

EXHIBIT A
LIST OF LAWSUITS

1. Alaska
State of Alaska v. Philip Morris, Inc., et al., Superior Court, First Judicial District at Juneau, No. IJU-97915 CI (Alaska)
2. Arizona
State of Arizona v. American Tobacco Co., Inc., et al., Superior Court, Maricopa County, No. CV-96-14769 (Ariz.)
3. Arkansas
State of Arkansas v. The American Tobacco Co., Inc., et al., Chancery Court, 6th Division, Pulaski County, No. IJ 97-2982 (Ark.)
4. California
People of the State of California et al. v. Philip Morris, Inc., et al., Superior Court, Sacramento County, No. 97-AS-30301 (Cal.)
5. Colorado
State of Colorado et al., v. R.J. Reynolds Tobacco Co., et al., District Court, City and County of Denver, No. 97CV3432 (Colo.)
6. Connecticut
State of Connecticut v. Philip Morris, et al., Superior Court, Judicial District of Waterbury, No. X02CV96-0148414S (Conn.)
7. Hawaii
State of Hawaii v. Brown & Williamson Tobacco Corp., et al., Circuit Court, First Circuit, No. 97-0441-01 (Haw.)
8. Idaho
State of Idaho v. Philip Morris, Inc., et al., Fourth Judicial District, Ada County, No. CVOC 9703239D (Idaho)
9. Illinois
People of the State of Illinois v. Philip Morris et al., Circuit Court of Cook County, No. 96-L13146 (Ill.)
10. Indiana
State of Indiana v. Philip Morris, Inc., et al., Marion County Superior Court, No. 49D 07-9702-CT-0236 (Ind.)
11. Iowa
State of Iowa v. R.J. Reynolds Tobacco Company et al., Iowa District Court, Polk County, No. CL71048 (Iowa)

12. Louisiana
Ieyoub v. The American Tobacco Company, et al., 14th Judicial District Court, Calcasieu Parish, No. 96-1209 (La.),
13. Maine
State of Maine v. Philip Morris, Inc., et al., Superior Court, Kennebec County, No. CV 97-134 (Me.)
14. Missouri
State of Missouri v. American Tobacco Co., Inc. et al., Circuit Court, City of St. Louis, No. 972-1465 (Mo.)
15. Montana
State of Montana v. Philip Morris, Inc., et al., First Judicial Court, Lewis and Clark County, No. CDV 9700306 (Mont.)
16. Nebraska
State of Nebraska v. R.J. Reynolds Tobacco Co., et al., District Court, Lancaster County, No. 573277 (Neb.)
17. Nevada
State of Nevada v. Philip Morris, Incorporated, et al., Second Judicial Court, Washoe County, No. CV97-03279 (Nev.)
18. New Mexico
State of New Mexico, v. The American Tobacco Co., et al., First Judicial District Court, County of Santa Fe, No. SF-1235 c (N.M.)
19. New York State
State of New York et al. v. Philip Morris, Inc., et al., Supreme Court of the State of New York, County of New York, No. 400361/97 (N.Y.)
20. Ohio
State of Ohio v. Philip Morris, Inc., et al., Court of Common Pleas, Franklin County, No. 97CVH05114 (Ohio)
21. Oregon
State of Oregon v. The American Tobacco Co., et al., Circuit Court, Multnomah County, No. 9706-04457 (Or.)
22. Pennsylvania
Commonwealth of Pennsylvania v. Philip Morris, Inc., et al., Court of Common Pleas, Philadelphia County, April Term 1997, No. 2443
23. Puerto Rico
Rossello, et al. v. Brown & Williamson Tobacco Corporation, et al., U.S. District Court, Puerto Rico, No. 97-1910JAF

24. Rhode Island
State of Rhode Island v. American Tobacco Co., et al., Rhode Island Superior Court, Providence, No. 97-3058 (R.I.)
25. South Carolina
State of South Carolina v. Brown & Williamson Tobacco Corporation, et al., Court of Common Pleas, Fifth Judicial Circuit, Richland County, No. 97-CP-40-1686 (S.C.)
26. South Dakota
State of South Dakota, et al. v. Philip Morris, Inc., et al., Circuit Court, Hughes County, Sixth Judicial Circuit, No. 98-65 (S.D.)
27. Vermont
State of Vermont v. Philip Morris, Inc., et al., Chittenden Superior Court, Chittenden County, No. 744-97 (Vt.)
28. West Virginia
McGraw, et al. v. The American Tobacco Company, et al., Kanawha County Circuit Court, No. 94-1707 (W. Va.)
29. Wisconsin
State of Wisconsin v. Philip Morris Inc., et al., Circuit Court, Branch 11, Dane County, No. 97-CV-328 (Wis.)

