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15 16	American Petroleum and Convenience Store Association, JGB Properties Inc., and Fresno Elite Carwash Inc.	
17	SUPERIOR COURT OF TH	E STATE OF CALIFORNIA
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19	R.J. REYNOLDS TOBACCO COMPANY; AMERICAN PETROLEUM AND	
20 21	CONVENIENCE STORE ASSOCIATION; JGB PROPERTIES INC.; and FRESNO	COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF AND VERIFIED PETITION FOR WRIT
22	ELITE CARWASH INC., Plaintiffs-Petitioners,	OF MANDATE
	,	[Unlimited Jurisdiction - Amount Exceeds
23	V.	\$25,000]
24	ROB BONTA, in his official capacity as Attorney General of California; and LISA A.	
25	SMITTCAMP, in her official capacity as District Attorney of the County of Fresno and	
26	as a representative of all California District Attorneys,	
27	Defendants-Respondents.	
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COMPLAINT FOR DECL. & INJ. RELIEF & VERIFIED PETITION FOR WRIT OF MANDATE

Plaintiff-Petitioner¹ R.J. Reynolds Tobacco Company ("RJRT"), and Plaintiffs-Petitioners American Petroleum and Convenience Store Association ("APCA"), JGB Properties Inc. ("JGB Properties"), and Fresno Elite Carwash Inc. ("Fresno Elite") (collectively, the "Retailer Plaintiffs"), bring this action for declaratory and injunctive relief and verified petition for a writ of mandate against Defendant-Respondent Rob Bonta, in his official capacity as Attorney General of California, and Defendant-Respondent Lisa A. Smittcamp, in her official capacity as District Attorney of the County of Fresno and as a representative of all California District Attorneys.

INTRODUCTION

- 1. Plaintiff RJRT manufactures cigarettes under the brands Camel and Newport. Until last year, tobacco- and menthol-flavored versions of both brands were sold in California. Since December 21, 2022, California has prohibited retailers from selling tobacco products with a characterizing flavor, defined as a distinguishable taste or aroma other than that of tobacco. In response to the ban, Reynolds ceased making its menthol-flavored Camel and Newport cigarettes available for sale in California. At the same time, RJRT introduced several new styles of nonmenthol, tobacco-flavored Camel and Newport cigarettes. When smoked, none of RJRT's new cigarettes imparts any distinguishable taste or aroma other than that of tobacco. Each new product prominently states on its packaging and promotional materials that the cigarettes are "NON-MENTHOL."
- 2. Despite this, on April 25, 2023, Attorney General Bonta sent RJRT four Notices of Determination (collectively, the "Notices") asserting that RJRT's new products are "presumptively FLAVORED" for purposes of the characterizing flavor ban. The Attorney General conceded that these determinations are not based on any effort to determine the new products' actual tastes or aromas. Instead, relying on a "rebuttable presumption" provision that governs evidentiary burdens in judicial proceedings, the Attorney General contended that the packaging and promotional materials of RJRT's new products imply that they impart a characterizing menthol flavor. In reaching this conclusion, the Attorney General ignored the products' prominent "NON-

¹ For the convenience of the reader, this Complaint hereinafter refers to Plaintiffs-Petitioners as "Plaintiffs" and Defendants-Respondents as "Defendants."

MENTHOL" labeling, and instead offered vague allegations and cherry-picked and incomplete samples of the new products' marketing and advertising, which are misleadingly presented or simply wrong (for example, they use incomplete images of the new products and rely on a "comparator product" that has never been sold anywhere in the United States). In the end, the Notices do not identify any statements by RJRT suggesting that any of the new products impart a prohibited characterizing flavor. Nevertheless, the Attorney General promised to post the Notices on the Department of Justice's public website in a clear effort to discourage retailers from carrying the products.

- 3. The Notices were subsequently obtained and published by the media, causing them to be widely publicized and misinterpreted. At least one local public health official has used the Notices to direct that RJRT's new products be removed from retail shelves.
- 4. In contrast to his unwarranted focus on RJRT's lawful products, the Attorney General has apparently turned a blind eye to open and notorious sales of flavored disposable e-cigarettes. Targeting RJRT's lawful tobacco-flavored products while youth use of flavored disposable e-cigarettes skyrockets is arbitrary and unlawful and undercuts the goals of the characterizing flavor ban.
- 5. The Attorney General's determination that RJRT's new products are "presumptively FLAVORED" is erroneous and unlawful in several respects, and the Notices threaten to cause severe and irreparable harm to RJRT and the Retailer Plaintiffs. The Attorney General's misinterpretation and misapplication of the characterizing flavor ban must be rectified.
- 6. Plaintiffs accordingly seek declaratory and injunctive relief, and petition the Court to issue a writ of mandate, as set forth more fully below.

BACKGROUND

- 7. RJRT manufactures cigarettes under the brands Camel and Newport. Until last year, tobacco- and menthol-flavored styles of both brands were sold in California.
- 8. The California Legislature enacted a ban on "flavored tobacco products" on August 28, 2020. The bill amended the California Health and Safety Code by adding a provision that prohibits a "tobacco retailer, or any of the tobacco retailer's agents or employees" from selling, offering for

sale, or possessing with the intent to sell or offer to sell "a flavored tobacco product or a tobacco product flavor enhancer." Health & Saf. Code § 104559.5(b)(1).

- 9. The provision defines a "flavored tobacco product" as "any tobacco product that contains a constituent that imparts a characterizing flavor." *Id.* § 104559.5(a)(4). And in turn, it defines "characterizing flavor" as "a distinguishable taste or aroma, or both, other than the taste or aroma of tobacco, imparted by a tobacco product or any byproduct produced by the tobacco product." A provision of the statute provides that "[t]here is a rebuttable presumption that a tobacco product is a flavored tobacco product if a manufacturer or any of the manufacturer's agents or employees, in the course of their agency or employment, has made a statement or claim directed to consumers or to the public that the tobacco product has or produces a characterizing flavor." *Id.* § 104559.5(b)(2).
- 10. The Governor signed the characterizing flavor ban in 2020, and it then withstood a popular referendum challenge at the ballot in the general election on November 8, 2022.
- 11. By the ban's effective date of December 21, 2022, RJRT ceased making its menthol cigarettes available for retail sale in California and instructed retailers and wholesalers to halt any further sales of RJRT's menthol cigarettes in California.
- 12. RJRT introduced new products in California under the Newport and Camel brands. RJRT marketed these new products and took steps to make them available to retailer consumers beginning December 21, 2022.
- 13. Some of these new products contain an ingredient commonly referred to as "WS-3."² This chemical imparts a cooling sensation, but has no taste or aroma that is perceptible by humans in the concentrations used in RJRT's new products.
- 14. The Flavor & Extract Manufacturers Association of the United States ("FEMA") deemed WS-3 to be Generally Recognized as Safe ("GRAS") in the 1970s. In the decades since, WS-3 has been used in many food and cosmetic products because it imparts a cooling sensation

² N-Ethyl-p-menthane-3-carboxamide is commonly referred to as "WS-3," or "WS3." Reynolds uses the scientific name (N-Ethyl-p-menthane-3-carboxamide) instead of the trade name "WS-3" or "WS3" in its trade publications concerning the use of N-Ethyl-p-menthane-3-carboxamide, but this Complaint utilizes the term "WS-3" for the reader's convenience.

without any associated taste or aroma.

- 15. The remaining new products contain a crushable capsule, which does not contain menthol, inside the filter. When crushed by the user while smoking the cigarette, the capsule releases liquid that brightens, smooths, and mellows the tobacco flavor but does not impart a distinguishable taste or aroma other than tobacco.
- 16. On the packaging and promotional materials for these new products, RJRT prominently tells consumers that the products are "NON-MENTHOL." Because federal law allows only tobacco- and menthol-flavored cigarettes, consumers and the public understand that "NON-MENTHOL" means that the cigarettes are unflavored or tobacco-flavored.
- 17. On April 25, 2023, the Attorney General sent four Notices of Determination (collectively, "Notices") to RJRT regarding these products. *See* Ex. 1 (Notice of Determination 23-04-A1); Ex. 2 (Notice of Determination 23-04-A2); Ex. 3 (Notice of Determination 23-04-A3); Ex. 4 (Notice of Determination 23-04-A5).
- 18. In the Notices, the Attorney General asserted that the new products had triggered the characterizing flavor ban's rebuttable presumption through the new products' labeling, packaging, and promotional materials. *See*, *e.g.*, Ex. 1 [23-04-A1] at 1; Ex. 2 [23-04-A2] at 1; Ex. 3 [23-04-A3] at 1; Ex. 4 [23-04-A5] at 1. Contrary to the Attorney General's assertions, the rebuttable presumption cannot be applied in enforcing the statute and RJRT's new products in any event do not trigger the rebuttable presumption. Moreover, the new products are outside the scope of the characterizing flavor ban because none has any distinguishable non-tobacco taste or aroma when smoked.
- 19. First, the rebuttable presumption provision of the characterizing flavor ban does not apply and (even if it did) does not bring any of RJRT's new products within the scope of the characterizing flavor ban. To begin, the Attorney General misunderstands the nature of the presumption, which governs burdens of production and proof in judicial proceedings, not substantive application of the characterizing flavor ban. The Attorney General may not invoke the presumption (and the manufacturer's alleged failure to rebut it) as a basis for enforcing the ban against the new products without a good-faith determination—absent here—that the products

actually impart a characterizing flavor. Moreover, the presumption (a provision of the characterizing flavor ban, which is a criminal statute) cannot constitutionally be applied to the new products, and the Attorney General has not met the burden imposed by California's Evidence Code, which requires the prosecution to prove beyond a reasonable doubt any facts that may trigger an evidentiary presumption. Further, neither RJRT nor its agents or employees have made any claims or statements that trigger the presumption. To the contrary, RJRT clearly and repeatedly communicated to consumers and the public, on packaging and in promotional materials, that the products are "NON-MENTHOL," i.e. tobacco-flavored, cigarettes. Finally, any application of the presumption is rebutted here because RJRT's new products contain no constituent that imparts a distinguishable taste or aroma other than tobacco when smoked.

- 20. Second, regardless whether the presumption applies and has been triggered here, the new products do not impart a characterizing flavor (i.e., a distinguishable taste or aroma other than tobacco) when smoked. The plain text of the characterizing flavor ban makes clear that the ban applies only to products that impart a distinguishable taste or aroma other than that of tobacco. Health & Saf. Code § 104559.5(a)(1), (a)(4).
- 21. The products with WS-3 do not impart a characterizing flavor other than tobacco. WS-3 imparts no taste or aroma (let alone a distinguishable taste or aroma) in concentrations used in RJRT's tobacco products. In fact, WS-3 has been used as an additive in food and cosmetics for decades precisely because it does not add any distinguishable taste or aroma to the final product. Therefore, RJRT's tobacco products containing WS-3 impart no distinguishable taste or aroma other than that of the tobacco. As a result, they are not covered by the characterizing flavor ban.
- 22. The new products with capsules also impart no distinguishable non-tobacco taste or aroma—either before or after their capsules are crushed while the user smokes the product—and are therefore outside the scope of the characterizing flavor ban.
- 23. Moreover, the Attorney General has selectively and arbitrarily targeted RJRT. While singling out RJRT's "NON-MENTHOL" products—despite concededly not even attempting to determine whether those products actually are flavored—the Attorney General has apparently turned a blind eye to other entities that are openly and notoriously violating the law, particularly

retailers of e-cigarettes (also known as vaping products) with characterizing flavors other than tobacco.³ For example, disposable e-cigarettes with flavors such as "Watermelon Bubble Gum" and "Rainbow Candy" are being sold at retail in California despite imparting a prohibited characterizing flavor.

