

STATE OF MINNESOTA  
COUNTY OF HENNEPIN

DISTRICT COURT  
FOURTH JUDICIAL DISTRICT  
Case Type: Other Civil

STATE OF MINNESOTA, by its Attorney General,  
Keith Ellison,

Court File No. 27-CV-19-19888  
Hon. Laurie J. Miller

Plaintiff,

vs.

JUUL LABS, INC., a Delaware Corporation  
f/k/a PAX LABS, INC., f/k/a PLOOM PRODUCTS,  
INC., ALTRIA GROUP, INC. f/k/a PHILIP  
MORRIS COMPANIES, INC.; PHILIP MORRIS  
USA INC. f/k/a PHILIP MORRIS INC.; ALTRIA  
CLIENT SERVICES LLC; ALTRIA GROUP  
DISTRIBUTION COMPANY; ALTRIA  
ENTERPRISES LLC,

**CONSENT JUDGMENT**

Defendants.

Plaintiff State of Minnesota (the “State” or “Minnesota”), by its Attorney General, Keith Ellison (the “Attorney General”), filed a Complaint against JUUL Labs, Inc. (“JUUL”) on December 4, 2019, in the above-captioned matter. The State filed its First Amended Complaint against JUUL and Altria Group, Inc., Philip Morris USA Inc., Altria Client Services LLC, Altria Group Distribution Company, and Altria Enterprises LLC (collectively “Altria” and, together with JUUL, “Defendants”), on December 10, 2020. The State alleged that Defendants violated the Minnesota Consumer Fraud Act (Minn. Stat. § 325F.69), the Deceptive Trade Practices Act (Minn. Stat. § 325D.44), the Unlawful Trade Practices Act (Minn. Stat. § 325D.13), and the False Statement in Advertisement Act (Minn. Stat. § 325F.67), and were liable for public nuisance, negligence, unjust enrichment, and civil conspiracy (the “Lawsuit”). The Parties began trial in this Lawsuit on March 27, 2023, and entered into a binding term sheet containing

all material settlement terms on April 16, 2023. In accordance with the term sheet, the Parties stipulate that this Court may enter this Consent Judgment.

**I. DEFINITIONS**

1. As used herein:

- a. **“Adult-Only Facility”** means a facility or restricted area (whether open-air or enclosed) where the operator ensures or has a reasonable basis to believe (such as by checking identification as required under state law, or by checking the identification of any person appearing to be under the age of 30) that no Youth are present. A facility or restricted area need not be permanently restricted to persons over 21 years of age in order to constitute an Adult-Only Facility, provided that the operator ensures or has a reasonable basis to believe that no Youth are present during the event or time period in question.
- b. **“Altria”** means Altria Group, Inc., Philip Morris USA Inc., Altria Client Services LLC, Altria Group Distribution Company, and Altria Enterprises LLC, and their successors and assigns.
- c. **“Altria Released Parties”** means (1) Altria Group, Inc., Philip Morris USA Inc., Altria Client Services LLC, Altria Group Distribution Company, and Altria Enterprises LLC, (2) their predecessors, successors, and assigns, (3) their past, present, and future direct or indirect subsidiaries and affiliates, and (4) each and all of the past, present and future principals, partners, officers, managers, directors, supervisors, employees, stockholders, agents, representatives, attorneys, and

members, and insurers of any of the persons and entities listed in (1)-(4), but only to the extent that the person or entity was acting in such capacity on behalf of Altria.

- d. **“Attorney General”** means the Minnesota Attorney General or any of its duly designated representatives, acting on behalf of the State of Minnesota in this Lawsuit pursuant to parens patriae authority and Minnesota Statutes chapter 8.
- e. **“Authorization Order”** means a granted written marketing order from the FDA authorizing a Premarket Tobacco Product Application (“PMTA”) submitted by JUUL related to JUUL Products or other written authorization from the FDA to JUUL related to JUUL Products (including a Modified Risk Tobacco Product Application).
- f. **“Bankruptcy Proceedings”** means if JUUL seeks relief or is placed involuntarily into relief under Title 11 of the United States Code or under any state or federal receivership or insolvency law; provided, however, that JUUL shall not be deemed to have entered Bankruptcy Proceedings if involuntary proceedings against it are dismissed within sixty (60) days of commencement.
- g. **“Billboard”** means an individual advertisement that both (1) is placed outdoors or in an arena, stadium or shopping mall and (2) occupies an area larger than 70 square feet (or is placed in such proximity to any other such advertisement so as to create a single “mosaic”-type advertisement

larger than 70 square feet); provided that “Billboard” does not include an advertisement on the outside (but on the property) of a JUUL facility.

- h. **“Cartoon”** means any drawing or other depiction of an object, person, animal, creature, or any similar caricature that satisfies any of the following criteria: (1) the use of comically exaggerated features; (2) the attribution of human characteristics to animals, plants, or other objects, or the similar use of anthropomorphic technique; (3) the attribution of unnatural or extra-human abilities, such as imperviousness to pain or injury, X-ray vision, tunneling at very high speeds, or transformation; or (4) is presented in a non-realistic style.
- i. **“Claims”** means any and all civil (i.e., non-criminal) claims, demands, actions, suits, causes of action, damages, fines, penalties, and liabilities and monetary impositions of any nature, as well as costs, expenses, and attorneys’ fees, whether known or unknown, suspected or unsuspected, accrued or unaccrued, whether legal, equitable, statutory, regulatory, or administrative.
- j. **“Compliance Officer”** means the person appointed by JUUL pursuant to Paragraph 39.
- k. **“Covered Conduct”** means any and all of the following:
  - i. All conduct related to age verification, product quantity limits, Nicotine content, flavors, or the size, shape, operation, or appearance of the product in the design, manufacture,

- marketing, advertising, product description, promotion, distribution, sale, or offer of JUUL or Altria ENDS Products.
- ii. All conduct that could have induced a person, including a Youth, to use or purchase JUUL or Altria ENDS Products.
  - iii. All conduct that could have allowed a person, including a Youth, to use or purchase JUUL or Altria ENDS Products without allegedly adequate age verification, product quantity limits, or other age-based limitations or procedures.
  - iv. All conduct alleged in the Lawsuit or arising out of or relating to the conduct, transactions, and occurrences set forth in the Lawsuit;
  - v. All conduct that may have violated federal or state laws, regulations, or rules, or that could give rise to any common law cause of action, relating to the conduct described in subparagraphs (i)-(iv).
  - vi. For the avoidance of doubt, Covered Conduct does not include any conduct relating to an undisclosed non-Nicotine ingredient hazard in JUULpods resulting in personal injury to a consumer (other than a non-Nicotine ingredient hazard alleged in the Lawsuit).
  - vii. As used herein, “conduct” includes, without limitation, any act, failure to act, practice, omission, statement, or representation.

- l. **“Defendants”** or **“Defendant”** means JUUL and Altria, collectively and individually, respectively.
- m. **"Altria Depository Documents"** means documents produced by Altria in this Lawsuit, in similar actions by other states regarding Altria's involvement in marketing and selling JUUL Product, and in the JUUL federal multidistrict litigation matter (*In re Juul Labs, Inc., Marketing, Sales Practices, and Products Liability Litigation*, No. 3:19-MD-2913 (N.D. Cal.)), regardless of when created, provided that, with respect to documents that were produced by Altria in this Lawsuit or in the federal multidistrict litigation because those documents were previously produced to the Federal Trade Commission (“FTC”) in a separate action (the “FTC Documents”), the Altria documents for the depository will be identified by applying to the FTC Documents the search terms used in the federal multidistrict litigation, the search terms used in this Lawsuit, or by any additional search terms Altria and the State may agree upon within sixteen (16) months of the Effective Date. In the event of a disagreement regarding additional search terms, Altria and the State will, consistent with the process set forth in Paragraph 45(d), request that the Court appoint a special master to review any disputed search and determine the search parameters, if any, to be used. For the avoidance of doubt, the remaining documents produced by Altria in the above-referenced matters that are not FTC Documents shall be considered

Altria Depository Documents without the application of, or identification by, search terms.

