



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

Division of Advertising Practices

June 5, 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. December 25, 2000 letter from Mohammed Babul, Bengal Tobacco to C. Lee Peeler.
2. January 3, 2001 letter **from** C. Lee Peeler to Mohammed Babul, Bengal Tobacco.
3. October 11, 2000 letter from Clara Weaver, Liggett Group to C. Lee Peeler.
4. January 4, 2001 letter **from** C. Lee Peeler to Clara Weaver, Liggett Group.
5. January 5, 2001 letter from Everett Gee, III, Esq. on behalf of S&M Brands to C. Lee Peeler.
6. January 8, 2001 letter **from** C. Lee Peeler to Everett Gee, III, Esq. on behalf of S&M Brands.
7. January 16, 2001 letter from Andrew Parish, Esq. on behalf of Tobacco Center to C. Lee Peeler.
8. January 17, 2001 letter from C. Lee Peeler **to** Andrew Parish, Esq. on behalf of Tobacco Center.
9. January 16, 2001 letter **from** Neal Beaton, Esq. on behalf of Japan Tobacco to C. Lee Peeler.

10. January 19,2001 letter from C. Lee Peeler to Neal Beaton, Esq. on behalf of Japan Tobacco.
11. January 10,2001 letter **from** Thomas O'Connell, Sun Tobacco to C. Lee Peeler.
12. January 22,2001 letter from C. Lee Peeler to **Thomas** O'Connell, **Sun** Tobacco.
13. January 18,2001 letter from **Kris** Hewitt, Carolina Tobacco to C. Lee Peeler.
14. January 22,2001 letter from C. Lee Peeler to **Kris** Hewitt, Carolina Tobacco.
15. January 23,2001 letter from Paul Embury, CanStar, to C. Lee Peeler.
16. January 24,2001 letter from C. Lee Peeler to Paul Embury, CanStar.
17. January 30,2001 letter from John Short, Southern Tobacco to Diana Winterson.
18. **January** 31,2001 letter from C. Lee Peeler **to John** Short, **Southern** Tobacco.
19. February 1,2001 letter from Robert Pless, Lane Limited to C. Lee Peeler.
20. February 7,2001 letter **from** C. Lee Peeler to Robert Pless, Lane Limited.
21. February 9,2001 letter from Gerardo Fernandez, Latin House Cigars, to C. Lee Peeler.
22. February 9,2001 letter **from** C. Lee Peeler to Gerardo Fernandez, Latin House Cigars.
23. February 2,2001 letter from Sylvia Bolotti, Esq. on behalf of Central America Tobacco Corp. to Sallie Schools.
24. February 13,2001 letter from C. Lee Peeler to Sylvia Bolotti, Esq. on behalf of Central America Tobacco Corp.
25. February 6,2001 letter from Natasha Barbre, North American Trading to FTC.
26. February 13,2001 letter from C. Lee Peeler to Natasha Barbre, North American Trading.
27. February 7,2001 letter from Paul Castronovo, Esq., Tabak, LLC to C. Lee Peeler.
28. February 15,2001 letter from C. Lee Peeler to Paul Castronovo, LLC.

29. February 13,2001 letter **fiom John** Short, **Southern** Tobacco to Diana Winterson.
30. February 15,2001 letter from C. Lee Peeler to John Short, Southern Tobacco.
31. February 14,2001 letter from Andrew M. Parish, **Esq.** on behalf of Tobacco Center to C. Lee Peeler.
32. February 16,2001 letter **from** C. Lee Peeler to Andrew M. Parish, Esq. on behalf of Tobacco Center.
33. February 20,2001 letter from **Barry Boren, Esq.** on behalf of Leader Tobacco to C. Lee Peeler.
34. March 2,2001 letter **from** C. Lee Peeler to **Barry Boren, Esq.** on behalf of Leader Tobacco.
35. March 1,2001 letter **from** Le Hong, **SE Trading Company** to Michael Ostheimer
36. March 8,2001 letter fiom C. Lee Peeler to Le Hong, **SE** Trading Company.
37. March 1,2001 letter fiom **Mark** Dunham, Premier Manufacturing to C. Lee Peeler.
38. March 8,2001 letter from C. Lee Peeler to Mark Dunham, Premier Manufacturing.

BENGAL TOBACCO CORPORATION

2030 SW 71 ST TERRACE, BAY # D-OFFICE
DAVIE, FLORIDA 33317 U.S.A

Phone 954-473-1168 . Cell 305-613-5534 . Fax : 305-891-0897 . Email . m_babul@yahoo.com

December 25th, 2000

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

Dear Sir,

Reference to your letter dated July 31st, 2000 ,your approval in connection with the Health Warning plan of the PARK Brand Cigarette **will** expire on 31st December , 2000.

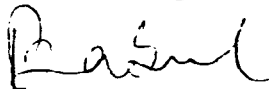
It's our pleasure to inform you that Bengal Tobacco Corporation intend to continue to **import** "PARK" Brand Cigarette **as** namely PARK Full Flavor , PARK Menthol ,PARK Lite, PARK Menthol Lite, PARK Full Flavor 100, PARK Menthol 100 and PARK Lite 100 ,PARK Menthol Lite 100. Regarding the health warning label we do here by declare that on each and every brand style ,package and **carton**, we **will** continue to equalize the four health warning label for the year 2001. Please be noted that there is no change in design and style of package and cartons **as** we submitted **to your** goodself earlier for approval. Our total **import** for the year 2000 was [REDACTED] ^{Sticks} and anticipated sale for the year 2001 is [REDACTED] sticks.

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

Your goodself is requested to approve **our** plan for the **year** 2001. **Your early** action in this regard will be highly appreciated.

Thanking and assuring you my best cooperation at all times.

Very Truly Yours,
For Bengal Tobacco Corporation



Mohammed Babul.
(President)



Division of Advertising Practices

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

January 3, 2001

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

Dear Mr. Babul:

The Federal Trade Commission ("the **Commission**") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed by Bengal Tobacco Corporation ("Bengal") on December 25, 2000 calling for the simultaneous display of the four health warnings on the packs and cartons of the Park brand of cigarettes.

Bengal's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The health warnings on the revised sample packaging submitted with your 2000 plan, and with your July 9, 2000 and July 12, 2000 letters, appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Bengal's plan for the Park brand is hereby approved. This approval is effective on the date of this letter and ends on January 2, 2002. Approval of the plan is contingent on its good faith implementation. We may **ask** for information demonstrating proper implementation of the plan.' The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

Sincerely,

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.



Liggett Group Inc.

700 West Main Street, Durham, NC 27702 (919)683-8800

Law Department

TELEFAX: (919) 683-9927

October 11,2000

VIA: FEDERAL EXPRESS

C. Lee Peeler, Assistant Director
Division of Advertising Practices
Federal Trade Commission
Room 4005
601 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Mr. Peeler:

Pursuant to Section 4(c) of the Federal Cigarette Labeling and Advertising Act (the "Act"), Liggett Group Inc. hereby applies for simultaneous rotation of the four warnings required by the Act, to be implemented in accordance with Section 2(d) of the Liggett Group Inc. Label Statement Rotation Plan, as approved by the Federal Trade Commission (the "Commission") on September 19, 1985. This application is for the period beginning January 1,2001 and ending December 31, 2001, and it covers **all** Liggett brand styles. In support of this application, enclosed is the affidavit of Ronald J. Bemstein, President, with attachments.

As I am sure you can appreciate, the information contained in Exhibit "B" to Mr. Bernstein's affidavit is confidential and proprietary business information of Liggett. We ask that this information be kept confidential by the Commission, pursuant to its applicable rules and procedures.

If you have any questions or require any additional information, please let me know.

Very truly yours,

Clara E. Weaver
Legal Assistant

Encls.

STATE OF NORTH CAROLINA

COUNTY OF DURHAM

AFFIDAVIT OF RONALD J. BERNSTEIN

Ronald J. Bernstein, being duly **sworn**, deposes and says:

1. I am President of Liggett Group Inc. ("Liggett"), a corporation organized and existing under the laws of the State of Delaware.

2. The information contained in this affidavit and in Exhibits "A" and "B" hereto was collected and recorded by certain Liggett employees at my direction and under my supervision.

3. On or about August **31, 1985**, Liggett filed its "Label Statement Rotation Plan" (the "Liggett Rotation Plan"), pursuant to **Section 4(c)** of the Federal Cigarette Labeling and Advertising Act (the "Act"). On or about September **19, 1985**, the Federal Trade Commission approved the Liggett Rotation Plan.

4. Under Section 4(c)(2)A of the Act and Section 2(d) of the Liggett Rotation Plan, the Surgeon General's Warning on the packaging of a particular brand style may be rotated on a continuous basis **if (1)** the brand style had sales volume of less than one quarter of one percent of the total United States cigarette market in the last fiscal year and **(2)** more than one half of the brand styles manufactured by Liggett had less than one quarter of one percent of the total United States cigarette market in the last fiscal year. Liggett's last fiscal year ran from January **1, 1999** to December **31, 1999**.

5. Attached to this affidavit as Exhibit "A" is a copy of a portion of The Maxwell Consumer Report for the calendar year 1999. This report shows that [REDACTED] [REDACTED] cigarettes were sold in the United States during calendar year 1999. One quarter of one percent of [REDACTED] is [REDACTED]. Accordingly, Liggett brand style cigarettes with less than [REDACTED] units in sales in 1999 are eligible for continuous rotation.

6. Attached to this affidavit as Exhibit "B" is a list showing the unit sales of each brand style manufactured and sold by Liggett in the United States during the fiscal year January 1 to December 31, 1999. Exhibit "B" shows that there is no brand style manufactured by Liggett during the **fiscal** year which had sales greater than one quarter of one percent of the total United States cigarette market.


7. By virtue of the foregoing, Liggett is eligible to apply for continuous rotation of the required label statements as provided in Section 2(d) of the Liggett Rotation Plan.

LIGGETT GROUP INC.

By: 

Ronald J. Bernstein, President

Sworn to and subscribed before me,
this 11th day of October, 2000.



Notary Public

My commission expires September 29, 2005.



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

Division of Advertising Practices

January 4, 2001

Ms. ~~Clara~~ E. Weaver
Legal Assistant
Liggett Group, Inc.
100 Maple Lane
Mebane, NC 27302

Dear Ms. Weaver:

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 Liggett Group, Inc. ("Liggett") on October 11, 2000 calling for the simultaneous display of the four health warnings on the cigarette packaging of the Always Save, Brand Marketing, Canyon, Class A, Covington, Eagle, Epic, Eve, Grand Prix, Kingsport, Liggett Select, Meridian, Montego, Omni, Perfect Blend, Picayune, Pyramid, Quality, Ralph's Grocery, Stater Bros., Shur Fine, Sincerely Yours, Smoker Friendly, Tourney, and Yours brands of cigarettes.

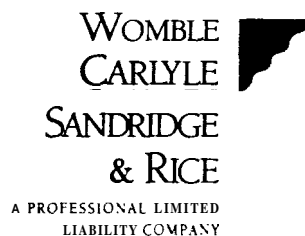
Liggett's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. Liggett's plan for the Always Save, Brand Marketing, Canyon, Class A, Covington, Eagle, Epic, Eve, Grand ~~Prix~~, Kingsport, Liggett Select, Meridian, Montego, Omni, Perfect Blend, Picayune, Pyramid, Quality, Ralph's Grocery, Stater Bros., Shur Fine, Sincerely Yours, Smoker Friendly, Tourney, and Yours brands of cigarettes is hereby approved.¹ This approval is effective on the date of this letter and ends on January 3, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.²

Sincerely,

C. Lee Peeler
Associate Director

¹ The warnings on the packaging of Yours Filter Lights and Yours Nonfilter brand styles are not sufficiently conspicuous, and therefore these brand styles are not approved. If Liggett should decide to sell the above-mentioned brand styles, Liggett should submit a supplemental plan covering these brand styles, along with revised packaging showing warnings of sufficient contrast.

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.



One Atlantic Center
1201 West Peachtree Street
Suite 3500
Atlanta, GA 30309

Telephone: (404) 872-7000
Fax: (404) 888-7490
Web site: www.wcsr.com

Everett W. Gee 111

Direct Dial: (404) 888-7455
Direct Fax: (404) 870-4838

Internet Address:
EGee@wcsr.com

January 5, 2001

Via Federal Express

Associate Director of Advertising Practices
Federal Trade Commission
FTC Satellite Building
601 Pennsylvania Avenue, NW
Room 4002
Washington, D.C. 20580

Re: FTC Health Warning Rotation Plan for S&M Brands,
Cigarettes and Tahoe Cigarettes

To Whom It May Concern:

The undersigned represents S&M Brands, Inc., a Virginia corporation doing business as Bailey's Cigarettes and Tahoe Cigarettes. S&M Brands, Inc. started production on August 19, 1994, with solely the Bailey's brand. Since that time, S&M Brands, Inc. has filed its Advertising and Packaging Health Warning Plan with the FTC, including submitting its packages and advertising materials. This plan was first approved through December 31, 1995, by Associate Director C. Lee Peeler of the Division of Advertising Practices. S&M Brands, Inc. **has obtained** approval for each subsequent year. As a small, start-up manufacturer, under **our** reading of applicable law, S&M Brands, Inc. has qualified (and we believe still qualifies) to have a plan for the warnings on cigarette packages that would constitute the simultaneous display of the four health warnings on cigarette packaging. S&M Brands, Inc. will equalize the warnings on the packs and cartons for each brand style throughout the year.

The packaging materials have not changed for its Bailey's brand. S&M Brands, Inc., now produces a Tahoe brand. Enclosed are package and carton exemplars for Tahoe. I trust you will find the Tahoe brand likewise meets federal law as to conspicuousness of the warnings.