- 24. An ostensible purpose of California's characterizing flavor ban is to address youth access to e-cigarettes.
- 25. But instead of enforcing the characterizing flavor ban against these flagrant and widespread violations in a way that pursues its chief purpose, California's Attorney General is targeting lawful RJRT cigarettes that lack a characterizing flavor other than tobacco and are being clearly marketed as "NON-MENTHOL." This is arbitrary and irrational. While youth smoking rates are at an all-time low, disposable e-cigarettes are now the most commonly used tobacco product among youth who use a tobacco product, and "[o]verwhelmingly, current [youth] users (nearly 85%) used flavored e-cigarettes, with fruit flavors being the most popular, followed by candy, desserts, or other sweets." *See* U.S. Food & Drug Admin., *Results from the Annual National Youth Tobacco Survey* (Dec. 20, 2022), https://www.fda.gov/tobacco-products/youth-and-tobacco/results-annual-national-youth-tobacco-survey (last visited May 7, 2023).
- 26. Plaintiffs accordingly seek an order enjoining the Attorney General and District Attorney defendants from initiating any enforcement action or lawsuit against Plaintiffs based on these Notices, or on the notion that the presumption has been triggered, requiring the Attorney General to rescind the Notices and issue corrective notices, and enjoining Defendants from posting the Notices on the California Department of Justice website or elsewhere. Plaintiffs also seek injunctions prohibiting Defendants from enforcing the characterizing flavor ban against tobacco retailers and their agents regarding the sale of RJRT's new products, and from taking any other enforcement actions or filing any lawsuits premised on the notion that RJRT's new products violate the characterizing flavor ban. Plaintiffs also seek declarations that the sale, offer for sale, or

³ California defines "characterizing flavor" as "a distinguishable taste or aroma, or both, other than the taste or aroma of tobacco," Health & Saf. Code § 104559.5(a)(1), so the "other than tobacco" qualifier is not necessary, but Plaintiffs include it for clarity.

possession with intent to sell or offer for sale of RJRT's new products is not prohibited by Health and Safety Code § 104559.5, that the characterizing flavor ban's presumption is unconstitutional, that the characterizing flavor ban's presumption cannot be applied in a civil proceeding that incorporates the substantive standards of the characterizing flavor ban, that it is improper for the Attorney General to make a "determination" regarding the rebuttable presumption outside the context of a judicial proceeding, that the characterizing flavor ban's presumption has not been triggered by RJRT's new products' packaging or marketing, and that the Notices have no legal effect or evidentiary value. Plaintiffs further request that the Court issue a writ of mandate requiring the Attorney General to rescind the Notices of Determination served on Plaintiff RJRT on April 25, 2023, and issue corrective notices indicating that RJRT's new products impart no characterizing flavor and are not prohibited under California law, and precluding the Defendants from posting the Notices on the California Department of Justice website or elsewhere.

PARTIES

- 27. Plaintiff RJRT is a North Carolina corporation headquartered in Winston-Salem, North Carolina. RJRT develops, manufactures, markets, and distributes tobacco products under a variety of brand names, including tobacco- and menthol-flavored cigarettes under the brand names Newport and Camel, among others.
- 28. Plaintiff APCA is an association of independent California gasoline and convenience store owners. APCA's mission is to unite its members by providing a platform to educate, empower, and promote shared business values in the communities they serve.
- 29. Plaintiff JGB Properties owns and operates two convenience stores located in Fresno, California: Bulldog Gas & Mart and Abby Arco. JGB Properties is incorporated in California.
- 30. Plaintiff Fresno Elite Carwash, Inc. is a car wash that also operates a convenience store, and is located in Fresno, California. Fresno Elite is incorporated in California.
- 31. Defendants California Attorney General Rob Bonta and District Attorney Lisa Smittcamp are the state's top law enforcement officer and the chief prosecutor for the County of Fresno, respectively. Defendants are sued here in their official capacities. Defendant Lisa Smittcamp is also sued as the representative of all district attorneys statewide. *Planned Parenthood*

Affiliates v. Van de Kamp (1986) 181 Cal.App.3d 245, 257 ("The naming of a local official as representative of all counterparts statewide is a recognized procedure.").

32. Each violation of the characterizing flavor ban constitutes an "infraction." Health & Saf. Code § 104559.5(f). This means that both defendants have the authority to prosecute violations of the characterizing flavor ban. Gov't Code, § 26500 ("The district attorney is the public prosecutor" who "shall initiate and conduct on behalf of the people all prosecutions for public offenses."); Penal Code, § 16 (defining "[c]rimes and public offenses" to include "infraction[s]"); Cal. Const. art. V, § 13 (Attorney General is "the chief law officer of the state" and exercises "direct supervision over every district attorney.").

JURISDICTION AND VENUE

- 33. The Court has jurisdiction over the matters alleged in this Complaint pursuant to Code of Civil Procedure § 1060 (declaratory relief), § 527(a) (preliminary injunction), and § 526 (permanent injunction).
- 34. Venue for this action properly lies in Fresno County pursuant to California Code of Civil Procedure §§ 393, 395, 401.

FACTUAL ALLEGATIONS

California's Characterizing Flavor Ban

- 35. Since 2009, federal law has banned all characterizing flavors other than menthol and tobacco in cigarettes. 21 U.S.C. § 387g(a)(1)(A). Accordingly, if RJRT describes a cigarette as "non-menthol," it communicates that the cigarette is "unflavored" or "tobacco-flavored." And for this reason too, consumers and the public will understand that a cigarette described as "non-menthol" is unflavored or tobacco-flavored.
- 36. On August 28, 2020, the California Legislature passed S.B. 793. The bill was intended to address the rise in youth use of e-cigarettes in 2018 and 2019. The author of S.B. 793 stated, "Fueled by kid friendly flavors like cotton candy and bubblegum, 3.6 million more middle and high school students started using e-cigarettes in 2018." Senate Floor Analysis of S.B. 793, at 4 (2020). She went on to say that "California needs to take swift action to address this epidemic." *Id*.
 - 37. The legislature took such action by banning characterizing flavors other than tobacco in

tobacco products. The bill promulgated a new provision of the Health and Safety Code that bars a "tobacco retailer, or any of the tobacco retailer's agents or employees" from selling, offering for sale, or possessing with the intent to sell or offer to sell "a flavored tobacco product or a tobacco product flavor enhancer." Health & Saf. Code § 104559.5(b)(1).

- 38. The law defines a "flavored tobacco product" as "any tobacco product that contains a constituent that imparts a characterizing flavor." Health & Saf. Code § 104559.5(a)(4). "Tobacco product" as defined under California law includes cigarette products and e-cigarette products. *Id.* § 104559.5(14) (citing Health & Saf. Code § 104495).
- 39. A "characterizing flavor," in turn, is defined as "a distinguishable taste or aroma, or both, other than the taste or aroma of tobacco, imparted by a tobacco product or any byproduct produced by the tobacco product." Health & Saf. Code § 104559.5(a)(1).
- 40. The law further states that "[a] tobacco product shall not be determined to have a characterizing flavor solely because of the use of additives or flavorings or the provision of ingredient information. Rather, it is the presence of a *distinguishable* taste or aroma, or both, as described in the first sentence of this definition, that constitutes a characterizing flavor." Health & Saf. Code § 104559.5(b)(2) (emphasis added).
- 41. The law also imposes a presumption "that a tobacco product is a flavored tobacco product if a manufacturer or any of the manufacturer's agents or employees, in the course of their agency or employment, has made a statement or claim directed to consumers or to the public that the tobacco product has or produces a characterizing flavor." Health & Saf. Code § 104559.5(b)(2). That presumption is rebuttable. *Id*.
- 42. Each violation of the ban is a criminal infraction punishable by a fine of \$250. Health & Saf. Code § 104559.5(f).
 - 43. The characterizing flavor ban went into effect on December 21, 2022.

Cigarette Blending & Development Process

- 44. Similar to products like wine and coffee, a variety of factors influence a cigarette's flavor.
 - 45. As a general matter, RJRT's cigarettes are developed through an extensive process that

creates tobacco flavor profiles that suit different adult tobacco consumers' preferences. This process involves selecting varietals of cured tobacco to impart different flavor nuances, blending various types of tobacco and leaf grades, and adding flavoring ingredients to modify the nuances and notes of the tobacco flavor.

- 46. Tobacco itself naturally contains a strong and distinct flavor, but there are multiple tobacco types, and numerous varietals within each type, each with its own distinctive flavor profile. The weather and soil in which the tobacco plant is grown also affect the varietals' flavor profiles.
- 47. RJRT uses a wide range of different tobacco types and varietals in its combustible cigarette products, including "burley," "oriental," "brightleaf" (also known as Bright, Virginia, and Flue-cured), and "perique." Burley is known for its deep and rich tobacco flavors and is described as having an almost cocoa-like flavor and aroma. Brightleaf, by contrast, has a milder flavor profile. It is sometimes described as having a hay, green, or floral flavor profile. Lastly, oriental tobacco has a distinctive and spicy flavor profile, while perique tobacco has a strong, powerful, and wine-like fruity flavor profile.
- 48. Once harvested, each tobacco type undergoes a specific curing process that further develops this profile. Different curing methods develop different flavor nuances. For example, the leaves can be air-cured, fire-cured, flue-cured, and sun-cured. Air-curing involves hanging tobacco in barns for several weeks, resulting in tobacco with a relatively darker flavor and low natural sugar content. Sun-curing involves exposing the harvested tobacco to sunlight and yields a relatively high natural sugar content and an aromatic, herbal, spicy character. Fire-curing involves air curing and then exposing the tobacco to smoldering fire, which yields a low natural sugar content and an intense, smoky flavor profile. Finally, flue-curing involves indirectly exposing the harvested tobacco leaves to heat, which yields a higher natural sugar content and a mild, slightly sweet tobacco flavor.
- 49. RJRT's tobacconists—individuals who specialize in tobacco blending—develop these flavors further through the blending process. Tobacconists use different blends of tobacco to achieve the desired cigarette brand characteristics. They use specific ratios of tobacco types and varietals in order to make the tobacco flavor richer, smoother, bolder, more mellow, or spicier and

so forth. This extensive and complex process is how RJRT is able to serve different consumer preferences and develop desired tobacco flavor profiles.

- 50. Finally, cigarette manufacturers commonly add flavoring ingredients to their products, including natural and artificial flavors, which modify the nuances and notes of the tobacco flavor.
- 51. These ingredients give each product distinct and unique characteristics, but their presence does not impart a distinguishable taste or aroma other than tobacco.
- 52. Cigarette manufacturers publish ingredient lists showing which flavoring ingredients are used in their products.
- 53. For instance, Philip Morris USA's ingredient list contains over 100 items, including "cocoa and cocoa products," "coffee extract," "dill oil," "licorice extract," "lime oil," "peppermint oil," "rum," "spearmint oil," and "tangerine oil," among others.
- 54. It is well known to tobacconists and others in the tobacco industry that, for instance, adding cocoa to tobacco will take harshness away from, or "mellow," a tobacco leaf's flavor. But the ingredient does not have the effect of making the tobacco taste like cocoa or chocolate; rather, the tobacco still tastes like tobacco.
- 55. This is similar to the use of flavoring ingredients in other consumer products. For example, vegetable broth is added to canned tuna, but canned tuna still tastes like tuna rather than like vegetable broth.