- n. **“JUUL Depository Documents”** means documents created on or before September 14, 2019, and produced by JUUL, Pax Labs, Inc., or the JUUL-Related Individuals to Minnesota. “Depository Documents” shall also include any documents identified by the States pursuant to the next paragraph that were both produced by JUUL, Pax Labs, Inc., or the JUUL-Related Individuals to Minnesota and were created after September 14, 2019, to the extent that such documents include, in whole or in part, information or data that pre-dates September 14, 2019. Examples of such documents include, but are not limited to: (i) copies of JUUL advertisements and social media posts; (ii) Microsoft Excel spreadsheets; (iii) extracts of Slack messages; and (iv) extracts of text messages. By August 1, 2023, the Attorney General will provide a final list of documents that were created after September 14, 2019, and meet the specifications of the preceding paragraph for inclusion in the Document Depository. JUUL will assist the Attorney General by (i) identifying the bates numbers of documents described on the list for which the Attorney General is unable to provide bates numbers; and (ii) identifying whether any documents on the list have been re-produced and/or downgraded and providing the bates numbers of such reproductions and/or downgrades. If this information is not readily identifiable, JUUL will work with the Attorney General in good faith to

identify relevant documents based on sample documents found by the Attorney General, provided that JUUL shall not be required to conduct a search for new and/or previously un-produced documents. For the avoidance of doubt, “JUUL Depository Documents” does not include documents that have already been made available or will be made available to the public, withheld, or redacted pursuant to the document depository provisions in JUUL’s consent judgments with California, Colorado, the District of Columbia, Illinois, Massachusetts, New Mexico, and New York, and North Carolina. The State may not make any additional objections to withheld or redacted documents that were made available to the public, withheld, or redacted pursuant to JUUL’s consent judgment with North Carolina.

- o. **“Document Depository”** means a single depository established pursuant to Section IV and the document depository provisions in JUUL’s consent judgments with California, Colorado, District of Columbia, Illinois, Massachusetts, New Mexico, and New York.
- p. **“Effective Date”** of this Consent Judgment means the date the Court enters this Consent Judgment.
- q. **“ENDS”** means an electronic nicotine delivery system and includes an “electronic delivery device,” as defined in Minn. Stat. § 609.685, subd. 1(c) but only to the extent such definition refers to “any product . . . delivering nicotine . . . through inhalation of aerosol or vapor from the product.” “ENDS” does not include heat-not-burn products.



- r. **“JUUL-Related Individuals”** means Adam Bowen, James Monsees, Nicholas Pritzker, Riaz Valani, and Hoyoung Huh.
- s. **“JUUL”** means JUUL Labs, Inc. and its successors and assigns.
- t. **“JUUL Brand Name”** means a brand name (alone or in conjunction with any other word), trademark, logo, symbol, motto, selling message, recognizable pattern of colors, or any other indicia of product identification identical or similar to, or identifiable with, those used for any JUUL Products.
- u. **“JUUL Device”** means any ENDS device sold, marketed, and/or distributed by JUUL in the United States.
- v. **“JUULpod Packs”** means a package of JUULpods sold as one unit by JUUL.
- w. **“JUULpods”** means any disposable pods sold, marketed, distributed, and/or manufactured by JUUL and prefilled with a liquid solution that consumers use as part of the closed-pod, liquid-based, ENDS sold, marketed, and/or distributed by JUUL in the United States.
- x. **“JUUL Product”** means any electronic Nicotine delivery product sold, marketed, and/or distributed by JUUL in the United States, including a closed-pod, liquid-based ENDS product composed of one or more of the following components: JUUL Device, JUULpods, JUULpod Packs, and/or a charger.
- y. **“JUUL Released Parties”** means (1) JUUL, (2) Pax Labs Inc. in its capacity as a predecessor of JUUL, (3) their past and present direct or

indirect subsidiaries and affiliates listed in **Exhibit A** (and their respective successors and assigns), and (4) each and all of the past and present principals, partners, officers, directors, supervisors, employees, stockholders and members, and insurers of any of the persons and entities listed in (1)-(4), but only to the extent that the person or entity was acting in such capacity on behalf of JUUL.

- z. **“Minnesota Retail Store”** means a physical retail location in Minnesota that purchases JUUL Products either directly from JUUL or from a JUUL authorized distributor for resale directly to consumers.
- aa. **“Nicotine”** means all forms of nicotine or nicotine analogues, whether derived from tobacco or other plants, or synthetic.
- bb. **“Outdoor Advertising”** means (1) Billboards; (2) signs and placards in arenas, stadiums, and shopping malls; and (3) any other advertisements placed (A) outdoors, or (B) on the inside surface of a window facing outward; provided that “Outdoor Advertising” does not mean (1) an advertisement on the outside of a JUUL facility; (2) an individual advertisement that does not occupy an area larger than 14 square feet (and that neither is placed in such proximity to any other such advertisement so as to create a single “mosaic”-type advertisement larger than 14 square feet, nor functions solely as a segment of a larger advertising unit or series), and that is placed (A) on the outside of a Minnesota Retail Store, (B) outside (but on the property of) any such store, or (C) on the inside surface of a window facing outward in any such

store; or (3) an advertisement inside a Minnesota Retail Store that sells JUUL Products that is not placed on the inside surface of a window facing outward.

- cc. **“Parties”** or **“Party”** means Minnesota, JUUL, and Altria, collectively and individually, respectively.
- dd. **“Promote,” “Promotion,”** or **“Promotional”** (or any conjugation or use of such terms), when used herein, refer to any activity that involves advertising, marketing, distribution, sales, licensing, product placement, or an offer to do these activities, regardless of whether payment or consideration is associated with the activity and regardless of the form of promotion, whether print, digital, webpage, or other.
- ee. **“Reference Date”** means the date ninety-one (91) days after Defendants have made all payments due under Paragraph 52(a)-(b).
- ff. **“Released Parties”** means the Altria Released Parties and the JUUL Released Parties, collectively.
- gg. **“Releasers”** means the Attorney General, to the full extent of the Attorney General’s power and authority under Minnesota law to release Claims. “Releasers” does not include a person or entity if the Attorney General lacks power and authority under Minnesota law to release Claims of that person or entity as to the Claim at issue. Nothing in this Consent Judgment shall release or preclude the right of any government entity within Minnesota that is participating in (and does not opt out of) the government Entity Settlement entered into on December 6, 2022,

between JUUL and the Plaintiffs' Leadership in MDL No. 2913 and JCCP No. 5052 to participate in and obtain its designated recovery under that settlement.

- hh. **“Social Media Platform”** means any internet-based platform, including those which may be accessed through an app, through which users are able to create and/or share content that is accessible to members of the public, and includes, but is not limited to, current and future sites such as Facebook, Instagram, Snapchat, TikTok, Twitter, Reddit, Clubhouse, Pinterest, Tumblr, Google+, and YouTube.
- ii. **“Third-Party Sales Websites”** means websites that offer for sale or sell goods or services to consumers in the United States, other than any website owned and/or operated by Defendants.
- jj. **“Trade Secret Material”** means information, including a formula, pattern, compilation, program, device, method, technique, or process, strategy or other confidential competitive information that (a) derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure and use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.
- kk. **“Verified”** means determined to be 21 years or older through the use of reliable and independent age-verification service(s) that cross-references the customer's name, address, and date of birth against independent, competent, and reliable data sources, such as official government records.

Specifically, “Verified” requires: (1)(a) that each customer submit a non-expired government identification, and (b) for the sale of JUUL Products only, that the billing address on the method of payment matches the address listed in cross-referenced data sources and the shipping address for that order, or (2)(a) that the name, address, and date of birth provided by the customer are cross-referenced against information obtained from official government records or similar independent, competent, and reliable data sources, and (b) for the sale of JUUL Products only, that (i) the last four digits of the customer’s Social Security Number is provided by the customer and is cross-referenced against information obtained from official government records or similar independent, competent, and reliable data sources, (ii) a phone number or other personal indicator provided by the customer is used for two-factor authentication, and (iii) the billing address on the method of payment matches the shipping address for that order.

ll. “**Youth**” means individuals who are under the age of 21.

## **II. JUUL COMPLIANCE PROVISIONS**

### **Prohibition on Youth Targeting and Sales**

2. JUUL shall not take any action, directly or indirectly, that targets Youth within Minnesota in the Promotion of JUUL Products, or take any action a purpose of which is to initiate, maintain, or increase the incidence of Youth use of any JUUL Product within Minnesota.

3. JUUL shall not (1) directly fund or operate any Youth education campaigns or Youth prevention activities in Minnesota, or (2) provide materials on Youth education programs or events in Minnesota.

4. JUUL shall not depict or portray any individual under the age of thirty-five (35) in any Promotion or Promotional materials for JUUL Products in Minnesota.

5. JUUL shall not use Cartoons in any of its Promotional activities for JUUL Products in Minnesota.

6. JUUL shall not make any payment or provide other consideration to any person or entity in exchange for the placement of a JUUL Product or JUUL Brand Name displayed or accessible in any of the following in Minnesota: any motion picture, television show, theatrical production or other live performance, live or recorded performance of music, commercial film, virtual reality system, or video, video game, including any of the foregoing displayed on any streaming media or website or that JUUL has reason to believe would be shared on any Social Media Platform (collectively, "Media"). Provided, however, that the foregoing prohibition shall not apply to (a) Media where the audience or viewers are within an Adult-Only Facility (provided such Media are not visible to persons outside such Adult-Only Facility); (b) Media not intended for distribution or display to the public; or (c) instructional Media concerning how to use a JUUL Product viewed only by or provided only to persons who are not Youth. The prohibition in this Paragraph on product placement includes the prohibition on the use of any JUUL Product as a prop.

