (the "Plan") is submitted to the Federal Trade Commission ("FTC") on behalf of Wind River Tobacco Company, LLC ("WRT"), located at 4792 Potato House Court, Wilson, NC 27893.

WRT's most recent plan for the simultaneous display of health warnings on the packaging of six (6) American Bison and ten (10) Nashville varieties of cigarettes was approved on January 29, 2020. WRT wishes to expand the Plan by adding five new varieties of American Bison cigarettes in the 100's size to the Plan.

I. Background

Pursuant to the Federal Cigarette Labeling and Advertising Act (the "Act"), manufacturers of cigarettes are required to submit a label statement rotation plan to the FTC for approval. 15 U.S.C. §1333(c). Section 1333(a) sets forth the wording of the warning labels required for all packaging and advertising of cigarettes sold, distributed, or advertised in the United States. Section 1333(b)(1) provides the placement and size requirements for the warning labels on cigarette packaging. Section 1333(b)(2) sets forth the requirements for warnings in advertisements, except for outdoor billboards, which are covered in Section 1333(b)(3).

WRT intends to manufacture American Bison cigarettes in five (5) new varieties in the 100's size listed in Schedule A, attached hereto. WRT seeks approval for the simultaneous display of health warnings on the packaging of the American Bison brand of cigarettes in the five (5) new varieties in the 100's size listed in Schedule A. This Plan sets forth the manner in which WRT shall comply with the warning label requirements of the Act.

II. <u>Packaging</u>

A. Beginning on the date of approval of this expansion of the Plan (the **"Effective Date"**) the following label statements required by 15 U.S.C. §1333(a)(1), shall be displayed on the packs and cartons of the American Bison 100's varieties manufactured by WRT:

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

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

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

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

B. WRT intends to utilize the label statement rotation option provided by 15 U.S.C. §1333(c)(2), to display the four warnings an equal number of times on the packs and cartons of each of the American Bison 100's varieties it manufactures. WRT will ensure equal use of the warning label statements by ordering equal quantities of packaging (packs and cartons) containing each of the four (4) warning label statements. The packaging will be delivered to WRT on pallets. Each pallet will contain a designated quantity of the packaging (e.g., 10,000 units) with an equal quantity of packaging on each pallet containing each of the four (4) warning statements (e.g., 2500 units with warning A, 2500 units with warning B, 2500 units with warning C and 2500 with warning D). WRT will load the packaging inventory from each pallet into the packaging machines and thus, produce finished packages containing the four health warnings in an equal number. Accordingly, the packs and cartons will be printed and distributed using an equal number of all four (4) warning labels. WRT shall maintain records accounting for the number of packs and cartons using each warning label. WRT will equalize the use of the four (4) warning labels on the packs and cartons of each of the five (5) American Bison 100's varieties for the one-year period beginning on the Effective Date.

WRT's fiscal year for 2019 was the calendar year (January 1, 2019 to December 31, 2019). WRT has provided sales figures in Schedule A for the American Bison, Nashville and Teton cigarette varieties it currently manufactures for fiscal and calendar year 2019. WRT also has included estimated sales figures in Schedule A for the new American Bison 100's varieties it intends to manufacture for the one-year period beginning on the Effective Date. As referenced above, WRT also manufactures the Teton brand of cigarettes which is subject to a separate health warning display plan approved by the FTC.

For the fiscal and calendar year 2019, WRT's sales volume for any one variety of cigarettes it manufactured or imported did not exceed one-fourth of one percent of all cigarettes sold in the United States in that year. Further, WRT does not anticipate that the sales volume for any one variety of cigarettes it manufactures or imports for the one-year period beginning on the Effective Date shall exceed one-fourth of one percent of all cigarettes sold in the United States in that year. WRT does not now and does not intend to manufacture or import any brands of cigarettes for sale in the United States for the one-year period beginning on the Effective Date shall exceed ne-fourth of one percent of all cigarettes sold in the United States in that year. WRT does not now and does not intend to manufacture or import any brands of cigarettes for sale in the United States for the one-year period beginning on the Effective Date, other than the American Bison, Nashville and Teton varieties listed in Schedule A.

The label statements required by 15 U.S.C. §1333(a)(1), shall be printed on the packaging prior to WRT's manufacturing the American Bison 100's varieties of cigarettes. The warning labels will appear on the <u>packs and cartons</u> of each of the American Bison 100's varieties of cigarettes listed in Schedule A, exactly as they appear on the packaging submitted to the FTC with WRT's letter dated June 2, 2020.

WRT also intends to sell the American Bison 100's varieties of cigarettes to distributors located in American territories and/or possessions ("US Possessions"). The packaging for products sold to these destinations must include a 'tax-exempt" statement. The package designs for the American Bison 100's varieties sold to entities in US Possessions will be the same as the packaging submitted to the FTC with WRT's letter dated June 2, 2020, except for the inclusion of the tax-exempt" statement. The package designs for the American Bison 100's varieties sold to entities in US Possessions also will contain the health warning label statements. Please note that the "tax-exempt" statement on both the packs and cartons of the American Bison 100's varieties sold to entities in US Possessions will be located on the opposite panel from the health warning label statements and will not affect or interfere with the health warning label statements in any way.

III. <u>Advertising</u>

WRT currently has approved advertising plans in place for the American Bison brand of cigarettes and remains in compliance with those plans. WRT has a plan for the display of health warnings on certain advertisements for American Bison brand cigarettes that was approved on April 23, 2002; a plan for the display of health warnings on internet advertising for American Bison brand cigarettes that was approved on June 24, 2004; a modification of the previously approved schedule for quarterly rotation of the four warnings in advertising that was approved on February 27, 2018; and, a modification of the plan for the display of health warnings on non-internet advertising for American Bison brand cigarettes that was approved on August 13, 2018. Any advertising of the American Bison brand cigarettes, including the American Bison 100's varieties shall be conducted in accordance with the above-referenced advertising plans.

IV. <u>Miscellaneous</u>

A. Nothing herein shall be construed to require the manufacture, packaging, distribution or importation of any cigarettes during any period-of-time.

B. Please be advised that the sales volume information contained in this Plan is confidential and contains trade secrets and proprietary business information of WRT. WRT does not authorize the release of this sales volume information to anyone without WRT's permission, except as specifically required by law.

If you have any further questions regarding the Plan, please do not hesitate to contact me by email at ckoenigs@ralaw.com or by telephone at (202) 216-8317. As always, your prompt attention and assistance in this matter are greatly appreciated.

Sincerely, ROETZEL & ANDRESS, LPA /Craig A. Koenigs/ Craig A. Koenigs

SCHEDULE A

The following is a list of the American Bison, Nashville and Teton cigarette varieties that WRT manufactures and the annual sales volume in cigarettes for fiscal and calendar year 2019 (January 1, 2019 to December 31, 2019) for each variety. In addition, this Schedule includes the American Bison 100's varieties that WRT intends to manufacture and the estimated sales volume in cigarettes for the one-year period beginning on the date this expansion of the Plan is approved.

Brand	Size / Packaging	<u>Variety</u>	Fiscal Year Sales Volume
American Bison	King / Box	Blue (Blue Packaging) Blue (Red Packaging) Gold Yellow Green (Menthol) Dark Green (Menthol)	
Brand	Size / Packaging	Variety	Estimated Sales Volume
American Bison	100's / Box	Blue Gold Yellow Green (Menthol) Dark Green (Menthol)	
Brand	Size / Packaging	<u>Variety</u>	Fiscal Year Sales Volume
Nashville	Kings / Box	Red Gold Silver Green (Menthol) Black (Menthol)	
	100's / Box	Red Gold Silver Green (Menthol) Black (Menthol)	
Brand	Size / Packaging	Variety	Fiscal Year Sales Volume
Teton	Kings / Box	No. 18 Blue Kings No. 18 Yellow Kings No. 18 Green Menthol Kings	
	100's / Box	No. 6 Red 100's No. 6 Gold 100's No. 6 Green Menthol 100's No. 6 Black Menthol 100's	

Selected packaging samples from those submitted with the plan.