Additional States Section

1. For each Settling State not listed above, the lawsuit or other legal action filed by the Attorney General or Governor of such Settling State against Participating Manufacturers in the Court in such Settling State prior to 30 days after the MSA Execution Date asserting Released Claims.
2. Washington
State of Washington v. American Tobacco Co. Inc., et al., Superior Court of Washington, King County, No. 96-2-1505608SEA (Wash.)

EXHIBIT B

**POTENTIAL LEGISLATION NOT TO BE
OPPOSED**

1. Limitations on Youth access to vending machines.
2. Inclusion of cigars within the definition of tobacco products.
3. Enhancement of enforcement efforts to identify and prosecute violations of laws prohibiting retail sales to Youth.
4. Encouraging or supporting use of technology to increase effectiveness of age-of-purchase laws, such as, without limitation, the use of programmable scanners, scanners to read drivers' licenses, or use of other age/ID data banks.
5. Limitations on promotional programs for non-tobacco goods using Tobacco Products as prizes or give-aways.
6. Enforcement of access restrictions through penalties on Youth for possession or use.
7. Limitations on tobacco product advertising in or on school facilities, or wearing of tobacco logo merchandise in or on school property.
8. Limitations on non-tobacco products which are designed to look like tobacco products, such as bubble gum cigars, candy cigarettes, etc.

EXHIBIT C
DOCUMENT PRODUCTION

Section 1.

- (a) Philip Morris Companies, Inc., et al., v. American Broadcasting Companies, Inc., et al., At Law No. 760CL94X00816-00 (Cir. Ct., City of Richmond)
- (b) Harley-Davidson v. Lorillard Tobacco Co., No. 93-947 (S.D.N.Y.)
- (c) Lorillard Tobacco Co. v. Harley-Davidson, No. 93-6098 (E.D. Wis.)
- (d) Brown & Williamson v. Jacobson and CBS, Inc., No. 82-648 (N.D. Ill.)
- (e) The FTC investigations of tobacco industry advertising and promotion as embodied in the following cites:
 - 1. 46 FTC 706
 - 2. 48 FTC 82
 - 3. 46 FTC 735
 - 4. 47 FTC 1393
 - 5. 108 F. Supp. 573
 - 6. 55 FTC 354
 - 7. 56 FTC 96
 - 8. 79 FTC 255
 - 9. 80 FTC 455
 - 10. #8023069
 - 11. #8323222

Each Original Participating Manufacturer and Tobacco-Related Organization will conduct its own reasonable inquiry to determine what documents or deposition testimony, if any, it produced or provided in the above-listed matters.

Section 2.

- (a) State of Washington v. American Tobacco Co., et al., No. 96-2-15056-8 SEA (Wash. Super. Ct., County of King)
- (b) In re Mike Moore, Attorney General, ex rel. State of Mississippi Tobacco Litigation, No. 94-1429 (Chancery Ct., Jackson, Miss.)
- (c) State of Florida v. American Tobacco Co., et al., No. CL 95-1466 AH (Fla. Cir. Ct., 15th Judicial Cir., Palm Beach Co.)
- (d) State of Texas v. American Tobacco Co., et al., No. 5-96CV-91 (E.D. Tex.)
- (e) Minnesota v. Philip Morris et al., No. C-94-8565 (Minn. Dist. Ct., County of Ramsey)
- (f) Broin v. R.J. Reynolds, No. 91-49738 CA (22) (11th Judicial Ct., Dade County, Florida)

EXHIBIT D

MODEL CONSENT DECREE

IN THE [XXXXXXX] COURT OF THE STATE OF [XXXXXXX]
IN AND FOR THE COUNTY OF [XXXXXX]

-----		CAUSE NO. XXXXXX
x	:	
STATE OF [XXXXXXXXXXXXXX],	:	
	:	CONSENT DECREE AND FINAL
Plaintiff,	:	JUDGMENT
v.	:	
	:	
[XXXXXXX XXXXX XXXX], et al.,	:	
	:	
Defendants.	:	
	:	

x		

WHEREAS, Plaintiff, [the State of [name of Settling State]], commenced this action on [date], [by and through its Attorney General [name]], pursuant to [her/his/its] common law powers and the provisions of [state and/or federal law];

WHEREAS, the State of [name of Settling State] asserted various claims for monetary, equitable and injunctive relief on behalf of the State of [name of Settling State] against certain tobacco product manufacturers and other defendants;

WHEREAS, Defendants have contested the claims in the State's complaint [and amended complaints, if any] and denied the State's allegations [and asserted affirmative defenses];

WHEREAS, the parties desire to resolve this action in a manner which appropriately addresses the State's public health concerns, while conserving the parties' resources, as well as those of the Court, which would otherwise be expended in litigating a matter of this magnitude; and

WHEREAS, the Court has made no determination of any violation of law, this Consent Decree and Final Judgment being entered prior to the taking of any testimony and without trial or final adjudication of any issue of fact or law;

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED, AS FOLLOWS:

I. JURISDICTION AND VENUE

This Court has jurisdiction over the subject matter of this action and over each of the Participating Manufacturers. Venue is proper in this [county/district].