7. JUUL shall not retain or encourage individuals to Promote JUUL Products on an individual's personal account, or any account controlled in whole or in part by that individual, on any Social Media Platform. JUUL shall not retain or encourage any person or

entity to Promote JUUL Products as “brand ambassadors,” influencers, or affiliates (i) on any Social Media Platform accessible in Minnesota; or (ii) in person in Minnesota, unless the operator of the location of the in-person Promotion represents to the Defendant that in connection with such Promotion it will undertake reasonable industry standard measures to prohibit access by Youth and JUUL has a good-faith belief that the operator is adhering to such representation.

8. JUUL shall not Promote or cause to be Promoted any of the following that bears a JUUL Brand Name in Minnesota: any apparel, any other goods whose primary use is unrelated to the use or care of JUUL Products, or any item designed to be affixed to any such apparel or goods. Provided, however, that nothing in this subsection shall (a) require JUUL to retrieve, collect or otherwise recover any item previously Promoted or caused to be Promoted; or (b) prohibit the distribution to any JUUL’ employee who is not Youth of apparel or other goods that is intended for use in employment. For the avoidance of doubt, nothing in this Paragraph shall prevent JUUL from the use of the JUUL Brand Name on any JUUL Product, the JUUL Device, accessories directly related to the use or care of the JUUL Device (including JUULpods, charger, and carrying case), or any other Nicotine related JUUL products, or in any print or digital Promotional materials or coupons for any of the foregoing listed in this sentence.

9. JUUL shall not Promote or otherwise provide any JUUL Product to any consumers, wholesalers, or Retail Stores in Minnesota in any flavor that JUUL does not distribute or sell in Minnesota as of the Effective Date, unless and until JUUL receives written FDA authorization that permits the marketing of that flavored JUUL Product. JUUL shall not Promote or otherwise provide any JUUL Product to any consumers in any flavor that violates state or local laws in Minnesota.

10. JUUL shall require any individual in Minnesota to be Verified at the first point of access to any website owned and/or operated by JUUL before that consumer is able to access or view any content. Such first point of access may include a welcome page so long as it does not contain any information beyond the JUUL Brand Name and identification of the website. The requirements of this Paragraph are not applicable to JUUL's corporate website currently available at [www.juullabs.com](http://www.juullabs.com) or [www.juullabsscience.com](http://www.juullabsscience.com) so long as such websites contain exclusively non-commercial content and, as to [www.juullabsscience.com](http://www.juullabsscience.com), JUUL maintains an attestation on the welcome page as set out in **Exhibit B**. JUUL shall maintain records sufficient to document its compliance with this Paragraph. Such records shall be provided to the Attorney General upon request.

#### **Nicotine Content**

11. JUUL shall not make any claims or representations in Promotional materials in Minnesota comparing the quantification of the amount of Nicotine in JUUL Products to that found in tobacco products or any other ENDS, unless JUUL receives written FDA authorization that permits such claims or representations.

12. Beginning nine (9) months after the Effective Date, if JUUL makes any statement about the Nicotine content of JUUL Products in any Promotional materials in Minnesota other than through the JUUL Product packaging or label, JUUL shall also disclose the amount of Nicotine content in milligrams per milliliter (mg/ml) and as a percentage in terms of total volume of a JUULpod. This shall include any display of the Nicotine content portion of the JUUL Product packaging or label in any Promotional materials. The obligations under this Paragraph are no longer in effect if (1) the FDA implements a uniform Nicotine content disclosure standard for ENDS products or (2) JUUL receives written FDA



authorization for JUUL Products that permits JUUL to use a specific Nicotine content disclosure.

### **Sponsorships and Naming Rights**

13. JUUL shall not sponsor any events in Minnesota in which payment is made (or other consideration is provided) in exchange for use of any JUUL Brand Name.

14. Notwithstanding Paragraph 13, JUUL may sponsor events in Minnesota:

a. At an Adult-Only Facility, and

b. In the name of JUUL's corporate name, provided that the sponsorship uses the abbreviation "JUUL" for the corporate name, does not use the word "JUUL," and does not include reference to JUUL Products.

### **Advertising and Marketing**

15. JUUL shall not Promote JUUL Products in media or outlets in Minnesota unless, according to nationally established advertising demographic services, such as Comscore, 85% or more of the individuals comprising the audience of the media or outlets are not Youth. This provision does not apply to Promotion through Outdoor Advertising, on the property of Minnesota Retail Stores selling JUUL Products, or on any online website that requires Minnesota consumers to be Verified before being able to further access the website.

16. JUUL shall not use Billboards in Minnesota. JUUL shall not place or cause to be placed Outdoor Advertising at any location in Minnesota that at the time of the placement, or renewal of the placement, of the Outdoor Advertising is within 1,000 feet of any elementary, middle, or high school, or of any public playground in Minnesota.

17. JUUL shall not place or cause to be placed any Promotion in or on public transportation or inside public transportation facilities in Minnesota, including, but not limited

to, taxicabs, rideshare services (e.g., Uber or Lyft), public buses or bus stations, public trains or train stations, or airports. This Paragraph shall not apply to any in-store materials at any Minnesota Retail Store located in a public transportation facility.

18. JUUL shall not publish any Promotional material for JUUL Products on any Social Media Platform accessible in Minnesota, provided that JUUL shall be permitted to use Twitter, LinkedIn, and YouTube for (i) hosting testimonial videos of the experiences of persons thirty- five (35) years of age or older who are or were habitual combustible cigarette smokers using JUUL Products, and (ii) non-Promotional communications. JUUL shall not use any testimonials or other Promotional material in Minnesota that makes a claim or representation that JUUL Products or vaping is safer or healthier than combustible cigarettes, are modified risk products, or are smoking cessation devices until JUUL receives written FDA authorization for JUUL Products that permits JUUL to make such a claim or representation.

19. JUUL shall not create or use any hashtags in Minnesota for the purpose of Promoting any JUUL Product.

20. JUUL shall not retain or encourage any person or entity to Promote JUUL Products in person in Minnesota, unless the operator of the location or event represents to JUUL that in connection with such Promotion it shall undertake reasonable industry standard measures to prohibit access by Youth and JUUL has a good-faith belief that the operator is adhering to such representation.

21. JUUL shall not include any person in Minnesota who is not Verified on JUUL's marketing distribution lists for JUUL Products.

22. JUUL shall not send direct-to-consumer Promotional emails, materials, or text messages for JUUL Products to any Minnesota consumers who are not Verified.

23. JUUL shall not use in its Promotions any research that JUUL sponsored, funded, or otherwise supported or provided consideration for unless JUUL clearly and conspicuously discloses the source and funding of the research, including specifically the extent to which JUUL or any other ENDS company or trade association was directly or indirectly responsible for the research.

### **Samples**

24. JUUL shall not provide free JUUL Products to Minnesota consumers, nor shall it provide JUULPods to Minnesota consumers at a nominal price, defined as a sale price lower than the larger of (i) 20% of the suggested retail price or (ii) \$3 per JUULPod. To the extent that packs of JUULPods are sold, the nominal price shall scale with the number of JUULPods in a pack.

### **Sales and Distribution Restrictions**

25. JUUL shall not expressly authorize or otherwise enter into any agreement with any Minnesota Retail Store to (1) display unsecured JUUL Products in a location other than behind a counter or (2) allow individuals to access JUUL Products without the assistance of a Minnesota Retail Store employee. If the Attorney General notifies JUUL or JUUL customer service is notified that any Minnesota Retail Store is engaging in any activity that JUUL is not permitted to authorize in this Paragraph, JUUL shall promptly take commercially reasonable steps to investigate and halt any such activity.

26. JUUL shall limit online sales to Minnesota consumers of JUUL Products on any website owned and/or operated by JUUL to no more than two (2) JUUL Devices per month, ten (10) JUUL Devices per calendar year, and sixty (60) JUULpods per month, sold individually or through JUULpod Packs.

27. JUUL shall take reasonable steps to limit retail transactions at Retail Stores in Minnesota to one (1) JUUL Device and/or sixteen (16) JUULpods, sold individually or through JUULpod Packs, per transaction, including (a) requiring that any contract it enters with a Minnesota Retail Store for the purchase or sale of JUUL Products provide that the Minnesota Retail Store shall comply with such limits and (b) continuing to maintain the bulk sale limits in the JUUL Labs Authorized Reseller Program Policy. JUUL shall continue to assess compliance through JUUL Compliance Checks as described in Paragraph 40 below.

