JUUL reaches \$462 million multi-state settlement, \$41M for Massachusetts

"AG Campbell's Office Holds JUUL Accountable for Company's Role in Nationwide Youth Vaping Epidemic.

Massachusetts Attorney General Andrea Joy Campbell today joined attorneys general from across the country to announce a \$462 million multistate settlement, including \$41 million for Massachusetts, with JUUL Labs Inc. (JUUL) for their role in contributing to the youth vaping epidemic nationwide.

The agreement is the largest multistate settlement with JUUL and places the most stringent restrictions on JUUL's marketing, sales and distribution practices in order to protect and prevent minors from underage smoking.

"Today's settlement marks the next chapter in holding JUUL accountable for inciting a youth vaping epidemic that rolled back decades of progress to combat underage tobacco and nicotine use. This settlement, which includes funds for treatment and prevention and places firm restrictions on youth marketing and sales, will help us combat vaping addiction and continue to protect the health and safety of young people," said AG Campbell. "Thank you to my staff — all dedicated, thoughtful public servants — who have put in years of hard work to hold this company accountable, and to the advocates and experts who have collaborated with us on this issue."

Under the terms of the consent judgment, JUUL is required to make its first payment to Massachusetts this year, followed by seven more annual payments. In addition to monetary payment, the settlement requires JUUL to:

• Refrain from any marketing that directly or indirectly

targets youth, including using anyone under the age of 35 in promotional material,

- Limit the number of retail and online sale purchases an individual can make,
- Perform regular retail compliance checks at stores that sell JUUL's products for at least four years,
- Refrain from providing free or nominally priced JUUL pods as samples to consumers,
- Exclude product placement in almost all media, and
- Increase funding to a document depository by up to \$5 million and add millions of relevant documents uncovered from the investigation to the depository to ensure public access to these documents.

Today's announcement furthers AG Campbell's commitment to prioritizing and protecting the well-being and overall health of young people across Massachusetts by holding JUUL accountable for their role in creating a nationwide youth vaping epidemic.

The Massachusetts Attorney General's office was the first office to announce an investigation into JUUL in July 2018. As a result of its findings, the AG's Office sued JUUL in 2020 for intentionally marketing and selling its e-cigarettes to young people. The lawsuit revealed new facts that had not previously been made public about JUUL's youth-oriented advertising campaign in 2015, including advertising on websites used by children and teenagers, recruiting young celebrities to build brand awareness and knowingly advertising to and shipping e-cigarettes to underage consumers.

According to the Centers for Disease and Control Prevention (CDC), more than 1 in 7 high school students used e-cigarettes in 2022. The liquid in vaping devices often contains nicotine, a highly addictive substance that can lead to serious health consequences for young people whose brains and bodies are still developing. The e-liquid contained in JUUL pods has a notably high nicotine concentration of 5 percent. Vaping one

pod is equivalent to 200 puffs or one whole pack of traditional combustible cigarettes. E-liquids may also contain other unhealthy chemicals and compounds, including carcinogens.

JUUL has been referred to as the "iPhone" of vaping devices because of their sleek, technological appearance. In addition, the small size and resemblance to a USB flash drive allow students to easily conceal the device. These devices can be personalized with wraps or "skins" to conceal them as other everyday products, such as Sharpie pens, or to decorate them with an array of designs, colors, images, and even cartoon characters.

This matter is being handled by Assistant Attorneys General Jim Sweeney, Alda Chan and Matt Lashof-Sullivan, Special Assistant Attorney General Sean Attwood, and Paralegals Adrian Butterton, Bowen He, Matt Jelen, Sky Karp and Noah Kopf, all of the AG's Consumer Protection Division and Assistant Attorney General Aaron Davis of the AG's Data Privacy and Data Division. AG Campbell and her office would also like to recognize former Senior Counsel Samantha Shusterman and former Director of Strategic Initiatives Elise Yannett for their work on this case and in this space."