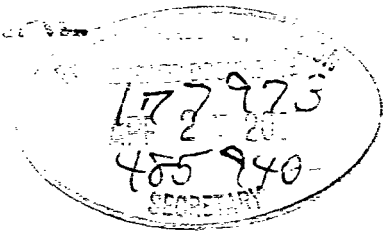




UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580



Division of Advertising Practices

April 27, 2001

MEMORANDUM

TO: Public Records
Office of the Secretary

FROM: Sallie Schools
Division of Advertising Practices

SUBJECT: Rotational Health Warnings for Cigarettes
File No. P854505

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

1. September 29, 2000 letter **from** John Short, Southern Tobacco to Diana Winterson.
2. October 3, 2000 letter from C. Lee Peeler to **John** Short, Southern Tobacco.
3. October 24, 2000 letter from Andrew Parish, Esq. on behalf of Tobacco Distributing to **C.** Lee Peeler.
4. October 26, 2000 letter from C. Lee Peeler to Andrew Parish, Esq. on behalf of Tobacco Distributing.
5. October 17, 2000 letter from Gitano Bryant, Tobacco Center to C. Lee Peeler.
6. November 1, 2000 letter from C. Lee Peeler **to** Gitano Bryant, Tobacco Center.
7. September 26, 2000 letter from David Dean, Star Tobacco to C. Lee Peeler.
8. October 24, 2000 letter **from** Robert Pokusa, Esq. on behalf of **Star** Tobacco to Sallie Schools.
9. November 7, 2000 letter from Robert Pokusa, Esq. on behalf of Star Tobacco **to** Sallie Schools.
10. November 8, 2000 letter **from** C. Lee Peeler to David Dean, Star Tobacco.

11. October 24,2000 letter from John Short, Southern Tobacco to Diana Winterson.
12. November 16,2000 letter ~~from~~ C. Lee Peeler to John Short, Southern Tobacco.
13. September 28,2000 letter from Bhavani Parameswar, King Maker Marketing to Michael Ostheimer.
14. October 17,2000 letter from Bhavani Parameswar, King Maker Marketing to Michael Ostheimer.
15. November 20,2000 letter ~~from~~ C. Lee Peeler to Bhavani Parameswar, King ~~Maker~~ Marketing.
16. October 26,2000 letter Boren, Esq. on behalf of Southern Tobacco ~~to~~ C. Lee Peeler.
17. November 22,2000 letter from C. Lee Peeler to Bany Boren, Esq. on behalf of Southern Tobacco.
18. November 22,2000 letter from Chief Clyde V. Bouse, Comanche Industries of Texas to C. Lee Peeler.
19. November 24,2000 letter from C. Lee Peeler to Chief Clyde Bouse, Comanche Industries of Texas.
20. November 27,2000 letter from Esq. on behalf of South Florida Tobacco Products to C. Lee Peeler.
21. December 5,2000 letter from C. Lee Peeler to Barry Boren, Esq. on behalf of ~~South~~ Florida Tobacco Products.
22. August 29,2000 letter from William E. Ford, Esq. on behalf of New World Trading ~~Co.~~ to Sallie Schools.
23. December 7,2000 letter from C. Lee Peeler to William E. Ford. Esq. on behalf of New World Trading Co.
24. December 7,2000 letter from Paul Embury, CanStar to C. Lee Peeler.

Public Records

April 27, 2001

Page 3

25. December 7,2000 letter from C. Lee Peeler to Paul Embury, CanStar.
26. December 5,2000 letter from Le Hong, SE Trading Co. to Michael Ostheimer.
27. December 8,2000 letter from C. Lee Peeler **to** Le Hong, SE Trading Co.
28. December 5,2000 letter **from** Kouzhaya **Suhyoun**, Winner Company, to C. Lee Peeler.
29. December 14,2000 letter from C. Lee Peeler to Kouzhaya Suhyoun, Winner Company.
30. November 28,2000 letter from Robert Migliaccio, ITL **(USA)** Limited to C. Lee Peeler.
31. December 19,2000 letter from C. Lee Peeler to Robert Migliaccio, ITL **(USA)** Limited.

Southern Tobacco, Inc.

1231 N. Limestone St.
Gaffney, S.C. 29340
Tel: (864) 489-6194
Fax: (864) 488-3805

September 29, 2000

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

~~Dear~~ Ms. Winterson

Southern Tobacco, Inc. located in _____ would like to supplement ~~our~~ plan to comply with the Federal Cigarette Labeling and Advertising Act. Southern Tobacco **will** be adding Golden 100's to our plan for the remainder of the calendar year 2000. For each brand style of Golden **100's** (Original, Light, Ultra Light, Menthol and Menthol Light) we **will** distribute the **four** Surgeon General Warnings equally on packs and cartons during the calendar year 2000 exactly as they appear in the *art* work provided with our September 18th, 2000 letter. Southern Tobacco will keep records to demonstrate compliance with the Federal Cigarette Labeling and Advertising Act.

During the calendar year of 1999 Southern Tobacco had a total sales of _____ cartons. Southern Tobacco expects sales of _____ cartons in the calendar year of 2000.

Please find enclosed with our letter of September 18th, 2000 *art* work for packs and cartons of each brand style of Golden 100's with **all** four Surgeon General Warnings equally distributed. When samples are developed Southern Tobacco will send them **to** the FTC.

We **will** not be advertising Golden 100's at this time. If in the future we do decide to advertise we will submit a plan of rotation for advertising.

If any further information is required please feel free to contact **us**.

Sincerely,



John Short



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

Division of Advertising Practices

October 3, 2000

Mr. John Short
Southern Tobacco, Inc.
1231 N. Limestone St.
Gaffney, SC 29340

Dear Mr. Short:

The Federal Trade Commission ("the Commission") has delegated¹ to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, *et seq.* ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Southern Tobacco, Inc. ("Southern Tobacco") on September 29, 2000 calling for the simultaneous display of the four health warnings on the packaging of the Original, Light, Ultra Light, Menthol and Menthol Light brand styles of the Golden 100's brand of cigarettes.

Southern Tobacco's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The warnings on the artwork of the packs and cartons submitted with your September 18, 2000 letter appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Southern Tobacco's plan for the Original, Light, Ultra Light, Menthol and Menthol Light brand styles of the Golden 100's brand is hereby approved. This approval is effective on the date of this letter and ends on December 31, 2000. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.² When actual packaging is developed, Southern Tobacco should submit samples to the Commission. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

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

Sincerely,


C. Lee Peeler
Associate Director

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

ANDREW M. PARISH, P.A.

ATTORNEYS AT LAW

TRADE CENTRE SOUTH - SUITE 93C
100 WEST CYPRESS CREEK ROAC
FORT LAUDERDALE, FLORIDA 33309 - 2161

VOICE: (954) 351-4588

FACSIMILE: (954) 771-8670 / 771-0434

MIAMI LINE: (305) 445-1667

AFTER HOURS: (305) 944-9843

REPLY TO: BROWARD / PALM BEACH OFFICE

October 24, 2000

MIAMI OFFICE

GAELES INTERNATIONAL PLAZA
PENTHOUSE 10
CORAL GABLES, FLORIDA 33134-5826
VOICE: (305) 445-1667
FACSIMILE: (305) 441-7974

GROUP OFFICES

CLEVELAND

LOS ANGELES

NEW YORK

WASHINGTON, D.C.

CHICAGO

ANDREW M. PARISH

NEVILLE ASHERSON ***
BEWNAO C. PESTCOE **
MARTIN S. HORWITZ ***
F. PAUL MALOOF **
WILLIAM H. NEWTON, III*
JAMES W. SCHULTZ **
STEPHEN M. ZELMAN ***
OF COUNSEL

(ADMITTED D.C., FLA., N.Y.)

(ADMITTED CALIF., TEX.)