28. JUUL shall not offer, sell, deliver, or in any manner directly provide any JUUL Products to Minnesota consumers who have not been Verified.

29. In furtherance of Paragraph 28, for all sales of JUUL Products to Minnesota consumers on any website owned and/or operated by JUUL, JUUL shall continue to recommend to credit card companies (through JUUL's third-party payment gateways or processors) that the words "JUUL TOBACCO PRODUCT" be printed on the consumer's credit card statement (in addition to such other language as may be required by Minnesota law or regulation).

30. JUUL shall require an adult signature for delivery of JUUL Products to a residential address in Minnesota for all orders for JUUL Products purchased through a website owned or operated by JUUL in conformance with the PACT Act.

31. Prior to distributing JUUL Products to Minnesota consumers through a consumer warranty program, JUUL shall first confirm that the individual requesting the warranty replacement is Verified. For the purposes of this Consent Judgment, a distribution through a consumer warranty program shall be considered a sale of JUUL Products.

32. Prior to enrolling Minnesota consumers in any auto-shipment program, JUUL shall first confirm that the individual to be enrolled in the auto-shipment program is Verified.

33. If JUUL is provided notice pursuant to this Consent Judgment by the Attorney General that a JUUL Product previously purchased by a consumer through an online sale is later provided to a Youth, JUUL shall not knowingly sell JUUL Products on any website owned and/or operated by JUUL to that Minnesota purchasing consumer.

34. JUUL shall not license or authorize any third party to engage in conduct that is impermissible under the terms of this Consent Judgment if done directly by JUUL.

35. JUUL shall continue to monitor Social Media Platforms and Third-Party Sales Websites to identify content Promoting use of JUUL Products by Youth, unauthorized sales of JUUL Products or counterfeit JUUL Products, or content that would otherwise be impermissible by JUUL under this Consent Judgment.

36. JUUL shall continue to use reasonable efforts, including possible legal action, to work with Social Media Platforms and owners of Third-Party Sales Websites to remove content promoting use of JUUL Products by Youth, unauthorized sales of JUUL Products or counterfeit JUUL products, or content that would otherwise be impermissible by JUUL under this Consent Judgment.

37. The Parties agree that JUUL shall be deemed to be in compliance with Paragraph 36 if it continues to (i) engage a nationally recognized service provider to monitor Social Media Platforms and Third-Party Sales Websites using the service provider's "web-scraping" or similar technology for effective monitoring, and (ii) maintain a process for diligently requesting that Social Media Platforms or owners of Third-Party Sales Websites remove the content

identified through such monitoring. JUUL may follow any procedures that Social Media Platforms or websites have established for providing notice of the content.

38. The Parties agree that compliance with Paragraphs 35–36 does not create any liability for JUUL for content posted by a third party or for the failure of a third party to remove posted content after being requested by JUUL. JUUL shall maintain records related to monitoring of Social Media Platforms and Third Party Sales Websites and requests to operators and owners of those Platforms and websites sufficient to document its compliance with Paragraphs 35–36.

### **Retail Compliance**

39. JUUL shall designate and maintain a Compliance Officer, who shall be a corporate senior-level employee responsible for ensuring compliance with this Consent Judgment and shall act as a point of contact with Minnesota to address any compliance-related issues.

40. JUUL shall maintain a retailer-compliance program for Minnesota Retail Stores that requires:

- a. JUUL to send representatives to conduct unannounced JUUL Compliance Checks at 65 of Minnesota Retail Stores per year until the later of (i) four (4) years after the Effective Date, or (ii) the date when the payments established in Paragraph 52 are paid to Minnesota in full. A “JUUL Compliance Check” is an assessment of a Minnesota Retail Store’s compliance with the (a) federal requirements to verify a purchaser’s age pursuant to 21 C.F.R. § 1140.14 or (b) product-quantity

limits of up to one (1) JUUL Device and sixteen (16) JUULpods, sold individually or through JUULpod Packs, per transaction, or (c) both.

- b. JUUL to use reasonable efforts to have the representatives conduct JUUL Compliance Checks at different Minnesota Retail Stores each month. JUUL to use reasonable efforts to have the Compliance Checks conducted by service providers engaged by JUUL.
- c. The representative conducting the JUUL Compliance Check to complete a standardized form documenting the transaction(s) in which he or she participated in each Retail Store, which shall note any violations. The representative's compensation shall not be dependent on the results of the retailer-compliance inspections.
- d. JUUL to implement the following penalties to Minnesota Retail Stores for violations of the JUUL Compliance Checks:
  - i. First JUUL Compliance Check Failure: JUUL shall issue a letter notifying the Minnesota Retail Store of its first violation. The letter shall reiterate the requirements of the JUUL Compliance Checks and the penalty escalation structure. For any Minnesota Retail Store that commits a first violation, JUUL shall perform a second JUUL Compliance Check within ninety (90) days of the first violation, which shall be in addition to the above-stated annual requirement.
  - ii. Second JUUL Compliance Check Failure: If a second violation occurs within one year of the first violation, JUUL shall issue a

letter notifying the Minnesota Retail Store of the second violation. JUUL shall suspend (or shall instruct any wholesaler, distributor, or sub-distributor through which JUUL supplies the Minnesota Retail Store to suspend) the Minnesota Retail Store from any Promotional activities for six (6) months following the date of the second failed JUUL Compliance Check. For any Minnesota Retail Store that commits a second violation, JUUL shall perform a third JUUL Compliance Check within ninety (90) days of the second violation, which shall be in addition to the above-stated annual requirement. For any second age-verification failure, JUUL shall communicate the age-verification non-compliance to the United States Food and Drug Administration (“FDA”).

- iii. Third JUUL Compliance Check Failure: If a third violation occurs within one year of the first violation, JUUL shall issue a letter notifying the Minnesota Retail Store of the third violation. JUUL shall cease doing business with the Minnesota Retail Store as an authorized retailer for three (3) years from the date of the third failed JUUL Compliance Check, and notify all applicable wholesalers, distributors, and sub-distributors to suspend sales of JUUL Products to the Minnesota Retail Store for the three-year period. For any Minnesota Retail Store that commits a third violation, JUUL shall perform a fourth JUUL



Compliance Check within ninety (90) days of the third violation, which shall be in addition to the above-stated annual requirement. For any third age-verification failure, JUUL shall communicate the age-verification non-compliance to the FDA.

iv. Fourth JUUL Compliance Check Failure: If a fourth violation occurs within one year of the first violation, JUUL shall cease doing business with the Minnesota Retail Store and notify all applicable wholesalers, distributors, and sub-distributors to suspend sales of JUUL Products to the Minnesota Retail Store. The embargo on doing business with that Minnesota Retail Store shall remain in place until new ownership of that Minnesota Retail Store wholly unrelated to the embargoed ownership is in place and licensed to sell vapor products. Where that Minnesota Retail Store is part of a chain or similar group of stores, “ownership” in the preceding sentence shall refer to the owner or franchisee of the specific Minnesota Retail Store at issue, and not to a parent company or owner of the chain. For any fourth age-verification failure, JUUL shall communicate the age-verification non-compliance to the FDA.

e. If (i) JUUL receives information pursuant to this Paragraph 40 or (ii) JUUL customer service receives information or complaints of Minnesota Retail Stores violating the age-verification requirements or product quantity limits, JUUL shall conduct a JUUL Compliance

Check of those Retail Stores within ninety (90) days of receipt of such information or complaints.

- f. JUUL's obligations under this Paragraph become effective on the first day of the first full calendar month beginning no earlier than twenty-one (21) days after the Effective Date.
- g. Every six (6) months, JUUL shall provide the Attorney General and the Minnesota Department of Health with results of its JUUL Compliance Checks of Minnesota Retail Stores conducted pursuant to Paragraph 40(a), with the first set of results being provided six (6) months and two weeks after the terms of this Paragraph become effective pursuant to Paragraph 40(f).

41. The Parties agree that JUUL shall not be subject to any liability for any conduct by Minnesota Retail Stores arising out of or relating to JUUL's creation and maintenance of the retailer-compliance program described above.

42. JUUL shall continue to include serial numbers on JUUL Devices that permit Minnesota's consumers to report the serial number of a JUUL Device confiscated from a Youth through a website, currently <https://www.juul.com/trackandtrace>. Every six (6) months with the reports provided pursuant to Paragraph 40(g), JUUL shall report to the Attorney General any and all information regarding any submissions to the website for transactions identified as relating to a Minnesota Retail Store.

### **III. ALTRIA COMPLIANCE PROVISIONS**

43. For ENDS sales made by any entity wholly or majority owned or otherwise subject to control by Altria, Altria shall take appropriate and reasonable measures to restrict the

marketing and advertising of such products to adult tobacco or Nicotine consumers and to prevent such marketing and sales to underage consumers. This includes abiding by operative marketing restrictions applied to such products by any granted final marketing orders by the U.S. Food & Drug Administration.