YELLOW

100's

USA

MADEIN

CLASS A CIGARETTES



λE

BISON 2000

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

FRICAN

200 CLASS A CIGARETTES

N NEELLAN

+



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

Division of Advertising Practices

July 9, 2020

Craig A. Koenigs, Esq. Roetzel & Andress, LPA 1300 Pennsylvania Avenue NW, Suite 700 Washington, D.C. 20004

Dear Mr. Koenigs:

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, Wind River Tobacco Company, LLC's ("WRTC") plan for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the American Bison brand of cigarettes was approved on January 29, 2020. By later dated June 9, 2020, you now propose to expand WRTC's plan to include five additional varieties of the American Bison brand.

WRTC 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 June 2, 2020 letter appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.¹ Accordingly, WRTC's plan for simultaneous display of the four health warnings on packaging for the following five box varieties of the American Bison brand is hereby approved: Blue 100's, Gold 100's, Yellow 100's, Green (Menthol) 100's, and Dark Green (Menthol) 100's.²

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

¹ WRTC stated in its June 9, 2020 letter that the four health warnings will appear exactly as shown on the packs and cartons submitted on June 2, 2020.

² We note that the word "menthol" does not appear on the packaging of either the "Green (Menthol) 100's" or "Dark Green (Menthol) 100's" varieties of the American Bison brand.

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.

Craig A. Koenigs, Esq. July 9, 2020 Page 2

Please note that this letter only approves WRTC's expansion of its 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 ("TCA"). Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for WRTC's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of WRTC's packaging and advertising under the TCA 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) or FDA's final rule, "Required Warnings for Cigarette Packages and Advertisements" (published March 18, 2020).

Because the TCA 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 https://www.fda.gov/tobacco-products/ctp-newsroom/sign-email-updates-ctp.

This approval is effective on the date of this letter and runs through July 8, 2021 or until the new health warnings required under the TCA take effect, whichever comes first.

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

Very truly yours,

Serena Viswanan

Serena Viswanathan Acting Associate Director



KING MOUNTAIN TOBACCO COMPANY, INC. P.O. BOX 422 WHITE SWAN, WASHINGTON 98952 Phone: (509) 874-9935 Fax: (509) 874-3690

July 13, 2020

Attn: Serena Viswanathan Bureau of Consumer Protection Division of Advertising Practices Federal Trade Commission 600 Pennsylvania Ave NW Washington, DC 20580

RE: King Mountain Tobacco Company, Inc. - King Mountain Cigarette Labeling Rotation Renewal Pursuant to 15 U.S.C. §1333(c)(2) for annual approval of the plan of King Mountain Tobacco Company, Inc., for the display of the four health warnings on packaging for its King Mountain Cigarette Brand. Your Office last approved King Mountain's plan for the display of the Health Warnings on the packaging of the King Mountain Cigarettes on July 17, 2019 and there have been no changes in packaging since that time. The warnings will appear exactly as shown on the samples with the letter dated June 18, 2018. Please note we manufacture Fire Safe Cigarettes ("FSC"). Fire Safe Cigarettes are identified by the letters "FSC" in bold above the UPC label on both the cartons and cigarette boxes. All of King Mountain Tobacco's packaging is in the hard pack style.

King Mountain Tobacco Company, Inc., ("KMT") confirms and warrants that it will conduct its operations so that the four warnings specified in 15 U.S.C. § 1333(a)(1) will appear an equal number of times on the packs and cartons of each of the ten brand styles of Fire Safe King Mountain Cigarettes (listed below) it manufactures during the twelve-month period following approval of this application. In order to ensure equal distribution of the four warnings specified in 15 U.S.C. 1333(a)(1), KMT will require that one-fourth of each order of package and carton materials be printed with each of the four warnings. KMT runs 2 press runs on an alternating sequence to ensure an equal amount of the Surgeon General Warning Labels per order of packaging. Should there be any residual or additional packaging that is needed to be added or subtracted from inventory in order to obtain 100% compliance of the proper Surgeon General Warning rotation as specified in 15 U.S.C. §1333(c)(2) will be done manually if needed by King Mountain employees before the expiration of the plan.

KMT will keep records demonstrating compliance with this plan.

Sales of King Mountain did not exceed one-fourth of one percent of cigarettes sold in the United States during the calendar year 2019. KMT's fiscal year is the calendar year.



KING MOUNTAIN TOBACCO COMPANY, INC. P.O. BOX 422 WHITE SWAN, WASHINGTON 98952 Phone: (509) 874-9935 Fax: (509) 874-3690

KMT manufactures King Mountain cigarettes under Tobacco Manufacturing License Number TP-WA-15000. King Mountain is the only brand of cigarettes KMT manufactures and KMT does not import any cigarettes into the United States.

Cigarette labeling in the United States is governed in part by the Federal Cigarette Labeling and Advertising Act, as amended, 36 U.S.C. §§1331-41. The Commission may grant the twelve months simultaneous display label rotation cycle that KMT requests if:

(i) the number of cigarettes of such 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 in such year, and

(ii) more than one-half of the cigarettes manufactured or imported by such manufacturer or importer for sale in the United States are packaged into brand styles which met the requirements of clause (i).

15 U.S.C. §1333(c)(2)(A). The term "brand style is defined in the statute to mean. A variety of cigarettes distinguished by the tobacco used, tar and nicotine content, flavoring used size of the cigarette, filtration on the cigarette, or packaging.

15 U.S.C. §1332(8) KMT plans to manufacture the following styles of King Mountain:

Red King (Fire Safe) Gold King (Fire Safe) Blue King (Fire Safe) Menthol King (Fire Safe) Menthol Gold King (Fire Safe) Red 100s (Fire Safe) Gold 100s (Fire Safe) Blue 100s (Fire Safe) Menthol 100s (Fire Safe) Menthol Gold 100s (Fire Safe)

King Mountain Tobacco does not import or manufacture any other brands.

was the highest selling style with sticks sold during 2019. This amount is clearly less than "one-fourth of 1 percent of all cigarettes sold in the United States in 2019, as required by 15 U.S.C. §1333(c)(2)(A)(i). Estimated sales for 2020 are sticks with selling approximately sold those sticks. KMT originally received approval for our advertising plan on June 25th, 2009, there have been no changes in our advertising plan since that time, and KMT will maintain compliance with that plan.



KING MOUNTAIN TOBACCO COMPANY, INC. P.O. BOX 422 WHITE SWAN, WASHINGTON 98952 Phone: (509) 874-9935 Fax: (509) 874-3690

If any additional information is required please contact Chris Stanley at 561-325-5921 or at <u>RandCAssociates@gmail.com</u>.

Sincerely, Blackby 00

Yancey Black General Manager

ATTACHMENT A

SKU	STICKS SOLD 2019
King Mountain Red 100's	
King Mountain Red Kings	
King Mountain Gold 100's	
King Mountain Gold Kings	
King Mountain Menthol 100's	
King Mountain Blue 100's	
King Mountain Menthol Gold 100's	
King Mountain Menthol King	
King Mountain Blue King	
King Mountain Menthol Gold King	



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

July 16, 2020

Mr. Yancey Black King Mountain Tobacco Company, Inc. P.O. Box 422 White Swan, WA 98952

Dear Mr. Black:

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 King Mountain Tobacco Company, Inc. ("KMTC") on July 13, 2020, calling for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain hard pack varieties of the King Mountain brand of cigarettes.

KMTC's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letter dated June 18, 2018 continue to appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.¹

Accordingly, KMTC's plan for simultaneous display of the four health warnings on packaging is hereby approved for the following ten hard pack varieties of the King Mountain brand: Red (Kings and 100's), Gold (Kings and 100's), Blue (Kings and 100's), Menthol (Kings and 100's), and Menthol Gold (Kings and 100's).