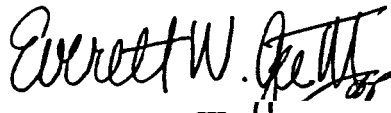
S&M Brands, Inc. will produce approximately [REDACTED] cartons of cigarettes for this calendar year 2000 (both brands). The best estimate for 2001 is that S&M Brands, Inc. will produce [REDACTED] cartons of cigarettes (both brands). If this takes S&M Brands, Inc. outside of the exemption for the rotation plan, which I do not believe that it does, please let me know and we will amend this rotation plan to whatever your department and the law requires.

As to advertising, **as** in previous years, S&M Brands, Inc. would like to maintain its rotation plan. We are adding the Tahoe brand to this plan and are rotating warnings according to the schedule attached. The warning applied to advertising depends on when the advertising materials are ordered. We have in prior years provided **your** department with a picture of an example of billboards and point of sale materials to show the FTC that S&M Brands, Inc. is meeting the conspicuous requirement on the health warnings. Please let me know if you need to see any of the advertising materials or **packaging** this year, which has remained consistent **from** last year. We are mindful of **our** responsibilities to the FTC and stand ready to cooperate fully. We have shipped to you under separate cover Tahoe packs and cartons.

Thank you so much for your attention to this matter. Please feel free to call the undersigned if you have any questions.

Yours very truly,

WOMBLE CARLYLE SANDRIDGE & RICE, PLLC


Everett W. Gee III

EWG:eb

Enclosure

cc: Mr. Malcolm L. Bailey (w/encl.)
Mr. Steven A. Bailey (w/encl.)

S&M BRANDS, INC. D/B/A BAILEY'S CIGARETTES
Route 3, Box 90
Keysville, Virginia 23947

**ROTATION PLAN FOR
CIGARETTE PACKAGES AND CARTONS**

Since Bailey's qualifies under § 4(c)(2) of the Cigarette Act as a low volume manufacturer, it desires to display the four (4) required warning labels on the packs and cartons of each brand style of cigarettes an equal number of times within a twelve (12) month period.

S&M BRANDS, INC. D/B/A BAILEY'S CIGARETTES
Route 3, Box 90
Keysville, Virginia 23947

ROTATION PLAN FOR
ADVERTISING AND PROMOTIONAL MATERIALS

Bailey's Brand

First Quarter	C
Second Quarter	D
Third Quarter	A
Fourth Quarter	B

Tahoe Brand

First Quarter	B
Second Quarter	A
Third Quarter	D
Fourth Quarter	C

The warnings are as follows:

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

Selected packaging samples from those
submitted with the **plan**.

TAHOE

*Quality
American Blend*

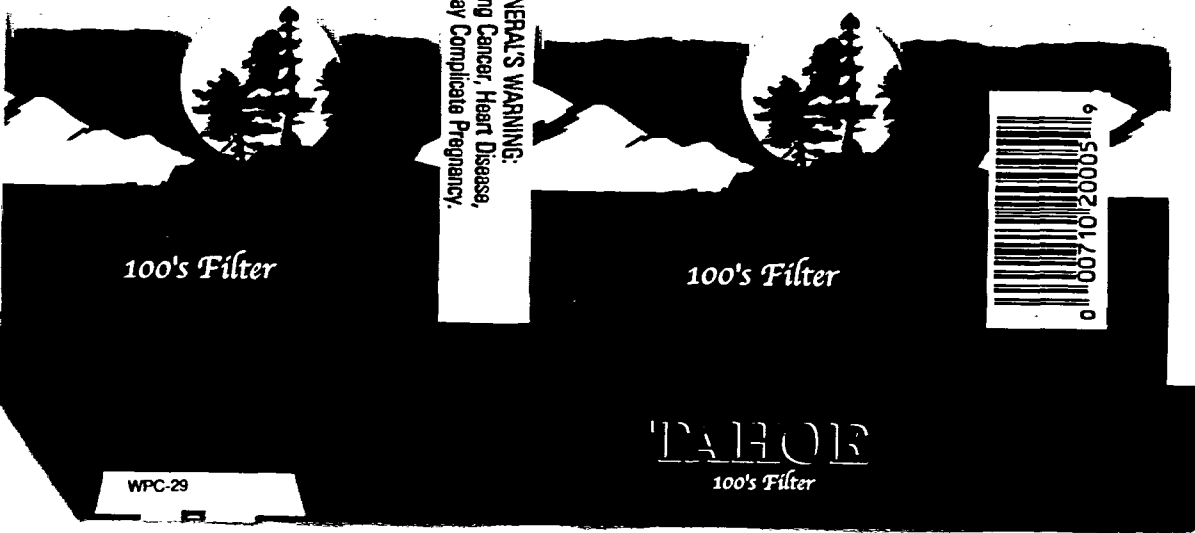
UNDERAGE SALE
PROHIBITED

TAHOE

*Quality
American Blend*

S&M Brands, Incorporated
3602 Ontario Road
Keysville, Virginia 23947
20 Class A Cigarettes

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



100's Filter

100's Filter

TAHOE

100's Filter

WPC-29

0 100710 20005 119

TAHOE

Quality American Blend



Menthol Kings



TOLE

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

Menthol Kings



Quality American Blend

TAHOE



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

Division of Advertising Practices

January 8, 2001

Everett W. Gee, III, Esq.
Womble, Carlyle, Sandridge & Rice
One Atlanta Center
1201 West Peachtree Street, Suite 3500
Atlanta, GA 30309

Dear Mr. Gee:

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 S&M Brands, Bailey's Cigarettes and Tahoe Cigarettes ("S&M") on January 5, 2001, calling for the simultaneous display of the four health warnings on packaging of the Bailey's and Tahoe brands of cigarettes, and for quarterly rotation of the health warnings in advertising for the Tahoe brand.

I previously approved your January 5, 1995 plan for the quarterly rotation of the four health warnings in advertising for the Bailey's brand. Your January 5, 2001 plan calls for the expansion of your advertising plan to include the Tahoe brand. The extension of your advertising plan to include the Tahoe brand has been approved. Approval of the advertising plan assumes that the plan is implemented in good faith.

S&M's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The packaging of the Bailey's brand submitted with S&M's letter of December 9, 1998, and the packaging of the Tahoe brand submitted on December 28, 2000 appear to comply with the size and conspicuousness requirements of the Cigarette Act. S&M's plan for the display of the health warnings on packaging of the Bailey's and Tahoe Brands is hereby approved. This approval is effective on the date of this letter and ends on January 7, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.¹

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,

A handwritten signature in cursive script, 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.

ANDREW M. PARISH, P.A.

ATTORNEYS AT LAW
TRADE CENTRE SOUTH - SUITE 930
100 WEST CYPRESS CREEK ROAD
FORT LAUDERDALE, FLORIDA 33309 - 2181

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MIAMI LINE: (305) 445-1667
AFTER HOURS: (305) 944-9843

REPLY TO: BROWARD / PALM BEACH OFFICE

MIAMI OFFICE

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

GROUP OFFICES

CLEVELAND
W S ANGELES
NEW YORK
WASHINGTON, D.C.
CHICAGO

ANDREW M. PARISH +

NEVILLE ASHERSON +++
BERNARD C. PESTCOE **
MARTIN S. HORWITZ +++++
F. PAUL MALOOF ***
WILLIAM H. NEWTON, 111.
JAMES W. SCHULTZ **
STEPHEN Y. ZELMAN *****
OF COUNSEL

(ADMITTED D.C., FLA., N.Y.) +
(ADMITTED CALIF.) +++
(ADMITTED OH.) +++++
(ADMITTED FLA.) **
(ADMITTED D.C., YD., VA.) ***
(ADMITTED D.C., N.Y.) *****
(ADMITTED FLA., MISS., TX.) +
(ADMITTED ILL.) **

January 16, 2001

**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 Center, Inc.
For Calendar ~~Year~~ **2001** for Coronas and Palace Brand Cigarettes

Gentlemen:

Tobacco Center, Inc. hereby submits a Surgeon **General** Rotation Plan as required under the ~~Federal~~ Cigarette Labeling and Advertising Act of 1984 (15 U.S.C. §1331, et seq. (1998)), as amended. John Alexander is the **Vice** President of the applicant, and the corporate address for the company is Tobacco Center, Inc., 6795 N.W. 87th Avenue, **Miami**, Florida 33178. The cigarettes covered by the proposed Plan are the following foreign manufactured Coronas and Palace brand style cigarettes, which include health warnings complying with the Surgeon General's warning

C. Lee Peeler
Associate Director
Division of Advertising Practices
Federal Trade Commission
January 16, 2001
Page 2

language set forth in the statute: Coronas Full-flavor Kings **Box**, Coronas Full-flavor Kings **Soft**, Coronas Full-flavor **100's** Box, Coronas Full-flavor **100's Soft**, Coronas Light King **Box**, Coronas Light King **Soft**, Coronas Ultra-Light 100's **Soft**, Coronas Light **100's Soft**, Coronas Ultra-Light Kings **Box**, Coronas Ultra-Light Kings **Soft**, Coronas Menthol Kings **Box**, Coronas Menthol Kings **Soft**, Coronas Menthol **100's Soft**, Coronas Menthol Lights Kings **Soft** and Coronas Menthol Lights **100's Soft**, Palace Full-flavor Kings **Box**, Palace Full-flavor Kings **Soft**, Palace Full-flavor 100's **Soft**, Palace Light King Box, Palace Light King **Soft**, Palace Light 100's **Soft**, Palace Ultra-Light Kings **Box**, Palace Menthol Kings **Box**, Palace Menthol Kings **Soft**, and Palace Menthol **100's Soft**.

The required warnings will be printed directly on the packs and cartons and in a conspicuous location as required under the Cigarette Labeling and Advertising Act ("CLAA"). The warnings will appear on the packs and cartons exactly as shown on the sample packs and cartons to be provided under separate cover.

The Company will rotate the Surgeon General's Health Warnings on a quarterly basis on the Coronas and Palace brand cigarettes using the following schedule:

Coronas:

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

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

C. Lee Peeler
Associate Director
Division of Advertising Practices
Federal Trade Commission
January 16, 2001
Page 3

Third Quarter Warning: **SURGEON GENERAL'S WARNING:**
Smoking By Pregnant Women May Result in ~~Fetal Injury~~, Premature ~~Birth~~ And Low Birth
weight.

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

Palace:

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

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

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

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

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

We submit that the foregoing complies with the requirements set forth in the Federal
Cigarette ~~Labeling~~ and Advertising Act, ~~as~~ amended and request ~~expedited~~ approval of ~~this~~
request. Records ~~will~~ be ~~maintained~~ at the corporate ~~office~~ evidencing compliance with ~~this~~ Plan.

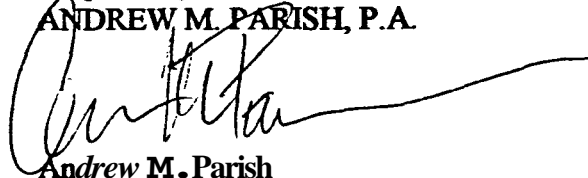
Should ~~this~~ request ~~conform~~ to your requirements, we request that the letter evidencing

approval be faxed to the undersigned.

C. Lee Peeler
Associate Director
Division of Advertising Practices
Federal Trade Commission
January 16, 2001
Page 4

Your cooperation in this matter is appreciated.

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

A handwritten signature in black ink, appearing to read "Andrew M. Parish", with a long horizontal flourish extending to the right.

Andrew M. Parish

AMP/smb

cc: John Alexander, Vice President
Tobacco Center, Inc.

Selected **packaging** samples from those
submitted with the plan.

CLASS A
20
CIGARETTES



UNDERAGE
SALE
PROHIBITED



CORONAS

CORONAS

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

CORONAS

11
22189
A

KING SIZE
FILTER

ORIENTAL & VIRGINIA



KING SIZE
FILTER

ORIENTAL & VIRGINIA

MADE IN SPAIN
BY CITA



0 614436 50073

CORONAS

REG. U.S. PAT. & TM. OFF.
GD - 1

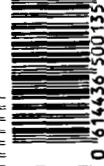
SURGEON GENERAL'S WARNING:
Smoking By Pregnant Women May
Result in Fetal Injury, Premature
Birth, And Low Birth Weight.