RJRT's New Products

- 56. In anticipation of the characterizing flavor ban, RJRT ceased making its menthol cigarettes available for retail sale in California. Further, RJRT instructed all retailers and wholesalers in California to halt the sale of any remaining RJRT menthol cigarettes. In addition, JGB Properties, the APCA member stores, and Fresno Elite ceased the retail sale of menthol cigarettes (including those manufactured by RJRT) in California.
- 57. In anticipation of the characterizing flavor ban going into effect, RJRT notified adult tobacco consumers that RJRT's current menthol products would no longer be available in California, and that new non-menthol products would be available.
 - 58. RJRT introduced new styles of products in California. These New Products are

marketed under four Camel and Newport styles: (i) Newport Non-Menthol Green (comprising Newport Non-Menthol Green Box and Newport Non-Menthol Green 100 Box), (ii) Newport EXP (comprising Newport EXP Non-Menthol Mix Box, Newport EXP Non-Menthol Mix 100 Box, Newport EXP Non-Menthol Max Box, and Newport Non-Menthol EXP Max 100 Box), (iii) Camel Crisp Non-Menthol Green (comprising Camel Crisp Non-Menthol Green Box), and (iv) Camel Crush Non-Menthol Oasis (comprising Camel Crush Non-Menthol Oasis Blue Box, Camel Crush Non-Menthol Oasis Green Box, and Camel Crush Non-Menthol Oasis Silver Box) (collectively, the "New Products"). These cigarettes are not menthol-flavored, and impart no distinguishable taste or aroma other than tobacco when smoked.

WS-3 Products

- 59. Several of the New Products contain a cooling agent known as WS-3. These products include the Newport Non-Menthol Green, Newport EXP, and Camel Crisp Non-Menthol Green sub-brands.
- 60. The WS-3 Products provide adult consumers who wish to continue smoking with an alternative to menthol cigarettes.
- 61. WS-3 produces a cooling sensation but not a taste or aroma when used in the concentration used in consumer products.
- 62. WS-3 has been used for decades in food and cosmetics because it produces a cooling sensation without imparting any taste or aroma when added in the concentrations used in those products.
- 63. Beginning in the 1970s, a men's razor company called Wilkinson Sword began an expansive effort to develop cooling compounds that did not have the attributes associated with the volatility of menthol—for example, menthol's distinctive odor. Wilkinson Sword developed over 1,200 potential cooling compounds between 1971 and 1976. WS-3 was one such compound.
- 64. In 1975, WS-3 was recognized by the Flavor and Extract Manufacturers Association of the United States as "Generally Recognized As Safe" for use in a number of consumer products. WS-3 is used extensively in flavored chewing gum, breath fresheners, confectionaries, oral case products, and cosmetics like aftershave lotions.

- 65. WS-3 is added to these products precisely because it generates *only* a cooling sensation when added in the concentrations used in consumable products, and does *not* interfere with any flavoring agents used in the product.
- 66. For example, WS-3 is added to cherry and coconut lip balm, but the resulting flavor remains cherry or coconut because WS-3 does not impart its own taste or aroma when added in the concentrations used in consumable products.
- 67. The reason that WS-3 does not impart a taste or aroma that is perceptible to humans when added in the concentrations used in consumable products is a matter of chemistry. Humans experience taste through molecular interactions with taste receptors. Taste receptors are proteins that recognize taste stimuli of varying types. Humans experience "taste" when molecules interact with saliva and specifically bind to those taste receptors in the mouth.
 - 68. WS-3 molecules do not specifically bind to human taste receptors.
- 69. Humans experience smell in a similar way to taste. That is, the perception of aroma is, from a chemistry perspective, a matter of the binding of chemical compounds or molecules to specialized proteins primarily in the nose. Humans experience aroma when chemical compounds specifically bind to proteins known as odorant or olfactory receptors.
- 70. The extent to which a human can detect an aroma from any chemical compound is dependent on the chemical compound's vapor pressure. A higher vapor pressure means that the compound evaporates quickly and releases more scent molecules into the air.
- 71. WS-3 has a very low vapor pressure. This means that WS-3 releases far fewer molecules that can interact with a person's odorant receptors, or sense of smell. In the concentrations used in the New Products, WS-3 has no odor perceptible by human beings.
- 72. The function of WS-3—as used in the New Products—is to impart a cooling sensation and *not* a taste or aroma. From a chemical perspective, WS-3 accomplishes this by activating a cooling receptor known as the TRPM8 thermoreceptor.
 - 73. This receptor is distinct from a human's taste and odorant receptors.
- 74. WS-3 and menthol both activate the TRMP-8 thermoreceptor, but WS-3 does so without activating the taste or odorant receptors, that is, without imparting a perceptible taste or aroma in

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available for sale, which products provided users with a Camel original-blend cigarette and a tip containing an embedded capsule. The capsule in those products contained a menthol solution.

86. The new Oasis Products were introduced to offer adult consumers who wished to continue smoking a non-menthol Camel alternative that provides a capsule experience—one which allows the user to choose between smoking a rich and intense Camel cigarette and a smoother version of the same tobacco flavor.

The New Products' Packaging and Advertising

- 87. The California characterizing flavor ban creates what is known in consumer product marketing as a "moment of disruption"—an event that causes well-established products to change in character, or to no longer be available for purchase. During a moment of disruption, consumers reevaluate their purchasing decisions, and a company is at risk of losing those consumers to competitive or different products.
- 88. The California characterizing flavor ban created a moment of disruption. Reynolds's menthol cigarette products would no longer be available for purchase in California after the law's effective date. In anticipation of this moment of disruption, RJRT assessed its options to preserve the brand equity of the Camel and Newport brands while offering products that comply with the new law.
- 89. In a moment of disruption, consumers seek familiarities from their brand of choice, which includes logos, designs, fonts, and colors. Providing these familiarities is essential to avoid losing consumers to competitors.
- 90. Thus, RJRT wanted to provide adult tobacco consumers with new products that retained those familiarities, including the iconic logos, symbols, and colors long associated with the Camel and Newport brands, while also clearly stating that these are non-menthol products.
- 91. RJRT's marketing strategy for the New Products seeks to retain the core brand equities in both product quality and packaging, including the iconic logos, symbols, and colors long associated with the Camel and Newport brands, while clearly and accurately articulating the differences in the new non-menthol products to be offered in California after the ban. For example, the packaging of the new Camel Non-Menthol products retains various elements long-associated

with the Camel brand, such as the camel icon and oasis text, while clearly stating that the products inside are non-menthol.

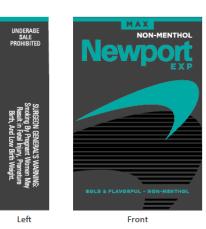
- 92. As for the new non-menthol Newport products, the packaging retains various elements long-associated with the Newport brand, such as the spinnaker logo, the distinctive Newport lettering, and color and design elements on the pack, while clearly stating that the product inside is non-menthol.
- 93. Camel Crisp was never sold as a menthol product. Its labeling and packaging leverage brand equity, while prominently telling consumers that the Camel Crisp style is not menthol-flavored. Similarly, there has never been a menthol style of Newport EXP on the market in California or anywhere else in the United States. Its labeling and packaging leverage brand equity, while prominently telling consumers that the Newport EXP styles are not menthol-flavored.
- 94. The New Products' marketing and packaging leverages the substantial brand equity of the Camel and Newport brands, both of which have loyal adult customers who associate Cameland Newport-branded product offerings with high quality and value. This can clearly be seen in the packaging of the products, which is reproduced below. These images depict the packages with the cellophane wrappers in which they are sold.

Newport Non-Menthol Green



Newport Max EXP









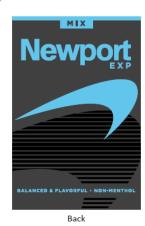


Newport Mix EXP











Bottom

- 17 -

Newport

Camel Crisp Non-Menthol Green











Front

Bottom

Camel Crush Oasis Blue











Front

Back

Bottom

Camel Crush Oasis Green













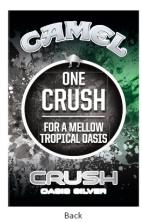
Bottom

Camel Crush Oasis Silver











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Bottom

95. As shown in the above images, each of the New Products states prominently on the packaging that the product is "NON-MENTHOL." This "NON-MENTHOL" branding is printed directly on the packs and on the cellophane wrappers in which the products are sold. The above images are also attached as Exhibit 5.

96. RJRT's marketing materials also clearly communicate that the products are non-menthol. As shown in the below images, and as illustrated in the Notices, the advertisements for the New Products have prominently stated that the products are "NON-MENTHOL" (red boxes added). The advertising for Camel Crisp also expressly and prominently refers to the product's "tobacco flavor." As another example, before the characterizing flavor ban went into effect, RJRT sent a promotional email with the following statement about Camel Crush Oasis products: "Menthol won't be around for much longer in California, but we crafted two new non-menthol styles with a taste and smoking experience you'll love."



MENTHOL WON'T BE AROUND FOR MUCH LONGER IN CALIFORNIA, BUT WE CRAFTED TWO NEW NON-MENTHOL STYLES WITH A TASTE AND SMOKING EXPERIENCE YOU'LL LOVE.

97. There are further examples of Oasis trade materials not cited in the Notice that further emphasize the non-menthol nature of the Oasis products, including the following:



FDA Marketing Authorization

- 98. To market new tobacco products, manufacturers must seek FDA marketing authorization, including (among other possibilities) an order that the new product is "substantially equivalent" to a currently marketed product and "is in compliance with the requirements of [the Federal Food, Drug, and Cosmetic Act]." 21 U.S.C. § 387j(a)(2)(A)(i)(I); see also 21 C.F.R. § 1107.18(i).
- 99. FDA may issue an exemption from the substantial-equivalence requirements where (among other things) an exemption "would be appropriate for protection of the public health" and would be "otherwise appropriate." 21 U.S.C. § 387e(j)(3)(A).
- 100. RJRT applied for—and FDA granted—substantial-equivalence exemptions for the Oasis and WS-3 Products. An appendix attached to FDA's letters expressly states that the characterizing flavor of the Oasis and WS-3 Products is "none"—in contrast to the characterizing flavors of the predicate products, which are identified as "menthol."

Enforcement Threats in California Relating to RJRT's New Cigarette Products

101. On April 25, 2023, the Attorney General sent four Letters of Determination to RJRT

regarding these products. *See* Exs. 1-4. In the Letters, the Attorney General expressed his view that the New Products had triggered the rebuttable presumption of the characterizing flavor ban through the labeling, packaging, and promotional materials of the products. *See*, *e.g.*, Ex. 1 [23-04-A1] at 1-2; Ex. 4 [23-04-A5] at 1-2. Each Letter addresses one of the four sub-brands. *See* Ex. 1 [23-04-A1] (Camel Crush Oasis Silver; Camel Crush Oasis Blue; Camel Crush Oasis Green); Ex. 2 [23-04-A2] (Camel Crisp); Ex. 3 [23-04-A3] (Newport EXP Non-Menthol Mix; Newport EXP Non-Menthol Max); Ex. 4 [23-04-A5] (Newport Non-Menthol Green).

- 102. According to the Attorney General, promotional materials for all of the New Products "purposefully target users of menthol-flavored tobacco products and promote the [New] Products as substitutes or replacements for such menthol-flavored tobacco products." *See* Exs. 1-4. The Attorney General also stated that "[1]abeling and packaging for [the New Products] uses brand names, text, and colors traditionally associated with menthol-flavored tobacco products." *See* Exs. 1-4.
- 103. The Attorney General alleged that the Oasis Products' labeling and packaging make "use of the same recognizable patterns and colors between the [Oasis] Products and menthol-flavored products." Ex. 1 [23-04-A1] at 1. Further, the Attorney General claimed that the labeling and packaging for the Oasis Products "attribute[s] differentiated sensory taste effects before and after the capsule is activated" and "[t]he capsules are likewise distinguished in the labeling and packaging from product to product in the Camel Crush brand line, implying differential effects from one product to another based on the capsule (and not merely from the blend or processing of tobacco)." *Id.* at 2.
- 104. The Attorney General also stated that promotional materials for the Oasis Products used "common selling message(s) with menthol-flavored tobacco products in the Camel Crush brand line" and "suggest sensory taste(s) or aroma(s) apart from taste(s) or aroma(s) of a solely tobacco flavored product." *Id*.
- 105. As for the WS-3 Products, according to the Attorney General, the promotional materials for the Camel Crisp Green product (one of the WS-3 products) "distinguish between the taste or aroma of tobacco and other sensory taste(s) or aroma(s) in the 'smoking experience' of the product,

implying the inclusion of a non-tobacco taste or aroma." Ex. 2 [23-04-A2] at 1.