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

¹ KMTC stated in its July 13, 2020 letter that the four health warnings will appear exactly as shown on the sample packs and cartons submitted on June 18, 2018.

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.

Mr. Yancey Black July 16, 2020 Page 2

Please note that this letter only approves KMTC'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 ("TCA"). Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for KMTC's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of KMTC's packaging and advertising under the TCA 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) or FDA's final rule, "Required Warnings for Cigarette Packages and Advertisements" (published March 18, 2020).

Because the TCA 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 https://www.fda.gov/tobacco-products/ctp-newsroom/sign-email-updates-ctp.

This approval is effective on the date of this letter and runs through July 15, 2021 or until the new health warnings required under the TCA take effect, whichever comes first.

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

Very truly yours,

Science Viswanan

Serena Viswanathan Acting Associate Director



4900 Indian Hill Road Lewiston, NY 14092 (716) 754-4064 Fax (716) 754-4184

July 13, 2020

Ms. Mary K. Engle Federal Trade Commission 600 Pennsylvania Avenue, NW Mail Drop CC-10528 Washington, DC 20580

RE: Cigarette Health Warning Rotation Plan

Dear Ms. Engle,

This letter is being submitted by Joseph M. Anderson doing business as Smokin Joes for the alternative method to the quarterly Surgeon General Warning rotation plan for packaging of the following fifteen (15) varieties of the Exact cigarette brand, twelve (12) varieties of the Exact Elite cigarette brand, eighteen (18) styles of the Lewiston cigarette brand, twenty (20) varieties of the Market cigarette brand, one (1) style of the Maple Leaf cigarette brand, two (2) styles of the Outdoor Freedom cigarette brand, twenty-two (22) styles of the Smokin Joes cigarette brand, twenty-one (21) styles of the Smokin Joes Natural cigarette brand, eighteen (18) styles of the Smokin Joes Premium cigarette brand, and two (2) varieties of the Nightclub cigarette brand:

Event Connedian Ded Vine Cire Coff Deek	
Exact Canadian Red King Size Soft Pack	
Exact Canadian Blue King Size Soft Pack	
Exact Red 100 Size Soft Pack	
Exact Red King Size Box	
Exact Red King Size Soft Pack	
Exact Gold 100 Size Soft Pack	
Exact Gold 100 Size Box	
Exact Gold King Size Box	
Exact Gold King Size Soft Pack	
Exact Menthol 100 Size Soft Pack	
Exact Menthol 100 Size Box	
Exact Menthol King Size Soft Pack	
Exact Menthol Gold 100 Size Soft Pack	
Exact Menthol Gold King Size Soft Pack	
Exact Blue 100 Size Soft Pack	
Exact Elite Cigarette Brand	
Exact Elite Red 100 Size Soft Pack	
Exact Elite Red King Size Box	
Exact Elite Red King Size Soft Pack	
Exact Elite Gold 100 Size Soft Pack	
Exact Elite Gold King Size Box	

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800-274-8010 act El www.smokinjoe.com

Exact Elite Gold King Size Soft Pack	
Exact Elite Menthol 100 Size Soft Pack	
Exact Elite Menthol King Size Soft Pack	
Exact Elite Menthol Gold 100 Size Soft Pack	
Exact Elite Menthol Gold King Size Soft Pack	
Exact Elite Non-Filter King Size Box	
Exact Elite Blue 100 Size Soft Pack	
Lewiston Cigarette Brand	
Lewiston Red 100 Size Soft Pack	
Lewiston Red 100 Size Box	
Lewiston Red King Size Box	
Lewiston Red King Size Soft Pack	
Lewiston Gold 100 Size Soft Pack	
Lewiston Gold 100 Size Box	
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Lewiston Menthol 100 Size Soft Pack	
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Lewiston Menthol Gold 100 Size Box	
Lewiston Menthol Gold King Size Soft Pack	
Lewiston Non-Filter King Size Soft Pack	
Lewiston Blue 100 Size Soft Pack	
Lewiston Blue 100 Size Box	
Maple Leaf Cigarette Brand	
Maple Leaf Canadian Blue King Size Box	
Market Cigarette Brand	
Market Red 100 Size Box	
Market Red 100 Size Soft Pack	
Market Red King Size Box	
Market Red King Size Soft Pack	
Market Gold 100 Size Box	
Market Gold 100 Size Soft Pack	
Market Gold King Size Box	
Market Gold King Size Soft Pack	
Market Menthol 100 Size Box	
Market Menthol 100 Size Soft Pack	
Market Menthol King Size Soft Pack	
Market Menthol King Size Box	
Market Menthol Gold 100 Size Box	
Market Menthol Gold 100 Size Soft Pack	
Market Menthol Gold King Size Soft Pack	
Market Menthol Blue 100 Size Box	
Market Non-Filter King Size Box	
Market Blue 100 Size Box	
Market Blue 100 Size Soft Pack	

Outdoor Freedom Cigarette Brand	
Outdoor Freedom Original King Size Box	
Outdoor Freedom Smooth King Size Box	
Smokin Joes Cigarette Brand	
Smokin Joes Red 100 Size Soft Pack	
Smokin Joes Red 100 Size Box	
Smokin Joes Red King Size Box	
Smokin Joes Red King Size Soft Pack	
Smokin Joes Gold 100 Size Soft Pack	
Smokin Joes Gold 100 Size Box	
Smokin Joes Gold King Size Box	
Smokin Joes Gold King Size Soft Pack	
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Smokin Joes Menthol Gold 100 Size Box	
Smokin Joes Menthol Gold King Size Soft Pack	
Smokin Joes Menthol Gold King Size Box	
Smokin Joes Non-Filter King Size Soft Pack	
Smokin Joes Non-Filter King Size Box	
Smokin Joes Blue 100 Size Soft Pack	
Smokin Joes Blue 100 Size Box	
Smokin Joes Blue King Size Soft Pack	
Smokin Joes Blue King Size Box	
Smokin Joes Natural Cigarette Brand	
Smokin Joes Natural Purple 100 Size Soft Pack	
Smokin Joes Natural Purple 100 Size Box	
Smokin Joes Natural Purple King Size Box	_
Smokin Joes Natural Purple King Size Soft Pack	
Smokin Joes Natural Silver 100 Size Soft Pack	
Smokin Joes Natural Silver 100 Size Box	
Smokin Joes Natural Silver King Size Soft Pack	
Smokin Joes Natural Silver King Size Box	_
Smokin Joes Natural Menthol 100 Size Soft Pack	
Smokin Joes Natural Menthol 100 Size Box	-
Smokin Joes Natural Menthol King Size Box	
Smokin Joes Natural Red 100 Size Soft Pack	
Smokin Joes Natural Red 100 Size Box	
Smokin Joes Natural Red King Size Soft Pack	-
Smokin Joes Natural Red King Size Box	
Smokin Joes Natural Menthol Gold 100 Size Soft Pack	
Smokin Joes Natural Menthol Gold King Size Box	_
Smokin Joes Natural Non-Filter King Size Soft Pack	
Smokin Joes Natural White 100 Size Soft Pack	

Smokin Joes Premium Cigarette Brand	
Smokin Joes Premium Canadian Red King Size Box	
Smokin Joes Premium Canadian Blue King Size Box	
Smokin Joes Premium Red 100 Size Soft Pack	
Smokin Joes Premium Red 100 Size Box	
Smokin Joes Premium Red King Size Box	
Smokin Joes Premium Red King Size Soft Pack	
Smokin Joes Premium Gold 100 Size Soft Pack	
Smokin Joes Premium Gold 100 Size Box	
Smokin Joes Premium Gold King Size Box	
Smokin Joes Premium Gold King Size Soft Pack	
Smokin Joes Premium Menthol 100 Size Soft Pack	
Smokin Joes Premium Menthol 100 Size Box	
Smokin Joes Premium Menthol King Size Soft Pack	1.10
Smokin Joes Premium Menthol Gold 100 Size Soft Pack	
Smokin Joes Premium Menthol Gold King Size Soft Pack	
Smokin Joes Premium Non-Filter King Size Soft Pack	
Smokin Joes Premium Blue 100 Size Soft Pack	
Smokin Joes Premium Blue King Size Soft Pack	
Nightclub Cigarette Brand	
Nightclub Rich King Size Box	
Nightclub Smooth King Size Box	

These cigarettes are manufactured by Joseph M. Anderson d/b/a Smokin Joes; Smokin Joes does not import cigarettes. Upon approval of this plan, the manufacturer will continue to sell these cigarettes under the authority of the Bureau of Alcohol, Tobacco & Firearms (Manufacturer of Tobacco Products License TP-NY-168).