CORONAS
AMERICAN BLEND

CORONAS
ULTRA LIGHTS
AMERICAN BLEND



ULTRA LIGHTS



MADE IN SPAIN
BY CITA



CORONAS
ULTRA LIGHTS

C

ULTRA LIGHTS

22175

AMERICAN BLEND
CORONAS



CORONAS
ULTRA LIGHTS

3

UNDERAGE
SALE
PROHIBITED



CLASS
20
CIGARETTES

CORONAS

CORONAS

CORONAS

CORONAS

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

CLASS A
200 CIGARETTES
FILTER

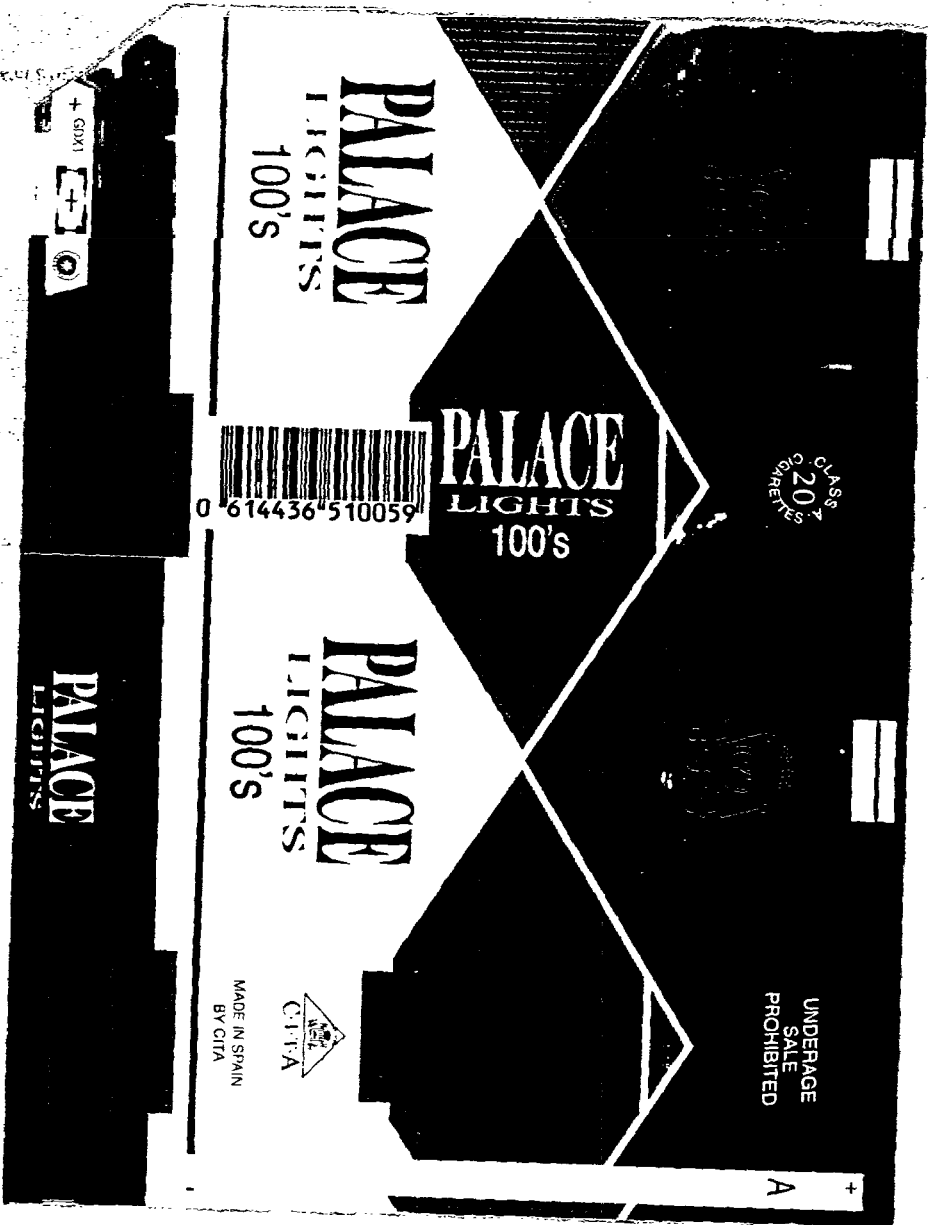
UNDERAGE
SALE
PROHIBITED



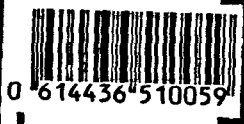
MADE IN SPAIN BY CITA

FULL FLAVOR





PALACE
LIGHTS
100's



PALACE
LIGHTS
100's

PALACE
LIGHTS
100's

MADE IN SPAIN
BY CITA



PALACE
LIGHTS

CLASS A
20
CIGARETTES

UNDERAGE
SALE
PROHIBITED

A

GLASS 20 ml
UNDERAGE SALE PROHIBITED

GDXX 16
PALACE FULL FLAVOR



PALACE FULL FLAVOR

PALACE FULL FLAVOR
A

PALACE FULL FLAVOR
C-I-T-A
MADE IN SPAIN OF CITA
SURGEON GENERAL'S WARNING:
Smoking Causes Lung Cancer,
Heart Disease, Emphysema,
And May Complicate Pregnancy.



PALACE FULL FLAVOR

PALACE

ULTRA LIGHTS

PALACE

ULTRA LIGHTS

PALACE

ULTRA LIGHTS

PALACE

ULTRA LIGHTS

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

0 004436 510127



UNDERAGE
SALE
PROHIBITED

PALACE
ULTRA LIGHTS

PALACE
ULTRA LIGHTS

PALACE
ULTRA LIGHTS



FOX

ULTRA LIGHTS

PALACE

CLASS A
200 CIGARETTES
FILTER

MADE IN SPAIN BY CITA

AMERICAN FLAVOR



Division of Advertising Practices

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

January 17, 2001

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 Center, Inc. ("Tobacco Center") on January 16, 2001, calling for quarterly rotation of the four health warnings on packaging of certain styles of the Corona and Palace brands of cigarettes specified in the plan.

On September 5, 2000, I approved Tobacco Center's plan for advertising the Corona and Palace brands, however, advertisements submitted with Tobacco Center's letters of December 15, 2000 did not comply with that plan or with the Cigarette Act. In your letter of January 16, 2001 you now state that Tobacco Center will not be advertising.¹ If Tobacco Center intends to advertise in the future it must resubmit an advertising plan that complies with the Cigarette Act.

The health warnings on the sample packs and cartons **of** the Corona and Palace brands submitted with your letter of December 15, 2000 appear to meet the requirements of the Cigarette Act for size and conspicuousness.² Your plan for the brand styles of Corona and Palace specified in your plan **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.

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.

² The packs of Corona Light **Box 100's** brand style do not meet the Act's requirements for conspicuousness, however, you have withdrawn this style from your plan. This approval does not pertain to the Corona Light **Box 100** brand style.

Andrew M. Parish, Esq.
January 17, 2001
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 black ink, appearing to read "C. Lee Peeler". The signature is fluid and cursive, with a large initial "C" and a long, sweeping underline.

C. Lee Peeler
Associate Director

GILBERT, SEGALL AND YOUNG LLP
430 PARK AVENUE

NEW YORK, NEW YORK 10022-3592

(212) 644-4000

FACSIMILE: (212) 644-4051

WEB SITE: www.gsy.com

ASIANAJOTOIMISTO
GILBERT, SEGALL AND YOUNG OY
POHJOISESPLANADI 33
00100 HELSINKI FINLAND
358-9-6841-520
FACSIMILE: 358-9-6841-5252

THOMAS SILEIGER
JEFFREY A. AROUH
MARTIN P. MINER
KENNETH J. STUART
RUTH L. LANSNER
ROBERT S. ROBBIN
H. EARRY VASIOS
HARVEY P. MILMAN
DANIEL L. KURTZ
NEAL N. BEATON
JEFFREY E. LIVINGSTON
MITCHELL J. GELLER
MICHAEL J. STUDENT
DAVID D. HOWE
ARTHUR E. ROSENEERG
MARK STONE
SARAH E. PAUL

PHIL E. GILBERT JR.
COUNSEL EMERITUS
HAROLD A. SEGALL
ROBERT E. YOUNG
SENIOR COUNSEL

ROBERT M. RAIVES
DAVID C. REYNOLDS
MILTON P. KAYLE
STEPHEN A. LINDE
LISA J. EPOCHNER
ANTHONY J. HARWOOD
COUNSEL

PERTTI J. RIPATTI
FINNISH COUNSEL
MEMBER OF THE BAR OF FINLAND
NOT ADMITTED IN NEW YORK

MARK W. SMITH
TIMOTHY E. FROESSEL
EMMA C. SOLAUN
SEAN C. SHEELY
TARA L. VANCE
JASON A. LAWIT
NISA L. OJALVO
J.J. LEITNER

January 16, 2001

WRITER'S DIRECT D I M NUMBER

(212) 644-4010

VIA FEDERAL EXPRESS

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

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

Dear Mr. Peeler:

On behalf of Japan Tobacco Inc. and its U.S. importer, Japan Tobacco International U.S.A., Inc., and others affiliates (collectively "Japan Tobacco"), we submit a revised application pursuant to Section 4(c)(2) of the Federal Cigarette Labeling and Advertising Act, as amended (the "Act") seeking approval, effective for the one-year period beginning January 1, 2001, for Japan Tobacco to continue to display the warning labels specified in Section 4(a)(1) of the Act on packages and cartons of cigarettes in the manner provided in Section 4(c)(2)(C) of the Act, as provided in paragraph 2(b) of the Label Statement Rotation Plan of Japan Tobacco submitted to the Federal Trade Commission on August 28, 1985 (the "Plan"). as subsequently amended, and approved on October 11, 1985 and as of January 1,

Mr. C. Lee Peeler
January 16, 2001
Page 2

1993, January 1, 1994, January 1, 1995, January 1, 1996, January 1, 1997, January 1, 1998, and January 1, 1999, which approval was most recently renewed effective January 7, 2000 for the ensuing one-year period ended December 31, 2000.

We also submit herewith two copies of a further revised Amendment No. 5 to the Plan executed on behalf of Japan Tobacco which, upon approval by the Federal Trade Commission, would set forth the label statement rotation applicable to advertisements for brands of cigarettes for sale or distribution in the United States. Attached to such amendment is a further revised Schedule A to the Plan for such advertisements.

The above Amendment No. 5 no longer incorporates into Japan Tobacco's Plan the "Export A" brand styles, and is limited to brands and brand styles for which the Plan has been previously approved. The "Export A" brand styles, for which its own rotational warning application had been filed in previous years by RJR-Macdonald Corp. of Canada, which is now known as JTI-Macdonald Corp., and is an indirect subsidiary of Japan Tobacco Inc., were incorporated into our applications dated November 21, 2000 and December 27, 2000. Ms. Sally Schools of your office requested samples of cartons (as well as the previously submitted packages) for the "Export A" brand styles. However, such cartons are not currently available for these brand styles (which are only imported into the U.S. infrequently and in small volumes) and Japan Tobacco is being prevented from importing its other brands due to lack of a currently effective Plan approval. Accordingly, Japan Tobacco has determined that it will seek to incorporate such brand styles into its Plan only at a later date when carton samples are available and imports are planned.

In support of Japan Tobacco's application for renewal of Federal Trade Commission approval of its simultaneous display plan for packages and cartons, we submit herewith a revised sworn affidavit of Mr. Thomas Hirshfield, President of Japan Tobacco International U.S.A., Inc., importer of the brands covered thereby, which affirms that the cigarettes sold by Japan Tobacco continue to comply with the two-tiered test in Section 4(c)(2) of the Act.

If you should have any questions in connection with this application, please call me at (212) 644-4010.

Mr. C. Lee Peeler

January 16, 2001

• Page 3

Since Japan Tobacco has inventory which is being held up at Customs due to a lack of a currently effective Plan approval, we respectfully request your consideration on an expedited basis, and further request that, upon approval, a fax copy of the letter confirming such approval be sent to my attention at (212) 644-4051. **Thank** you for your continued cooperation in this matter.

Very truly yours,



Neal N. Beaton

Enclosures

cc: Mr. Thomas Hirshfield
Mr. Hiroshi Kandori
Bruno Duguay, Esq.

**Amendment No. 5 to
Label Statement Rotation Plan
of Japan Tobacco
Pursuant to Section 4(c) of the
Federal Cigarette Labeling and Advertising Act (as amended)**

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

1. Schedule A to the Plan setting forth the label statement rotation applicable **to** advertisements is deleted in its entirety and is replaced by a revised Schedule A attached hereto for advertisements;
2. Packages and cartons for all brand styles are the same **as** previously submitted to and approved by the Federal Trade Commission; and

3. Except ~~as~~ amended hereby, the Plan (including the application for each of the warnings labels to appear on the packages and cartons of each brand style of cigarettes an equal number of times during each calendar year) shall remain in **full** force and effect and, except ~~as~~ so amended, is hereby ratified, confirmed and approved.

Submitted this 3rd day
of January, 2001

Japan Tobacco International U.S.A., Inc.

By: *Thomas Hirshfield*
Thomas Hirshfield
President

Approved this ____ day
of January, 2001

Federal Trade Commission

By: _____
Title

JAPAN TOBACCO

SCHEDULE A

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

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

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

JAPAN TOBACCO

SCHEDULE A
(Continued)

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

No New Brand Styles

	<u>Brand I</u> (Wave Ultra Lights)	<u>Brand J</u> (Wave Lights)	<u>Brand K</u> (Wave 100)	<u>Brand L</u> (Wave Lights 100)	<u>Brand M</u> (Wave 100 Menthol)	<u>Brand N</u> (Wave Menthol Lights 100)	<u>Brand O</u> (Wave Lights Menthol)	<u>Brand P</u> (Wave Ultra Lights 100)
1st Calendar Quarter	Statement 2	Statement 3	Statement 4	Statement 1	Statement 2	Statement 3	Statement 4	Statement 1
2nd Calendar Quarter	Statement 3	Statement 4	Statement 1	Statement 2	Statement 3	Statement 4	Statement 1	Statement 2
3rd Calendar Quarter	Statement 4	Statement 1	Statement 2	Statement 3	Statement 4	Statement 1	Statement 2	Statement 3
4th Calendar Quarter	Statement 1	Statement 2	Statement 3	Statement 4	Statement 1	Statement 2	Statement 3	Statement 4

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

AFFIDAVIT OF JAPAN TOBACCO INTERNATIONAL U.S.A., INC.
PURSUANT TO SECTION 4(c)(2)(A) OF THE
FEDERAL CIGARETTE LABELING AND ADVERTISING ACT
[15 U.S.C. §1333(c)(2)(A)]

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

Thomas Hirshfield, being duly sworn, deposes and says:

1. I am President of Japan Tobacco International U.S.A., Inc. (collectively with its ultimate parent company, Japan Tobacco Inc. and all of Japan Tobacco Inc.'s direct and indirect subsidiaries, "Japan Tobacco") and make this affidavit on behalf of Japan Tobacco pursuant to Section 4(c)(2)(A) of the Federal Cigarette Labeling and Advertising Act, as amended (the "Act"), in support of the application of Japan Tobacco for Federal Trade Commission approval to display the warning labels specified in Section 4(a)(1) of the Act on packages and cartons of cigarettes manufactured by Japan Tobacco for the one-year period beginning January 1, 2001, as provided in paragraph 2(b) of the Label Statement Rotation Plan of Japan Tobacco submitted to the Federal Trade Commission on August 28, 1985 and as subsequently amended, and approved on October 11, 1985 and as of January 1, 1993, January 1, 1994, January 1, 1995, January 1, 1996, January 1, 1997, January 1, 1998, and January 1, 1999, which approval was most recently renewed on January 7, 2000 effective for the one year period ending December 31, 2000.