II. DEFINITIONS

The definitions set forth in the Agreement (a copy of which is attached hereto) are incorporated herein by reference.

III. APPLICABILITY

A. This Consent Decree and Final Judgment applies only to the Participating Manufacturers in their corporate capacity acting through their respective successors and assigns, directors, officers, employees, agents, subsidiaries, divisions, or other internal organizational units of any kind or any other entities acting in concert or participation with them. The remedies, penalties and sanctions that may be imposed or assessed in connection with a violation of this Consent Decree and Final Judgment (or any order issued in connection herewith) shall only apply to the Participating Manufacturers, and shall not be imposed or assessed against any employee, officer or director of any Participating Manufacturer, or against any other person or entity as a consequence of such violation, and there shall be no jurisdiction under this Consent Decree and Final Judgment to do so.

B. This Consent Decree and Final Judgment is not intended to and does not vest standing in any third party with respect to the terms hereof. No portion of this Consent Decree and Final Judgment shall provide any rights to, or be enforceable by, any person or entity other than the State of [name of Settling State] or a Released Party. The State of [name of Settling State] may not assign or otherwise convey any right to enforce any provision of this Consent Decree and Final Judgment.

IV. VOLUNTARY ACT OF THE PARTIES

The parties hereto expressly acknowledge and agree that this Consent Decree and Final Judgment is voluntarily entered into as the result of arm's-length negotiation, and all parties hereto were represented by counsel in deciding to enter into this Consent Decree and Final Judgment.

V. INJUNCTIVE AND OTHER EQUITABLE RELIEF

Each Participating Manufacturer is permanently enjoined from:

A. Taking any action, directly or indirectly, to target Youth within the State of [name of Settling State] in the advertising, promotion or marketing of Tobacco Products, or taking any action the primary purpose of which is to initiate, maintain or increase the incidence of use of Tobacco Products by Youth within the State of [name of Settling State].

B. After 180 days after the MSA Execution Date, using or causing to be used within the State of [name of Settling State] any Cartoon in the advertising, promoting, packaging or labeling of Tobacco Products.

C. After 30 days after the MSA Execution Date, making or causing to be made any payment or other consideration to any other person or entity to use, display, make reference to or use as a prop within the State of [name of Settling State] any Tobacco Product, Tobacco Product package, advertisement for a Tobacco Product, or any other item bearing a Brand Name in any Media; provided, however, that the foregoing prohibition shall not apply to (1) Media where the audience or viewers are within an Adult-Only Facility (provided such Media are not visible to persons outside such Adult-Only facility); (2) Media not intended for distribution or display to the public; or (3) actions taken by any Participating Manufacturer in connection with a Brand Name Sponsorship permitted pursuant to subsections III(c)(2)(A) and III(c)(2)(B)(i) of the Agreement and use of a Brand Name to identify a Brand Name Sponsorship permitted by subsection III(c)(2)(B)(ii).

D. Beginning July 1, 1999, marketing, distributing, offering, selling, licensing or causing to be marketed, distributed, offered, sold, or licensed (including, without limitation, by catalogue or direct mail), within the State of [name of Settling State], any apparel or other merchandise (other than Tobacco Products, items the sole function of which is to advertise Tobacco Products, or written or electronic publications) which bears a Brand Name. Provided, however, that nothing in this section shall (1) require any Participating Manufacturer to breach or terminate any licensing agreement or other contract in existence as of June 20, 1997 (this exception shall not apply beyond the current term of any existing contract, without regard to any renewal or option term that may be exercised by such Participating Manufacturer); (2) prohibit the distribution to any Participating Manufacturer's employee who is not Underage of any item described above that is intended for the personal use of such an employee; (3) require any Participating Manufacturer to retrieve, collect or otherwise recover any item that prior to the MSA Execution Date was marketed, distributed, offered, sold, licensed or caused to be marketed, distributed, offered, sold or licensed by such Participating Manufacturer; (4) apply to coupons or other items used by Adults solely in connection with the purchase of Tobacco Products; (5) apply to apparel or other merchandise used within an Adult-Only Facility that is not distributed (by sale or otherwise) to any member of the general public; or (6) apply to apparel or other merchandise (a) marketed, distributed, offered, sold, or licensed at the site of a Brand Name Sponsorship permitted pursuant to subsection III(c)(2)(A) or III(c)(2)(B)(i) of the Agreement by the person to which the relevant Participating Manufacturer has provided payment in exchange for the use of the relevant Brand Name in the Brand Name Sponsorship or a third-party that does not receive payment from the relevant Participating Manufacturer (or any Affiliate of such Participating Manufacturer) in connection with the marketing, distribution, offer, sale or license of such apparel or other merchandise, or (b) used at the site of a Brand Name Sponsorship permitted pursuant to subsections III(c)(2)(A) or III(c)(2)(B)(i) of the Agreement (during such event) that are not distributed (by sale or otherwise) to any member of the general public.