- 106. The Attorney General stated that promotional materials for the Newport EXP Non-Menthol Mix, Newport EXP Non-Menthol Max, and Newport Non-Menthol Green Box (additional WS-3 Products) each "use common selling message(s) with menthol-flavored tobacco products" and in the case of the Newport Non-Menthol Green Box, "use common selling message(s) with menthol-flavored tobacco products in the Newport brand line." Ex. 3 [23-04-A3] at 2; Ex. 4 [23-04-A5] at 1.
- 107. The Attorney General alleged that the promotional materials for the Newport EXP Non-Menthol Mix and Newport EXP Non-Menthol Max "suggest sensory taste(s) or aroma(s) apart from taste(s) or aroma(s) of a solely tobacco flavored product." Ex. 3 [23-04-A3] at 2.
- 108. The Attorney General supplied little to no detail to support these assertions. Each of the four Notices appended just two to three pages of attachments. Those attachments depict the New Products in a side-by-side comparison to a previously sold menthol product or examples of promotional materials for the relevant product. The Notices offer no specific explanation as to how these comparisons or promotional materials trigger the rebuttable presumption.
- 109. As the URLs provided in Tab B of each Notice show, the sample promotional materials are all drawn from the website of the Stanford Research Into the Impact of Tobacco Advertising ("SRITA") collection. Specifically, they are drawn from the section of the website called "Collection: *Non-Menthol.*" *See* https://tobacco.stanford.edu/cigarettes/menthol-medicates/nonmenthol/ (last visited on May 3, 2023) (emphasis added).
- 110. The Notices contain a number of material errors, including multiple factual inaccuracies related to the images of the packs, the descriptions on the packs, and the promotional materials for the New Products.
- 111. First, the Attorney General ignores the fact that (as shown above) every single New Product contains the phrase "NON-MENTHOL" on the front of each package. Camel Crisp Green and Newport Non-Menthol Green additionally have "NON-MENTHOL" text on the top and bottom of the pack. The Attorney General also ignores the fact that all of the New Products are wrapped in cellophane packaging that contains a printed violator that reiterates that the products are "NON-

- 112. Second, the Notices also publish a series of alleged "comparator" predicate products. But the pack image—"Newport EXP Menthe"—listed as a "comparison product[]" for Camel Crisp, Newport EXP Non-Menthol Mix, and Newport Non-Menthol Max is not a product that was ever sold in California, or anywhere else in the United States.
- 113. Third, the Notices also fail to include complete images of the New Products' promotional materials. For example, none of the promotional materials cited in the Notices show the federal warning.
- 114. And while the Attorney General alleges that the New Products "purposefully target users of menthol-flavored tobacco products and promote the [New] Products as substitutes or replacements for such menthol-flavored tobacco products"—the promotional materials to which the Attorney General cites expressly indicate that the New Products lack menthol and are "Non-Menthol" products. The Attorney General fails to explain how those promotional materials nevertheless imply that the products are menthol flavored or why it would be improper to market non-menthol products to former adult menthol smokers who wish to continue smoking cigarettes.
- 115. Finally, the Notices also ignore the fact that the cited promotional materials for the Camel Crisp Green product indicate the product has a "smooth *tobacco* flavor." (emphasis added). The Attorney General ignores this clear statement that the product is tobacco-flavored.
- 116. In the final paragraphs of each Notice of Determination, the Attorney General suggests that retailers and distributors of the New Products may be subject to fines and penalties, including under the characterizing flavor ban and under Business and Professions Code § 17200. Specifically, the Notices state that "[u]nder the California flavor ban law, retailers and their agents are subject to fines for the possession and sale of such flavored tobacco products." And "[o]ther state statutes and local ordinances may impose additional penalties on retailers or other vendors as well." (citing Bus. & Prof. § 17200). The Notices "encourage[]" RJRT "to provide a copy to your California distributor and retail customers as well."
- 117. Both the Attorney General and the District Attorney have the authority to enforce Business and Professions Code § 17200. See Bus. & Prof. § 17204. Both the Attorney General

and the District Attorney have enforcement authority under another consumer protection statute, Business and Professions Code § 17500. *See* Bus. & Prof. § 17508.

- 118. The Notices additionally "encourage" RJRT "to submit a response with any supporting materials ... on or before June 23, 2023" "if you believe these determinations or conclusions are in error, or if you believe any Reviewed Product(s) is properly classified as UNFLAVORED."
- 119. Politico, a media outlet, somehow obtained the Notices and published an article about them on May 3, 2023, which included a link to a copy of the Notices themselves. Rachel Bluth, *California AG Warns Tobacco Companies Their New Cigarettes Are Banned In The State*, POLITICOPRO (May 3, 2023), https://tinyurl.com/3hsv8pyd; Notices of Determination, *Politico Pro* (May 3, 2023) https://tinyurl.com/yerru7hx. Reynolds did not authorize the release of the Notices to Politico.
- 120. The next day, the Campaign for Tobacco-Free Kids ("CTFK") issued a press release entitled "California AG Warns Tobacco Companies Their New Menthol-Like Cigarettes Violate State's Law Banning Flavored Tobacco Sales." *See* Statement of Matthew L. Myers (May 4, 2023), https://www.tobaccofreekids.org/press-releases/2023_05_04_california-ag-warns-tobacco-companies. In that press release, CTFK stated that "[w]ith these letters, Attorney General Bonta is sending a clear message that California is serious about enforcing the law and will not tolerate the tobacco industry's efforts to evade it." CTFK additionally "urge[d] Attorney General Bonta to move as quickly as possible to get these products off the shelves" and "applaude[d] his leadership" in "enforcing the law in California."
- 121. The Notices are phrased and formatted in a way that tends to incorrectly suggest to the reader that the Attorney General has determined that the products are *flavored* rather than *presumptively* flavored. First, in the phrase "presumptively FLAVORED," only the second word is capitalized. Second, the Notices include a chart that includes a "Determination" of simply "FLAVORED." This confusing framing appears to have misled Politico and CTFK into believing that the Attorney General had deemed the products unlawful in California. For instance, CTFK stated that the Attorney General "issu[ed] warning letters to R.J. Reynolds and ITG Brands that their new menthol-like flavored cigarettes *violate the state's new law* prohibiting sales of flavored

tobacco products." Myers, *supra* (emphasis added). And Politico stated that the Notices "inform" RJRT that its New Products "have all been *determined to be in violation of the ban* that's been in effect since December 2022." Bluth, *supra* (emphasis added).

- 122. On information and belief, the purpose of the Notices and their unauthorized release to the media is to dissuade California retailers from selling the New Products.
- 123. Within days of the publication of the Notices, one jurisdiction began relying on the Notices to instruct retailers to stop selling the New Products. Specifically, the City of Ukiah's Code Enforcement office sent at least one agent to a retailer in Ukiah; that agent delivered copies of the Notices to that retailer and directed the retailer to remove the New Products or the agent would return with a citation for the retailer.
- 124. Separately, on April 25, 2023, the Attorney General's office sent a different letter to RJRT, this one signed by Deputy Attorney General Taylor Ann Whittemore and entitled "California Health and Safety Code section 104559.5." The letter stated that the Attorney General's Office intends to publish a list of "product certifications and case-by-case determinations made by our office and other agencies under" the California characterizing flavor ban. This list is to be "similar[]" to the "list of all cigarette manufacturers and their brands found in compliance with California Revenue and Taxation Code section 30165.1."
- 125. The letter explained that the Attorney General's Office was "reaching out to tobacco product manufacturers to request they fill out a spreadsheet with information about their products." Per the letter, this information would "facilitate reconciliation of public and non-public information regarding domestically marketed tobacco products" and provide "input regarding manufacturers' own assessments of compliance under" the characterizing flavor ban. The letter went on to explain that, while "[p]roviding this information is voluntary," "tobacco products not certified by a tobacco product manufacturer may not be affirmatively listed on the Attorney General's website."
- 126. Along with the letter, Whittemore attached a spreadsheet soliciting information about RJRT's tobacco products. Among other things, the spreadsheet asks manufacturers to certify whether each of their tobacco products is flavored or unflavored within the meaning of the California flavor ban. The instructions also ask manufacturers to "attach electronic sample"

127. The letter further provides that "[t]he Attorney General's Office anticipates publishing its initial list of product certifications and case-by-case determinations on or after June 1, 2023." In light of that, tobacco product manufacturers are asked to complete and return the spreadsheet by May 25, 2023 if they "wish [their] submission to be included in the initial posting."

Lack of Enforcement in California Against Flavored Disposable E-cigarettes

128. RJRT is not aware of any efforts by the Attorney General to enforce the characterizing flavor ban against companies deliberately and obviously violating the law. The main catalyst for S.B. 793 was the rise in youth vaping in 2018 and 2019, though those rates have thankfully come down precipitously. *See* Senate Floor Analysis of S.B. 793, at 4 (2020). California legislators attempted to tackle the youth vaping problem by banning non-tobacco characterizing flavors in tobacco products on the theory that flavors help drive youth to use the products. Instead of going after those products, however, the Attorney General is targeting a major *cigarette* manufacturer whose products are in full compliance with the law. That is arbitrary.

129. Youth use of *cigarettes* is at an all-time low. And, as noted, the characterizing flavor ban was primarily meant to bring down the rates of youth use of *e-cigarettes*. Those are now the most popular tobacco product among youth who use tobacco products (though the use of tobacco products among youth is on the decline). Moreover, disposable e-cigarettes are the most popular type of e-cigarette with youth who use e-cigarettes. As FDA researchers recently found, "[a]mong middle and high school current e-cigarette users ... use of disposable e-cigarette devices increased significantly between 2019 and 2020 ... and was the most commonly used device type reported in 2021." Cooper, *supra*. In fact, disposables are more than 75% more popular than cartridge-based e-cigarettes. Disposables rose to popularity with youth after FDA effectively banned all

⁴ Compare Maria Cooper, et al., Notes from the Field: E cigarette Use Among Middle and High School Students—United States, 2022 (Oct. 2022), https://tinyurl.com/44fk6y8p, with Teresa W. Wang, et al., E cigarette Use Among Middle and High School Students—United States, 2020 (Sept. 2020), https://tinyurl.com/5763s6a9.

⁵ See Cooper, supra.

further relief is or could be claimed at the time." *Id.*

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⁶ FDA, Enforcement Priorities for Electronic Nicotine Delivery Systems 21-22 (rev. Apr. 2020) ("2020 Guidance"), https://tinyurl.com/8j58axb7.

provides that "the court may make a binding declaration of these rights or duties, whether or not

proper matters for declaratory relief." Walker v. Los Angeles County (1961) 55 Cal.2d 626, 637.

In particular, declaratory relief is an appropriate remedy for professionals and businesses

"attempting to steer a legitimate course among a maze of prohibitory laws." Manchel v. Los

application to RJRT's New Products. Plaintiffs contend that it is improper for the Attorney General

to make a "determination" regarding the rebuttable presumption of the characterizing flavor ban,

Health & Safety Code § 104559.5(b)(2), outside the context of a judicial proceeding; that the

rebuttable presumption cannot properly be applied in a criminal proceeding or in a civil proceeding

that incorporates the substantive standards of the characterizing flavor ban; that the New Products

Angeles County (1966) 245 Cal. App. 2d 501, 509. That is precisely what Plaintiffs seek.