(ADMITTED OH.) ***

(ADMITTED FLA.) **

(ADMITTED D.C., MO., VA.) ***

(ADMITTED D.C., N.Y.) **

(ADMITTED FLA., MISS., TX.) **

**CONTAINS TRADE SECRETS
AND CONFIDENTIAL
BUSINESS INFORMATION
NOT FOR PUBLIC DISCLOSURE**

REVISED

VIA FACSIMILE
(202) 326-3259
IMMEDIATE ATTENTION REQUESTED

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

Attn: Sallie Schools

Cigarette Health Warning Rotation Plan Submitted on Behalf of
Tobacco Distributing, Inc. for Durant Brand Cigarettes

Gentlemen:

Pursuant to our previous conversations and on behalf of our referenced client, this **firm** hereby submits Tobacco Distributing, Inc.'s revised Surgeon General Rotation Plan as required under the Federal Cigarette Labeling and Advertising Act of **1984 (15 U.S.C. et seq.)**, as amended. Jorge Rodriguez is the President of the applicant, and the corporate address for the company is **5316 S.W. 151st Place, Miami, Florida 33185**. The cigarettes covered by the proposed Plan are the following Durant brand style cigarettes, which includes health warnings

5
C. Lee Peeler
Associate Director
Division of Advertising Practices
October 24, 2000
Page 2
8

complying with the Surgeon General warning language set forth in the statute: Durant Full Flavor King Box. Durant Full Flavor King Soft. Durant Full Flavor 100's Soft. Durant Full Flavor Menthol Box. Durant Full Flavor Menthol Soft. Durant Full Flavor Menthol 100 Soft. Durant Ultra Light Soft. Durant Ultra Light Box. Durant Ultra Light 100's Soft. Durant Light **Box**. Durant Light Soft. and Durant Light 100's Soft. and Durant Non-Filter Soft. Tobacco Distributing, Inc. has received separate approval from the FTC to import the following three (3) foreign made brand styles of brands manufactured under the authority of Philip **Moms** Products: Marlboro Red Box, Marlboro Light Box, and Marlboro Red Box 100's, and various Palace brand styles. Tobacco Distributing, Inc. anticipates importing no more than the combined total of [REDACTED] individual foreign manufactured cigarettes of all the referenced Durant brand styles during calendar year 2000. This amount is computed based on the anti-circumvention [REDACTED] master cases. Each master case generally contains fifty (50) cartons, each containing ten packs of cigarettes. Consequently each master case contains a total of ten thousand (10,000) cigarettes. No individual brand style that Tobacco Distributing imports will exceed [REDACTED] individual cigarettes.

All packs and canons will appear exactly as they appear on artwork, which was sent directly to you on Monday, October 16, 2000 by the Client. Tobacco Distributing, Inc. will forward its actual packs and canons to the Commission as soon as they become available.

Tobacco Distributing will follow a quarterly rotation plan for the Durant brand cigarettes which will follow the following sequence:

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

C. Lee Peeler
Associate Director
Division of Advertising Practices
October 24, 2000
Page 3

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

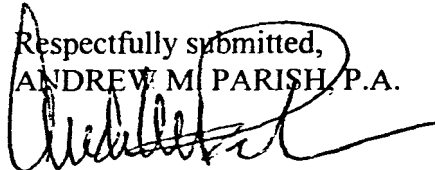
Third Quarter Warning (July - September): SURGEON GENERAL'S
WARNING: Smoking By Pregnant Women May Result in Fetal Injury,
Premature Birth, And Low Birth Weight.

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

As previously mentioned the Durant brand style will follow a quarterly Rotation Plan. All packs will bear the original warnings printed directly on the individual packs by the foreign manufacturers. All four warnings specified on the CLAA will appear exactly as shown on the sample packs and cartons that to the Commission. Since Tobacco Distributing, Inc. does not and **will** not advertise the product, there is no need to submit an advertising Plan.

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

Should you require any additional information with respect to the foregoing, please contact the undersigned at the referenced Fort Lauderdale, Florida address.

Respectfully submitted,
ANDREW M. PARISH, P.A.

Andrew M. Parish

AMP/smb
cc: George Rodriguez, President
Tobacco Distributing, Inc.



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

Division of Advertising Practices

October 26, 2000

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

Dear Mr. Parish:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, *et seq.* ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Tobacco Distributing, Inc. ("Tobacco Distributing") on October 24, 2000 calling for quarterly rotation of the health warnings on packaging of the Durant brand of cigarettes.

The health warnings on the artwork of the packs and canons submitted on October 16, 2000 appear to comply with the requirements of the Cigarette Act for size and conspicuousness. When actual packaging is developed, Tobacco Distributing should submit samples to the Commission. Tobacco Distributing's plan for quarterly rotation of the health warnings on packaging of the Durant brand of cigarettes has been approved through December 31, 2000 subject to this contingency. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

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

Sincerely,

C. Lee Peeler
Associate Director

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

Exclusive Distributor of CORONAS



October 17, 2000

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

Attn: Sallie Schools

RE: Revised Carton Packaging for Coronas Cigarettes

Dear Ms. Schools:

Enclosed please find new artwork on behalf of Tobacco Center, Inc. in accordance to your letters dated September 5, 2000 and September 28, 2000, wherein you requested us to submit the revised packages within 30 days relating to the contrast regarding the conspicuous print for packaging requirements for health warning labels. We have provided new packaging that provides a different contrast to the warning labels. These are our final packages and we intend to use these in the marketplace with your approval.

Should you require any additional information with respect to the foregoing, please contact Gitano Bryant at (305) 640-2385.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Bryant", is written over the typed name.

GITANO BRYANT
Vice-president
GB/ams



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

Division of Advertising Practices

November 1, 2000

Mr. Gitano Bryant
Tobacco Center, Inc.
6795 N.W. 87 Avenue
Miami, FL 33178

Dear Mr. Bryant:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). On September 5, 2000, I approved Tobacco Center, Inc.'s ("Tobacco Center") September 5, 2000 plan calling for the simultaneous display of the four health warnings on packaging of certain styles of the Corona and Palace brands of cigarettes, and for quarterly rotation of the health warnings in advertising of those brands. On September 27, 2000, Tobacco Center filed a supplement to extend its plan to include the Corona Light, Corona Menthol Light, and Palace Light brand styles. Based on mock-ups submitted on September 14 and 15, 2000, Tobacco Center's expansion of its plan was approved through October 31, 2000, contingent on the submission of actual packaging.

The warnings on the revised sample packaging submitted with your October 17, 2000 letter appear to meet the size and conspicuousness requirements of the Cigarette Act. The approval of Tobacco Center's plan for the Corona Light, Corona Menthol Light, and Palace Light brand styles is extended to December 31, 2000. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.'

Sincerely,

A handwritten signature in black ink, appearing to read "C. Lee Peeler".

C. Lee Peeler
Associate Director

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



September 26, 2000

BY HAND

C. Lee Peeler, Esquire
Associate Director
Federal Trade Commission
601 Pennsylvania Avenue, N.W.
Suite 4002
Washington, D.C. 20580

**Re: Test Marketing of
Advertising Act**

Cigarette Labeling and

Dear **Mr.** Peeler:

By letter dated February 3, 2000, the Federal Trade Commission ("FTC") reviewed and approved the proposed plan filed by Star Tobacco & Pharmaceuticals, Inc. ("Star") on January 13, 2000 calling for the simultaneous display of the four health warnings on the packaging of its G-Smoke, Main Street, Sport, Vegas and New York, New York brands of cigarettes and for quarterly rotation of the health warnings in the advertising for those brands. **As** discussed at our meeting on Monday, Star presently anticipates conducting a limited test market of its new product "Advance" in a relatively small number of retail stores in the Richmond, Virginia and Lexington, Kentucky (urban and rural) markets beginning on October 2, 2000, and continuing for a few months, likely through the end of this year. It is anticipated that approximately seventy (70) retail stores will participate initially in this test market, with approximately thirty-five (35) retailers participating in the Richmond area and thirty-five (35) in the Lexington area. The total number of cartons of "Advance" cigarettes that we expect to include in the test market is [REDACTED]. It is difficult to predict adult consumer response, since we have decided to conduct this initial test marketing without the traditional consumer oriented advertising.

In its cigarette health warning display plan for 2000, Star sought an exemption under Section 1333(c)(2) of the Federal Cigarette Labeling and Advertising Act ("the Cigarette

801 Liberty Way • Chester, Virginia 23836
Phone (804) 530-0535 • FAX (804) 530-8474

C. Lee Peeler, Esquire

September 26, 2000

Page 2

Act") for the five brands of cigarettes being manufactured by Star. Under that plan, Star proposed to display the four warning statements an equal number of times during the year on the packaging of each brand style. For the current test marketing of its new product (Advance), Star proposes to utilize the same type of rotation on its cigarette packs.

As Mr. Perito and I stated during yesterday's meeting, Star does not intend to conduct any traditional widespread advertising with this product during the test market, but will provide point of purchase materials to be used by retailers. You have seen the "header" card. We will have some limited additional materials, including talking points for retailers so they will not misrepresent this product as "a safe alternative", which it is not. Because the "Advance" cigarette will be test marketed only during the last quarter of this year, Star proposes that any point of purchase advertisement to be used with this product will bear the Surgeon General's Warning: "Cigarette Smoke Contains Carbon Monoxide."

Star will submit a new cigarette health warning display plan for all of its products for 2001 later this year. That plan will include all of Star's products, including its new "Advance" product, to the extent that the Company continues to test market or market the product after the end of this year.

For your ease in reviewing Star's proposed labeling plan for its "Advance" product, we are enclosing herewith samples of the label for the packages and the carton of "Advance". Also, as we stated at the meeting yesterday, with the next printing of the package labels for "Advance", we will undertake to ensure that the Surgeon General's Warning, as well as Star's enhanced warnings on the back of the packages, are darker and have more contrast than on the current cigarette packages, which were the packages used with the recent focus groups. Once the new labeling for the cigarette packages is available, copies **will** be forwarded to you **prior** to printing.