E. After seven days after the MSA Execution Date, distributing or causing to be distributed within the State of [name of Settling State] any free samples of Tobacco Products

except in an Adult-Only Facility. For purposes of this Consent Decree and Final Judgment, a “free sample” does not include a Tobacco Product that is provided to an Adult in connection with (1) the purchase, exchange or redemption for proof of purchase of any Tobacco Products (including, but not limited to, a free offer in connection with the purchase of Tobacco Products, such as a “two-for-one” offer), or (2) the conducting of consumer testing or evaluation of Tobacco Products with persons who certify that they are Adults.

F. Using or causing to be used as a brand name of any Tobacco Product pursuant to any agreement requiring the payment of money or other valuable consideration, any nationally recognized or nationally established brand name or trade name of any non-tobacco item or service or any nationally recognized or nationally established sports team, entertainment group or individual celebrity. Provided, however, that the preceding sentence shall not apply to any Tobacco Product brand name in existence as of July 1, 1998. For the purposes of this provision, the term “other valuable consideration” shall not include an agreement between two entities who enter into such agreement for the sole purpose of avoiding infringement claims.

G. Entering into any contract, combination or conspiracy with any other Tobacco Product Manufacturer that has the purpose or effect of: (1) limiting competition in the production or distribution of information about health hazards or other consequences of the use of their products; (2) limiting or suppressing research into tobacco and health; or (3) limiting or suppressing research into the marketing or development of new products. Provided, however, that nothing in the preceding sentence shall be deemed to (1) require any Participating Manufacturer to produce, distribute or otherwise disclose any information that is subject to any privilege or protection; (2) preclude any Participating Manufacturer from entering into any joint defense or joint legal interest agreement or arrangement (whether or not in writing), or from asserting any privilege pursuant thereto; or (3) impose any affirmative obligation on any Participating Manufacturer to conduct any research.

H. Making any material misrepresentation of fact regarding the health consequences of using any Tobacco Product, including any tobacco additives or other ingredients. Provided, however, that nothing in the preceding sentence shall limit the exercise of any First Amendment right or the assertion of any defense or position in any judicial, legislative or regulatory forum.

VI. MISCELLANEOUS PROVISIONS

A. Jurisdiction of this case is retained by the Court for the purposes of implementing, and enforcing the Agreement and this Consent Decree and Final Judgment and enabling the continuing proceedings contemplated herein. Whenever possible, the State of [name of Settling State] and the Participating Manufacturers shall seek to resolve any issue that may exist as to compliance with this Consent Decree and Final Judgment by discussion among the appropriate designees named pursuant to subsection XV(n) of the Agreement. The State of [name of Settling State] and/or any Participating Manufacturer may apply to the Court at any time for further orders and directions as may be necessary or appropriate for the implementation and enforcement of this Consent Decree and Final Judgment. Provided, however, that with regard to subsections V(A) and V(H) of this Consent Decree and Final Judgment, the Attorney General shall issue a cease and desist demand to the Participating Manufacturer that the Attorney General believes is in violation of either of such sections at least ten Business Days before the Attorney

General applies to the Court for an order to enforce such subsections, unless the Attorney General reasonably determines that either a compelling time-sensitive public health and safety concern requires more immediate action or the Court has previously issued an Enforcement Order to the Participating Manufacturer in question for the same or a substantially similar action or activity. For any claimed violation of this Consent Decree and Final Judgment, in determining whether to seek an order for monetary, civil contempt or criminal sanctions for any claimed violation, the Attorney General shall give good-faith consideration to whether: (1) the Participating Manufacturer that is claimed to have committed the violation has taken appropriate and reasonable steps to cause the claimed violation to be cured, unless that party has been guilty of a pattern of violations of like nature; and (2) a legitimate, good-faith dispute exists as to the meaning of the terms in question of this Consent Decree and Final Judgment. The Court in any case in its discretion may determine not to enter an order for monetary, civil contempt or criminal sanctions.

B. This Consent Decree and Final Judgment is not intended to be, and shall not in any event be construed as, or deemed to be, an admission or concession or evidence of (1) any liability or any wrongdoing whatsoever on the part of any Released Party or that any Released Party has engaged in any of the activities barred by this Consent Decree and Final Judgment; or (2) personal jurisdiction over any person or entity other than the Participating Manufacturers. Each Participating Manufacturer specifically disclaims and denies any liability or wrongdoing whatsoever with respect to the claims and allegations asserted against it in this action, and has stipulated to the entry of this Consent Decree and Final Judgment solely to avoid the further expense, inconvenience, burden and risk of litigation.