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

manufactured by Japan Tobacco for sale in the United States are packaged into brand styles which meet the requirements of clause (i).

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

IN WITNESS WHEREOF, I have hereunto signed **my** name this 18th day of January, 2001.

Thomas Hirshfield

Thomas Hirshfield
President

Sworn to before me this
18th day of January, 2001.

Karen M. Fleetwood

Notary Public





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

Division of Advertising Practices

January 19, 2001

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

Dear Mr. Beaton:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(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 Japan Tobacco, Inc. and Japan Tobacco International U.S.A., Inc. (collectively "Japan Tobacco") on January 16, 2001, calling for the simultaneous display of the four health warnings on the packs and **cartons** of the Wave, Mild Seven, Seven Stars, Cabin Mild and Caster Mild brands of cigarettes, along with a revised supplemental affidavit dated January 18, 2001.

Japan Tobacco's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The health warnings on the sample packaging submitted with your December 22, 1998 letter appear **to** comply with the requirements of the Cigarette Act for size and conspicuousness. Japan Tobacco's plan for the Wave, Mild Seven, Seven **Stars**, Cabin Mild and Caster Mild brands is hereby approved. This approval is effective on the date of this letter and ends on January 18, 2002. Approval of the plan is contingent on its good faith implementation. We may **ask** for information demonstrating proper implementation of the plan.¹ The Cigarette Act provides that **any** person who violates its provisions is guilty of a misdemeanor.

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

Sincerely,

A handwritten signature in cursive script, 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.



Manufacturer and Importer
of Bronco Cigarettes

January 10, 2001

C. Lee Peeler
Associate Director/ Division of Advertising Practices
FEDERAL TRADE COMMISSION
FTC HEADQUARTERS SATELLITE BUILDING
601 Pennsylvania Ave., NW Washington, DC 20580
Phone # 202-326-3344 Fax @202-326-3259

RE: Plan for Compliance with the Federal Cigarette Labeling and Advertising
Act. 15 U.S.C.

Dear Mr. Peeler,

This letter shall serve as formal notice to the Federal Trade Commission regarding
SUN TOBACCO's "plan" for 2001 to Manufacture and Import the "BRONCO" line of
cigarettes in hard pack form in the following three styles: 1) Full Flavor
2) Lights 3) Menthol.

In Compliance with Section 1333 (c) (2), SUN TOBACCO, choose to display the four
Surgeon General Warnings an equal number of times during the calendar year 2001
on packs and cartons of each brand style. The company will ensure that all four
warnings will appear exactly as shown on the sample packs and cartons submitted
with SUN TOBACCO's Letter of April 18, 2000.

SUN TOBACCO will continue to maintain sufficient records to demonstrate compliance
with this plan.

SUN TOBACCO's 2000 sales did not exceed [REDACTED] sticks for any one brand style.
We are not anticipating to exceed [REDACTED] sticks for any one brand style for
2001 from the date of approval of this plan.

Sincerely,

Thomas O'Connell
President
Sun Tobacco



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

Division of Advertising Practices

January 22, 2001

Mr. **Thomas** O'Connell
President
Sun Tobacco
1674NW 17* Avenue
Miami, FL 33125

Dear Mr. O'Connell:

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 **Sun** Tobacco dated January 10, 2001 calling for the simultaneous display of the four health warnings on packaging of the Bronco brand of cigarettes.

Sun Tobacco's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The health warnings on the sample packs and cartons of the Bronco brand submitted with your April 18, 2000 letter appear **to** meet the requirements of the Cigarette Act for size and conspicuousness. Sun Tobacco's plan for the Bronco brand of cigarettes has been approved. This approval is effective on the date of **this** letter and ends on January 21, 2002. 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.

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".

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.

CAROLINA TOBACCO COMPANY

Seventh & Franklin
701 East Franklin Street
Suite 1200
Richmond Virginia. 23219
(Liaison Office)
Tele: 503 244 5313 Fax: 503 244 0550

January 18,2001

Mr. Michael Ostheimer
Ms. Sallie Schools
Division of Advertising Practices
Federal Trade Commission
601 Pennsylvania Avenue, N.W.
Room 4001
Washington, D.C. 20580

RE: Carolina Tobacco Company's Surgeon General Rotation Plan for year 2001, as required under the Federal Cigarette Labeling and Advertising Act of 1964 (15 USC 1331 (1997), et seq).

Pursuant to our need for a Compliance Letter from the Federal Trade Commission, our *firm* hereby submits CAROLINA TOBACCO COMPANY's Surgeon General Rotation Plan as required under the Federal Cigarette Labeling and of 1964, (15 USC 1331 (1997), et seq.). The cigarettes covered by the proposed Plan will be manufactured in the country of Latvia, in the original manufacturer's packaging, which includes health warnings complying with the Surgeon General warning language set forth in the statute.

The brand name to be covered by this Plan is Roger which will be manufactured in (A) Full Flavor King Size Filter Box, 84mm, (B) King Size Filter Light Box, 84mm, (C) Full Flavor King Size Filter Menthol Box, 84mm., (D) Full Flavor Filter Box, 100mm, (E) Light Filter Box, 100mm, (F) Ultra Light Filter Box, 100mm (G) Full Flavor Menthol Box, 100mm, and (F) Light Menthol Box, 100mm. A master case of cigarettes contains fifty (50) individual cartons, each carton in turn containing 10 packages of cigarettes, for a total of ten thousand (10,000) cigarettes per master case.

All Surgeon General's health warnings will appear exactly as shown on the ROGER sample packs and cartons submitted with our letter dated January 11,2001.

Carolina Tobacco Company submits that the number of cigarettes sold in the United States during the calendar year 2000 were a total for all brand styles of [REDACTED] sticks. Carolina Tobacco Company submits the number of cigarettes to be sold in the United States during the calendar year 2001 to be a total for all brand styles of no more than [REDACTED] cartons of 10 packs [REDACTED]

Page two

The second part of the test, brand packaging, meaning that more than one-half of the cigarettes manufactured or imported by such manufacturer or importer for sale in the United States are packaged into brand styles that meet the one-fourth of one percent rule set forth above, will also be met since all of the cigarettes imported by Carolina Tobacco will be packaged into brand style where the quantities of brand sales are below the one quarter of one percent requirement.

As a small importer by virtue of the information set forth above, and **as** classified under the Act, Carolina Tobacco Company submits **as** its Plan that the warnings specified in the 15 USC 1333 (a)(1)(1997) shall appear on the packs and cartons of each brand style of cigarettes, with respect to which the application is approved, **an** equal number of times within the calendar year.

Carolina Tobacco requests approval of the Plan Application to provide an Alternative **to** the quarterly rotation of the warnings on the packs and cartons. Individual packs and cartons will bear the original warnings, printed by the foreign manufacturer. The warning statement on the packages and cartons will be rotated to ensure that the four statutorily mandated warnings set forth in 15 USC 1333(a)(1) will be printed on each pack and carton by the manufacturer, for each brand style, in a manner equalizing the four mandatory warnings within the calendar year. This will ensure that the four warning statements will appear an equal number of times per year on both the packs and cartons of each brand, as required by statute and under the Plan.

We respectfully submit that the cigarettes imported by Carolina Tobacco Company will comply with the Alternative plan, insofar as all requirements set forth in Section 1333 will be met.

We understand and confirm that any person who plans to manufacture, package, or import for sale or distribution within the United States must **confirm** that each package must bear, in accordance with the requirements, one of the following warning statements:

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

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

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

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

Page three

■
Carolina Tobacco Company's Advertising Plan: Carolina Tobacco Company does not advertise. At this time, Carolina Tobacco Company does not intend to print or supply any advertising materials for the "ROGER" Brand cigarettes. If in the future, Carolina Tobacco Company is requested and agrees to provide any advertising materials, we will submit an Advertising Plan to your organization for approval prior to doing so.

We submit that the foregoing complies with the requirements set forth in the Federal Cigarette Labeling and Advertising Act, and Carolina Tobacco Company respectfully requests expedited written acknowledgement of receiving **this** Plan and an approval letter issued to Carolina Tobacco Company by fax with the original sent to the address in the paragraph below.

Our office shall be responsible for marketing and sales of the Roger products **as** imported. Records regarding compliance shall be kept at the address indicated below. Therefore, please remit all documentation and communications to:

**Kris Hewitt
Carolina Tobacco Company
5620 S.W. Dover Lane
Portland, Oregon, 97225
Tele: 503 244 5313, Fax: 503 244 0550**

Sincerely,



Kris Hewitt
Vice President & CFO
CAROLINA TOBACCO COMPANY

FILE:G:\ \FAX\FTCctcroger2001plan.doc

Selected packaging samples from those
submitted with the **plan**.

ROGER
ULTRA LIGHTS 100's



UNDERAGE
SALE
PROHIBITED

20 CLASS A
CIGARETTES

ROGER
ULTRA LIGHTS



ROGER
ULTRA LIGHTS 100's
MADE UNDER AUTHORITY OF CAROLINA TOBACCO
COMPANY, RICHMOND, VA
MADE IN ITALY

ROGER
ULTRA LIGHTS



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

100's

PREMIUM IMPORTED TOBACCO



100's

PREMIUM IMPORTED TOBACCO



ROGER
ULTRA LIGHTS 100's

1400072
ADP14
16/15

200 CLASS A CIGARETTES/20'S

BOX

ROGGER
ULTRA LIGHTS 100's
PREMIUM IMPORTED TOBACCO

ROGGER



ULTRA LIGHTS

100's

PREMIUM IMPORTED TOBACCO

ROGGER
ULTRA LIGHTS 100's

MADE UNDER AUTHORITY OF CAROLINA TOBACCO
COMPANY, RICHMOND, VA.
MADE IN LATVIA

PREMIUM IMPORTED TOBACCO

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

UNDERAGE
SALE
PROHIBITED





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

Division of Advertising Practices

January 22, 2001

Ms. Kris Hewitt
Carolina Tobacco Company
5620 SW Dover Lane
Portland, OR 97225

Dear Ms. Hewitt:

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 Carolina Tobacco Company ("Carolina Tobacco") on January 18, 2001, calling for the simultaneous display of the four health warnings on the packs and cartons of the Roger brand of cigarettes.

Carolina Tobacco'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 of the Roger brand submitted with your January 11, 2001 letter appear to comply with the size and conspicuousness requirements of the Cigarette Act. **Your** letter states that Carolina Tobacco will take steps to assure that the four warnings specified in the Cigarette Act appear on the individual packs and cartons of each Roger brand style an equal number of times during the year. Carolina Tobacco's plan for the Roger brand is hereby approved. This approval is effective on the date of this letter and ends on January 21, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.¹ The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

Sincerely,

A handwritten signature in black ink 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. 18U.S.C. § 1001.

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

4960 SW 72 Avenue, Suite 308, Miami, FL 33155

305666-3131 Fax: 305-666-1677

Email: canstar@bellsouth.net

January 23, 2001

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

Cigarette Health Warning Rotation Plan Submitted by CanStar USA, Inc.

Dear Mr. Peeler:

On behalf of our company, CanStar USA, Inc. ('Canstar') we submit our Surgeon General 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 that will be manufactured outside the USA and are produced to our specifications and are complete with the health warnings that comply with the Surgeon General warning language set forth in the statute.

The cigarettes covered by this plan are: 'MAXXIM' BRAND - Maxim full flavor 100mm soft; Maxim lights 100mm soft; Maxim ultra-light 100mm soft; Maxim menthol 100mm soft; Maxim light menthol 100mm soft. During the past two years, CanStar has imported [REDACTED] cartons and [REDACTED] master cases of cigarettes made outside the USA. We anticipate that the volume of cigarettes imported in 2001 will not exceed [REDACTED] and a [REDACTED] cartons (containing [REDACTED] cigarettes each) for any single brand style. During the past two years CanStar has not manufactured cigarettes in the USA and will not be manufacturing cigarettes in the USA during the next twelve month.

We respectfully submit that the cigarettes imported by CanStar qualify for the requested rotation plan insofar as all requirements set forth in section 1333 have been met. More specifically the one fourth of one percent requirement, meaning that the number of cigarettes of each brand style sold in the fiscal year of the manufacturer or importer preceding the submission of the application is less than one-fourth of one percent of all cigarettes sold in the United States, has been met as demonstrated by the quantity of cartons imported for sale. As a result, all of the brand styles qualify since all brand sales are below the one fourth of one percent requirement as set forth above.

CanStar proposes a rotation plan of the US Surgeon General's Health Warning for the Maxxim brand of cigarettes imported into and distributed in the United States. Under this plan, all four Surgeon General's Health Warnings will be equalized for the packs and cartons of each brand style we import. CanStar will monitor the production and maintain a log to ensure that the health warnings will be produced in such a manner **so as** to result in equal rotation of the four health warnings **within** each production lot for the US market. In addition, we will monitor production and importation to ensure that over the year covered by this plan, we will employ **an** equal number of the health warnings for each brand style.