We appreciate your taking the time to meet with us yesterday and to discuss issues relating to the limited test marketing of Star's new "Advance" cigarette product. **If you** have any questions regarding this letter or the enclosed materials, please feel free to contact me directly.

Sincerely,



David M. Dean

Enclosures

C. Lee Peeler, Esquire
September 26, 2000
Page 3

cc: Paul L. Perito, Esquire
Chairman, President and Chief Operating Officer
Star Scientific, Inc. (w/o enclosures)
Scott D. Ballin, **Esq.**
Independent Public Health Consultant (w/o enclosures)
R. Bruce Dickenson, Esquire. (w/o enclosures)
Michael Ostheimer, Esquire
Division of **Advertising Practices** (**w/o** enclosures)

158818.1

LAW OFFICES OF
PAUL, HASTINGS, JANOFSKY & WALKER LLP

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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FOBERT F. HASTINGS 11910-1996
COUNSEL
LEE G. PAUL
LEONARD S. JANOFSKY
CHARLES M. WALKER

October 24, 2000

399 PARK AVENUE
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TELEPHONE (212) 318-6000

345 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94104-2635
TELEPHONE (415) 835-1600

1055 WASHINGTON BOULEVARD
STAMFORD, CONNECTICUT 06901-2217
TELEPHONE (203) 961-7400

ARK MORI BUILDING
12-32, AKASAKA 1-CHOME
MINATO-KU, TOKYO 107, JAPAN
TELEPHONE (03) 3586-4711

WRITER'S DIRECT ACCESS

(202) 508-9552

repokusa@phjw.com

OUR FILE NO

27575.00010

VIA MESSENGER

Ms. Sallie Schools
Division of Advertising Practices
Federal Trade Commission
601 Pennsylvania Avenue, N.W.
Suite S 4002
Washington, D.C. 20580

Re: Amended Labeling for *Advance*® Cigarette Packs and Amendment to Labeling Plan

Dear Ms. Schools:

This letter responds to the issues that you raised during our recent telephone conversations. With respect to the labeling of the *Advance* packages, Star will prepare new labeling for the *Advance* packages that uses the dark blue background on the side of the pack and white lettering as reflected in the artwork sent to you on Tuesday. Star will provide you with samples of the revised package labeling once this is available.

With respect to the January 13, 2000 labeling plan for Star, the **January 13, 2000** letter was intended to incorporate by reference the four Surgeon General's Warnings that were set forth in the November 30, 1999 letter from Paul Lamb of Star Tobacco & Pharmaceuticals, Inc. to Mr. Ostheimer. The pertinent information regarding the four warnings and the rotation of the warnings is as follows:

- (1) SURGEON GENERAL'S WARNING: Smoking **Causes** Lung Cancer, Heart Disease, Emphysema and May Complicate Pregnancy.

PAUL, HASTINGS, JANOFSKY & WALKER LLP

Ms. Sallie Schools
October 24, 2000

• Page 2

- (2) SURGEON GENERAL'S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.
- (3) SURGEON GENERAL'S WARNING: Smoking **by** Pregnant Women May Result in Fetal Injury, Premature Birth and **Low** Birth Weights.
- (4) SURGEON GENERAL'S WARNING: Cigarette Smoke Contains Carbon Monoxide.

SCHEDULE
STAR TOBACCO & PHARMACEUTICALS, INC.
Advertising Statement Rotation **by** Brand and Quarter
Beginning January 2000

<u>Product</u>	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>
Gsmoke	1	2	3	4
Main Street	4	1	2	3
sport	3	4	1	2
Vegas	2	3	4	1
New York/New York	1	2	3	4

The January 13 letter should be read to incorporate this information.

With respect to the labeling plan for *Advance*, Star proposes that the Surgeon General's Warnings referenced above be applied in the following rotating order for the advertising of the *Advance* product:

<u>Product</u>	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>
Advance	4	1	2	3

In advertising its *Advance* product, Star will follow the advertising **plan** set out in the January 13, 2000 letter.

PAUL, HASTINGS, JANOFSKY & WALKER LLP

Ms. Sallie Schools

October 24, 2000

• Page 3

I trust that the information set forth herein respond fully to the questions that you raised. If you have any further questions, please feel free to contact me directly.

Very truly yours,



Robert E. Pokusa
for PAUL, HASTINGS, JANOFSKY & WALKER LLP

REP:rtg

cc: Paul L. Perito
Chairman, President and Chief Operating Officer
Star Scientific, Inc.
Scott D. Ballin, Esq.
Independent Public Health Consultant (w/o enclosures)
R. Bruce Dickson, Esquire. (w/o enclosures)

WDC/161603.1

LAW OFFICES OF
PAUL, HASTINGS, JANOFSKY & WALKER LLP

A LIMITED

INCLUDING PROFESSIONAL CORPORATIONS

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ROBERT P. HASTINGS (1910-1996):
COUNSEL
LEE G. PAUL
LEONARD S. JANOFSKY
CHARLES M. WALKER

November 7, 2000

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WRITER'S DIRECT ACCESS

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repokusa@phjw.com

OUR FILE NO

27575.00010

VIA MESSENGER

Ms. Sallie Schools
Division of Advertising Practices
Federal Trade Commission
601 Pennsylvania Avenue, N.W.
Suite S 4002
Washington, D.C. 20580

Re: Star Tobacco & Pharmaceuticals, Inc. -- Advertising in an Interactive Electronic Medium

Dear Ms. Schools:

In accordance with our recent discussions, this letter will supplement the materials previously submitted with respect to the labeling plan **for** Star's *Advance* cigarette product.

In advertising in an interactive electronic medium, such as the Internet **or** online services, Star will include the Surgeon General's Warning on the same rotating basis **as for** its advertising **of** the *Advance* product. The disclosure shall be presented in an unavoidable manner on every web page, on-line service page, or other electronic page that advertises cigarettes, whether it refers directly to *Advance*, refers generally to tobacco issues **or** otherwise. The Surgeon General's Warning shall not be accessed **or** displayed **through** hyperlinks, pop-ups, interstitials or other similar means.

To the extent that Star advertises its other cigarettes on any such interactive, online **or** electronic medium and such page contains specific references **to** Star's other products, then Star will rotate the Surgeon General's Warning on these pages according **to** the warning statement rotation schedule which has previously been approved **for** those products.

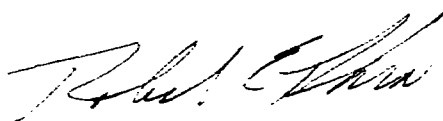
PAUL HASTINGS, JANOFSKY & WALKER LLP

Ms. Sallie Schools
November 7, 2000

• Page 2

I trust that the information set forth herein responds fully to the questions that **you** raised. If **you** have any further questions, please feel free to contact **me** directly.

Very truly yours,



Robert E. Pokusa
for PAUL HASTINGS, JANOFSKY & WALKER LLP

REP:rtg

cc: Paul L. Perito
Chairman, President and Chief Operating Officer
Star Scientific, Inc.
Scott D. Ballin, Esq.
Independent Public Health Consultant
R. Bruce Dickson, Esquire

WDC/162681.2



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

Division of Advertising Practices

November 8, 2000

Mr. David M. Dean
Star Tobacco & Pharmaceuticals, Inc.
801 Liberty Way
Chester, VA 23836

Dear Mr. Dean:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, *et seq.* ("the Cigarette Act"). In a letter dated February 3, 2000, I approved a January 13, 2000 plan filed by Star Tobacco & Pharmaceuticals, Inc. ("Star Tobacco") calling for the simultaneous display of the four health warnings on the packaging of five specific brands of cigarettes and for quarterly rotation of the health warnings in the advertising for those brands. In a September 26, 2000 letter, along with supplemental letters dated October 24, 2000, and November 7, 2000, you propose to extend Star Tobacco's plan to include the Advance brand of cigarettes.

Your plan for the rotation of the warnings in the advertising of the Advance brand of cigarettes has been approved. Approval of the plan assumes that the plan is implemented in good faith. Your advertising rotational warning plan includes Internet advertising of your cigarettes. The approval of your plan for the rotation of the health warnings in advertising is **not** an approval of advertising cigarettes on the Internet. 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 (Donna Abruzzese at **202-616-0213**) to determine whether such advertising on the Internet is permissible.