The products submitted with this plan will continue to be packaged in 200 count cartons ("Outer Cartons"). Each Outer Carton will contain 10 packs of 20 cigarettes each ("Pack"). The warnings will appear exactly as they do on the actual pack labels and cartons submitted to the Federal Trade Commission on June 28, 2018.

Smokin Joes believes that its low sales volume of cigarettes fits the criteria for the alternative to quarterly rotation of warnings on packaging, provided for in Section 1333 (c)(2) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331; sales figures for all Smokin Joes manufactured brands styles are provided on Exhibit A. Of all Smokin Joes manufactured cigarette brand styles for the fiscal year, from May 1, 2019 through April 30, 2020, the biggest seller was sticks.

If this plan for the alternative to quarterly rotation of warnings on packaging is approved, the four cigarette health warnings will appear on the packs and cartons of each of the cigarette brand varieties listed above an equal number of times for the one year period beginning on the date this plan is approved. To ensure the cigarette health warnings appear on the cigarette brand styles an equal number of times throughout the plan year, raw material packaging inventory will be stored and loaded into packaging machines alternating the four health warnings.

Smokin Joes will continue to comply with its May 1, 2007 amended plan for advertising the Exact, Lewiston, Market, Outdoor Freedom, and Smokin Joes cigarette brands as well as its February 19, 2008 plan for advertising the Nightclub cigarette brand and its April 16, 2009 plan for advertising the Maple Leaf cigarette brand.

Smokin Joes, the manufacturer, is aware of the requirements set forth in the Cigarette Labeling and Advertising Act and the company's efforts are always to be fully compliant with the Act. Smokin Joes will maintain record of compliance with the approved plan. The submitted carton and pack label for each brand style bearing each Surgeon General warning satisfies the requirement of package submission. If there are any questions or concerns regarding this plan, please contact me at 716-754-4064 ext. 9327.

Sincerely, .

John DiCarlo Director of Operations

	STICK SAL
SMOKIN JOES	5/1/19- 4/30/2
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Division of Advertising Practices United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

July 27, 2020

Mr. John DiCarlo Smokin Joes 4900 Indian Hill Road Lewiston, NY 14092

Dear Mr. DiCarlo:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a proposed plan filed by Joseph M. Anderson d/b/a Smokin Joes ("Smokin Joes") on July 13, 2020, calling for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Exact, Exact Elite, Lewiston, Maple Leaf, Market, Nightclub, Outdoor Freedom, Smokin Joes, Smokin Joes Natural, and Smokin Joes Premium brands of cigarettes.

Smokin Joes' sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted on June 28, 2018 continue to appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.¹ Accordingly, Smokin Joes' plan for simultaneous display of the four health warnings on packaging is hereby approved for the following varieties:

- Fifteen varieties of the Exact brand: Canadian Red King Soft Pack, Canadian Blue King Soft Pack, Red King Box, Red Soft Pack (King and 100's), Gold Box (King and 100's), Gold Soft Pack (King and 100's), Menthol Soft Pack (King and 100's), Menthol 100's Box, Menthol Gold Soft Pack (King and 100's), and Blue 100's Soft Pack;
- Twelve varieties of the Exact Elite brand: Non-Filter King Box, Red King Box, Red Soft Pack (King and 100's), Gold King Box, Gold Soft Pack (King and 100's), Menthol Soft Pack (King and 100's), Menthol Gold Soft Pack (King and 100's), and Blue 100's Soft Pack;

¹ Smokin Joes stated in its July 13, 2020 letter that the four health warnings will appear exactly as shown on the packs and cartons submitted on this date.

Mr. John DiCarlo July 27, 2020 Page 2

- Eighteen varieties of the Lewiston brand: Non-Filter King Soft Pack, Red Box (King and 100's), Red Soft Pack (King and 100's), Gold Box (King and 100's), Gold Soft Pack (King and 100's), Menthol Box (King and 100's), Menthol Soft Pack (King and 100's), Menthol Gold 100's Box, Menthol Gold Soft Pack (King and 100's), and Blue 100's (Box and Soft Pack);
- One variety of the Maple Leaf brand: Canadian Blue King Box;
- Two varieties of the Outdoor Freedom brand: Original King Box and Smooth King Box;
- Two varieties of the Nightclub brand: Rich King Box and Smooth King Box;
- Twenty varieties of the Market brand: Non-Filter King Box, Red Box (King and 100's), Red Soft Pack (King and 100's), Blue Box (King and 100's), Blue 100's Soft Pack, Gold Box (King and 100's), Gold Soft Pack (King and 100's), Menthol Box (King and 100's), Menthol Soft Pack (King and 100's), Menthol Gold Soft Pack (King and 100's), Menthol Gold 100's Box, and Menthol Blue 100's Box;
- Twenty-two varieties of the Smokin Joes brand: Non-Filter King (Soft Pack and Box), Red King (Soft Pack and Box), Red 100's (Soft Pack and Box), Blue King (Soft Pack and Box), Blue 100's (Soft Pack and Box), Gold King (Soft Pack and Box), Gold 100's (Soft Pack and Box), Menthol King (Soft Pack and Box), Menthol 100's (Soft Pack and Box), Menthol Gold King (Soft Pack and Box), and Menthol Gold 100's (Soft Pack and Box);
- Twenty-one varieties of the Smokin Joes Natural brand: Non-Filter King Soft Pack, Red King (Soft Pack and Box), Red 100's (Soft Pack and Box), Purple King (Soft Pack and Box), Purple 100's (Soft Pack and Box), Silver King (Soft Pack and Box), Silver 100's (Soft Pack and Box), White King Soft Pack, White 100's (Soft Pack and Box), Menthol King Box, Menthol 100's (Soft Pack and Box), Menthol Gold King Box, and Menthol Gold 100's Soft Pack; and
- Eighteen varieties of the Smokin Joes Premium brand: Non-Filter King Soft Pack, Canadian Red King Box, Canadian Blue King Box, Red King (Soft Pack and Box), Red 100's (Soft Pack and Box), Blue Soft Pack (King and 100's), Gold King (Soft Pack and Box), Gold 100's (Soft Pack and Box), Menthol 100's Box, Menthol Soft Pack (King and 100's), and Menthol Gold Soft Pack (King and 100's).

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

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.

Mr. John DiCarlo July 27, 2020 Page 3

Please note that this letter only approves Smokin Joes' 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 ("TCA"). Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for Smokin Joes' cigarettes, including, but not limited to "natural." Nor does this letter purport to interpret or express any opinion about the adequacy of Smokin Joes' packaging and advertising under the TCA 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) or FDA's final rule, "Required Warnings for Cigarette Packages and Advertisements" (published March 18, 2020).

Because the TCA 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 <u>www.fda.gov/TobaccoProducts/default.htm</u> and sign up for FDA email updates at <u>https://www.fda.gov/tobacco-products/ctp-newsroom/sign-email-updates-ctp</u>.