C. Except as expressly provided otherwise in the Agreement, this Consent Decree and Final Judgment shall not be modified (by this Court, by any other court or by any other means) unless the party seeking modification demonstrates, by clear and convincing evidence, that it will suffer irreparable harm from new and unforeseen conditions. Provided, however, that the provisions of sections III, V, VI and VII of this Consent Decree and Final Judgment shall in no event be subject to modification without the consent of the State of [name of Settling State] and all affected Participating Manufacturers. In the event that any of the sections of this Consent Decree and Final Judgment enumerated in the preceding sentence are modified by this Court, by any other court or by any other means without the consent of the State of [name of Settling State] and all affected Participating Manufacturers, then this Consent Decree and Final Judgment shall be void and of no further effect. Changes in the economic conditions of the parties shall not be grounds for modification. It is intended that the Participating Manufacturers will comply with this Consent Decree and Final Judgment as originally entered, even if the Participating Manufacturers' obligations hereunder are greater than those imposed under current or future law (unless compliance with this Consent Decree and Final Judgment would violate such law). A change in law that results, directly or indirectly, in more favorable or beneficial treatment of any one or more of the Participating Manufacturers shall not support modification of this Consent Decree and Final Judgment.

D. In any proceeding which results in a finding that a Participating Manufacturer violated this Consent Decree and Final Judgment, the Participating Manufacturer or Participating

Manufacturers found to be in violation shall pay the State's costs and attorneys' fees incurred by the State of [name of Settling State] in such proceeding.

E. The remedies in this Consent Decree and Final Judgment are cumulative and in addition to any other remedies the State of [name of Settling State] may have at law or equity, including but not limited to its rights under the Agreement. Nothing herein shall be construed to prevent the State from bringing an action with respect to conduct not released pursuant to the Agreement, even though that conduct may also violate this Consent Decree and Final Judgment. Nothing in this Consent Decree and Final Judgment is intended to create any right for [name of Settling State] to obtain any Tobacco Product formula that it would not otherwise have under applicable law.

F. No party shall be considered the drafter of this Consent Decree and Final Judgment for the purpose of any statute, case law or rule of interpretation or construction that would or might cause any provision to be construed against the drafter. Nothing in this Consent Decree and Final Judgment shall be construed as approval by the State of [name of Settling State] of the Participating Manufacturers' business organizations, operations, acts or practices, and the Participating Manufacturers shall make no representation to the contrary.

G. The settlement negotiations resulting in this Consent Decree and Final Judgment have been undertaken in good faith and for settlement purposes only, and no evidence of negotiations or discussions underlying this Consent Decree and Final Judgment shall be offered or received in evidence in any action or proceeding for any purpose. Neither this Consent Decree and Final Judgment nor any public discussions, public statements or public comments with respect to this Consent Decree and Final Judgment by the State of [name of Settling State] or any Participating Manufacturer or its agents shall be offered or received in evidence in any action or proceeding for any purpose other than in an action or proceeding arising under or relating to this Consent Decree and Final Judgment.

H. All obligations of the Participating Manufacturers pursuant to this Consent Decree and Final Judgment (including, but not limited to, all payment obligations) are, and shall remain, several and not joint.

I. The provisions of this Consent Decree and Final Judgment are applicable only to actions taken (or omitted to be taken) within the States. Provided, however, that the preceding sentence shall not be construed as extending the territorial scope of any provision of this Consent Decree and Final Judgment whose scope is otherwise limited by the terms thereof.

J. Nothing in subsection V(A) or V(H) of this Consent Decree shall create a right to challenge the continuation, after the MSA Execution Date, of any advertising content, claim or slogan (other than use of a Cartoon) that was not unlawful prior to the MSA Execution Date.

K. If the Agreement terminates in this State for any reason, then this Consent Decree and Final Judgment shall be void and of no further effect.

VII. FINAL DISPOSITION

A. The Agreement, the settlement set forth therein, and the establishment of the escrow provided for therein are hereby approved in all respects, and all claims are hereby dismissed with prejudice as provided therein.

B. The Court finds that the person[s] signing the Agreement have full and complete authority to enter into the binding and fully effective settlement of this action as set forth in the Agreement. The Court further finds that entering into this settlement is in the best interests of the State of [name of Settling State].

LET JUDGMENT BE ENTERED ACCORDINGLY

DATED this _____ day of _____, 1998

EXHIBIT E

NOTICES

NAAG

Executive Director
750 First Street, N.E.
Suite 1100
Washington, DC 20002

PHO: (202) 326-6053
FAX: (202) 408-6999

Escrow Agent

[to come]

Alabama

Honorable Bill Pryor
Attorney General of Alabama
Office of the Attorney General
State House
11 South Union Street
Montgomery, AL 36130

PHO: (334) 242-7300
FAX: (334) 242-4891

Alaska

Honorable Bruce M. Botelho
Attorney General of Alaska
Office of the Attorney General
Post Office Box 110300
Diamond Courthouse
Juneau, AK 99811-0300

PHO: (907) 465-3600
FAX: (907) 465-2075

American Samoa

Honorable Toetagata Albert Mailo
Attorney General of American Samoa
Office of the Attorney General
Post Office Box 7
Pago Pago, AS 96799