Star Tobacco's sales appear to qualify for the alternative to quarterly rotation of the warnings on packaging. The warnings on the sample cartons of the Advance brand submitted with your September 26, 2000 letter, and on the revised sample artwork for the packs submitted with Star Tobacco's October 17, 2000 letter appear to meet the requirements of the Cigarette Act for size and conspicuousness.¹ When actual packs are developed, Star Tobacco should submit

¹ Although the warnings on Advance brand packs that were initially submitted were not sufficiently conspicuous, corrected artwork was submitted. This approval only pertains to

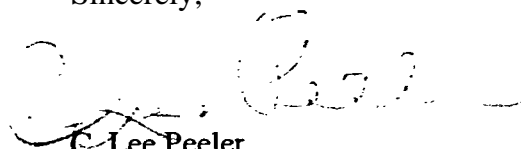
Mr. David M. Dean
Star Tobacco & Pharmaceuticals, Inc.
November 8, 2000
Page 2

samples to the Commission. Star Tobacco's plan for the simultaneous display of the four health warnings on the packaging of the Advance brand of cigarettes is hereby approved. This approval is effective on the date of this letter and ends on December 31, 2000. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the **plan**.²

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

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

Sincerely,



C. Lee Peeler
Associate Director

packaging that meets the requirements of the Cigarette Act.

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

Southern Tobacco Inc.



1231 N Limestone St. ♦ Gaffney, SC 29340 ♦ USA
Phone 1-877-465-3050 ♦ Fax 1-864-488-3805

October 24,2000

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

Dear **Ms.** Winterson,

Southern **Tobacco.** Inc. located in Gaffney, **SC** would like to supplement our plan to comply **with** the Federal Cigarette Labeling and Advertising Act. Southern **Tobacco** will be adding the Dynamic brand to our plan for the remainder of the calendar **year 2000.** For each brand style of Dynamic 100's (Full Flavor, Light, Ultra Light, Menthol, and Menthol Light) we will distribute the four Surgeon General Warnings equally on packs and cartons during the calendar year 2000 exactly as they appear with the samples of the art work provided with our letter of September 25,2000 and the corrected art work enclosed. Southern Tobacco will keep records to demonstrate compliance **with** the Federal Cigarette Labeling and Advertising Act.

During the calendar **year** of 1999 Southern Tobacco had a total **sales** of [REDACTED] cartons. Southern Tobacco expects sales of [REDACTED] cartons in the calendar **year** of 2000.

Please find enclosed with **our** letter of September **25,200** and our letter of October **24,2000** samples of art work for packs and **cartons** of each brand style of Dynamic 100's with all four Surgeon General Warnings equally distributed. **When** samples are developed Southern Tobacco will provide samples to the **FTC.**

We will not be advertising the Dynamic brand at this time. If in the future we do decide **to** advertise we **will** submit a plan of rotation for advertising.

If any further information is required please feel **free** to contact us.

Sincerely,

A handwritten signature in cursive script that reads "John Shon".

John Shon



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

Division of Advertising Practices

November 16, 2000

Mr. John Short
Southern Tobacco, Inc.
1231 N. Limestone St.
Gaffney, SC 29340

Dear Mr. Short:

The Federal Trade Commission ("the **Commission**") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, *et seq.* ("the Cigarette Act"). Pursuant to that delegation, **1** have reviewed the revised proposed plan filed on behalf of Southern Tobacco, Inc. ("Southern Tobacco") on October 24, 2000 calling for the simultaneous display of the four health warnings on the packaging of the Full Flavor, Light, Ultra Light, Menthol, and Menthol Light brandstyles of the Dynamic 100's brand of cigarettes.

Southern Tobacco's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The warnings on the artwork of the packs and cartons submitted with your September 25, 2000 and October 24, 2000 letters appear to comply with the requirements of the Cigarette Act for size and conspicuousness.¹ Southern Tobacco's plan for the Full Flavor, Light, Ultra Light, Menthol, and Menthol Light brandstyles of the Dynamic 100's brand is hereby approved. This approval is effective on the date of this letter and ends on December 31, 2000. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the **plan**.² When actual packaging is developed, Southern Tobacco should submit samples to the Commission. The Cigarette Act provides that **any** person who violates its provisions is guilty of a misdemeanor.

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

¹ Although the warnings **on** some of the cartons submitted contained typographical errors, revised artwork **was** submitted. This approval pertains only to **artwork** that meets the precise requirements of the Cigarette Act.

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

Mr. John Short
November 16, 2000
Page 2

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

Sincerely,

A handwritten signature in cursive script, appearing to read "C. Lee Peeler".

C. Lee Peeler
Associate Director

KING-MAKER M A R K E T I N G

September 28, 2000

Mr. Michael Ostheimer
Federal Trade Commission
Division of Advertising Practices
Washington, D.C. 20580

Dear Mr. Ostheimer :

**Sub : Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1331 requirements)
Labeling and Advertising Plan - for " Gold Crest" cigarettes for the year 2000.**

We currently sell 'Checkers' and 'Hi-Val' Brand cigarettes in the U.S.. for which we have your approval to display the Surgeon General's Warnings for each brand group, on a quarterly basis, for the calendar year 2000. For each of the above brand groups as you are aware, we have 13 different brand styles making the total number of brand styles 26 in all.

Further, we have an application for the labeling plan for "Royale Classic" brand cigarettes pending with you, since June of 2000.

We intend to introduce another new cigarette brand called "Gold Crest" in the marketplace by October / November 2000. We hereby seek your approval for the proposed quarterly rotational plan, per the schedule enclosed. for the brand group "Gold Crest", which will be introduced in all thirteen styles a' la' Checkers and Hi-Val.

All labeling will be in a 10 point font for the packs and a 12 point font for cartons. Please find enclosed sample packs and canons for "Gold Crest". cigarettes for each brand style, with the prescribed four warnings.

All advertising materials - e.g. counter displays, floor displays, posters, banners, window signs, etc. will have the same identical Surgeon General's Warning rotational plan schedule for the year 2000, as the labels for packs and cartons enclosed.

For the Advertising Materials, we will use the same warning format as those submitted with the plan of the five leading US cigarette manufacturers, as made available to us by you. Also, we will place the Warnings in such advertising materials, as specified in their plans.

Looking forward to receiving your approval, at the earliest. Do call if you have any questions.

Sincerely,


Bhavani Parameswar

12 Route 17 North • Suite 304
Paramus, NJ 07652
(201) 843-0377 • 800-317-0377
Fax: (201) 843-2092

KING · MAKER

M A R K E T I N G

October 17.2000

Mr. Michael Ostheimer
Federal Trade Commission
Division of Advertising Practices
Washington, D.C. 20580

Dear Mr. Ostheimer :

**Sub : Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1331 requirements)
Labeling and Advertising Plan - for " Gold Crest" cigarettes .**

This has reference to our telecon of today. **As** you are aware, Gold *Crest* cigarettes come in 13 different styles. You had mentioned today that you do not have the sample pack labels for Soft Cup King Size Cigarettes of the Gold *Crest* Brand; please find enclosed the same for your perusal.

All labels for the packs and cartons and all Advertising Materials - e.g. counter displays, floor displays, posters, banners, window signs, etc. for the brand Gold *Crest*, will bear the same identical Surgeon General's Warning in each quarter. The rotational plan schedule for the Brand Gold *Crest* is enclosed, as requested.

To reiterate, for the Advertising Materials, we will use the same warning format as those submitted with the plan of the five leading US cigarette manufacturers, as made available to us by you. Also, we will place the Warnings in such advertising materials, **as** specified in their plans.

Looking forward to receiving your approval, at the earliest. Do call if you have any questions.

Sincerely,

Bhavani Parameswar

cc : Ms. Sally Schools

12 Route 17 North • Suite 304
Paramus, NJ 07652
(201) 843-0377 • 800-317-0377
Fax: (201) 843-2092

Gold Crest

• **Rotational Plan for the Surgeon General's Warnings for labeling and advertising materials.**

The schedule of Surgeon General's warnings for packs, cartons and advertising materials for Gold Crest cigarettes will be as follows :

- | | | |
|-------------------------------|---|---|
| Qtr. I - January to March | - | SURGEON GENERAL'S WARNING :
Quitting Smoking Now Greatly Reduces Serious
Risks to Your Health. |
| Qtr. II - April to June | - | SURGEON GENERAL'S WARNING :
Smoking By Pregnant Women May Result in Fetal
Injury, Premature Birth, And Low Birth Weight. |
| Qtr. III - July to September | - | SURGEON GENERAL'S WARNING :
Cigarette Smoke Contains Carbon Monoxide. |
| Qtr. IV - October to December | - | SURGEON GENERAL'S WARNING :
Smoking Causes Lung Cancer, Heart Disease,
Emphysema, And May Complicate Pregnancy. |

Note: The above ensures that Checkers, Hi-Val, Royale Classic, and Gold Crest would all bear different Surgeon General's warnings in the same quarter, as required by you.



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

Division of Advertising Practices

November 20, 2000

Ms. Bhavani Parameswar
King Maker Marketing
12 Route 17 North, Suite 304
Paramus, NJ 07652

Dear Ms. Parameswar:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the proposed plan filed by King Maker Marketing ("King Maker") on September 28, 2000, along with its October 17, 2000 supplement, calling for quarterly rotation of the four health warnings on packaging and in advertising of the Gold Crest brand of cigarettes.