This approval is effective on the date of this letter and runs through July 26, 2021 or until the new health warnings required under the TCA take effect, whichever comes first.

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

Very truly yours,

Science Viswanant-

Serena Viswanathan Acting Associate Director

DK DISTRIBUTORS, INC. 2191 Ebenezer Rd., Ste #36877 Rock Hill, SC 29732 Phone: 352-425-8249 Email: DKdistributorsinc@gmail.com

August 12, 2020

Mr. Rick Quaresma Attention: Bonnie McGregor Federal Trade Commission Division of Advertising Practices 600 Pennsylvania Ave., NW, CC-10528 Washington, DC 20580

Dear Mr. Quaresma:

In accordance with the Federal Trade Commission's <u>Memorandum to Potential Cigarette</u> <u>Manufacturers or Importers</u>, I write to submit our company's plan for compliance with Section 1333 of the Cigarette Act. This plan is limited to ten (10) Westport[™] brand styles of cigarettes, including king size box and 100s size box.

DK Distributors, Inc was formed as a Florida corporation on December 19, 2009 and operates as a wholesale distribution company. For all correspondence matters please refer to our <u>Corporate</u> <u>Address</u> outlined in the header of this page.

I. <u>PACKAGING</u>

A. WARNING LABEL SIZE & LOCATION

1. <u>BRAND</u> – DK Distributors, Inc. imports Westport [™] brand of cigarettes. The company does not import or manufacture any cigarette brand other than Westport[™].

2. <u>BRAND STYLES</u>- As part of this plan, we shall import the following ten (10) Westport[™] brand styles:

#	Variety Style	Packaging
1.	King Size (Red)	BOX Packaging
2.	King Size (Blue)	BOX Packaging
3.	King Size (Sky Blue)	BOX Packaging
4.	King Size (Green)	BOX Packaging
5.	King Size (Bright Green)	BOX Packaging
6.	100s Size (Red)	BOX Packaging
7.	100s Size (Blue)	BOX Packaging
8.	100s Size (Sky Blue)	BOX Packaging
9.	100s Size (Green)	BOX Packaging
10.	100s Size (Bright Green)	BOX Packaging

The four health warning labels will be printed on the cigarette packs and cartons of the Westport[™] brand of cigarettes. Each cigarette pack will contain twenty cigarettes and each carton will contain

ten packs. Each of the four warning labels has been designed to be of appropriate size, conspicuousness and contrast. The warnings will appear exactly as they do on the samples submitted with our letter of July 8th 2020.

B. WARNING LABEL SIZE & LOCATION

In order to satisfy the warning label rotation requirement, we have elected the option provided by Section 1333c(2) that allows us to display each of the flour (4) warnings an *equal number of times* during the year. We comply with the "Cigarette Act" by having our factory's suppliers print the four surgeon general warnings simultaneously in equal numbers at the time of both the pack and carton print runs. The four cigarette health warnings will appear on packs and cartons for each brand style of the Westport^{™™} brand of cigarettes an equal number of times during the one-year period following approval of this plan by the F.T.C. We qualify for this option because the sales of the cigarettes we imported during the calendar / fiscal year, from 01/01/2019 through 12/31/2019 were less than one-fourth of one percent of all the cigarettes sold in the United States during the period. A chart showing DK Distributors, Inc. (chart A) and sales for cigarettes imported by other federal importers (chart B). We estimate that our company's sales in calendar year 2020 will amount to sticks of Westport[™] brand of cigarettes.

C. RECORDS OF COMPLIANCE

DK Distributors, Inc. will maintain sufficient records to demonstrate compliance with this plan.

II. <u>ADVERTISING</u>

DK Distributors, Inc. filed a plan for the use of health warnings in advertising display on August 16th, 2010. We intend to maintain compliance with the aforementioned plan.

If you require any additional information or assistance with this, or any other matters, please do not hesitate to contact me.

Sincerely,

Many

Goda Marcinkeviciute President DK Distributors, Inc.

DK Distributors, Inc. Sales by Item Summary January 2019 through December 2019



CIGARETTES

Total CIGARETTES



Jan '19 - Dec '19

Selected packaging samples from those submitted with the plan.











FSC





THEOPORT

200 Class A Filter Cigarettes

200 Class A Filter Cigarettes



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

Division of Advertising Practices

August 18, 2020

Ms. Goda Marcinkeviciute DK Distributors, Inc. 2191 Ebenezer Rd., Suite #36877 Rock Hill, SC 29732

Dear Ms. Marcinkeviciute:

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 DK Distributors, Inc. ("DK Distributors") on August 12, 2020, calling for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Westport brand of cigarettes.

DK Distributors' sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted on July 8, 2020 appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.¹

Accordingly, DK Distributors' plan for simultaneous display of the four health warnings on packaging is hereby approved for the following ten box varieties of the Westport brand: Kings (Red), 100's (Red), Kings (Blue), 100's (Blue), Kings (Sky Blue), 100's (Sky Blue), Kings (Green), 100's (Green), Kings (Bright Green), and 100's (Bright Green).²

¹ DK Distributors stated in its August 12, 2020 letter that the four health warnings will appear exactly as shown on the samples submitted on this date.

² As set forth in its August 12, 2020 letter, DK Distributors is using colors to identify its varieties of the Westport brand of cigarettes (*e.g.*, "Kings (Red)"). We note that the color names are not printed on the packaging (*e.g.*, the word "Blue" does not appear on the packaging of the "100s (Blue)" variety); however, the color referenced in a variety's name does conform to the color used in its packaging.

Ms. Goda Marcinkeviciene August 18, 2020 Page 2

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

Please note that this letter only approves DK Distributors' 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 ("TCA"). Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for DK Distributors' cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of DK Distributors' packaging and advertising under the TCA 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) or FDA's final rule, "Required Warnings for Cigarette Packages and Advertisements" (published March 18, 2020).

Because the TCA 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 https://www.fda.gov/tobacco-products/ctp-newsroom/sign-email-updates-ctp.

This approval is effective on the date of this letter and runs through August 17, 2021 or until new health warnings required under the TCA take effect, whichever comes first.

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

Very truly yours,

Serena Viswanan

Serena Viswanathan Acting Associate Director

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.



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

August 3, 2020

Serena Viswanathan Federal Trade Commission Division of Advertising Practices 600 Pennsylvania Avenue, N.W. Room CC-10528 Washington, DC 20580

RE: Cigarette Health Warning Rotation Plan

This letter is being submitted for approval of NASCO Products, LLC's ("NASCO") plan to use the alternative method to the quarterly rotation of Surgeon General's Warning on packaging of the Moonlight[®] cigarette brand. The Moonlight cigarette brand will be manufactured by NASCO Products, LLC. Upon approval of this plan, the manufacturer intends to sell these cigarettes under the authority of the Alcohol & Tobacco Tax and Trade Bureau (Manufacturer of Tobacco Products License TP-NC-15033).

The Moonlight cigarette brand will be manufactured in two (2) varieties, King Box and Menthol King Box. These cigarettes will be packaged in 200 count cartons ("Outer Cartons"). Each Outer Carton will contain 10 packs of 20 cigarettes each ("Pack"). The Surgeon General Warnings will be on each Pack and Outer Carton of cigarettes in the form and content dictated by the Federal Cigarette Labeling and Advertising Act. The warnings will be printed directly on the packaging in a legible and conspicuous manner and will be of a size, format, and type and location required by the Cigarette Act. The warnings will appear exactly as they do on the packs and cartons submitted with our letter dated June 18, 2020.