The health warnings will appear exactly **as** they do in the samples provided. 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.

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


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

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

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

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

Respectfully submitted,
CanStar USA, Inc.



Paul **A.** Embury
Director

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

Ref.: FTC

Selected packaging samples from those
submitted with the plan.

MAXIM
U.S.A.



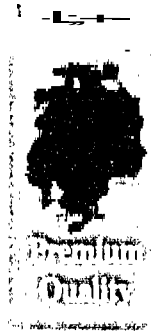
Lights
soft Pack
100's

UNDERAGE
SALE
PROHIBITED

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

ITABA
CGC 02 750 676 0001-28

MAXIM
U.S.A.



Lights
Soft Pack
100's

Lights
MAXIM
U.S.A.

Class "A"
20
Cigarettes

Under Authority of
Sterling Tobacco Dist. Corp.
Miami, Florida 33155
Made in Brazil





MAXIM

U.S.A.



MAXIM
U.S.A.



MAXIM
U.S.A.



Lights
Soft Pack
100's

Lights
Soft Pack
100's

Lights
Soft Pack
100's

100's

Under Authority of
Sterling Tobacco Dist. Corp.
Miami, Florida 33155
Made in Brazil

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

• B

&

M



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

Division of Advertising Practices

January 24, 2001

Mr. Paul A. Embury, Director
CanStar (U.S.A.), Inc.
4960 S W 72 Avenue, Ste. 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 on behalf of **CanStar** (U.S.A.), Inc. ("Canstar") on January 23, 2001 calling for the simultaneous display of the four health warnings on the packaging of the full flavor **100mm soft**, lights **100mm soft**, ultra-light **100mm soft**, menthol **100mm soft**, and light menthol **100mm soft** brand styles of the Maxxim brand of cigarettes.

CanStar'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 January 16, 2001 letter appear to comply with the requirements of the Cigarette Act for size and conspicuousness. CanStar's plan for the full flavor **100mm soft**, lights **100mm soft**, ultra-light **100mm soft**, menthol **100mm soft**, and light menthol **100mm soft** brand styles of the Maxxim brand is hereby approved. **This** approval is effective on the date of **this** letter and ends on January 23, 2002. Approval of the plan is contingent on its good faith implementation. We may ~~ask~~ for information demonstrating proper implementation of the plan.' The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

If 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

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. Paul A. Embury, Director

January 24, 2001

Page 2

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 large initial "C" and a long, sweeping underline.

C. Lee Peeler
Associate Director

Southern Tobacco, [

122 Caggiano Dr.

S.C. 29341

Tel: (864) 9 194

F (864) 488-38(

January 30th, 2001

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

Dear Ms. Winterson:

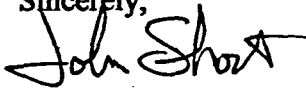
Southern Tobacco, Inc. located at **122 Caggiano Dr.** in Gaffney, **SC** would like to submit the following plan for the Golden and **Dynamic brands** of **cigarettes** to comply with the **Federal Cigarette Labeling and Advertising Act** for the year **period** from date of approval. We are applying for the alternative to the quarterly rotation plan. We qualify for the alternative plan based on our sales for the calendar year of 2000. During the calendar year of 2000 Southern Tobacco had sales that totaled approximately [REDACTED] sticks. We expect sales of [REDACTED] sticks for the 2001 calendar year.

For the packs and cartons of each brand style of Golden **84mm and 100mm** (*original, Light, Ultra Light, Menthol, and Light Menthol*) and Dynamic 100mm (*Full Flavor, Light, Ultra Light, Menthol, and Menthol Light*) we will equally distribute the **four Surgeon General Warnings** during the one year period covered by this proposed plan. The health warnings will appear **exactly as** they do on the samples of packs and cartons for the **Dynamic brand submitted on January 22nd, 2001** and the sample packs and cartons for the **Golden brand submitted on January 3rd, 2001**.

Southern Tobacco will **also keep** records to demonstrate compliance with the **Federal Cigarette Labeling and Advertising Act**.

Southern Tobacco **at this time will not be advertising** either brand, if in the **future** we do advertise we will submit a plan of rotation.

Sincerely,



John Short

Selected packaging samples from those
submitted with the plan.

10 FILTER CIGARETTES



Golden

MENTHOL LIGHTS

LOWERED TAR & NICOTINE

Golden

MENTHOL LIGHTS

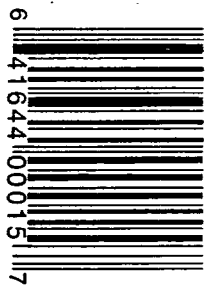
SURGEON GENERAL'S WARNING:
Cigarette Smoke Contains
Carbon Monoxide.

Made in United Arab Emirates
under authority of trademark
owned by arrangement with
Elie International Tobacco Corp.,
Dulles, U.S.A.



NEW
SOFT FILTER

Golden
ORIGINAL
PREMIUM BLEND



6 41644 00015 17

Golden
ORIGINAL

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

FILTER CIGARETTES

DYNAMIC
MENTHOL



100's

PREMIUM BLEND

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

FILTER CIGARETTES

DYNAMIC
MENTHOL



100's

PREMIUM BLEND

JHJ160403

Made in the Philippines



100's

FLAVOR

DYNAMIC



DYNAMIC
FULL FLAVOR 100's

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



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

Division of Advertising Practices

January 31, 2001

Mr. John Short
Southern Tobacco, Inc.
122 Caggiano Dr.
Gaffney, SC 29341

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, I have reviewed the revised proposed plan filed on behalf of Southern Tobacco, Inc. ("Southern Tobacco") on January 30, 2001 calling for the simultaneous display of the four health warnings on the packaging of certain specified brand styles of the Golden and Dynamic brands 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 packs and cartons submitted with your January 3, 2001 and January 22, 2001 letters appear to comply with the requirements of the Cigarette Act for *size* and conspicuousness. Southern Tobacco's plan for the Golden 84mm and 100mm (Original, Light, *Ultra* Light, Menthol, and Light Menthol), and Dynamic 100mm (Full Flavor, Light, *Ultra* Light, Menthol, and Menthol Light) brand styles is hereby approved. **This** approval is effective on the date of **this** letter and **ends** on January 30, 2002. Approval of the plan is contingent on its good faith implementation. We **may ask** for information demonstrating proper implementation of the plan.¹ The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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,

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.



LANE LIMITED

Manufacturers of Luxury Tobaccos Since 1890

February 1, 2001

Mr. C. Lee Peeler
Division of Advertising Practices
Federal Trade Commission
Suite 4002
601 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Mr. Peeler:

Reference is made to Section 4 of the Federal Cigarette Labeling and Advertising Act, as amended (Act), and to the Lane Limited Label Statement Rotation Plan (Plan) submitted to the Federal Trade Commission under date December 6, 1999 pursuant to Section 4(c) of the Act.

Pursuant to Section 4(c)(2)(A) of the Act, Lane Limited hereby makes application, in accordance with the provisions of Section 2(d) of the Plan, to continue simultaneous rotation of the four health warnings set forth in Section 4(a)(1) of the Act on packages of the cigarette brands stated in the supporting Affidavit attached hereto. This application is for the twelve-month period beginning January 1, 2001.

On the basis of this application and the attached supporting Affidavit, it is submitted that Lane Limited meets the requirements of Section 4(c)(2)(A) of the Act.

With kind regards, I am

Very truly yours,

LANE LIMITED

Robert S. Pless
Vice President &
General Counsel

RSP

Attachment

AFFIDAVIT IN SUPPORT OF
APPLICATION BY LANE LIMITED
FOR SIMULTANEOUS LABEL STATEMENT ROTATION

I, Robert S. Pless, being duly sworn, do hereby state as follows:

1. I am Vice President and General Counsel of the Applicant, Lane Limited, a cigarette importer and manufacturer with a label statement rotation plan approved by the Federal Trade Commission.

2. Lane Limited imports, manufactures and sells cigarettes the brand names of which are set forth below, with said cigarette brands being the same cigarette brands (with three deletions) previously imported, manufactured and sold in the domestic market of the United States of America by Tobacco Exporters International (USA) Ltd. (TEI), which was merged with and into Lane Limited on January 1, 2000. The packaging for the cigarette brands previously approved by the Federal Trade Commission has not changed.

DUNHILL INTERNATIONAL Filter De Luxe	CRAVEN "A" Standard Size
DUNHILL INTERNATIONAL Lights	CRAVEN "A" King Size
DUNHILL INTERNATIONAL Menthol	Menthol
DUNHILL INTERNATIONAL Superior Mild	GAULOISES Non-Filter
DUNHILL Special Reserve	GAULOISES Filter
DUNHILL Lights	GAULOISES Blondes
DUNHILL Menthol Lights	GAULOISES Lights
CARTIER Venddme Lights	GITANES Non-Filter
CARTIER Venddme Menthol Lights	GITANES Filter
CARTIER Venddme Ultra Lights	

3. This Affidavit is given in support of an Application by Lane Limited pursuant to Section (c)(2)(A) of the Act to continue, in accordance with Section 2(d) of the Plan, simultaneous rotation of the four health warning statements set forth in Section 4(a)(1) of the Act on packages of the cigarette brands set forth above.

4. The financial year of Lane Limited is a calendar year ending December 31.

5. The total number of cigarettes sold in the domestic market of the United States of America during the twelve-month period ended December 31, 1999, as reported in the Maxwell Report, was 419.30 billion units.

6. The total number of cigarettes sold by TEI in the domestic market of the United States of America during the twelve-month period ended December 31, 1999 was [REDACTED] units, which represented only [REDACTED] of one percent of the total number of cigarettes sold in the domestic market of the United States of America during the same period.

7. Therefore, (i) the number of cigarettes of each brand style sold by TEI and (ii) the total number of cigarettes sold by TEI during the twelve-month period ended December 31, 1999, are each less than one-fourth of one percent of all cigarettes sold in the domestic market of the United States of America during the same period.

8. During the calendar year ended December 31, 2000, Lane Limited sold [REDACTED] cigarettes and does not anticipate that volume to be equal to or in excess of one-fourth of one percent of all cigarettes sold in the domestic market of the United States of America during the same period.

9. During the calendar year ending December 31, 2001, Lane Limited estimates that its domestic cigarette volume will approximate [REDACTED] units; and Lane Limited does not expect that cigarette volume to be equal to or in excess of one-fourth of one percent of all cigarettes sold in the domestic market of the United States of America during the same period.

DATED: February 1, 2001

Robert S. Pless
Robert S. Pless

STATE OF GEORGIA)
)
COUNTY OF DEKALB)

On this 1st day of February, 2001, personally appeared before me, Robert S. Pless, being known to me to be the Vice President and General Counsel of Lane, Limited, who, being duly sworn by me, (i) stated that the facts set forth in the foregoing document are accurate and correct and (ii) subscribed his name to the aforesaid document.

Stacey C. Elliott
Notary Public





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

Division of Advertising Practices

February 7, 2001

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

Dear Mr. Pless:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, et seq. ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the revised proposed plan filed on behalf of Lane Limited ("Lane") on February 1, 2001 calling for the simultaneous display of the four health warnings on the packaging of certain varieties of the Dunhill International, Dunhill, Cartier, Craven, St. Moritz, Gauloises, and Gitanes brands of cigarettes listed in your plan.

Lane's sales appear to qualify for the aforementioned alternative to quarterly rotation of the warnings on packaging. The warnings on the packs and cartons appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Lane's plan for the Dunhill International (Filter De Luxe, Lights, Menthol, and Superior Mild), Dunhill (Special Reserve, Lights, and Menthol Lights), Cartier (Vendome Lights, Vendome Menthol Lights, and Vendome Ultra Lights), Craven ("A" King Size and "A" Standard Size), Menthol, Gauloises (Non-Filter, Filter, Blondes, and Lights), and Gitanes (Non-filter and Filter) brand styles is hereby approved.¹ This approval is effective on the date of this letter and ends on February 6, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.² 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 This approval is not for Gitanes Blondes or Gitanes Blondes Lights.

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.

Gerardo Fernandez
Latin House Cigars
201 Amador
Watsonville Ca, 95076

Tel: 831-724-9028

Date: 2/9/01

Mr. C. Lee Peeler,

My name is Gerardo Fernandez, sole proprietor of Latin House Cigars. My business is in the import of tobacco products, cigars and cigarettes from Mexico.

I am applying to the Federal Trade Commission for the approval of the quarterly rotation for the four Surgeon General's Warning statements on the cigarette packs of the following brands: DEL PRADO, FIESTA, RALEIGH.

The artwork for the cigarette packs of DEL PRADO, FIESTA, and RALEIGH brands for the 2nd - 4th quarter of 2001 were submitted on 12/18/00. Enclosed are sample cigarette packs for the 1st quarter of DEL PRADO, FIESTA, and RALEIGH brands. The sample packs and artwork show exactly where and how the Surgeon General's Warnings will appear on the packs of each of the cigarette brands that Latin House Cigars will be importing. The warning statements will be printed on the packs exactly **as** they appear in the sample packs **and** artwork. I will send sample packs to the Federal Trade Commission for the 2nd - 4th quarter when they are available.

My Product will comply with all Federal and State Laws and in this case it will carry the correct warning statements required by the Federal Trade Commission. My product has already been approved by the Department of ATF and The State Of California. I currently hold an Importer's Permit (CA-TI-81). Tobacco Products Distributor's License (CP ET 50-002584), Cigarette Distributor's License (CR ET 02-001717) and a Seller's Permit (SR GHD 97-746801).