44. In Minnesota Retail Stores, Altria shall not illuminate shelf space displaying JUUL Products or other ENDS products, unless those products have been authorized for sale by the FDA and to the extent that illumination is consistent with that authorization.

#### **IV. DOCUMENT DEPOSITORY**

45. Altria and JUUL Depository Documents shall be made available to the public in a Document Depository established consistent with this Part.

a. Defendants may redact the following categories of information from the Altria and JUUL Depository Documents:

- i. Privileged information or attorney work product.
- ii. Trade Secret Material, including documents that could be used to create counterfeit or black market Products.
- iii. Confidential Tax information.
- iv. Confidential Personal Information and Defendants' personnel files, so long as those personnel files do not contain information about any employee's Covered Conduct. For the avoidance of doubt, information related to compensation from or related to JUUL; purchase of JUUL shares, or financial details relating to the JUUL company acquisition are not encompassed within the

definition of Confidential Personal Information or Defendants' personnel files.

v. Information that may not be disclosed under applicable federal, state, or local law.

vi. Information that cannot be disclosed without violating the contractual rights of third parties that Defendants may not unilaterally abrogate.

vii. Information regarding personal or professional matters unrelated to Defendants or ENDS, including but not limited to emails produced from the files of Defendants' custodians discussing vacation or sick leave, family, or other personal matters.

b. Defendants may withhold a Depository Document in its entirety if it contains only information in subparagraphs 45(a)(i)-(vii) above. Documents so withheld must be identified by Defendants by Bates number (where available) and Defendants must identify the basis for redaction or withholding in the production log required by subparagraph (d) below.

c. Defendants' inadvertent failure to redact or withhold a document under Paragraph 45(a) shall not constitute a waiver of any confidentiality rights that Defendants have under this Paragraph, nor shall it prevent Defendants from later redacting or withholding

the document, or requesting that the State return the inadvertently produced copy of the document.

- d. Within sixteen (16) months of the Effective Date, Defendants shall identify every Depository Document they seek to redact or withhold and identify the basis for redaction or withholding. Within three (3) months of Defendants' identification of a document for redaction or withholding, the Attorney General shall confer with Defendants about their redaction or withholding requests. With respect to JUUL Depository Documents, the Attorney General shall coordinate with California, Colorado, District of Columbia, Illinois, Massachusetts, New Mexico, and New York (the "Settling Litigating States"). The Attorney General (in coordination with the Settling Litigating States with respect to the JUUL Depository Documents) may challenge such requests on the ground that the information at issue does not fall within the categories in Paragraph 45(a)(i)-(vii) above. In the event differences remain between the Parties with regard to Defendants' redaction or withholding requests, within thirty (30) days after the deadline for the Attorney General and Defendants to meet and confer, the Parties shall (in consultation with the Settling Litigating States with respect to JUUL Depository Documents) request that the Court appoint one or more special masters to review any disputed documents and determine whether the information that

one or more Defendants requests to redact or withhold falls within the categories in Paragraph 45(a)(i)-(vii) above. For the avoidance of doubt, the special master(s) referenced in the preceding sentence shall be, with respect to any disputed JUUL Depository Documents, the same special master(s) established pursuant to the consent judgments entered with the Settling Litigating States. The determination of the special master(s) shall be binding on the Parties. The costs and fees of the special master(s) shall be borne equally by the Parties. For the avoidance of doubt, Defendants' prior designation of any Depository Document under a confidentiality or protective order shall not create any presumption as to the confidentiality of such document for purpose of the Document Depository.

46. The Document Depository shall be maintained and operated by one or more public universities or similar research entities chosen by Minnesota in coordination with the Settling Litigating States (the "Depository Institution"). The States shall notify Defendants of the Depository Institution chosen. Upon its selection, the Depository Institution will commit to hosting for the public the Depository Documents for no less than ten (10) years. The Document Depository shall be freely accessible to the public and government entities of all States and territories in the United States.

47. Altria shall be responsible for its allocable share, proportionate to the number of Altria documents maintained in the Document Depository, of all reasonable costs and expenses

associated with the public disclosure and storage of Altria's documents through the Document Depository for a period of ten (10) years.

48. The Depository Institution will make the Depository Documents produced by Defendants available to the public within two (2) years of its selection, provided that the documents produced by or on behalf of the JUUL-Related Individuals shall be made available to the public only after the Reference Date. Should the Depository Institution choose to discontinue hosting the Depository Documents, the Depository Documents shall be transferred to the Attorney General, where they will remain available to the public at the discretion of and in the form selected by the Attorney General.

49. The Parties agree that all transcripts, recordings, exhibits, and other documents introduced or associated with trial in this Lawsuit may be included in the Document Depository.

50. Due to the need for the Parties to review and ultimately publish some or all of the documents protected under the Protective Order in this Lawsuit (Stipulated Protective Order, Doc No. 48 (April 28, 2020)), the requirement that Protected Material be returned or destroyed within 90 days of final disposition of litigation (Paragraph 58) is hereby suspended until the resolution of all issues related to the Document Depository.

## **V. MONETARY PAYMENT**

51. JUUL hereby warrants and represents that, as of the date of the execution of this Consent Judgment, it is not insolvent as such term is defined and interpreted under 11 U.S.C. §§ 101 et seq. ("Code") including, without limitation, Code §§ 547 and 548. Altria separately warrants and represents that, as of the date of the execution of this Consent

Judgment, it is not insolvent as such term is defined and interpreted under the Code, including, without limitation, Code §§ 547 and 548.

52. Subject to the terms and conditions below, Defendants shall pay a total amount of up to \$60,500,000 to the State, as follows: (a) \$22,750,000 within thirty (30) days of the Effective Date; (b) \$12,750,000 by March 1, 2024; (c) \$3,750,000 by March 1, 2025; (d) \$3,750,000 by March 1, 2026; (e) \$3,750,000 by March 1, 2027; (f) \$3,750,000 by March 1, 2028; (g) \$3,750,000 by March 1, 2029; (h) \$3,750,000 by March 1, 2030; and (i) \$2,500,000 in the event that JUUL is granted an Authorization Order (within 30 days of such grant) or, if its Premarket Tobacco Production Application is not denied, on March 1, 2031. Defendants shall notify the Attorney General, in writing, at least ninety (90) days prior to transmitting any payment required under subparagraphs (b)-(h).

53. There will be no joint and several liability for Defendants with respect to any aspect of this Consent Judgment. Any violation of this Consent Judgment by JUUL shall have no effect on Altria's obligations under this Consent Judgment, and any violation of this Consent Judgment by Altria shall have no effect of JUUL's obligations under this Consent Judgment. Altria's financial obligation is limited to \$5,000,000, to be paid as part of the payment described in Paragraph 52(a).

54. JUUL shall have the right to prepay any amount in Paragraphs 52(b)-(i) in whole or in part before such amount becomes due at a discount calculated using an effective discount rate of 7.5% per annum, with the discount calculated at the daily rate of -0.0205479452% for each day between (i) the later of (a) September 1, 2025 or (b) the date such payment is made by JUUL and (ii) the due date for the payment under Paragraph 52. Such pre-payment shall constitute full payment of the undiscounted amount due under Paragraph 52. JUUL shall notify



the Attorney General, in writing, at least ninety (90) days prior to transmitting any pre-payment under this Paragraph.

55. It is the intent of the Parties that the payments under Paragraph 52 be used, to the maximum extent practicable under Minnesota law and the Attorney General's contractual arrangements, to fund ENDS and other Nicotine prevention, cessation, and research activities in Minnesota. The payments under Paragraph 52 may also be used for reimbursement of the costs of the State's investigation and litigation, including attorneys' fees.

56. No more than \$19,000,000 will be designated for attorneys' fees and costs, to be determined under applicable law and the Attorney General's contractual arrangements, including the Attorney General's Special Attorney Appointment related to this Lawsuit. At least \$39,000,000 of the amounts paid to the State under Paragraph 52 constitutes compensatory restitution and remediation within the meaning of 26 U.S.C. § 162(f)(2)(A). As such, the Attorney General shall cause to be completed and timely filed Forms 1098-F with the Internal Revenue Service ("IRS") that identify not less than \$39,000,000 of the amounts paid to the State as compensatory restitution and remediation within the meaning of 26 U.S.C. § 162(f)(2)(A), including appurtenant IRS regulations, guidance, and instructions, and shall timely furnish Copy B of such Form 1098-F (or an acceptable substitute statement) to Defendants. Defendants shall cooperate with the Attorney General and provide all pertinent information needed for the Attorney General to timely complete an IRS Form 1098-F, including relevant Tax Identification Numbers and/or Employer Identification Numbers.