NASCO Products, LLC believes that its low sales volume of cigarettes fits the criteria for the alternative to quarterly rotation of warnings on packaging, provided for in Section 1333 (c)(2) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331. While NASCO Products, LLC has never manufactured the Moonlight cigarette brand, anticipated sales volumes for the brand styles of Moonlight are shown in Exhibit A. Exhibit A also provides sales figures for all NASCO's brands for the 2019 fiscal year, as well as anticipated sales figures for the 2020 fiscal year. We do not anticipate sales to exceed sticks for any one brand style of cigarettes for the one-year period covered by this plan.

If this plan for the alternative to quarterly rotation of warnings on packaging is approved, the four cigarette health warnings will appear on the packs and cartons of each of the Moonlight cigarette brand

Page 1 of 3
styles listed above an equal number of times throughout the one year period beginning on the date this plan is approved.

NASCO Products, LLC continues to be in compliance with its November 13, 2019, plan for the simultaneous display of the four health warnings on packaging for the SF cigarette brand approved on November 26, 2019. NASCO Products, LLC does not currently manufacture or import any cigarette brand other than the SF cigarette brand.

NASCO Products, LLC continues to be in compliance with its April 25, 2017 plan for Internet Advertising of the SF brand. NASCO plans to advertise the Moonlight cigarette brand on the Internet website <u>nascotobaccoproducts.com</u>. NASCO wishes to apply for a plan to display the four surgeon genea'sl health warnings in Internet advertising of the Moonlight brand. We will use the warning formats that were submitted with the 1985 plans of the five leading US cigarette manufacturers, and the size of the warning shall be proportionate to those warning formats. In Internet advertising, the warnings will be displayed in an unavoidable manner on every webpage where it may be viewed without scrolling and shall not be accessed through hyperlinks, pop ups, interstitials, or other similar means. We will be following the way the warnings are currently presented on the website, <u>nascotobaccoproducts.com</u>.

NASCO would like to replace the April 25, 2017 approved rotation schedule for Internet Advertising by adopting the replacement schedule set out below. The warnings will be rotated quarterly in Internet advertising for the SF and Moonlight cigarette brands in accordance with the schedule below. In advertisements for multiple brands of cigarettes or for no specific brand, the warnings shall be rotated according to the schedule for the SF brand.

NASCO Products, LLC does not intend to advertise cigarettes to consumers via print media. If NASCO decides to engage in print media advertising, NASCO will submit a plan to the FTC.

NASCO Products, LLC, the manufacturer, is aware of the requirements set forth in the Cigarette Labeling and Advertising Act and the company's efforts are always to be fully compliant with the Cigarette Act. NASCO Products, LLC will maintain record of compliance with the approved plan. If there are any questions or concerns regarding this plan, please contact me at 716-270-1523 (phone), 716-877-3064 (fax), <u>kdelaney@xxiicentury.com</u> (email), or 8560 Main Street, Ste 4, Williamsville, NY 14221 (mailing address).

Sincerely,

Karen E. Delaney Tax Compliance Manager





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

Rotation Plan for Internet Advertising

Cigarette	Quarter	1	January	-	Quarter 2 April -	Quarter	3	July	-	Quarter 4 October -
Brand	March				June	Septemb	er			December
Moonlight®	С				D	А				В
SF	D				А	В				С

- "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.

EXHIBIT A

Actual sales figures for Fiscal Year 2019

PRODUCT	STICKS
Moonlight King Box	
Moonlight Menthol King Box	
SF Red King Size Box	
SF Blue King Size Box	
SF Gray King Size Box	
SF Menthol Dark Green King Size Box	
SF Menthol Pale Green King Size Box	
SF Non-Filter King Size Soft Pack	
SF Red 100's Box	
SF Blue 100's Box	
SF Gray 100's Box	
SF Menthol Dark Green 100's Box	
SF Menthol Pale Green 100's Box	

Estimated sales figures for Fiscal Year 2020

PRODUCT	STICKS
Moonlight King Box	
Moonlight Menthol King Box	
SF Red King Size Box	
SF Blue King Size Box	
SF Gray King Size Box	
SF Menthol Dark Green King Size Box	
SF Menthol Pale Green King Size Box	
SF Non-Filter King Size Soft Pack	
SF Red 100's Box	
SF Blue 100's Box	
SF Gray 100's Box	
SF Menthol Dark Green 100's Box	
SF Menthol Pale Green 100's Box	

Selected packaging samples from those submitted with the plan.







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









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

Division of Advertising Practices

August 18, 2020

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

Dear Ms. Delaney:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed by NASCO Products, LLC ("NASCO") on August 3, 2020, calling for: (1) quarterly rotation of the four health warnings in Internet advertising for the Moonlight brand of cigarettes; and (2) simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Moonlight brand of cigarettes.

NASCO's plan for quarterly rotation of the four health warnings in Internet advertising for the Moonlight brand of cigarettes is hereby approved. Approval of the plan assumes that the plan is implemented in good faith. With respect to the question of whether it is legal to advertise cigarettes on the Internet, Section 1335 of the Cigarette Act prohibits advertising cigarettes on any medium of electronic communication subject to the jurisdiction of the Federal Communications Commission. The enforcement of that provision is the responsibility of the Department of Justice and you should contact them directly (Lawrence C. Keller at 202-598-2781) to determine whether such advertising on the Internet is permissible.

NASCO'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 June 18, 2020 letter appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.¹

Accordingly, NASCO's plan for simultaneous display of the four health warnings on packaging is hereby approved for the Moonlight King Box and Moonlight Menthol King Box varieties. **This approval of NASCO's plan for the display of the four health warnings on**

¹ NASCO stated in its August 3, 2020 letter that the four health warnings will appear exactly shown on the packs and cartons submitted on this date.

Ms. Karen E. Delaney August 18, 2020 Page 2

packaging is effective on the date of this letter and runs through August 17, 2021, or until new health warnings required under the TCA take effect, whichever comes first.

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.

Please note that this letter only approves NASCO's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("TCA") and expires at such time new health warnings required under the TCA take effect. Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for NASCO's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of NASCO's packaging and advertising under the TCA 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) or FDA's final rule, "Required Warnings for Cigarette Packages and Advertisements" (published March 18, 2020).

Because the TCA 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 https://www.fda.gov/tobacco-products/ctp-newsroom/sign-email-updates-ctp.

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

Very truly yours,

Serena Viswanan

Serena Viswanathan Acting Associate Director

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.



C. Randall Nuckolls

randy.nuckolls@dentons.com D +1 202-496-7176 Dentons US LLP 1900 K Street, NW Washington, DC 20006 United States

dentons.com

August 20, 2020

Mrs. Serena Viswanathan Acting Associate Director Division of Advertising Practices Federal Trade Commission 600 Pennsylvania Avenue, N.W. Washington, D.C. 20580

Re: Request to Add New Brand Style to Warning Label Rotation Plan for Natural American Spirit Brand

Dear Ms. Viswanathan:

I serve as counsel for Santa Fe Natural Tobacco Company, Inc. ("SFNTC"), located at 3220 Knotts Grove Road, Oxford, North Carolina 27565. The President of SFNTC is Richard R. Bakker. His telephone number is 336-741-1377. SFNTC is the manufacturer of Natural American Spirit ("NAS") cigarettes.

SFNTC currently manufactures the following fourteen king size hard pack varieties of the NAS brand utilizing a B, C, D, A rotation sequence for its packaging and advertising: Full Bodied Taste; Balanced Taste; Mellow 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 Full-Bodied Taste; 100% U.S. Grown Tobacco Full-Bodied Taste; 100% U.S. Grown Tobacco Mellow Taste; and Hunter Balanced Taste. Your office previously approved the rotation plan for packaging for these brand styles as set forth in your letter of May 3, 2018.