PHO: (684) 633-4163
FAX: (684) 633-1838

Arizona

Honorable Grant Woods
Attorney General of Arizona
Office of the Attorney General
1275 West Washington Street
Phoenix, AZ 85007

PHO: (602) 542-4266
FAX: (602) 542-4085

Arkansas	Honorable Winston Bryant Attorney General of Arkansas Office of the Attorney General 200 Tower Building, 323 Center Street Little Rock, AR 72201-2610	PHO: (501) 682-2007 FAX: (501) 682-8084
California	Honorable Daniel E. Lungren Attorney General of California Office of the Attorney General 1300 I Street, Suite 1740 Sacramento, CA 95814	PHO: (916) 324-5437 FAX: (916) 324-6734
Colorado	Honorable Gale A. Norton Attorney General of Colorado Office of the Attorney General Department of Law 1525 Sherman Street Denver, CO 80203	PHO: (303) 866-3052 FAX: (303) 866-3955
Connecticut	Honorable Richard Blumenthal Attorney General of Connecticut Office of the Attorney General 55 Elm Street Hartford, CT 06141-0120	PHO: (860) 808-5318 FAX: (860) 808-5387
Delaware	Honorable M. Jane Brady Attorney General of Delaware Office of the Attorney General Carvel State Office Building 820 North French Street Wilmington, DE 19801	PHO: (302) 577-8400 FAX: (302) 577-2610
District of Columbia	Honorable John M. Ferren District of Columbia Corporation Counsel Office of the Corporation Counsel 441 4th Street NW Washington, DC 20001	PHO: (202) 727-6248 FAX: (202) 347-9822
Georgia	Honorable Thurbert E. Baker Attorney General of Georgia Office of the Attorney General 40 Capitol Square, S.W. Atlanta, GA 30334-1300	PHO: (404) 656-4585 FAX: (404) 657-8733

Guam	Honorable Robert H. Kono Acting Attorney General of Guam Office of the Attorney General Judicial Center Building 120 West O'Brien Drive Agana, GU 96910	PHO: (671) 475-3324 FAX: (671) 472-2493
Hawaii	Honorable Margery S. Bronster Attorney General of Hawaii Office of the Attorney General 425 Queen Street Honolulu, HI 96813	PHO: (808) 586-1282 FAX: (808) 586-1239
Idaho	Honorable Alan G. Lance Attorney General of Idaho Office of the Attorney General Statehouse P.O. Box 83720 Boise, ID 83720-0010	PHO: (208) 334-2400 FAX: (208) 334-2530
Illinois	Honorable Jim Ryan Attorney General of Illinois Office of the Attorney General James R. Thompson Center 100 West Randolph Street Chicago, IL 60601	PHO: (312) 814-2503 FAX: (217)785-2551
Indiana	Honorable Jeffrey A. Modisett Attorney General of Indiana Office of the Attorney General Indiana Government Center South Fifth Floor 402 West Washington Street Indianapolis, IN 46204	PHO: (317) 233-4386 FAX: (317) 232-7979
Iowa	Honorable Tom Miller Attorney General of Iowa Office of the Attorney General Hoover State Office Building Des Moines, IA 50319	PHO: (515) 281-3053 FAX: (515) 281-4209
Kansas	Honorable Carla J. Stovall Attorney General of Kansas Office of the Attorney General Judicial Building 301 West Tenth Street Topeka, KS 66612-1597	PHO: (913) 296-2215 FAX: (913) 296-6296

Kentucky	Honorable Albert Benjamin “Ben” Chandler III Attorney General of Kentucky Office of the Attorney General State Capitol, Room 116 Frankfort, KY 40601	PHO: (502) 564-7600 FAX: (502) 564-8310
Louisiana	Honorable Richard P. Ieyoub Attorney General of Louisiana Office of the Attorney General Department of Justice Post Office Box 94095 Baton Rouge, LA 70804-4095	PHO: (504) 342-7013 FAX: (504) 342-8703
Maine	Honorable Andrew Ketterer Attorney General of Maine Office of the Attorney General State House Station Six Augusta, ME 04333	PHO: (207) 626-8800 FAX: (207) 287-3145
Maryland	Honorable J. Joseph Curran Jr. Attorney General of Maryland Office of the Attorney General 200 Saint Paul Place Baltimore, MD 21202-2202	PHO: (410) 576-6300 FAX: (410) 333-8298
Massachusetts	Honorable Scott Harshbarger Attorney General of Massachusetts Office of the Attorney General One Ashburton Place Boston, MA 02108-1698	PHO: (617) 727-2200 FAX: (617) 727-3251
Michigan	Honorable Frank J. Kelley Attorney General of Michigan Office of the Attorney General Post Office Box 30212 525 West Ottawa Street Lansing, MI 48909-0212	PHO: (517) 373-1110 FAX: (517) 373-3042
Minnesota	Honorable Hubert H. Humphrey III Attorney General of Minnesota 102 State Capitol St. Paul, MN 55155	PHO: (651) 296-6196 FAX: (612) 297-4193