## VI. NOTICE

57. All notices or certifications required to be provided to a Party or a designated state office shall be sent in written form electronically and by first class mail, postage pre-paid, as follows, unless a Party gives notice of a change to the other Party:

- a. For JUUL:

Tyler Mace  
Chief Legal Officer JUUL Labs, Inc.  
1000 F Street  
Washington, D.C. 20004  
tyler.mace@juul.com

*With a copy to:*

JB Kelly  
Wachtell, Lipton, Rosen & Katz  
51 West 52<sup>nd</sup> Street  
New York, NY 10019 jbkelly@wlrk.com

- b. For Altria:

Robert McCarter  
Senior VP & Associate General Counsel  
Altria Client Services  
robert.a.mccarter@altria.com

*With a copy to:*

John Massaro  
Arnold & Porter Kaye Scholer LLP  
601 Massachusetts Ave., NW  
Washington, DC 20001-3743  
john.massaro@arnoldporter.com

- c. For Minnesota:

Assistant Attorney General Adam Welle  
Minnesota Attorney General's Office  
445 Minnesota Street, Suite 1200  
St. Paul, MN 55101-2130  
adam.welle@ag.state.mn.us

d. For Minnesota Department of Health:

health.commissioner@state.mn.us

## **VII. ENFORCEMENT**

58. Defendants shall, after diligent inquiry, beginning one hundred and twenty (120) days from the Effective Date and thereafter annually certify compliance with this Consent Judgment to the Attorney General pursuant to the notice provisions in Section VI. Altria's obligation to certify compliance under this paragraph shall expire six (6) years after the Effective Date.

59. For the purposes of resolving disputes with respect to compliance with the injunctive terms of this Consent Judgment, should the Attorney General have a reasonable basis to believe that a Defendant has engaged in a practice that may have violated the terms of this Consent Judgment, the Attorney General shall notify the Defendant of the specific objection, identify with particularity the provision of this Consent Judgment that the practice appears to violate, and give the Defendant thirty (30) days to respond to the notification. The Defendant shall have the thirty (30) day period to provide a good faith written response to the Attorney General's notification, containing either a statement explaining why the Defendant believes it is in compliance with the Consent Judgment or a detailed explanation of how the alleged violation occurred and a statement explaining how the Defendant intends to remedy the alleged breach. Following receipt of the Defendant's written response, the Parties shall meet and confer in good faith regarding the alleged violation. Nothing in this Section limits the Attorney General's Civil Investigative Demand or investigative subpoena authority, and Defendants reserve all of their rights in responding to a Civil Investigative Demand or investigative subpoena issued pursuant to such authority.

60. The Attorney General may assert any claim that Defendants have violated this Consent Judgment in a separate civil action to enforce compliance with this Consent Judgment, or may seek any other relief afforded by law for violations of the Consent Judgment, but only after providing Defendants an opportunity to respond to the notification described in Paragraph 59 above; provided, however, that the Attorney General may take any action at any time if the Attorney General reasonably believes that, because of the specific practice, a threat to the health or safety of the public requires immediate action.

61. The State may not enforce the Consent Judgment of another State.

#### **VIII. RELEASE**

62. Releasers release and forever discharge the Released Parties from any and all Claims based on, arising out of, or in any way related to the Covered Conduct prior to the Effective Date to the full extent of the Attorney General's power and authority to release Claims (the "Released Claims"); provided, however, that if either JUUL fails to make any of the payments required under Paragraph 52(a)-(b) by thirty (30) days after such payment's due date or JUUL enters Bankruptcy Proceedings prior to the Reference Date, then the release and discharge of the JUUL-Related Individuals shall no longer be effective.

63. The release in Paragraph 62 is intended by the Parties to be broad and shall be interpreted so as to give all the Released Parties the broadest possible bar against any liability relating in any way to Released Claims. Subject to the enumerated carve-outs in this Section, this Consent Judgment shall be a complete bar to any Released Claims.

64. Nothing in Paragraphs 62–63 will be construed as an approval by the Minnesota Attorney General, the Court, Minnesota, or any agency thereof of the Altria or JUUL Released Parties' past, present, or future conduct or business practices.

65. Notwithstanding any term of this Consent Judgment, any and all of the following forms of liability are specifically reserved and not released under Paragraph 62:

- a. Any claims of private individuals;
- b. Any criminal liability;
- c. Any liability for state or federal securities violations;
- d. Any liability for local, state or federal tax violations (other than tax liability alleged or Claims brought against any Released Party in the Lawsuit);
- e. Any state or federal antitrust liability;
- f. Any state or federal environmental liability (other than such liability alleged or Claims brought against any Released Party in the Lawsuit);  
and
- g. Any enforcement of the terms of this Consent Judgment.

66. The Parties acknowledge that the payments set forth in this Consent Judgment are in compromise of Claims asserted by the Attorney General in this Lawsuit, based on JUUL's representations regarding its financial condition and its willingness to enter into this Consent Judgment and are subject to the following: If JUUL fails to make any payment required under Paragraph 52 within thirty (30) days of its due date, and has not entered Bankruptcy Proceedings, Minnesota may immediately collect its share under Paragraph 52 of the amount then due from JUUL using the methods described in Minnesota law, and by any other means authorized by Minnesota or other applicable law.

67. If JUUL enters Bankruptcy Proceedings prior to the Reference Date, then

- a. the Attorney General may provide notice to JUUL that the financial obligations and release of JUUL under this Consent Judgment are terminated and the State may then seek judgment against JUUL on liability and damages to the extent allowed by the Bankruptcy Court pursuant to any claim or cause of action brought in the Lawsuit.
- b. if the State receives a judgment as described above, all amounts previously received by the State under this Consent Judgment shall be credited against such judgment,
- c. Provisions regarding the release of Altria and JUUL Released Parties under Paragraph 62 other than JUUL and the JUUL-Related Individuals shall remain in full force and effect;
- d. Alternatively, the Attorney General may notify JUUL that the remaining payments under Paragraph 52 are fully due, the release of JUUL under Paragraph 62 shall remain in full force and effect, and Minnesota may immediately collect the amounts due using the methods described in Minnesota law, and by any other means authorized by Minnesota or other applicable law, unless stayed under federal bankruptcy law.

68. If JUUL enters Bankruptcy Proceedings later than the Reference Date but prior to ninety-one (91) days of payment of all amounts due under Paragraph 52, Minnesota may immediately collect its share under Paragraph 52 of the amounts due from JUUL using the methods described in Minnesota law, and by any other means authorized by Minnesota or other applicable law, unless stayed under federal bankruptcy law.

69. If Altria fails to make its payment pursuant to Paragraphs 52(a) and 53 by thirty (30) days after such payment's due date, then the release and discharge of the Altria Released Parties shall no longer be effective, at the election of the Attorney General. Alternatively, the Attorney General may notify Altria that its remaining payments under Paragraphs 52 and 53 are fully due, the release of Altria under Paragraph 62 shall remain in full force and effect, and the State may immediately collect the amounts due using the methods described in Minnesota law, and by any other means authorized by Minnesota or other applicable law, unless stayed under federal bankruptcy law.

70. Any applicable statute of limitation with respect to the JUUL Released Parties is tolled from the date of this Consent Judgment until the Reference Date. Any applicable statute of limitations with respect to the Altria Released Parties is tolled from the date of this Consent Judgment until the date Altria makes its payment pursuant to Paragraph 52(a).

**IX. PARITY PROVISION**

71. If, after the Effective Date but before the date four (4) years after such date, JUUL enters into any pre-trial and pre-judgment settlement or consent judgment with another state, commonwealth, or territory of the United States or the District of Columbia, by and through their attorneys general ("Other State(s)"), that resolves claims similar to the Released Claims, and such settlement or consent judgment contains overall payment or compliance provisions more favorable to such Other State(s) than the overall payment or compliance terms of this Consent Judgment, then this Consent Judgment will be revised to contain such more favorable payment or compliance provisions. This Section IX does not apply to, and there is no ability of the Attorney General to seek or obtain revision of this Consent Judgment based on, any Other State agreement with JUUL that is entered into after the date ninety (90) calendar days prior to

the scheduled start date of a trial between JUUL and the Other State or any severed or bifurcated portion thereof.