Later this year, SFNTC will commercialize a new NAS brand style, Made with Organic Tobacco Smooth Taste, king size hard pack. A set of packaging for this new brand style was delivered to your office on July 10, 2020. The warnings on the cartons and packs for this new brand style will appear exactly as shown on the samples submitted, and SFNTC will quarterly rotate the four health warnings for the new brand style utilizing the same B, C, D, A rotation sequence approved by the Federal Trade Commission for the fourteen existing NAS brand styles

Rattagan Macchiavello Arocena ► Jiménez de Aréchaga, Viana & Brause ► Lee International ► Kensington Swan ► Bingham Greenebaum ► Cohen & Grigsby ► Sayarh & Menjra ► Larraín Rencoret ► Hamilton Harrison & Mathews ► Mardemootoo Balgobin ► HPRP ► Zain & Co. ► Delany Law ► Dinner Martin ► For more information on the firms that have come together to form Dentons, go to dentons.com/legacyfirms



referenced above. The packaging submitted to your office for Made with Organic Tobacco Smooth Taste will be the only packaging utilized for this new NAS brand style.

Pursuant to this established sequence, the health warnings will continue to rotate as follows:

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

The packaging for Made with Organic Tobacco Smooth Taste will bear the health warning for the quarter in which the cigarettes are packaged. SFNTC will continue to maintain records to demonstrate compliance with its approved rotation plan for advertising and packaging for its existing NAS brand styles and for the new brand style we now request be added to the approved rotation plan. SFNTC manufactures or imports no other brands than NAS referenced above.

If you have any questions regarding this SFNTC request please contact me at (202) 253-4506.

Sincerely,

C. Rondell Muckells

C. Randall Nuckolls

CN:pk

Selected packaging samples from those submitted with the plan.

PLEASE RECYCLE YOUR CIGARETTE BUTTS AND THIS PACK

MADE WITH ORGANIC TOBACCO





20 CLASS A CIGARETTES

© SFNTC • TPNC629



DISCOVER SOMETHING DIFFERENT

Made with Organic Tobacco

for a distinctly smooth taste experience. Sky has a unique charcoal filter

moo.finiq2nsoin9mA

SFNTC.com SENTC, OXFORD, NC 27565

Certified Organic by Quality Certification Services

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TOBACCO INGREDIENTS: TOBACCO & WATER

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

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PEFC/29-31-

zero-waste-to-landfill facility.

FSC Natural American Spirit cigarettes are not safer than other cigarettes.

Made in our

Call us with questions: 1-800-332-5595





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

Division of Advertising Practices

August 20, 2020

C. Randall Nuckolls, Esq. Dentons US LLP 1900 K St., N.W. Washington, D.C. 20006

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, Santa Fe Natural Tobacco Company, Inc.'s ("SFNTC") plan for quarterly rotation of the four health warnings on packaging for one variety of the Natural American Spirit ("NAS") brand of cigarettes was approved on August 24, 2010. Your subsequent requests to expand your plan for quarterly rotation of the four health warnings on packaging to include certain additional varieties of the NAS brand were approved on October 20, 2011, December 30, 2013, and May 19, 2017. Your request to modify the packaging for fourteen king size hard pack varieties of the NAS brand was approved on May 3, 2018.

By letter dated August 20, 2020, you now propose to expand your plan to include quarterly rotation of the four health warnings on packaging for the "Made with Organic Tobacco Smooth Taste" king size hard pack variety of the NAS brand.

The health warnings on the sample packs and cartons submitted on July 10, 2020 appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.¹ SFNTC's expansion of its plan for quarterly rotation of the four health warnings on packaging to include the "Made with Organic Tobacco Smooth Taste" king size hard pack variety of the NAS brand is hereby approved.

¹ SFNTC stated in its August 20, 2020 letter that the four health warnings will appear exactly as shown on the packs and cartons submitted on July 10, 2020.

C. Randall Nuckolls, Esq. August 20, 2020 Page 2

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.

Please note that this letter only approves SFNTC's expansion of its 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 ("TCA") and expires at such time new health warnings required under the TCA take effect. Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for SFNTC's cigarettes, including, but not limited to, "organic," and "natural." Nor does this letter purport to interpret or express any opinion about the adequacy of SFNTC's packaging and advertising under the TCA 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) or FDA's final rule, "Required Warnings for Cigarette Packages and Advertisements" (published March 18, 2020).

Because the TCA 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 https://www.fda.gov/tobacco-products/ctp-newsroom/sign-email-updates-ctp.

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

Very truly yours,

Science Viswana 72

Serena Viswanathan Acting Associate Director

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

Holland & Knight

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

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

September 17, 2020

VIA E-MAIL

Ms. Serena Viswanathan Associate Director (Acting) Division of Advertising Practices Federal Trade Commission 600 Pennsylvania Avenue, NW Mail Drop CC 10528 Washington, D.C. 20580

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

Dear Ms. Viswanathan:

On behalf of Japan Tobacco International U.S.A., Inc., a California corporation with its principal office at Glenpointe Centre West, 500 Frank W. Burr Boulevard, Suite 24, Teaneck, New Jersey 07666 ("JTI"), we respectfully submit an application pursuant to Section 4(c)(2) of the Federal Cigarette Labeling and Advertising Act, as amended (the "Act"), seeking approval for JTI to display the warning labels specified in Section 4(a)(1) of the Act in the manner provided in Section 4(c)(2)(C) of the Act, on previously approved packages and cartons of cigarettes for the following brand and brand styles for one year following approval of this plan, namely:

Four slide and shell varieties of the" Export 'A'" brand: Full Flavor 72's, Rich Taste 72's, Smooth Taste 72's and Ultra Smooth Taste 72's;

Sixteen hard pack varieties of the "LD By L. Ducat" brand: Red (Kings and 100's), Menthol (Kings and 100's), Blue (Kings and 100's), Silver (Kings and 100's), Menthol Green (Kings and 100's), Red Club (Kings and 100's), Menthol Club (Kings and 100's) and Blue Club (Kings and 100's);

Ms. Serena Viswanathan September 17, 2020 Page 2

> Ten hard pack varieties of the "Wave" brand: Full Flavor (Kings and 100's), Menthol (Kings and 100's), Blue (Kings and 100's), Silver (King and 100's), and Menthol Green (Kings and 100's); and

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

The Label Statement Rotation Plan of JTI submitted to the Federal Trade Commission on August 28, 1985 (the "Plan"), as subsequently amended, was approved most recently on September 18, 2019 (for the "LD by L. Ducat" brand), February 11, 2020 (for the "Wave" brand) and March 23, 2020 (for the "Export 'A" and "Wings" brands). For the brand styles above, the four health warnings will appear exactly as shown on the samples provided to the FTC in connection with the most recent prior approvals, namely on August 21, 2019 (for the "LD by L. Ducat" brand), December 18, 2019 (for the "Wave" brand) and March 5, 2020 (for the "Export 'A" and "Wings" brands). The address that appears of the packaging of the sixteen "LD By L Ducat" varieties will be updated following approval of his Plan; however, the address is located on the opposite panel from the health warning label statements.

The four warnings have been equalized to date on the packs and cartons for the brand styles listed above in accordance with JTI's previously approved Plan. JTI does not import or manufacture any other brands or brand styles other than listed above.

In support of JTI's application for extension of FTC approval of its simultaneous display plan for packages and cartons to cover the four "Export 'A", sixteen "LD By L. Ducat", ten "Wave" and six "Wings" packaging varieties listed above, JTI affirms as follows:

(a) the cigarettes sold by JTI in the U.S. continue to comply with the two-tiered test in Section 4(c)(2) of the Act. During JTI's last fiscal year ended December 31, 2019, the total number of cigarettes of any brand style sold by JTI in the United States during such year (all of which were imported) was less than **and therefore** (i) each brand style of cigarettes which JTI imported (or manufactured) and sold accounted for less than one-fourth of one percent of all cigarettes sold in the United States during the most recent completed year and (ii) more than one-half (i.e. all) of the cigarettes for sale by JTI for sale in the United States (all of which were imported) are packaged into brand styles which meet the requirements of clause (i) and JTI does not expect to exceed such amounts for the current 2020 fiscal year;

(b) the statutorily mandated warnings will appear exactly as shown on the sample packages and cartons submitted to and approved by the Federal Trade Commission unless and until revised sample individual packages and cartons are submitted to the Federal Trade Commission on JTI's behalf and approved by the Federal Trade Commission; and

(c) JTI will equally display the four warning labels specified in Section 4(a)(1) of the Act on packages and cartons of cigarettes for each brand style for the one year period beginning on the date of approval for the Plan and JTI will keep records demonstrating compliance with the Plan.