California courts have long held that "[t]he interpretation of ordinances and statutes are

There is a live dispute about the meaning of the characterizing flavor ban and its

⁷ Nicholas Florko, *It's Easy To Buy Flavored Vapes In California, Even In Cities With Longtime Bans*, STAT (Jan. 27, 2023), https://www.statnews.com/2023/01/27/california-flavored-vape-ban/

and the labeling, packaging, and promotional materials identified in the Notices do not trigger, and have not triggered, the characterizing flavor ban's rebuttable presumption; that the Notices have no legal effect or evidentiary value and are not binding in any judicial or administrative proceeding; and that the sale, offer for sale, or possession with intent to sell or offer for sale of the New Products at issue here is not within the scope of Health and Safety Code Code § 104559.5(b)(2). Defendant Bonta contends that the New Products have triggered the rebuttable presumption, and that it was appropriate to make such a determination in the Notices; he further contends that the New Products are potentially subject to enforcement action—which could be brought by, among others, Defendant Smittcamp—for violations of the characterizing flavor ban.

- 135. Further, the Attorney General's Notices, which were disclosed to and then made public by Politico, leave no doubt that this action is ripe for resolution. *Tashakori v. Lakis* (2011) 196 Cal.App.4th 1003, 1012–1013 ("The threat of a lawsuit can satisfy the actual controversy requirement for a declaratory relief action."); *Am. Meat Inst. v. Leeman* (2009) 180 Cal.App.4th 728, 742–743 (suit was ripe in light of letter threatening a lawsuit and federal agency's stated disapproval); *Alameda Cnty. Land Use Assn. v. City of Hayward* (1995) 38 Cal.App.4th 1716, 1723–1724 (suit for declaratory relief was ripe where the plaintiffs and defendant city and county disagreed on the scope of a memorandum of understanding that affected property).
- 136. Without judicial intervention, RJRT will suffer imminent harm. The Notices will cause some retailers to pull RJRT's lawful New Products from shelves, halting all sales of such products. At least one jurisdiction has already started relying on the Notices to instruct retailers to stop selling the New Products. This will impose significant economic harms on RJRT, which will be unable to sell several important new products from well-known and popular brands in California, a large and important market.
- 137. RJRT will also suffer significant financial losses due to the non-use of existing inventory. RJRT is manufacturing and producing the new non-menthol products based on anticipated demand in California. Part of that process includes "tax stamping" the products with a California Cigarette Tax Stamp on the product's external packaging. State-specific product coupons and offers may also be included in products intended for California retailers. Without

judicial intervention, RJRT will be forced to dispose of already-manufactured products. The products cannot be redirected to other markets.

- 138. RJRT will also suffer significant financial losses associated with withdrawing already-delivered products from California wholesalers and retailers. California retailers who remove products from their shelves can and will look to RJRT to (i) physically remove the products from the retailers' store rooms and wholesale stock and (ii) refund those purchases.
- 139. RJRT will also suffer significant permanent harm to the future prospects of these new products. The purpose of the Notices is to remove these products from the market less than six months after introduction. The introductory period, typically the first eighteen months, is critical for any new product, because it takes new products time to get to the desired awareness and consumer acceptance levels. RJRT will lose shelf space in retailers that will be filled by competitor products, and consumers who choose to continue smoking will be forced to select an alternative product.
- 140. RJRT will also suffer significant (but difficult to quantify) harm beyond just the new non-menthol products. First, RJRT will suffer reputational harm associated with the removal of the new non-menthol products because consumers and others may believe that "something is wrong" with the new products. Worse, consumers and others may believe that "something is wrong" with the *entire* Camel or Newport brand and product styles, and they may choose to abandon the brand in favor of competitor products. This spillover effect would not be limited to California.
- 141. Without judicial intervention, APCA member stores will also suffer imminent harm. The Notices are putting APCA member stores to the choice of (i) pulling lawful products from shelves, halting all sales of such products in California, and thereby suffering severe economic harms, or (ii) continuing to sell the products and risking enforcement actions, fines, and criminal liability.
- 142. Without judicial intervention, JGB Properties will suffer imminent harm. The Notices are putting JGB Properties to the choice of (i) pulling lawful products from shelves, halting all sales of such products in California, and thereby suffering severe economic harms, or (ii) continuing to

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in any event has not been triggered.

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Code § 104559.5(b)(2), may not be used in the way the Attorney General has sought to use it, and

First, the characterizing flavor ban's rebuttable presumption provision, Health & Safety

152. The Attorney General misunderstands the role of the presumption in the statute by
treating it as a substantive standard rather than an evidentiary presumption. Moreover, the
presumption cannot constitutionally be applied to the New Products and the Attorney General has
not met the burden imposed by California's Evidence Code § 607, which requires the prosecution
to prove beyond a reasonable doubt any facts that may trigger an evidentiary presumption. Next,
the presumption is not triggered because RJRT, its employees, and its agents have made no claims
or statements directed to consumers or to the public that any of RJRT's New Products have or
produce a characterizing flavor. To the contrary, RJRT has clearly and repeatedly communicated
that the cigarettes are "NON-MENTHOL," which consumers and the public will understand means
that the cigarettes are tobacco-flavored. Finally, any presumption would be rebutted because the
New Products contain no constituent that imparts a characterizing flavor while smoked.

- 153. Second, the WS-3 and Oasis products are tobacco-flavored and have no other distinguishable taste or aroma while smoked.
- 154. The WS-3 Products are tobacco-flavored. WS-3 is a cooling agent that has been used for decades in food and cosmetics because it does not impart any taste or aroma in the concentrations used in consumable products.
- 155. As a result, the WS-3 Products have no distinguishable taste or aroma other than that of tobacco, and therefore they are not within the scope of the characterizing flavor ban.
- 156. The Oasis Products are also tobacco-flavored. The products do not impart a distinguishable non-tobacco taste or aroma while smoked, and therefore have no characterizing flavor.
- 157. As a result, the Oasis Products have no distinguishable taste or aroma other than that of tobacco while smoked, and therefore they are not within the scope of the characterizing flavor ban.
- 158. Plaintiffs seek a declaration that it is improper for the Attorney General to make a "determination" regarding the rebuttable presumption outside the context of a judicial proceeding.
- 159. Plaintiffs seek a declaration that the rebuttable presumption of the characterizing flavor ban, Health & Safety Code § 104559.5(b)(2), violates the Due Process Clause of the Fourteenth Amendment of the United States Constitution and therefore cannot be applied in a criminal case in

California.

- 160. Plaintiffs seek a declaration that the rebuttable presumption of the characterizing flavor ban, Health & Safety Code § 104559.5(b)(2), cannot be applied in a civil proceeding that incorporates the substantive standards of the characterizing flavor ban, such as a proceeding under Business & Professions Code § 17200 and Business & Professions Code § 17500.
- 161. Plaintiffs seek a declaration that the New Products and the labeling, packaging, and promotional materials identified in the Notices do not trigger, and have not triggered, the characterizing flavor ban's rebuttable presumption.
- 162. Plaintiffs seek a declaration that the Notices of Determination served on Plaintiff RJRT on April 25, 2023 have no legal effect or evidentiary value and are not binding in any judicial or administrative proceeding.
- 163. Plaintiffs seek a declaration from the Court that the sale, offer for sale, or possession with intent to sell or offer for sale of the New Products at issue here is not within the scope of Health and Safety Code, § 104559.5.

SECOND CAUSE OF ACTION

(By Plaintiffs against all Defendants for Injunctive Relief)

- 164. Plaintiffs reallege paragraphs 1 through 163 of the Complaint as though fully incorporated and re-alleged here.
- 165. Plaintiffs are entitled to the relief demanded, which includes a declaration that RJRT's New Products do not have a characterizing flavor and do not violate the characterizing flavor ban, and that the characterizing flavor ban's rebuttable presumption is unconstitutional and is not triggered here; that the characterizing flavor ban's rebuttable presumption cannot be applied in a civil proceeding that incorporates the substantive standards of the characterizing flavor ban; that it is improper for the Attorney General to make a "determination" regarding the rebuttable presumption outside the context of a judicial proceeding; and that the Notices served on RJRT on April 25, 2023 have no legal effect or evidentiary value and are not binding on any court of law or administrative proceeding.
 - 166. Because they are entitled to declaratory relief, Plaintiffs are further entitled to

General may not abuse his discretion by issuing a decision that is "arbitrary, capricious, entirely

lacking in evidentiary support, unlawful, or procedurally unfair." *Khan v. Los Angeles City Emps.*' *Ret. Sys.* (2010) 187 Cal.App.4th 98, 106; *see City of Sacramento v. Drew* (1989) 207 Cal.App.3d 1287, 1297 ("Action that transgresses the confines of the applicable principles of law is outside the scope of discretion and we call such action an 'abuse' of discretion.").

- 174. The Attorney General has a clear obligation to comply with the requirements of the characterizing flavor ban.
- 175. Plaintiffs have "a clear, present, and beneficial right" to performance of that obligation. *People ex rel. Younger v. County of El Dorado* (1971) 5 Cal.3d 480, 491. Plaintiffs have no other plain, speedy, or adequate remedy at law because the harms suffered cannot be remedied by money damages.
- 176. For the reasons described above, the Attorney General acted arbitrarily and capriciously in issuing the Notices of Determination, and his decision lacks evidentiary support. The evidence that the Attorney General cites in the Notices does not support the determination that the New Products are "presumptively FLAVORED," and to the contrary supports a determination that the New Products lack any characterizing flavor.
- 177. The Attorney General's Notices of Determination are further based on critical legal errors. The Notices treat the characterizing flavor ban's rebuttable presumption as a substantive legal standard rather than an evidentiary mechanism to be used in the course of a judicial proceeding. And in any event, the presumption cannot be applied to RJRT's New Products under due process principles. The Attorney General's actions in issuing the Notices were therefore arbitrary, capricious, and unlawful.
- 178. The Attorney General also acted arbitrarily and capriciously by seeking to prevent the sale of the New Products without first making a determination that the products impart a characterizing flavor.
- 179. Finally, the Attorney General has acted in an irrational and discriminatory manner, rendering the Notices and any future enforcement efforts arbitrary and capricious. *Lamden v. La Jolla Shores Clubdominium Homeowners Assn.* (1999) 21 Cal.4th 249, 265–266 (home owners association must show that exercise of its enforcement power is fair and nondiscriminatory); *see*

also LePage's 2000, Inc. v. Postal Reg. Comm'n, 674 F.3d 862, 866 (D.C. Cir. 2012) (per curiam) ("[A]n agency's unjustifiably disparate treatment of two similarly situated parties works a violation of the arbitrary-and-capricious standard."). "Where an agency applies different standards to similarly situated entities and fails to support this disparate treatment with a reasoned explanation and substantial evidence in the record, its action is arbitrary and capricious and cannot be upheld." Burlington N. & Santa Fe Ry. Co. v. Surface Transp. Bd., 403 F.3d 771, 777 (D.C. Cir. 2005).