72. If JUUL enters into a pre-trial or pre-judgment settlement or consent judgment with an Other State during the time period referenced in Paragraph 71, JUUL shall provide a copy of such Other State's settlement document to the Attorney General for review within ten (10) days of its effective date. If, after review of the Other State's settlement document, the Attorney General believes such settlement document contains overall conduct terms requiring revision to this Consent Judgment, then the Attorney General shall provide written notice to JUUL within fifteen (15) days of receipt of the Other State's settlement document requesting that this Consent Judgment be revised to contain such more favorable conduct terms. JUUL and the Attorney General shall promptly meet and confer in good faith concerning any such request. If an agreement is reached between JUUL and the Attorney General that a revision of this Consent Judgment is required, this Consent Judgment shall be revised accordingly. If an agreement is reached between JUUL and the Attorney General that no revision of this Consent Judgment is required, then this Consent Judgment shall not be revised. If after meeting and conferring JUUL and the Attorney General fail to reach an agreement as to whether a revision is required, the Attorney General may request that the Court determine whether revision of this Consent Judgment is required under this Paragraph.

**X. GENERAL TERMS**

73. This Court has jurisdiction over the subject matter of this Lawsuit and over all Parties.

74. The Parties agree that this Consent Judgment, including any issues related to interpretation or enforcement, shall be governed by the laws of the State of Minnesota.



75. Entry of this Consent Judgment is in the public interest and reflects a negotiated agreement among the Parties. By entering into this Consent Judgment, the Parties have agreed to resolve the matters released as provided herein.

76. The Parties enter into this Consent Judgment without adjudication of any contested issue of fact or law, and without finding or admission of wrongdoing or liability of any kind.

77. Defendants neither admit nor deny any wrongdoing or allegations in the Complaint, and no part of this Consent Judgment, including its statements and commitments, shall constitute evidence of any liability, fault, or wrongdoing by Defendants.

78. Defendants are entering into this Consent Judgment solely for the purpose of concluding this matter, and nothing contained herein may be taken as or construed to be an admission or concession of any alleged violation of law, rule, or regulation, or of any other matter of fact or law, or of any liability or wrongdoing.

79. This Consent Judgment shall not be construed or used as a waiver of any defense Defendants may raise in any other proceeding.

80. Nothing in this Consent Judgment will be construed as an approval by the Attorney General, the Court, the State of Minnesota, or any agency thereof of Defendants' past, present, or future conduct.

81. Defendants shall not represent or imply that the Attorney General, the court, the State of Minnesota, or any agency thereof has approved or approves of any of Defendants' actions or any of Defendants' past, present, or future business practices.

82. Defendants shall not affect any change in their form of doing business, organizational identity, organizational structure, affiliations, ownership, or management

composition as a method or means of attempting to avoid the requirements of this Consent Judgment.

83. Term: The provisions of Paragraphs 2–44 shall remain in place as follows:

- a. The provisions of Paragraphs 2–5, 7, 15, 16, 19–25, 28, 43, and the provisions of Paragraph 34 to the extent the underlying terms at issue have not expired under this Paragraph 83, shall not expire (subject to the provisions of subparagraph d below).
- b. The provisions of Paragraphs 9, 11, and 12, shall not expire except as described in those provisions.
- c. The remaining provisions shall expire six (6) years after the Effective Date. If JUUL receives an Authorization Order that contains authorizations, obligations, standards, or requirements as to conduct addressed in such remaining provisions (including by incorporating actions, obligations, standards, requirements proposed or set forth in JUUL’s application for such Authorization Order), then as of the date of such Authorization Order:
  - i. such authorizations, obligations, standards, or requirements shall supersede any different obligations, standards, or requirements in Section II; and
  - ii. actions by JUUL that act within or reasonably implement such obligations, standards or requirements of the Authorization Order shall be permissible under this Consent Judgment even if any remaining provision hereof would provide otherwise.

- d. Within thirty (30) days, or such other time as the Parties may mutually agree, after the FDA's issuance of an Authorization Order, JUUL shall meet and confer with the Attorney General regarding the scope of the Authorization Order, whether JUUL believes the Order addresses provisions from subparagraph c above, and JUUL's plans to implement it.

84. Any failure of the Attorney General to exercise any right under any provision of this Consent Judgment shall not constitute a waiver of any rights of the Attorney General to enforce such provision prospectively.

85. Applicability: This Consent Judgment applies only to Defendants in their corporate capacity and acting through its respective successors and assigns, directors, officers, employees, agents, subsidiaries, divisions, or other internal organizational units of any kind or any other entities acting in concert or participation with them. The remedies, penalties, and sanctions that may be imposed or assessed in connection with a violation of this Consent Judgment (or any order issued in connection herewith) shall only apply to Defendants.

86. Successors: This Consent Judgment is binding on, and inures to the benefit of, the Parties' successors and assigns. For the avoidance of doubt, if JUUL ceases selling a type of JUUL Product that it either sold in the United States or had in development as of either April 1, 2022 or the Effective Date, and a company other than JUUL thereafter sells such type of JUUL Product in Minnesota, that company shall be considered a successor of JUUL with respect to such JUUL Product for purposes of compliance provisions under Section II of this Consent Judgment and all associated provisions necessary for their enforcement and interpretation. For the avoidance

of doubt, the compliance provisions of Section II of this Consent Judgment shall not apply to such company's own products.

87. The compliance provisions of Section II of this Consent Judgment shall be binding on the JUUL-Related Individuals and on any business that the JUUL-Related Individuals control directly or indirectly that engages in the Promotion or sale of ENDS or Nicotine products.

88. Non-Release: Except as otherwise specifically provided in this Consent Judgment, nothing in this Consent Judgment shall limit, prejudice, or otherwise interfere with the rights of Minnesota to pursue any and all rights and remedies it may have against any non-Released Party.

89. Restrictions on Transfers: JUUL shall not in one (1) transaction, or a series of related transactions, sell or transfer assets having a fair market value equal to twenty-five percent (25%) or more of the consolidated assets of JUUL (other than sales or transfers of inventories, or sales or transfers to an entity owned directly or indirectly by JUUL) where the sale or transfer is announced after the Effective Date, is not for fair consideration, and would foreseeably and unreasonably jeopardize JUUL's ability to make the payments under this Consent Judgment that are due on or before the payment date under Paragraph 52(b) following the close of a sale or transfer transaction, unless JUUL obtains the acquiror's agreement that it will be either a guarantor of or successor to the percentage of JUUL's remaining payment obligations under this Consent Judgment equal to the percentage of JUUL's consolidated assets being sold or transferred in such transaction. Percentages under this section shall be determined in accordance with the United States generally accepted accounting principles and as of the date of JUUL's

most recent publicly filed consolidated balance sheet prior to the date of entry into the sale or transfer agreement at issue.

90. Negotiated Judgment: The Parties are entering into this Consent Judgment for the purpose of compromising and to avoid the time, expense, burden, and uncertainty associated with continuing litigation, and to address the Minnesota's concerns with Defendants' historical business practices with respect to JUUL Products. It is expressly agreed that this Consent Judgment is not admissible in any proceeding (except in a dispute between Minnesota and a Defendant(s) regarding compliance with the Consent Judgment or as necessary for the Released Parties to enforce the release provisions), and it is also expressly agreed and understood that nothing contained in this Consent Judgment may be taken as or construed to be an admission or concession of any liability, wrongdoing, or violation of any source of law, or of any other matter of fact or law. This Consent Judgment is not intended to be used or admissible in any unrelated administrative, civil, or criminal proceeding. Defendants do not waive any defenses it may raise elsewhere in other litigation or matters.

91. Private Action: This Consent Judgment shall not confer any rights upon, and is not enforceable by, any persons or entities besides the State and the Altria and JUUL Released Parties. The Attorney General may not assign or otherwise convey any right to enforce any provision of this Consent Judgment, provided that nothing in this sentence shall preclude the Attorney General from employing the services of a collection agency for the purpose of pursuing collection of payments due under this Consent Judgment.

92. Conflict with Other Laws: Nothing in this Consent Judgment shall impose an obligation on Defendants that is less restrictive than Defendants' obligations under federal, state, or local law, rule, regulation, or guidance. In the event there is a conflict between this Consent

Judgment and the requirements of federal, state, or local laws, such that any Defendant cannot comply with this Consent Judgment without violating these requirements, the Defendant shall document such conflicts and notify the Attorney General that it intends to comply with the federal, state, or local requirements to the extent necessary to eliminate the conflict. Within thirty (30) days after receipt of a notification from a Defendant referenced above, the Attorney General may request a meeting to discuss the steps the Defendant has implemented to resolve the conflict, and the Defendant shall comply with any such reasonable request. Nothing in this Consent Judgment shall relieve Defendants of their obligation to comply with all local, State and federal laws.

93. The Promotion or sale of JUUL Products or Altria ENDS Products solely for consumers outside Minnesota shall not be deemed actions taken (or omitted to be taken) in Minnesota or directed at consumers in Minnesota, and the provisions of this Consent Judgment shall not be applicable to such Promotion of JUUL Products or Altria ENDS Products.