My business will start-out very small. I will not have the means to advertise my product, so I will not apply for advertisement approval from the Federal Trade Commission at this time. If my business grows to a point where I can afford to advertise I will then apply for approval. I fully understand the FTC's procedure in applying for advertisement approval.

My business plan is to sell the product in two different areas: sell directly to stores **as** a cigarette distributor. sell at the flea markets **as** a retailer. My business will not have its own store

location it will be home-based. I will store the product (small quantities) and receive orders via Phone, FAX and Mail in my house. I will sell cigarettes by the individual packs only and not by the carton. The reason for this is the following, I must rework each individual cigarette pack to meet all the U.S. Customs and FTC's Requirements. The required statements that need to be on the cigarette packs are: Surgeon General's Warning, Product Name, Content in Package, Country of Origin and Importer's Name. This process completely destroys the carton wrapper and leaves me with individual packs.

Although, I will only be selling by the pack, I plan to have special prices for orders of ten or more packs so, in reality, to the purchaser it will be the same as buying by the carton because they'll get carton prices. If in the future I find a way to repackage the cigarette packs by the carton I will then apply for approval of carton size packages.

The rework of my product will be done in Mexico. I will rent a small warehouse where I will store and rework my product. I will have one or more employees help me with the rework. The rework involves replacing the outer wrapper of each individual cigarette pack with a new outer wrapper that will have all the required warnings and product information. I will also repackage each individual cigarette pack in its own protective cellophane bag. All this rework will be done manually until I can afford to purchase a cigarette packaging machine to automate the process.

I have created a quarterly warning rotation table to remind me of the warning rotation due dates. I will maintain sufficient records to demonstrate compliance with my plan.

Thank you,

Gerardo Fernandez

Gerardo Fernandez
2/9/01

QUARTERLY ROTATION TABLE

CIGARETTE BRAND	1 st Quarter (Jan - Mar)	2 nd Quarter (Apr - June)	3 rd Quarter (July - Sept)	4 th Quarter (Oct - Dec)
DEL PRADO	A	B	C	D
FIESTA	B	C	D	A
RALEIGH	C	D	A	B

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

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

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

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

Selected packaging samples from those
submitted with the **plan**.

20 CLASS A
FILTER
CIGARETTES

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

FIESTA



CON FILTRO

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

20 CLASS A
FILTER
CIGARETTES

4

Del
Prado
CON FILTRO

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

RALEIGH
CON FILTRO



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

Division of Advertising Practices

February 9, 2001

Mr. Gerardo Fernandez
Latin House Cigars
201 Amador
Watsonville, CA 95076

Dear Mr. Fernandez:

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 Latin House Cigars ("Latin House") on February 9, 2001 plan calling for quarterly rotation of the four health warnings on packaging of the Del Prado, Fiesta, and Raleigh brands of cigarettes.

The warnings on the artwork and sample packs of the Del Prado, Fiesta, and Raleigh brands submitted with your plan appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Latin House's plan for the Del Prado, Fiesta, and Raleigh brands of cigarettes has been approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. When actual packaging is developed for the 2nd through 4th quarters of 2001, Latin House should submit samples to the Commission. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

If Latin House 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 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".

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. 18U.S.C. § 1001

BOLATTI & GRIFFITH

45 BROADWAY • SUITE 2300
NEW YORK, NEW YORK 10006
(212) 3633780

WRITER'S DIRECT LINE: (212) 3633782
EMAIL: SB@BOLATTIGRIFFITH.COM

TELECOPIER: (212) 3633790
URL: [HTTP://WWW.BOLATTIGRIFFITH.COM](http://www.bolattigriffith.com)

February 2, 2001

VIA TELECOPIER & AIRBORNE EXPRESS

Ms. Sallie Schools
Division of Advertising Practices
Federal Trade Commission
601 Pennsylvania Avenue
NW - Room 4002
Washington - DC 20580

**Re: *Jim Porter Brand cigarettes Labels and
Proposed Label Rotation Plan***

Dear Ms. Schools:

Pursuant to your instructions and the requirements of The Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331 et seq. (the "Act") we submit on behalf of Central America Tobacco Corp. ("CAT"):

- (i) a revised rotation plan for display of warning statements on Jim Porter brand cigarette packages and cartons;²
- (ii) a revised warning statement size and placement plan for advertisements of Jim Porter

¹ As anticipated in our prior correspondence, CAT, a licensed U.S. tobacco importer, will be the importer of record for the Jim Porter cigarettes (the "Products"). The Products will be manufactured in Uruguay by Compañía Industrial de Tabacos Monte Paz, S.A. ("Monte Paz") for resale in the U.S. under authority of the Jim Porter trademark owner, La Republicana, S.A.

² This is the same plan set forth in our December 27, 2000 correspondence, except for the effective date of the plan which has been changed from January 1, 2001, to February 1, 2001.

BOLATTI & GRIFFITH

Ms. Sallie Schools
Federal Trade Commission
February 2, 2001
Page 2

brand cigarette packages and **cartons**;³ and

- (iii) artistic renderings of revised Jim Porter cigarette packages incorporating your verbal observations to the layout (the distance between the warning statement and the "Underage Smoking Prohibited" label) in some of the package samples previously submitted for your review.

**Warning Statement Rotation Plan Pursuant to § 4(c)
of the Federal Cigarette Labeling and Advertising Act**

The Act provides for the placement of certain warning statements on packages and cartons of cigarettes for sale or distribution in the United States and in advertisements for cigarettes within the United States. CAT submits this Warning Statement Rotation Plan (the "Plan") to the Federal Trade Commission pursuant to Section 4 (c) of the Act.

The effective date of CAT's proposed Plan shall be **February 1st, 2001** (the "Effective Date"). The Product will be imported to the U.S. in six brand-styles:

- (i) Jim Porter King Size Full Flavor
- (ii) Jim Porter Full Flavor 100's
- (iii) Jim Porter King Size Lights
- (iv) Jim Porter Lights 100's
- (v) Jim Porter King Size Menthol
- (vi) Jim Porter Menthol 100's

I. Packaging.

A. Warning Statement Size and Location.

We enclose for your review and approval revised Jim Porter cigarette package artistic renderings incorporating your verbal observations to some of the samples previously submitted for your review. Actual revised samples of the enclosed artistic renderings will be submitted for your review shortly.

³ This Plan has been revised to incorporate your comments during our last telephone conversation to Sections II A and B of this letter.

BOLATTI E GRIFFITH

Ms. Sallie Schools
Federal Trade Commission
• February 2, 2001
Page 3

CAT intends to display each of the warning statements required by the FTC Memo on the Product's packages and cartons. In compliance with the Tariff Suspension and Trade Act of 2000, the warning statements shall be printed directly on the Product's packages and cartons.

**B. Warning Statement Rotation Plan
for Packages and Cartons by Quarter.**

The following is CAT's proposed rotation plan for the warning statements to be printed on the Jim Porter cigarette packages and cartons. The Jim Porter brand includes all brand-styles described **above**:⁴

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Jim Porter	A	B	C	D

Packages and cartons of all brand styles of the Jim Porter brand shall bear the label statement referenced above for the quarter in which such cigarettes are manufactured or packaged, regardless of the **date(s)** on which such cigarettes are sold or distributed in the U.S.

⁴ All brand styles will display the same warning statement during each quarter. The letters used to identify the various warning statements are the same as those used at page 3 of the FTC Memorandum to Potential Manufacturers and Importers (the "FTC Memo"), namely:

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

BOLATTI & GRIFFITH

Ms. Sallie Schools
Federal Trade Commission

• February 2, 2001

Page 4

C. Records of Compliance.

CAT will maintain monthly records of compliance with the proposed warning statement rotation plan indicating (i) the dates of manufacture or packaging of the Product, and (ii) the warning statement displayed in each case. These records will be available for inspection by your agency upon prior reasonable prior notice.

II. Advertising.

A. Advertising Warning Statement Size and Placement.

All advertisements in the United States shall include warning statements in print size consistent with the acetates (plastic overlays) contained at exhibits 1 through 14 of the FTC Memo for the size and category of advertisement indicated in the Memo's "Schedule for Warnings in Advertisements" (the 'Schedule'). which have been purchased by CAT from the authorized vendor referenced in the FTC Memo. All such warning statements shall be printed in black on white. CAT will use the same warning formats that were submitted with the plans of the five (5) leading U.S. cigarette manufacturers and will place the warnings as specified in those plans.

B. Advertising Warning Statement Rotation.

The advertisement warning label rotation shall be performed in accordance with the same schedule proposed for rotation of the cigarette package and carton labels at section I B herein.

Adequate records shall be maintained by CAT (i) identifying the name and date of the publication, (ii) identifying the size and category of the advertisement and the exhibit number of the acetate used to determine the size of the print used for the warning statement as designated in the FTC Memo Schedule, and (iii) maintaining a copy of the actual advertisement for purposes of viewing the actual placement and format of the warning labels.

C. Importer Contact Information.

We would appreciate that any notice in connection with the Jim Porter proposed warning statement rotation plans be directed to CAT at the following address, with a copy to our firm:

BOLATTI & GRIFFITH

**Ms. Sallie Schools
Federal Trade Commission**

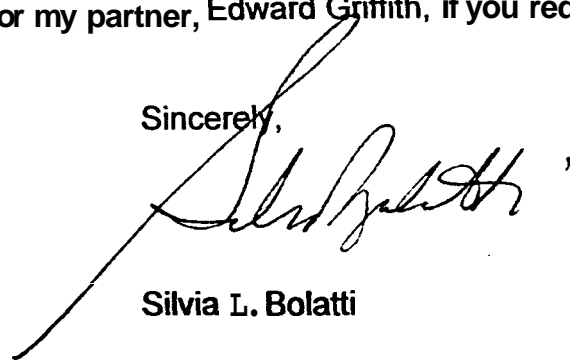
February 2, 2001

Page 5

**Mr. Charlie Toraño
Central America Tobacco Corp.
7440 SW 50th Terrace Unit
106 Miami, Fla. 33155
Tel.: (305) 661-2707
Fax.: (305) 661-2226**

Please do not hesitate to contact me or my partner, Edward Griffith, if you require further information.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Silvia L. Bolatti', written over a long horizontal line that extends to the left.

Silvia L. Bolatti

Enclosures

SLB:dd

cc: Mr. Charlie Toraño (CAT)

Selected packaging samples from those
submitted with the plan.

INDUSTRY
SALES
PROHIBITED

CASARO
©SMG 1981



King Size



King Size



JIM PORTER JP JIM PORTER



20 CLASS A CIGARETTES

JIM PORTER
Lights

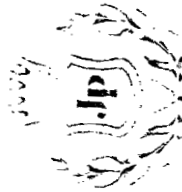
Lights



Made in Uruguay
by C.I.M.P.S.A. under
Authority of the
Trademark Office
LA REPUBLICANA S.A.

Net. U.S. 10.87M OZ.

Lights



20 CLASS A CIGARETTES

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



SOFT

SOFT PACK

SOFT PACK

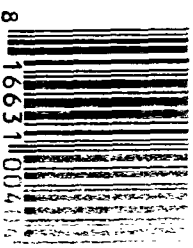
SOFT PACK

JIM PORTER
Lights

200 CLASS A CIGARETTES

JIM PORTER
Lights

UNDERAGE
SALE
PROHIBITED



King Size

JIM PORTER
Lights

200 CLASS A CIGARETTES

JIM PORTER
Lights

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

Made in Uruguay by C.I.T.M.P.S.A. under Authority
of the Trademark Owner LA REPUBLICANA S.A.
Reg. U.S. Pat. & TM Off.



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

Division of Advertising Practices

February 13, 2001

Sylvia L. Bolotti, Esq.
Bolatti & Griffith
45 Broadway, Suite 2300
New York, **NY** 10006

Dear Ms. Bolotti:

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 Central America Tobacco Corporation ("CAT") on February 2, 2001, calling for quarterly rotation of the four health warnings on packaging and in advertising of the Jim Porter brand of cigarettes in the following six styles: Full King, Light King, Menthol King, Full 100's, Light 100's, and Menthol 100's.

Your plan for the rotation of the warnings in advertising of the Jim Porter 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 submitted with your letters of December 27, 2000, February 5, 2001, and February 9, 2001, appear to meet the requirements of the Cigarette Act for size and conspicuousness.¹ CAT's plan for the specified brand styles of the Jim Porter 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.² 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,

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

C. Lee Peeler
Associate Director

¹ Although the warnings on some of the packaging submitted either contained errors in punctuation or 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.

NORTH AMERICAN TRADING



www.natcigarettes.com

February 6, 2001

Federal Trade Commission
Division of Advertising Practices
601 Pennsylvania Avenue, NW
Washington, D.C. 20580
Attn: Sallie Schools

Re: North American Trading revised plan for rotational health warnings on import brands

Dear Ms. Schools,

On November 17th, 1999 North American Trading received FTC approval for our quarterly health warning rotations on our **import** Image brand cigarettes. We would like at this time to supplement our **original** plan to include a second **import**, Golf Lights brand in the 100's **soft** pack style. The warnings are to appear exactly **as** shown on the packs and cartons, which were submitted for review in our **FTC** correspondence, dated **January 8, 2001**. Quarterly rotations for the Golf Lights will be **as** follows:

First Quarter; 01/01 - 03/31

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

Second Quarter; 04/01 - 06/30

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

Third Quarter; 07/01 - 09/30

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

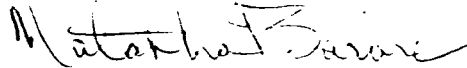
Fourth Quarter; 10/01 - 12/31

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

North American Trading will maintain records for quarterly rotation demonstrating compliance with FTC requirements under the *Federal Cigarette Labeling and Advertising Act*. At ~~this~~ time North American Trading does not plan to advertise but should we choose to in the future we would submit an advertising plan for FTC approval. We understand that **only** upon approval can we advertise our brands of cigarettes.