- 180. As explained above, RJRT's products are in full compliance with California law. But many tobacco-product retailers in California are not. Many retailers continue to sell disposable ecigarettes with characterizing flavors other than tobacco, in defiance of California's law. Despite that, the Attorney General ignores those violators and instead has targeted a law-abiding company. That is arbitrary and unlawful.
- 181. Plaintiffs, proceeding under Civil Procedure § 1088.5, seek a writ of mandate requiring Defendant Bonta to rescind the Notices of Determination served on Plaintiff RJRT on April 25, 2023, requiring Defendant Bonta to issue corrective notices indicating that the New Products have no characterizing flavor and are not prohibited under California law, and precluding the Defendants from posting the Notices on the California Department of Justice website or elsewhere.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment and relief as set forth below:

On the First Cause of Action:

- 1. Pursuant to California Code of Civil Procedure § 1060, declare that the sale, offer for sale, or possession with intent to sell or offer for sale of RJRT's New Products (Newport Non-Menthol Green Box, Newport Non-Menthol Green 100 Box, Newport EXP Non-Menthol Mix Box, Newport EXP Non-Menthol Mix 100 Box, Newport EXP Non-Menthol Max Box, Newport Non-Menthol EXP Max 100 Box, Camel Crisp Non-Menthol Green Box, Camel Crush Non-Menthol Oasis Blue Box, Camel Crush Non-Menthol Oasis Green Box, and Camel Crush Non-Menthol Oasis Silver Box) is not within the scope of Health and Safety Code, § 104559.5.
- 2. Pursuant to California Code of Civil Procedure § 1060, declare that the rebuttable presumption of the characterizing flavor ban, Health & Safety Code § 104559.5(b)(2), violates the

Due Process Clause of the Fourteenth Amendment of the United States Constitution and therefore cannot be applied in a criminal case in California.

- 3. Pursuant to California Code of Civil Procedure § 1060, declare that the rebuttable presumption of the characterizing flavor ban, Health & Safety Code § 104559.5(b)(2), cannot be applied in a civil proceeding that incorporates the substantive standards of the characterizing flavor ban, such as a proceeding under Business & Professions Code § 17200 and Business & Professions Code § 17500.
- 4. Pursuant to California Code of Civil Procedure § 1060, declare that the labeling, packaging, and promotional materials for RJRT's New Products (Newport Non-Menthol Green Box, Newport Non-Menthol Green 100 Box, Newport EXP Non-Menthol Mix Box, Newport EXP Non-Menthol Mix 100 Box, Newport EXP Non-Menthol Max Box, Newport Non-Menthol EXP Max 100 Box, Camel Crisp Non-Menthol Green Box, Camel Crush Non-Menthol Oasis Blue Box, Camel Crush Non-Menthol Oasis Green Box, and Camel Crush Non-Menthol Oasis Silver Box) do not trigger, and have not triggered, the characterizing flavor ban's rebuttable presumption.
- 5. Pursuant to California Code of Civil Procedure § 1060, declare that it is improper for the Attorney General to make a "determination" regarding the rebuttable presumption outside the context of a judicial proceeding.
- 6. Pursuant to California Code of Civil Procedure § 1060, declare that the Notices of Determination served on Plaintiff RJRT on April 25, 2023 have no legal effect or evidentiary value and are not binding on any court of law or administrative proceeding.

On the Second Cause of Action:

- 1. Pursuant to California Code of Civil Procedure § 527(a), preliminarily enjoin Defendants from enforcing the characterizing flavor ban against tobacco retailers and their agents regarding the sale of RJRT's New Products, and from taking any other enforcement actions or filing any lawsuits based on the Notices of Determination or based on the notion that the characterizing flavor ban's rebuttable presumption has been triggered.
- 2. Pursuant to California Code of Civil Procedure § 527(a), preliminarily enjoin Defendants from enforcing the characterizing flavor ban against tobacco retailers and their agents

regarding the sale of RJRT's New Products, and from taking any other enforcement actions or filing any lawsuits premised on the notion that RJRT's New Products violate the characterizing flavor ban.

- 3. Order Defendant Bonta to rescind the Notices of Determination served on Plaintiff RJRT on April 25, 2023.
- 4. Enjoin Defendants from posting the Notices on the California Department of Justice website or elsewhere.
- 5. Order Defendant Bonta to issue corrective notices indicating that the New Products have no characterizing flavor and are not prohibited under California law.
- 6. Enjoin Defendants from enforcing the characterizing flavor ban against tobacco retailers and their agents regarding the sale of RJRT's New Products, and from initiating any enforcement action or filing any lawsuits against Plaintiffs based on the Notices of Determination or based on the notion that the characterizing flavor ban's rebuttable presumption has been triggered.
- 7. Enjoin Defendants from enforcing the characterizing flavor ban against tobacco retailers and their agents regarding the sale of RJRT's New Products, and from taking any other enforcement actions or filing any lawsuits premised on the notion that RJRT's New Products violate the characterizing flavor ban.

On the Third Cause of Action:

- 1. Pursuant to California Code of Civil Procedure § 1085(a), issue a writ of mandate requiring the Attorney General to rescind the Notices of Determination served on Plaintiff RJRT on April 25, 2023.
- 2. Pursuant to California Code of Civil Procedure § 1085(a), issue a writ of mandate requiring the Attorney General to issue corrective notices indicating that the New Products have no characterizing flavor and are not prohibited under California law.
- 3. Pursuant to California Code of Civil Procedure § 1085(a), issue a writ of mandate precluding Defendants from posting the Notices on the California Department of Justice website or elsewhere.

On All Causes of Action: 1. For costs of suit incurred herein; and, 2. For such other and further relief as this Court deems just and proper. - 39 -COMPLAINT FOR DECL. & INJ. RELIEF & VERIFIED PETITION FOR WRIT OF MANDATE

1	Dated: May 11, 2023	JONES DAY
2		By: Estimat f. Avan Jr.
3		Edward Patrick Swan, Jr.
4		Patrick T. Haney, Bar No. 266399
5		phaney@jonesday.com Christian G. Vergonis (pro hac vice forthcoming)
6		cvergonis@jonesday.com JONES DAY
7		51 Louisiana Avenue, N.W. Washington, DC 20001
8		Telephone: +1.202.879.3939
9		Edward Patrick Swan Jr., Bar No. 89429 pswan@jonesday.com
10		JONES DAY 4655 Executive Drive, Suite 1500
11		San Diego, California 92121 Telephone: +1.858.314.1200
12		Darryl J. Horowitt, Bar No. 100898
13		dhorowitt@ch-law.com COLEMAN & HOROWITT, LLP
14		499 W. Shaw Avenue, Suite 116 Fresno, California 93704
15		Telephone: +1.559.248.4820
16		[Additional counsel]
17 18		David M. Monde (pro hac vice forthcoming) dmmonde@jonesday.com JONES DAY
19		1221 Peachtree Street, N.E. Atlanta, Georgia 30361
20		Telephone: +1.404.521.3939
21		Attorneys for Plaintiffs-Petitioners R.J. Reynolds Tobacco Company; American Petroleum and
22		Convenience Store Association; JGB Properties Inc., and Fresno Elite Carwash Inc.
23		
24		
25		
26		
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28		
		- 40 -

VERIFICATION

I have read the foregoing Complaint for Declaratory and Injunctive Relief and Verified Petition for Writ of Mandate and know its contents.

I am an officer of R.J. Reynolds Tobacco Company, a party to this action, and I am authorized to make this verification for and on its behalf, and I make this verification for that reason.

I am informed and believe and on that ground allege that the matters stated in the foregoing document are true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on May 1, 2023

ANDREW P. BURNS

EXHIBIT 1

1300 I STREET, SUITE 125 P.O. BOX 944255 SACRAMENTO, CA 94244-2550

Public: (916) 445-9555 Telephone: (916) 210-7353 Facsimile: (916) 323-2319 E-Mail: Byron.Miller@doj.ca.gov

April 25, 2023

Jonathan Reed CEO & Chief Commercial Officer RJ Reynolds Tobacco Company 401 North Main Street Winston-Salem, NC 27101

RE: California Flavor Ban, Health & Safety Code § 104559.5

Notice of Determination 23-04-A1

Dear Mr. Reed:

Since December 21, 2022, California has restricted retailer possession, distribution, and sale of flavored tobacco products. *See* Cal. Health & Saf. § 104559.5. This California "flavor ban" law establishes a rebuttable presumption that a tobacco product is flavored where its manufacturer "has made a statement or claim directed to consumers or to the public that the tobacco product has or produces a characterizing flavor, including, but not limited to, text, color, images, or all, on the product's labeling or packaging that are used to explicitly or implicitly communicate that the tobacco product has a characterizing flavor." *Id.* at § 104559.5(b)(2).

This letter is to advise you that the Tobacco Unit of the California Department of Justice has reviewed referred packaging and promotional materials for several of your company's products—Camel Crush Oasis Silver, Camel Crush Oasis Blue, and Camel Crush Oasis Green (collectively, the "Reviewed Products")—and determined that each of these Reviewed Products is presumptively FLAVORED under the California flavor ban law. *Id.*

Determination Number	Reviewed Product(s)	UPC(s)	Determination
23-04-A1-1	Camel Crush Oasis Silver	012300127387	FLAVORED
		012300127417	
23-04-A1-2	Camel Crush Oasis Blue	012300126304	FLAVORED
		012300126335	
23-04-A1-3	Camel Crush Oasis Green	012300127325	FLAVORED
		012300127356	

We specifically conclude:

(1) Labeling and packaging for each of the Reviewed Products uses brand names, text, and colors traditionally associated with menthol-flavored tobacco products, including the use of the same recognizable patterns and colors between the Reviewed Products and menthol-flavored products. *See* TAB A.

- (2) The Reviewed Products include a non-tobacco "capsule" in each cigarette. Labeling and packaging for the Reviewed Products attribute differentiated sensory taste effects before and after the capsule is activated. The capsules are likewise distinguished in the labeling and packaging from product to product in the Camel Crush brand line, implying differential effects from one product to another based on the capsule (and not merely from the blend or processing of tobacco). *See* TAB A.
- (3) Promotional materials for the Reviewed Products use common selling message(s) with menthol-flavored tobacco products in the Camel Crush brand line. *See* TAB B.
- (4) Promotional materials for the Reviewed Products suggest sensory taste(s) or aroma(s) apart from taste(s) or aroma(s) of a solely tobacco flavored product. *See* TAB B.
- (5) Promotional materials for the Reviewed Products purposefully target users of mentholflavored tobacco products and promote the Reviewed Products as substitutes or replacements for such menthol-flavored tobacco products. *See* TAB B.

The California flavor ban law restricts the retail distribution and sale of flavored tobacco products to California consumers. Under the California flavor ban law, retailers and their agents are subject to fines for the possession and sale of such flavored tobacco products. *See* Cal. Health & Saf. § 104559.5(f). Other state statutes and local ordinances may impose additional penalties on retailers or other vendors as well. *Id.* at § 104559.5(g); *see also* Cal. Bus. & Prof. § 17200. To encourage uniform application of the California flavor ban law, this Notice of Determination will be posted on the California Department of Justice's public website.

You are encouraged to provide a copy to your California distributor and retailer customers as well.

// // // Notice of Determination 23-04-A1 April 25, 2023 Page 3

If you believe these determinations or conclusions are in error, or if you believe any Reviewed Product(s) is properly classified as UNFLAVORED, we encourage you to submit a response with any supporting materials to the mailing or email address below on or before June 23, 2023, identifying the Notice of Determination number in your response. The Tobacco Unit will review any such submission and may, in its discretion, update, modify, or rescind this determination in response. In such case, an updated Notice of Determination will be issued.