Ms. Serena Viswanathan September 17, 2020 Page 3

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

JTI will import and sell packages and cartons of each of the "Export 'A", "LD By L. Ducat", "Wave" and "Wings" brand styles referred to in this letter in equal numbers of each warning label throughout the one-year period after this application is approved using the printing methods set forth on the Attachment 1 hereto. As a result, if requirements for new warnings were to become effective on any date, the current warnings will have been utilized in equal proportions prior to then on all brand styles.

If you should have any further questions in connection with this application, please call me at (917) 539-1651. It would be appreciated if the approval letter could be faxed to me at 212-341-7103 or sent to me as a pdf attachment to an e-mail at neal.beaton@hklaw.com.

Thank you for your continued cooperation in this matter.

Very truly yours,

Neal N Beaton

Neal N. Beaton

Attachment 1

Export 'A'

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

Export A 72 Slide and Shell Pack:

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

Export 'A' 72 Slide and Shell Bundle:

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

Wave/Wings/LD by L. Ducat

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

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

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

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

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



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

Division of Advertising Practices

September 18, 2020

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

Dear Mr. Beaton:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed on behalf of Japan Tobacco International U.S.A., Inc. and its affiliates (collectively "JTI") dated September 17, 2020, calling for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the Export 'A', "LD by L. Ducat," Wave, and Wings brands of cigarettes.

JTI's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted on August 21, 2019 ("LD By L. Ducat"), December 18, 2019 (Wave), and March 5, 2020 (Export 'A' and Wings) continue to appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.¹

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

- Four slide and shell varieties of the Export 'A' brand: Full Flavor 72's, Rich Taste 72's, Smooth Taste 72's, and Ultra Smooth Taste 72's;
- Sixteen hard pack varieties of the "LD by L. Ducat" brand: Red (Kings and 100's), Menthol (Kings and 100's), Blue (Kings and 100's), Silver (Kings and 100's), Menthol Green (Kings and 100's), Red Club (Kings and 100's), Menthol Club (Kings and 100's), and Blue Club (Kings and 100's);

¹ JTI stated in its September 17, 2020 letter that the four health warnings will appear exactly as shown on the packs and cartons submitted on these dates.

Neal N. Beaton, Esq. September 18, 2020 Page 2

- Ten hard pack varieties of the Wave brand: Full Flavor (Kings and 100's), Menthol (Kings and 100's), Blue (Kings and 100's), Silver (Kings and 100's), and Menthol Green (Kings and 100's); and
- Six hard pack varieties of the Wings brand: Red (Kings and 100's), Gold (Kings and 100's), and Menthol (Kings and 100's).

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

Please note that this letter only approves JTI's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("TCA"). Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for JTI's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of JTI's packaging and advertising under the TCA 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) or FDA's final rule, "Required Warnings for Cigarette Packages and Advertisements" (published March 18, 2020).

Because the TCA 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 https://www.fda.gov/tobacco-products/ctp-newsroom/sign-email-updates-ctp.

This approval is effective on the date of this letter and runs through September 17, 2021 or until new health warnings required under the TCA take effect, whichever comes first.

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.

Neal N. Beaton, Esq. September 18, 2020 Page 3

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

Very truly yours,

Serena Viswanan

Serena Viswanathan Acting Associate Director



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

September 15, 2020

Ms. Serena Viswanathan Acting Associate Director Division of Advertising Practices Federal Trade Commission 600 Pennsylvania Ave, NW Washington, DC 20580

RE: Cigarette Health Warning Plan

Dear Madam:

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

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

I. Packaging

According to Section 1333(c)(2), we would like permission to display the four warnings an equal number of times during the year (rather than rotating the warnings quarterly) since our company's annual sales for all brands (Kentucky's Best, VB Made in the USA, and Baron American Blend) are less than one-fourth of one percent of all the cigarettes sold in the United States. We will equalize the four warnings on the packs and cartons of each brand style that we manufacture for the one-year period beginning on the date of approval of this plan and all warnings have been equalized to date. Equalization is achieved by the packaging vendor who will print all four warnings in equal numbers on each printed sheet of packaging for all cartons and packs so that when sheets are cut, the warnings will be equalized on cartons and packs for each brand style. The warnings will appear exactly as shown on the pack and carton samples submitted with our letters dated October 3, 2017, October 17, 2017 and December 7, 2017.

The sales volumes in cigarettes for each brand for fiscal year 2019 were as

follows:

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



Anticipated sales volumes in cigarettes for each brand for fiscal year 2020 are as follows:

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



11. Advertisements (other than outdoor billboard advertisements)

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

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

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

Sincerely,

Jernyen Attaca

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

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

Kentucky's Best

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

VB Made in the USA

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

Baron American Blend

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



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

Division of Advertising Practices

September 23, 2020

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

Dear Ms. Straus:

The Federal Trade Commission has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331-1341 ("the Cigarette Act"). Pursuant to that delegation, I have reviewed a revised proposed plan filed by Farmers Tobacco Co. of Cynthiana, Inc. ("Farmers Tobacco") on September 15, 2020, calling for simultaneous display (*i.e.*, the alternative to quarterly rotation) of the four health warnings on packaging for certain varieties of the "Kentucky's Best," "VB Made in the USA," and "Baron American Blend" brands of cigarettes.

Farmers Tobacco's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging, and the warnings on the sample packs and cartons submitted with your letters dated October 3, October 17, and December 7, 2017 continue to appear to meet the requirements of the Cigarette Act in force as of the date of this letter for size and conspicuousness.¹

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

 Sixteen varieties of the Kentucky's Best brand: Red Kings (soft pack and hard pack), Gold Kings (soft pack and hard pack), Silver Kings hard pack, Menthol Kings hard pack, Green Kings hard pack, Non-Filter Kings soft pack, Red 100's (soft pack and hard pack), Gold 100's (soft pack and hard pack), Silver 100's (soft pack and hard pack), Menthol 100's hard pack, and Green 100's hard pack;

¹ This approval pertains only to packaging that meets the requirements of the Cigarette Act. Furthermore, the four health warnings must appear exactly as shown on the packs and cartons most recently approved.

Ms. Jennifer Straus September 23, 2020 Page 2

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

Approval of this 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.

Please note that this letter only approves Farmers Tobacco's cigarette health warning statement rotation plan with respect to the statutory requirements in force prior to the June 22, 2009 enactment of the Family Smoking Prevention and Tobacco Control Act ("TCA"). Moreover, it is not in any way an approval of any other design element, statement, or representation made on packaging or in advertising for Farmers Tobacco's cigarettes. Nor does this letter purport to interpret or express any opinion about the adequacy of Farmers Tobacco's packaging and advertising under the TCA 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) or FDA's final rule, "Required Warnings for Cigarette Packages and Advertisements" (published March 18, 2020).

Because the TCA 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 <u>www.fda.gov/TobaccoProducts/default.htm</u>, and sign up for FDA email updates at <u>https://www.fda.gov/tobacco-products/ctp-newsroom/sign-email-updates-ctp.</u>

This approval is effective on the date of this letter and runs through September 22, 2021, or until new health warnings required under the TCA take effect, whichever comes first.

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.

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If you have any questions regarding this approval, please contact Samuel Baker at (202) 326-2651.

Very truly yours,

Science Viswanan

Serena Viswanathan Acting Associate Director