Mississippi	Honorable Michael C. Moore Attorney General of Mississippi P.O. Box 220 Jackson, MS 39201-0220	PHO: (601) 359-3680 FAX: (601) 359-4231
Missouri	Honorable Jeremiah W. (Jay) Nixon Attorney General of Missouri Office of the Attorney General Supreme Court Building 207 West High Street Jefferson City, MO 65101	PHO: (573) 751-3321 FAX: (573) 751-0774
Montana	Honorable Joseph P. Mazurek Attorney General of Montana Office of the Attorney General Justice Building, 215 North Sanders Helena, MT 59620-1401	PHO: (406) 444-2026 FAX: (406) 444-3549
Nebraska	Honorable Don Stenberg Attorney General of Nebraska Office of the Attorney General State Capitol Post Office Box 98920 Lincoln, NE 68509-8920	PHO: (402) 471-2682 FAX: (402) 471-3820
Nevada	Honorable Frankie Sue Del Papa Attorney General of Nevada Office of the Attorney General Old Supreme Court Building 100 North Carson Street Carson City, NV 89701	PHO: (702) 687-4170 FAX: (702) 687-5798
New Hampshire	Honorable Philip T. McLaughlin Attorney General of New Hampshire Office of the Attorney General State House Annex, 25 Capitol Street Concord, NH 03301-6397	PHO: (603) 271-3658 FAX: (603) 271-2110
New Jersey	Honorable Peter Verniero Attorney General of New Jersey Office of the Attorney General Richard J. Hughes Justice Complex 25 Market Street, CN 080 Trenton, NJ 08625	PHO: (609) 292-4925 FAX: (609) 292-3508

New Mexico	Honorable Tom Udall Attorney General of New Mexico Office of the Attorney General Post Office Drawer 1508 Santa Fe, NM 87504-1508	PHO: (505) 827-6000 FAX: (505) 827-5826
New York	Honorable Dennis C. Vacco Attorney General of New York Office of the Attorney General Department of Law – The Capitol 2nd Floor Albany, NY 12224	PHO: (518) 474-7330 FAX: (518) 473-9909
North Carolina	Honorable Michael F. Easley Attorney General of North Carolina Office of the Attorney General Department of Justice Post Office Box 629 Raleigh, NC 27602-0629	PHO: (919) 716-6400 FAX: (919) 716-6750
North Dakota	Honorable Heidi Heitkamp Attorney General of North Dakota Office of the Attorney General State Capitol 600 East Boulevard Avenue Bismarck, ND 58505-0040	PHO: (701) 328-2210 FAX: (701) 328-2226
N. Mariana Islands	Honorable Sally Pfund (Acting) Attorney General of the Northern Mariana Islands Office of the Attorney General Administration Building Saipan, MP 96950	PHO: (670) 664-2341 FAX: (670) 664-2349
Ohio	Honorable Betty D. Montgomery Attorney General of Ohio Office of the Attorney General State Office Tower 30 East Broad Street Columbus, OH 43266-0410	PHO: (614) 466-3376 FAX: (614) 466-5087
Oklahoma	Honorable W.A. Drew Edmondson Attorney General of Oklahoma Office of the Attorney General State Capitol, Room 112 2300 North Lincoln Boulevard Oklahoma City, OK 73105	PHO: (405) 521-3921 FAX: (405) 521-6246

Oregon	Honorable Hardy Myers Attorney General of Oregon Office of the Attorney General Justice Building 1162 Court Street NE Salem, OR 97310	PHO: (503) 378-6002 FAX: (503) 378-4017
Pennsylvania	Honorable Mike Fisher Attorney General of Pennsylvania Office of the Attorney General Strawberry Square Harrisburg, PA 17120	PHO: (717) 787-3391 FAX: (717) 783-1107
Puerto Rico	Honorable José A. Fuentes-Agostini Attorney General of Puerto Rico Office of the Attorney General Post Office Box 192 San Juan, PR 00902-0192	PHO: (787) 721-7700 FAX: (787) 724-4770
Rhode Island	Honorable Jeffrey B. Pine Attorney General of Rhode Island Office of the Attorney General 150 South Main Street Providence, RI 02903	PHO: (401) 274-4400 FAX: (401) 222-1302
South Carolina	Honorable Charlie Condon Attorney General of South Carolina Office of the Attorney General Rembert C. Dennis Office Building Post Office Box 11549 Columbia, SC 29211-1549	PHO: (803) 734-3970 FAX: (803) 253-6283
South Dakota	Honorable Mark Barnett Attorney General of South Dakota Office of the Attorney General 500 East Capitol Pierre, SD 57501-5070	PHO: (605) 773-3215 FAX: (605) 773-4106
Tennessee	Honorable John Knox Walkup Attorney General of Tennessee Office of the Attorney General 500 Charlotte Avenue Nashville, TN 37243	PHO: (615) 741-6474 FAX: (615) 741-2009