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

The warnings on the sample packs and cartons of the Gold Crest brand submitted with your September 28, 2000, October 17, 2000, and November 3, 2000 letters appear to meet the requirements of the Cigarette Act for size and conspicuousness.¹ King Maker's plan for the Gold Crest brand has been approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan? The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

Sincerely,


C. Lee Peeler
Associate Director

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

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

LAW OFFICES OF
BARRY M. BOREN

Dadeland Towers
9200 South Dadeland Boulevard
Suite 412
Miami, Florida 33156

Telephone
(305) 670-2200
Facsimile
(305) 670-9672

October 26, 2000

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

Attention: Michael Ostheimer, Esq.

Amendment to the
Surgeon General's Warning Rotation Plan for
Southern Tobacco, Inc.
For Columbus Cigarettes

Dear Mr. Peeler:

Please be advised that we are the attorneys for an importer of tobacco products, Southern Tobacco, Inc. ("Southern"), a Florida corporation, with offices located at 5406 Airport Blvd., Tampa, Florida 33634, which wishes to file a Surgeon General's Warning Rotation Plan as required by the Federal Cigarette Labeling and Advertising Act of 1964, as amended, ("Act") (15 U.S.C. §1331 et seq.) for a private label brand of cigarettes they wish to import into the United States. The contact person for the company will be its President, Kurt Jurado, 5406 Airport Blvd., Tampa, Florida 33634. Southern has already submitted rotation plans for "made under the authority" Marlboro cigarettes and private label cigarettes being imported under the name "Olympus."¹ This application is for private label cigarettes being imported under the name "Columbus."

The brand style of cigarettes Southern intends to import are listed on Exhibit "A" which were attached to its submission of October 24, 2000. The artwork for all of the packs and cartons of each brand style (one with each warning) were enclosed therein. We understand that the FTC will only grant limited approval because they want to see actual production packs and cartons to verify that the product will match the artwork. Please be advised that when samples from the actual production runs for each pack and carton with each warning label for which artwork was submitted, are produced, we will send samples to the Federal Trade Commission.

¹ The Olympus Plan was approved on April 18, 2000. The "made under the authority" Marlboro "Reds" and "Lights" were approved September 25, 2000. Attached hereto as Exhibit "B" is a plan showing the proposed label rotation for each brand to be imported by Southern.

Eventhough Southern qualifies as a small importer/manufacturer as defined by the Act, Southern wishes to submit to the FTC a plan to rotate the warning statements as required by 15 U.S.C. §1333(c)(1). The plan we wish to submit requires that Southern rotate quarterly, in an alternating sequence, each of the four warning statements which will appear on the packages and cartons of the Columbus brand cigarettes. Southern will begin with the warning "SURGEON GENERAL'S WARNING: Cigarette Smoke Contains Carbon Monoxide." and will use this label during the fourth quarter (October 1st to December 31st). It will alternate labels on the first of each calendar quarter thereafter (i.e., January 1st, April 1st, and July 1st).

From Oct. 1st to Dec. 31st Southern will use the warning:

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

From January 1 to March 31st Southern will use the warning:

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

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

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

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

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

The artwork enclosed with the October 24th submission for the packs of the Columbus cigarettes show exactly where and how the Surgeon General's health warnings will appear on the individual packs Southern will be importing. These warning labels will be printed on the packs by the manufacturers in the place and in the manner indicated.

We understand that the Surgeon General's Health Warning label printed on the

artwork for the cartons which were submitted on October 24th are not in compliance with the Act. To bring these cartons into compliance, Southern proposes to sticker each carton with the appropriate health warnings in the same rotation sequence as referenced above. Attached hereto as Exhibit "C" are the four warning stickers (one with each warning) Southern intends to place on the cartons. These labels will be placed exactly as demonstrated on the sample carton enclosed with this submission. All the letters in the label will be conspicuous, in a legible type, with black print on a white background.

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

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

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

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

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

Sincerely yours,

LAW OFFICES OF BARRY M. BOREN



Barry M. Boren

BMB:mw
encs.

EXHIBIT 'A' LIST OF CIGARETTES

• **Columbus**

Columbus Full Flavor 100's Soft
Columbus Full Flavor King Soft
Columbus Lights 100's Soft
Columbus Lights King Soft
Columbus Lights Menthol 100's Soft
Columbus Full Flavor King Box
Columbus Menthol Lights King Box
Columbus Lights King Box

Columbus\Columbus-Exhibit-List

EXHIBIT "B" - COLUMBUS

QUARTER ONE:

<u>Brand</u>	Warning
Olympus	Lung Cancer
Columbus	Quitting Smoking

QUARTER TWO:

Olympus	Quitting Smoking
Columbus	Lung Cancer

QUARTER THREE:

Olympus	Carbon Monoxide
Columbus	Pregnant Women

QUARTER FOUR:

Olympus	Pregnant Women
Columbus	Carbon Monoxide

EXHIBIT "C"

**Stickers to be Placed on Cigarette Cartons Pursuant to the
Supplement to the Surgeon General's Warning Rotation Plan for 2000 for**

SOUTHERN TOBACCO, INC.

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

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

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

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



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

Division of Advertising Practices

November 22, 2000

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

~~Dear~~ Mr. Boren:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Southern Tobacco, Inc. ("Southem") on October 26, 2000 calling for quarterly rotation of the four health warnings on packaging of the Columbus brand of cigarettes.

The artwork of the packs for the Columbus brand submitted with your October 23, 2000 letter appear to meet the size and conspicuousness requirements of the Cigarette Act. Your plan calls for applying warning label stickers to correct errors in the warnings on the cartons as shown on the sample carton submitted with your October 26, 2000 letter.

On November 9, 2000, President Clinton signed into law the Tariff Suspension and Trade Act of 2000, PL 106-476 ("Tariff Suspension and Trade Act"), which makes it illegal to import cigarettes into the United States unless:

the precise warning statements in the precise format specified in section 4 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1333) are permanently imprinted on both

- (A) the primary packaging of all those cigarettes; and
- (B) any other pack, box, carton, or container of any kind in which those cigarettes are to be offered for sale or otherwise distributed to consumers.

(Emphasis added). **This** provision is effective **30 days** after the date of the law's enactment. Because the warnings printed directly on the packs and cartons of the Columbus brand contain the letters "U.S." before the phrase "SURGEON GENERAL'S WARNING;" the warnings on the cartons are in all capital letters; and the warnings on the cartons are neither sufficiently conspicuous nor located in the place label statements were placed on cigarette cartons on October 12, 1984, it will be illegal to import the packs and cartons of Columbus brand cigarettes, as

Bany M. Boren, Esq.
November 22, 2000
Page 2

submitted to the Commission, after December 8, 2000. Importing or attempting to import cigarettes in violation of the Tariff Suspension and Trade Act may result **in** both forfeiture of the cigarettes and civil penalties.

southern's plan for the Columbus brand of cigarettes is therefore approved through December 8, 2000. Approval of the plan is contingent its good faith implementation. We may **ask** for information demonstrating proper implementation of **the plan. The Cigarette **Act** provides that any person who violates its provisions is guilty of a misdemeanor. **Southern** may also submit a plan that complies with **both** the Cigarette Act **and** the **Tariff** Suspension and Trade Act.**

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

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

Sincerely,



C. Lee Peeler
Associate Director

¹ Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. **\$1001.**

Comanche Industries of Texas, Inc.**Texas, Manufacture, Distributor, Permit # 99002595 & Wholesaler permit # 98600087****Taxpayer # 3-01175-5121-5****USA Importer of Tobacco Products Permit # TX-TI-20****A Subsidiary of:****SC Manufacture Distributors, Inc.****USA Importer of Tobacco Products Permit # TX-TI-54****4801 Baldwin Blvd, Corpus Christi, Texas 784****Tel: 361-882-0200 Fax: 361-882-0201**

Attention, **Ms. Sallie Schoolr,**
Mr. C. Lee Peeler, Associate Director,
Division of Advertising Practices,
Federal Trade Commission,
601 Pennsylvania Avenue, NW, Room 4002
Washington, DC 20580

Ref: The Production of our Comanche Class (A) Cigarettes.

Dear Mr. Peeler,

Our company is importing three styles of Comanche cigarettes.
We will comply with the Health Warning Display Requirement of the Cigarette Act
by rotating the four required Health Warning labels according to the attached
quarterly schedule.

I understand that the warnings on the packaging has spelling and punctuation
errors. Also, the warnings on the cartons are too close to the other printing. We will
correct these matters with Health Warning Label-Stickers on all packs and cartons.

Attached as Exhibit 'A' are samples of the Health Warning Label-Stickers that we
will be using on all of our packs and Exhibit "B" is the Health Warning Label
Stickers we will use on all of the Cartons of Comanche Cigarettes we now have.