Flavor Determination [Determination Number(s)]
Office of the Attorney General
California Department of Justice
1300 "T" Street, PO Box 944255
Sacramento, California 94244-2550
Tobacco@doj.ca.gov

https://oag.ca.gov/tobacco/contact

Sincerely,

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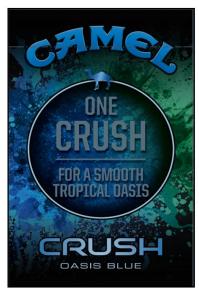
BYRON M. MILLER Deputy Attorney General

For ROB BONTA Attorney General

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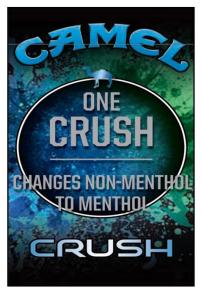
TAB A – PACKAGING IMAGES

REVIEWED PRODUCT(S)



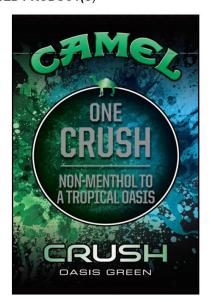
CALIFORNIA AG PACKAGE REPOSITORY, R.J. REYNOLDS, "CAMEL CRUSH NON-MENTHOL OASIS BLUE KING BOX PACK", 2022 RENEWAL SUBMISSION.

COMPARISON PRODUCT(S)



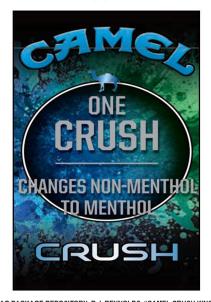
CALIFORNIA AG PACKAGE REPOSITORY, R.J. REYNOLDS, "CAMEL CRUSH KING BOX", 2022 RENEWAL SUBMISSION.

REVIEWED PRODUCT(S)



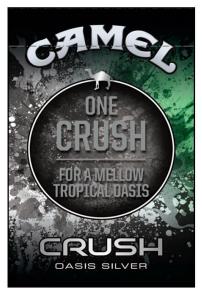
CALIFORNIA AG PACKAGE REPOSITORY, R.J. REYNOLDS, "CAMEL CRUSH NON-MENTHOL OASIS GREEN KING BOX PACK", 2022 RENEWAL SUBMISSION.

COMPARISON PRODUCT(S)



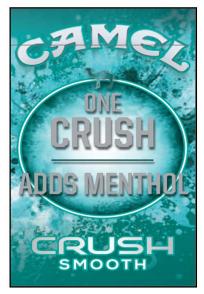
CALIFORNIA AG PACKAGE REPOSITORY, R.J. REYNOLDS, "CAMEL CRUSH KING BOX", 2022 RENEWAL SUBMISSION.

REVIEWED PRODUCT(S)



CALIFORNIA AG PACKAGE REPOSITORY, R.J. REYNOLDS, "CAMEL CRUSH NON-MENTHOL OASIS SILVER KING BOX PACK", 2022 RENEWAL SUBMISSION.

COMPARISON PRODUCT(S)



CALIFORNIA AG PACKAGE REPOSITORY, R.J. REYNOLDS, "CAMEL CRUSH SMOOTH MENTHOL KING BOX", 2022 RENEWAL SUBMISSION.

TAB B – PROMOTIONAL MATERIALS

REVIEWED PRODUCT(S)

Stanford Research into the Impact of Tobacco Advertising Ad Collection, accessed at

https://tobacco.stanford.edu/cigarettes/ menthol-

medicates/nonmenthol/#collection-19



Stanford Research into the Impact of Tobacco Advertising Ad Collection, accessed at https://tobacco.stanford.edu/cigarettes/

medicates/nonmenthol/#collection-21



REVIEWED PRODUCT(S)

Stanford Research into the Impact of Tobacco Advertising Ad Collection,

accessed at https://tobacco.stanford.edu/cigarettes/menthol-

medicates/nonmenthol/#collection-18



1300 I STREET, SUITE 125 P.O. BOX 944255 SACRAMENTO, CA 94244-2550

Public: (916) 445-9555 Telephone: (916) 210-7353 Facsimile: (916) 323-2319 E-Mail: Byron.Miller@doj.ca.gov

April 25, 2023

Jonathan Reed CEO & Chief Commercial Officer RJ Reynolds Tobacco Company 401 North Main Street Winston-Salem, NC 27101

RE: California Flavor Ban, Health & Safety Code § 104559.5

Notice of Determination 23-04-A2

Dear Mr. Reed:

Since December 21, 2022, California has restricted retailer possession, distribution, and sale of flavored tobacco products. *See* Cal. Health & Saf. § 104559.5. This California "flavor ban" law establishes a rebuttable presumption that a tobacco product is flavored where its manufacturer "has made a statement or claim directed to consumers or to the public that the tobacco product has or produces a characterizing flavor, including, but not limited to, text, color, images, or all, on the product's labeling or packaging that are used to explicitly or implicitly communicate that the tobacco product has a characterizing flavor." *Id.* at § 104559.5(b)(2).

This letter is to advise you that the Tobacco Unit of the California Department of Justice has reviewed referred packaging and promotional materials for Camel Crisp and determined that it is presumptively FLAVORED under the California flavor ban law. *Id.*

Determination Number	Reviewed Product(s)	UPC(s)	Determination
23-04-A2	Camel Crisp	012300127509	FLAVORED
	•	012300127530	

We specifically conclude:

- (1) Labeling and packaging for Camel Crisp uses brand names, shapes, text, and colors traditionally associated with menthol-flavored tobacco products. *See* TAB A.
- (2) Promotional materials for Camel Crisp distinguish between the taste or aroma of tobacco and other sensory taste(s) or aroma(s) in the "smoking experience" of the product, implying the inclusion of a non-tobacco taste or aroma. *See* TAB B.

(3) Promotional materials for Camel Crisp purposefully target users of menthol-flavored tobacco products and promote the Reviewed Products as substitutes or replacements for such menthol-flavored tobacco products. *See* TAB B.

The California flavor ban law restricts the retail distribution and sale of flavored tobacco products to California consumers. Under the California flavor ban law, retailers and their agents are subject to fines for the possession and sale of such flavored tobacco products. *See* Cal. Health & Saf. § 104559.5(f). Other state statutes and local ordinances may impose additional penalties on retailers or other vendors as well. *Id.* at § 104559.5(g); *see also* Cal. Bus. & Prof. § 17200. To encourage uniform application of the California flavor ban law, this Notice of Determination will be posted on the California Department of Justice's public website.

You are encouraged to provide a copy to your California distributor and retailer customers as well.

If you believe these determinations or conclusions are in error, or if you believe any Reviewed Product(s) is properly classified as UNFLAVORED, we encourage you to submit a response with any supporting materials to the mailing or email address below on or before June 23, 2023, identifying the Notice of Determination number in your response. The Tobacco Unit will review any such submission and may, in its discretion, update, modify, or rescind this determination in response. In such case, an updated Notice of Determination will be issued.

Flavor Determination [Determination Number(s)]
Office of the Attorney General
California Department of Justice
1300 "T" Street, PO Box 944255
Sacramento, California 94244-2550
Tobacco@doj.ca.gov

https://oag.ca.gov/tobacco/contact

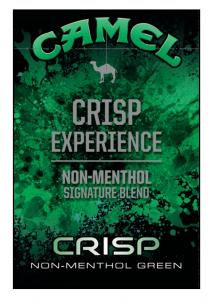
Sincerely,

BYRON M. MILLER Deputy Attorney General

For ROB BONTA Attorney General

TAB A – PACKAGING IMAGES

REVIEWED PRODUCT(S)



CALIFORNIA AG PACKAGE REPOSITORY, R.J. REYNOLDS, "CAMEL CRISP NON-MENTHOL GREEN BOX PACK", 2022 RENEWAL SUBMISSION.

COMPARISON PRODUCT(S)





CALIFORNIA AG PACKAGE REPOSITORY, R.J. REYNOLDS, "CAMEL CRUSH KING BOX", 2022 RENEWAL SUBMISSION. CALIFORNIA AG PACKAGE REPOSITORY, R.J. REYNOLDS, "CAMEL CRUSH SMOOTH MENTHOL KING BOX", 2022 RENEWAL SUBMISSION.

TAB B – PROMOTIONAL MATERIALS

REVIEWED PRODUCT(S)

Stanford Research into the Impact of Tobacco Advertising Ad Collection, accessed at https://tobacco.stanford.edu/cigarettes/ menthol-medicates/nonmenthol/#collection-14



REVIEWED PRODUCT(S)

Stanford Research into the Impact of Tobacco Advertising Ad Collection,

accessed at https://tobacco.stanford.edu/cigarettes/ menthol-medicates/nonmenthol/#collection-17



REVIEWED PRODUCT(S)

Stanford Research into the Impact of Tobacco Advertising Ad Collection, accessed at https://tobacco.stanford.edu/cigarettes/

medicates/nonmenthol/#collection-18



1300 I STREET, SUITE 125 P.O. BOX 944255 SACRAMENTO, CA 94244-2550

Public: (916) 445-9555 Telephone: (916) 210-7353 Facsimile: (916) 323-2319 E-Mail: Byron.Miller@doj.ca.gov

April 25, 2023

Jonathan Reed CEO & Chief Commercial Officer RJ Reynolds Tobacco Company 401 North Main Street Winston-Salem, NC 27101

RE: California Flavor Ban, Health & Safety Code § 104559.5

Notice of Determination 23-04-A3

Dear Mr. Reed:

Since December 21, 2022, California has restricted retailer possession, distribution, and sale of flavored tobacco products. *See* Cal. Health & Saf. § 104559.5. This California "flavor ban" law establishes a rebuttable presumption that a tobacco product is flavored where its manufacturer "has made a statement or claim directed to consumers or to the public that the tobacco product has or produces a characterizing flavor, including, but not limited to, text, color, images, or all, on the product's labeling or packaging that are used to explicitly or implicitly communicate that the tobacco product has a characterizing flavor." *Id.* at § 104559.5(b)(2).

This letter is to advise you that the Tobacco Unit of the California Department of Justice has reviewed referred packaging and promotional materials for Newport EXP Non-Menthol Mix and Newport EXP Non-Menthol Max (collectively, the "Reviewed Products") and determined that they are presumptively FLAVORED under the California flavor ban law. *Id*.

Determination Number	Reviewed Product(s)	UPC(s)	Determination
23-04-A3-1	Newport EXP Non-Menthol	026100220087	FLAVORED
	Mix	026100660159	
		026100660180	
		026100660241	
		026100660272	
		026100220179	
23-04-A3-2	Newport EXP Non-Menthol	026100219906	FLAVORED
	Max	026100219937	
		026100219999	
		026100220025	

We specifically conclude:

(1) Labeling and packaging for the Reviewed Products uses brand names, text, and colors traditionally associated with menthol-flavored tobacco products. *See* TAB A.

- (2) Promotional materials for the Reviewed Products use common selling message(s) with menthol-flavored tobacco products. *See* TAB B.
- (3) Promotional materials for the Reviewed Products suggest sensory taste(s) or aroma(s) apart from taste(s) or aroma(s) of a solely tobacco flavored product. *See* TAB B.
- (4) Promotional materials for the Reviewed Products purposefully target users of mentholflavored tobacco products and promote the Reviewed Products as substitutes or replacements for such menthol-flavored tobacco products. *See* TAB B.

The California flavor ban law restricts the retail distribution and sale of flavored tobacco products to California consumers. Under the California flavor ban law, retailers and their agents are subject to fines for the possession and sale of such flavored tobacco products. *See* Cal. Health & Saf. § 104559.5(f). Other state statutes and local ordinances may impose additional penalties on retailers or other vendors as well. *Id.* at § 104559.5(g); *see also* Cal. Bus. & Prof. § 17200. To encourage uniform application of the California flavor ban law, this Notice of Determination will be posted on the California Department of Justice's public website.

You are encouraged to provide a copy to your California distributor and retailer customers as well.

// // // Notice of Determination 23-04-A3 April 25, 2023 Page 3

If you believe these determinations or conclusions are in error, or if you believe any Reviewed Product(s) is properly classified as UNFLAVORED, we encourage you to submit a response with any supporting materials to the mailing or email address below on or before June 23, 2023, identifying the Notice of Determination number in your response. The Tobacco Unit will review any such submission and may, in its discretion, update, modify, or rescind this determination in response. In such case, an updated Notice of Determination will be issued.