Please contact our office at your earliest convenience if there are **any** questions or concerns regarding the supplemental request.

Respectfully,

A handwritten signature in cursive script that reads "Natasha Barbre".

Natasha Barbre

Selected packaging samples from those
submitted with the plan.



100's

AMERICAN BLEND



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



100's

AMERICAN BLEND



UNDERAGE
SALE
PROHIBITED

EXCLUSIVELY IMPORTED BY
NORTH AMERICAN TRADING INC.
SAN DIEGO, CA 92121-3300
MANUFACTURED IN ISRAEL



GOIP
lights

201 FILTER CIGARETTES
1.0W TAR & NICOTINE

200 CLASS A CIGARETTES
EXCLUSIVELY IMPORTED BY
NORTHAMERICAN TRADING INC.
SAN DIEGO, CA 6192324300
MANUFACTURED IN ISRAEL

GOIP
lights

AMERICAN BLEND • 200 FILTER CIGARETTES



100'S • SOFT

GOIP
lights

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



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

Division of Advertising Practices

February 13, 2001

Ms. Natasha Barbre
North American Trading
861 Sixth Avenue
Suite B-200
San Diego, CA 92101

Dear Ms. Barbre:

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 November 17, 1999, I approved a plan filed by North American Trading on October 25, 1999 calling for the quarterly rotation of the four health warnings on the packaging of the Image brand of cigarettes. In a letter dated February 6, 2001, you propose to supplement North American Trading's plan to include Golf 100's soft pack cigarettes.

The warnings on the sample packs and cartons enclosed with your letter of January 8, 2001 appear to meet the size and conspicuousness requirements of the Cigarette Act. North American Trading's plan for Golf 100's soft pack cigarettes is hereby approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.¹ The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

Sincerely,


C. Lee Peeler
Associate Director

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



Tel: 847 / 296-8612 ■ Fax: 847 / 296-0452 ■ e-mail: shire@xnet.com

February 7, 2001

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

Re: Federal Trade Commission Plan on Warning Label Display Requirements

Dear Mr. Peeler:

Pursuant to the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1333 *et sequentes* (hereinafter "the Act"), TABAK LLC. is submitting its revised quarterly rotation plan for the warnings required on cigarette packaging and advertising. As of January 2001, TABAK L.L.C. will be selling *one* (1) brand called "SHIRE Leaves".

I. Packaging

The Packaging shall consist of cigarette packs and cartons for two (2) brand styles. For review, **TABAK** is submitting packs and cartons for all brand styles showing the ~~first~~ quarter warning and pack's and carton's ~~artwork~~ for all brand styles showing the warning for the 2nd through 4th quarters. **Each of the four health warnings will be printed onto the packaging materials, which are offered for sale, sold, or otherwise distributed to consumers, exactly as shown on the packs, cartons, and packaging artwork submitted on 6/22/00 and 2/1/01.** The packs will be wrapped in cellophane at the point of sale.

The two (2) brand styles shall consist of the following:

1. 74 mm in length 10 cigarette packs - filter
2. 74 mm in length 10 cigarette packs - ~~menthol~~ (filter)

The warning labels printed on the cigarette packaging **as** required by the Act will be rotated quarterly, **as** shown in the attached Schedule **A**, and such rotation shall be recorded by production documents, shipping documents and sales **data** referencing bar code designators.

The quarterly rotation of label statements shall be based on the date of manufacture, regardless of the date(s) on which cigarettes are sold or distributed in the United States. However, for any brand style of cigarettes, manufacturers may begin **using** packaging printed with the subsequent quarter's label statement up to fifteen (15) production **days** prior to the commencement of such quarter and continue using packaging bearing the prior quarter's label statement up to fifteen (15) production days after the end of such quarter.

Moreover, any packaging of cigarettes by the manufacturer's representative or agent at the wholesale or retail level may utilize packages bearing any of the label statements specified under the Act.

In addition, cigarette packaging produced in accordance with the Act, may be removed from storage or inventory in any manner that is consistent with customary business practices or with business considerations, unrelated to the quarterly rotation obligation imposed by the Act.

Finally, manufacturers, importers, and packagers shall not employ procedures deliberately designed to result in the early or prolonged use of a particular packagmg label statement.

II. Advertising

Advertising Warning Label Sue and Placement:

In advertising for its SHIRE Leaves brand, **TABAK** LLC. will utilize the warning formats that were submitted with the plans of the five (5) leading U.S. cigarette manufacturers, and **TABAK L.L.C.** will place the warnings as specified in that plan.

Advertising Warning Label Rotation:

The warning labels in advertising for **SHIRE** Leaves will be rotated quarterly as shown in Schedule B.

The bill of lading, or invoice for advertising materials, shall list the specific health warning for that shipment, which shall serve as a written record of compliance for the quarterly rotation.

When actual packaging samples are developed, TABAK will send samples to the Federal Trade Commission.

If any further information or updates *are* needed, please contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul J. Castronovo".

Paul J. Castronovo, Attorney at Law

SCHEDULE A

SCHEDULE FOR PACKAGING QUARTERLY ROTATION OF WARNINGS for SHIRE Leaves Brand

<u>Quarter</u>	<u>Warning</u>
1 st Quarter (Jan.-Mar.)	# 1
2 nd Quarter (Apr.-June)	# 2
3 rd Quarter (July-Sept.)	# 3
4 th Quarter (Oct.-Dec.)	# 4

WARNINGS

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

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

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

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

SCHEDULE B

SCHEDULE FOR ADVERTISING QUARTERLY ROTATION OF WARNINGS for SHIRE Leaves Brand

<u>Quarter</u>	<u>Warning</u>
1 st Quarter (Jan.-Mar.)	# 1
2 nd Quarter (Apr.-June)	# 2
3 rd Quarter (July-Sept.)	# 3
4 th Quarter (Oct.-Dec.)	# 4

WARNINGS

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

Selected packaging samples from those
submitted with the plan.

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

**SHIRE
LEAVES**

10 CLASS A CIGARETTES

**SHIRE
LEAVES**
Made in
India



**SHIRE
LEAVES**

10 CLASS A CIGARETTES

**SHIRE
LEAVES**



F I L T E R

**SHIRE
LEAVES**

F I L T E R



PAGUS

Underage Sale
Prohibited

TBS&K LLC
Cincinnati, Oh

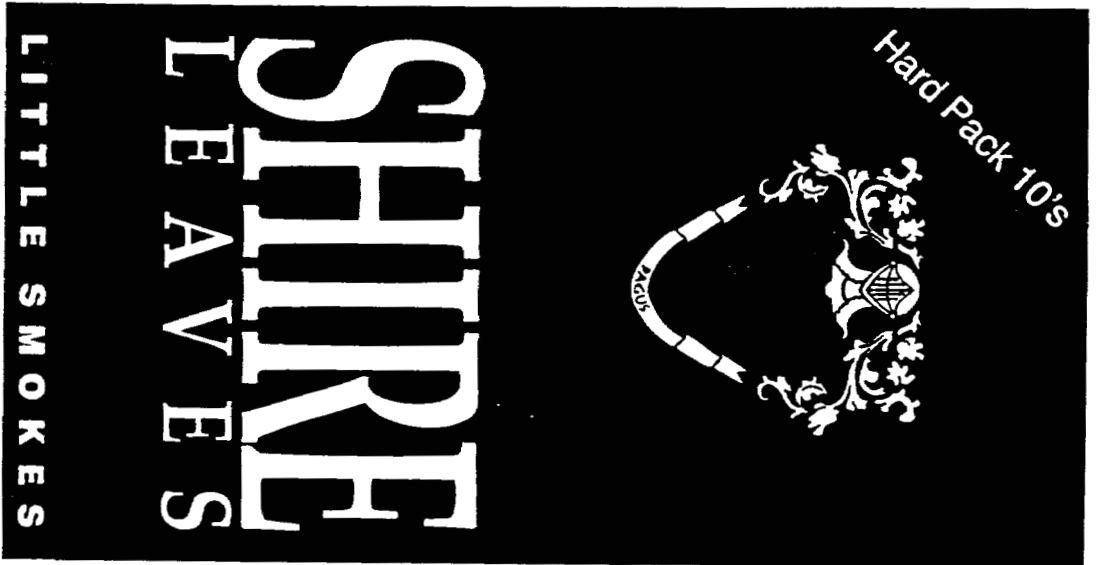
R
E
L
I
F



Made in India

TABAK LLC Oakwood, OH

F
I
L
T
E
R



200 CLASS A CIGARETTES

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

Underage Sale
Prohibited



200 CLA



F
I
L
T
E
R



SHIRE
LEAVES



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

Division of Advertising Practices

February 15, 2001

Paul J. Castronovo, Esq.
TABAK L.L.C.
P.O. Box 957616
Hoffman Estates, IL 60195-7616

Dear Mr. Castronovo:

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 **TABAK L.L.C.** ("TABAK") on February 7, 2001 plan calling for quarterly rotation of the four health warnings on packaging and advertising of the Shire filter and Shire menthol filter brand styles of cigarettes.

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

The warnings on the artwork and sample packs and cartons of the Shire brand submitted with your letters of June 22, 2000 and February 7, 2001 appear to comply with the requirements of the Cigarette Act for size and conspicuousness. TABAK's plan for the Shire filter and Shire menthol filter brand styles of cigarettes has been approved. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan. When actual packaging is developed showing warnings for the 2nd through 4th quarters of the year, **TABAK** should submit samples to the Commission. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

Sincerely,

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

.....

122 Caggiano Dr.
Gaffney, SC 29341
Tel: (864) 489-6194
Fax: (864) 488-3805

Southern Tobacco, Inc.

February 13, 2001

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 Dynamic Kings (Full-Flavor, Light, ultra Light, Menthol, and Menthol Light) to our January 30, 2001 plan that expires on January 30, 2002. We will distribute the four Surgeon General Warnings equally on packs and cartons of these brand styles during the one year period beginning on the date this plan is a p e d , and they will appear exactly as they do on the enclosed packs and cartons.

Sincerely,



John Short

.....

Selected packaging samples from those
submitted with the **plan.**

FILTER CIGARETTES

DYNAMIC
MENTHOL LIGHTS

KING SIZE
LOWERED TAR & NICOTINE



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

FILTER CIGARETTES

DYNAMIC
MENTHOL LIGHTS

KING SIZE
LOWERED TAR & NICOTINE

JHU160454



Made in the Philippines

PREMIUM BLEND

FILTER

DYNAMIC

MENTHOL KING SIZE

MADE IN THE PHILIPPINES

DYNAMIC

MENTHOL



PREMIUM BLEND

MENTHOL KING SIZE

DYNAMIC

PREMIUM BLEND



MENTHOL

DYNAMIC

02020

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

6



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

Division of Advertising Practices

February 15, 2001

Mr. John Short
Southern Tobacco, Inc.
122 Caggiano Dr.
Gaffney, SC 29341

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"). On January 31, 2001, the Commission approved Southern Tobacco, Inc.'s ("Southern Tobacco") January 30, 2001 plan for the simultaneous display of the four health warnings on packaging of certain varieties of the Dynamic and Golden brands of cigarettes.

On February 13, 2001, Southern Tobacco filed a supplement to expand its plan to include the full flavor, light, ultra light, menthol, and menthol light brand styles of the Dynamic Kings brand. The warnings on the packs and cartons submitted with your February 13, 2001 letter appear to meet the size and conspicuousness requirements of the Cigarette Act. Southern Tobacco's supplement to its plan is hereby approved. This approval is effective on the date of this letter and ends on February 14, 2002. Approval of the plan is contingent on its good faith implementation. We may ask for information demonstrating proper implementation of the plan.¹ The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Sincerely,


C. Lee Peeler
Associate Director

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

ANDREW M. PARISH, P.A.

ATTORNEYS AT LAW

TRADE CENTRE SOUTH - SUITE 930
100 WEST CYPRESS CREEK ROAD
FORT UUDERDALE, FLORIDA 33309 - 2181

VOICE: (954) 351-4588

FACSIMILE: (954) 771-8870 / 771-0434

MIAMI LINE: (305) 445-1667

AFTER HOURS: (305) 944-9849

MIAMI OFFICE

GABLES 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 +++
BERNARD C. PESTCOE **
MARTINS, HORWITZ +++++
F. PAUL MALOOF ***
WILLIAM H. NEWTON, III *
JAMES W. SCHULTZ **
STEPHEN M. ZELMAN *****
OF COUNSEL

(ADMITTED D.C., FLA., N.Y.) +
(ADMITTED CALIF.) +++
(ADMITTED OH.) +++++
(ADMITTED FLA.) **
(ADMITTED D.C., MD., VA.) ***
(ADMITTED D.C., N.Y.) *****
(ADMITTED FLA., MISS., TX.) *
(ADMITTED ILL.