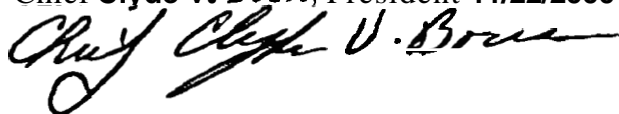
Enclosed is a sample pack and carton showing exactly how the Health Warning
Label-Sticker will be affixed to the packaging.

We will not be advertising Comanche Cigarettes at this time. When we
decide to advertise we will submit an advertising plan for approval.

We will keep records demonstrating compliance with this plan.

Our Best Regards

Chief Clyde V. Bouse, President 11/22/2000



SCHEDULE QUARTERLY ROTATION

	Comanche Regular	Comanche Light	Comanche Menthol
1ST Quarter	A	B	C
2ND Quarter	B	C	D
3RD Quarter	C	D	A
4TH Quarter	D	A	B

(A)

SURGEON GENERAL'S WARNING:
Smoking Causer 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 Fetnl Injury, Premature
Birth, And Low Birth Weight.

(D)

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

EXHIB "A"

THE FOLLOWING IS A COPY OF THE STICKERS WE WILL HAVE PRINTED AND PLACED ON EACH PACKS OF THE 3 STYLES OF COMANCHE CIGARETTES THAT WE NOW HAVE IN THE DUTY FREE ZONE IN CORPUS CHRISTI, TEXAS.

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:
Cigarette Smoke
Contains Carbon Monoxide.

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

EXHIBIT "B"

THE FOLLOWING IS A COPY OF THE STICKERS WE WILL HAVE PRINTED AND PLACED ON EACH CARTON OF THE 3 STYLES OF COMANCHE CIGARETTES THAT WE NOW HAVE IN THE DUTY FREE ZONE IN CORPUS CHRISTI, TEXAS.



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



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



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

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



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

Division of Advertising Practices

November 24, 2000

Chief Clyde V. Bouse
President
Comanche Industries of Texas, Inc.
4801 Baldwin Boulevard
Corpus Christi, TX

Dear Chief Bouse:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Comanche Industries of Texas, Inc. ("Comanche Industries") on November 22, 2000 calling for quarterly rotation of the four health warnings on the packs and cartons of the Comanche brand of cigarettes.

You submitted sample packaging with your letter of November 7, 2000. To correct **errors** in punctuation of the warnings on the packs and cartons, and to increase the conspicuousness of the warnings on the cartons, your plan calls for **label** stickers to the packaging of the Comanche brand. The sample warning labels for use on the packs and cartons enclosed with **your** plan appear to comply with the Cigarette Act's requirements for size and conspicuousness.

On November 9, 2000, President Clinton signed into law the Tariff Suspension and Trade Act of 2000, PL 106-476 ("Tariff Suspension and Trade Act"), which makes it illegal to import cigarettes into the United States unless:

the precise warning statements in the precise format specified in section 4 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1333) are permanently imprinted on both

(A) the primary packaging of all those cigarettes; and

(B) any other pack, box, carton, or container of any kind in which those cigarettes are to be offered for sale or otherwise distributed to consumers.

(Emphasis added). This provision is effective 30 days after the date of the law's enactment. Because the warnings printed directly on the packs and cartons of the Comanche brand contain typographical errors and the warnings on the cartons are not sufficiently conspicuous nor located in the place label statements were placed on cigarette cartons on October 12, 1984, it will be

Chief Clyde V. Bouse
November 24, 2000
Page 2

illegal to import the packs and cartons of Comanche brand cigarettes, as submitted to the Commission, after December 8, 2000. Importing or attempting to import cigarettes in violation of the **Tariffs** Suspension and Trade Act may result in both forfeiture of the cigarettes and civil penalties.

Comanche Industries' plan for the Comanche brand of cigarettes is therefore approved through December 8, 2000. Approval of the plan is contingent its good faith implementation. We may **ask** for information demonstrating proper implementation of the plan.' The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor. Comanche Industries may also submit a plan that complies with both the Cigarette Act and the **Tariff** Suspension and Trade Act.

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

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

Sincerely,



C. Lee Peeler
Associate Director

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

LAW OFFICES OF
BARRY M. BOREN

Dadeland Towers
9200 South Dadeland Boulevard
Suite 412
Miami, Florida 33156

Telephone
(305) 670-2200
Facsimile
(305) 670-9672

November 27, 2000

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

Attention: **Ms.** Sallie Schools

Surgeon General's Warning Rotation Plan for
South Florida Tobacco Products, Inc.
For Columbus Cigarettes

Dear Mr. Peeler:

Please be advised that we are the attorneys for an importer of tobacco products, South Florida Tobacco Products, Inc. ("South Florida"), a Florida corporation, with offices located at 2990 N.W. 24th Street, Miami, Florida 33142, which wishes to file a Surgeon General's Warning Rotation Plan as required by the Federal Cigarette Labeling and Advertising Act of 1964, as amended, ("Act") (15 U.S.C. §1331 *et seq.*) for a private label brand of cigarettes they wish to import into the United States. The contact person for the company will be its General Manager, Odalys Flores. This application is for private label cigarettes being imported under the name "Columbus."

The brand style of cigarettes South Florida intends to import are listed on Exhibit "A" attached hereto. The artwork for **all** of the packs and cartons of each brand style (one with each warning) are **also** enclosed herein. Also enclosed is a sample carton for the Columbus full flavor king box. We understand that the FTC will only grant limited approval because they want to see actual production packs and cartons to **verify** that the product will match the artwork. Please be advised that when samples from the actual production runs for each pack and carton with each warning label for which artwork was submitted, are produced, we will send samples to the Federal Trade Commission.

Even though South Florida qualifies as a small importer/manufacturer as defined by the Act, South Florida wishes to submit to the FTC a plan to rotate the warning statements as required by 15 U.S.C. §1333(c)(1). The plan we wish to submit requires that South Florida rotate quarterly, in an alternating sequence, each **of** the four warning statements which will appear on the packages and cartons of the Columbus brand

Mr. C. Lee Peeler, Associate Director
Federal Trade Commission

Page 2
November 27, 2000

cigarettes. South Florida will begin with the warning "SURGEON GENERAL'S WARNING: Cigarette Smoke Contains Carbon Monoxide." and will use this label during the fourth quarter (October 1st to December 31st). It will alternate labels on the first of each calendar quarter thereafter (i.e., January 1st, April 1st, and July 1st).

From Oct. 1st to South Florida will use the warning:

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

From January 1 to March 31st South Florida will use the warning:

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

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

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

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

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

The artwork for the packs and cartons of the Columbus cigarettes enclosed with this submission show exactly where and how the Surgeon General's health warnings will appear on the individual packs and cartons South Florida will be importing. These warning labels will be printed on the packs and cartons by the manufacturers in the place and in the manner indicated.

We understand that the Surgeon General's Health Warning label printed on the artwork for the cartons which are attached are not in compliance with the Act. To bring these cartons into compliance, South Florida proposes to sticker each carton with the appropriate health warnings in the same rotation sequence as referenced above. Attached hereto as Exhibit "B" are the four warning stickers (one with each warning) South Florida intends to place on the cartons. These labels will be placed exactly as demonstrated on

Mr. C. Lee Peeler, Associate Director
Federal Trade Commission

Page 3
November 27, 2000

the sample carton enclosed with this submission. All the letters in the label will be conspicuous, in a legible type, with black print on a white background.

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

Each pack and carton imported by South Florida will have a country of origin printed on the pack or carton as required by 19 U.S.C. § 1304. The enclosed artwork shows where the information will be placed and how it will appear. South Florida will ensure that the country of origin will not obscure, or otherwise interfere with, the Surgeon General's Warning in any way.


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

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

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

Sincerely yours,

LAW OFFICES OF BARRY M. BOREN



Barry M. Boren

BMB:mw
encs.

EXHIBIT 'A' LIST OF CIGARETTES

• Columbus

Columbus Full Flavor 100's Soft
Columbus Full Flavor King Soft
Columbus Lights 100's Soft
Columbus Lights King Soft
Columbus Lights Menthol 100's Soft
Columbus Full Flavor King Box
Columbus Menthol Lights King Box
Columbus Lights King Box

Columbus\Columbus-Exhibit-List

EXHIBIT 'B'

Stickers to be Placed on Cigarette Cartons Pursuant to the
Surgeon General's Warning Rotation Plan for 2000 for
SOUTH FLORIDA TOBACCO PRODUCTS, INC.

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

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

R GENERAL 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.



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

Division of Advertising Practices

December 5, 2000

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

Dear Mr. Boren:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the proposed plan filed on behalf of South Florida Tobacco Products, Inc. ("South Florida") on November 27, 2000 calling for quarterly rotation of the four health warnings on packaging of the Columbus brand of cigarettes.