West Virginia

Honorable Darrell V. McGraw Jr.
Attorney General of West Virginia
Office of the Attorney General
State Capitol
1900 Kanawha Boulevard East
Charleston, WV 25305

PHO: (304) 558-2021
FAX: (304) 558-0140

Wisconsin

Honorable James E. Doyle
Attorney General of Wisconsin
Office of the Attorney General
State Capitol
Post Office Box 7857
Suite 114 East
Madison, WI 53707-7857

PHO: (608) 266-1221
FAX: (608) 267-2779

Wyoming

Honorable Gay Woodhouse
Acting Attorney General of Wyoming
Office of the Attorney General
State Capitol Building
Cheyenne, WY 82002

PHO: (307) 777-7841
FAX: (307) 777-6869

For United States Tobacco Company and its subsidiaries,
United States Tobacco Manufacturing Company Inc.
and United States Tobacco Sales and Marketing Company Inc.:

Richard H. Verheij
Executive Vice President and General Counsel
UST Inc.
100 West Putnam Avenue
Greenwich, CT 06830
Tel: 203-661-1100
Fax: 203-661-5613

With a copy to:

Peter J. McKenna
Skadden, Arps, Slate, Meagher & Flom LLP
919 Third Avenue
New York, NY 10022
Tel: 212-735-3000
Fax: 212-735-2000

EXHIBIT F

FORMULA FOR CALCULATING INFLATION ADJUSTMENTS

(1) Any amount that, in any given year, is to be adjusted for inflation pursuant to this Exhibit (the "Base Amount") shall be adjusted upward by adding to such Base Amount the Inflation Adjustment.

(2) The Inflation Adjustment shall be calculated by multiplying the Base Amount by the Inflation Adjustment Percentage applicable in that year.

(3) The Inflation Adjustment Percentage applicable to payments due in the year 2000 shall be equal to the greater of 3% or the CPI%. For example, if the Consumer Price Index for December 1999 (as released in January 2000) is 2% higher than the Consumer Price Index for December 1998 (as released in January 1999), then the CPI% with respect to a payment due in 2000 would be 2%. The Inflation Adjustment Percentage applicable in the year 2000 would thus be 3%.

(4) The Inflation Adjustment Percentage applicable to payments due in any year after 2000 shall be calculated by applying each year the greater of 3% or the CPI% on the Inflation Adjustment Percentage applicable to payments due in the prior year. Continuing the example in subsection (3) above, if the CPI% with respect to a payment due in 2001 is 6%, then the Inflation Adjustment Percentage applicable in 2001 would be 9.1800000% (an additional 6% applied on the 3% Inflation Adjustment Percentage applicable in 2000), and if the CPI% with respect to a payment due in 2002 is 4%, then the Inflation Adjustment Percentage applicable in 2002 would be 13.5472000% (an additional 4% applied on the 9.1800000% Inflation Adjustment Percentage applicable in 2001).

(5) "Consumer Price Index" means the Consumer Price Index for All Urban Consumers as published by the Bureau of Labor Statistics of the U.S. Department of Labor (or other similar measures agreed to by the Settling States and the Participating Manufacturers).

(6) The "CPI%" means the actual total percent change in the Consumer Price Index during the calendar year immediately preceding the year in which the payment in question is due.

(7) Additional Example.

Calculating the Inflation Adjustment Percentages:

Payment Year	Hypothetical CPI%	Percentage to be applied on the Inflation Adjustment Percentage for the prior year (i.e., the greater of 3% or the CPI%)	Inflation Adjustment Percentage
2000	2.4%	3.0%	3.0000000%
2001	2.1%	3.0%	6.0900000%
2002	3.5%	3.5%	9.8031500%
2003	3.5%	3.5%	13.6462603%
2004	4.0%	4.0%	18.1921107%
2005	2.2%	3.0%	21.7378740%
2006	1.6%	3.0%	25.3900102%

EXHIBIT G

ATTORNEYS FEES

The Original Participating Manufacturer will pay, in the manner and at the times set forth below, the sum of \$5 million as attorneys fees for outside counsel, if any, retained by the Settling States in connection with the actions identified in Exhibit A. The \$5 million will be paid into an attorney escrow fund the later of (a) 30 days after Final Approval or (b) \$2.5 million on November 23, 1999 and \$2.5 million on November 23, 2000.

Payment of the foregoing amounts to the fund shall be full satisfaction of the Original Participating Manufacturer's obligations for attorneys' fees under the Agreement. Should any dispute arise after such payments, including any dispute in connection with the disbursement of the funds, the Settling States and their attorneys agree, jointly and severally, to hold the Original Participating Manufacturer harmless in respect thereto.

In the event that any monies paid into the fund are not disbursed by December 31, 2002, the remaining monies in the fund shall be paid to the Foundation.