94. Nothing in this Consent Judgment shall prohibit Defendants from complying with the terms of any court order.

95. Except as expressly set forth herein, this Consent Judgment shall not be modified (by this Court, by any other court, or by any other means) without the consent of all Parties, or as provided for in Paragraphs 71–72.

96. This Consent Judgment shall not be construed or used as a waiver or any limitation of any defense otherwise available to Defendants in any pending or future legal, regulatory, or administrative action or proceeding, or Defendants' right to defend themselves from, or make any arguments in, any individual or class claims or suits.

97. Except as provided in Paragraphs 55–56, each Party shall bear its own attorneys’ fees and costs arising out of, related to, or in connection with entry of this Consent Judgment.

98. Except for Paragraphs 62–70, if any provision of this Consent Judgment shall, for any reason, be held illegal, invalid, or unenforceable, in whole or in part, such illegality, invalidity, or unenforceability shall not affect any other provision or clause of this Consent Judgment and this Consent Judgment shall be construed and enforced as if such illegal, invalid, or unenforceable provision, in whole or in part, had not been contained herein.

99. This Consent Judgment represents the entire agreement between the Parties, and there are no representations, agreements, arrangements, or understandings, oral or written, between the Parties relating to the subject matter of this Consent Judgment that are not fully expressed herein or attached hereto. In any action undertaken by the Parties, no prior versions of this Consent Judgment and no prior versions of any of its terms that were not entered by the Court in this Consent Judgment may be introduced for any purpose whatsoever.

100. This Consent Judgment does not limit the rights of any private party to pursue any private remedies allowed by law; provided that this Consent Judgment is not intended to create any private right of action by other parties.

101. This Consent Judgment may be executed by the Parties in counterparts and be delivered by facsimile or electronic transmission, or a copy thereof, such constituting an original counterpart hereof, all of which together will constitute one and the same document.

102. Each person signing this Consent Judgment for a Defendant warrants that the Defendant has authorized this person to execute this Consent Judgment, that the Defendant has been fully advised by its counsel before entering into the Consent Judgment, and that he

or she executes this Consent Judgment in an official capacity that binds each Defendant and its successors.

Dated: May 16, 2023



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Attorney General

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*For the State of Minnesota*



Dated: May 16, 2023

/s/ David M. Bernick

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*For Defendant Juul Labs, Inc.*

Dated: May 16, 2023

/s/ Robert McCarter  
Robert McCarter  
Senior VP & Associate General Counsel, Altria  
Client Services

*For Defendants Altria Group, Inc., Philip Morris  
USA Inc., Altria Client Services LLC, Altria Group  
Distribution Company, and Altria Enterprises LLC*

**ORDER**

Having reviewed the terms of the foregoing Consent Judgment, which is incorporated herein by reference, and which the Court finds reasonable and appropriate, it is SO ORDERED.

Dated: \_\_\_\_\_

\_\_\_\_\_  
The Honorable Laurie J. Miller  
Judge of Hennepin County District Court

THERE BEING NO CAUSE FOR FURTHER DELAY, LET JUDGMENT BE ENTERED IMMEDIATELY.

## Exhibit A

1. JUUL Labs, Inc., a corporation organized under the laws of Delaware.
2. 1186610 B.C. Ltd., a limited liability company organized under the laws of the Province of British Columbia.
3. 1186675 B.C. Ltd., a limited liability company organized under the laws of the Province of British Columbia.
4. Ala Kuponon Insurance, Co. Inc. a corporation organized under the laws of Hawaii.
5. Envenio, Inc., a corporation organized under the laws of Canada.
6. JUUL Labs (Shanghai) Co., Ltd., a limited liability company organized under the laws of China.
7. JUUL Labs (Shanghai) Co., Ltd., Shenzhen Branch, a limited liability company organized under the laws of China.
8. JUUL Labs (Shanghai) Co., Ltd., Suzhou Branch, a limited liability company organized under the laws of China.
9. JUUL Labs and Products Israel, Ltd., a limited liability company organized under the laws of Israel.
10. JUUL Labs Austria GmbH, a limited liability company organized under the laws of Austria.
11. JUUL Labs Belgium SRL, a limited liability company organized under the laws of Belgium.
12. JUUL Labs Canada, Ltd., a limited liability company organized under the laws of Canada.

13. JUUL Labs Colombia S.A.S., a simplified stock company organized under the laws of Colombia.
14. JUUL Labs CZ & SK s.r.o., a company organized under the laws of the Czech Republic.
15. JUUL Labs Czech Republic s.r.o., a company organized under the laws of the Czech Republic.
16. JUUL Labs France SAS, a limited liability company organized under the laws of France.
17. JUUL Labs Germany GmbH, a limited liability company organized under the laws of Germany.
18. JUUL Labs Global Business Services, Sp. Z.o.o., a limited liability company organized under the laws of Poland.
19. JUUL Labs Greece M.E.P.E., a limited liability company organized under the laws of Greece.
20. JUUL Labs Exports, LLC, a limited liability company organized under the laws of Delaware.
21. JUUL Labs IHB FinCo Ltd., a limited liability company organized under the laws of England and Wales.
22. JUUL Labs IHB Limited, a limited liability company organized under the laws of England and Wales.
23. JUUL Labs India Private Limited, a private limited liability company organized under the laws of India.

24. JUUL Labs International Inc., a corporation organized under the laws of Delaware.
25. JUUL Labs Ireland Ltd., a limited liability company organized under the laws of Ireland.
26. JUUL Labs Italia S.R.L., a limited liability company organized under the laws of Italy.
27. JUUL Labs Japan Company Limited, a company organized under the laws of Japan.
28. JUUL Labs Korea LLC, a limited liability company organized under the laws of Korea.
29. JUUL Labs Netherlands B.V., a private limited liability company organized under the laws of The Netherland.
30. JUUL Labs New Zealand Limited, a limited liability company organized under the laws of New Zealand.
31. JUUL Labs Poland, Sp. Z.o.o., a limited liability company organized under the laws of Poland.
32. JUUL Labs Portugal Unipessoal LDA, a private limited liability company organized under the laws of Portugal.
33. JUUL Labs RU Limited Liability Company, a limited liability company organized under the laws of Russia.
34. JUUL Labs Services, Sp. Z.o.o., a limited liability company organized under the laws of Poland.

35. JUUL Labs Singapore HoldCo Pte. Ltd, a limited liability company organized under the laws of Singapore.
36. JUUL Labs Spain S.L., a company organized under the laws of Spain.
37. JUUL Labs Switzerland GmbH, a limited liability company organized under the laws of Switzerland.
38. JUUL Labs UK Holdco Limited (DMCC Branch), a limited liability company organized under the laws of the United Arab Emirates.
39. JUUL Labs UK HoldCo Limited, a limited liability company organized under the laws of England and Wales.
40. JUUL Labs UK Ltd., a limited liability company organized under the laws of England and Wales.
41. JUUL Labs Ukraine, a limited liability company organized under the laws of Ukraine.
42. JUUL Labs Virginia, LLC, a limited liability company organized under the laws of Virginia.
43. JUUL Pasadena Labs, Inc., a corporation organized under the laws of Delaware.
44. Main Mission LLC, a limited liability company organized under the laws of Delaware.
45. Main Mission Mezz LLC, a limited liability company organized under the laws of Delaware.
46. Pax Labs, Inc., a corporation organized under the laws of Delaware.
47. Representative Office of JUUL Labs Singapore Holdco Pte. Ltd.

48. Shenzhen Wei'ai Tech Co., Ltd., a limited liability company organized under the laws of China.

49. Vapor Investment Partners LLC, a limited liability company organized under the laws of Delaware.

50. VMR CZ Sro, a company organized under the laws of Czech Republic.

51. VMR (HK) Holdings LTD, a limited liability company organized under the laws of Hong Kong.

52. VMR Products B.V. a company organized under the laws of the Netherlands.

53. VMR Products LLC, a limited liability company organized under the laws of Florida.

54. VMR Products Shenzhen Ltd., a limited liability company organized under the laws of China.

55. VMR Products, Inc., a corporation organized under the laws of Delaware.

56. VMR Strategic LLC, a limited liability company organized under the laws of Delaware.

57. Zhonghe Hengtong VMR (Shenzhen) Technology, Ltd., a limited liability company organized under the laws of China.

## **Exhibit B**

### **Website Attestation**

In accordance with Paragraph 10, JUUL shall maintain the following attestation on the welcome page to [www.juullabscience.com](http://www.juullabscience.com):

#### Disclaimer

This website serves as a centralized portal for Juul Labs to disseminate scientific information to members of the scientific and public health communities, regulators, and policymakers. This information is not for advertising or promotional purposes, and is not intended for a consumer audience or anyone below the age of 21.

By clicking accept, I agree to these terms and that I am over the age of 21.