The artwork of the packs for the Columbus brand submitted with **your** plan appear to meet the size and conspicuousness requirements of the Cigarette Act. Your plan calls for applying warning label stickers to correct errors in the warnings on the cartons **as** shown on the sample carton submitted with **your** plan.

On November 9, 2000, President Clinton signed into law the ~~Tariff~~ Suspension and Trade Act of 2000, Pub. L. No. 106-476 ("Tariff Suspension and Trade Act"), which makes it illegal **to** import cigarettes into the United States unless:

the precise warning statements in the precise format specified in section 4 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. § 1333) are permanently imprinted on both

(A) the primary packaging of all those cigarettes; and

(B) any other pack, box, carton, or container of any kind in which those cigarettes are to be offered for sale or otherwise distributed **to** consumers.

(Emphasis added). This provision is effective 30 days after the date of the law's enactment. Because the warnings printed directly on the packs and cartons of the Columbus brand contain the letters "U.S." before the phrase "SURGEON **GENERAL**' S WARNING," the warnings on the cartons are in all capital letters; and the warnings on the cartons are neither sufficiently conspicuous nor located in the place label statements were placed on cigarette cartons on October 12, 1984, it will be illegal to import the packs and cartons of Columbus brand cigarettes, **as**

Barry M. Boren, Esq.
December 5, 2000
Page 2

submitted to the Commission, after December 8, 2000. Importing or attempting to import cigarettes in violation of the **Tariff** Suspension and Trade Act may result in both forfeiture of the cigarettes and civil penalties.

South Florida's plan for the Columbus brand of cigarettes is therefore approved through December 8, 2000. Approval of the plan is contingent its good faith implementation. We may ask for information demonstrating proper implementation of the plan.' The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor. South Florida may also submit a plan that complies with both the Cigarette Act and the **Tariff** Suspension and Trade Act.

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

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

Sincerely,



C. Lee Peeler
Associate Director

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

William E. Ford

Attorney at Law

Box 44021
Eden Prairie, MN 55347

Tel. 612-934-1220
Fax 612-938-2173

August 29, 2000

Sallie Schools
Federal Trade Commission
601 Pennsylvania Avenue, NW
Washington, DC 20580

RE: New World Trading Co.

Dear Ms. Schools:

I am writing on behalf of my client, New World Trading Co. New World Trading Co. is located at 2533 Nicollet Ave. Minneapolis, MN 55404. The owner of New World Trading Co., Mr. Peter Ratsamy has corresponded with your office regarding his intent to import Samit Brand cigarettes from Thailand.

Mr. Ratsamy imported less than [REDACTED] of cigarettes in 1999. Mr. Ratsamy will import no more than [REDACTED] of Samit brand cigarettes in 2000. ([REDACTED] cigarettes per year). Mr. Ratsamy is importing only the single style of Samit brand cigarettes.

Mr. Ratsamy will not advertise the cigarettes.

Please find attached as Exhibit A the four warning labels to be attached to the packs. The labels will be attached to the cigarette packs underneath the cellophane wrapper. Each warning label will be attached so as to equalize the use of the four warning labels throughout the year. Please note that we have corrected the warning label "Smoking By Pregnant Women May Result In Fetal Injury, Premature Birth, And Low Birth Weight" by increasing the size of the font. I have enclosed a sample sheet of the corrected warning labels which will be attached to the packs.

The warning labels will be attached to the packs and cartons as per the samples submitted with Mr. Ratsamy's letter of May 25, 2000.

In addition to the required warning labels each cigarette pack will be labeled with the country of origin, in this case Thailand. The country of origin label will be attached so that it does not obscure the pack warning labels.

Also please find enclosed **as** Exhibit B the four warning labels to be attached to each carton of cigarettes. Each warning label will be attached so **as** to equalize the use of the four warning labels throughout the year. Please note that we have corrected the warning label "Smoking Causes **Lung** Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy" by Capitalizing the "C" in Cancer and by increasing the size of the font.

Mr. Ratsamy will keep records to document the equalization of the use of the **warning** labels throughout the year.

We hope the above plan meets **your** requirements and will be happy to cooperate in any manner to bring this matter to a conclusion.

Sincere1

William Ford

WEF/ms

Cc: Peter Ratsamy



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

Division of Advertising Practices

December 7, 2000

William E. Ford, Esq.
Box 44021
Eden Prairie, MN 55347

Dear Mr. Ford:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of New World Trading Company ("New World") on August 29, 2000 calling for simultaneous display of the four health warnings on packaging of the Samit brand of cigarettes.

The revised warning label stickers for use on the packs and cartons of the Samit brand submitted with your December 6, 2000 letter appear to meet the size and conspicuousness requirements of the Cigarette Act.

On November 9, 2000, President Clinton signed into law the Tariff Suspension and Trade Act of 2000, PL 106-476 ("Tariff Suspension and Trade Act"), which makes it illegal to import cigarettes into the United States unless:

the precise warning statements in the precise format specified in section 4 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1333) are permanently imprinted on both

(A) the primary packaging of all those cigarettes; and

(B) any other pack, box, carton, or container of any kind in which those cigarettes are to be offered for sale or otherwise distributed **to** consumers.

(Emphasis added). This provision is effective 30 days after the date of the law's enactment. Because the warnings are not printed directly on the packs and cartons of the Samit brand, it will be illegal to import the packs and cartons of Samit brand cigarettes, **as** submitted to the Commission, after December 8, 2000. Importing or attempting to import cigarettes in violation of the Tariff Suspension and Trade Act may result in both forfeiture of the cigarettes and civil penalties.

New World's plan for the Samit brand of cigarettes is therefore approved through

William E. Ford, Esq.
December 7, 2000
Page 2

December **8, 2000**. Approval of the plan is contingent its good faith implementation. We may ask for information demonstrating proper implementation of the plan.¹ The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor. New World may also submit a plan that complies with both the Cigarette Act and the ~~Tariff~~ Suspension and Trade Act.

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

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

Sincerely,



C. Lee Peeler
Associate Director

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

CanStar (U.S.A.), Inc.

4960 SW 72 Avenue, Suite 308, Miami, FL 33155
305-666-3131 Fax: 305-666-1677
Email: canstar@bellsouth.net

December 7, 2000

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

Cigarette Health

Rotation Plan Submitted by CanStar USA, Inc.

~~Dear~~ Mr. Peeler:

On behalf of our company, CanStar USA, Inc. ('Canstar') we submit our Surgeon General ~~Warning~~ Rotation plan as required under the Federal Cigarette Labeling and Advertising Act of 1984 (15 U.S.C 1331 (1997), et seq.), as amended. The cigarettes covered by the proposed Plan are cigarettes made in Bulgaria and are produced to our specifications and are complete with the health warnings that comply with the Surgeon General warning language set forth in the statute.

The Bulgarian produced cigarettes covered by this plan are: First US full flavor; First US lights; and First US menthol.

CanStar proposes a quarterly rotation plan of the US Surgeon General's Health Warning for the First US brand of cigarettes. Placement location of the health warning will be as per the samples provided. CanStar will ensure that the cigarettes are manufactured to meet all US packaging requirements including the location and display of the US Surgeon General's Health Warning.

In order to comply with the quarterly rotation requirements for this brand, Canstar will rotate the warnings each three months as follows:

Health warning for the First Quarter is as follows (Jan. 1 through Mar. 30)

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

Health warning for the Second Quarter is as follows (Apr. 1 through June 30)

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

Health warning for the Third Quarter is as follows (July 1 through Sept. 30)

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

Health warning for the Fourth Quarter is as follows (Oct. 1 through Dec. 31)

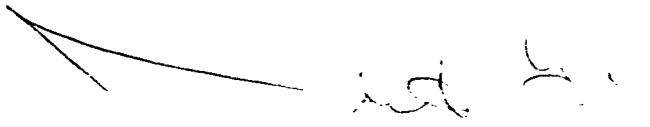
SURGEON GENERAL'S WARNING: Cigarette Smoke Contains Carbon Monoxide.

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

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

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

Respectfully submitted,
CanStar USA, Inc.



Paul A. Embury
Director

c.c. Mr. Michael Ostheimer, Analyst (via fax)
Federal Trade Commission

Ret: FTC



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

Division of Advertising Practices

December 7, 2000

Mr. Paul A. Embury, Director
CanStar (U.S.A.), Inc.
4960 SW 72nd Ave., Suite 308
Miami, FL 33155

Dear Mr. Embury:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed by CanStar (U.S.A.), Inc. ("Canstar") on December 7, 2000 calling for quarterly rotation of the four health warnings on packaging of the First US brand of cigarettes.