Flavor Determination [Determination Number(s)]
Office of the Attorney General
California Department of Justice
1300 "I" Street, PO Box 944255
Sacramento, California 94244-2550
Tobacco@doj.ca.gov

https://oag.ca.gov/tobacco/contact

Sincerely,

BYRON M. MILLER Deputy Attorney General

For ROB BONTA Attorney General

OK2022305668 37101736.docx

TAB A – PACKAGING IMAGES

REVIEWED PRODUCT(S)



CALIFORNIA AG PACKAGE REPOSITORY, R.J. REYNOLDS, "NEWPORT EXP NON-MENTHOL MAX", 2022 RENEWAL SUBMISSION.

COMPARISON PRODUCT(S)





CALIFORNIA AG PACKAGE REPOSITORY, R.J. REYNOLDS, "NEWPORT BOOST MENTHOL KING BOX", 2022 RENEWAL SUBMISSION.
CALIFORNIA AG PACKAGE REPOSITORY, R.J. REYNOLDS, "NEWPORT <u>EXP</u> MENTHE BOX", 2022 RENEWAL SUBMISSION.

REVIEWED PRODUCT(S)



CALIFORNIA AG PACKAGE REPOSITORY, R.J. REYNOLDS, "NEWPORT $\ensuremath{\mathsf{EXP}}$ NON-MENTHOL MIX", 2022 RENEWAL SUBMISSION.

COMPARISON PRODUCT(S)





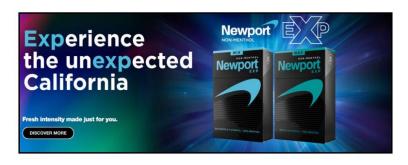
CALIFORNIA AG PACKAGE REPOSITORY, R.J. REYNOLDS, "NEWPORT MENTHOL PLATINUM BLUE KING BOX", 2022 RENEWAL SUBMISSION. CALIFORNIA AG PACKAGE REPOSITORY, R.J. REYNOLDS, "NEWPORT <u>EXP</u> MENTHE BOX", 2022 RENEWAL SUBMISSION.

TAB B – PROMOTIONAL MATERIALS

REVIEWED PRODUCT(S)

Stanford Research into the Impact of Tobacco Advertising Ad Collection, accessed at

https://tobacco.stanford.edu/cigarettes/ menthol-medicates/nonmenthol/#collection-2



Stanford Research into the Impact of Tobacco Advertising Ad Collection, accessed at

https://tobacco.stanford.edu/cigarettes/ menthol-medicates/nonmenthol/#collection-6



REVIEWED PRODUCT(S)

Stanford Research into the Impact of Tobacco Advertising Ad Collection, accessed at

https://tobacco.stanford.edu/cigarettes/

menthol-medicates/nonmenthol/#collection-7



Stanford Research into the Impact of Tobacco Advertising Ad Collection, accessed at

https://tobacco.stanford.edu/cigarettes/

menthol-medicates/nonmenthol/#collection-7



EXHIBIT 4

1300 I STREET, SUITE 125 P.O. BOX 944255 SACRAMENTO, CA 94244-2550

Public: (916) 445-9555 Telephone: (916) 210-7353 Facsimile: (916) 323-2319 E-Mail: Byron.Miller@doj.ca.gov

April 25, 2023

Jonathan Reed CEO & Chief Commercial Officer RJ Reynolds Tobacco Company 401 North Main Street Winston-Salem, NC 27101

RE: California Flavor Ban, Health & Safety Code § 104559.5

Notice of Determination 23-04-A5

Dear Mr. Reed:

Since December 21, 2022, California has restricted retailer possession, distribution, and sale of flavored tobacco products. *See* Cal. Health & Saf. § 104559.5. This California "flavor ban" law establishes a rebuttable presumption that a tobacco product is flavored where its manufacturer "has made a statement or claim directed to consumers or to the public that the tobacco product has or produces a characterizing flavor, including, but not limited to, text, color, images, or all, on the product's labeling or packaging that are used to explicitly or implicitly communicate that the tobacco product has a characterizing flavor." *Id.* at § 104559.5(b)(2).

This letter is to advise you that the Tobacco Unit of the California Department of Justice has reviewed referred packaging and promotional materials for Newport Non-Menthol Green and determined that this product is presumptively FLAVORED under the California flavor ban law. *Id.*

Determination Number	Reviewed Product(s)	UPC(s)	Determination
23-04-A5	Newport Non-Menthol Green	026100911459	FLAVORED
		026100911428	
		026100911541	
		026100911510	

We specifically conclude:

- (1) Labeling and packaging for Newport Non-Menthol Green uses brand names, text, and colors traditionally associated with menthol-flavored tobacco products. *See* TAB A.
- (2) Promotional materials for Newport Non-Menthol Green use common selling message(s) with menthol-flavored tobacco products in the Newport brand line. *See* TAB B.

(3) Promotional materials for Newport Non-Menthol Green purposefully target users of menthol-flavored tobacco products and promote the Reviewed Products as substitutes or replacements for such menthol-flavored tobacco products. *See* TAB B.

The California flavor ban law restricts the retail distribution and sale of flavored tobacco products to California consumers. Under the California flavor ban law, retailers and their agents are subject to fines for the possession and sale of such flavored tobacco products. *See* Cal. Health & Saf. § 104559.5(f). Other state statutes and local ordinances may impose additional penalties on retailers or other vendors as well. *Id.* at § 104559.5(g); *see also* Cal. Bus. & Prof. § 17200. To encourage uniform application of the California flavor ban law, this Notice of Determination will be posted on the California Department of Justice's public website.

You are encouraged to provide a copy to your California distributor and retailer customers as well.

If you believe these determinations or conclusions are in error, or if you believe any Reviewed Product(s) is properly classified as UNFLAVORED, we encourage you to submit a response with any supporting materials to the mailing or email address below on or before June 23, 2023, identifying the Notice of Determination number in your response. The Tobacco Unit will review any such submission and may, in its discretion, update, modify, or rescind this determination in response. In such case, an updated Notice of Determination will be issued.

Flavor Determination [Determination Number(s)]
Office of the Attorney General
California Department of Justice
1300 "I" Street, PO Box 944255
Sacramento, California 94244-2550
Tobacco@doj.ca.gov

https://oag.ca.gov/tobacco/contact

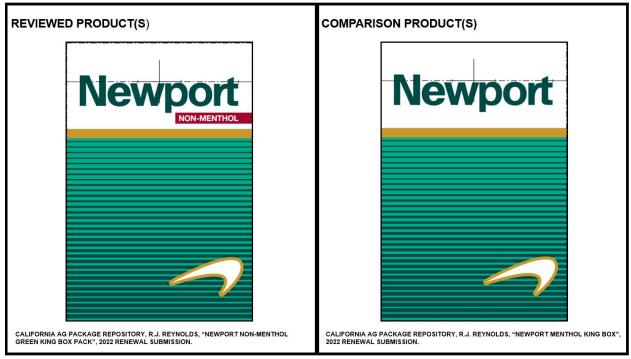
Sincerely,

BYRON M. MILLER Deputy Attorney General

My Mar

For ROB BONTA Attorney General

TAB A – PACKAGING IMAGES



TAB B – PROMOTIONAL MATERIALS

REVIEWED PRODUCT(S)

Stanford Research into the Impact of Tobacco Advertising Ad Collection, accessed at https://tobacco.stanford.edu/cigarettes/menthol-medicates/nonmenthol/#collection-4



REVIEWED PRODUCT(S)

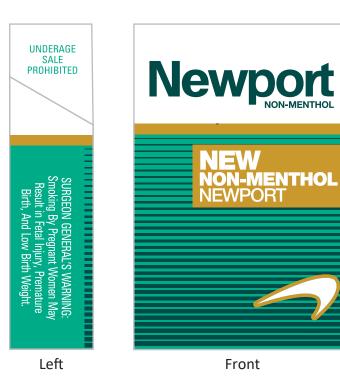
Stanford Research into the Impact of Tobacco Advertising Ad Collection, accessed at https://tobacco.stanford.edu/cigarettes/menthol-medicates/nonmenthol/#collection-5

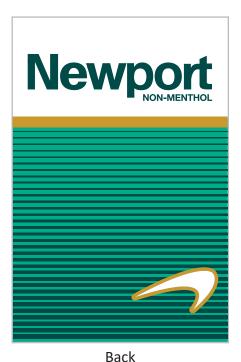


Newport Non-Menthol



Top









Camel Crisp "Green"



Тор









Left

Front

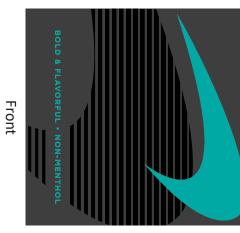
Back



Left

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

UNDERAGE SALE PROHIBITED



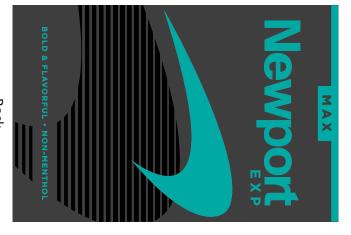
MAX NON-MENTHOL

Top



Back

Bottom



Right



© RJReynolds
Tobacco Company
Winston-Salem,
NC 27102 USA
1-877-760-0778
www.RJRT.com
PLEASE DON'T LITTER

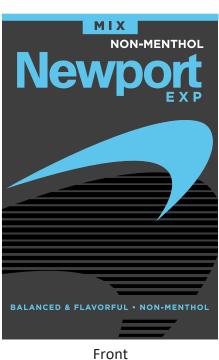


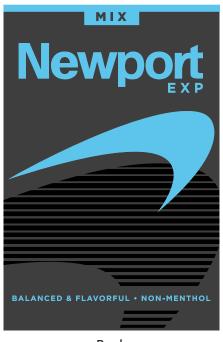
Newport EXP Mix



Top

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







Left

Back

Right

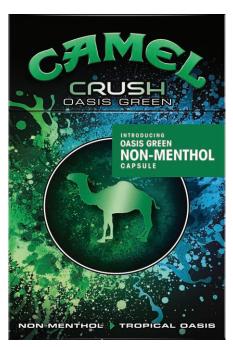


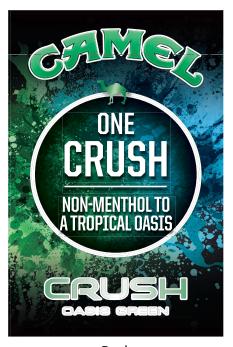
Camel Crush Oasis "Green"



Тор









Left

Front

Back

Right



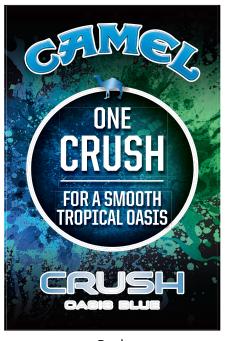
Camel Crush Oasis "Blue"



Тор









eft Front

Back

Right

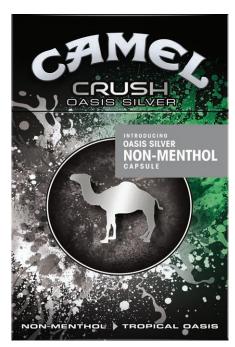


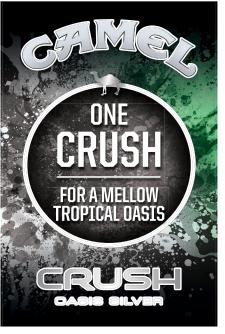
Camel Crush Oasis "Silver"



Тор









ft Front

Back