REPLY TO: BROWARD / PALM BEACH OFFICE
February 14, 2001

**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

Supplement to Tobacco Center, Inc.'s
Quarterly Rotation Plan
Adding Coronas Light Box **100's** Brand **Style** Cigarettes

Gentlemen:

Tobacco Center, Inc. hereby submits a Surgeon General Rotation Plan as required under the Federal Cigarette Labeling and Advertising Act of 1984 (15 U.S.C. §1331, et seq. (1998)), as amended. John Alexander is the Vice President of the applicant, and the corporate address for the company is Tobacco Center, Inc., 6795 N.W. 87th Avenue, Miami, Florida 33178. On January 17th, 2001, Tobacco Center, Inc. received approval for its Warning Label Rotation Plan for certain Coronas and Palace brand style cigarettes. At this time, Tobacco Center, Inc., would like

C. Lee Peeler
Associate Director
Division of Advertising Practices
Federal Trade Commission
February 14, 2001
Page 2

to add Coronas Light Box 100's to its recently approved **Plan**. Revised packaging for this brand style was submitted on February 2, 2001. This brand style will include health warnings complying with the Surgeon General's warning language set forth in the CLAA statute. The required warnings will be printed directly on the packs and cartons and in a conspicuous location **as** required under the Cigarette Labeling and Advertising Act ("CLAA"). **The** warnings will appear on the packs and cartons exactly **as** shown on the sample cartons and revised sample packs provided. Tobacco Center will continue to abide by the provisions of its Plan dated January 16, 2001, and approved by the FTC on January 17, 2001.

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

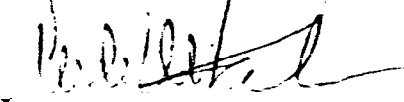
We submit that the foregoing complies with the requirements set forth in the Federal Cigarette Labeling and Advertising Act, **as** amended and request expedited approval of this request. Records will be maintained at the corporate **office** evidencing compliance with this Plan.

Should this request **conform** to your requirements, we request that the letter evidencing approval be **faxed to** the undersigned.

C. Lee Peeler
Associate Director
Division of Advertising Practices
Federal Trade Commission
February 14, 2001
Page 3

Your cooperation in this matter is appreciated.

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



Andrew M. Parish

AMP/smb
Enclosures
cc: John Alexander, Vice President
Tobacco Center, Inc.

Selected **packaging** samples from those
submitted with the **plan**.

CLASS A
20
CIGARETTES



UNDERAGE
SALE
PROHIBITED

6



CORONAS
LIGHTS



CORONAS
LIGHTS

BOX
100's
FILTER
CIGARETTES



CORONAS
LIGHTS



MADE IN SPAIN
BY CITA



BOX
100's
FILTER
CIGARETTES



CORONAS
LIGHTS
CORONAS
LIGHTS

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.

CORONAS
LIGHTS

UNDERAGE
SALE

0 614436 500265



100'S

LIGHTS

CORONAS



MADE IN SPAIN BY CITA

LIGHTS

CORONAS
LIGHTS

CLASS A
200 CIGARETTES
FILTER



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

Division of Advertising Practices

February 16, 2001

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"). In a letter dated January 17, 2001, I approved a January 16, 2001 plan filed on behalf of Tobacco Center, Inc. ("Tobacco Center") calling for quarterly rotation of the four health warnings on packaging of certain brand styles of Corona and Palace cigarettes.

On February 14, 2001, Tobacco Center filed a supplement to extend its plan to include the Corona Light Box 100's brand style. The warnings on the sample packs submitted with your February 2, 2001 letter, and the sample cartons submitted with your December 15, 2000 letter appear to meet the size and conspicuousness requirements of the Cigarette Act.¹ Tobacco Center's plan for quarterly rotation of the four health warnings on packaging of the Corona Light Box 100's brand style has been approved. Approval of the plan is contingent on its good faith implementation, and assumes that Tobacco Center will abide by its plan as set out in its January 16, 2001 letter. We may ask for information demonstrating proper implementation of the plan.² The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

Sincerely,

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

C. Lee Peeler
Associate Director

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

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

**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**

February 20, 2001

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

Attention: Ms. Sallie Schools

Surgeon General's Warning Rotation Plan for
Leader Tobacco Co., Inc.
For Fame Cigarettes

Dear Mr. Peeler:

Please be advised that we are the attorneys for an importer of tobacco products, Leader Tobacco Co., Inc. ("Leader"), a Florida corporation, with offices located at 4800 S.W. 51st Davie, Florida 33314, 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 Managing Director, Andre Maman, 4800 S.W. 51st Davie, Florida 33314. This application is for private label cigarettes being imported under the name "Fame."

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

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

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

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

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

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

From July 1st to September 30* Leader will use the warning:

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

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

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

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

Leader understands that the FTC is charged with ensuring that Leader'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 Leader will have a country of origin placed on the pack or carton as required by 19 U.S.C. § 1304. Leader will ensure that the country of origin will not obscure, or otherwise interfere with, the Surgeon General's Warning in any way.

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

Page 3
February 20, 2001

Please be advised that, at this time, Leader 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.

LEADER TOBACCO CO.. INC. - FAME CIGARETTES
EXHIBIT 'A'

Brand Style

Premium Blend Menthol Box

Premium Blend Menthol 100's Soft

Premium Blend Lights Box

Premium Blend Lights 100's Soft

Premium Blend Full Flavor Box

Premium Blend Full Flavor 100's Soft

Selected **packaging** samples from those
submitted with the plan.



PREMIUM BLEND



100's

UNDERAGE
SALE
PROHIBITED



PREMIUM BLEND



100's



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

CLASS 1
20
CIGARETTES



Made in the United States
Under the authority of
G.B. Tobacco International Limited



FULL FLAVOR
FAME

SOFT
100's



Made in the United Arab Emirates
under the authority of
G.B. Tobacco International Limited

FAME

FULL FLAVOR

PREMIUM BLEND

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

FAME

FULL FLAVOR

SOFT
100's

SOFT
FULL FLAVOR
PREMIUM BLEND



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

Division of Advertising Practices

March 2, 2001

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

Dear Mr. Boren:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, *et seq.* ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the proposed plan filed on behalf of Leader Tobacco Co., Inc. ("Leader") on February 20, 2001 plan calling for quarterly rotation of the four health warnings on packaging of certain varieties of the Fame brand of cigarettes.

The warnings on the sample packs and cartons of the Fame brand submitted with **your** plan appear to comply with the requirements of the Cigarette Act for size and conspicuousness. Leader's plan for specified variations of the Fame brand of cigarettes (i.e. Premium Blend Menthol Box, Premium Blend Menthol 100's Soft, Premium Blend Lights Box, Premium Blend Lights 100's Soft, Premium Blend Full Flavor Box, and Premium Blend Full Flavor 100's Soft) 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.¹ The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

If Leader 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 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".

C. Lee Peeler

¹ 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

幸 新 貿 易 公 司 SE TRADING COMPANY, INC.

March 1, 2001

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 YUNYAN.

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

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


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

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

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.

Selected packaging samples from those
submitted with the plan.



20支

®



20支

YunYan

FILTER DE LUXE



YunYan

KUNMING CIGARETTE FACTORY
YUNNAN

昆彩7

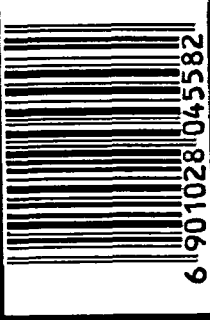


昆明·昆明卷烟厂出品

子烟



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



6 901028 045582

Yunyan



KUNMING CIGARETTE FACTORY, YUNNAN

200'S

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

200支



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

Division of Advertising Practices

March 8, 2001

Ms. Le Hong
S.E. Trading Company, Inc.
21 14 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 March 1, 2001 calling for the quarterly rotation of the four health warnings on the packaging of the Regular ("Red") brand style of the YunYan 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 Regular ("Red") brand style of the YunYan 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.¹ 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 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.



PREMIER MANUFACTURING INCORPORATED

(formerly Premier Marketing, Inc.)

March 1, 2001

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

Dear Mr. Peeler

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

There are fourteen (14) varieties of First Class. In 2000 our sales for First Class were [REDACTED] sticks. Our estimated sales for 2001 are [REDACTED] sticks for First Class. I have attached a list of statistics for sales for each variety.

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

1st CLASS CIGARETTE PLAN

Jan-Mar	SURGEON GENERAL'S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.
Apr-June	SURGEON GENERAL'S WARNING: Cigarette Smoke Contains Carbon Monoxide.
July-Sept	SURGEON GENERAL'S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.
Oct-Dec	SURGEON GENERAL'S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.

Premier Manufacturing also submits that all four (4) warnings shall appear exactly as they do on the enclosed packaging and artwork, with the revised colors and **capitalization/punctuation**.

www.GoPremier.com

160 Chesterfield Industrial Blvd. • Chesterfield, Missouri 63005 • (636) 537-5348 • Fax (636) 537-3359 • email: info@gopremier.com




PREMIER MANUFACTURING
I N C O R P O R A T E D

(formerly Premier Marketing, Inc.)

We will submit pack and carton samples for all brand styles showing the second through fourth quarter warnings as soon as they become available. We submit the foregoing complies with the Act and request approval of this plan.

Sincerely,



Premier Manufacturing, Inc.
Mark Durham _____

www.CoPremier.com

160 Chesterfield Industrial Bld. • Chesterfield, Missouri 63005 • (636) 537-5348 • Fax (636) 537-3359 • email: info@gopremier.com



PREMIER MANUFACTURING INCORPORATED

(formerly Premier Marketing, Inc)

2000 Sales
1ST CLASS brand cigarettes [REDACTED] sticks

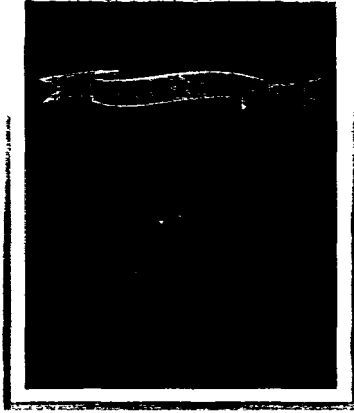
2001 Sales (est.)
1ST CLASS brand cigarettes [REDACTED] sticks

1ST CLASS	% of Sales	Cases	Sticks
Full Flavor Kings (Soft)	[REDACTED]%	[REDACTED]	[REDACTED]
Full Flavor Kings (Box)	[REDACTED]%	[REDACTED]	[REDACTED]
Light Kings (Soft)	[REDACTED]%	[REDACTED]	[REDACTED]
Light Kings (Box)	[REDACTED]%	[REDACTED]	[REDACTED]
Menthol Kings (Soft)	[REDACTED]%	[REDACTED]	[REDACTED]
Menthol Kings (Box)	[REDACTED]%	[REDACTED]	[REDACTED]
Light Menthol Kings	[REDACTED]%	[REDACTED]	[REDACTED]
Ultra Light Kings	[REDACTED]%	[REDACTED]	[REDACTED]
Non-Filter Kings	[REDACTED]%	[REDACTED]	[REDACTED]
Full Flavor 100s	[REDACTED]%	[REDACTED]	[REDACTED]
Light 100's	[REDACTED]%	[REDACTED]	[REDACTED]
Menthol 100's	[REDACTED]%	[REDACTED]	[REDACTED]
Light Menthol 100's	[REDACTED]%	[REDACTED]	[REDACTED]
Ultra Light 100's	[REDACTED]%	[REDACTED]	[REDACTED]
	100.0%		

Selected packaging samples from those
submitted with the plan.

7 08926 86275 6

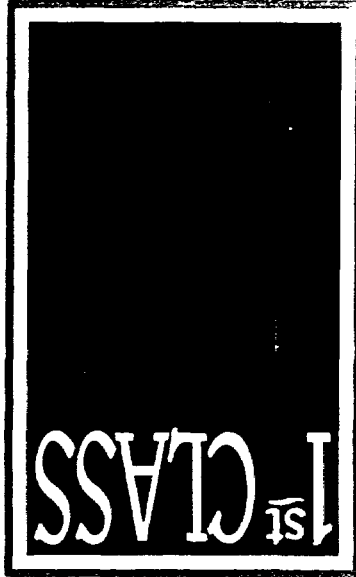
100% TOBACCO
100% TOBACCO



20 CLASS A CIGARETTES

1st CLASS

20 CLASS A CIGARETTES



1st CLASS

1st CLASS

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



200 CLASS A CIGARETTES

1st CLASS



1st CLASS

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

1st CLASS



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

Division of Advertising Practices

March 8, 2001


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

Dear Mr. Dunham:

The Federal Trade Commission ("the Commission") has delegated to the Associate Director for Advertising Practices its authority to review cigarette health warning display plans submitted to the Commission pursuant to Section 1333(c) of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, *et seq.* ("the Cigarette Act"). Pursuant to that delegation, I have reviewed the proposed plan filed on behalf of Premier Manufacturing Incorporated ("Premier") on March 1, 2001 calling for quarterly rotation of the four health warnings on packaging of certain varieties of the 1st Class brand of cigarettes.

The warnings on the artwork and sample packs and cartons of the 1st Class brand submitted with your plan appear to comply with the requirements of the Cigarette Act for size and conspicuousness.¹ Premier's plan has been approved for varieties of the 1st Class brand of cigarettes; full flavor kings **soft**, full flavor kings **box**, light kings **soft**, light kings **box**, menthol kings **soft**, ultra light kings, non-filter kings, full flavor loo's, light loo's, menthol loo's, and ultra light loo's? 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 showing warnings for the 2nd through 4th quarters of the year for those brand styles for which Premier only sent artwork, Premier should submit samples to the Commission. The Cigarette Act provides that any person who violates its provisions is guilty of a misdemeanor.

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

Sincerely, 

Lee Peeler

Associate Director

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

² You did not submit packaging showing the 1st quarter warning for the following brand styles; menthol kings **box**, light menthol kings, and light menthol loo's. Therefore, these brand styles are not approved

³ Knowingly and willfully making false statements to a federal government agency is a crime punishable by a fine and/or imprisonment. 18 U.S.C. § 1001