The warnings on the packs and cartons for the First US brand submitted with your plan appear to meet the size and conspicuousness requirements of the Cigarette Act. On November 9, 2000, President Clinton signed into law the Tariff Suspension and Trade Act of 2000, Pub. L. No. 106-476 ("~~Tariffs~~ Suspension and Trade Act"), which makes it illegal to import cigarettes into the United States unless "the precise warning statements in the precise format specified in section 4 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. § 1333) are permanently imprinted" on all cigarette packaging. (Emphasis added). **This** provision is effective December 9, 2000. Because the warnings on the packs and cartons of the First US brand contain punctuation and capitalization errors, and the warnings on the cartons are not located in the place label statements were placed on cigarette cartons on October 12, 1984, it will be illegal to import the packs and cartons of First US brand cigarettes, **as** submitted to the Commission, after December 8, 2000.¹ However, based upon our approval of **Canstar's** previous plan for the First US brand of cigarettes, including identical packaging, we are approving your proposed plan through December 8, 2000.² Canstar may also submit a plan that complies with both the Cigarette Act and the Tariff Suspension and Trade Act.

¹ Importing or attempting to import cigarettes in violation of the ~~Tariff~~ Suspension and Trade Act may result in both forfeiture of the cigarettes and **civil** penalties.

² Approval of the plan is contingent its good faith implementation. We may ask for information demonstrating proper implementation of the plan. **The** Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor and 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. Paul A. Embury, Director
Canstar (U.S.A.), Inc.
December 7, 2000
Page 2

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "C. Lee Peeler". The signature is fluid and cursive, with a long horizontal stroke at the end.

C. Lee Peeler
Associate Director

幸 新 貿 易 公 司 SE TRADING COMPANY, INC.

December 5, 2000

Approved

Mr. Michael Ostheimer
Federal Trade Commission
Washington, DC 20580

~~Dear~~ Michael,

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

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

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

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

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

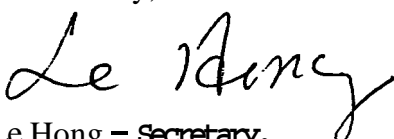
Third Quarter: SURGEON GENERAL'S WARNING: Smoking **Causes** Lung **Cancer**, Heart Disease, Emphysema, And May Complicate Pregnancy.

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

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

Your cooperation will **be** greatly appreciated.

Yours Truly,


Le Hong - **Secretary**.



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

Division of Advertising Practices

December 8, 2000

Ms. Le Hong
S.E. Trading Company, Inc.
2114 Senter Road
Suite 17
San Jose, CA 95112

Dear Ms. Hong:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, *et seq.* ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the proposed plan filed by SE Trading Company, Inc. ("SE Trading") on December 5, 2000 calling for the quarterly rotation of the four health warnings on the packaging of the Shuangxi brand of cigarettes.

The warnings on the sample packs and cartons enclosed with your plan appear to meet the size and conspicuousness requirements of the Cigarette Act. SE Trading's plan for the Shuangxi brand is hereby approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

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

Sincerely,

A handwritten signature in cursive script that reads "C. Lee Peeler".

C. Lee Peeler
Associate Director

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

3
WINNER COMPANY
1108 New Brighton Blvd.
Minneapolis MN 55413

Tuesday, December 05, 2000

Mr. C. Lee Peeler
Associate Director
Division of Advertising Practice
Federal Trade Commission
601 Pennsylvania Av. NW, Room 4002
Washington, DC 20580

Re: Cigarette Health Warning Rotation Plan.

Dear Mr. Peeler:

On behalf of Winner Company, I am submitting a Cigarette Health **Warning** Plan (the "-plan"). **as** required under the Federal Cigarette Labeling and Advertising **Act**, 15 U.S.C. 1331, et seq. ("the Cigarette Act"). The cigarettes covered by the proposed plan **are** "Winner" brand manufactured in Greece.

The company will be importing eight brand styles of "Winner" **cigarettes: full** flavor, full flavor 100's, lights, lights 100's, menthol full flavor, menthol full flavor 100's, menthol lights 100's and ultra lights 100's.

All of the brand styles to be imported by the company under the plan qualify for the alternative to quarterly rotation set forth in 15 U.S.C. 1333(C)(2). The company has not yet imported any cigarettes, and **anticipates that during** the calendar year covered by the plan it will not import more than [REDACTED] cartons of cigarettes of any one-brand style.

Under the alternative method for rotating the warnings on packaging, set forth in 15 U.S.C. 1333(c)(2)(c), the company assures that each of the four health warnings specified in 15 U.S.C. 1333(a)(1) will appear on the packaging, **both** packs and cartons, of each brand style an equal number of times during the year exactly **as** they appear in the enclosed sample packs and cartons, and will keep records demonstrating compliance with this undertaking. The four health warnings are printed in dark lettering on light background or light lettering on dark background. see enclosed sample for actual sizes and colors.

All of the "Winner" cigarettes covered by this plan will be sold in their original packaging. All of the individual packs and cartons of cigarettes bear the statutorily mandated health warnings in a manner that complies with the Cigarette Act. All four warnings specified in the Cigarette Act appear on the individual packs and cartons of each brand style the company is importing. In order to assure **that** the four warning specified in the Cigarette Act appear on the individual packs and cartons of each brand style an equal number of times during the year. the manufacturer will print packs on sheets. containing 16 packs each. in a **row** of 4. Because of **this**. it is very **easy** to arrange the printing machine so that each row of packs is printed with **a** different **Health Warning**. That way. it is certain that no matter **how** many **sheets** of packs **are** printed of **the** same style, the **4** Health Warnings will be evenly distributed **among** them. It is a similar case with the cartons for the packs. Instead of being printed on sheets of **16**, cartons are printed 4 per sheet. giving us one of each Health Warning on each printed sheet. During the year. the company will maintain a log for each brand style **of** cigarette to determine if the cigarettes it has imported had an equal number of the 4 Health Warnings on the packs and cartons of each brand style.

The company will not be advertising the cigarettes imported under this plan and therefore is not submitting a plan for the rotation of the health warnings in advertising.

The company will keep records to demonstrate compliance with this plan. These records will be maintained at 1108 New Brighton Blvd. Minneapolis Minnesota, and the person responsible for maintaining these records will **be** Kouzhaya Suhyoun.

Sincerely.

Kouzhaya Suhyoun. Owner.

Kouzhaya Suhyoun



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

Division of Advertising Practices

December 14, 2000

Mr. Kouzhaya Suhyoun
Winner Company
1108 New Brighton Blvd.
Minneapolis, MN 55413

Dear Mr. Suhyoun:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Winner Company ("Winner") on December 5, 2000 calling for the simultaneous display of the four health warnings on the packaging of the Winner brand of cigarettes.

Winner's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The warnings on the sample packs and cartons submitted with your November 7, 2000 letter appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Winner's plan for the Menthol 100's, Ultra Lights 100's, Menthol Lights 100's, Lights, Lights 100's, Full Flavor, Full Flavor 100's, and Menthol Full Flavor brand styles of the Winner brand is hereby approved. **This** approval is effective on the date of **this** letter and ends on December 13, 2001. Approval of the plan is contingent on its **good** faith implementation. We may **ask** for information demonstrating proper implementation of the plan.' The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

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

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

Mr. Kouzhaya Suhyoun
December 14, 2000
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You should also be aware that Section 1335a of the Cigarette Act requires that cigarette manufacturers and importers annually file with the Secretary of the Department of Health and Human Services a list of the ingredients added to tobacco in the manufacture of their cigarettes.

Sincerely,



C. Lee Peeler

Associate Director

ITL (USA) Limited
An affiliate of Imperial Tobacco Canada Limited



One Blue Hill Plaza
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Fax: (845) 735-3568
Customer Orders: 1-(800) 872-4851

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November 28, 2000

Mr. C. Lee Peeler
Associate Director
Division of Advertising Practices
Federal Trade Commission
601 Pennsylvania Avenue, N.W.
Room 4118
Washington, D.C. 20580

Re: Cigarette Warning Label Rotation

Dear Mr. Peeler:

Please be advised that during calendar year 2001, ITL (USA) Limited anticipates selling a total of [REDACTED] cigarettes in the United States. As a result, ITL (USA) Limited will satisfy the de minimus requirements of Title 15 Commerce and Trade, Chapter 36, Title 15, Section 1333(c)(2) of the U.S.C.A. ITL (USA) Limited will display the four (4) Surgeon General Cigarette Warnings equally on all our cigarette packs and cartons for each of our brand styles over the course of the year as listed in Title 15, Section U.S.C.A.

The Brands which ITL (USA) Limited will import over the course of the Year 2001 are duMaurier, Matinee, Cameo and Medallion.

Please note there have been no changes in any of the packaging for the packs and cartons since the last submission to the Federal Trade Commission on June 25, 1999 and on February 3" of this year.

Can you please notify me if this request has been accepted by the Federal Trade Commission. If you have any questions, please call me at the above telephone. Thank you.

Sincerely,

Robert Migliaccio
Treasurer